One Tamworth, Perfectly Placed

Every Tenant Matters

Housing Revenue Account Business Plan

2012-2042

Tamworth Borough Council

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Foreword

This document sets out the Council's plans and ambitions in its role as a Landlord over the next thirty years. Our plans, developed in consultation with tenants', have at their heart the Council's overall strategic priorities and directly support the objectives of the Healthier Housing Strategy.

Our plans have been developed at a time of significant opportunity arising from the implementation of Council housing finance reform. The Council has consistently argued for a system of self-financing for Council housing and we welcome the changes set out in the Localism Act 2011. This new approach will enable the Council to realise ambitious plans to meet tenants' needs and aspirations and will provide the opportunity for major investment in the regeneration of our neighbourhoods. In addition the changes provide the opportunity for greater transparency and accountability to our customers who will in turn drive efficiency and effective use of resources.

This is also a time of challenge and uncertainty. In preparation of our plans we have been aware of the risks associated with ongoing economic challenges for our customers. We believe that Welfare Benefit Reform will have a major impact on our customers and on wider housing need. Plans reflect the need to ensure customers are supported through these changes and that opportunities to meet income and housing need are maximised.

We also recognise that some of our neighbourhoods require regeneration if our corporate priorities and business aims are to be met. For this reason we will be assessing how best neighbourhood regeneration can be achieved. This will include a critical assessment of the potential for re-provision of poor housing with new build council-housing. It is an ambition of the council to see new council housing developed within Tamworth where the business case supports this option.

The Council also welcomes the greater certainty over its future finances provided by council housing finance reform. The opportunities to plan both in the medium and long term will allow for financial and commercial business planning that before now has not been possible.

There remain uncertainties however which must be kept under review. National consultation is currently under-way in relation to Right to Buy Reforms and the new proposed Tenant Regulatory Framework. The business plan has taken account of these proposals although an annual impact assessment will be considered in order to respond to changes as they happen, allowing us to adapt the business plan accordingly.

During 2012 we will also be updating our stock condition data and developing an Asset Management Plan. This will compliment the wider corporate core strategy in terms of identifying opportunities for land and property investment to increase the supply of affordable housing.

The cornerstone of this plan is about partnerships. Business planning is predicated on unleashing the potential and opportunities to work together with both the public, private and third sectors. Responding to Tamworth's Strategic Partnership and the series of task and finish priorities, Landlord services will directly contribute to real outcomes on estates and the business plan is an opportunity to illustrate this, whilst at the same time is capable of adapting to change as it inevitably comes.

1. National Policy Challenges

Housing is central to everything we do. From delivering economic growth to supporting people to live independent and healthier lives, there are huge economic and social benefits to be gained from ensuring that people have access to homes which meet their needs and aspirations.

This plan is formulated at a time of global economic difficulty and fiscal restraint. This is combined with far reaching changes to national policy which will require that the Council be innovative in order to deliver more and better with fewer resources.

The reform of Council Housing Finance must be seen in the context of wider reforms including:-

Welfare Benefit Reform –the introduction of universal credit, caps to benefit levels, reduction in local housing allowances, and increases in non dependant charges will impact not only on affordability and social mobility but will also present challenges to the Council in maintaining revenue income.

National Planning Policy Framework – a new duty to co-operate alongside the draft National Policy Planning Framework puts the emphasis firmly on Council's, working with communities, to set out ambitions and expectations for housing growth and sustainability. The business plan has been formulated within the context of the Tamworth Core Strategy and Local Development Framework.

Localism Act 2011- the Localism Act includes measures which will result in significant changes in social housing including:

- Flexibility in the level of rent to be charged for some properties with the introduction of 'affordable rents'
- Flexibility to introduce shorter fixed term tenancies of at least 5 years and pay-to-stay – options to enable councils to charge higher earning tenants more
- Greater flexibility which enables the Council to better reflect local priorities based on employment, local links and other criteria
- Changes to Regulation – further empowering tenants to scrutinise and regulate services

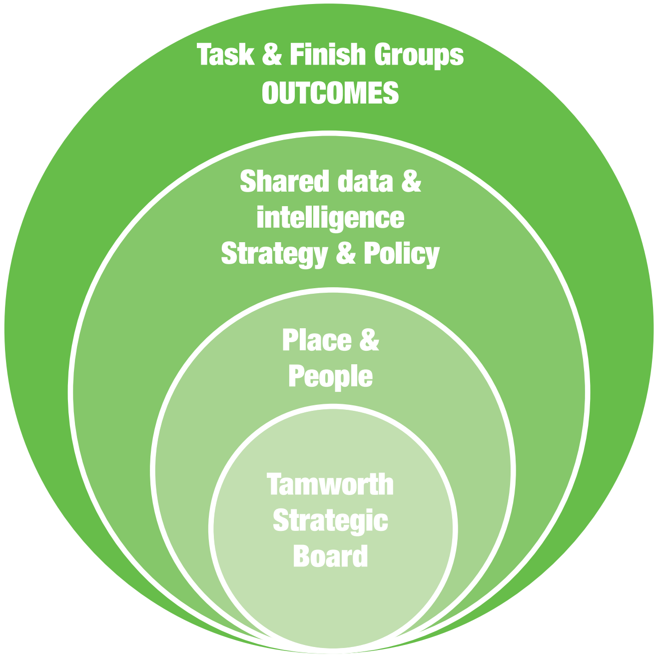
In addition to the above, proposed changes to the Right to Buy have the potential to significantly impact on the HRA business plan. Increases in the number of properties sold will present a risk to the plan as set out. However the opportunity for the Council to be able to commit Right to Buy receipts to delivery of new housing at a local level is an opportunity which will support the ambitions set out in the plan.

Change is not limited to social housing. A greater focus on 'incentive' funding and in particular the introduction of the New Homes Bonus and changes to non-domestic rates represent key challenges for the Council will require a pro-active and entrepreneurial approach to growth.

Major health reform is also of particular significance for Tamworth and the Council has acted on the recognition of the importance of engaging fully with the transition of services and commissioning arrangements. This business plan is formulated within the context of significant ongoing health inequalities in Tamworth and recognition, though the Council's Healthier Housing Strategy, of the major impact housing has in addressing these issues.

2. Local Strategic Context

Tamworth's strategic plan was endorsed by Cabinet in October 2011 and was informed by a strategic review of local priorities. The plan is owned by the Tamworth Strategic Partnership representing the principal agencies working in Tamworth including County Council representatives, the Police service education, the fire service , Primary Care Trust, the Clinical Commissioning Group and the voluntary sector.



The partnership shares a single strategic vision - **One Tamworth perfectly placed**

Two key priorities flow from the vision- that the people of Tamworth are :

- Healthier and safe and can
- Aspire and prosper

The Tamworth Strategic Partnership is driven by a commitment to providing strong leadership to ensure the achievement of the shared vision and priorities.

Following an evidence based assessment of the key issues in the borough a series of multi-agency task and finish groups have been commissioned to deliver outcomes to support common strategic priorities.

The strategic evidence base has been informed by:-

- Joint Strategic Needs Assessment (adults and children)
- Community Safety Partnership Joint Strategic Assessment
- State of Staffordshire Report – Staffordshire observatory
- Tamworth Borough Council – Place Survey 2009

This has led to the establishment of 9 task and finish groups.

County Wide Partnerships

Staffordshire is a two tier local authority area and the Council works closely with our county council partners. This partnership can be evidenced by a number of outcomes including:

- Co-located services in Marion House, including Social Care teams
- Commissioning opportunities, notably through administration of supporting people grant funding
- A Shared strategic framework

The Council is fully engaged in supporting the development of the Shadow Health and Well being Board. This board brings together organisations responsible for the delivery of health and wellbeing outcomes within Staffordshire. Tamworth provides representation for all Staffordshire District and Borough Authorities on the board.

A county wide health and well being strategy was developed during 2010/11 and is currently under review. Local delivery of health and well being outcomes fall within the remit of the Tamworth Strategic Partnership.

Also at a County level there are a series of strategies informing the overall County-Wide framework which include:-

- "Best of Both Worlds" – flexi care strategy
- "Independence Strategy"
- Homelessness prevention
- Promoting choice and mobility
- Developing extra care and sheltered housing

A sub regional allocation scheme known as UCHOOSE also continues to operate. Eleven organisations currently participate and whilst it is likely (with the onset of HOMESWAPPER as a mandatory national mobility scheme) that this sub regional group will cease in its current format, it will continue as a partnership reviewing its terms of reference to focus on the:-

- Implications of the regulatory framework currently out for consultation (10/2/12)
- Access to housing and register management
- Opportunities for shared supportive housing
- Strategic impact of tenancy management policies around flexible tenure and affordable rent

Economic Development Strategy

Housing supply and housing services have a clear contribution to make to sustain and improve economic resilience and growth beyond bricks and mortar. This link is increasingly recognised nationally and we consider there are opportunities to align what housing does to contribute more to economic ambitions.

The business plan is framed to deliver against these opportunities, particularly through the commissioning of services and delivery of large scale regeneration. There is a contribution to be made in relation to a range of strategic priorities including the Tamworth Gateway Project and Town Centre Master Planning. Council housing finance reform provides the Council with the financial power to potentially acquire, invest and regenerate estates.

Core Strategy and Planning Framework

Plans for regeneration and potential new development are framed within the context of the core strategy and local infrastructure delivery plan including the:-

- Wilnecote regeneration corridor
- Town centre gateway

Tamworth Borough Council has also agreed a new Core Strategy which outlines Tamworth ambitions in relation to the use of land, its buildings and infrastructure. The core strategy anticipates that 5500 new homes will be needed by 2028, with only 4500 being accommodated within Tamworth. This results in land bordering Tamworth, Lichfield and North Warwickshire being identified for up to 1000 homes. In the shorter term around 1150 homes will be delivered by Anker Valley, with the remaining homes having to be delivered by innovative approaches to development.

The business plan for the councils housing stock sets out an ambition for potential new development to contribute to the achievement of the aims of the core strategy and in particular the delivery of new affordable housing.

Local Investment Plan (LIP)

The Council has set out its plans in relation to the delivery of affordable housing in its LIP developed in partnership with the Homes and Community Agency (HCA) and Registered Providers(RPs). The LIP aims to ensure that all residents in Southern Staffordshire have access to good quality, appropriate and affordable housing. The plan recognises housings significant role in contributing to and enhancing the social, health and economic and environmental well being of residents.

Primarily the work of the partners involved in the LIP will be to decide how priorities will be achieved with significantly reduced funding from the government. On the one hand Tamworth has recently received its New Homes Bonus Allocation. This added incentive to support community development is a key housing strategic challenge.

The bonus is based on the council tax of new homes and those brought back into use, with a premium for affordable homes and paid for the following six years. It ensures that those local authorities who promote and welcome growth can share in the economic benefits, and build the communities in which people want to live and work.

3. Healthier Housing Strategy

In 2011 Tamworth Borough Council's Cabinet and partners endorsed a single shared vision – "One Tamworth – Perfectly Placed" and agreed 2 strategic priorities.

Also during 2011 the council launched its Healthier Housing Strategy 2011-2014. Within this strategy a series of objectives were identified in support of the corporate priorities.

The Healthier Housing Objectives driven by the 2 corporate strategic priorities have determined the landlord business planning objectives.

This link is illustrated by the diagrams below:-

The HRA objectives within the Business Plan have been developed specifically to support delivery of the corporate priorities and objectives of the healthier housing strategy.

To illustrate this link practical examples of how the Council HRA business plan activities contribute to the overall delivery of the Council's Strategic Priorities are provided below.

Corporate Priority	HRA Business Plan Examples
To Aspire & Prosper	
Raise aspiration & attainment levels	Procure Strategic Partners and Contractors who can offer apprenticeships and structured work based learning
Create opportunities for business growth	Target investment into large scale regeneration programmes to stimulate economic growth, i.e. Re-provision of council housing at Tinkers, Kerria and around Town Centre
Promote Private sector growth	Support the Asset Management Strategy and maximise opportunities for private sector investment, i.e. garage sites
Tamworth great place to "live life to the full"	Extend Choice to the wider social rented sector to promote widest possible housing options and choice
Create physical and technical infrastructure necessary	Invest in the housing stock, and in particular locality areas, to improve the physical make-up of assets and homes.

Corporate Priority	HRA Business Plan Examples
To be Healthier & Safer	
Address the causes of poor health in children	Target housing allocation policies to tackling under occupation and make the best use of stock. In addition attract investment to run a range of health courses to promote well being and healthy lifestyles
Improve health and well being of older people	Promote sheltered housing and extend development of extra care for older people to create sustainable living
Reduce harm and consequences of alcohol abuse	Educate, with partners, tenants' on the consequences of alcohol misuse
Implement total place solution to tackle ASB	Achieve the RESPECT Housing management standard and continue to integrate into the councils corporate safety hub ensuring satisfaction with tackling ASB and with the landlord service overall
Develop early interventions to tackle youth crime	Target investment to diversionary activities, such as youth schemes and projects with the localities.
Create and integral approach to protect vulnerable	Produce a health inequalities plan that targets the vulnerable and is linked to a risk assessment framework

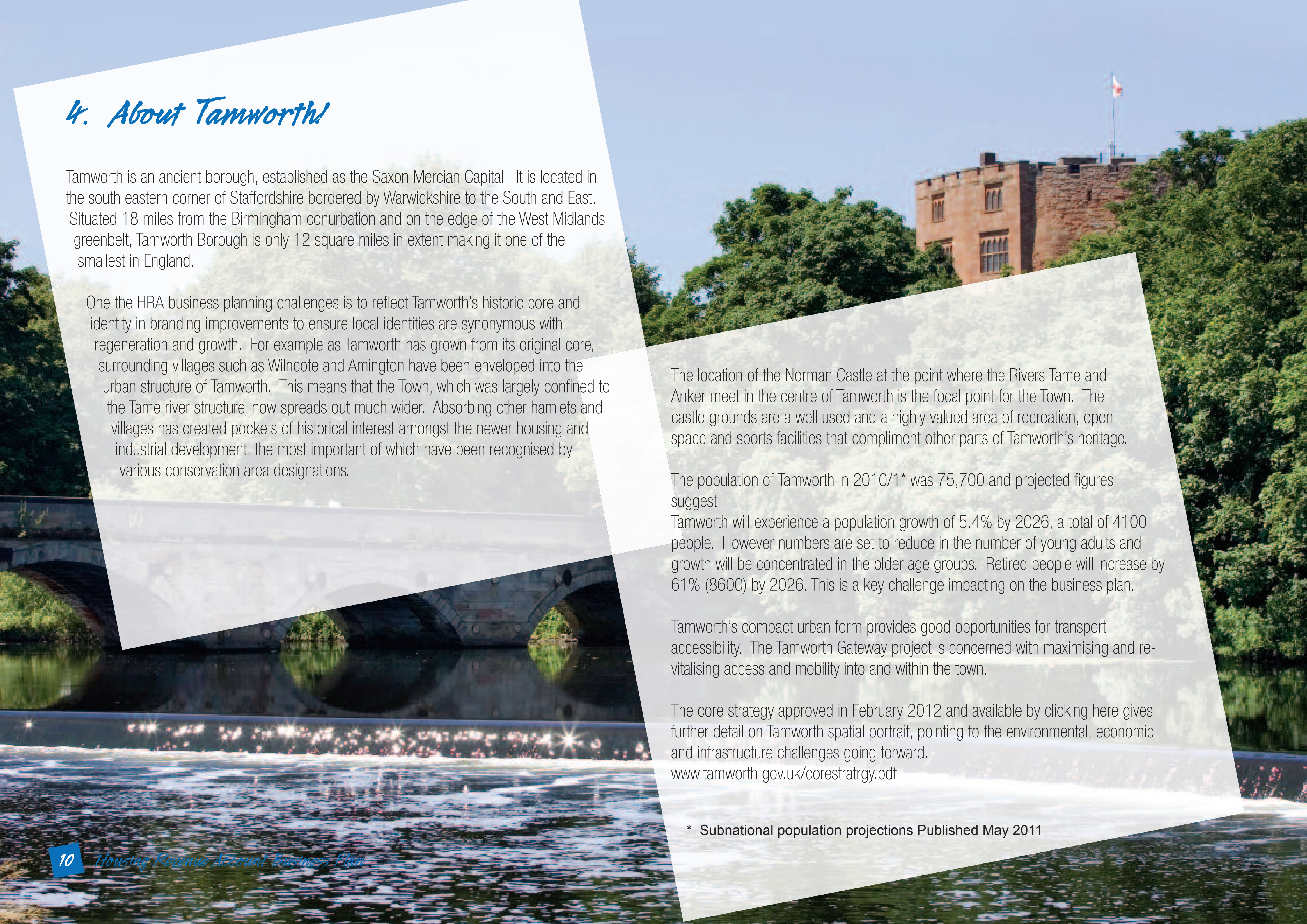
The Healthier Housing Strategy is aligned to the Corporate priorities through 4 key strategic objectives:-

- ✔ There are suitable homes for everyone
- ✔ Homes are healthy, warm and safe
- ✔ People are able to maintain an independent and healthy lifestyle
- ✔ Neighbourhood environments enable safer and healthier communities.

The HRA Business plan will support the realisation of these strategic objectives.
The specific objectives which underline the thrust and purpose of this business plan are aligned to the [illegible] ic priorities and are detailed in the tables shown.

> *Reflecting the corporate vision and priorities and the strategic aims of the Healthier Housing strategy the HRA business plan has been formulated around a single mission agreed with our tenants*
>
> *To ensure that in everything we do:*
>
> ***"Every tenant matters"***

Strategic Housing Aim	HRA Business Plan Objective
ACCESS Suitable Homes for Everyone	Target HRA Investment for the development and re-provision of council and affordable housing Develop an HRA Affordable Housing Plan which compliments the HRA Asset Management Strategy. Identifying land and resources in and outside of the borough complimenting requirements within the core strategy Make Best us of all council owned stock to ensure suitable homes, including assessing the impact of the Localism Act 2011 in particular flexible tenure and affordable rent Extend the CBL scheme to link to the Lettings agency promoting housing options. To also review in the context of localism, i.e. incentive to move, homeswapper,
ASPECTS Homes are healthy, Warm and Safe	Produce a robust HRA Asset Management Strategy that achieves Tamworth Decency Standard Attract and target investment to ensure properties are eco friendly, sustainable and fuel efficient meeting modern, life time standards Ensure all homes meet the Decent Homes Standards
BEHAVIOUR People are able to maintain an independent and healthy lifestyle	Capture customer profiling data and produce a Health & Well-being Plan that tackles inequalities and points to healthy outcomes To maximise income and promote strategies to tackle financial inclusion and worklessness in partnership with the third sector Review Sheltered and Supported Housing Services to maximise investment and opportunity to sustain independent living
COMMUNITY Neighbourhood Environments enable safer and healthy communities	Achieve Respect Landlord Standard Devolve mainstream budgets for environmental enhancements, specifically in locality and priority areas Achieve value for money by exploring different approaches to cleaning, caretaking and estate based services Ensure Tenants and Stakeholders are shaping, scrutinising and influencing the governance of the landlord structure



4. About Tamworth!

Tamworth is an ancient borough, established as the Saxon Mercian Capital. It is located in the south eastern corner of Staffordshire bordered by Warwickshire to the South and East. Situated 18 miles from the Birmingham conurbation and on the edge of the West Midlands greenbelt, Tamworth Borough is only 12 square miles in extent making it one of the smallest in England.

One the HRA business planning challenges is to reflect Tamworth's historic core and identity in branding improvements to ensure local identities are synonymous with regeneration and growth. For example as Tamworth has grown from its original core, surrounding villages such as Wilncote and Amington have been enveloped into the urban structure of Tamworth. This means that the Town, which was largely confined to the Tame river structure, now spreads out much wider. Absorbing other hamlets and villages has created pockets of historical interest amongst the newer housing and industrial development, the most important of which have been recognised by various conservation area designations.

The location of the Norman Castle at the point where the Rivers Tame and Anker meet in the centre of Tamworth is the focal point for the Town. The castle grounds are a well used and a highly valued area of recreation, open space and sports facilities that compliment other parts of Tamworth's heritage.

The population of Tamworth in 2010/1* was 75,700 and projected figures suggest
Tamworth will experience a population growth of 5.4% by 2026, a total of 4100 people. However numbers are set to reduce in the number of young adults and growth will be concentrated in the older age groups. Retired people will increase by 61% (8600) by 2026. This is a key challenge impacting on the business plan.

Tamworth's compact urban form provides good opportunities for transport accessibility. The Tamworth Gateway project is concerned with maximising and re-vitalising access and mobility into and within the town.

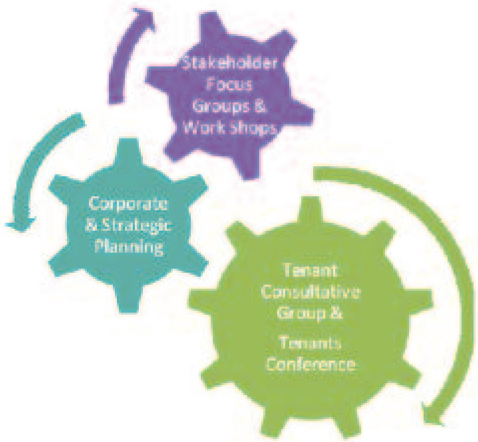
The core strategy approved in February 2012 and available by clicking here gives further detail on Tamworth spatial portrait, pointing to the environmental, economic and infrastructure challenges going forward.
www.tamworth.gov.uk/corestratrgy.pdf

* Subnational population projections Published May 2011

5. The Housing Revenue Account Business Plan - Every tenant matters.

Tamworth Council is committed to tenant involvement in the development of its services and policies and this is explained further in section 8. This business plan has been developed following a range of stakeholder events, culminating in the launch of the business offer at the First Tenants Conference in January 2012.

During several workshops entitled "opportunity knocks" in 2011, The Tenant Consultative Group considered all the customer feedback and intelligence from 2009 and offers that were made, during stock transfer. This data was reviewed and updated to inform the priorities put to tenants more widely during the tenants' conference.

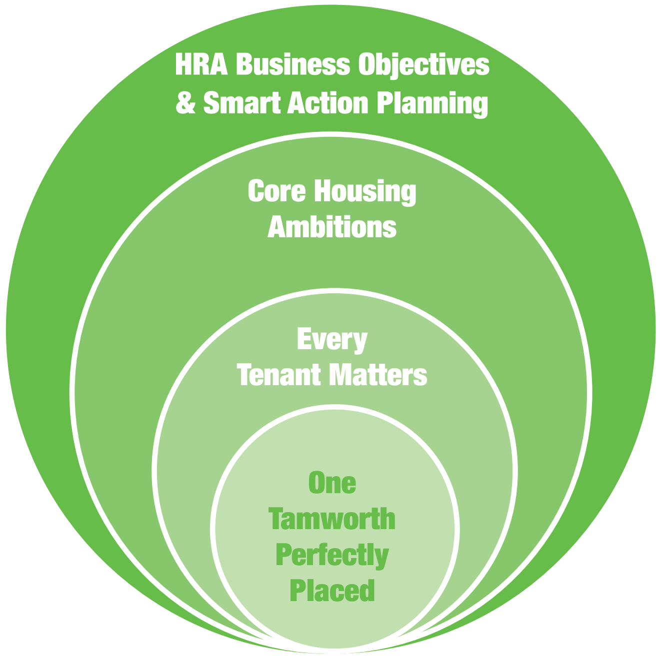


The HRA business planning prospectus was presented alongside a range of offers about investment and invited feedback. Click to view the options.
www.tamworth.gov.uk/hraprospectus.pdf

Over 100 tenants and 30 partner organisations attended the conference and the top 4 priorities reinforced.

Based on this consultation our Headline Objectives are:-

1. To invest to re-develop and re-provide council homes and increase the supply of affordable housing and create thriving neighbourhoods
2. To extend the Landlord 'Finding a Home' Service to all housing providers in the public and private sectors, specifically linked to a new Lettings Agency
3. To develop our Asset Management Strategy to ensure homes and neighbourhoods are healthy, warm, safe and sustainable
4. To develop a tenant focussed Health and Wellbeing Plan which helps to reduce health inequalities
5. To promote financial well-being and work with partners, including the third sector, to tackle worklessness and promote financial independence.
6. To work with county wide colleagues to develop suitable housing options for older people including flexi care accommodation and promote independent living.
7. To achieve the RESPECT housing standard to ensure neighbourhoods are safe and healthy



6. The Council's Housing Stock

As at January 2012, the Council's stock comprised 4,508 homes, 370 leasehold properties and 1,903 garages.

Of the 4,508 homes, 2,540 are houses, 245 bungalows and 1,358 are flats. Some 365 properties are sheltered accommodation spanning 10 separate schemes and including a mixture of flats and bungalows.

A full stock list is regularly updated on the council's www.findingahometamworth.gov.uk website.

Council housing is widely spread across the borough including:-

High Rise Flats - The Council manages 6 high-rise blocks on the Balfour Estate and these comprise 358 1 and 2 bedroomed flats set amongst other low rise accommodation. Whilst this represents less than 10% of the stock it is an important part of the housing portfolio as it has a significant in terms of its Town centre location and overall impact on Tamworth's landscape and therefore image. The site is designated 50+ and its overall pleasant aesthetic impact is a credit, in part, to the residents and their pride in their homes.

Low Rise Flats - There are over 60 low-rise flatted estates across the Town representing just over 25% of the stock.

Locality Areas - The majority of Council housing is concentrated within four locality areas identified as having a particular need for investment and regeneration. These areas are:-

- Stonydelph
- Glascote
- Amington
- Belgrave

Sheltered Housing – There are 10 schemes, with Thomas Hardy Court representing a flag ship extra care scheme and operating in partnership with Waterloo – Mcgregorthythe.

Tinkers Green Estate- This estate comprises 58 walk-up maisonettes, largely surrounded by owner occupied properties in the Wilnecote area. Within the estate is a vacant demolished former sheltered scheme site (formally Wincrest house) and has a shopping precinct with some units vacant. The county are also considering the provision of specialist accommodation in the nearby Hockley Centre. The feasibility study is an opportunity to review all the options for this area including refurbishment, re-development, regeneration or combination of any of those schemes.

The Kerria Centre - which borders Amington Heath comprises 38 over-shop maisonettes and other flats. It is a multi – tenure with a combination of council owned properties, private rented stock and commercial outlets. The estate suffers from a higher churn rate on empty properties and tends to be less sustainable than neighbouring Amington heath.

Non-Traditional Properties - There are a total of 671 properties, excluding the 6 high-rise blocks, considered to be of a non-traditional construction type. These consist of Airey, Concrete Block, Laing Easiform, No Fines and Wates. Structural surveys carried out in the past have indicated that the properties are structurally sound, they do however suffer from lower than average levels of thermal efficiency although not sufficiently low to fail the Decent Homes Standards.

Previous structural surveys have identified that in all cases these properties are generally sound. No special budget provisions, over and above basic decent homes, have been allowed for within the 30-year investment plan and there are no immediate plans to bring the properties up to a mortgageable standard. Further structural surveys will be necessary as part of the 2012/13 stock condition survey and on an ongoing basis as part of the Asset Management Strategy to ensure that the buildings remain structurally sound.

89 Garage Sites

The Council's garage sites have become underused over recent years and following an option appraisal the Council has approved the disposal of 26 of these sites for affordable housing. Two further sites have been identified for open market sale and three sites are currently included in plans for estate based regeneration. The remaining sites will be the subject of a sustained investment programme.

Health & Well-being Planning

The Landlord Service has developed its Equality Plan into a Health and Well-being Plan which profiles its customer base and shows how this information is being used to tailor services and ensure outcomes for customers.

7. Housing Needs and Demand

Tamworth is an area of high housing need and meeting this need represents a key strategic challenge for the Council. Issues of affordability and suitability of the existing stock have been identified through the Core Strategy and LDF.

Key Statistics

- 70.7% of housing in Tamworth is owner-occupied
- 9.5% of housing in Tamworth is privately rented
- 19.8% of housing in Tamworth is social housing
- 25.1% private sector dwellings fail the decent home standard
- There are 2000 households with children living in poor housing in Tamworth
- Overcrowding in Tamworth is between 1.9% (statutory) and 3.1% (bedroom deficient) or between 490 and 770 overcrowded households
- A two-income household in Tamworth would require an annual joint income of £32,241 and a deposit of £16,500 to purchase an entry level home, 84.1% of households have less than this in savings and/or income, putting pressure on the rented sector
- To rent privately households in Tamworth require an annual income of £19,178 for a 1 bed and £23,754 for a 2 bed, which suggests renting is more affordable then owner occupation. Around a third of households have an income below that required for private renting putting pressure of social rented sector, such as the council and registered housing provision.
- Glascote and Stonydelph are amongst the most affordable in the borough, whilst Amington is the least affordable and Belgrave is the second least affordable. This suggests that new development should be targeted in Amington and Belgrave.

Key Challenges

The number of new affordable homes required per year is 142

- Homelessness applications increased from 68 to 2009/10 to 91 in 2010/11
- As at Jan 2012 2,103 people were registered on the councils waiting list
- Retired population will increase by 2026 resulting in greater demand for sheltered and flexible care and support housing options with targets for 102 units by 2020.
- Tinkers Green and the Kerria Estates have the highest churn rate adversely impacting on creating a balanced and stable neighbourhood
- The high-rise flatted estates presents opportunity for wider town centre development in years 6-10 as major investment for refurbishment will need to be balanced against other stock options, currently envisaged at £1.2million per block to ensure a fully eco and solar solution to regeneration

The core strategy details the range of assessments undertaken to arrive at housing needs data. The Affordable Housing Viability Assessment established the thresholds for delivering affordable housing. In addition the updated SHMA identified that the split of affordable housing tenure should be 40% social rented and 60% intermediate tenure.

The latest housing markets and health data report provides recommendations to tackle health related issues and these are reflected in the action plan. A critical challenge for the Council is to make best use of existing stock. The Council will therefore consider the opportunities provided by the Localism Act 2011 for the introduction of fixed term tenancies and affordable rent models. These opportunities must be balanced against the potential impact on communities and individual wellbeing.

Parts of the council owned housing stock requires substantial investment. Examples include family homes above ground floor- typically maisonettes. An independent allocation impact assessment undertaken in 2011 identified that the Council's stock of 'walk up' maisonettes were unpopular and created issues of sustainability. Although choice based lettings has reduced turnover of these tenancies many tenants of these properties remain unhappy with their homes and neighbourhoods. The Council is committed to review the future of these dwellings. This will include consideration for re-provision of alternative forms of accommodation and potential challenges to lettings polices to better reflect housing aspirations and need.

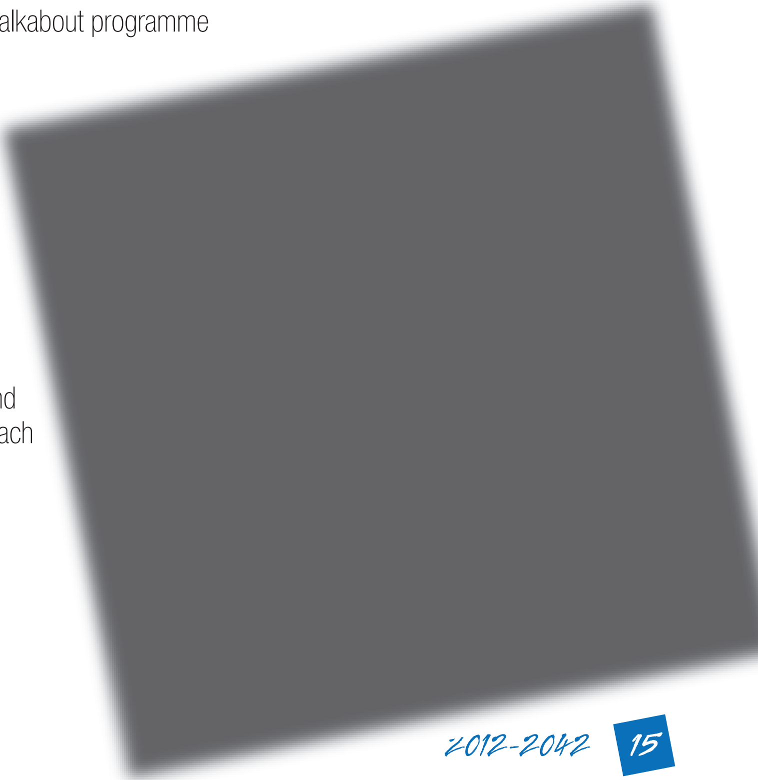
8. Managing Performance

TamworthIn 2009, the Council adopted a 3-year Landlord Services delivery plan (2009-2012) based on a self assessment and an external peer review. This was amidst an overwhelming mandate from tenants for stock retention, following a no vote on stock transfer. As a result of this the Council in its role as a landlord service faced significant challenges including:

- ✔ low overall satisfaction with the landlord service at 65%
- ✔ high service costs relating to community alarm provision
- ✔ some unpopular Sheltered Housing and a need for modernisation of sheltered housing services
- ✔ an allocations approach that did not promote choice
- ✔ poor performance in some aspects of performance of the repairs service
- ✔ poor performance in relation to some aspects of service delivery
- ✔ significant financial challenges and difficulties in maintaining achievement of the Decent Homes Standard
- ✔ limited capacity to invest in environmental works or tackle issues such as fuel poverty and the promotion of energy efficiency
- ✔ An organisational structure which promoted a disconnect between strategic and Council housing services

In 2012, 3 years on – the Council service is proud of its achievements as a Landlord. These include:-

- ✔ An increase in overall satisfaction with the landlord service from 65% to 75%
- ✔ All key performance indicators in either a top quartile position or improving since the 2009 figure
- ✔ Introduction of a finding a home service in May 2011, that promotes a range of housing options for customers. Coupled with reducing void turnaround from 54 days to 11 days.
- ✔ Launch of a financial inclusion strategy that has seen welfare benefit take up improve and helped people address personal debts up to £300k
- ✔ Current Rent Arrears have continued to fall despite the economic climate with arrears as a % of the debt reducing from 1.69% to 1.53%
- ✔ Outsourcing of the council community alarm service, saving the council £300K per annum
- ✔ Review and modernisation of the sheltered housing service, protecting future supporting people grant funding affecting 365 households. With overall sheltered housing satisfaction rising from 74% to 93%
- ✔ Development of extra care at Thomas Hardy Court and sustaining independent living for 10 new occupants
- ✔ Successful procurement of a combined repairs and investment contract worth over £60million and focused on optimising value for money between planned and responsive maintenance.
- ✔ Strategy for garage investment and retention including disposals for affordable housing aimed at making environmental improvements
- ✔ An integrated Housing and Health Directorate removing organisational obstacles to a seamless and joined up approach
- ✔ Development of an Estate Walkabout programme that details 'you said, we did' outcomes after each visit.
- ✔ A Housing officer based at the Community safety Hub ensuring a more seamless approach to case management and ASB
- ✔ An annual customer impact assessment that encourages customers to get involved and determines the success of each project



BUT

Challenges ahead

We know that whilst services have improved the detail captured in the Status Survey (undertaken by BMG 2011) and other self assessments tells us that :

- 1 in 4 of tenants are still not satisfied
- Dissatisfaction is notably higher amongst 16-34 year olds
- Tenants most dissatisfied are those who are been tenants between 1-2 years
- Tenants in Patch Amington are more likely to be dissatisfied
- Our focus on locality working areas requires strengthening
- Repairs and anti social behaviour are voted by 88% of tenants as most important - these are areas where the greatest opportunities for improvement exist

Responding to the above challenges is central to the Tenant Regulatory framework going forward. In addition, we are also aware that over the next 5 years our key challenge will be in preparing to deliver against our ambitions for major area regeneration.

Performance Management framework

Benchmarking, external assessment, peer review and internal challenge remain the corner stone's of effective performance management.

The Council's landlord team continues to use the council-wide covalent management tool to chart performance across core performance indicators. Since the national PIs have been reduced the service has sought to use benchmarking services to review the overall effectiveness. In conjunction with tenants, a live, on-line, customer dashboard is used to display performance across core areas. Latest information can be viewed at www.tamworth.gov.uk/housing.

Performance is also highlighted through the tenant magazine, Open House, together with outcomes detailed in the Annual Report and Performance Supplement, which is reported to Cabinet and scrutinised by members and tenants' before publication.

Track Record and Capacity to Improve

Management of staff performance and a commitment to training is also crucial. Resources are committed to training and staff are supported through a SMART framework with individual and team targets. There is a structured process to performance management which is set out in the document attached, please click here.

Performance Management Framework Feb 2012.docx

> The Council's landlord service has not been inspected by the Audit Commission, and is unlikely to be under the new regulatory framework. Notwithstanding that there is an expectation that peer and external self-assessment will inform future service improvement planning. It is therefore recommended to commence 2012/13 with the benefit of this independent assessment to add value to the action planning process.

The latest performance information is captured on the live customer dashboard on the councils online covalent system. This, along with other management information and outcomes captures all the suite of Key performance indicators and 2011/12 performance to date.

Benchmarking data is also available to show Tamworth's performance when compared to other high performing organisations and where the data is available other stock retained council landlord services. This is captured on the quarterly housemark benchmarking reports.

9. Tenant Empowerment and Involvement

Consultation proposals are currently out in respect of changes to the Regulatory Framework for Social Housing. With the abolition of the Tenant Services Authority (TSA) and economic regulation transferring to Homes & Community Agency(HCA), the emphasis will remain on customers influencing, shaping and scrutinising services. Improving and modernising the regulatory process will develop as we move forward to take account of localism and to ensure governance structures are robust as we deliver on our strategic ambitions.

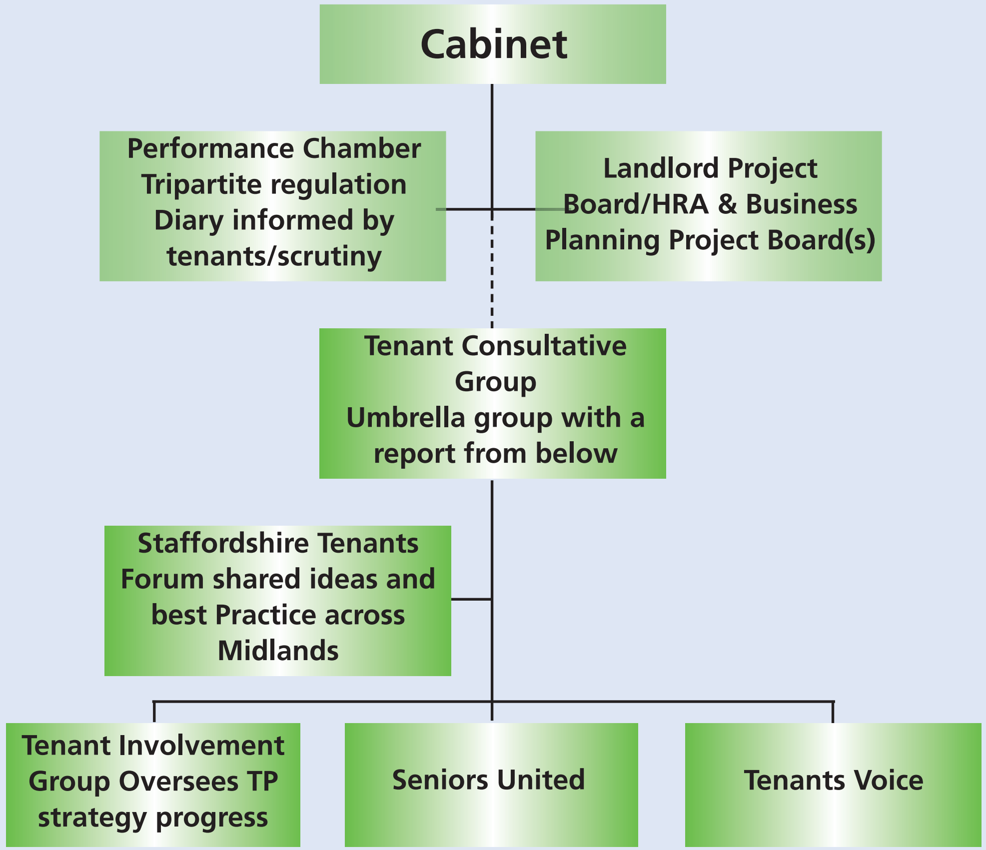
The Council's over arching Communications Strategy ensures that customers influence the Council's assessment of its strategic priorities. Feedback is channelled through mechanisms such as the Citizens Panel and the Tamworth Listens programme. Over time the Council aims to increase the scope and coordination of consultation activities.

The national regulatory framework remains in place for stock retained landlords as well as other RPs. The national standards have been refreshed to integrate localism, achievement of the Decent Homes Standard the role of housing to engage with wider agendas including worklessness and health. There remains a landlord obligation to deliver an Annual Report (click here for 2010/11 Annual Report) as well as specific standards relating to:-

- Tenant Empowerment and Involvement
- Home
- Tenancy
- Neighbourhood & community

The economic standards for value for money, governance and financial viability are not applicable to local authorities as there are already robust regulatory requirements in place. From April 2011 local offers were published, following comprehensive tenant consultation and clear service standards published. In addition Tenants voted in favour of key projects for each of the 4 locality areas. This was instead of opting for different service level standard which tenants felt would be confusing. Details of the local offers can be found by visiting the website.

Localism demands an even greater involvement from tenants' to hold officers and members to account. Tamworth is currently reviewing its co-regulatory model and the Tenant Consultative Group (TCG) revised its constitution in 2010/11 to reflect it wider remit in relation to informing and scrutinising policy and performance. Involvement as been strengthened by the development of a customer review group as a designated body which to analyse and review complaints.



An HRA sub group of the Council Budget Review Group has been established to oversee the delivery and future development of the HRA Business Plan.

The Landlord Project Group meets quarterly and is chaired by the Portfolio Holder of Quality of Life and attended by members of TCG. This seeks to scrutinise performance and challenge outcomes discussed.

Role of the Performance Chamber

The Performance Chamber is also held quarterly and is on a thematic basis agreed with the TCG. This is a tripartite approach to scrutiny and includes members of the council scrutiny committee, tenants and independent critical friends to discuss key service areas.

The Tenant Regulatory and Involvement Team has recently been strengthened to focus on regulation and increased to include a landlord improvement officer. The full details of the Landlord Tenant Participation Strategy are set out here. These were published in 2011 and are reviewed annually. The Customer Impact Assessment is also produced annually and is also on the website.

Role of the Tenant Consultative Group (TCG)

The TCG is the umbrella group in terms of tenant / leaseholder representation that is designed to act like a shadow board making recommendations and informing policy developments to Cabinet and full council. Whilst not reflected in the council constitution Cabinet have supported this approach.

The TCG also receive a range of reports from sub groups including the customer complaint & review panel, tenant improvement group, tenant's voice, senior united and the Staffordshire forum. These groups have specific terms of reference that seek to improve and develop key policy areas. These are described in the tenant involvement strategy.

10. Making Best Use of our Resources

Stock Condition

The last major stock condition survey was carried out by Ridge in 2009. It is used to inform the medium term financial resources plan and update the 4-year investment plan. It is based on a 15% sample of internal inspections of dwellings and 100% of external communal area and common parts. Based on the industry standard methodology it is validated as being 95% accurate.

Tamworth achieved the minimum decent homes standard as at March 30th 2010. However without the investment unlocked by self-financing this standard could not be sustained beyond 2016.

The survey revealed that £99million was needed to maintain the basic decent homes standard required for the stock over 30 years (including both revenue and capital funding).

In terms of energy efficiency, to survey showed that under the Standard Assessment Procedure (SAP) Tamworth's score is 62.2 compared to the national average of 51. This assessment is based on a sample of major construction types.

The existing RIDGE data has been used to inform the investment plans under self-financing. The Council however recognises that stock condition data needs updating and has therefore commenced a further stock condition survey to take place during 2012/3. This will be based on an 80% physical inspection of properties, to avoid the potential anomalies occurring with cloned data and to allow for a more robust approach linking and batching planned works from This data will inform the development of an Asset Management Strategy.

To improve efficiency the Council has combined its responsive and capital investment programmes under a single contractor. This new contractual arrangements arrangement will commence in April 2012.

Sustainability Matrix and Planning

Using a methodology developed for the Council by Ridge, key estates have been identified and assessed in relation to the following 6 criteria.

1. Return on Social Investment and/or providing Community Payback
   Score – 1 having the highest levels of community benefit with 3 have limited impact overall in its current state

2. Rental Yield over 30 years
   Score – 1 having the highest rental impact and posing a real threat to income streams within the business plan if lost and 3 a lower impact

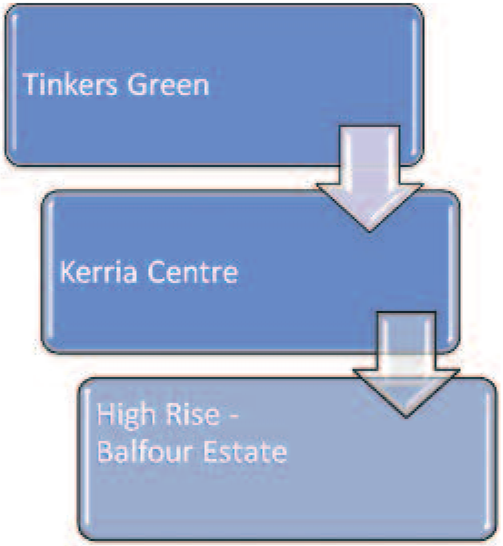
3. capital investment required to maintain decency over 30 years
   Score – 3 high levels of investment needed, 1 lower levels of money needed in current condition

4. Sustainability in terms of 5year or more long term tenancies
   Score – 1 if sustainable over 5 years and 3 if high churn rate and high revenue and void costs

5. Opportunities for regeneration or area based renewal as identified by being in locality areas, or via tenants and stakeholders feedback in terms of not meeting modern living standards and poor attractiveness in the area
   Score – 3 if already identified by stakeholders as in need of modernising or regenerating, 1 if not

6. High levels of revenue expenditure. Linked to management of ASB, cleaning, maintenance, security, day-to-day management
   Score – 3 if levels of revenue expenditure, high compared to a score of 1 where there was minimal or no expenditure in last 2 years

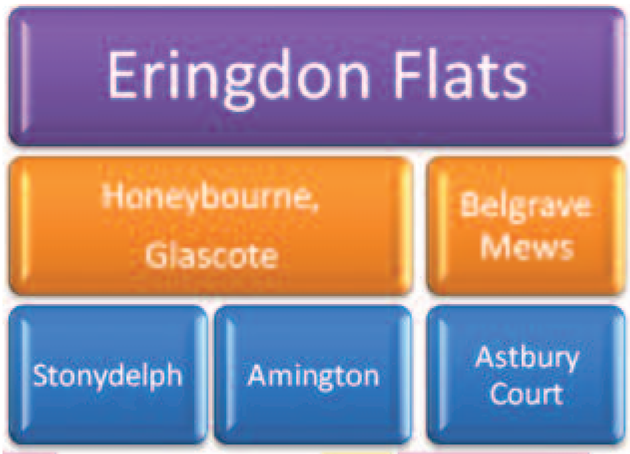
The higher the score the higher the need for an options appraisal to determine future viability. The three areas below scored the highest in relation to the factors described.



This sustainability assessment has clearly informed the ambitions, in that feasibility and options appraisals will start with Tinkers Green and the Kerria Centre. Tenants have identified regeneration as a key priority and to meet strict timescales planning is already underway in relation to these areas. The Business Plan ambition seeks to identify the opportunity and it is intended that detailed options and delivery plans will be brought forward as they are realised.

In relation to the Town centre High Rise estate, this scored slightly lower than both Tinkers and Kerria Estates. However these properties have been identified as a priority based on tenancy turnover rates, longer term investment requirements and poor aesthetic impact on the Town Centre. As the Council is already engaged in wider ambitions around Town centre Master Planning it is anticipated that the housing based options appraisal will run concurrently with wider ambitions for town centre regeneration.

Remaining estates, characterised by either locality or property type, have been prioritised in accordance with the sustainability score. It is envisaged that the Asset Management strategy will develop further understanding in relation to these areas before a further programme of options appraisal is undertaken. These areas include:



This will remain fluid as commercial and regeneration opportunities present themselves. The ambition is to bring forward proposals for approval that seek to resolve existing problems but also capitalise on wider demographic opportunities, such as land asset and uses.

30 - Year Financial Forecast

As already stated, Council Housing Finance reform will completely change the financial landscape. The financial assessment is therefore based on the self-financing arrangements from April 2012, using the latest assumed stock valuation and opening debt settlement figures issued by the Government in January 2012.

In summary the head line figures are: -

7. Debt Settlement - £45m
8. Existing Debt - £23m
9. Opening Debt - £68m
10. Debt Ceiling - £79m
11. Borrowing Headroom - £11m

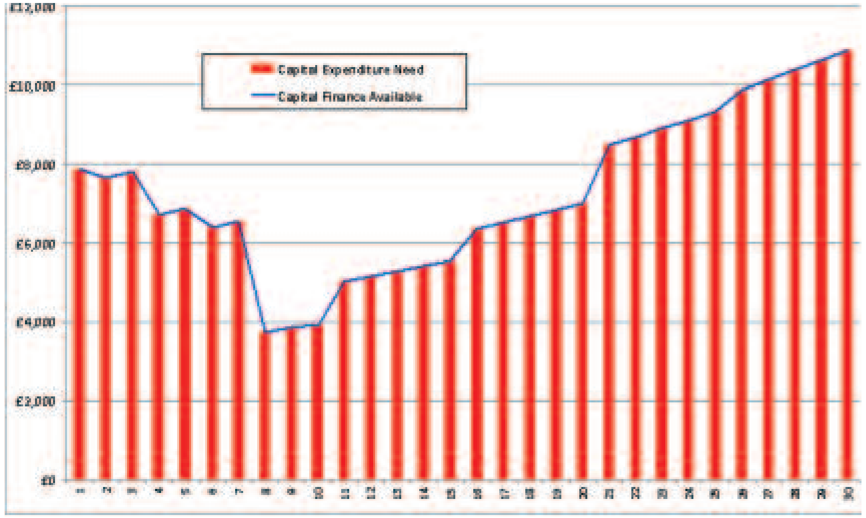
The Governments has valued Tamworth's housing stock at £79m. This is based on modelling of income and expenditure over 30 years undertaken by PWC, with the valuation calculated on a "net present value" basis using a 6.5% discount rate. The opening debt settlement that each authority will be required to take on equals its stock valuation less any decent homes backlog funding, which Tamworth does not have, awarded for 2012/13 and less the assumed level of debt or Subsidy Capital Financing Requirement (SCFR) held within its HRA at the end of 2011/12. The Government stated this to be £79m.

The Councils assumed opening debt settlement is thus calculated as follows:

Stock Valuation	£79m
Less Decent Homes Backlog	£0m
Less SCFR	£34m
Debt	£45m

Under the self – financing regime Tamworth's borrowing into the future will be limited or capped to the value of £79m. In reality the councils actual HRA debt is at the end of 2011/12 is £68m. The difference between this and the cap is £11million which means the council will have 'headroom' to borrow and invest from the outset.

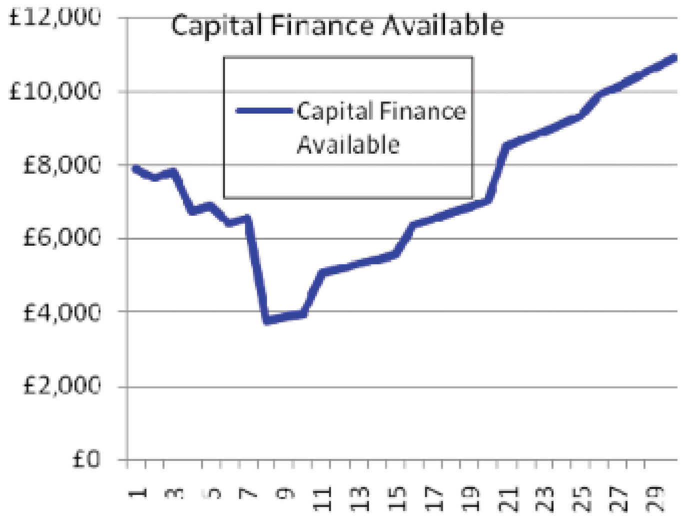
The table below profiles the capital and expenditure requirements and how this can be profiled to achieve investment levels going forward.



Tamworth has also been in negative subsidy, which if it had continued, in 2012/13, would have been an estimated £4.5million. This would have been clawed back by Central government into the national pool for re-distribution. Within the financial forecast interest repayments of £3million have been assumed yearly.

Whilst it is likely that this figure will vary once borrowing has occurred it will be the objective of the council to out-perform this estimate. Council Housing Finance Reform therefore is to the benefit of Tamworth Council. This additional financial benefit will allow the Council over time to meet its stock investment needs and deliver area renewal. To allow for an improved investment programme there will be an increased revenue contribution to capital.

The table below also shows the capital finance available and it is anticipated that the borrowing and feasibility planning will be co-terminus with this.



Regeneration Fund

In summary, in the medium term (years 1 to 4) there is predicted to be £2.5million available for regeneration / re-development projects assuming no additional expenditure or planned debt repayment. This is being set aside as a Regeneration Fund to realise future ambitions.

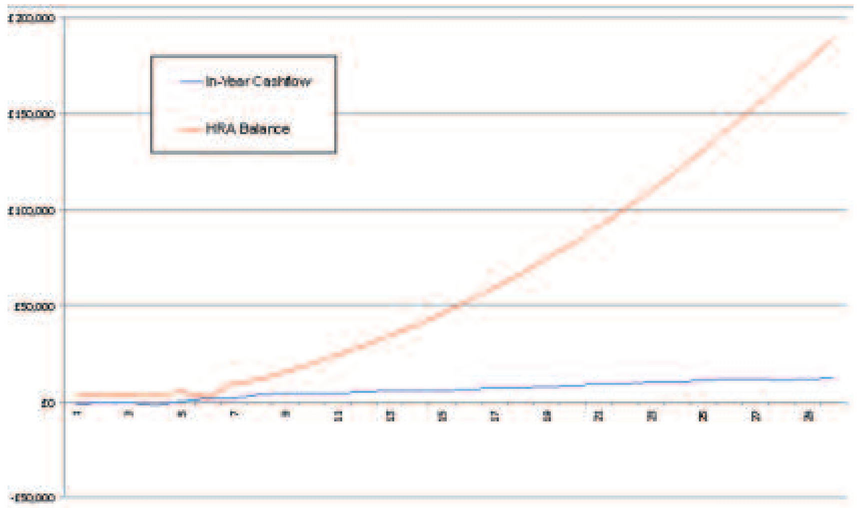
In the first 4 years £30m is available to meet the revised investment needs. There is also some opportunity for resources around regeneration and new build with the potential to take up additional borrowing within the debt ceiling limit.

Over years 5-10, there is a major investment opportunity with £19million predicted in balances (assuming no additional expenditure or repayment of debt). This coupled with the £11million in borrowing headroom means the potential for £30million to be available during this period. It is envisaged that this will also be added to the Regeneration Fund as firmer proposals are detailed.

In years 11-30 there are predicted balances of £189million again assuming no additional expenditure or repayment of debt. This presents major opportunities for the council for regeneration. Working within the ring fencing rules the Council will eek to ensure that housing investment provides benefits for Tamworth as a whole.

Should the council pay down debt in the future then this would impact on the regeneration funds available.

The table below illustrates the available surpluses which will be the basis for the Regeneration Fund.



The base model is predicated on the following assumptions:-

- A stock valuation of £79m
- An opening debt settlement of £45million
- Additional borrowing up to £11million being taken out after year 5
- Interest only paid on the debt
- An inflation rate of 3.5% in 2012/13 and 2.5% pa over the remainder of the 30 years, also applying to building costs
- Interest rates based on the Consolidated rate of interest (CRI) at 4.44% for 2012/13 and then assumed at 5% in future years once self financing is introduced, although the business plan will take account of performing better than this – probably 1% lower
- Rents rising according to the government formula until convergence with target rents is reached by 2016 and then assumed to raise at the rate of inflation plus 0.5% thereafter
- Depreciation of assets from the outset calculated according to the governments uplifted figures
- The costs of management increasing

A key risk at present is the future impact of the reform of right to buy and how capital receipts will be pooled. An annual sale of 5 properties has been assumed in the base model. Should RTB's increase then this will affect the council's core critical mass and rental streams, although longer term viability will not be affected as long as efficiencies and the impact of this is realised in the management and maintenance costs.

Risks and Sensitivities

Key risks for the business plan are:-

1. **Post Rent Restructuring & Rent Increases**
   If there were further limitations placed on the council in relation to rent increases then this would reduce income levels.

2. **Stock Condition & Asset management Strategy**
   The new stock condition survey will change the profile and spending plans for investment in the decent homes programme over the next thirty years.

3. **Interest Rates and financial practices**
   There are two risks - that interest rates will inevitably increase at the time borrowing is required and it is possible that future policy arrangements could change preventing a drawing down of the headroom. The other risk being that financial practices will change impacting on the overall treasurary management strategy.

4. **Services Charges**
   Plans are still being developed for the introduction of service charges which will involve the desegregation / de-pooling of costs from rents. Whilst a policy decision is imminent in

relation to the principle of separating out service charges and acceptance that who receives the service should pay, implementation is likely to be in 2014 and therefore it is not financially prudent to build specific figures into the base financial model.

However it is envisaged, that up to £300,000 could be recovered by charging for services and this will represent significant income for re-investment in services.

5. Right to buys

The council has responded to the consultation paper and believes that the timing of this policy could undermine the financial business planning. Currently it is anticipated that there will be 5 RTBs per annum, if this increases then this will affect income levels. Even if government policy allows the full capital receipt to be retained locally, the maximum £50,000 discount, coupled with the repayment of debt will not allow for Tamworth to replace 1 unit with another, when the average council property value is less than £100k. That said, the setting up of the Regeneration Fund should allow the council to demonstrate that there is opportunity for council owned development if additional funding is attracted, should this be a condition of retaining receipts locally.

6. Capacity / service delivery

£150,000 has been built into the medium term financial plan to invest in service delivery. But this is currently modelled on existing core housing management requirements. If the council intends to realise its ambitions then development capacity will have to be added.

At this stage the medium term financial forecast is based on the £30million investment. The business plan will be adjusted as future budget setting is considered and there is more certainty around the impact of some of the risks identified.

Should less funding be available then it is anticipated that lower funds for regeneration would be available rather than de-stabilise the investment plans to individual homes.

This will impact on the Council's ability to realise its ambitions for regeneration and renewal. To mitigate this the council will seek to attract alternative investment and maximise the role of partners, in particular local Registered Providers. This may require compromises in ambitions for new Council house building. As part of the feasibility and options appraisal around Tinkers Green and Kerria research is under way to explore different management and delivery models to ensure a robust and commercially focused approach to money management and stock development.

On the other hand, additional funds as a result of better performance in relation to any aspect of the plan will enable greater investment in regeneration.

Treasury Management Strategy

External consultants have supported the Council in providing advice on the Treasury Management Strategy and a 30 year base financial model. There are a number of sensitivities relating to key assumptions made within the forecast including:-

- Levels of decent homes funding
- Interest rates and fluctuations
- Approaches to debt management and repayment options
- Building cost inflations

The Government have offered a reduction on the current interest rates for Public Works Loans Board for the specific purpose of financing the debt settlement. With the advice of its financial consultants the Council considers that this represents the best option for the necessary borrowing.

Decisions regarding future borrowing will be made at the relevant time based on market conditions.

The detailed assumptions and risks are contained within the Treasury Management Strategy and can be viewed on the web.

Treasury Management

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high and will be maintained for the borrowing excluding the HRA reform settlement.

- Against this background and the risks within the economic forecast, caution will be adopted with the 2012/13 treasury operations. The Corporate Director Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

The requirement for the HRA reform settlement to be made to the CLG on 28 March 2012 will require a separate consideration of a borrowing strategy. The Council will need to have the cash settlement amount of £44.668m available by the 28th March 2012, so separate borrowing solely for this purpose is anticipated. The PWLB are providing loans at interest rates 0.85% lower than the usual PWLB interest rates solely for the settlement requirements. This provides a compelling reason to utilise this borrowing availability. The exact structure of debt to be drawn is curently being considered by officers to ensure it meets the requirements of the HRA business plan and the overall requirements of the Council. Whilst the debt can be drawn earlier than needed, this may incur a revenue cost, and will be considered when a review of the structure of actual prevailing borrowing and investment interest rates is undertaken nearer to the time.

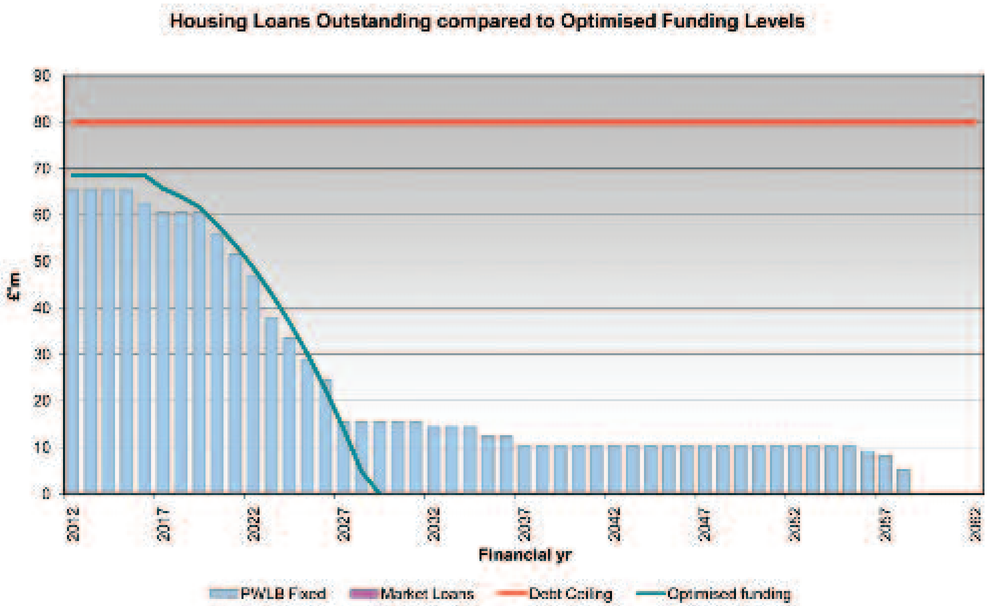
Following detailed review of the business plan and after consultation with our Treasury consultants (Sector) the Treasury management team are proposing to fund the settlement payment by taking loans from the Public Works Loans Board (PWLB). Up to ten individual loans with a long term maturity pattern of 40 to 50 years will be taken and debt for the HRA will be held separately from General Fund under a two pool option. It is also proposed to continue with the use of internal resources to fund the difference between the new Capital Financing Requirement and the new levels of borrowing resulting from the reform. This will benefit both the HRA and General Fund as the special rate would not be available for this debt and it would also reduce the overall level of exposure for Council investments.

This approach has been adopted based on the following factors;

- By taking advantage of the PWLB special terms mentioned above, the Authority will obtain a lower rate and at a lower cost than currently available from other sources.
- By breaking down the sum required into smaller individual loans, this will make the debt more manageable and flexible should circumstances/priorities change.
- By taking long term loans, the HRA will have certainty over its borrowing costs throughout and past the business plan period.

The graph below shows a comparison of the debt ceiling, outstanding loans within the housing pool (as per the two pool option) and optimised funding levels. All existing debt would become Housing debt. The vertical bars show the outstanding loans in the housing pool for each year and the red line at the top shows the debt ceiling or cap for the Authority as determined by the CLG. The green line shows the optimised funding level from the PwC LA model, or in other words, the loans outstanding after taking account of surpluses in the business plan to repay loans.

As you can see, beyond 2020, the Authority has outstanding loans above the funding requirement identified from the business plan. This allows the Authority to have some flexibility within its housing capital expenditure plans (for redevelopment etc.) in the future.



11. Stock Investment

Although the council has met the minimum decent homes standard. It is envisaged that a considerable amount of work will be necessary to

- Take account of updated stock condition survey data
- Meet tenants aspirations and expectations in relation to their priorities around regeneration and developing a Tamworth plus standard
- Achieving higher levels of health and safety works
- Investing in high rise and flatted accommodation in relation to communal parts
- Realising ambitions around environmental assets

Over £7million has been invested in the stock over the last two years.

The Offer to tenants as part of the consultation process involved 3 clear options

Option 1

Meet basic decency

- new kitchen
- new bathroom
- windows

£99 million

Option 2

Enhanced decent homes for vulnerable and elderly tenants including

- decoration
- flooring
- tiling
- showers over baths
- £1.1m for sheltered
- £15m adaptations for those that need it
- £3.5m for high rise improvements
- £23m for environmental works

£144 million

Option 3

Enhanced decent homes for all

- no extra money for regeneration or community environmental works in the first ten years

£173 million

- ✔ Ensure decent homes for all
- ✔ Extra support for those that need it
- ✔ Money for communities
- ✔ Money for council housing reprovision

Tenants voted over-whelming for Option 2. Supporting the view that this allowed for

- A regeneration fund to develop council owned accommodation and create vibrant neighbourhoods
- Significant environmental and community wide investment
- Maintained decent homes for all
- Tailor made Tamworth Decent Homes Standard for vulnerable and elderly people, complimenting the new Repairs Policy

From the financial modelling we know that £99m would be needed to meet existing obligations for basic decency. If this is increased to include tenant aspirations, in other words building a Tamworth Decent Homes Standard, then this total capital investment increases exceeding the basic decent homes standard for vulnerable tenants (i.e. over 65s) to £144m or £32k per property over the next 30 years, with £30m over the first four years.

Capital Plans have therefore been calculated allowing for:-

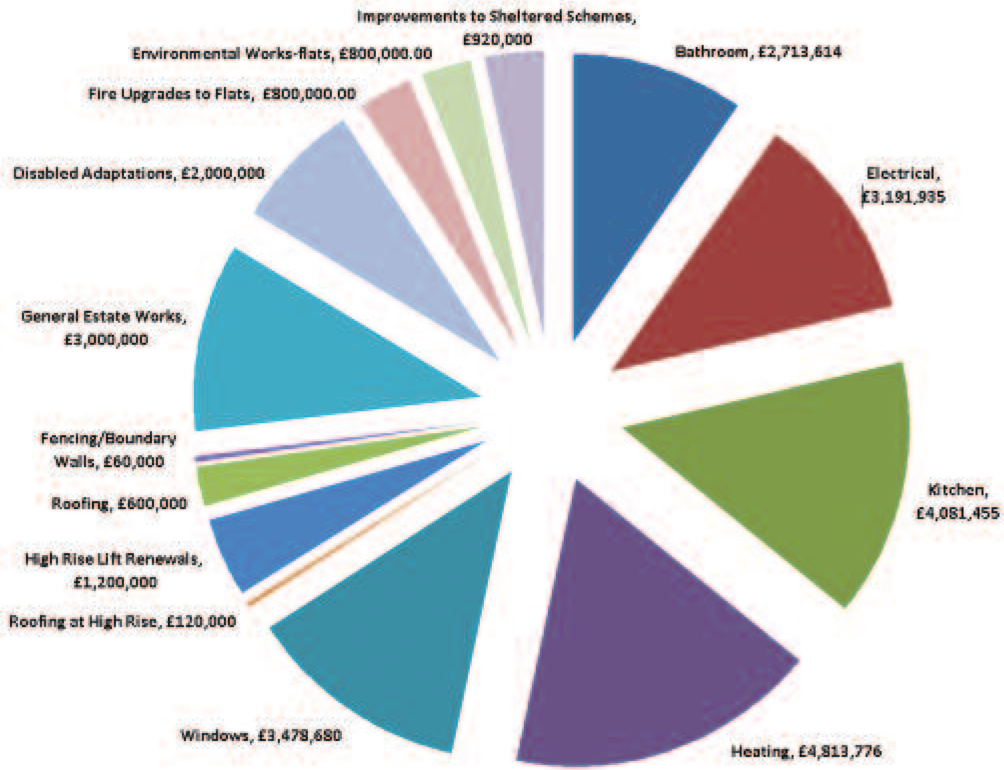
- Maintenance of decent homes standard for all
- Improvement on kitchen and bathroom programme to include flooring, tiling and decoration
- Increased programme for sheltered improvements
- Investment in environmental works and commitment to high rise maintenance immediately

Again the offer at the conference shared with tenants the capital profile for the next 4 years.

From the table below, tenants were made aware of the key headlines, including:-

- Decency will be maintained in accordance with the current stock profile
- All non UPVC double glazed windows in Tamworth will be upgraded by the end of year 3
- £23million is available for environmental works over the next 30 years
- There is financial capacity to achieve the Tamworth Decent Homes Standard for around 20% of households, determined by vulnerability.

2012/13-2015/16 - four year plan - proposed investment levels



12. Our Ambitions

The Council is ambitious in its plans to develop council owned affordable housing. The business plan not only seeks to set out the 5 year journey in relation to refurbishment and achievement of decent homes, but is also clear about the investment requirements for wider community environmental enhancements. The financially planning for this has already been built into the medium term financial plan (2012-2016).

The investment plan over the next 5 years is affordable and sustainable in the context of the longer term finances available.

What is unprecedented is the new opportunity for increasing capacity for investment in regeneration and area housing renewal. In this regard the ambitions are a framework going forward – it is intended that as these plans develop detailed options appraisals and delivery vehicles, presented to members, will be the mechanisms for servicing these ambitions going forward.

The ambitions have been built around tenant priorities that have been comprehensively consulted on and negotiated with customers.

In summary these are to:-

1. Invest in area based regeneration and build council housing, starting with feasibility planning on Tinkers Green and the Kerria Estates
2. Achieve an enhanced decent homes standard for existing properties
3. Invest in Environmental works in communities with area based participatory budgeting
4. Investment in Garage sites and traffic provision
5. Invest in service delivery and staffing resources to add capacity to achieve service improvement plans
6. Modernise the multi-storey estate on the Balfour estate, looking specifically at how this links to wider town centre master planning.

The business plan sets out these ambitions in more detail below. However these are the strategic opportunities and members and stakeholders will approve the detail as final proposals emerge over the next 5 years.

Ambition One
Meeting Decent Homes and Developing a Tamworth Standard

The medium term financial plan for 2012-2016 has approved a £30million capital scheme for investment in decent homes and community environmental improvements.

The 30 year forecast is shown at Annex 1, it should be noted that only the first 4 years have been approved as part of the Council's budget setting process.

The next 30-years have been modelled using the existing stock condition data. This will be kept under review as that stock condition data is updated. Whilst this could change the profile – it is unlikely to change the overall investment requirements.

Decent Homes Standard

As detailed in the tenant offer, it is projected that £99million is needed over the next 30 years to meet the basic decent homes standard.

As a result all homes will continue to meet the following standard:-

- achieve current statutory minimum standards for housing
- be in a reasonable state of repair
- have reasonably modern facilities and services, i.e. kitchen 20 years old or less and bathroom 30 years old or less.
- provide a reasonable degree of thermal comfort

The financial and investment planning has been profiled to ensure we replace all the necessary components over the life of the business plan. Windows and Roofing have also been built into the model and are included in the £144million projected expenditure levels. It is anticipated that all windows will be upgraded to UPVC by 2014/15.

It is also proposed for 2012/13 to commission a new stock condition survey, but based on actual assessment rather than samples. Whilst this may change address based data the overall profile of investment, over the 30 years, will mean that the same number of works will be undertaken.

Tamworth have historically offered customers a choice in relation to kitchens and bathrooms and this will continue to be the case.

As a result of previous contract arrangements coming to an end, Tamworth have taken the opportunity to procure a combined repairs and investment contractor from April 2012, for 5-7 years. The focus is very much on making efficiencies between response and planned works. Along side a new repairs policy, the new contract arrangements will provide opportunity for enhancing customer satisfaction through a simplified and more customer focused services. Similarly a new gas contract also starts in April 2012 and the opportunity to offer a fully inclusive gas service and installation arrangement will allow for improved customer satisfaction as efficiency is maximised.

Tamworth Decent Homes Standard

In addition to meeting decent homes going forward, it is also an ambition to develop a Tamworth Standard that enhances the existing decent homes standard and is offered to vulnerable and elderly residents. Tenants benefitting from this service will typically be:-

- In sheltered accommodation
- Vulnerable
- Over 65 and have no one else capable of providing support that lives in their household
- Have an assessed medical condition and /or disability
- Be vulnerable as assessed by the health inequalities matrix

If they warrant this additional service then the decent homes standard will be boosted to include

- Full decoration works
- Choice of floor covering
- Choice of Tiling and light fittings

Adaptations that meet the 'life times' standard and are tailored made to the customers individual service requirements

The plan allows for 20% of the stock to benefit from this enhanced service offer.

Ambition Two
Environmental Improvements

The financial forecast allows for £23m over 30 years, equating to £750k per annum.

The medium term financial plan, for the next 4 years, has approved this level of expenditure - £3million. The Budget Review Group have boosted this by £200k for 2012/13, meaning that £950k is available in the first year.

Should money not be spent then it will be profiled over later years, or re-directed to other works as agreed.

Environmental Works 2012/13

For 2012/13 it is intended to complete all known outstanding environmental works where there is an assessed need and it meets corporate and strategic objectives.

Approval for year 1 of the programme is intended to be reported to Cabinet in April, following consultation with tenants and stakeholders.

Projects already identified are spread across all concentrations of council housing estates. Locality teams are involved in community consultation and there are already a range of schemes that seek to achieve outcomes around healthier and safer communities, examples include:-

- Provision of leisure and play facilities for young people to promote well being as well as provide diversionary activities for those who might be involved in ASB
- Fencing programmes to provide defensible and aesthetic improvements for those living in the localities and in flatted accommodation
- Landscaping and improvements to paved assets to improve the environmental appearance of estates
- ECO schemes at sheltered schemes, where rising utility costs can be reduced by upgrading with fuel efficient and energy controllable powered systems

The challenge for 2012/13 will be meet customer expectations but ensure works are sustainable and support wider corporate objectives.

Environmental Improvement 2013 onwards

Going forward the Council will assess future opportunities to ensure that this level of investment can be sustained and delivers long term benefits. Ones that are not only based on short term and tangible improvement but provide lasting solutions to community capacity building.

During 2012, this will be assessed in more detail but future options could include:-

- **Locality Participatory budgeting**

  The current position is that HRA investment must be for the benefit of tenants. Positively this also means there will be wider collateral community benefits has infrastructures and schemes are developed within communities. The locality areas already have a well developed participatory budgeting framework, this will be evaluated during 2012/13 to determine whether a proportion of this budget can be devolved for tenants and communities to decide and agree spending plans.

- **Master planning areas**

  Given the amount of money, it is also envisaged that locality areas can be looked at with a view to targeting investment on a larger scale, so that planning and development go hand in hand. As these plans are thought through they will be reported through the HRA board and through the TCG.

Ambition Three
Investment in Garage Sites

The Council's Cabinet have already approved a series of decisions around the future use of garage sites.

Most recently approved a positive stock retention strategy for 58 of the 89 sites. Investment requirements were estimated at £350k and this has been built into the environmental works budget for 2012/13. This work in conjunction with the "finding a garage" launch will seek to maximise income to the council has garages are let. Currently 48% of garages are empty and it is anticipated that this will not only be an invest to save approach, but also an invest to receive as garage incomes are improved.

Ambition Four
Invest in service delivery

To meet the challenges identified, and deliver the scale of the programmes as a result of self financing will require an investment in service delivery.

In the medium term financial plan £150k has been identified. The councils stock retained landlord has consistently reviewed and streamlined it services. Following on from organisational change in 2011, reports will be presented to Appointments and Staffing that achieve additional capacity around

- Anti social behaviour co-ordination
- Income Maximisation and Service Charges
- Repairs Project management

Over the next 4 years has planned are developed it is entirely likely that resources will be reviewed to deliver key pieces of work.

Where possible the council's landlord will seek to achieve this capacity by working in partnership with other RPs and public and private sector bodies, but the levels of investment proposed are inevitably going to impact on management and maintenance services.

The business plan recognises that a value for money assessment will have to be undertaken to ensure that costs are properly mapped and management costs are seen in the context of wider benchmarking and assessed in relation to changing stock numbers, i.e. RTBs, re-provision if appropriate, etc.

Ambition Five
Regeneration and Area Based Renewal

From the financial forecast we know that there is £11million in borrowing headroom from the outset with balances of £19million between years 5-10. This balance will be set aside in a Regeneration FUND.

Increasing Spending Power

Clearly this £30million is available in the context of the sensitivities already pointed to. However it is also the case that this investment will provide increased capacity to attract further funding opportunities, examples include:-

Opportunities to bid for further funding from the HCA through the development framework in the same way that RPs can

Front fund regeneration schemes at affordable rent (80% market value) to boost future revenue streams

Match fund partnered investment to contribute to wider tenure mix on estates, such as shared ownership, owner occupation, and affordable rent, social rented – either as council owned provision or through joint venture management models.

Acquire assets under the council's acquisition policy that can be used to boost social rented provision

Innovative approaches to transferring assets between the general fund and HRA where the business case and Asset Management Strategy supports this.

Area Based Renewal

From the sustainability plan we know that Tinkers Green and the Kerria Centre have scored highest in terms of housing based area renewal.

Feasibility into the options around this is now underway. The council's ambition is to re-provide council owned accommodation; the feasibility mapping will explore the most commercially viable models to deliver this including JVC / Mutualisation / estate transfer / in house division with development partners / public private partnerships – all in context of localism.

At this stage the feasibility is focused on the opportunities for regeneration, but ambitions for development will be around:-

- The development of Sustainable Energy and Fuel Efficient properties that use and/or have access to dual power
- Focus on eco and energy sustainable products in new build and or refurbishment
- Mixed tenure estates combining affordable housing, council housing, shared ownership, owner occupation etc
- Development specialist accommodation including accommodation for older people - and community modelling -

At this stage, the ambition is to promote new council owned properties where the business case supports this option. Obviously any ownership of re-provision would balance rental and income streams with development of new affordable housing.

Ambition 6
Town Centre Development

Current Investment Plans

The financial plan for the next 4 years includes just over a £2million investment in the high rise blocks on the Balfour Estate. This is based on assessed works required to bring the blocks up to modern day standards as well as reduce revenue expenditure on repairs.

These works include:-

- Fire safety
- Lift refurbishment
- Roof repairs
- Communal upgrades

Future Options

Going forward it is estimated that a full scale refurbishment would cost £1.2million per block – for 6 blocks this is £7.2million. This would include a full external cladding programme that realised latest solar panels for balconies and fuel efficiency.

However a more prudent response at this stage is to assess this level of expenditure in the context of wider regeneration and re-provision. £7.2million may be better spent on attracting other investment to ensure that this contributes to the wider vision for the town centre. As part of the Tamworth Gateway project it is appropriate that a housing based options assessment is linked, given the sustainability score already arrived at in relation to the high rise provision.

13. Strategic Options for the Future

It is clear from the financial modelling that Tamworth is in a good financial position and over the first 4 years can meet improved levels of investment in the stock. More excitingly, we can plan during that time to realise significant investment in year 5-10 for the development of affordable housing and re-provision of council housing.

£30m in 1st 10 years

Every £m potentially funds at least 10 new council homes. Along with the opportunity to charge affordable rent (80% of the market value) this additional provision both in terms of asset and income stream can be built into future business plans to realise the borrowing against it and also reflect the income yielded.

Whilst not all the money will be spent on new council homes, for illustration purposes if 50% of the £30million (£15million) available in years 5-10 was spent on new council housing this could

- Provide 150 new council owned homes, not least re-providing new homes on the Tinkers Green Site
- Yield an additional revenue in excess of £300k based on 80% affordable rent
- Potentially attract significant investment from the HCA in match funding
- Provide further opportunity to borrow against the asset.

Cross Subsidy and land realisation

The entrepreneurial opportunities to cross subsidise assets can also be realised. The delivery of the Asset Management Strategy is crucial to identifying land and assets so that development opportunities can be explored. This rolling programme of regeneration activity will create new resources for future investment whilst delivering new homes and better outcomes for residents.

Flexible Tenure & affordable rent

The Localism Act 2011 expects Councils to have a Tenancy Management Strategy in place by April 2013. As the councils stock retained landlord the corresponding tenancy management policy would want to compliment this in terms of provision of affordable socially rented housing.

A key action for 2012/13 is to scope the opportunities for this and options have been assessed that make best use of stock in relation to offering fixed term tenancies.

This will be a political decision going forward.

Acquisition and increasing the Council's HRA portfolio

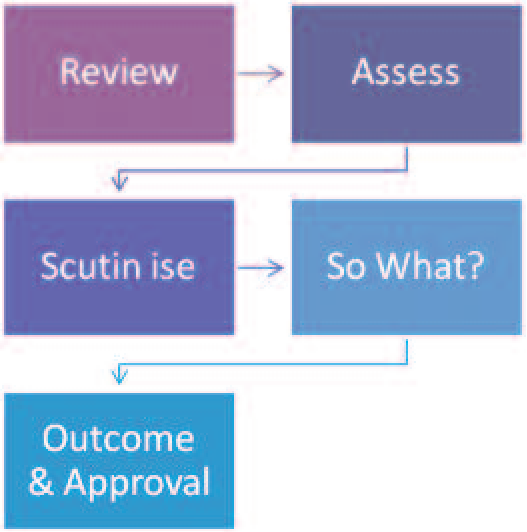
In addition to the strategic options already identified the council is not ruling out acquiring other assets that will either grow the councils own stock, or provide affordable housing.

The Asset Management Strategy is a key driver for this and plans will be brought forward as the business cases are assessed. This is particularly the case there assets transfer between the general fund and HRA, such as council owned car parks. Clearly the first step is identifying the assets and then determining how HRA investment can be targeted to maximise the opportunities open to the council.

14. How the Business Plan was developed?

Given the sensitivities and financial planning the business plan will be updated annually. This will allow for external challenge as well as being able to respond to changing policy, financial and social characteristics.

The Business Plan for 2012 is intended as a set of a promises, a framework under which to deliver ambitions that until self financing have only been possible through transferring ownership. It is anticipated that the regulatory model will be developed but that customers and stakeholders will continue to develop the ambitions.



15. Monitoring and Review – making the vision a reality!

The HRA business plan sets a broad strategic context for the delivery of council housing in both the medium and long term.

Given the ambitions and pace of change it is prudent to complete an annual review of the business plan together with an impact assessment to assess performance. This will take account of the changing political, social and economic landscape.

It is also clear that the Landlord Service will be concerned with planning for self-financing in the short to medium term. Plans around regeneration and council housing provision will be reported separately as feasibility and options appraisals take shape.

In relation to governance this will be as set out in the co-regulatory framework. A sub group of the councils BRG will be charged with monitoring and reviewing progress against the business plan. Ultimately decisions will rest with Cabinet and Full Council as delegated.

It is likely that in 30 years the political and financial landscape will change, so this plan is about reflecting on the position as we know it and how it can adapt and respond to change as it occurs.

HRA Delivery Plan 2012-2016

The delivery Plan is attached and is aligned to each of the Healthier Housing Strategic Aims and objectives and spans the next 5 years. Each of the high level objectives will feature in team work plans.

A summary of the landlord service priorities for each year are attached and summary include:-

2012/13
To consult and prepare the final HRA business Plan for 2012-2042
To be a key partner in the development of area based renewal and regeneration of landlord estates, including feasibility options for council housing building
Research and prepare for the development of an Asset Management Strategy
To deliver landlord organisational change linked to tenancy sustainment, housing options, and repairs and investment
To mobilise and bed in the combined repairs and investment contractors and agree proposals for a new handyperson service
To scope the implications for localism and prepare options for members on the tenancy management policy around flexible tenure and affordable rent
To assess and plan for significant welfare benefit reform and make provision for rises in rent arrears and income collection to be undermined
To achieve Housing Management RESPECT standard and agree an action plan with TCG on future improvement
To extend housing options by linking the current finding a home to the new lettings agency
To agree policy principles of de-pooling of rent and to maximise income on service charges
Contribute to the allocation review in the context of localism and the impact on access to housing
Consider the implications of Supporting People Funding and how sheltered housing can be sustained going forward
Plan for spending significant capital budgets, i.e. environmental budgets
Ensure the Council's Health and Safety Policy ensures compliance with its stock retained landlord obligations and review each year.

2013/2014

Progress management and delivery models for regeneration and council housing provision including acquiring properties where economically viable

Peer assessment of Landlord Service and invite inspection in line co-regulatory model

Assess and make proposals for resources to deliver significant investment programmes

Deliver an Asset Management Strategy to sit alongside the business plan

To agree the outsourcing options and timetable for the introduction of service charges

Explore outcomes from Transforming Tamworth in the context of the front of house service and review in relation to landlord resources

To review the Health & Well being Plan aimed at tackling inequalities and ensuring customer characteristic monitoring is profiled and tailored to service outcomes

To review the Disabled Facility Adaptation approach and policy and link to the private sector grant

To develop and extra care / flexi care policy that supports the wider county wide strategy and maximises investment to Tamworth

Investigate ways to tackle fuel poverty and provide sustainable energy sources

2014/2015

To review the tenancy agreement following the introduction of the revised contract in 2012

To produce a new tenants handbook and review all standards and literature

To review the financial plan and consider the option for town centre / high rise regeneration in the context of the core strategy.

2015/2016

To assess implications arising from a general election and further political, social, economic and technical challenges

Alternative formats
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