

THE EXECUTIVE

8 MARCH 2005

REPORT OF THE DIRECTOR OF HOUSING & HEALTH

HOUSING FUTURES: STOCK OPTION APPRAISAL		FOR DECISION
<p><i>This report concerns the future of the Council's housing stock and the regeneration of a number of flatted estates.</i></p>		
<p><u>Summary</u></p> <p>This report sets out the background to the Government's target and standard for achieving decent homes for all council and social housing. The report highlights the review of the stock option baseline position and suggests the recommended way forward.</p>		
<p><u>Recommendations</u></p> <p>The Executive is asked to:</p> <p>a) Agree that Model 3 set out in para. 5.12. as the route on which further analysis is undertaken including:</p> <ul style="list-style-type: none">▪ Feasibility studies on Borrowing and Private Finance Initiative.▪ A further 100% survey of tenants to confirm their support for the direction the Council is taking▪ Undertake detailed consultation with High Rise tenants▪ Undertake further staff briefings in April 2005▪ Present findings to the Housing Futures Forum in May 2005▪ Identifying ways in which Model 3 can become affordable▪ Review the viability of tenant aspirations		
<p><u>Reasons</u></p> <p>The proposed model 3 will best deliver the decent homes target, tenants' aspirations and will aid delivery of the regeneration of the borough.</p>		
Contact: David Woods	Job title Director of Housing & Health	(Tel:) 0208 227 5700 (Fax:) (Minicom:) Email: david.woods@lbbd.gov.uk

1. Background

1.1 National Context

As part of the Government's desire to link increased spending on better outcomes, a target was established to ensure that all social housing meets set standards of decency – the Decent Homes Standard (DHS). In Barking & Dagenham the development of this strategy has been branded 'Housing Futures'.

1.2 Barking & Dagenham Context

1.2.1 Mix'n'Match Solution

The result of the review of the baseline position presented to Members in July 2004 resulted in Members agreeing to a 'Mix'n'Match' solution for delivering the DHS and the wider objective of housing regeneration. This report recommends a way forward which meets with this criteria and if accepted will have significant consequences for the future management and maintenance of the Council's housing stock

1.2.2 Best Value

Housing Futures was set up to review the investment options established by the Government and to lever in the 'Challenge' and 'Compete' element of the review of the Landlord Services. The outcome of the Housing Inspectorate's review of Landlord Services in October 2004, graded the service '1* with promising prospects'. In order for the division to demonstrate that it can meet tenants expectations for delivering management services in the future, they have set a target for achieving a 2* rating by September 2005

2. Producing the Baseline Figure and Engaging with Stakeholders

2.1 The process has closely followed the Office for the Deputy Prime Minister guidance on Stock Option Appraisal and both the Community Housing Task Force and GOL have been involved at all stages.

2.2 Members agreed the recruitment of Beha Williams Norman Limited to act as the Council's advisors in carrying out the stock option appraisal.

2.3 An existing contract was extended in order that they carry out a 100% external survey on all high rise (over five floors) stock and 20% internal survey of stock condition.

2.4 PPCR were recruited jointly with tenants to act as the Independent Tenants' Advisor and in October 2004 a 100% Tenants' Aspirations Survey was commissioned by the Council and 20% of tenants responded. The summary of the results of this survey is attached as Appendix A. Notable highlights of this survey includes:

- 91% said that it was important for the Council to manage and maintain their homes
- 79% said it was important that their home was owned by the Council
- Top home improvements for tenants in houses and low rise is new kitchens and bathrooms
- Top home improvements for high rise tenants is security and improved communal areas

2.5 Other factors to consider when determining the baseline figure are the affects of rent restructuring as well as the wider regeneration of the borough. Members have agreed that identifying housing regeneration areas is part of the strategy for meeting the Decent Homes Standard. These schemes are being worked on and proposals will be presented to Members at the appropriate times. Housing Renewals Areas current under consideration include:

- The Gascoigne
- The Lintons
- London Road / North Street
- Cadiz Court
- Eastern End Thames View
- Marks Gate - Padnall Court / Reynolds Court

2.6 In terms of consultation and involvement of key stakeholders, Members and Tenants agreed to a framework of consultation and involvement and this was also approved and signed off ODPM in October 2004. Key groups involved in the day to day steering of the project include:

- Housing Futures Forum – the commission set up to investigate the options and recommended the proposed solution.
- The Housing Futures Residents' Forum – chaired and led by tenants representing the six community housing partnerships.
- Staff Forum – represented by a full range of staff and unions

3. Decent Homes Standard

3.1 A decent home meets the following four criteria

- i. It meets the current minimum standard for housing
- ii. It is in a reasonable state of repair
- iii. It has reasonably modern facilities and services, has a minimum of four out of six of the following criterion:
 - Kitchen 20 years old or less
 - Kitchen with adequate space and layout
 - Bathroom 30 years old or less
 - Appropriately located bathroom and WC
 - Adequate noise insulation; and
 - Adequate size and layout of common entrance areas for blocks of flats
- iv. It provides a reasonable degree of thermal comfort

3.2 The Decent Homes Standard is very basic and does not take into consideration many of the aspirations that tenants said they wanted for their homes and environment. Appendix B outlines what tenants would get under the Council's Housing Futures Standard, which replaces the Council's Decent Homes Plus Standard which was produced with tenant and Member support in 2001.

3.3 To achieve sign off by GOL our Housing Futures plan must show how the Council proposes to meet the DHS by 2010, and the extent to which Tenants Aspirations will be met through the plan. This is in addition to showing that the ODPM guidance has been followed.

4. Progress to Date

4.1 In July 2004, officers presented the baseline figure to a Pre-Assembly meeting and the Housing Futures Forum, which took into consideration the outcome of the stock condition survey. The result was a financial shortfall of around £25million. Since that time officers have undertaken a great deal of investigatory work to find out what

the tenants' aspirations were and their costs, and the impact of housing regeneration.

4.2 The existing Community Housing Partnership structure forms the basis of stakeholder involvement and consultation. The options appraisal process places a requirement on the Council to produce, along with its stakeholders, a strategy for ongoing involvement and communication.

4.3 Tenants (which includes leaseholders)
The Tenant Empowerment Strategy was produced in alignment with the Tenant Participation Compact 2004. The Housing Futures Residents' Forum (HFRF), chaired by an elected CHP Board tenant, has been meeting on a fortnightly basis in order to be kept abreast of project progress and ensure continuous involvement. The HFRF informed the development and final version of the tenants' aspiration survey and played a key role in the link between the project and the CHP Boards. The HFRF are also fully represented on the Housing Futures Forum (HFF), as is the Independent Tenants' Advisor (ITA) where they have been able to benefit from capacity building seminars, have been included in decisions regarding the project direction and provided the HFF with useful feedback on their own investigations around the options and estate walkabouts. Tenants have had ongoing access to free advice from the ITA's free telephone advice service.

4.4 Members
Members are represented on the high level Housing Futures Forum (HFF) by the Executive lead members for Regeneration and Housing, Health and Adult Care. Scrutiny recommended a further Member to sit on the HFF. The HFF is chaired by the Director of Housing & Health. Members have also been informed, consulted and involved in the project through use of Member Matters, Pre-Assembly, Executive reports and ward member meetings.

4.5 Staff
The purpose of the Staff Forum is to enable continuous consultation with Housing & Health and Housing Benefits staff. It is made up of a cross section of all Landlord Services staff at all levels, with a representative range of minority staff by gender, ethnicity and disability. It is chaired by the Head of Human Resources. All of the trade unions are also represented on the Staff Forum. As with tenants and Members, staff, under the guidance of the Council's advisors and senior housing officers, have had presentations on the stock option appraisal process, the Council's financial position and have been involved in the production of the staff aspirations survey. A significant number of staff briefings and seminars have been held (and highly attended) throughout the project and Staff Forum members attended the borough wide bus tour to gain insight into the range of stock and related issues. A freephone telephone line is available for all staff to discuss Housing Futures.

4.6 Wider stakeholder group
Involvement of the wider stakeholder group was identified and agreed at a report submitted to Executive in September 2004, which outlined the general process of involvement and communication. Articles have been submitted in the Citizen magazine which targets a much broader stakeholder group. In addition, a presentation was given to the Barking and Dagenham Partnership in the summer of

2004, which outlined the Housing Futures project and how it linked to the wider community issues in the Borough.

4.7 Summary of Tenants' Aspiration Survey Views about the Homes

4.7.1 The majority of tenants say that their homes are well maintained (56%) and well managed (58%). The top three priorities for the home is that their homes are properly repaired and maintained (96%), rents are kept affordable (95%) and that their home is managed and maintained by the Council (91%).

4.7.2 There were very different home improvement priorities by high rise tenants compared to other tenants. Their top three priorities are improvements in security and communal areas followed by a shower over a bath. Tenants living in houses, bungalows and low rise blocks said that they want new kitchens and bathrooms and shower over bath.

4.7.3 Many other aspirations were requested that are not covered by the Decent Homes Standard. For example, 98% of tenants feel that dealing with anti social behaviour is their number one priority. Dealing with parking on estates and graffiti removal are other aspirational areas.

5. Cost of meeting Decent Homes and the Implications

5.1 Paragraph 3 of this report clearly outlines what the Council must be able to deliver by 2010 in order to achieve sign off from the Government Office for London. However, this has been made more complex by the differences in housing repairs required to different stock e.g. high rise flats compared with houses, and the degree to which the Council is able to respond to the tenants' aspirations.

5.2 In the light of the changing picture from the development of the base case through to the addition to Tenants Aspirations and the application of the various options for achieving a Housing Futures plan three representative models have been produced. These are set out in the following paragraphs. In each case the following three important assumptions have been taken into account. These were not included in the original model for the development of a base case:

- First is that 50% of right to buy receipts are re-invested in housing throughout the lifetime of the plan. This is:

2008/09		2012/13	£13.9m
2013/14		2017/18	£15.1m
2018/19		2022/23	£18.2m
2023/24		2027/28	£20.1m
2028/29		2032/33	£21.0m
2033/34			£ 4.5m

If capital receipts are used for housing purposes, they would not be available for other services like schools, social services, cleaner greener safer, regeneration.

- £1.6m of the Community Housing Partnership annual budget for liveability is used to deliver Decent Homes Plus.
- 75% of leaseholder costs are recovered when they fall due.

5.3 Model 1 explains the revised base case position for delivering the core standard. At this stage no allowance has been made for any stock losses due to regeneration schemes with exception of the Lintons. Model 2 explains the position with the cost of tenants aspirations added to the base case. In this instance all kitchens and bathrooms would be renewed when they fall due and door security will be provided. Roofs and electrical rewiring will be replaced when necessary etc.

5.4 Model 3 is an attempt to show the effect which 6 regeneration schemes would have together with the refurbishment of 20 remaining high rise blocks through a PFI programme.

The significance of each of these models is briefing explained below.

5.5 Model 1

Members will see from the attached chart that the revised base position shows the Housing Revenue Account to be in balance for the life of Housing Futures i.e. a minimum of 25 years up to 2030 and that the Council can meet the capital cost of decent homes with a surplus of £12.8m.

If Members agree that the assumptions which underpin this model are reasonable then it is clear that the Council will have no case for applying for Arms Length Management Organisation (ALMO) status other than in exceptional circumstances. ALMO funding is intended to deliver the Decent Homes Standard with an allowance of 5% to cover Tenants Aspirations. It can be shown from this model that the Council will have no deficit in meeting the Decent Home Standard and therefore that an ALMO application could not be substantiated. Advice from the Office of the Deputy Prime Minister is that an ALMO application could only be made in these circumstances if meeting the Decent Homes Standard would use so much of that Council's capital resources that they were unable to meet other statutory obligations in areas such as Education, Social Care, Leisure etc. The assumptions and summarised financial analysis for Model 1 is attached as Appendix C.

5.6 Model 2

Shows that when the cost of Tenants' Aspirations are added to the base model that the capital shortfall becomes some £68.6m i.e. an additional cost of about £81.4m over the base case. The Housing Revenue Account remains in balance at 2010 but goes into deficit by around 2031. See Appendix D.

5.7 Given that Tenants' Aspirations cannot be met within the Council's resources, making reasonable assumptions as set out in Model 2, we have to consider the alternatives of Large Scale Voluntary Transfer, Private Finance Initiative and Prudential borrowing.

5.8 Large scale voluntary transfer would deliver the scale of improvements needed by tenants, but from the Tenants Aspirations Survey and the contribution made by the Tenants' Forum to Housing Futures it is clear that a very large majority of tenants believe it to be important that the Council remains their landlord. In these

circumstances it would seem inappropriate to rely on Large Scale Voluntary Transfer as a major plank of our Housing Futures policy. As such we will be forgoing the investment opportunity that Large Scale Voluntary Transfer gives.

5.9 Private Finance Initiative – the Private Finance Initiative would allow the Council to transfer appropriate risk to the private sector and receive PFI credits from the Government to help pay for improvements. PFI can deliver the sort of improvements which tenants have asked for. The greatest risk for the Council in refurbishing and maintaining the housing stock relates to high rise. This is partly because of the construction of high rise flats, the multiplicity of services within the buildings, their poor physical condition and the cost of carrying out major works which often include scaffolding etc. Private Finance is likely to be most successful when linked to regeneration or new build schemes such as the estate regeneration schemes which the Council has identified as being a priority over the next few years. The majority of Private Finance Initiatives (PFI) have resulted in the management of the stock being responsibility of the PFI consortium, although our preference would be to retain the management.

5.10 Prudential borrowing – this is a relatively new power which allows the Council to borrow provided that it can afford to repay the loan over a reasonable period. Borrowing to carry out work to low risk such as houses and low rise flats could play an important part in a mix and match solution as envisaged by the Council. The council has been debt free and does not currently exercise its powers to undertake supported borrowing.

5.11 Model 3

This model proposes a way forward in principle for meeting the DHS and all six elements of modern facilities, tenants' aspirations and our housing regeneration objectives for the borough. It fits with the vision of a Mix'n'Match solution that takes into consideration the scale of urgency behind the need to modernise our high rise stock as well as meet the differing needs of our other tenants. It identifies the role and extent to which a mix of self financing, developer investment and government investment through the Private Finance Initiative can play in the process of meeting the Tenants' Aspirations and revitalization of the Council's stock and communities. However, this still leaves a shortfall of £28.4 million as at 2010. The availability of other resources will need to be identified to bridge this gap, including the possibility of borrowing, with the implications identified above.

It should also be noted that by 2033/34 the shortfall is £121m. Any borrowing to fund HRA capital would have an impact on the General Fund, as the General Fund acts as the "banker", and this will need to be fully assessed. It should also be noted that in Model 3 (appendix E) that the HRA has an annual deficit of approaching £4m, this is before any cost of borrowing. Consideration will need to be given as to how the revenue account can be brought into surplus over the 30 year period. It should be noted that this option would not be funded based on the current assumptions.

The assumptions and summarised financial analysis for Model 3 is attached as Appendix E.

5.12 Set out in table 1 is an analysis of the Tenants Aspirations and the applicability of each of the stock options for meeting these.

Table 1. Tenants' Aspirations and the Options Balanced Scorecard

MODEL	Investment Option	Self Finance	Developer	PFI *	Stock Transfer	ALMO **
	Investment deliverables					
1 Must Do	Hit Basic Decency Standard (4 out of 6 modern facilities)	✓	Not appropriate	Not appropriate	✓	Not appropriate
2 Meets Some but not all Aspirations	As above and New Kitchens and Bathrooms (all modern facilities) and Tenants Aspirations e.g. improved security	✓ Consider Loan from year 07/08	Not appropriate	✓	✓	Possible if essential services affected
3 Meets all aspirations	As above and regenerate 6 housing renewal areas, High Rise PFI solution	✗	✓	✓	✗ doesn't meet tenants' aspiration that LBBd own stock	✗
	Score	2	1	2	2	1

* LBBd management of stock may not be considered as part of the bid

** Subject to Landlord Services reaching 2* status

6. Implications of the Recommended Options

6.1 Legal

It is clear that a major undertaking will have to be made to ensure clarity of land ownership and understanding the financial complexities behind the proposed options. This will be needed in order to present a robust recommendation to Members in late May / early June 2005.

6.2 Human Resources

The impact on staff will result in the need for the production of a Change Management Strategy which will investigate staff training and development requirements as well as what the staffing implications would be for each of the models. This matter will be undertaken jointly with staff and the Unions in the Staff Forum.

6.3 Service Delivery

The selected model will need to demonstrate in what ways it will improve on the quality of the service being delivered and value for money. The Housing Futures project is working very closely with all key stakeholders including Thames Accord, who will be affected by the chosen model. Front line staff will continue to be invited to Staff Briefings in order to be kept involved with progress of the project and to be able to deal with any basic enquiries from tenants.

6.4 Performance Management

As a result of the Best Value Inspection October 2004, Landlord Services has committed itself to achieving a 2 * rating in the review due in September 2005. This will establish that the Landlord Services can deliver the tenants' aspirations for management of the stock. In addition, Landlord Services would need to position itself as an attractive partner for a PFI consortium. The 2 * rating would aid in providing Landlord Service with the necessary competitive advantage.

6.5 Financial

The combination of options produces a variety of financial challenges for the Council. Each model produces a different financial outcome which justifies the model selected. Discussions will take place in the next two months with external and internal financial experts to ensure that the financial modelling for each model stands up to scrutiny and conforms to Accounting requirements.

6.6 Tenants and Leaseholders

The suggested way forward, Model 3, has been given full support by tenant representatives who attended the Housing Futures Forum on 9 February 2005. The options presented to tenants included the following justification:

- Stock Transfer does not have tenant support as shown by the Tenants' Aspirations Survey. Tenants agreed at the meeting that this option should be rejected.
- ALMO could not be justified because the Council can meet the DHS out of its own finances. However, this option should be parked with the proviso that if use of the Council's own finances has a detrimental affect on our ability to deliver other essential services, then this option would need to be revisited as per Model 2. It was agreed therefore to hold in abeyance this option.
- All members of the Housing Futures Residents Forum supported Model 3, the Mix'n'Match solution, as the preferred way forward.

It is proposed that a further 100% survey is undertaken to ensure that all tenants have the opportunity to give their views on the way forward. A survey designed specifically for tenants living in high rise accommodation which will see if we have arrived at the right solution for that stock i.e. PFI will be carried out.

7. Conclusion

- 7.1 The outcome of the 2004/05 Housing Stock Option Appraisal indicates that the Council can meet the core standard i.e. the requirement for Decent Homes plus other essential landlord maintenance from within its own resources. The Council cannot though meet the cost of Tenants' Aspirations in addition to the Decent Homes Standard. This means that the Council has to consider one of the other options for funding the difference i.e. Arms Length Management Organisation (ALMO), Large Scale Voluntary Transfer (LSVT), Private Finance Initiative (PFI) or Prudential borrowing.

As the Council can meet the Decent Homes Standard from within its own resources it would be unlikely to achieve ALMO status unless meeting the Decent Homes Standard would put such a drain on the Council's capital resources that it was unable to meet its other obligations in areas such as Education, Social Care, Leisure etc. In addition ALMO funding provides only 5% above the cost of Decent

Homes Standard and the cost of meeting Tenants Aspirations in this Borough is approximately £80m in addition to Decent Homes cost of £165m – a sum which would not be covered by ALMO funding.

7.2 It is proposed that Stock Transfer not be pursued because the findings of the Tenants' Aspirations Survey showed that there was very little support for Council stock to be 'managed and owned' by anyone else.

7.3 Consultation with the Housing Futures Forum produced a unanimous view that model 3 is the way forward.

7.4 It is recommended that we go forward on the following basis:

- regenerate the 6 housing renewal areas:
 - The Gascoigne
 - The Lintons
 - London Road / North Street
 - Cadiz Court
 - Eastern End Thames View
 - Marks Gate - Padnall Court / Reynolds Court
- Retain the stock with the option to undertake Prudential Borrowing to be considered
- Pursue PFI as a high rise stock solution
- Revisit ALMO if the affect of borrowing would have a detrimental affect on other essential services

7.5 Outcomes for Model 3:

- Meets the Decent Homes, Tenants Aspirations, and Housing Renewal standards
- Addresses localism and is a neighbourhood solution
- High Rise - targets the most difficult stock and maximises transfer of highest risk
- Fits with the Council's Regeneration programme and Community priorities
- Maximisation of investment opportunities through a mix of financial solutions with scope for review

8. Next Steps

8.1 Pending the outcome of this report, officers will complete Phase II of the project plan by:

- Surveying 100% of all tenants to test their opinion on the proposed way forward
- Undertake further consultation with high rise tenants
- Undertake further staff briefings informing them of the proposed way forward
- Present final findings to Housing Futures Forum in May
- Return to Members in May/early June for final decision
- Prepare sign off with the Government Office for London by June 2005

8.2 The following were consulted:

- Director of Finance,
- Solicitor to the Council,
- Housing Futures Forum

Summary of Tenants' Aspirations Survey Results

Data Capture Set	Element	Element Standard		%	Rank Support	Affected Budgets		Tenants Choice Affected? Housing Choice	Housing Option			
		DH	IS			Mgmt	Maint.		Stock Transfer	ALMO	PFI	Retain/ Own finances
Views about home				Level of Satisfaction								
	Home well maintained by LBBB	Y	Y	56			Y	Y		Y	Y	Y
	Home well managed by LBBB	Y	Y	58		Y		Y			Y	Y
	Standard of heating	Y		77	1		Y		Y	Y	Y	Y
	Standard of windows	Y		74	2		Y		Y	Y	Y	Y
	Standard of caretaking		Y	46	3	Y			Y	Y	Y	Y
	Standard of kitchen	Y		37	4		Y		Y	Y	Y	Y
	Standard of bathroom	Y		43	5		Y		Y	Y	Y	Y
Priorities for the Home				Level of Importance								
	Rent kept affordable			95	1	Y		Y	Y	Y	Y	Y
	Properly repaired & maintained	Y	Y	96	2	Y	Y		Y	Y	Y	Y
	Managed & Maintained by LBBB	Y	Y	91	3	Y	Y	Y			Y	Y
	Legal rights, protection of tenancy			89	4	Y		Y	Y	Y	Y	Y
	Owned by the Council			79	5			Y		Y	Y	Y
	Modernised & improved in 5 yrs	Y	Y	85	6	Y	Y		Y	Y	Y	
	Modernised & improved in 10 yrs	Y	Y	77	7	Y	Y		Y		Y	
	Outside painted regularly		Y	71	8		Y		Y	Y	Y	
Home Improvements				Level of Want								
	New Kitchen		Y	69	1		Y		Y	Y	Y	

New Bathroom		Y	68	2		Y		Y	Y	Y	
Shower over bath		Y	67	3		Y		Y		Y	
Security improvements		Y	63	4	Y	Y		Y		Y	
Communal area improvements		Y	61	5	Y	Y		Y		Y	
Rewiring	Y		46	6		Y		Y	Y	Y	
Roofs and external walls	Y	Y	36	7		Y		Y		Y	
Lift Renewals	Y		19	9		Y		Y		Y	
Double glazing & new w/frames	Y	Y	13	8		Y		Y	Y	Y	
Central heating	Y		10	10		Y		Y	Y	Y	

Home Improvements				High Rise								
	Sub Group Variations											
	Security improvements		Y	84	1	Y	Y		Y		Y	
	Communal area improvements		Y	79	2	Y	Y		Y	Y	Y	
	Shower over bath		Y	79	3		Y		Y		Y	
	Lift Renewals		Y	73	4		Y		Y		Y	
	New Kitchen		Y	77	5		Y		Y	Y	Y	
	New Bathroom		Y	77	6		Y		Y	Y	Y	
	Double glazing & new w/frames	Y	Y	64	7		Y		Y	Y	Y	
	Central heating	Y		38	8		Y		Y	Y	Y	

Service and Facilities				level of Importance								
	Outside lighting		Y	80	1		Y		Y		Y	
	Security		Y	71	2	Y	Y		Y		Y	
	Maintaining the gardens		Y	61	3		Y		Y	Y	Y	
	Help with Housing Benefits		Y	59	4	Y			Y	Y	Y	Y
	Shower facilities		Y	57	5		Y		Y		Y	
	Social alarm call system		Y	47	6	Y	Y		Y		Y	
	Social facilities/activities		Y	44	7	Y			Y		Y	
	Level of cover from wardens		Y	35	8	Y			Y		Y	
	Communal facilities		Y	19	9	Y	Y		Y		Y	

Leaseholders Issues			level of Importance									
Council Properly repairs & Maint.	Y		96	1	Y	Y	Y		Y	Y	Y	
Terms of lease is protected			96	2			Y	Y	Y	Y	Y	
Service charge reflected in service			93	6	Y	Y		Y	Y	Y	Y	
Informed of when repairs to be done			92	3	Y	Y		Y	Y	Y	Y	
Current level of service improved			90	4	Y	Y			Y	Y	Y	
Current level of service maintained		Y	88	5	Y	Y			Y	Y	Y	
Council retains freehold			56	7	Y	Y	Y		Y	Y	Y	
Views about Area			Level of Importance									
Anti-social behaviour dealt with		Y	98	1	Y			Y	Y	Y	Y	
Open spaces well maintained		Y	95	2		Y		Y	Y	Y		
Communal areas well maintained		Y	91	3	Y			Y	Y	Y		
Graffiti is removed quickly		Y	91	4		Y		Y	Y	Y		
Parking on estates is improved		Y	85	5	Y	Y			Y	Y		
Parking on estates is controlled		Y	82	6	Y				Y	Y		
Priorities for the Housing Service			Level of Importance									
Higher standard of repairs		Y	96	1		Y		Y	Y	Y		
Providing more affordable homes to rent			94	2			Y	Y		Y		
Having more of say in how the service is run		Y	86	3	Y		Y	Y	Y	Y		
Higher standard of caretaking		Y	80	4	Y			Y	Y	Y		

The Housing Futures Standard

- Similar to the Council's 2001 Decent Homes Plus Standard
- What tenants get now plus:
 - Re-roofing
 - Central heating
 - Double glazed windows
 - New kitchen
 - New bathroom//shower over bath
 - Improved security – e.g. concierge to every tower block, improved lighting, CCTV, Door Entry Systems
 - Lift renewals
 - Modernised & improved homes in 5 – 10 years
 - Improved standards of caretaking
 - Improved response to dealing with anti-social behaviour
 - Improved & controlled parking on estates

Model 1 Assumptions & Summarised Analysis

Assumptions:

- No regeneration schemes (except The Lintons)
- No kitchens & bathrooms
- No aspirations works
- Central support costs Y1 £250K, Y2 £500K, Y3 750K, Y4+ £1million
- Cyclical Repairs Y1 – 4 £1million Y5+ £0
- Leaseholder recovery 75%
- Right to Buy useable capital receipts Y5+ 50%
- CHPs £750K

Model 1		LB BARKING & DAGENHAM						HRA PROJECTIONS			£'000	£'000
Yr	Net Rent	Other Income	Sup & Main Expend	Response Repairs	Other Costs	RCCO	Surplus / (Deficit)	HRA Balance	Major Repairs	Cumm Shortfall		
1	2004.05	63,919	4,119	(21,895)	(18,678)	(26,269)	(1,000)	196	2,256	(20,476)	8,601	
2	2005.06	64,398	4,655	(22,313)	(21,109)	(24,924)	0	708	2,964	(19,794)	23,866	
3	2006.07	65,788	5,189	(23,271)	(21,391)	(25,845)	0	469	3,433	(18,958)	25,661	
4	2007.08	68,642	5,738	(24,331)	(21,768)	(27,029)	0	1,252	4,685	(22,024)	24,292	
5	2008.09	69,404	6,297	(25,020)	(21,145)	(28,823)	0	711	5,396	(19,403)	21,540	
6	2009.10	71,131	6,876	(25,474)	(20,520)	(30,921)	0	1,093	6,489	(23,592)	14,865	
7	2010.11	72,936	7,470	(25,855)	(20,418)	(33,133)	0	1,000	7,489	(18,997)	12,785	
21	2024.25	90,998	10,342	(31,953)	(25,348)	(42,512)	0	1,526	24,675	(13,869)	80,739	
22	2025.26	92,335	10,600	(32,452)	(25,735)	(43,021)	0	1,727	26,402	(14,023)	87,095	
23	2026.27	93,669	10,865	(32,960)	(26,123)	(43,605)	0	1,846	28,248	(14,176)	93,598	
24	2027.28	94,999	11,137	(33,477)	(26,509)	(44,189)	0	1,961	30,209	(14,329)	100,251	
25	2028.29	98,145	11,415	(34,004)	(26,894)	(44,770)	0	3,892	34,101	(14,480)	107,056	
26	2029.30	97,734	11,646	(34,542)	(27,303)	(45,779)	0	1,756	35,857	(35,605)	92,536	
27	2030.31	99,228	11,937	(35,090)	(27,737)	(47,218)	0	1,120	36,978	(35,973)	77,938	
28	2031.32	100,723	12,236	(35,649)	(28,171)	(48,758)	0	381	37,359	(36,338)	63,298	
29	2032.33	102,218	12,542	(36,217)	(28,606)	(50,306)	0	(369)	36,990	(36,698)	48,621	
30	2033.34	103,713	12,855	(36,797)	(29,040)	(51,863)	0	(1,132)	35,858	(37,054)	33,915	

Model 2 Assumptions & Summarised Analysis

Assumptions:

- No regeneration schemes (except The Lintons)
- Kitchens & bathrooms renewed
- Tenants' aspirations carried out e.g. security
- Central support costs Y1 £250K, Y2 £500K, Y3 750K, Y4+ £1million
- Cyclical Repairs Y1 – 4 £1million Y5+ £0
- Leaseholder recovery 75%
- Right to Buy useable capital receipts Y5+ 50%
- CHPs £750K

LB BARKING & DAGENHAM				HRA PROJECTIONS				£'000		£'000
Yr	Net Rent	Other Income	Sup & Man Expend	Response Repairs	Other Costs	RCCO	Surplus / (Deficit)	HRA Balance	Major Repairs	Cumm Shortfall
1 2004.05	63,919	4,119	(21,895)	(18,678)	(26,421)	(1,000)	44	2,104	(29,561)	(1,484)
2 2005.06	64,398	4,655	(22,313)	(21,109)	(25,508)	0	124	2,228	(33,504)	(1,484)
3 2006.07	65,788	5,189	(23,271)	(21,391)	(26,814)	0	(500)	1,728	(32,833)	(11,009)
4 2007.08	68,642	5,738	(24,331)	(21,768)	(28,097)	0	185	1,912	(37,909)	(28,264)
5 2008.09	69,404	6,297	(25,020)	(21,145)	(29,851)	0	(316)	1,596	(28,145)	(39,758)
6 2009.10	71,131	6,876	(25,474)	(20,520)	(31,801)	0	213	1,809	(33,621)	(56,463)
7 2010.11	72,936	7,470	(25,855)	(20,418)	(33,873)	0	260	2,069	(29,001)	(68,546)
21 2024.25	90,998	10,342	(31,953)	(25,348)	(44,428)	0	(389)	1,741	(15,657)	(64,605)
22 2025.26	92,335	10,600	(32,452)	(25,735)	(45,008)	0	(260)	1,480	(15,829)	(60,054)
23 2026.27	93,669	10,865	(32,960)	(26,123)	(45,665)	0	(214)	1,267	(16,000)	(55,375)
24 2027.28	94,999	11,137	(33,477)	(26,509)	(46,322)	0	(172)	1,095	(16,170)	(50,563)
25 2028.29	98,145	11,415	(34,004)	(26,894)	(46,977)	0	1,685	2,780	(16,338)	(45,616)
26 2029.30	97,734	11,646	(34,542)	(27,303)	(48,050)	0	(515)	2,265	(36,982)	(61,513)
27 2030.31	99,228	11,937	(35,090)	(27,737)	(49,545)	0	(1,207)	1,058	(37,362)	(77,501)
28 2031.32	100,723	12,236	(35,649)	(28,171)	(51,140)	0	(2,001)	(943)	(37,738)	(93,541)
29 2032.33	102,218	12,542	(36,217)	(28,606)	(52,484)	0	(2,547)	(3,490)	(38,109)	(109,629)
30 2033.34	103,713	12,855	(36,797)	(29,040)	(53,513)	0	(2,782)	(6,273)	(38,475)	(125,757)

Model 3 Assumptions & Summarised Analysis

Assumptions:

- Regeneration schemes – 6 Housing Renewal Areas
- High Rise PFI investment
- Kitchens & bathrooms renewed
- Tenants' aspirations carried out e.g. security
- Central support costs Y1 £250K, Y2 £500K, Y3 750K, Y3+ £750K
- Cyclical Repairs revenue £0 from Y2 (capitalised)
- Leaseholder recovery 75%
- Right to Buy useable capital receipts Y5+ 50%
- CHPs £750K

Model 3		LB BARKING & DAGENHAM						HRA PROJECTIONS		£'000		£'000
Yr	Net Rent	Other Income	Sup & Main Expend	Response Repairs	Other Costs	RCCO	Surplus / (Deficit)	HRA Balance	Major Repairs	Cumm Shortfall		
1	2004.05	63,919	4,119	(21,895)	(19,018)	(26,355)	(1,000)	(231)	1,829	(24,185)	4,891	
2	2005.06	64,398	4,655	(22,313)	(19,484)	(25,275)	0	1,983	3,812	(30,678)	9,273	
3	2006.07	65,061	5,170	(23,039)	(19,541)	(26,448)	0	1,203	5,015	(23,394)	6,632	
4	2007.08	66,994	5,039	(22,108)	(18,197)	(30,352)	0	1,375	6,390	(29,309)	(2,957)	
5	2008.09	67,739	5,491	(22,509)	(18,525)	(31,951)	0	245	6,636	(20,399)	(7,901)	
6	2009.10	69,427	5,961	(22,916)	(18,864)	(33,629)	0	(21)	6,614	(25,570)	(17,922)	
7	2010.11	63,738	5,479	(20,578)	(16,471)	(33,252)	0	(1,085)	5,530	(24,819)	(28,401)	
21	2024.25	78,386	7,476	(25,354)	(19,733)	(43,010)	0	(2,236)	(8,020)	(15,014)	(46,085)	
22	2025.26	79,391	7,663	(25,745)	(19,958)	(43,650)	0	(2,300)	(10,320)	(15,141)	(44,967)	
23	2026.27	80,385	7,854	(26,142)	(20,179)	(44,345)	0	(2,427)	(12,746)	(15,265)	(43,767)	
24	2027.28	81,366	8,051	(26,546)	(20,394)	(45,037)	0	(2,560)	(15,307)	(15,386)	(42,483)	
25	2028.29	83,899	8,252	(26,958)	(20,603)	(45,727)	0	(1,137)	(16,444)	(15,503)	(41,112)	
26	2029.30	83,371	8,404	(27,379)	(20,829)	(46,637)	0	(3,070)	(19,514)	(32,655)	(57,183)	
27	2030.31	84,482	8,614	(27,807)	(21,074)	(47,574)	0	(3,360)	(22,873)	(32,899)	(73,312)	
28	2031.32	85,583	8,830	(28,244)	(21,315)	(48,406)	0	(3,552)	(26,425)	(33,135)	(89,463)	
29	2032.33	86,674	9,050	(28,688)	(21,550)	(49,242)	0	(3,755)	(30,180)	(33,363)	(105,628)	
30	2033.34	87,753	9,277	(29,141)	(21,779)	(50,079)	0	(3,969)	(34,149)	(33,580)	(121,798)	