



**Chester-le-Street**  
District Council

# HOUSING REVENUE ACCOUNT BUSINESS PLAN











**2005-2008**

## Foreword

As Leader of the Council I am pleased to introduce Chester-le-Street District Council's first 'Fit for Purpose' Housing Revenue Account Business Plan. The Housing Revenue Account Business Plan sets out how the Council will manage its housing stock for the next three years.

This is the first Housing Revenue Account Business Plan that Chester-le-Street District Council has produced. We have taken the opportunity to undertake a major re-evaluation of the Housing Service during the course of producing this plan. The plan has also been influenced by a range of other factors including:

-  Feedback from our tenants, following our 2002 Tenant Satisfaction Survey
-  Feedback from our tenants as part of the Stock Options Appraisal process
-  The report of the Stock Options Working Group
-  Progress being made on making all Council homes Decent
-  Review of housing subsidy by the Office of the Deputy Prime Minister
-  The publication of the Key Lines of Enquiry by the Audit Commission
-  The development of a Fit for Purpose Housing Strategy
-  The development of a Corporate Plan




Our stock options work in the last twelve months has allowed tenants to have a real say in shaping the future of the housing service. The Council has recently decided to transfer its housing stock, in accordance with the tenants' wishes, in order to secure a total investment of over £230 million over the next 30 years that will contribute significantly towards the regeneration of the whole District.

Our Housing Service has suffered in recent years from challenging inspection reports from the Audit Commission. However, the Council has responded positively to this challenge and last year made a commitment to significant and rapid service improvements, underlined by our intention to become a One-Star Service in 2006 and a Three-Star Service in the longer term. Our 'List of Achievements', set out in Appendix III at the end of this plan, illustrates the significant improvements we have made in the last twelve months.

The recent adoption by the Council of a, 'Customer Excellence Strategy', and the achievement of the 'Decent Homes Standard' by 2010 is the cornerstone of our commitment to our tenants about service quality in the future.

The Housing Service is about to undergo an unprecedented period of change, following the decision to transfer our housing stock. We will be applying to the Office of the Deputy Prime Minister to be allowed to go on the 2006 Transfer Programme with an expectation that the housing stock will transfer to a new not-for-profit organisation in 2007. Only by transferring the housing stock, can we access the funds that are necessary to meet our tenants' expectations and deliver service excellence.

Future Business Plans will be informed by and will respond to:

-  The results of the Tenants Ballot in 2006
-  The results of the Tenant Satisfaction Surveys that we will be carrying out every year from 2005
-  The results of the 2006 Housing Needs Survey

As a strategic housing authority, we look forward to working with our new housing partner, subject to a positive ballot result from tenants, in delivering key regeneration aims of the Council, to the benefit of all communities in Chester-le-Street.

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## **APPENDICES**

- Appendix I Glossary of Terms*
- Appendix II Structure of the Housing Service*
- Appendix III List of Achievements*

### *Technical Volumes*

- Technical Volume I Tenant Satisfaction Survey 2005*
- Technical Volume II Stock Condition Survey Report 2005*
- Technical Volume III HRA Business Plan Spreadsheet 2005*
- Technical Volume IV Performance Management Reports 2005/2006.*
- Technical Volume V 3 Year Capital Programme*
- Technical Volume VI Budget Book*
- Technical Volume VII Benchmarking Data*
- Technical Volume VIII Action Plan*





## Section 1

### Strategic Context





The purpose of this section is to set out how the Housing Revenue Account Business Plan supports the overall Housing Strategy for the District.

### Introduction

In developing our HRA Business Plan and setting out our priorities for the future, we have taken into account a range of external policy drivers at both a national, regional and local level, as set out below. Our

-  Officer-based Housing Strategy Working Group
-  Local council-based Health and Safety Overview and Scrutiny Panel and
-  Partner-based Local Strategic Partnership
-  Tenant-based Groups

have been the engine room for taking policy ideas and developing them into workable practical tasks. The priorities set out below have developed from a range of consultation exercises that the Council has sponsored over the last three years:

-  Partly around the stock option appraisal process
-  Partly from the results of the last tenant satisfaction survey
-  Partly from the detailed discussion that has taken place with tenants at the Tenants Panel and at Tenants and Resident Association meetings
-  Partly from work carried out with partners through the Street Safe initiative

Furthermore, in shaping our future plans, we have been proactive in responding to external advice from:

-  The Audit Commission
-  The Housing Inspectorate
-  The Monitoring Board

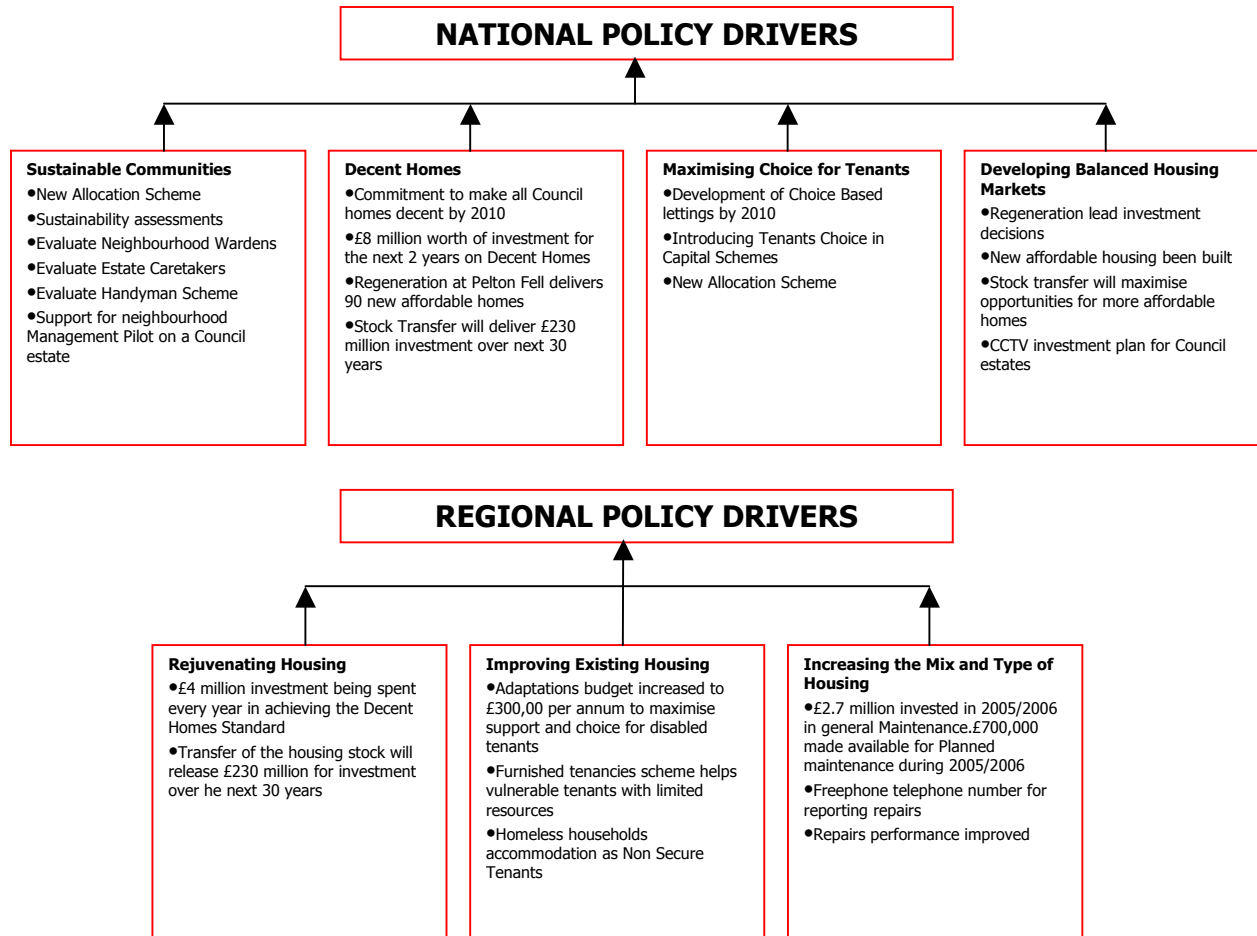
The Council has also given consideration to the requirements of the Key Lines of Enquiry and to other examples of best practice in giving final shape to its priorities.

We see the 2005 HRA Business Plan as a scene-setting document which will be developed over time to meet changing circumstances. Figure 1 overleaf, sets out how the Service will support both national and regional policy drivers.

The Service will make sure that it delivers its promises by developing a detailed action plan, which is set out at Appendix I at the end of this report. Our tenants and partners will be able to see, through our monitoring reports, how we are progressing in delivering on the promises we have made. We will also be developing a new range of

performance indicators from April 2006 that will act as a measure of how far we have improved service delivery.




**Figure 1: Policy Driver Framework**



**Local Strategic Partnership**







The District Partnership produced its first Community Strategy last year. The Business Plan actions for 2005 have been drafted to make sure that they support the key aims and priorities in the Community Strategy.

The District Partnership has been formally consulted on the Housing Revenue Account Business Plan, through the Key Policy Group for Environment and Housing. The Community Services Directorate will undertake the following tasks in support of the Community Strategy:

-  Set a framework for social rented accommodation within the District which supports meeting identified local housing needs
-  To attend all meetings of the Environment and Housing Key Policy Group
-  To develop and deliver action plans that support the Community Strategy



Work is currently under way on the following Service Actions that are incorporated within the Community Plan:

-  Establish a floating support scheme for homeless households in temporary accommodation
-  Develop a Fit for Purpose HRA Business Plan
-  Develop a Decent Homes Action Plan
-  Ballot the council tenants on LSVT proposals
-  Upgrade all sheltered accommodation to Disability Discrimination Act standards
-  Establish a Tenants Insurance Scheme for council tenants

To find out more about the Local Strategic Partnership contact:

Jeremy Brock            0191 387 2024            [jeremybrock@chester-le-street.gov.uk](mailto:jeremybrock@chester-le-street.gov.uk)

## **Corporate Priorities**

In its Corporate Plan 2005 to 2008, the Council has adopted a clear vision, '*Working Together to Fulfil The Needs of Our Communities*'. To achieve this, the Council has agreed seven priorities to help it focus. The Housing Service will undertake the following activities, in support of key objectives included within the Corporate Plan:

### **Customer Excellence**

- Deliver a One-Star rating for the entire Housing Service in 2006
- Deliver a Three-Star rating for the Housing Service in the longer term

### **Working in Partnership to achieve the Community Strategy**

- Implement the Stock Option Appraisal decision undertaking a ballot of tenants during 2006 in order to assess the support for transferring the stock to a not-for-profit landlord.

### **Meeting the Decent Homes Standard**

- Developing a Three-Year Housing Capital Programme
- Increasing investment to £4 million per year for the next three years

### **Regenerating the District**

- Supporting the housing-lead regeneration schemes at Pelton Fell and Pelton

## **Neighbourhood Management**

- Developing a pilot neighbourhood management initiative on a Council estate.

## **Maximising Efficiencies**

- Achieving upper quartile performance for all best value performance indicators over a three-year period










To find out more about the Council's Corporate Priorities contact:

Ian Forster                      0191 387 2130                      [ianforster@chester-le-street.gov.uk](mailto:ianforster@chester-le-street.gov.uk)

## **E-Government**

Chester-le-Street Housing Service is committed to providing electronic access to its services. During the last twelve months, the Service has contributed to the development of the Council's ICT and e-government strategies through the installation and upgrading of its Integrated Housing Management System.

In the next twelve months the Service will:

-  Introduce digital cameras for front-line staff
-  Develop a CCTV Strategy for our estates
-  Introduce SMART technology peripherals for our Careline Service, including fall monitors
-  Upgrade the Careline Console
-  Evaluate Document Image Processing
-  Develop a new website
-  Develop a Knowledge Centre
-  Pilot the use of text messaging to improve communication with tenants
-  Evaluate the establishment of a contact centre for tenants













Our Action Plan, at the end of this report, sets out our Service priorities for the next three years, to enable the Service to be fully e-enabled in accordance with Government timescales.

To find out more about the e-government contact:

Graeme Clark                      0191 387 2330                      [graemeclark@chester-le-street.gov.uk](mailto:graemeclark@chester-le-street.gov.uk)






## **Community Safety Strategy**

During 2005, the Community Services Directorate has supported the work of the Crime and Safety Partnership by:

-  Adopting an Anti-Social Behaviour Strategy for the Service
-  Supporting the undertaking of a Crime and Disorder Audit
-  Leading a Street Safe Initiative in Sacriston centered on two council estates
-  Leading a Street Safe initiative at Pelton
-  Installing 400 UPVC doors and windows with high-grade locks
-  Installing 1000 meters of new fencing to create defensible space
-  Issuing 211 letters to households exhibiting Anti-Social Behaviour
-  Formulating 42 Acceptable Behaviour Contracts
-  Evicting one household for Anti-Social Behaviour
-  Serving nine Notices to seek possession of properties for Anti-Social Behaviour
-  Appointing its own Anti-Social Behaviour Officer
-  Delivering Anti-Social behaviour awareness training for school children in co-operation with the Police.

The Service has recently contributed to the completion of a Crime and Disorder Audit in support of the preparation of the Crime Disorder and Substance Misuse Strategy 2005.

In the next twelve months the Service will:







-  Undertake a further Street Safe initiative in 2006
-  Develop a Neighbourhood Management initiative centred on a council estate
-  Install new UPVC windows and doors
-  Evaluate a Neighbourhood Warden Scheme
-  Establish a revised recording and monitoring system for anti-social behaviour

To find out more about Community Safety contact:

Mary Brennan            0191 387 2131            [marybrennan@chester-le-street.gov.uk](mailto:marybrennan@chester-le-street.gov.uk)

### **Affordable Warmth Strategy**

In 1996, the Council published its Home Energy Conservation Act Strategy. This was followed in 2001 by the formal adoption of an Affordable Warmth Strategy. Chester-le-Street District Council has, over the period since the Strategy was adopted, invested heavily in measures to improve the energy efficiency of the housing stock, including:

-  The installation of cavity wall insulation in all, but 200 homes
-  The installation of loft insulation in all, but 200 homes
-  The development of an Energy Efficiency Commitment partnership with Scottish Power
-  The replacement of coal-fired heating systems with gas
-  The installation of modern condensing boilers
-  The installation of UPVC windows and doors








The recently completed energy survey illustrates that the average SAP rating of council houses has increased from 49 to 64.5 over the last three years. The energy performance of council houses is now well above the national average.

To find out more about Affordable Warmth contact:

Andy Stephenson    0191 387 2134    [andystephenson@chester-le-street.gov.uk](mailto:andystephenson@chester-le-street.gov.uk)

## **Equalities and Diversity Agenda**

The Service is committed to supporting the Council in achieving Level 5 of the Equalities Standard over the next few years. The Service has already commenced undertaking awareness training for all its staff. Within the next twelve months, the Service will:

-  Complete Equality Impact Assessments for all its policies
-  Develop a Policy Register so that all policies can be formally reviewed on a regular basis for diversity issues
-  Upgrade all the lifts in its sheltered units
-  Increase funding for adaptations to £310,000 per annum
-  Consult communities about their housing preferences through the Allocation Scheme review
-  Review our tenant engagement strategies to secure representation from hard to reach groups, including the elderly, the disabled and B&ME households
-  Develop an Annual Tenancy Health check





The Housing Service no longer complies with the CRE Standard for Race Equality, due to its recent upgrading to include harassment. We have developed an Action Plan to secure compliance with this standard within the next twelve months.

To find out more about Diversity contact:






Julie Underwood    0191 387 2220    [julieunderwood@chester-le-street.gov.uk](mailto:julieunderwood@chester-le-street.gov.uk)

## **Sustainability Action Plan**

The Housing Service has played a significant role in the delivery of the Council's Corporate Sustainability Action Plan over the last three years. This Plan has been updated in the last twelve months and the new Plan contains Service-specific actions as our contribution to sustainability issues. Key highlights from our commitments include:

-  Increased budget for obsolete boiler replacement programme
-  Increased budget for new UPVC windows and doors
-  A commitment that all council houses be full insulated by December 2006
-  Procurement standards seek to purchase locally wherever possible

For 2005 onwards, we have developed a series of further commitments in support of the Local Agenda 21 Strategy, including:





-  Continue to invest in energy efficiency measures
-  Develop a rent deposit scheme for single young homeless people to enable them to access settled accommodation
-  Evaluate the possibility of developing a revolving loan scheme for white goods
-  Carry out sustainability appraisals for all estates
-  Adapt council-owned property as necessary to meet the needs of the disabled

To find out more about sustainability contact:

Andy Stephenson    0191 387 2134    [andystephenson@chester-le-street.gov.uk](mailto:andystephenson@chester-le-street.gov.uk)

## **Housing Strategy**

The Housing Strategy 2005 onwards sets out the Council's key housing objectives as follows:

-  Develop a vibrant local housing market
-  Providing equality of access
-  Creating sustainable communities
-  Meeting the needs of the vulnerable

The Actions set out in the Housing Revenue Account Business Plan support these key objectives as evidenced in our Action Plan at the end of this report.

To find out more about the Housing Strategy contact:

Andrea Ainsley    0191 387 2211    [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)

## **Housing Market Renewal**

Chester-le-Street has not been included in any Market Renewal Pathfinder. However, funding has been made available to the District through the SHIP programme to address issues of low demand in Grange Villa. The Council will develop a Master Plan for the Village during 2005/2006 to inform future SHIP bids for funding.

The Council will, subject to funding support, undertake Master Planning in Sacriston in 2006, in support of the regeneration of these areas. The Council's own housing stock will be part of the assessment process.






To find out more about the Housing Markets contact:

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## Housing Need

Chester-le-Street has a higher level of owner occupation (72%) and lower levels of social renting (23%) than the average for Durham County, Sunderland and Gateshead areas. This, in itself, creates additional demand for the Council accommodation that does exist.



House prices have risen dramatically in Chester-le-Street since 2002:

-  Average house prices have doubled since 2002
-  The price of flats has risen by 75% since 2002
-  Average earnings have risen by one-eighth of house prices since 2002
-  Average house prices are now at £120,000
-  Average salaries of over £23,000 are now needed to gain access to entry-level properties




This places much housing out of reach of many local people and creates additional demand for affordable housing to rent. Households on low incomes looking to buy housing are increasingly unable to do so. Independent consultants have recently concluded that the demand for social rented lettings will exceed the supply of accommodation by 800 lettings over the next five years. This equates to a shortfall of 400 dwelling units.

The Housing Market Analysis suggests that there will be an ongoing and continuing need for social renting in the District well into the future and that this demonstrates a long-term demand for social rented accommodation.

The Council has a good track record of remodeling former low-demand Council estates into new mixed tenure communities, providing affordable housing units for local families. Examples would include:




-  The Parades estate in Sacriston
-  Perkinsville

The Council has also sponsored the construction of 378 new affordable housing units in recent years by working in partnership with registered social landlords. Examples include:

-  A shared ownership scheme at Nettlesworth
-  Bungalows for older people provided by Durham Aged Mineworkers Association
-  Flats for single households and couples in the centre of Chester-le-Street provided by Home Housing

The Council has adopted a policy to make sure that on all new housing developments provided by private developers that at least 30% of the homes are affordable.

The Council will continue to address the shortage of affordable housing by:

-  Working with private sector partners to secure the regeneration of a former low demand council estate at Pelton that has delivered 58 new affordable homes over the last three years.
-  Working with private sector partners to secure the regeneration of a former low demand council estate at Pelton Fell that will deliver 335 new affordable homes over the next three years.
-  Allocated 423 housing units in the Local Plan, a minimum of 30% of which will be for affordable housing.

The Council has used a combination of information from its housing needs surveys; waiting list analysis; and market intelligence information from its development partners to make sure that there is demand for, both the type of housing being built and that the location of the scheme, in terms of quality and access to services and facilities, makes the schemes attractive to potential residents.

To find out more about the Housing Need contact:

Andrea Ainsley      0191 387 2211      [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)



### **Low Demand Issues**


Although Chester-le-Street District suffers from acute high demand problems, there are some areas in the District which exhibit characteristics that are often seen in areas with acute low demand problems. The Council has in the past dealt with low demand council estates through comprehensive mixed tenure regeneration schemes, which seek to re-structure the local housing market.

Examples would include:

-  Sacriston
-  Perkinsville
-  Pelton
-  Pelton Fell

We will continue to monitor demand for accommodation and to identify low demand hot spots, as part of our normal business planning cycle. As part of that process, we will continue to monitor areas showing the first signs of low demand problems so that appropriate interventions can be made at an early stage, thereby reducing the need for major regeneration-type interventions. The Council will do this by:

-  Undertaking a regular analysis of the choices expressed by applicants on the Housing Register
-  Monitoring turn-over rates for our estates

 Monitoring the reasons why tenants say they wish to leave our properties (exit interviews)

To find out more about Low Demand contact:

Andrea Ainsley      0191 387 2211      [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)

## Housing Register




The Council has seen an increase, both in the number of households who are registering for accommodation with the Council over the last three years (102% increase), and an increase in the time that households are having to spend on the register in order to access the accommodation they want, as illustrated in Table 1.1 below:

**Table 1.1: Housing Register**



Year	Number on the Register	Average Time on the Register Before Being Re-housed	Count of Households Re-housed from the Register
2002/2003	1,369	9	362
2003/2004	1,930	12	387
2004/2005	2,768	18	344

The 2,768 households who are currently registered with the Council have identified up to 41,551 separate choices of properties and areas in completing their applications for accommodation, with all areas and property types exhibiting demand above levels of provision.

344 households were re-housed from the Housing Register during 2004/2005 - a fall of 11% from the previous year. Households are now waiting an average of 18 months on the Register before being re-housed - an increase of 50% in the last twelve months and 100% in the last two years. In 2004/2005, the longest average waiting time for accommodation was:



-  Fence Houses (31 months)
-  Pelton (28 months)
-  West Pelton (26 months).

The lowest average waiting times on the Register occurred in:



-  Kimblesworth (2 months)
-  Great Lumley (9 months)

The longest average waiting times occurred in:



-  Three bedroom house (33 months)
-  Two bedroom house (24 months)

The shortest average waiting time occurred in:

-  One bedroom houses (3 months)
-  Three bedroom bungalows (13 months)

The Council will continue to maintain a Housing Register. The new Allocation Scheme, which will come into effect before February 2006, will completely change the way that housing will be allocated in the future. The new Allocation Scheme will mean that housing will be allocated on the basis of need rather than how long a household has been on the waiting list.

To find out more about the Housing Register contact:

Christine Scott      0191 387 2132      [christinescott@chester-le-street.gov.uk](mailto:christinescott@chester-le-street.gov.uk)

### Turn-over Rates

The turn-over rates for 2004/2005 at 10.28% is 46% above the national average and is higher than that experienced by social housing providers in Market Renewal Pathfinder Areas. High turn-over rates are often associated with unattractive areas, poor quality properties or poor housing management standards. The average length of tenancy remains high in Chester-le-Street, at eight years - signifying that many of our tenants stay with the Council for prolonged periods. In Chester-le-Street, the turn-over rate is influenced by a number of local factors which are distinct to the District:

**Table 1.2: Turn-over Rate Profile**

Year	Turn-over Rate
2002/2003	11.29%
2003/2004	10.60%
2004/2005	10.28%

Firstly, the Council uses vacant Council houses to provide temporary accommodation for homeless households. In 2004/2005, 41% of all lettings were to provide temporary accommodation for homeless households. The Council is following recognised good practice in avoiding the use of bed and breakfast accommodation to support homeless households at a time they are most vulnerable. However, this is at the cost of limiting those households in housing need to be able to access permanent settled accommodation. The Council is intending to undertake a formal review of its Homelessness Strategy during 2005 and will review this policy at that time.

The Council is working with partners to secure the construction of a new homeless unit to support homeless households from 2008 onwards, which will significantly reduce the pressure on using Council accommodation to support homeless households.





The Council is actively pursuing regeneration schemes in Pelton and Pelton Fell, which are centered in historically unpopular Council estates. High turn-over rates, associated with these schemes, relate partly to decanting activity and partly to re-housing activity. Turn-over rates in these regeneration areas will reduce in time as the regeneration schemes progress.

Whilst turn-over rates have reduced in recent years, as illustrated in Table 1.2, reducing turn-over rates to below the national average is a key contribution the Service can make towards supporting the creation of sustainable communities in Chester-le-Street. Key to reducing turn-over rates is to find alternative arrangements for the accommodation of homeless households.




**Table 1.3: Length of Tenancy Profile (2004/2005)**

Time	Percent
Under 1 year	15.67%
Between 1 and 5 years	35.88%
Between 5 and 10 years	18.58%
More than 10 years	29.87%
Grand Total	100.00%

Turn-over rates vary significantly by area, but again are skewed by using council accommodation to support homeless households in temporary accommodation and regeneration schemes. The areas having the highest turn-over rates are:

-  Pelton Fell (30.65% - regeneration area)
-  Pelton (15.11% - regeneration area)
-  Bournmoor (14.34%)
  - One Bedroom House (36%)
  - Three Bedroom House (22.2%)
-  Sacriston (11.99%)
  - Three Bedroom House (28.5%)
  - Aged Persons Bedsit (26.7%)
  - Two bedroom House (23%)

There are also some property types exhibiting high turn-over rates in otherwise high demand areas including:

-  Four Bedroom Houses in Edmondsley
-  Aged Person Bedsits in Edmondsley, Kimblesworth, Newfield Ouston and Sacriston
-  One Bedroom Bungalows in Ouston

To find out more about turn-over rates contact:




Gail Pattison            0191 387 2135            [gailpattison@chester-le-street.gov.uk](mailto:gailpattison@chester-le-street.gov.uk)

## **Sustainability Analysis**

The Council will undertake a complete sustainability analysis of all its estates during 2006, as part of its preparations for the stock transfer.

## **Marketing Initiatives and Tenant Choice**

The Council's current policy on Allocations allows for tenants to express choice in a number of ways:

-  When Applications for Accommodation are made, tenants can express preferences for certain property types.
-  When Applications for Accommodation are made, tenants can express preferences for certain areas.
-  Properties are advertised once all offers to households who are on the Housing Register have been turned down. Preference is then given:
  - ❖ Firstly, to those applicants who would have a priority under the Council's Allocation Scheme
  - ❖ Secondly, those who respond to the advert on a first-come-first-served basis

The Council intends to develop a fully fledged Choice-Based Lettings system before 2010 in order to maximise choice for tenants. As part of the ongoing modernisation of the Allocation Policy, the Council will update its Allocation Policy in October 2005 to allow its council houses to be allocated predominately on the basis of need rather than time spent on the Housing Register.

To find out more about sustainability contact:






Andrea Ainsley            0191 387 2211            [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)

## **Service Planning**

The Council has a well defined service planning framework that drives its performance management systems and makes sure that Service and Corporate priorities are linked, as set out at Figure 1 overleaf. The Service Planning framework was updated and revised during 2004 and has been further developed in 2005.

For 2005, the Community Services Service Plan will reflect:

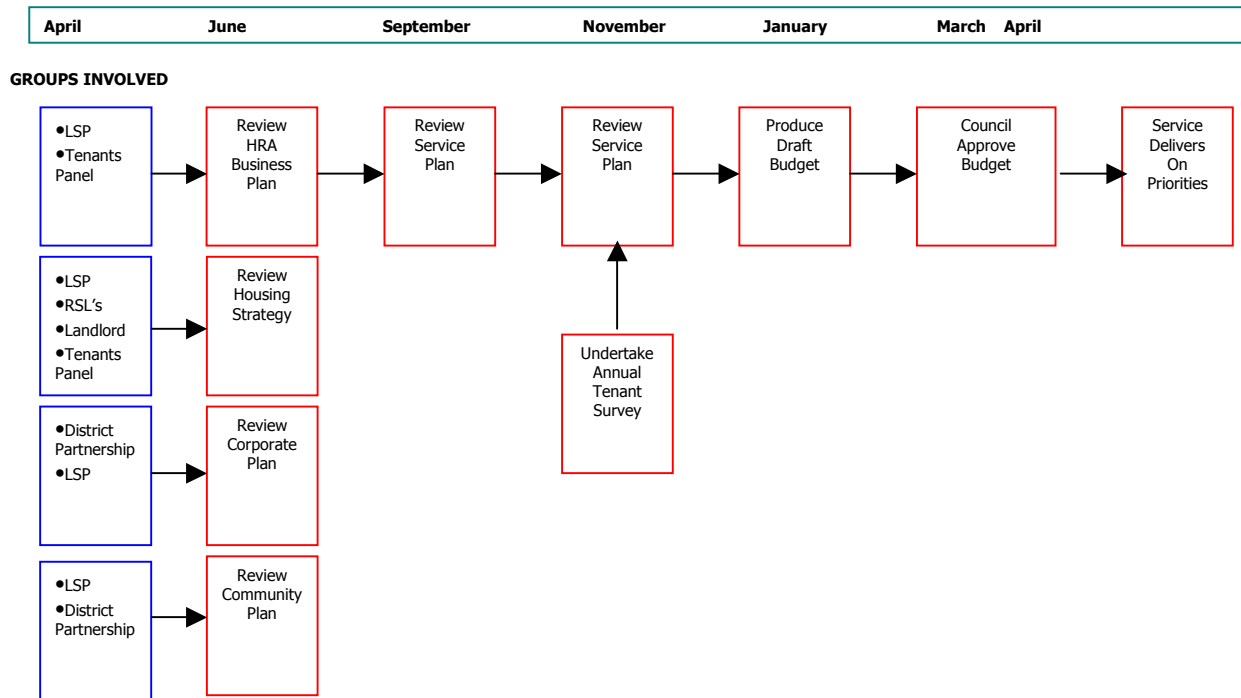
-  Corporate objectives

-  Key priorities identified in the Housing Strategy and Business Plans
-  Community Safety issues
-  Delivering service excellence
-  e-government issues
-  Value for money

To find out more about Service Plans contact:





Paul Stephens      0191 387 2494      [paulstephens@chester-le-street.gov.uk](mailto:paulstephens@chester-le-street.gov.uk)

**Figure 1: Service Planning Framework**



### Supporting People

Supporting People is the policy and funding framework for housing-related support services. Currently, the Council’s Careline and Warden Service are funded through the Supporting People Programme. As part of the Service’s commitment to Excellent Customer Services, the Community Alarm Service will be modernised over the short-term through:







-  The installation of a new Console from 2005
-  The upgrading of all hard wired systems from 2006
-  The main line use of SMART Technology from 2006
-  The achievement of the Telecare Service Association Accreditation in 2006

To find out more about supporting people contact:



Andrea Ainsley      0191 387 2211      [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)

## **Partnership Working**

The Housing Service plays a full role in supporting wider partnership working of the Council. We:

-  Work closely with other social housing providers through the RSL Forum on housing management issues
-  Participate in and support the work of the Challenge 9 Group in County Durham, which is part of the County-wide Local Strategic Partnership
-  Shape our activities to support the Crime and Disorder Partnership
-  Support and attend the Supporting People Core Strategy Group, as a provider
-  Support and attend the Supporting People Commissioning Body, as a commissioner
-  Work with Citizens Advice Bureau to provide a free advice and information service for tenants

The Service, in support of partnership working, will:



-  Develop a Partnership Register during the next twelve months so that all partnerships can be recorded and managed over time
-  Participate in HOUSEMARK so that the Service can benchmark its activities over time

To find out more about partnership working contact:

Andrea Ainsley      0191 387 2211      [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)




## **Older Persons**

The Council is working closely with Social Services and the Primary Care Trust on the development of:

-  A high level County-wide strategy for Older People
-  A locality-based strategy covering both Chester-le-Street and Durham City

This is seen as an especially important piece of work for the Service, given that over 65% of our tenants are over 60 years of age.

As a contribution to this review, the Council will:

-  Participate with a review of the Careline and Warden Services
-  Upgrade its Console during 2006
-  Upgrade all hard-wired systems during 2006

To find out more about older persons contact:

Andrea Ainsley      0191 387 2211      [andreaainsley@chester-le-street.gov.uk](mailto:andreaainsley@chester-le-street.gov.uk)

## **Travellers**

The Council manages a 20 pitch travellers site, which provides both long-term and short-stay accommodation for travellers. The Council has worked in partnership with Durham County Council to develop a revised County-wide Travellers Strategy. The provision of the site in Chester-le-Street, at the northern boundary of the county is a key component in the County-wide strategy.

To find out more about travellers contact:

Christine Scott      0191 387 2132      [christinescott@chester-le-street.gov.uk](mailto:christinescott@chester-le-street.gov.uk)

## **Asset Management**

The Council owns assets valued at £112 million, £96 million of which are housing assets (85.7% of all assets).

The Housing Service participates in the Asset Management Planning arrangements through a Corporate Working Group. This ensures corporate priorities are embedded within our own asset management arrangements. The Service develops its investment plans through the Asset Management Group. All monitoring of capital expenditure is carried out through reporting to the Management Team and the Executive on a quarterly basis.

The Council agrees a rolling three-year capital strategy annually that sets out medium-term investment plans for all service areas. The Plan is reviewed annually, as the announcements about capital allocations are made.

To find out more about asset management contact:

Richard Humphrey      0191 387 5810      [richardhumphrey@chester-le-street.gov.uk](mailto:richardhumphrey@chester-le-street.gov.uk)

## **Risk Management**

In support of the work being undertaken at a corporate level, on business risk management, from 2005, the Service will:



-  Develop a high-level risk register for the whole service
-  Develop a risk assessment methodology for action planning so that all tasks are risk assessed

Table 1.4 summarises the high level Service Risks currently identified in the Corporate Risk Register:

**Table 1.4: Risk Register**

<b>Risk</b>	<b>Impact of Risk</b>	<b>Likely Rating</b>	<b>Impact Rating</b>	<b>Mitigation/Control measures</b>
Tenants Ballot produces a 'no' vote result stock transfer option	Unable to Implement Stock Options Appraisal Investment Resources Restricted	Med	High	Undertake detailed consultation exercise with tenants
Council Fails to Meet The Decent Homes Standard for its Stock by 2010	Reputation Affected. Tenant Satisfaction Affected	Med	High	Secure stock transfer 'yes' result in the tenants ballot
Service Fails to Secure One-Star Rating for Service	Service Remains Under Special Measures	Med	High	Detailed Action Plans Prepared to Secure a Minimum of One-Star Rating

To find out more about risk management contact:

Jim Elder

0191 387 2377

[jimelder@chester-le-street.gov.uk](mailto:jimelder@chester-le-street.gov.uk)




## Section 2

### Effective Consultation

The purpose of this section is to set out how we go about consulting with our tenants.

#### Introduction

In order that the Council can make sure that it takes into account the views of local communities, it has reviewed all of its community engagement and involvement practices during 2005. The Council will develop a formal communication and consultation strategy during 2006 to make sure that:

-  Information is readily available in a format which communities can make most use of
-  Local communities are able to understand how they can get involved and influence what the Council does
-  Local communities are able to express their views and let the Council know what their priorities are

If you need to have more information on anything to do with tenant involvement contact:

Lisa Coverdale      0191 387 2238      [lisacoverdale@chester-le-street.gov.uk](mailto:lisacoverdale@chester-le-street.gov.uk)

James Moody      0191 387 2237      [jamesmoody@chester-le-street.gov.uk](mailto:jamesmoody@chester-le-street.gov.uk)

### Tenant Participation

The Council has developed a Tenant Participation Compact, which sets out the framework within which the Council (its officers and elected members) will engage with tenants to shape the Service. The Compact allows for the development of Resident Associations and a Tenants Panel.

The Council has worked with tenants during 2005 to update and modernise its Tenant Participation Compact, in light of the fact that:








-  The Office of the Deputy Prime Minister updated the national guidance relating to tenant participation compacts in April 2005.
-  The Council decided to pursue a stock transfer as the long-term option for the management of the housing services.

### Tenants Panel




Our Tenants Panel has been established now for over ten years. The Tenants Panel is the main way in which tenants can have a say over the main strategic issues facing the







Service. Examples of work that the Tenants Panel has been involved in over the last twelve months include:

-  Work on Stock Options
-  The development of a new Allocations Policy
-  The development of Service Standards
-  The development of a Repairs and Maintenance Policy
-  The Review of Decoration Allowances
-  Helping to shape budget priorities
-  The selection of a new Gas Maintenance Contractor

In order to support the work of the Tenants Panel, the Council:

-  Spends over £14 per tenancy on tenant participation work (this is well in excess of the level recommended by the Chartered Institute of Housing to support the development of a fully enabled tenant participation function)
-  Provides training for all Tenants Panel Members
-  Provides support to the Tenants Panel through the Tenant Participation Team





We have developed a rolling programme of training for tenants who want to learn more about the service and understand how they can get involved and influence what we do. During the last twelve months, we have undertaken an extensive training programme for tenants including:

-  Stock condition surveys
-  Local government finance
-  Housing finance
-  How does a stock transfer work

## **Resident Associations**

There are currently 21 established Resident Associations, covering a mix of tenure types and with a geographical spread that covers most of the district. A total of 276 residents actively participate in the work of the residents associations - 77% of whom are tenants. The Council is working on the development of two further residents associations to strengthen representation in under-represented parts of the district.

We will work with our tenants to establish residents associations for every estate or village in the district. We will work with our Residents Associations to discuss local issues that are relevant to their immediate locality. In order to help this process, we will provide:

-  Start-up funding for newly forming residents associations
-  Ongoing funding and support
-  Practical assistance from our Officers
-  Training

The Council believes that active local Residents Associations are the foundation for building effective participation mechanisms. Examples of where local residents associations have become involved in wider participation arrangements include:

-  Pelton Fell Residents Association. Representatives sit on the Regeneration Partnership at Pelton Fell.
-  Sacriston Residents Association manage their own resource centre.
-  Whitehill Residents Association is actively involved in the Neighbourhood Management Pilot.
-  There are seven representatives from local resident associations on the Tenants Panel.
-  Representatives for local residents associations in Sacriston and Pelton were active as part of the recent Street Safe initiative.
-  Residents from the Newfield Residents Association are working with the Council, in relation to the development of a new housing estate at Newfield.





## **Leaseholders**

The Council has thirteen leaseholders, who have used their Right to Buy to purchase a former council flat in a block that is still owned by the Council. The Council has established a Leaseholders Forum, which meets quarterly and all matters relevant to Leaseholders are discussed at the Forum. The Council is in the process of developing a handbook for leaseholders so that all relevant information is held at one source.

## **Stock Options Working Group**



During 2004 and the early part of 2005, tenants were actively involved in working with elected members and officers to consider the future of the Council's housing stock.






A Stock Options Working Group has overseen the evaluation of the following options:

-  Keep the housing stock
-  Set up an Arm's Length Management Company
-  Transfer the housing stock to a not-for-profit landlord
-  Use the private finance initiative to secure additional funding for the service

The tenants have been supported in this work through the appointment of TPAS, an independent tenant advisor, who was selected by the tenants themselves.







Our tenants were kept informed and involved in this process through the following mechanisms:

-  A tenant survey which received returns from 845 tenants (18.4% of all tenants)
-  Seven visits to Sheltered Schemes that resulted in 97 residents being given information






-  Eleven Focus Groups and Tenant Meetings in every settlement that engaged 126 tenants
-  Six Resident Association meetings involving 87 tenants
-  Four Community Partnership meetings involving 56 tenants and residents
-  Two Tenants Conferences that secured attendance of over 180 delegates
-  In total, 602 tenants attended all meetings that were arranged throughout this process

The key message emerging from all the consultation events was that:

The tenants expect their landlord to renovate and improve their homes to a far higher standard than that set out in the Decent Homes Standard. The main aspirations for tenants were that:

-  All homes would have new windows and doors
-  All homes should have a modern kitchen
-  Bathrooms should be modernised
-  Storage space inside some homes was inadequate
-  Dampness and condensation would be dealt with
-  Noise transmission between homes was a priority

The Tenants Panel, who have been involved with this process throughout, have expressed an unanimous view that a stock transfer represents the best long-term solution for the management of the Council's housing stock. The tenants have produced their own Stock Options report which recommends that the Council transfer the whole of the housing stock to a new registered social landlord sponsored by the Council. The reasons the tenants have supported this initiative is because they believe:

-  Homes would be improved to at least the Decent Homes Standard and where possible to meet tenants aspirations
-  Local control and management of the service would stay in the district
-  The new housing organisation would be asset-owning
-  The housing service provided by the new organisation would aim for excellence
-  There are greater opportunities for tenant participation

Our tenants will be fully informed, engaged and empowered in taking the stock option process forward.

To find out more about stock options contact:

Lisa Coverdale      0191 387 2238      [lisacoverdale@chester-le-street.gov.uk](mailto:lisacoverdale@chester-le-street.gov.uk)

## Keeping Our Tenants Informed

Keeping our tenants informed of what is happening in the Service is of vital importance to the Council. The Service produces a quarterly newsletter, 'Tenants Talk', which is distributed to all our tenants. The tenants play a part in the production process by being part of the editing team.

The Tenants Panel also produces its own newsletter called, 'House-2-Home', which is produced three times a year and is also distributed to every home in the District. 'House-2-Home' showcases the work of the Tenants Panel and encourages tenants to become more involved.

The Tenants Panel have in the last twelve months produced a CD-Rom, which demonstrates how tenants can become involved in the District. The CD-Rom was launched at the Chartered Institute of Housing Conference to wide acclaim.



## Annual Statement of Tenant Involvement



In order to ensure that tenants are kept informed of how the Council has engaged with tenants during the previous twelve months the Council will prepare an Annual Statement of Tenant involvement which will be distributed to all tenants in the District. From 2006 onwards, we will be producing an Annual Statement of Tenant Involvement that will set out for tenants how we have worked with our tenants and the influence tenants have had in shaping service changes. This will be combined with our Annual Report to Tenants, which will be published in June every year.

The Annual Statement will also contain a, 'You Said', 'We Did', feedback section so that tenants can see at a glance how the Council has acted on the feedback that tenants have made during the previous twelve months.

The form and style of the Statement will be agreed with tenants and a Working Group of tenants will be established to help pull the Statement together.

In the last twelve months, the Council has established the following Working Groups to maximise the influence that tenants can have over service issues:







-  Repairs Working Group has:
  - Developed a new Repairs and maintenance Policy
  - Developed a Repairs Handbook for Tenants
  - Agreed new repair response times
  - Assisted in the selection of the Gas Maintenance Contractor
  - Assisted in the selection of the partnering of contractors for major capital works
-  Anti-Social Behaviour Working Group has:
  - Supported the Council in the development of an Anti-Social Behaviour Policy

-  Capital Programme Working group has:
  - Assisted in the setting of priorities for 2005 and beyond
  - Held an Open Day to help develop a new performance and material specification for kitchens, bathrooms and heating systems
-  Tenants Handbook Working group has:
  - Developed a new Tenants Handbook




The Council will continue to use time-limited working groups to allow tenants to become involved in single issues where they have an interest.

## **Tenants Involvement**

The Service is seeking to improve its engagement with young people, families from ethnic minorities and the disabled. We have undertaken a number of activities to involve and engage difficult-to-reach groups, during the last twelve months. Activities include:

-  The establishment of a database of individuals who are interested in being involved with the Council and how they are interested in being involved
-  The undertaking of a series of meetings at all our sheltered courts
-  The promotion of a series of exhibitions in all the Council's administrative buildings
-  The promotion of a series of exhibitions in local supermarkets
-  The promotion of a series of exhibitions in Community Halls
-  Door-knocking in areas with hard-to-reach groups

We will pilot a number of initiatives during 2006 in order to improve the engagement of groups referred to as, 'hard-to-reach'. Initiatives will include:

-  The use of text messaging to improve contact with younger tenants
-  Establishment of a Diverse Service Users Group
-  Establish a Homeless Persons Focus Group







## **Tenant Empowerment**

We have commenced work on our Tenant Charter in negotiation with our tenants. It is envisaged that the work will be completed this year with the outcome being 'an easy-to-read' document, which will set out clear service standards for all our activities.



## **Tenant Satisfaction Survey**

Chester-le-Street carried out a Tenant Satisfaction Survey during 2005 to find out what tenants views were about the service. The headline findings from the survey are as follows:






General

-  58% of tenants had lived in their home for more than ten years
-  One and two person households account for 80% of all tenants
-  The majority of households (56%) contain at least one person under the age of 16 years
-  66% of households contain at least one person over the age of 60
-  99% of tenants describe themselves as white British
-  61% of tenants reported that they got some help to meet the cost of rent payment through the benefits system





### Health and Disability

-  49% of tenants reported someone in their household with a long-term limiting illness
-  26% of tenants reported their homes as having been adapted with grab rails. This being the most common type of adaptation. A further 12% of tenants indicated a need for grab rails to be fitted




### About The Council

-  68% of tenants thought that their rent was value for money
-  70% of tenants said they were either very or fairly satisfied with the overall service provided by the Council
-  64% of tenants were either very or fairly satisfied with the repairs and maintenance service
-  54% of tenants thought the Council was an efficient landlord
-  Only 49% of tenants thought the Council had enough resources to do a good job



### About Your Home and Area

-  57% of tenants said they were either very or fairly satisfied with their home
-  62% of tenants thought the cost of heating their homes was either average or about right
-  76% of tenants said they were either very or fairly satisfied with the area around their home
-  Litter and rubbish in the street was seen as the main problems in the area with 25% of tenants saying this was a serious problem

### Service Quality




-  68% of tenants said they were satisfied with the grass-cutting service provided by the Council
-  82% of tenants said staff were helpful
-  84% of tenants who had been homeless said they thought the Council dealt with their circumstances in a sensitive manner

Tenants said they were very or fairly satisfied with the following service areas:

-  Income Management (84%)
-  Care Line (89%)

### Service Priorities




The following service areas were rated the highest priority by tenants:

-  Property Services (95%)
-  Tenancy Enforcement (86%)
-  Environmental Services (78%)

### Service Improvements






Tenant Participation and Property Services were seen as the most improved service areas in the last twelve months. The Council increased investment in these areas during 2005, as a direct result of feedback from tenants.

### Service Developments





-  A majority of tenants (56%) said they were satisfied with the current grass-cutting standard
-  69% of tenants said they would like to see estate caretakers introduced
-  72% of tenants said they would like to see Neighbourhood Wardens on their estates









### Improvements to Homes

In priority order, tenants said they wanted to see more investment in:









-  New windows (54%)
-  New heating systems (30%)
-  New external doors (29%)
-  New kitchens (22%)
-  New bathrooms (19%)

### Contact with the Council

-  The majority of tenants said they contacted the Council over the phone (72%)
-  Issues to do with repairs were the most common reason given for contacting the Council
-  84% of tenants said they were satisfied with how quickly the phones were answered
-  83% of tenants said that staff were helpful over the phone

-  77% of tenants said it was easy to contact the right person to help with their query
-  79% of tenants said they were satisfied with how their query was dealt with
-  75% of tenants said they were satisfied with the clarity and quality of advice given
-  81% of tenants thought office opening hours were convenient for them
-  83% of tenants were satisfied with the appearance of the office
-  76% of tenants were satisfied with the time they had to wait when visiting the office to be seen
-  73% of tenants were satisfied with reception facilities at the office
-  78% of tenants thought the Council was easy to contact

### Keeping Tenants Informed

-  68% of tenants thought the Council were good at keeping tenants informed
-  55% of tenants thought the Council regularly consulted with tenants
-  43% of tenants thought the Council took tenants views into account when making decision
-  69% of tenants said they were either very or fairly satisfied with the way the Council kept them informed
-  82% of tenants said they were aware of 'Tenants Talk'
-  67% of tenants said they thought 'Tenants Talk' to be very informative
-  56% of tenants said they thought the Council listened to the views of tenants
-  44% of tenants said they thought the Council acted on tenants' views

The Council will use the information from this survey to help shape the budget for 2006 and beyond. The Council will also take into account the service improvements that tenants have said they want to see as they develop the 'Offer Document' in relation to the stock transfer process. The Council will undertake annual tenant surveys in future to make sure that the actions we are taking are meeting tenants' needs.

To find out more about the tenants satisfaction survey contact:

Alan Kinsley                      0191 387 2231                      [alankinsey@chester-le-street.gov.uk](mailto:alankinsey@chester-le-street.gov.uk)

### Service Standards

The Council is currently reviewing all its Service Standards in consultation with tenants as part of its Customer Excellence Strategy. Service Standards will be published in the revised Tenants Handbook in 2006.




To find out more about service standards contact:

Lisa Coverdale                      0191 387 2238                      [lisacoverdale@chester-le-street.gov.uk](mailto:lisacoverdale@chester-le-street.gov.uk)



## Complaints

Community Services operate a complaints system that encourages tenants to complain if service standards are not maintained. The complaints system is tiered to show how far up the management chain the tenant had to go to achieve satisfaction:

-  Level 1 complaints are dealt with by front line staff
-  Level 2 complaints are dealt with by the Service Team Manager
-  Level 3 complaints are those referred to the Director of Community Services

Information on complaints is reported to the Council's Overview and Scrutiny Panel on a quarterly basis.

To find out more about complaints contact:

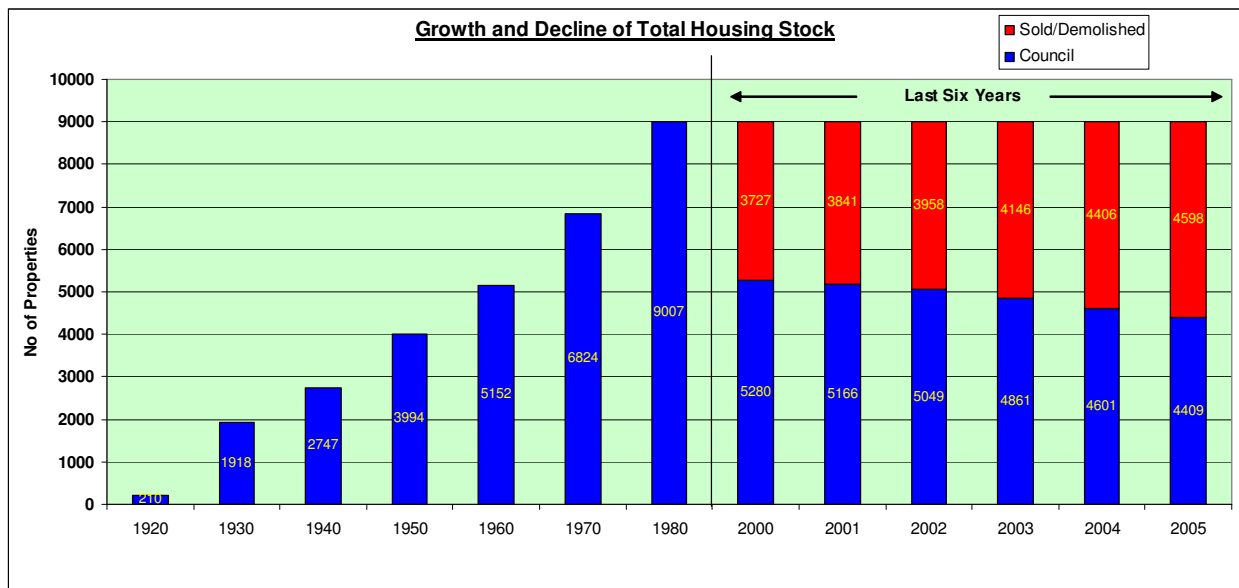
Paul Stephens      0191 387 2494      [paulstephens@chester-le-street.gov.uk](mailto:paulstephens@chester-le-street.gov.uk)

## Section 3



### Stock Condition

The Council, at 1 April 2005, owned 4,513 dwellings. Since the Right to Buy rules were introduced in the 1980's, the Council has sold 4,598 houses, as illustrated in Figure 3.1 below. This represents a loss of over half of its total stock. This significantly reduces the Council's ability as a landlord to meet increasing demand for affordable rented accommodation in the District. Stock losses have not been spread evenly across all wards and property types. Some wards are demonstrating significant stock losses (80% reduction in Chester East ward). This limits the choice available to households on the Housing Register, both in terms of location and the types of property that are available.

**Figure 3.1: Stock Loss Profile**



The Council now has:




-  Comparatively low proportion of flats (less than 15% of the stock total)
-  A high proportion of bungalows (around 25%) – bungalows are protected from Right to Buy rules, therefore, as other stock is sold the proportion of bungalows the Council has is increasing

Having a balanced stock mix is crucial to meet the varying needs of households on the waiting list. The Council will continue to monitor carefully both stock reductions in future years and how sales and demolitions affect the mix of stock available.

The stock is managed through decentralised housing management arrangements through two Area Teams based at the Civic Centre.

## Stock Condition Survey





A Stock Condition Survey was undertaken by external consultants during 2005. The purpose of carrying out this survey was to:

-  Form the development of the Business Plan as part of the stock transfer proposals
-  Develop a tenant's offer as part of the pre-ballot process linked to stock transfer
-  Update the base line energy assessment that has not been updated since 2002

We will not need to undertake a new and detailed stock condition survey during 2008. However, we will update our new stock condition database on an annual basis to take account of improvements that are carried out.

## Asbestos Management Scheme




The Service has, as part of the 2005 Stock Condition Survey, updated the information it holds on asbestos in the housing stock. The Service now has detailed and up-to-date information on:


-  The location and type of asbestos in the housing stock
-  The degree of exposure
-  The risk of potential accidental damage
-  The remedial risk to tenants

On the basis of the information available, the Service will be able to identify whether further survey work is required. The survey information we have will be used to develop an Asbestos Management Plan to make sure that both tenants and contractors are fully protected from any accidental exposure to asbestos during building operations.

## Decent Homes

The Council must bring all properties up to the Decent Homes Standard by 2010. The 2005 survey shows that by March 2006 there will be a total of 2,359 dwellings, representing 53% of the housing stock, that do not meet this standard. In order to meet this standard, all the Council's houses should be:

-  Fit for habitation – there are currently no homes that fail this standard in Chester-le-Street
-  Be in a reasonable state of repair – 2,132 houses, representing 48% of the housing stock currently fails this part of the standard
-  Have reasonably modern facilities and services. This is focused around the property having mainly modern kitchens and bathrooms – 80 homes, representing 1.8% of the housing stock, currently fail this standard

 Enjoy a reasonable degree of thermal comfort, with central heating and adequate levels of insulation – 147 homes, representing 3.3% of the housing stock currently fails this standard

The survey predicts that if the Council were to stop all investment now, then almost all the Council's dwelling stock (98%) would be non-decent by 2010. The Council, therefore, faces a significant challenge if it is to make sure that all homes meet this minimum standard by 2010.

**Table 3.1: Decent Homes Profile**

Decent Homes Profile	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Total Stock Levels	4436				
Number of Homes Failing the Decent Homes Standard	2077				
Increase in Non Decent Homes During the Year	282	1253	450	212	356
Number of Non Decent Homes at Year End	2359	3330	3780	3992	4348
Percentage of Non Decent Homes at Year End	53%	75%	85%	90%	98%

The Council, in developing a plan to make sure all homes meet the Decent Homes Standard by 2010, has to deal with those properties that currently fail the standard and those homes that are currently above the standard, but without additional investment will fail in the near future. In broad terms, the Council needs to upgrade about 1,000 dwellings every year over the next four years if it is to comply with the Decent Homes Standard by 2010. The Council is currently improving about 400 dwellings per year. This means that it needs to more than double the rate at which homes are improved, if all homes are to above the Decent Homes Standard by 2010.

The 2005 survey estimates that it will cost £33.2 million to make all homes Decent by 2010 - an average investment need of just over £8 million per year for the next four years. Table 3.2 below, sets out the priorities for investment over the next four years:

**Table 3.2: Decent Homes Cost Profile**

Description	Amount	Percent
Doors and Windows	£12,782,660	38.50%
External Envelope Repairs	£12,398,309	37.34%
Electrics	£710,875	2.14%
Central Heating	£1,572,780	4.74%
Kitchens	£3,532,100	10.64%
Bathrooms	£2,164,800	6.52%
Improved Insulation	£39,985	0.12%
<b>Total</b>	<b>£33,201,509</b>	<b>100.00%</b>

## Sub Area Analysis



There is significant variation between areas in terms of the proportion of homes that are non-decent. Equally, the unit cost of improving houses to the decent homes standard varies significantly. The Council will use local information on the concentration of non-decent homes, together with other related data in order to formulate a targeted improvement programme, designed to improve all homes to the Decent Homes standard by 2010.

**Table 3.3: Sub Area Analysis**

Area Description	Stock Total	Number Non Decent	Percent Non Decent	Number of Homes Becoming Non Decent to 2010	Percent of Homes Non Decent at 2010	Total Percent Non Decent to 2010	Total Cost to Make Decent to 2010	Average Unit Cost to make Decent
Bournmoor	247	121	48.99%	126	51.01%	100%	£1,675,344	£6,783
Chester Central	540	507	93.89%	33	6.11%	100%	£6,028,440	£11,164
Chester East	21	6	28.57%	15	71.43%	100%	£221,364	£10,541
Chester North	351	83	23.65%	268	76.35%	100%	£3,122,521	£8,896
Chester South	446	342	76.68%	104	23.32%	100%	£3,159,228	£7,083
Chester West	513	108	21.05%	389	75.83%	96.88%	£2,260,880	£4,549
Edmondsley & Waldrige	122	59	48.36%	63	51.64%	100%	£772,200	£6,330
Grange Villa and West Pelton	111	83	74.77%	28	25.23%	100%	£707,476	£6,374
Great Lumley	346	124	35.84%	222	64.16%	100%	£1,731,483	£5,004
Kimbleworth & Plawsworth	170	63	37.06%	107	62.94%	100%	£706,695	£4,157
Outson	128	95	74.22%	33	25.78%	100%	£638,990	£4,992
Pelton	601	111	18.47%	490	81.53%	100%	£5,862,802	£9,755
Pelton Fell	244	130	53.28%	114	46.72%	100%	£2,061,791	£8,450
Sacriston	573	237	41.36%	336	58.64%	100%	£4,094,338	£7,145
Urpeth	23	8	34.78%	15	65.22%	100%	£157,960	£6,868
<b>Total</b>	<b>4436</b>	<b>2077</b>	<b>46.82%</b>	<b>2343</b>	<b>52.82%</b>	<b>99.64%</b>	<b>£33,201,509</b>	<b>£7,485</b>



## Longer Term Investment Needs

The 2005 survey reveals that the Council needs to spend more than just the £33 million referred to above, needed to make all homes Decent, if it is to meet all its landlord obligations and at the same time meet the expectations of tenants. In total, the survey estimates that the Council needs to spend a total of:






-  £75 million over the next five years
-  £240 million over the next 30 years

The Council does not have access to the level of resources needed to keep its stock in good condition in the future. If the Council was to keep the stock, then there would be shortfalls in investment of:



## Just to Make Homes Decent

-  £30 million over the next five years
-  £48 million over the next 30 years

In practical terms, this would mean that if the Council does not transfer its housing stock:

-  2,000 dwellings needing new doors and windows would not get them
-  267 dwellings needing rewires would not get them
-  287 dwellings needing central heating would not get them
-  644 dwellings needing new kitchens would not get them
-  553 bathrooms would not be modernised

## To Deal With All Needed Improvements

-  £50.5 million over the next five years
-  £107.2 million over the next 30 years

The Council believes that this would leave the stock in an unacceptable condition. This is one of the key reasons that the Council has agreed to ballot its tenants over the possibility of transferring its stock to a not-for-profit organisation. This is the only way that the Council believes the necessary resources can be made available to keep all its homes in the condition that tenants want.

**Table 3.4: Total Investment Need Over 30 Years**

Description	Years 1-5	Years 6-10	Year 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Major Works	£49,521,903	£24,456,105	£13,900,100	£17,563,290	£13,574,290	£10,939,475	£129,955,163
Improvements	£3,770,850	£0	£427,650	£1,846,000	£430,150	£0	£6,474,650
Response and Void	£9,357,800	£9,357,800	£9,357,800	£9,357,800	£9,357,800	£9,357,800	£56,146,800
Cyclical	£4,633,600	£4,633,600	£4,633,600	£4,633,600	£4,633,600	£4,633,600	£27,801,600
Environmental Improvements	£4,436,000	£0	£0	£0	£0	£0	£4,436,000
Contingent Repairs	£1,598,783	£733,683	£429,833	£582,279	£420,133	£328,184	£4,092,894
Related Assets	£335,000	£335,000	£335,000	£335,000	£335,000	£335,000	£2,010,000
Exceptional Works	£414,000	£0	£0	£0	£0	£0	£414,000
Disabled Adaptations	£1,500,000	£1,500,000	£1,500,000	£1,500,000	£1,500,000	£1,500,000	£9,000,000
Professional Fees	£6,045,435	£3,281,295	£2,446,719	£2,865,437	£2,420,078	£2,167,525	£19,226,489
<b>Total</b>	<b>£81,613,370</b>	<b>£44,297,483</b>	<b>£33,030,701</b>	<b>£38,683,406</b>	<b>£32,671,051</b>	<b>£29,261,584</b>	<b>£259,557,596</b>
Investment Need Per Year	£16,322,674	£8,859,497	£6,606,140	£7,736,681	£6,534,210	£5,852,317	£51,911, 519
Cost Per Property	£18,398	£9,986	£7,446	£8,720	£7,365	£6,596	£58,512






## Decent Homes Action Plan

The Council has agreed a medium-term financial strategy for the period 2006 to 2009 that provides a total of £12 million worth of capital investment being made available to support housing improvements. The Council has published its detailed three-year housing improvement plan, which sees the majority of available resource being made available to support homes being improved to the Decent Homes Standard. A separate Technical Volume is available for the Civic Centre for any tenants wanting to see which homes will be improved during the next three years.




### Energy Efficiency

The 2005 stock condition survey demonstrates that the energy performance of council houses has improved from a rating of 49 to a rating of 64.9 over the last three years. The energy rating of council houses is now well above the national energy rating figure of 51.

The increase in SAP rating has been achieved as a direct result of the focused investment that the Council has made in relation to:

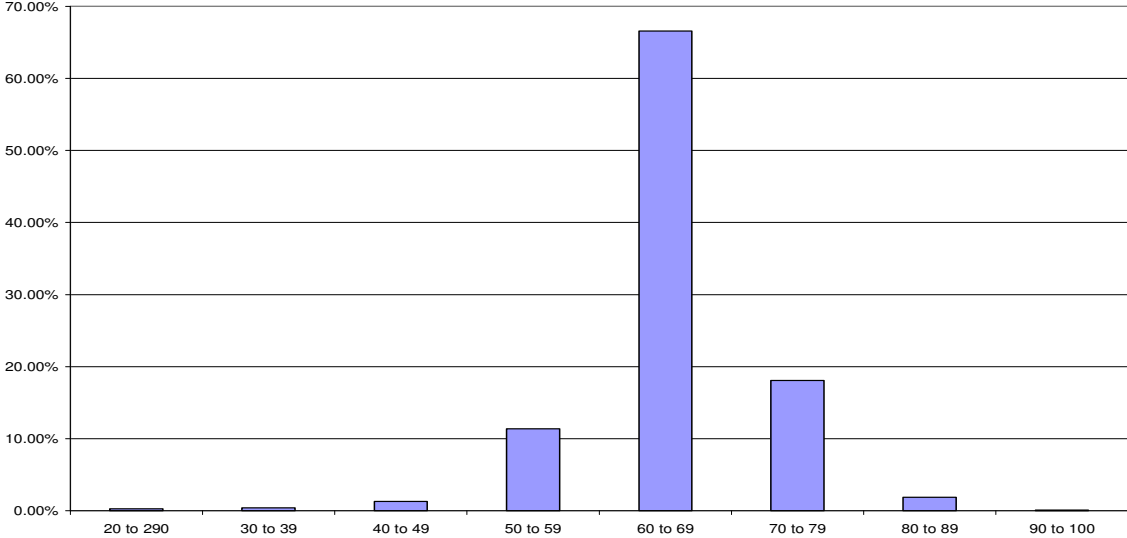
-  Installing new UPVC windows and doors
-  Installing modern heating systems
-  Changing fuel from solid systems to gas
-  Upgrading roof insulation levels
-  Installing cavity wall insulation

The Council will continue to prioritise investment in energy efficiency measures so that:

-  All homes are fully insulated by 2010
-  All homes have new UPVC doors and windows by 2010
-  All homes have modern heating systems by 2010

The Council will carry out a new base-line energy survey during 2008 to check on progress to date.

**Figure 3.2: SAP Profile**



To find out more about stock condition or asset management contact:

Susan Welford      0191 387 5804      [susanwelford@chester-le-street.go.uk](mailto:susanwelford@chester-le-street.go.uk)



## Section 4





### Performance Management

The purpose of this section is to describe how the Housing Service is performing in Chester-le-Street and to explain what measures are in place to improve performance over time.




#### Performance Management Framework

We are committed to delivering Service Excellence over the medium-term and have developed a performance management framework to support that goal, as illustrated in Figure 4.1 overleaf.

Our performance management framework is multi-layered and encourages the Service to:






-  Understand tenants' expectations and aspirations
-  Understand the corporate context in which we work
-  Understand key national and regional policy drivers
-  Respond flexibly to changing demands over time

We set what we wish to achieve by:

-  Setting clear Service standards so that our tenants know what they can expect from the services we provide (see Tenants Handbook)
-  Publishing an Annual Service Plan which sets out what we will do in the next twelve months (see Service website)
-  Publishing a three-year Business Plan so that our tenants can see what we are trying to achieve in the longer term (see Service website)

#### Performance Indicators

We measure how successful we have been by monitoring and reporting on:

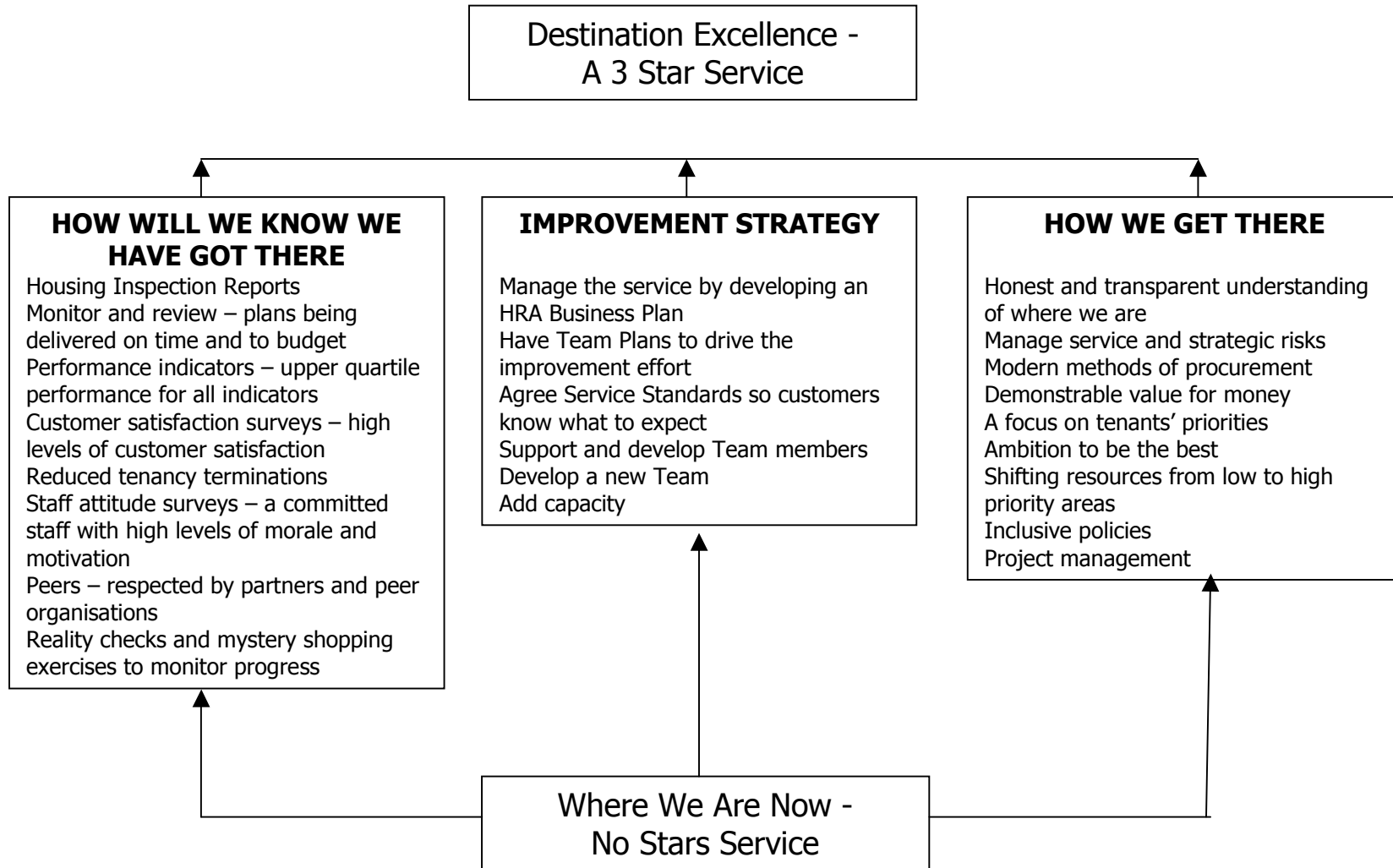
-  A range (12) of Best Value Performance Indicators, which have been set by the Government
-  A range (28) of local performance indicators that are reviewed annually
-  A range (30) of service statistics that measures outputs
-  Our progress against our Service Plan priorities
-  Our progress against our Business Plan priorities

The Service produces quarterly performance report on all aspects of service performance, a copy of which can be obtained from the Civic Centre.

To find out more about performance indicators contact:

Fran Sewell                      0191 387 2140                      [fransewell@chester-le-street.gov.uk](mailto:fransewell@chester-le-street.gov.uk)

**Figure 4.1: Performance Management Framework**



## Performance Monitoring

The Service monitors its performance through a series of performance clinics:

Budget Clinic	These are held quarterly and consist of managers being requested to account for the spend performance of their teams to the Directorate Management Team. Reports are then prepared for consideration by the Corporate Management Team and ultimately, the Council's Executive.
Performance Clinics	These are held quarterly and consist of managers being requested to account for the performance of their teams to the Directorate Management Team. Reports are subsequently, prepared for the Corporate Management Team and the Overview and Scrutiny Committees.
Plan Clinics	These are held quarterly and consist of managers being requested to account for the performance of their teams in delivering their Team Action Plans to the Directorate Management Team. Reports are subsequently, prepared for the Corporate Management Team and the Overview and Scrutiny Committees.

Performance is reported quarterly to the following groups:

-  To the Council's Management Team
-  To the Executive
-  To Overview and Scrutiny Committee
-  To the Tenants Panel

To find out more about performance reporting contact:

Fran Sewell                      0191 387 2140                      [fransewell@chester-le-street.gov.uk](mailto:fransewell@chester-le-street.gov.uk)

## Achievements




A detailed list of achievements is published annually by the Service and is available as a separate technical volume from the Civic Centre.

## Financial Controls





The Service has worked hard in recent years to improve its financial controls. We now believe we have stringent financial controls in place to make sure we spend the resources we are allocated, wisely and efficiently. The Service has set itself a target to deliver its capital and revenue works budgets to within + or - 2% of the original budget. This is in line with the target set by the Audit Commission for such work.

Tables 4.1 and 4.2 below illustrate recent performance for both revenue and capital budgets. Whilst performance in managing revenue budgets is good, we recognise that we have not yet achieved out-turns within our target levels for the capital programme.

The main reasons for variance within the capital programme in the past were:

-  Additional works being discovered once works had begun on site, particularly, the discovery of asbestos that slowed the delivery of the programme and increased costs significantly. The Council has recently updated all of its asbestos records to limit this happening in the future.
-  Late approval of the programme. The Council will publish and approve a three-year capital programme in February 2006 to allow adequate lead in time and provide certainty over future programmes.
-  Contractors making poor progress once on site. The Council will use Partnering Contracts in the future for the delivery of its capital programme so longer term relationships can be built with better quality contractors.

The Council has also reviewed its project management arrangements for managing and monitoring individual projects by:

-  Making proper allowances where projects run over a number of years
-  Closely monitoring projects when additional works are necessary
-  Developing detailed project plans for every scheme
-  Monitoring contractors carefully, especially when they fall behind schedule with projects

The Service has set a new and challenging target that the capital programme must spend to within + or - 2% of the original set budget.

**Table 4.1: Variance of Works Expenditure (Capital)**

Year	Budget	Out-Turn	Variance
2002/2003	£2,699,670	£3,254,050	+20.54%
2003/2004	£3,642,020	£3,447,583	-5.44%
2004/2005	£3,892,677	£3,391,753	-12.87%

**Table 4.2: Out Turn for 2003/2004 and 2004/2005 (Revenue)**

Year	Original Budget	Out-Turn	Variance
2003/2004	£10,863,820	£10,771,069	-0.85%
2004/2005*	£4,757,240	£4,833,495	+1.60%

**NB:** Rent Rebates are now part of the General Fund

To find out more about housing finance contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)













To find out more about the delivery of the capital programme contact:

Susan Welford                      0191 387 5804                      [susanwelford@chester-le-street.gov.uk](mailto:susanwelford@chester-le-street.gov.uk)

## Performance

The Service prepares a quarterly performance monitoring report covering all aspects of the service. The report is presented to the Health and Safe Overview and Scrutiny Panel and the Tenants Panel. Copies of these reports are available on request from the Civic Centre. Set out below, are some tables which summarise service performance for key service indicators.

**Table 4.3: Best Value Performance Indicators**

Indicator	2004/ 2005	Comment
BVPI 63 SAP Rating of Council Dwellings	64.9	
BVPI 66a Proportion of Rent Collected	97.19%	
BVPI 75a Satisfaction With Arrangements for Participation (All Tenants)	58.2%	
BVPI 75b Satisfaction With Arrangements for Participation (B&ME Tenants)	100%	
BVPI 75c Satisfaction With Arrangements for Participation (Non B&ME Tenants)	58.1%	
BVPI 74a Satisfaction With Overall Service (All Tenants)	77.82%	
BVPI 74b Satisfaction With Overall Service (B&ME Tenants)	50.0%	
BVPI 74c Satisfaction With Overall Service (Non B&ME Tenants)	77.9%	
BVPI 164 - Follow the CRE's Code of Practice	No	
BVPI 184a Proportion of Homes Non-Decent	57%	
BVPI 184b Percentage Change in Proportion of Non Decent Homes	-159%	
BVPI 185 Percentage of Appointments Made/Kept for Responsive Repairs	91.39%	

### Legend:

- |   |                                 |   |
|---|---------------------------------|---|
|  | Indicates improving performance | <b>GREEN</b> Indicates top performance      |
|  | Indicates falling performance   | <b>ORANGE</b> Indicates average performance |
|  | Indicates same performance      | <b>RED</b> Indicates poor performance       |

3/12 indicators (25%) represent top performance

5/12 indicators (42%) represent average performance

4/12 indicators (33%) represent poor performance

3/12 indicators (25%) show improvement from last year

7/12 indicators (66%) show the same performance as last year

2/12 indicators (9%) show falling performance from last years  
For those indicators showing poor performance:

CRE Code of Practice                      The Equalities Commission has recently updated its Code of Practice. The Service is currently working towards meeting the standard by April 2006.

Tenant Satisfaction                      The Service is only required to collect this data every three years. The data, therefore, relating to 2002, when the last survey was carried out, may be out of date in real terms. The Council will update this data in 2006.

Proportion of Non Decent Homes      The Council has decided to undertake a ballot of tenants to see if there is support for transferring the Council housing stock to a not for profit organisation. The stock transfer will provide the resources necessary to ensure that all homes are made Decent by 2010.

The Council monitors all service performance on a quarterly basis and produces a separate technical appendix. These appendices are available from the Service.

To find out more about performance and best value performance indicators contact:

Fran Sewell                      0191 387 2140                      [fransewell@chester-le-street.gov.uk](mailto:fransewell@chester-le-street.gov.uk)

### **Benchmarking and Value for Money**




The Housing Service is a member of the HOUSEMARK benchmarking service, which enables it to compare costs and performance against a range of indicators with other social housing providers. The benchmark data, set out in Table 4.4 overleaf, compares Chester-le-Street with all social housing providers in the North East region.

**Table 4.4: Benchmark Data**

<b>Policy Area</b>	<b>Cost Per Property</b>	<b>Property Per Employee</b>	<b>Performance</b>
Rent Arrears	☺	☺	☺
Tenancy and Estate Management	☺	☺	☺
Empty Properties	☺	☺	☺
Responsive Repairs	☺	☺	☹
Major Improvements	☺	☺	☺
Lettings	☺	☺	Insufficient Data
Rent Collection and Accounting	☹	☺	☺
Overall Score	☺	☺	☺

- ☺ Indicates good comparative performance
- ☹ Indicates poor comparative performance
- ☺ Indicates average comparative performance

The Council believes it delivers a value for money service as it has:

-  Low management costs generally
-  Low numbers of employees per property it owns
-  An overall average performance score

Detailed benchmarking reports, covering a wide range of indicators, are available from the Civic Centre.

To find out more about benchmarking and HOUSEMARK:






Fran Sewell                      0191 387 2135                      [fransewell@chester-le-street.gov.uk](mailto:fransewell@chester-le-street.gov.uk)

### **Gershon Efficiencies**

The Service has not formally completed an Annual Efficiency Statement for 2004/2005, but will do so for every year from April 2006 onwards. The Council has undertaken a Zero-Based Budgeting exercise for the 2005/2006 Housing Revenue Account. This means that every budget head was examined to make sure that the budgets provided were adequate for the purpose and that resources were being targeted to key priorities.

The Council will undertake a priority-based budgeting exercise for the production of the 2005/2006 HRA Budget to further shape resources around key priorities.

The Housing Service is committed to supporting the development of Gershon savings including:

-  Setting targets for efficiency savings from 2006 onwards
-  Developing action plans that show how the actions contribute to efficiency savings
-  Introducing market-tested schedules of rates for the Direct Labour Organisation
-  Developing partnering contracts for the delivery of major capital programmes from April 2006
-  Developing a quality/cost matrix for the evaluation of contracts

To find out more about Gershon efficiency savings contact:

Julie Clarke

0191 387 2383

[julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

### **Personal Development Interviews**

Housing and Community Services have for a number of years undertaken Performance Development Interviews for all staff within the service. These are used to identify training and development needs so that staff can support key business priorities. The training budget has been increased during 2005/2006 and centralised in order to maximise the effectiveness of training resources.





## Section 5

### Resources

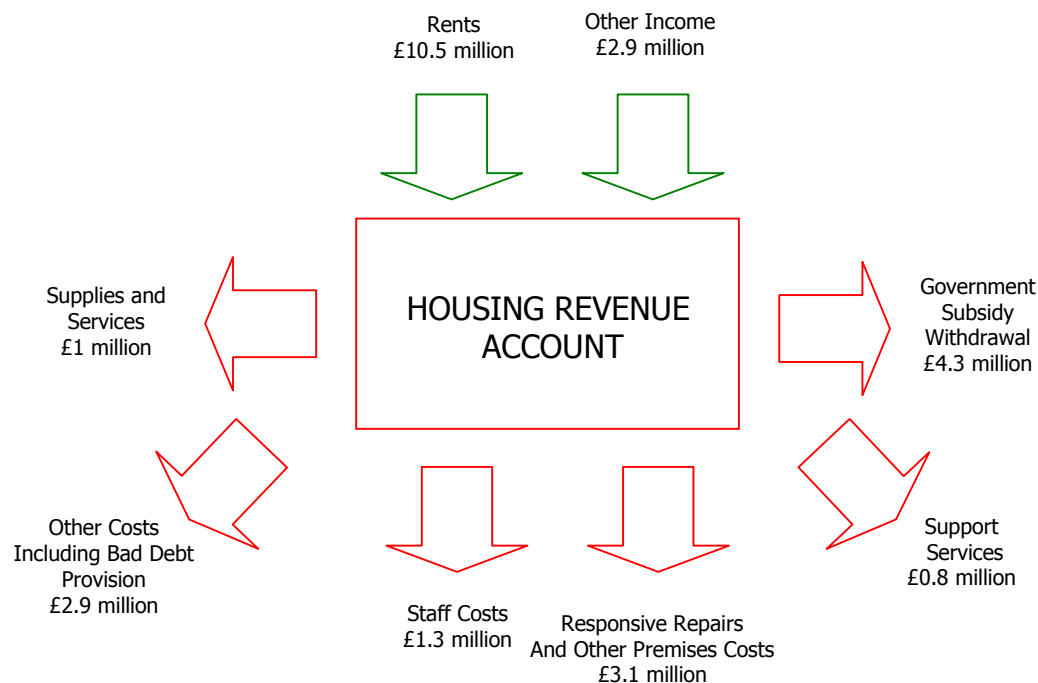
The purpose of this section is to set out the resources that are available to the Housing Service over the medium term to deliver services to tenants and to explain how those resources will be deployed.

All resources for housing are held in a separate account called the Housing Revenue Account (HRA). The HRA is split into two separate parts:

-  Revenue – this pays the staff wages and funds responsive repairs and grounds maintenance
-  Capital – this deal with the Council’s modernisation and improvement programme

The diagram set out below show the main income streams and cost centres for revenue parts of the Housing Revenue Account. Detailed budget information for the current and future years can be obtained from the Civic Centre by asking for a copy of the Budget Book.

**Figure 5.1: HRA Revenue Account – Revenue Resources 2006/2007**



A key point to note is the large amount of the revenue budget that is withdrawn from the Housing Revenue Account through a process called Subsidy Withdrawal. Almost one

third of all income in the Housing Revenue Account is withdrawn by the Office of the Deputy Prime Minister. This equates to, on average, £16 per tenant per week. This subsidy withdrawal is significant. It affects the ability of the Council to invest in local services and improve the quality of homes for tenants.

The Council has lost out significantly for 2006/2007 with an increase in the amount of money returned to the Office of the Deputy Prime Minister through the subsidy withdrawal process. Subsidy withdrawal has increased by £600,000 from April 2006 and currently now stands at £4.2 million. This has resulted in the Council having to reduce expenditure on repairs and tenant participation at a time when rents are increasing, on average, by 5.4%.

One of the key reasons the Council supported a stock transfer option is that this is the only mechanism by which all income generated locally through the rents can be kept within the Housing Revenue Account to support investment in services and homes for tenants.

To find out more about resources contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

### **Right to Buy Sales and Demolitions**

The Housing Revenue Account in Chester-le-Street has come under considerable pressure in recent years, both as a result of reductions in stock numbers through a combination of increasing levels of Right to Buy sales and planned demolitions in support of regeneration activity. Despite this, the revenue side of the account is sustainable for the next 28 years, mainly because staffing costs are already very low. As property losses increase over time, staffing costs will increase as a proportion of resources deployed.

Table 5.1 and 5.2, together with Figure 5.3, illustrate the effect of Right to Buy Sales on stock number since 2002. In the years 2002 to 2004, the Council averaged a loss of 200 dwellings per year through Right to Buy sales. There is some evidence that Right to Buy sales are reducing, since stock losses due to Right to Buy sales in 2005 have reduced to below 100.

It is important to note that 75% of all receipts from the sale of Council houses (called capital receipts) also goes directly back to the Government through a process known as 'pooling'. The Council is only allowed to keep 25% of income from Right to Buy sales for reinvestment locally.

The Council is, therefore, currently disadvantaged in two ways. Resources are clawed back to the Office of the Deputy Prime Minister through both Subsidy Withdrawal and Pooling.

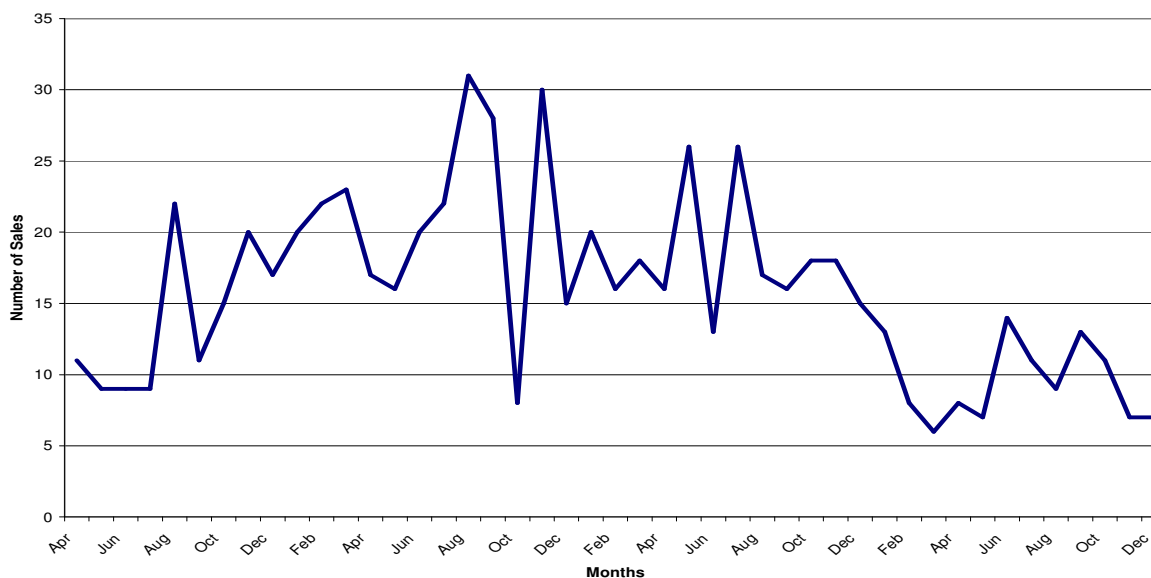
**Table 5.1: Right to Buy Sales Profile - Numbers (2002 to 2005)**

Months	2002/2003	2003/2004	2004/2005	2005/2006
Apr	11	17	16	8
May	9	16	26	7
Jun	9	20	13	14
Jul	9	22	26	11
Aug	22	31	17	9
Sep	11	28	16	13
Oct	15	8	18	11
Nov	20	30	18	7
Dec	17	15	15	7
Jan	20	20	13	
Feb	22	16	8	
Mar	23	18	6	
Total	188	241	192	87

**Table 5.2: Right to Buy Sales Profile – Values (2002 to 2005)**

Year	Gross Valuation	Discount	Offer Price
2002/2003	£6,788,500	£3,116,196	£3,672,304
2003/2004	£10,922,500	£4,623,833	£6,298,667
2004/2005	£9,516,500	£3,674,020	£5,842,480
2005/2006	£6,186,000	£1,595,532	£3,255,469
Total	£33,413,500	£13,009,581	£19,068,920

**Figure 5.2: Right to Buy Sales (April 2002 to December 2005)**



To find out more about right to buy sales contact:

Lynn Willis

0191 387 2028

[lynnwillis@chester-le-street.gov.uk](mailto:lynnwillis@chester-le-street.gov.uk)

## Reserves




The Housing Revenue Account is predicting reserves of £1.4 million at March 2006. Best practice suggests that the Council should have minimum reserve levels in the order of £0.5 million – just over £100 per property. Predicted reserve levels at year-end (March 2006) are estimated to be just over £300 per property. Reserves are, therefore, at a healthy level.

To find out more about reserves contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

## Financial Projections - Revenue

Detailed financial projections have been undertaken as part of the background work to the development of this Business Plan. Our analysis shows an ability to grow balances to £1.8 million by 2010, which will allow the Council to:

-  Respond flexibly to tenant priorities
-  Improve and strengthen services
-  Support stock investment

Over the longer term, the Housing Revenue Account continues to generate revenue surpluses until 2019, at which point costs begin to outstrip income until the Housing Revenue Account falls into deficit. If the Council had decided on a stock retention strategy, there would be clear medium-term financial management issues to address from 2019 onwards.

A separate Technical Volume detailing the financial projections to 2035 is available from the Council's Housing Strategy Team.

To find out more about resources contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

## Rent Re-structuring

As income from rents represents the majority of the income that the Service has, it is essential that the Council has well developed plans that model how rental income will change in future years. The Council has adopted a Rent Plan that will ensure that it complies with the Rent Re-structuring framework by 2013, as illustrated in Table 5.3 overleaf.

The ODPM has, from, April 2006, changed the way that rent increases are to be calculated. The average rents that council tenants will pay in the future will be the same irrespective of whether the Council remains as the landlord. Tenants can, therefore,

have certainty about future rent levels, as they consider the future management of the housing stock.

**Table 5.3: Rent Plan**

Years	Average Rent Levels
2006/2007	£48.75
2007/2008	£51.20
2008/2009	£53.75
2010/2011	£56.41
2011/2012	£59.18
2012/2013	£62.06
2013/2014	£63.92

**NB:** The above table assumes that inflation rate will be 2% per annum throughout the rent re-structuring period.

To find out more about rent re-structuring contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)



### Rent Arrears

In order to maximise income levels to support Service strengthening, reducing the level of both current and former tenants' arrears remains a high priority for the Service. The Service has high levels of arrears, equivalent to just over £481,897, as set out in Table 5.4 below. The reduction in arrears will release significant additional resources for the Service and therefore, is a key priority for the Service during 2006 and beyond.

**Table 5.4: Bad Debt Profile (December 2005)**







Arrears	Amount (£)	Percent Current Tenant Arrears	Overall Percent
Former Tenant Arrears	£177,438		36.82%
Current Tenant Arrears			
Over £1000	£79,144	25.99%	
£501 - £1000	£71,477	23.47%	
£201 - £500	£73,461	24.13%	
£101 - £200	£44,314	14.56%	
Less than £100	£36,063	11.85%	
Sub Total	£304,459		63.18%
Grand Total	£481,897		100.00%

The arrears are not spread evenly throughout the area, but are concentrated in areas of disadvantage with 53% of all areas occurring in:

-  Chester-le-Street 32%
-  Sacriston 21%

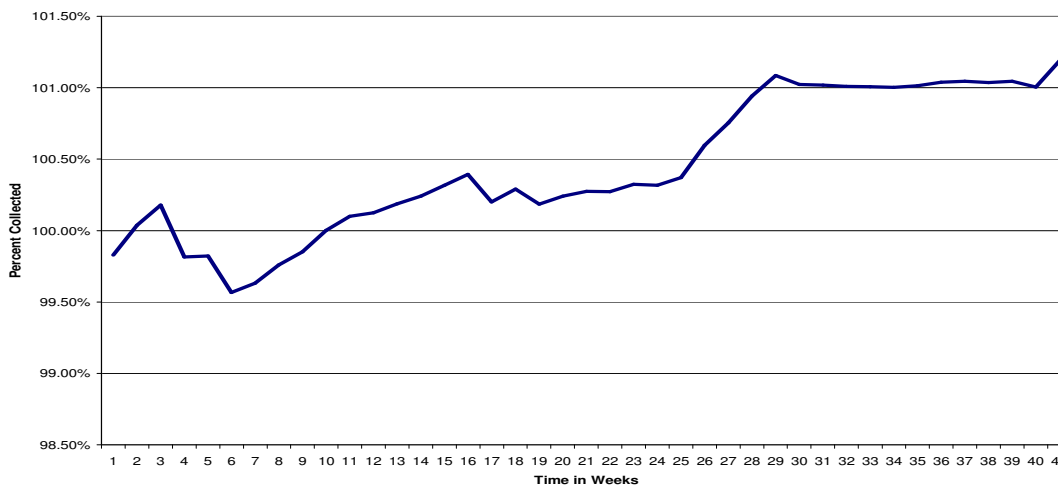
Furthermore, single households account for 68% of current tenant arrears.

The Council uses geographic and tenure analysis of arrears to help devise targeted support and intervention programmes including:

-  Targeted welfare advice, both through the Council, the Citizens Advice Bureau and Age Concern. This has resulted, in the last three years, in an additional £250,000 welfare benefits being claimed by Council tenants. An additional £9,000 has been made available to the Citizens Advice Bureau in 2005/2006 to strengthen this service.
-  Revised rent arrears letters that encourage tenants to work with the Council and other agencies to actively manage arrears and other debt.
-  Leaflets about the free advice service the Citizens Advice Bureau offers are included with every rent arrears letter.
-  Involvement of the Income Management Team at tenancy sign-up.
-  Targeted visits to tenants in arrears.
-  Development of payment agreements for tenants in arrears.

These various initiatives are now working, as can be seen from the graph below:

**Figure 5.3: Rent Collection Performance 2004/2005**



To find out more about rent arrears contact:

Kirk Groundwater    0191 387 2049    [kirkgroundwater@chester-le-street.gov.uk](mailto:kirkgroundwater@chester-le-street.gov.uk)

## Support Costs

The Service spends over £1 million every year on support costs. The Service has high support costs in some areas, particularly for its IT, Legal Services and Finance functions. The Service is in the process of undertaking value for money reviews on all support costs, as part of a wider contribution to efficiency savings. Service Level

Agreements are now in place for internal service providers in order to improve value for money. The Council will continue to benchmark support costs through the HOUSEMARK benchmarking club in order to ensure that costs are within acceptable levels.

To find out more about support costs contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

### **Financial Projections - Capital**

The Council has committed to supporting a £4 million housing capital programme for the next three years, funded as follows:






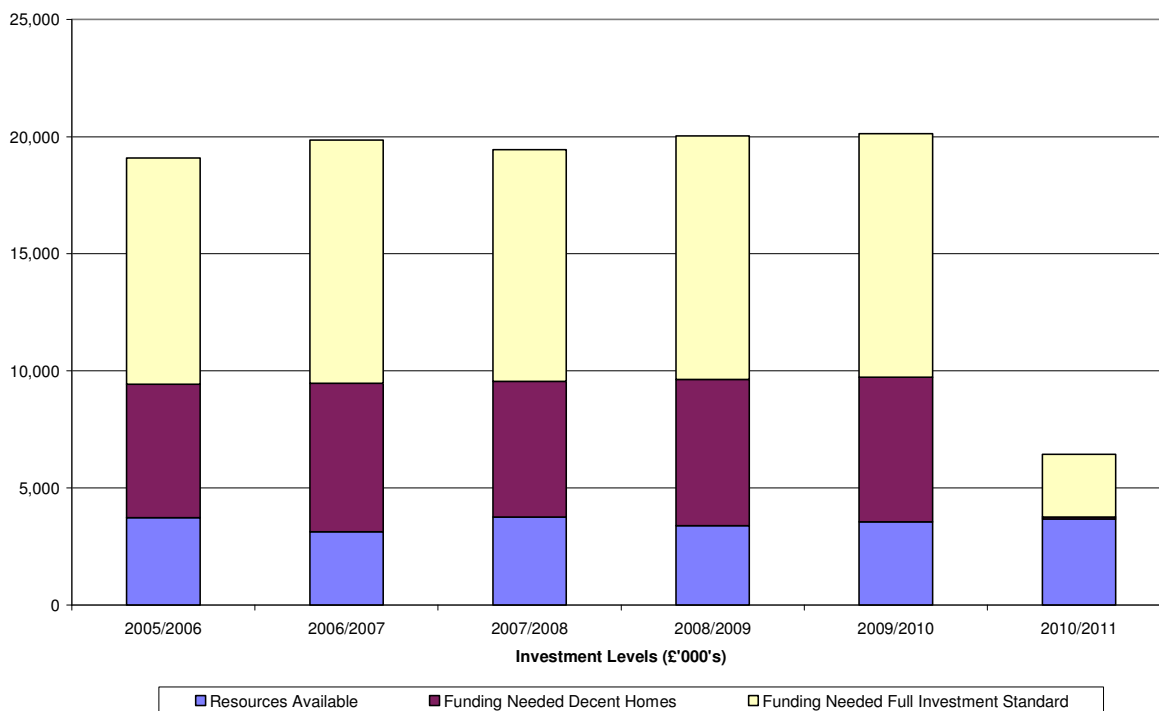
-  Major Repairs Allowance £2.3 million
-  Supported capital Expenditure £0.3 million
-  Capital Receipts £1.4 million

Figure 5.4 overleaf, illustrates that the Council can only access £21 million worth of capital resources up to 2010 – the point at which all homes must meet the Decent Homes Standard. If the Council is unable to persuade tenants that the transfer of the housing stock represents the best longer term solution for the management of the housing stock, then the Council will be unable to meet the Decent Homes Standard by 2010. The resources available mean that if the Council remains as landlord then there will be a funding deficit of:

-  £30.3 million to make all homes Decent by 2010
-  £53.4 million if all investment needs are to be met by 2010

**Figure 5.4: Future Investment Need Profile**







A key part of the decision making process for tenants, as they consider the best longer term solution for the management of the Council’s housing stock, will be the extent to which current investment possibilities meet or fail to meet their aspirations.

To find out more about capital investment contact:

Julie Clarke                      0191 387 2383                      [julieclarke@chester-le-street.gov.uk](mailto:julieclarke@chester-le-street.gov.uk)

**Capital Programme 2005/2006**

In developing a capital programme for 2005-2008, the Council has decided to invest available resources to meet the following key objectives:

-  Reducing the number of non-decent homes in the District
-  Improving the energy efficiency of the Council's housing stock
-  Creating sustainable neighbourhoods
-  Securing the provision of adequate adapted housing for vulnerable client groups



**Table 5.5: Three-year Funding Plan – Resources**

Resource	2006/2007	2007/2008	2008/2009	Total
Major Repairs Allowance	£2,376,000	£2,411,000	£2,447,000	£7,234,000
Supported Capital Expenditure	£190,000	£190,000	£190,000	£570,000
Capital Receipts	£2,000,000	£2,000,000	£2,000,000	£6,000,000
Total	£4,566,000	£4,601,000	£4,637,000	£13,804,000

The available resources will be deployed, in broad policy terms, as set out in Table 5.6 below:

**Table 5.6: Three-year Capital Resources Programme**




Capital Programme	2006/2007	2007/2008	2008/2009	Total
Decent Home Improvements	£3,650,000	£3,982,000	£4,015,000	£11,647,000
Disabled Adaptations	£300,000	£200,727	£200,454	£701,181
Car Parking Scheme	£60,000	£0	£0	£60,000
Sheltered Housing Improvements	£140,909	£0	£0	£140,909
Sub Total Scheme Costs	£4,150,909	£4,182,727	£4,215,454	£12,549,090
Professional Fees	£415,091	£418,273	£421,545	£1,254,909
Total	£4,566,000	£4,601,000	£4,636,999	£13,803,999


A detailed list of addresses has been drawn up so that tenants can be informed of when their homes will be modernised over the next three years. As a result of the new detailed stock condition survey (which allows the Council to target improvements where they are most needed) and the new delivery arrangements through Partnering Contracts (which provides maximum contractor efficiency), The Council will be able to carry out twice as many improvements from April 2006 onwards, as has been possible in previous years. In summary terms, the Council will be carrying out 2,402 improvements over the next three years as set out in Table 5.7.

**Table 5.7: Improvement Profile**

Components	2006/2007	2007/2008	2008/2009	Total
Kitchens/Bathrooms	213	214	179	606
Doors and Windows	317	369	313	999
Heating Systems	284	265	246	795
Total	814	848	738	2400

The three year capital programme addresses key priorities, identified in the recently completed Tenant Satisfaction Survey 2005, where key investment priorities were identified as follows. In priority order, tenants said they wanted to see more investment in:

-  New windows (54%)
-  New heating systems (30%)
-  New external doors (29%)

-  New kitchens (22%)
-  New bathrooms (19%)

## Repairs and Maintenance

The Council will spend a total of £2.7 million on revenue funded repairs during 2006/2007, as set out in Table 5.8 below. The Service has carefully developed its maintenance plans so that spend on responsive repairs is kept to an absolute minimum. Only 26% of all repairs and maintenance investment is being expended on responsive repairs during 2006/2007, with the remainder being targeted at planned works, cyclical maintenance and major improvements. This is well within the 40% limit set by the Audit Commission for responsive repairs expenditure. Firm control of responsive repairs allows more resources to be made available to be directed towards planned improvements where better value for money can be achieved through larger procurement packages.

**Table 5.8: Repairs and Maintenance Budget 2005/2006**

Description	Component	Value	Percentage Spend
Responsive Repairs	Emergency Works	£135,000	4.99%
	Urgent Works	£410,000	15.16%
	Routine Repairs	£950,000	35.13%
	Vacant Dwellings	£424,600	15.70%
	Sub Total	£1,919,600	70.98%
Cyclical Maintenance	Central Heating Unit Maintenance	£355,020	13.13%
	Painting	£200,000	7.40%
	Lift Maintenance	9800	0.36%
	Sub Total	£564,820	20.89%
Planned Maintenance	Electrical Works	£50,000	1.85%
	Doors and Window replacements	£85,000	3.14%
	Kitchen replacement	£85,000	3.14%
	Sub Total	£220,000	8.13%
	Grand Total	£2,704,420	100%

**Table 5.9: Responsive / Programmed Split**




Funding Source	Description	Amount (£)	Percent Revenue Funding	Percent Total Funding
Revenue Funded	Responsive Repairs	1,919,600	70.98%	26.40%
	Cyclical Maintenance	564,820	20.89%	7.77%
	Planned Maintenance	220,000	8.13%	3.03%
	<b>Sub Total</b>	<b>2,704,420</b>	<b>100.00%</b>	
Capital Funded	Capital Programme	4,566,000		62.80%
	<b>Total</b>	<b>7,270,420</b>		<b>100.00%</b>

To find out more about repairs and maintenance contact:









Susan Welford      0191 387 5804      [susanwelford@chester-le-street.gov.uk](mailto:susanwelford@chester-le-street.gov.uk)

## Procurement

The Service has a flexible and modern approach to procurement. In light of the fact that the Council has yet to adopt a Corporate Procurement Strategy (scheduled for completion by March 2006), the Service has adopted a set of Procurement Principles that will drive all procurement in the short term:

-  To develop modern, customer-focused services for the tenants of Chester-le-Street
-  To develop procurement methods and processes that contribute to the efficiency agenda
-  To ensure that all goods and services are procured, in an open and transparent way

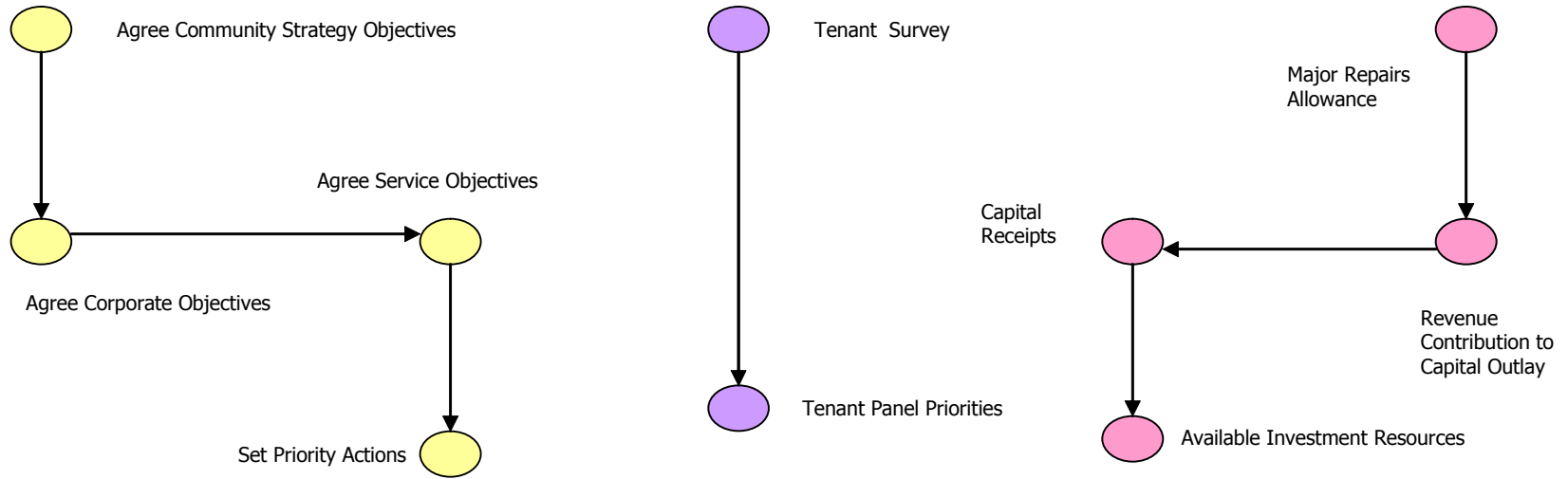
The Service procurement policy has eight guiding principles, as follows:

-  We will work in partnership with private and voluntary sectors and with other public sector partners. Our approach to this will be pragmatic not dogmatic
-  The Corporate priorities and core values of the Council will inform the procurement process
-  The Service will use the tool(s) of competition, when in individual cases, this can be shown to offer better quality services at optimal cost
-  The determination of whether and in what form competition will be employed, will generally be determined on a case by case basis
-  The evaluation of any tendering exercise will be based on the Most Economically Advantageous Tender approach
-  All purchases of goods and services will be carried out in accordance with the Council's framework of Standing Orders and Financial Regulations
-  All suppliers will be dealt with equally, with integrity, fairness and courtesy, and in a professional manner
-  The Council expects the highest standards of honesty and integrity from all staff involved in procurement of goods and services, both in their work and personal conduct, which may be relevant to their work duties. All staff involved in procurement of services should comply fully with the 'The Ethical Code of the Chartered Institute of Purchasing and Supply'

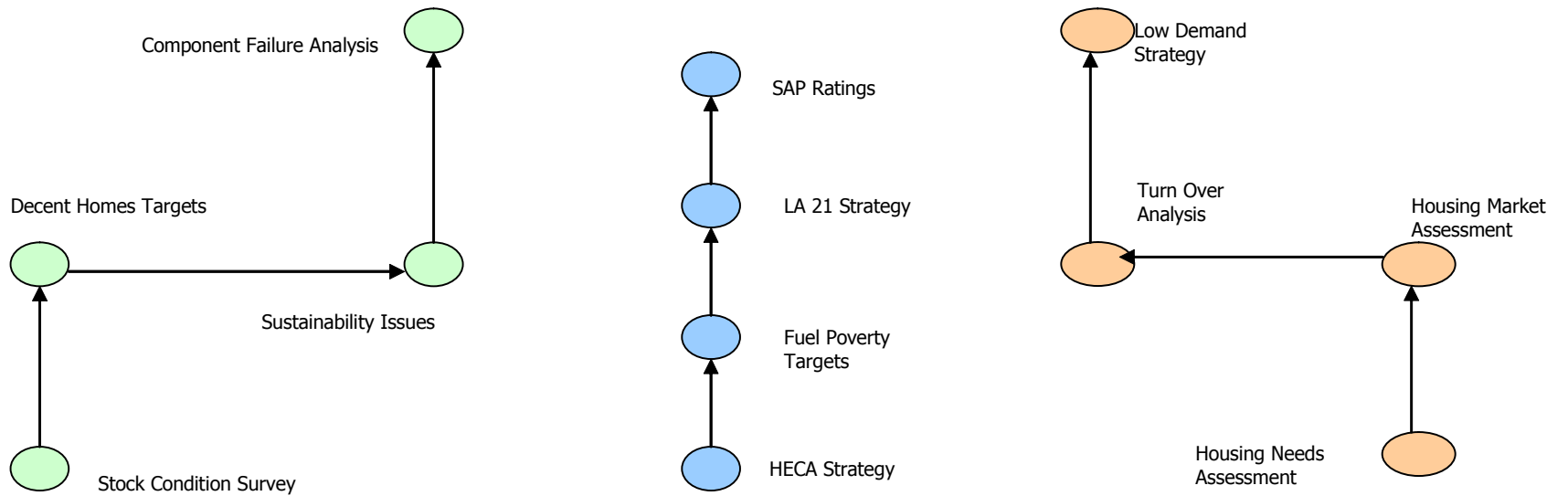
To find out more about procurement contact:

Susan Welford      0191 387 5804      [susanwelford@chester-le-street.gov.uk](mailto:susanwelford@chester-le-street.gov.uk)

**Figure 5.5: Housing Investment Plan**



**HOUSING INVESTMENT PLAN**



## **Section 6**

### **Option Appraisal**

The Purpose of this section is to explain the Council's long-term plans for the future management of the housing stock.

### **Background**

The Communities Plan, published in January 2003, required all stock holding local councils to complete a Stock Options Appraisal by July 2005. The purpose of this work was to determine the longer term arrangements for the management of local authority housing stock. The Office of the Deputy Prime Minister issued guidance to all local councils in 2003, indicating that tenants had to be at the heart of the decision-making process and that local councils should set up arrangements to make sure that local councillors, tenants and staff worked together to set the future strategic direction for the housing stock.

Chester-le-Street District Council has completed its Stock Options Appraisal in accordance with the national guidance and has concluded that the transfer of the housing stock to a not-for-profit organisation represents the best long-term solution for the future management of the Council housing stock.

The Stock Options Appraisal has recently been signed off by the Government Office for the North East, which means that the Council can now make a formal application for the transfer of its housing stock in December 2005 and work toward balloting all tenants in the autumn of 2006, to see if there is broad support for this proposal from tenants at large. Unless the majority of tenants vote in favour of the proposal to transfer the housing stock, then the stock will remain with the Council.

The remainder of this section explains why the Council came to that view and identifies the things the Council took into account in arriving at that decision.





All of the financial figures included in this section of the report were correct in 2004/2005. Inflation, stock losses through Right to Buy sales and updated stock condition survey information may affect these calculations if repeated in 2005. Updating notes are appended at the end of each section where significant changes would occur if the appraisal was repeated in 2006 using current information.

### **Steering Group**

The Council established a Steering Group, consisting of tenants, local councillors and staff, to make sure that the official guidance was followed at all times. In addition, The Community Housing Task Force, a Government advisory body, worked closely with the Council to make sure that every part of the process worked as smoothly as possible.




## Options

The following options were considered by the Steering Group, as part of the Options Appraisal process:

-  Keep the Council as the landlord - the 'Retention' option
-  Establish an Arms Length Management Company (an ALMO) to take over the management of the housing stock as the Council's agent, whilst the Council still owns the stock
-  Use the private finance initiative to secure additional investment resources
-  Transfer the housing stock to a new not-for-profit organisation, sponsored by the Council

## Stock Options Appraisal Process

In order to make sure that the Council and local tenants were supported throughout the process, the Council appointed a number of consultants to help with the following key tasks:

-  The appointment of TPAS as an Independent Tenant Advisor to make sure that the tenants were supported throughout the process and had access to independent advice and support
-  The appointment of Housing Quality Network to support the detailed technical and financial assessments that were required
-  The appointment of Rand Associates to undertake a stock condition survey, to inform the technical appraisal




Three reports have resulted from this work:




- ❖ The Stock Condition Survey 2004 report
- ❖ A detailed technical financial appraisal report
- ❖ A Tenants Stock Option Appraisal Report

## Stock Condition Survey





The Council undertook a stock condition survey in 2002, which was used as the basis for completing the stock options appraisal. The survey results were subject to some updating in 2004 to provide more up-to-date data.

Stock Condition Survey Report 2004 indicates that:




-  A total of £234 million worth of investment is required over the next 30 years, if all repair and improvement works are to be carried out as required
-  There is a backlog of repairs estimated to be £4 million
-  Works to windows, kitchens, electrics and heating systems make up 65% of all backlog repairs

-  21% of the stock (1,013 dwellings) does not meet the Decent Homes Standard
-  57% of all dwellings (2,607 dwellings) will fail the Decent Homes Standard by 2010 unless there is continued investment, targeted at making homes Decent
-  All dwellings failing the Decent Homes Standard did so on the grounds of disrepairs and having components that were old and in poor condition

The report estimated that it would cost:

-  £13.71 million to make all homes Decent by 2010 (this includes those that currently fail the standard and those that are scheduled to fail the standard without further investment)
-  £14.6 million to deal with Decent Home components that are old and poor condition but where multiple failures of components would be required to trigger a failure of the standard
-  £6.3 million to deal with essential works not covered by the Decent Homes Standard, but where the Council as a landlord has a legal obligation to undertake works
-  £6.95 million to deal with other improvements

If the Council had decided that it wished to retain the stock and only invest to meet the minimum Decent Homes Standard up to 2010, then:

-  1,000 dwellings needing new kitchens would not get them
-  500 dwellings needing new bathrooms would not get them
-  700 dwellings needing new windows would not get them

#### [2006 Stock Condition Update](#)

[The 2002 baseline survey, which was used to undertake the Stock Option Appraisal has been updated in 2005. The condition of the stock has deteriorated significantly since the last survey. Section 3 of this report gives the latest data on stock condition.](#)

## **Key Issues**







The key issues for Chester-le-Street in considering each of the aforementioned options are set out below:

### **Keeping the Council as the Landlord**













Under this option the Council would remain as landlord. The Housing Revenue Account Business Plan prepared by Housing Quality Network shows that the revenue account is just sustainable throughout the next 30 years and therefore, this is a viable option for the Council to consider, although the forward position could change radically with fairly minor changes to the HRA Subsidy rules. If the Council were to agree to keep the stock,

it would need to keep a weather eye on the long-term sustainability of the HRA. A recent update carried out during 2005, now shows that the Housing Revenue Account cannot be sustained over the longer term and if the Council chose this option, then a financial problem would have occurred in 2019.

The main issue associated with the Retention Option is that the Council does not have access to sufficient capital resources to:

-  Renovate all homes to the comprehensive Decent Homes Standard by 2010
-  Keep all homes up to the comprehensive Decent Homes Standard beyond 2010
-  There is a capital shortfall of £16.6 million to 2010 (just over £3 million per year) between what the Council needs to spend to keep the stock in good condition and the resources it has available to spend up to 2010
-  There is a capital shortfall of £64.4 million over the next 30 years (just over £2 million per year) between what the Council needs to spend to keep the stock in good condition and the resources it has available to spend up to 2036
-  The Council will not be able to invest sufficient resources to meet tenants' expectations
-  Rents will increase to a similar level to those of a registered social landlord, due to the Government's Rent Re-structuring Formula

The main advantages and disadvantages of this option include:

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li> Retain current housing staff</li> <li> Keep Council as landlord</li> </ul>	<ul style="list-style-type: none"> <li> Uncertainty about long term funding</li> <li> Service suffers due to the uncertainty of the Housing Subsidy system</li> <li> Council cannot make all homes decent by 2010</li> <li> Lack of funds to invest above the Decent Homes Standard</li> <li> Some risk as to whether the Decent Homes standard can be achieved beyond 2010</li> <li> Subsidy withdrawal currently running at £1.4 million per annum</li> <li> 75% of all Council house sales goes back to the Government</li> <li> Limited opportunities for further tenant involvement</li> <li> High future Right to Buy sales of family housing make stock unsustainable in the longer term</li> <li> Landlord already rated as No Star service by the Housing Inspectorate</li> </ul>



## 2006 Update on Keeping the Council as Landlord

An updated appraisal carried out in early 2006, using the latest stock condition survey, shows that the Council will not be able to meet the Decent Homes Standard by 2010 with the resources available at its disposal and that significant shortfalls in funding exist over what tenants expect in terms of repair and modernisation standards. Subsidy withdrawal has increased by £600,000 since the Stock Option Appraisal was completed.












## Setting up an ALMO





An ALMO is where the Council sets up its own company to manage the housing stock on behalf of the Council. The ALMO, in effect, acts as an agent of the Council to deliver landlord services. The ALMO is controlled through a set of legal agreements. The company is wholly owned by the Council, but tenants and independents can sit on the Board.

The Housing Revenue Account Business Plan, prepared by Housing Quality Network, shows that the revenue account is just sustainable throughout the next 30 years. This is, therefore, a viable option for the Council to consider, although the forward position could change radically with fairly minor changes to the HRA Subsidy rules. If the Council were to agree to establish an ALMO, it would need to keep a weather eye on the long-term sustainability of the HRA. (A recent review of the Housing Revenue Account in 2005 shows that the HRA is no longer sustainable throughout the next 30 years. If the Council had chosen this option financial problems would have been encountered in 2019.

Provided that a Two-Star rating can be achieved and maintained, then the Council may be able to secure up to a maximum of £16 million of additional resources by setting up an ALMO, in order to meet the Decent Homes standard by 2010. It would cost the Council between £200,000 and £600,000 to set up an ALMO. These set-up costs would have to be met from the Housing Revenue Account, i.e. it would be paid for by the tenants through income from rents.

The following are the main advantages and disadvantages of this option:

<b>Advantages</b>	<b>Disadvantages</b>
 Retain existing staff	 Expensive to set up
 Tenants get to sit on the Board	 Insufficient resources to meet all investment needs
 ALMO can operate at arms length from the Council so does have a degree of independence	 No additional resources beyond 2010
 Some additional resources may be available to assist in meeting the Decent Homes	 Uncertainty of the future for ALMO's – ODPM currently reviewing ALMO's
	 Not a long-term solution
	 Can be seen as a stepping stone to full stock transfer
	 Lack of funds to invest above the Decent

standard	<p>Homes standard</p> <ul style="list-style-type: none"> <li> Subsidy withdrawal currently running at £1.4 million per annum</li> <li> 75% of value of Council house sales goes back to the Government</li> <li> High future Right to Buy sales of family homes make stock unsustainable in the longer term</li> <li> Need to get 2-Star Rating in order to draw down resources</li> </ul>
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2006 Update on Setting up an ALMO

Having completed the Stock Options Appraisal, it is not possible to now apply for ALMO status, as the 2005 Round was the last for ALMO's. The problems with subsidy withdrawal that affect the Council, as landlord, also apply to the ALMO option. ALMO funding only applies to making home decent to the 2010 deadline. It does not provide funding beyond 2010 or to a standard above the Decent Homes standard. Tenants' aspirations will not be met with the ALMO option.






### Using PFI to Obtain Additional Investment Resources




The Private Finance Initiative (PFI) is a method whereby the Council can transfer its housing stock to a private company for a period of 20 to 30 years. The private company can borrow money from the banks to invest in the housing stock then collect the rent over a 30 year period to pay off the bank loan and to make a return. In some cases, the Council also has to make top-up payments to the private company because the amount of rent collected will not be enough to meet bank repayment costs. If this happens, the Council can apply to the Office of the Deputy Prime Minister for help in meeting these payments.

PFI tends to work best where there is poor quality stock in a high demand area. PFI tends to be a part solution only. For example, PFI contractors may only be interested in sheltered stock. As this is not a whole stock solution for Chester-le-Street, the PFI Option was discounted at an early stage in the Option Appraisal process.

PFI schemes are in their infancy (there are very few schemes in operation). They can be expensive to set up and can take a long time to set up.

The following are the main advantages and disadvantages of this option:

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li> Large amount of resources potentially available</li> </ul>	<ul style="list-style-type: none"> <li> Process is complex</li> <li> Process takes a long time</li> <li> Unlikely to be a whole stock solution</li> <li> Works best with high demand poor condition housing stock – parts of the stock</li> </ul>

	<ul style="list-style-type: none"> <li> in Chester-le-Street are still in low demand</li> <li> The homes would be managed by another organisation</li> <li> There are few successful models in existence</li> </ul>
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2006 Update on the Private Finance Initiative

The private Finance Initiative remains an unattractive option for the Council.

















### Transferring the Stock to a Not-for-Profit Landlord Sponsored by the Council





This is where the Council approves the transfer of the ownership and management of the housing stock to a not-for-profit organisation sponsored by the Council.

The new not-for-profit organisation could borrow funds in order to undertake all the necessary and desired works to meet tenants’ aspirations. Key issues include:

-  The full investment needs, as set out in the Stock Condition Survey 2004, would be able to be met
-  Tenants aspirations would be met in full
-  The new not-for-profit organisation would be able to build new homes to meet housing need
-  Income from Right to Buy sales would be kept within the District
-  All rental income would be retained by the Service

The following are the main advantages and disadvantages of this option:

<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li> Can undertake new build to replace Right to Buy losses</li> <li> Government will pay some of the set-up costs</li> <li> Retain existing staff</li> <li> Can borrow to fund all upgrading and improvements</li> <li> Removal of uncertainty, involving Government subsidy</li> <li> Certainty over funding levels</li> <li> All Right to Buy income could be kept in the District</li> <li> There would be local control</li> <li> Tenants would get a seat on the Board</li> <li> Can achieve more than the Decent Homes standard</li> <li> Rents remain affordable</li> </ul>	<ul style="list-style-type: none"> <li> There is no going back</li> <li> Significant impact on the Council if the stock is transferred</li> <li> Loss of control over the housing stock</li> <li> The Housing Service currently makes a contribution to the Council’s overhead costs</li> <li> The Council will need to review its accommodation strategy</li> </ul>

<ul style="list-style-type: none"> <li> Can secure an additional £64.4 million investment over 30 years</li> <li> Rents are controlled through Rent Re-structuring</li> <li> Existing tenants would retain a 'preserved' Right to Buy</li> <li> New tenants would have a Right to Acquire</li> </ul>	
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#### 2006 Update on Stock Transfer

Transfer of the stock to a not-for-profit organisation remains the only option that will secure all the required funding to meet both landlord obligations and tenants aspirations over the longer term. Stock transfer is the only option that avoids the subsidy withdrawal problem.

The revised formula for rents now means that all social landlords' rents are calculated on the same basis. This means that tenants can be certain of future rent levels, irrespective of who the landlord is.

### Rent Re-Structuring

In order to ensure that the fullest information is available on future rent levels, the Council produced a Rent Plan showing how rents will increase between now and 2012 (the end of the Rent Re-Structuring period). In summary form:









-  If the Council were to retain its stock, tenants would be paying £61.88 per week rent in 2012
-  If the Council were to transfer its stock to a not-for-profit organization, tenants would be paying £62.96 per week rent in 2012. This represents a 1.75% rent increase over and above what tenants would be paying if they remained as Council tenants.

#### 2006 Update

The Office of the Deputy Prime Minister has recently announced a revised formula for calculating the rents of all social landlords. From April 2006, all social landlords will use the same formula for setting rent levels. Section 3 of this HRA Business Plan sets out the revised Rent Plan for the housing stock based on the new formula. Tenants can now have certainty about future rent levels irrespective of who their landlord is.








## Tenants Views

Tenants have been widely consulted as part of the Stock Options Appraisal process, including:





-  A tenant survey which received returns from 845 tenants (18.4% of all tenants)
-  Seven visits to Sheltered Schemes that resulted in 97 residents being given information
-  Eleven Focus Groups and Tenant Meetings in every settlement that engaged 126 tenants
-  Six Resident Association meetings, involving 87 tenants
-  Four Community Partnership meetings, involving 56 tenants and residents
-  Two Tenants Conferences that secured attendance of over 180 delegates
-  In total, 602 tenants attended all meetings that were arranged throughout this process
-  Visits to East Durham Homes (an ALMO) and to Hartlepool Homes (a stock transfer not-for-profit organisation)

The Office of the Deputy Prime Minister regards 5% of all tenants being engaged as an absolute minimum at this stage. The Council has exceeded this total with some margin to spare. The Council can say with confidence that it has engaged with a sufficiently wide cross-section of tenants to meet good practice standards.

The key message emerging from all the consultation events was that:

-  The tenants expect their landlord to renovate and improve their homes to a far higher standard than that set out in the Decent Homes Standard. The main aspirations for tenants, in priority order, were that:
  -  All homes would have new windows and doors
  -  All homes should have a modern kitchen
  -  Bathrooms should be modernised
  -  Dampness and condensation would be dealt with
  -  Storage space inside some homes was inadequate
  -  Noise transmission between homes was a priority






The Tenants Panel, who have been involved with this process throughout, have expressed a unanimous view that stock transfer represents the best long-term solution for the management of the Council's housing stock. The main reasons set out in the Tenants Report for this view is that:

-  Homes would be improved to at least the Decent Homes Standard and where possible to meet tenants' aspirations
-  Local control and management of the service would stay in the District
-  The new housing organisation would be asset-owning
-  The housing service provided by the new organisation would aim for excellence

 There are greater opportunities for tenant participation

## **Regeneration**

In terms of regeneration potential, set out below are some of the projects that any new not-for-profit organisation may well be able to deliver in support of key Council objectives:

-  Build new housing for rent, thereby creating new affordable housing and creating local jobs
-  Deliver an additional £64 million repair and improvement programme over and above that which the Council can afford over a 30 year period
-  Procure improvement schemes in a way, which supports job creation and skill development locally
-  Establish a trading arm to market Careline Services. The Careline Service could be generating work to monitor up to another 10,000 homes within three years of transfer, thereby creating local jobs
-  Play a key role in delivering Neighbourhood Management activity sponsored by the Council

For more information on the stock options appraisal contact:

Ian Broughton

0191 3872410

[ianbroughton@chester-le-street.gov.uk](mailto:ianbroughton@chester-le-street.gov.uk)








## Section 7

### Priorities For Action







The purpose of this Section is to show what priorities have been identified and how those priorities have been set.

The Council has a process in place to identify priorities and to shape budgets in support of those priorities. The Council's Housing Revenue Account Business Plan sets out high level priorities for the next three years. These are reviewed and updated annually, as part of the budget process, linked to feedback from the annual tenant satisfaction survey.



The Priorities for the next three years have been arrived at following detailed consultation with residents, staff and elected members and have emerged in response to:

-  The Housing Inspection Report in 2001
-  The Housing Inspection Report in 2002
-  The Mock Housing Inspection Report in 2005
-  The CPA Report in 2004
-  The development of the Community Plan in 2004
-  The development of the Corporate Plan in 2005
-  The development of Phase I and II Improvement and Recovery Plans


### Customer Excellence



-  Achieve a minimum of One-Star Housing Inspection rating in 2006
-  Achieve a Three-Star Housing Inspection rating in the longer term
-  Use feedback from the tenant survey to inform service development and future investment.
-  Agree, set and monitor revised service standards
-  Implement the findings of the Stock Options Appraisal
-  Develop a new Service website

### Working in Partnership to achieve the Community Strategy

-  Develop and implement a new Allocation Scheme
-  Support Street Safe initiatives on Council estates

### Meeting the Decent Homes Standard


-  Ballot the tenants of the possibility of transferring the housing stock to a not-for-profit organisation

-  Develop partnering contracts to improve the delivery of major capital programmes
-  Develop and publish a Three-year capital programme


### **Regenerating the District**

-  Complete the regeneration schemes at Pelton and Pelton Fell

### **Neighbourhood Management**

-  Support the development of a Neighbourhood Management pilot on one of the Council estates

### **Maximising Efficiencies**

-  Produce Annual Efficiency Statement

To find out more about service priorities contact:

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