

## DOVER DISTRICT COUNCIL

## BUSINESS PLAN 2002/3-2032/33

**1.0 Executive Summary**

- 1.1** This Business Plan takes into account the requirements of the DETR Guidance on Business Plans as part of the New Financial Framework for Local Authority Housing and other subsidiary guidance. In accordance with these requirements the Plan concentrates upon the Dover District Council Housing Service and its housing stock. It is however strongly influenced by and contributes to, inter alia, the wider Housing Strategy and corporate strategies of the Council, including the Best Value Fundamental Service Review process. It builds upon and supersedes the Business Plan for 2001/2.

This Business Plan will form part of the HIP 2001 submission to the DETR. It uses the year 2001/2 as its base year and its first year of operation the year 2002/3. The overall plan timescale is projected over 30 years. It is a somewhat hybrid document however in that its Action Plan deals partly with action which would already have been set out in the Business Plan 2001 had the process been in existence in any detailed way for more than one year. This is inevitable in the early period of what will become a rolling process, with the first projected year of the latest Plan becoming the base year for the next one and so on, subject to the review of outcomes and performance in that year.

Note has been taken in preparing this Plan of the recent further guidance from the Government Office for the South East on the essential issues to be included. Section 3 below refers to the documents and other information which feed into the Plan and which this Plan in turn helps to inform and develop. The Plan does not repeat all of the information contained in those other documents and sources. However, it was felt that a sufficient summary would be advantageous to complete the context within which the Plan must operate and inform those to whom this Plan has been supplied for comment and consultation, without the need for significant reference to other sources of information.

The study has also included examination of the options appraisal undertaken by KPMG for the Council in March 2000.

**1.2 Overall Mission Statement and Key Objectives**

Within the overall framework of the Council's strategic corporate objectives, to provide a high quality housing service which enables access for those who cannot afford market prices to a good quality home and a healthy living environment.

The Plan sets out in Section 2, which follows 5 Key Objectives, the way for achieving that overall purpose.

### 1.3 Summary of key findings: -

- Over the first 10 years alone of the 30 year Plan period there will be a projected £21.2 Million under funding of investment in the Council's housing stock in the light of resources likely to be available to the Housing Revenue Account and assessed expenditure needs.
- The Government's proposals for rent restructuring are likely to have an adverse impact upon the ability of the Council to increase resources for repair and improvement of the housing stock.
- Consultants have recently completed a Housing Needs Survey jointly commissioned by Housing and Planning Sections. Initial findings indicate a level of need for affordable housing which cannot be met in the 5-year period recommended by Government. The Survey identifies a mismatch between the size, type and location of dwellings in the stock of all sectors, and the size, type and location of the demand expressed by existing and newly formed households. The findings drew particular attention to the under supply of flats in all sectors of housing.
- There is an affordability problem in the district for low-income households and access to owner occupation was beyond the reach of a sizeable proportion of concealed households. However, there is a need for low-cost market housing particularly to meet the need for smaller dwellings.
- Unemployment levels in the District are significantly above the regional and national averages and income levels are below the regional average.
- The level of RTB sales highlights a major reduction in the stock of houses, which is particularly detrimental as it reflects a reduction in the amount of family housing in the district for which there is a strong demand.
- The number of households accepted as being unintentionally homeless and in priority need has continued at a high level during the past 10 years, even after taking account of asylum seekers between 1996 and 2000.

### 1.4 Investment Strategy

The current maintenance and improvement priorities have been determined by a stock condition survey, first completed in 1988, and updated annually. A new stock condition survey is being undertaken under resource accounting principles, which will amend the maintenance priorities. This data informs the development of the Five-Year Planned Maintenance Programme, which seeks to focus resources on the areas that will benefit most from the maintenance or improvement works, thus achieving value for money.

The maintenance and improvement priorities currently include the transfer to a Housing Association, of system-built properties, the replacement of windows and doors in UPVC, the introduction of a new programme of kitchen and bathroom improvements and the renewal of central heating installations. In addition to this there is a ten-year energy efficiency programme, which aims to raise the energy rating by 17% and reduce carbon dioxide emissions by 20%.

Tenant consultation has led to the cessation of painting, where windows and doors are to be replaced, and the money saved redirected into the contract for replacing windows and doors. Estate Environmental Improvements involves liaising with other agencies to provide a co-ordinated approach to designing out crime, where possible. A Tenant's Compact is being introduced, one of the aims is to involve groups of local residents in the issues that affect them by giving them a budget and the authority to action work in the areas where they live. Adapting homes for people with special needs also forms a high priority for the Council, with the aim of enabling tenants to live in their homes for as long as practicably possible.

The Council is seeking to work in partnership with its contractors by developing long-term schedule of rate contracts, which helps foster a team approach. Research is being undertaken into refurbishing sheltered housing schemes under a formal partnering contract. New contracts are now assessed for both quality and price, and awarded on Best Value principles rather than solely on the lowest price.

## **1.5 Conclusion**

The appraisal clearly identifies under investment in the housing stock over the life of the Business Plan. Although much can change over 30 years it is difficult to see that a policy of stock retention will achieve the objectives of the Plan due to lack of resources. It is therefore considered necessary to continue exploring other options and further research into Arms Length Housing Company is proposed in order to establish whether this is a viable way forward.

## **1.6 Action Plan**

The maintenance priorities contained in the action plan target three main areas, the renewal of ageing central heating installations, structural wall repairs and the renewal of windows and doors in UPVC with double glazed units. Improvement works are targeted at the refurbishment of the "No-fines" flats, the development of a programme of kitchen and bathroom improvements, the aim to install central heating in all the remaining Council dwellings, including cavity and loft insulation, by 2020, and ensuring that each Council dwelling has suitably located facilities.

Management of the Council's housing properties is to be driven by ensuring that the stock condition survey is updated annually, which will amend the investment strategy. New ways of procuring works are to be investigated, including Partnering and the development of Egan principles. As part of this process the existing benchmarking with other organisation is to be developed further. Following completion of the Construction Best Value Review, the service is to be continually reviewed and improvements made where possible.

Estate Environmental Improvements are to continue by targeting the St Radigunds and Lower Buckland estates in consultation with other agencies. In addition to this the Golf Road Community Project is to be progressed.

Consultation on sheltered housing schemes are to be developed further by increasingly involving tenants in the initial design proposals.

The Best Value Review of Housing Management is due for completion in September 2001 and the resultant action plan will contribute to improving services.

Best Practice and Best Value principles will continue to be used to ensure that rents and service charges are collected in a fair but efficient manner and that void losses are kept to a minimum. Preparatory work for the smooth implementation of Social rent Reform and Supporting People is underway.

Following research into a number of areas, work will be developed to improve quality of life on estates by promoting sustainable lettings and social inclusion and by piloting employment of neighbourhood wardens and taking firm action to deal with antisocial behaviour and vandalism.

## **Summary of Decent Home Definition**

The following is a précis of the definition contained in the 2001 Housing Investment Programme Guidance Note (Annex D) for a decent home.

A “decent home” is defined as one which meets all of the following criteria:

- Is above the current statutory minimum standard for housing
- Is in a reasonable state of repair
- Has modern facilities and services
- Provides a reasonable degree of thermal comfort

### **Criterion 1: is above the current statutory minimum standard for housing**

The current minimum standard for housing is the fitness standard. A dwelling is fit for human occupation unless it fails to meet one or more of the following requirements:

- It is structurally stable
- It is free from disrepair
- It is free from dampness prejudicial to health of occupants (if any)
- It has adequate provision for lighting, heating and ventilation
- It has an adequate piped supply of wholesome water
- There are satisfactory facilities in the dwelling house for the preparation and cooking of food, including a sink with a satisfactory supply of hot and cold water
- It has a suitably located WC for the exclusive use of the occupants (if any), a suitably located fixed bath or shower and wash-hand basin, each of which is provided with a satisfactory supply of hot and cold water
- It has an effective system for the draining of foul, waste and surface water

The Housing Health and Safety Rating System (HHSRS) is an evidence based tool for assessing the risks to health and safety of housing condition and design, and is seen as the basis for the replacement of the current fitness standard under the Housing Act 1985. At the current time, enforcement remains on the basis of the Fitness Standard.

### **Criterion 2: is in a reasonable state of repair**

Dwellings which fail this criterion are those where either:

- One or more key building components (the structure, roof covering, chimneys, windows, doors, kitchens, heating systems etc.) are old and in poor condition; or
- Two or more other building components are old and in poor condition.

Reference should be made to the original document for the definitions of old and in poor condition.

### **Criterion 3: has modern facilities and services**

A decent home must have reasonably modern facilities and services. A dwelling is defined as non-decent if it lacks three or more of the following:

- A modern kitchen (one in which the cupboards, worktop, sink are 20 years old or less)
- A kitchen with adequate space and layout
- A modern bathroom (one in which the bath, shower, wash-hand basin, WC are 30 Years old or less)
- An appropriately located bathroom and WC
- Adequate noise insulation (where external noise/neighbour noise is a problem)
- Adequate size and layout of common areas for blocks of flats

**Criterion 4: provides a reasonable degree of thermal comfort**

A dwelling will fail this criterion, and therefore the decent home standard, if the occupying household is “fuel poor”. Fuel poverty is dependant not only on the energy efficiency of the home (e.g. the SAP rating) but also the circumstances of the household (including household composition and income). A household is defined as fuel poor if they need to spend 10% or more of their income on achieving a reasonable heating regime.

It is not straightforward and not always possible to obtain household type or income. It is therefore possible to use the following table to estimate the level and location of fuel poverty in the stock by relating it to the SAP rating:

<u>SAP rating</u>	<u>% households who are fuel poor</u>
20 or less	81
21 – 30	67
31 – 40	42
41 – 50	32
51 – 60	18
61 or more	10

**TABLE 1**

**Stock Investment Needs**

The following table contains a summary of the whole stock investment needs arising from the recently completed survey conducted into stock condition by Michael Dyson Associates in conjunction with King Sturge.

CATEGORY	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30
Catch up repairs/renewals	£22,486,308	£0	£0	£0	£0	£0
Programmed renewals	£0	£18,950,621	£15,677,679	£17,092,364	£19,620,509	£16,711,203
Garages	£582,834	£554,599	£542,035	£238,935	£96,462	£242,712
Contingency (3%)	£692,074	£585,157	£486,591	£519,939	£591,509	£508,617
Preliminaries (10%, 7%)	£2,376,122	£1,406,326	£1,169,441	£1,249,587	£1,421,594	£1,222,377
<b>Sub total</b>	<b>£26,137,338</b>	<b>£21,496,703</b>	<b>£17,875,747</b>	<b>£19,100,825</b>	<b>£21,730,074</b>	<b>£18,684,910</b>
Cyclical maintenance	£4,413,335	£3,972,000	£3,972,000	£3,972,000	£3,972,000	£3,972,000
Responsive maintenance	£6,100,000	£6,100,000	£6,100,000	£6,100,000	£6,100,000	£6,100,000
Voids maintenance	£1,302,000	£1,302,000	£1,302,000	£1,302,000	£1,302,000	£1,302,000
Improvements	£11,263,787	£0	£0	£0	£0	£0
<b>Total</b>	<b>£49,216,460</b>	<b>£32,870,703</b>	<b>£29,249,747</b>	<b>£30,474,825</b>	<b>£33,104,074</b>	<b>£30,058,910</b>

## BUSINESS PLAN FOR THE HRA – 2002/2032

**1.0 Conclusion and Action Plans****10.1 Conclusion**

The appraisal clearly identifies under investment in the housing stock over the life of the Business Plan. Although much can change over 30 years it is difficult to see that a policy of stock retention will achieve the objectives of the Plan due to lack of resources. It is therefore considered necessary to continue exploring other options and further research into Arms Length Housing Company is proposed in order to establish whether this is a viable way forward.

**10.2 Action Plans****Review of the 2000/2001 Action Plan**

The Action Plan for the financial year 2000/2001 itemised six elements programmed for the year. The letters A – F, identified these; the progress towards them is discussed below:

- A A full stock condition survey has been completed together with a valuation and these details form the basis for the financial model and action points for the coming year.
- B A detailed survey of the Housing Needs of the District was commissioned in December 2000, carried out in February 2001 and the final report produced in July 2001. The survey was jointly commissioned by Housing and Planning Officers and will provide a firm foundation for developing a fresh Housing Strategy and securing increased affordable housing through the Planning system.
- C Although consideration was given to combining Best Value reviews relating to housing services, it was not feasible, because of the number of staff and disciplines involved and the workload. It would not have been possible to review services in sufficient depth in combination. The Review of Community Care will be carried out in 2002/03, and Homelessness and Housing Strategy will be reviewed in 2004/05.
- D Performance Indicators are monitored on a quarterly basis and budget monitoring is in place. In most areas monitoring of customer satisfaction has been introduced.
- E Work has started on collecting data for Asset Management and Review of the non-housing land and properties commenced in 2001.
- F An investment strategy has been written and incorporated into the current Business Plan.

## ACTION PLAN FOR 2001/2002

**KEY OBJECTIVE 1a:** The provision to modern standards of a sufficient and affordable number of well maintained and energy efficient dwellings for rent which meet the needs of current and future tenants, including in particular, those who have special support needs.

ACTION	TARGET
Develop Egan principles, including partnership working with contractors.	<p>Initiate a pilot project to investigate the possibility of a formal partnering agreement with a contractor for the refurbishment of a sheltered scheme.</p> <p>Develop and formalise the assessment of tenders on quality issues as well as price.</p> <p>Develop performance indicators to compare locally and nationally.</p>
Continue to develop Void Strategy to ensure minimum loss of rent through vacancy.	<p>Develop Best Practice and continue close working of Void Strategy Group.</p> <p>Reduce average relet time below 35 days by March 2002.</p> <p>Reduce percentage of rent lost through local authority dwellings becoming vacant below 1% by March 2002.</p>
Develop benchmarking groups with Kent Chief Maintenance Officers Group, other local groups and submit to the National Best Value Benchmarking Scheme.	Obtain comparative information from other organisations to provide a quantitative measurement of delivered value and help stimulate continuous improvement.
Continue to review the scheme for prioritising those on the waiting list for disabled adaptations in accordance with Circular 17/96, by December 2001.	Continue to target significant resources at adaptations for people with special needs to enable them to live in their homes for as long as possible.
Target resources, as a main priority, for the replacement of ageing central heating installations.	Maintain the central heating replacement numbers at 250 properties per annum to ensure all systems are replaced within twelve years, i.e. by the 2113/14 financial year, based on an annual budget of £660,000.

ACTION	TARGET
Target resources, as a secondary priority, at the refurbishment of "No-fines" system-built flats.	Externally insulate the "No-fines" system-built flats within a five-year time scale, so that all "No-fines" flats are refurbished by the 2006/07 financial year.
Target resources, as a third maintenance priority at the structural wall repairs budget to repair defective parapet at York Street, Dover and external wall repairs and repointing around the district.	To complete all identified structural wall repairs by the 2006/07 financial year, based on an annual budget of £250,000.
To ensure that all Council dwellings have access to an internal WC without going through a porch or conservatory.	Two dwellings have been identified and these properties will be altered during the current financial year so that they receive the benefit of internal access to their WC's.
Target resources at the installation of PVCU windows and doors by redirecting savings achieved from external decorations and associated repairs.	To replace all windows and doors in PVCU, where not restricted by conservation area status etc., by the 2005/06 financial year based on an annual budget of £1,150,000.

**KEY OBJECTIVE 1b:** Rationalisation of rents, service charges and rationalisation of other HRA charges to provide levels which can be easily justified related to tenants homes and the services they receive.

ACTION	TARGET
Implement the provisions of Social Rent Reform.	<p>Implement preparations and changes to IT system by January 2002.</p> <p>Commence implementation on new rent fixing method related to property value, County earnings and number of bedrooms by implementing the initial phase of increases and decreases with the annual increase in April 2002.</p> <p>Complete implementation including phased increases by Government timescale of March 2012.</p>

**ACTION****TARGET**

<p>Review Service Charges to relate as closely as possible to cost of services and to incorporate Supporting People initiative.</p>	<p>Review Service Charges during budget fixing cycle to achieve closer match with expenditure.</p> <p>Prepare for Supporting People working in close co-operation with Kent Commissioning Forum for Supporting Housing.</p> <p>Set up necessary IT changes to interface With Housing Benefits and implement proposals by March 2003.</p> <p>Review implementation of Supporting People Autumn 2004 and obtain approval for any necessary amendments.</p>
<p>Continue work on improving rent and service charge collection rate.</p>	<p>Continue staged Implementation of Audit Report recommendations to complete by March 2002.</p> <p>Benchmark and research Best Practice to improve procedures for collection and arrears control.</p> <p>Reduce current tenant arrears below 2% of rent roll by March 2002.</p> <p>Reduce percentage of tenants owing over 13 weeks rent to below 3% by March 2002.</p> <p>Research and implement other options to increase range of methods of payment by March 2002.</p> <p>Contribute to the Government review of Social Rent Reform during 2005/06.</p>

**KEY OBJECTIVE 2a:** Effective management of and investment in housing estates so as to secure an environment in which tenants are content to live.

<b>ACTION</b>	<b>TARGET</b>
Update the stock condition survey annually, for inclusion in Business Plan so that 100% of properties are surveyed over a five-year time scale.	Ensure that the management of the housing estates is kept up to date and relevant.
Annual review of the Investment Strategy for inclusion in the 2002/03 Business Plan, and subsequent years.	Ensure that the management of the housing estates is kept up to date and relevant.
Continue to give priority to investment in housing estates to provide a safe and secure environment in which tenants are content to live.	<p>Target resources at St Radigunds and Lower Buckland for Estate Environmental Improvements to include working with the SRB unit / Kent Constabulary Architectural Liaison Officer and Crime Reduction Officers.</p> <p>Work with the community and other Agencies to secure funding for Golf Road Community Project in Deal.</p>
Establish a programme of kitchen and bathroom improvements.	Pilot a scheme during 2001/02 to develop a long-term programme of works derived from the stock condition survey.
Research the options for delivering and funding neighbourhood management, particularly in those areas that show a high level of vandalism and anti-social behaviour.	<p>Develop proposals by April 2002 for scheme implementation by June 2002.</p> <p>Monitoring to be put in place from June 2002 and review the scheme by September 2003.</p>
Work towards policies to achieve sustainable lettings to produce stable communities. At the same time giving equality of access and maximum choice to those seeking Council housing.	<p>Research sustainable letting initiatives using Best Practice examples from other social landlords by March 2002.</p> <p>Implement new policies to comply with the Homeless Bill by Government timescales and improve choice and sustainability in lettings.</p> <p>Ensure equal opportunities, Human Rights Act and BME issues are incorporated in the revised Lettings Policy.</p>

**ACTION****TARGET**

<p>Work to promote sustainable communities, social inclusion and equal opportunities on housing estates.</p>	<p>In conjunction with the Equal Opportunities Task Force, work to develop policies by March 2002.</p> <p>Work with the East Kent Triangle partners (Canterbury City Council, Dover District Council and Thanet District Council) to develop a joint BME strategy.</p> <p>Continue to take a firm line on racial harassment and monitor progress.</p> <p>Ensure staff receive training on Human Rights Act, equal opportunities and are sensitive to BME issues.</p> <p>Continue to improve speed and effectiveness of dealing with anti-social behaviour.</p>
<p>Work with Asset Management Group to identify HRA land and property which is surplus to requirements.</p>	<p>Complete the initial review of the status of all HRA land and non-housing property by April 2003.</p> <p>Negotiate and complete the disposals arising from the initial review by April 2004.</p>
<p>Consider the options for the future provision of sheltered housing and support for elderly people.</p>	<p>Complete option appraisal by summer 2002.</p>

**KEY OBJECTIVE 2b: The provision of energy efficient dwellings.****ACTION****TARGET**

<p>To increase the number of central heating installations per annum to provide a central heating installation in every Council dwelling by 2020.</p>	<p>To install central heating in 105 new properties per annum, with an approximate annual budget of £300,000.</p> <p>To explore the possibilities of leasing central heating systems. Supply financial modelling over a long time frame to determine viability of the scheme.</p> <p>To provide affordable warmth and increase energy efficiency by 20% over a ten-year time scale.</p>
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**ACTION****TARGET**

<p>Provide cavity wall insulation and 200mm of loft insulation to all Council dwellings benefiting from central heating together with properties with a low energy rating.</p>	<p>To install cavity and loft insulation in all dwellings benefiting from new or replacement central heating systems, plus approximately 500 dwellings with low energy ratings. Approximate annual budget of £175,000.</p> <p>To provide affordable warmth and increase energy efficiency by 20% over a ten-year time scale.</p>
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**KEY OBJECTIVE 2c:** The provision of Best Value construction and housing management services.

ACTION	TARGET
Continue to develop the Best Value Review of construction services, which resulted in the various sections providing construction services within three departments being amalgamated, thus reducing management costs.	Assess feedback and continue the streamlining of the service under Best Value.
Continue work to achieve Best Value in the provision of the Housing Management Service.	<p>Complete HM Best Value Review by September 2001.</p> <p>Implement the Best Value Improvement Plan by the target dates contained in the plan.</p> <p>Benchmark with Kent Authorities and share Best Practice to identify areas of Housing Management Service that can be improved.</p>

**KEY OBJECTIVE 3:** Improvement of the role of tenants in the policy direction and management of the housing service and the design and implementation of service standards.

ACTION	TARGET
Increase the level of consultation regarding the next refurbishment of a sheltered housing scheme, involving tenants earlier on in the proposed designs regarding layout as well as colour choices etc.	To develop the already high level of client / tenant consultation in the design of refurbishment schemes.
Implement the Tenant's Compact, including a delegated area budget under the direct control of the District Tenant's Group.	Involvement of tenants in the decision making process.

**KEY OBJECTIVE 4:** Clearer separation of the wider strategic enabling role of the housing service from the direct management and landlord functions in order to secure more effective access to planning and allocation of resources.

ACTION	TARGET
Continue to develop the separation of the strategic enabling function from landlord services.	<p>Implement the recommendations of Working Group by December 2001.</p> <p>Create unit to cover strategy, policy and research work.</p>