

TAUNTON DEANE BOROUGH COUNCIL

SPECIAL HOUSING REVIEW PANEL - 21 JUNE 2006

REPORT OF THE HEAD OF HOUSING (HOUSING TRANSFER CONSULTATION CO-ORDINATOR)

ISSUES SURROUNDING HOUSING STOCK TRANSFER AND RETENTION

(This matter is the responsibility of Executive Councillor G Garner.)

Executive Summary

This suite of reports involves four key issues which need to be addressed due to the Housing Transfer Consultation and the outcome of the ballot. These are:

- Report 1 - The Housing Options Service.
- Report 2 - The Direct Labour Organisation.
- Report 3 - The Housing Revenue Account Projected Capital Programme.
- Capital Receipts Allocation

The Panel is asked to consider this report and its attachments.

1. Purpose of Report

- 1.1 To seek advice on these issues and to make recommendations to the Executive.

2. Background

- 2.1 The Housing Transfer Consultation process brings many items into focus. Should we achieve a "yes" vote then we must decide what areas of work remain with the Council and what will transfer to the new Housing Association. Here we are considering the Housing Options Section and the Direct Labour Organisation - Building Services Unit.
- 2.2 The Housing Revenue Account Projected Capital Programme will have a shortfall of £1.85m per annum from 2007-2011 if we are to meet the "decent homes" standard, which cannot be met if the tenants vote "no" to transfer. Officers have been working to close this funding gap, but the consequences need to be understood.
- 2.3 We also require a commitment that in principle all relevant capital receipts from the transfer of the housing stock to Deane Housing would be used in the future provision of affordable housing.
- 2.4 The three attached reports outline the Officers' views.

2.5 These reports have been considered by the Corporate Management Team.

3. Report Summary

3.1 In the early days of stock transfer many councils experimented with transferring much of their homelessness, housing register and lettings work to Housing Associations. In many cases this proved an expensive mistake. Most councils have now brought these services back "in-house". We would recommend that these services in Taunton Deane be kept "in-house" to avoid abortive costs. This was also recommended by the Government Office of the South West at a regional meeting in Bristol in December.

3.2 The Building Service Unit of Deane Direct Labour Organisation has been successful for many years, but if a stock transfer happens we must acknowledge that much of the Unit's work (approximately 30%) is not Housing Revenue Account funded. The attached report considers the options. Here we recommend that if the stock does transfer then 70% of the Unit's functions should be transferred to Deane Housing. The remaining 30% should stay with the Council.

3.3 As mentioned at 2.2 the Council has to make very serious budget reductions if the tenants vote "no" to transfer. The attached report outlines the proposed cuts in services and starts looking into the reductions in staff required to close the budget gap. Here we are reluctantly recommending Councillors to accept our advice on the proposed cuts in services and posts. This is being advised to ensure we meet our decent homes targets at the cost of other parts of our services and preserve "front line" services at the expense of management plus support staff. We also need to bear in mind the additional problems that the job evaluation, the Government White Paper and ISiS might bring.

3.4 In principle the Council has agreed that the relevant capital receipts should be retained for the future provision of affordable housing.

4. Financial Implications

4.1 There are serious financial implications in all three reports and the capital receipts decision to the General Fund and the Housing Revenue Account Capital Programme. These are detailed in the individual reports.

4.2 Capital receipts retention for affordable housing purposes will ensure Taunton Deane Borough Council has sufficient finance to support its affordable housing programme of £850,000 pa for many years to come. Alternatively this would have to be funded from the general fund. This funding would also ensure continued grants from the Housing Corporations.

5. Effect on Corporate Priorities

- 5.1 The three reports do affect all six of the Council's priorities to a greater or lesser degree. The financial reductions will also seriously reduce the effectiveness of parts of the Housing Services. There may be a lesser effect on other services.
- 5.2 Capital receipt retention helps fund one of the Council's key priorities, "Affordable Housing".

6. Recommendations

- 6.1 The Housing Review Panel is asked to RECOMMEND the following to the Executive:
- (i) To retain the Housing Options Section as a core Council service should the tenants vote "yes" to transferring the stock.
 - (ii) To transfer the current Housing Revenue Account funded part of the Building Service Unit of the Direct Labour Organisation to Deane Housing should the tenants vote "yes" to stock transfer. This represents 70% of the Building Service Unit's workforce. The remaining 30% could be integrated by the Council in the remaining DLO and further work is required to decide the future of these services.
 - (iii) Should the tenants vote "no" to transfer the Council should accept the Officers' financial advice to ensure we meet the "decent homes" standard by 2010 at the cost of the reductions to services and posts as outlined. Posts and services are not finalised and may be altered to ensure the financial targets are met.
 - (iv) To retain all relevant capital receipts for the provision of Affordable Housing.

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TAUNTON DEANE BOROUGH COUNCIL

SPECIAL HOUSING REVIEW PANEL - 21 JUNE 2006

**REPORT OF THE HEAD OF HOUSING (HOUSING TRANSFER
CONSULTATION CO-ORDINATOR)**

POST TRANSFER HOUSING OPTIONS SERVICES

(This matter is the responsibility of Executive Councillor G Garner.)

1. Introduction

If the Council transfers its housing stock, it will no longer have any responsibilities as a landlord. However, it will continue to have responsibilities as a strategic housing enabler. The Council therefore needs to consider the shape of the retained strategic housing function in order to ensure that it is able to discharge its duties effectively, in the event that tenants vote in favour of stock transfer. The Council will need to consider the legislative requirements (to meet the Councils statutory duties), cost effectiveness, customer responsiveness, potential for service improvement, strategic fit and deliverability.

This paper considers the options for the delivery of the Councils housing options service which is a section of the strategic housing service.

2. Background

Post transfer the housing options function would include:

- A central allocations service which is required to maintain the Housing Register including the Transfer Register for Council and Housing Association Tenants. This function is responsible for making nominations to RSLs from the councils' register. The Homelessness Act 2004 removed the need to maintain a housing register but placed an obligation on councils to manage the allocations framework across the area. Councils are required to introduce a choice based approach to lettings by 2010. This work is currently being carried out in partnership with the other four Somerset districts.
- This function fulfils the council's duties towards homeless people under the Housing Acts, it investigates and decides homeless applications and the re-housing of homeless persons from temporary accommodation. The Homelessness Act strengthened the homelessness safety net increasing the statutory obligations on Councils. It also introduced new duties on councils to carry out a homelessness review and produce a homelessness strategy.

- Homeless Prevention Work and the provision of housing advice to non priority homelessness is also carried out by this section as is the management of all our hostel accommodation.

After transfer the council would remain statutorily responsible for the management of the allocations framework and the homelessness function, although this service could be delivered by way of an agency agreement.

The following allocations functions cannot be contracted out:

- The power to specify that some classes of persons are not qualifying persons
- Decisions about the form of the register
- Provisions regarding the process for adopting or altering an allocation scheme
- The requirement to have information about the allocation scheme available for inspection at the council's principle office.

The following homelessness functions cannot be contracted out

- The duty to provide advisory services
- The power to provide assistance to voluntary organisations concerned with homelessness
- The duty to cooperate with another housing council

In the past, transfer councils have tended to discharge those obligations that can be contracted out by means of agency agreements – almost always with the registered social landlord that has taken ownership of the council's housing stock. The need to reduce costs may have driven this behaviour, for example where a large element of the service was charged to the HRA, so there were inadequate resources within the Council's general fund, to deliver the service post transfer.

However, there is evidence to demonstrate that this has not always provided the best strategic solution. A Shelter report ¹ has found some problems with this approach where the council has failed to give adequate priority to homelessness and meeting housing need in their forward planning prior to transfer. Where problems had arisen, Councils found that they had inadequate resources to monitor and manage the performance of the contracted out services and to liaise with RSLs to influence their allocations policies to contribute to sustainable communities.

More recently, the Department for Communities and Local Government (DCLG) has included advice in its transfer manual to encourage Councils

¹ "Out of Stock" – stock transfer, homelessness and access to housing, Shelter, July 2001

only to contract out these services where a best value review can clearly demonstrate that such an approach will deliver improvements.

There is a clear shift away from extensive contracting out recently. In part, this is because of some difficulties in separating clearly the interviewing and analysis of homelessness applications from the decision taking on individual cases – which is always a duty remaining on the council. In part also, the increasing use of common waiting lists and choice based lettings frameworks makes the council the natural focus of the service.

It is arguable that the new requirement to deliver a choice based lettings framework will be harder for councils to monitor through a contract agreement. In order to avoid the lack of clarity and accountability that Shelter found had arisen in some areas, it is even more important that where services are contracted out, that contracts are sufficiently robust and detailed and that contract management resources are available to the Council. This can often negate any apparent savings that may be achieved by contracting out.

3. Future Commitments for the Council

It is essential for TDBC to provide clear leadership on tackling homelessness and setting local priorities to reflect a true picture for local homelessness provision. (Housing Strategy Priority 2).

- In March 2005, the government published its strategy for tackling homelessness, 'Sustainable Communities: settled homes, changing lives', which included the target to halve the number of homeless households in temporary accommodation by 2010. We aim to reduce levels of repeat homelessness and the use of temporary accommodation for families.
- Government directives place pressure on the Council to demonstrate an understanding of individual factors increasing risk of homelessness including: - low income, unemployment, sexual/physical abuse, family breakdown, school exclusion, poor mental health, drug and alcohol misuse, service in the armed forces, prison leavers and experience of local authority care.
- An underlying consideration is inadequate access to health care for homeless people who are at greater risk of serious ill-health, which will require future provision.

- Our aims and objectives for 2006 include: -

- *Reduce the numbers of households in B&B and **all** temporary accommodation by 50% by 2010.*
- *Reduce the average length of time spent in temporary accommodation (6 week rule).*
- *Reduce rough sleeping.*
- *Reduce repeat homelessness.*
- *Increase settled housing options available to households in temporary accommodation and help create mixed, sustainable communities.*

- Strategically the Council is being constantly steered to proactively explore homelessness prevention and provide alternative accommodation in the **private sector**. We also have a mandatory requirement to provide a Homelessness Strategy which identifies our future commitments. The Services Development Officers post is key in the implementation of the homelessness strategy and setting up and taking forward new initiatives/partnership working to deliver this.

The above brief descriptions will outline the responsibilities that would remain with the Council to ensure that current and future homeless provision is not just maintained but enhanced. This report proposes that these responsibilities can be delivered more effectively by retaining the housing options service and not contracting it to Deane Housing.

The current structure is successfully meeting the Governments directives to reduce homeless acceptances and increase prevented cases in 2005/06.

4. Financial Implications of retaining the housing options service

The total cost of the housing options service is £416,099. A total of £82,134 is charged to the HRA.

The valuation currently assumes that the HRA element of the cost (£82K) transfers to Deane Housing. They will need this allowance in their budgets in order to fund their landlord responsibilities for housing allocations.

However after transfer, the Council will not be able to reduce its own costs by this amount. As the HRA would be closed after transfer, this cost (£82K) would fall to the general fund. At this stage it is not envisaged that any additional staffing requirements would be required. Equally, it is not envisaged that service could reduce in any way to create savings equivalent to the HRA charge.

Should the Council want to recover the cost of its housing options service from Deane Housing, the Council would need to treat Deane Housing in the same way as other RSLs in respect of any charging structure.

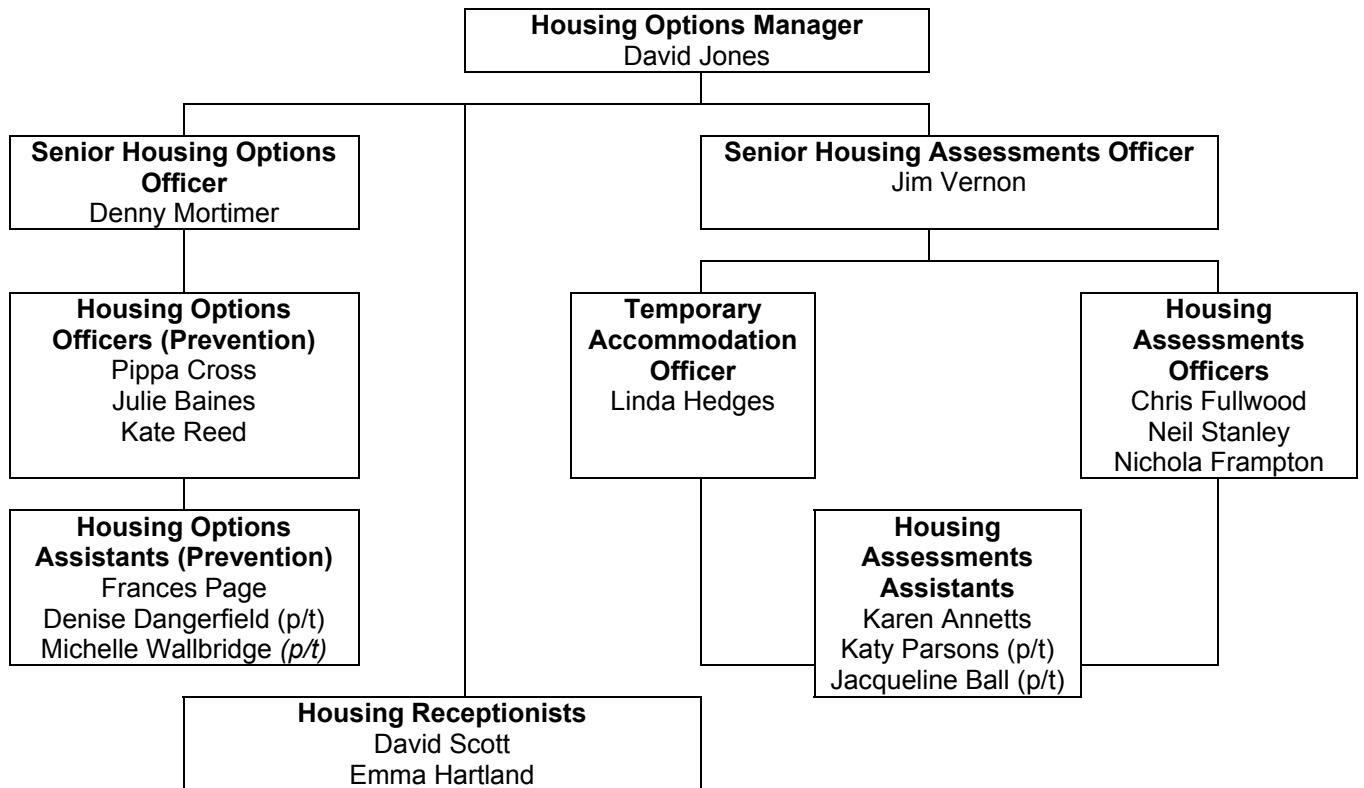
Should the Council seek to recover the current HRA cost from Deane Housing, this would represent an additional cost to them that would reduce the valuation (by approximately £1.1m).

5. Recommendation

It is recommended that in the event of a housing transfer, the Council retains responsibility for delivery of housing options services and makes the necessary amendments to the General fund financial planning. A decision about the transfer or retention of homeless hostels will also need to be taken before transfer and a paper will be presented at a later date that outlines the options and issues involved in this decision.

HOUSING STRATEGIC SERVICES UNIT

Housing Options



TAUNTON DEANE BOROUGH COUNCIL

SPECIAL HOUSING REVIEW PANEL - 21 JUNE 2006

REPORT OF HOUSING TRANSFER PROJECT OFFICER

PROPOSED TRANSFER OF DIRECT LABOUR ORGANISATION (DLO)

(This matter is the responsibility of Executive Councillor G Garner.)

1. Introduction

The origins of the existing DLO can be traced back to the 1974 Local Government, re-organisation when 4 councils were brought together to form TDBC.

Each constituent council had some element of construction DLO which was brought together into a single unit. The DLO continued in historical maintenance of Public Buildings, Parks, Library, Swimming Baths, Highways (roads and footpaths) within the excepted area and provides Refuse Collection and the Housing Maintenance Department.

In 1980/01 faced with the Government's CCT rules (Compulsive Competitive Tendering) and regulations the Deane DLO was created with a comprehensive work force covering all of the above construction/highways areas. Progressively over the last 25 years operations have altered to keep pace with numerous demands/changes.

2. Current Operations

Responsibilities of the Deane DLO Building Section (115 staff + contractors) included managing contracts for the General Building Maintenance (including Electrical Works), one off contracts for disabled facility grant works, aids and adaptations works, prevention planned maintenance contracts and extensions for increasing housing accommodation for the TDBC housing stock.

Within the general building maintenance contract are the authority's public buildings including council offices, public conveniences, parks and the crematorium. Furthermore an emergency call-out system is available 24 hours, 365 days a year for all genuine emergencies from housing customers and for local emergencies such as flooding, storm damage, frost damage, snow clearing etc.

In addition the team provide a responsive service and one off contracts to various housing associations within the area and carries out works for the Wellington Town Council, numerous parish councils and tender for larger contracts for the Somerset County Council (mainly schools).

The recently relocated repairs team not only receives and actions the repairs requests from our residents but they are also responsible for the placing of official orders /invoice payments and arranging any rechargeable accounts.

Please see Appendix 1A for staff structure and non-housing related work.

The proposal is for a 70/30% split is borne from the historical background of DLO functions including housing and non-housing works.

This is largely based on the current standard of works undertaken by the existing Housing Service. If the transfer was successful then the level of decent home standard adopted by Deane Housing will have a significant effect on the proposal for a 70/30 split.

- **70%** should transfer to Deane Housing;
- **30%** should remain with the Council (non-housing works).

3. PWC Report

In order for Deane Housing to register with the Housing Corporation, it will need to demonstrate that its business plan is sound. Historically the Housing Corporation has always expressed concerns about the potential negative impact on a new RSLs business plan, as a result of the transfer of a poorly performing DLO. PWC has carried out a desk top “healthcheck” of the organisation in order to highlight any issues of concern at this stage. Further work is needed to follow up the desk top review, including further financial analysis and process review.

PWC considered that the DLO appears to operating reasonably well within current acceptable “in-house” operating systems, but needs improvement in certain key areas of operational and financial performance. It is further considered that existing management of the DLO is capable of embracing the required changes, which are not considered to be fundamental, and of driving through a change in management programme within required timescales.

If the proposed changes are adopted PWC consider the DLO will give added value to the overall performance of Deane Housing.

Recommendation for change: -

The way forward (PWC 2006)

- Evaluate and review the future capabilities and operational parameters of the DLO and determine its future workload and development.
- Review levels of profitability and determine levels of central overheads currently charged to the DLO and levels that may be charged under the new landlord body.
- Continue to consolidate the existing Schedule of Rates (SoR) in line with the requirements of multi skill and cross skill working.
- Undertake a review of current performance levels achieved within the limitations of the current SoR.

- Establish robust mechanisms to maintain and improve individual performance levels following the introduction of Single Status Pay Agreements for trade operatives.
- Undertake a review of current operational working practices and consider increasing levels of empowerment to operatives to undertake additional jobs when working in properties.
- Review and evaluate materials procurement strategies and continue to develop new storage and distribution methods.
- Review current financial and non-financial management information systems with a view to rationalisation and clarity of information for future usage.
- Review current SoR with the aim of adjusting rates to reflect actual work undertaken, for example, out of hours call out working, abortive calls for appointments not kept by tenants and distant travel allowances.

4. Financial Implications of Proposed Split

The tenanted market value of the housing stock assumes that the elements of the building services DLO that work on the Council's housing stock will transfer to Deane Housing. This would give Deane Housing an in house DLO, which means, it would save VAT on all labour costs relating to the repairs carried out by the in house team. This VAT saving contributes around £3.5m to the current valuation. If Deane Housing does not have an in house team, the valuation would reduce as a result of the additional VAT payable on an external contract.

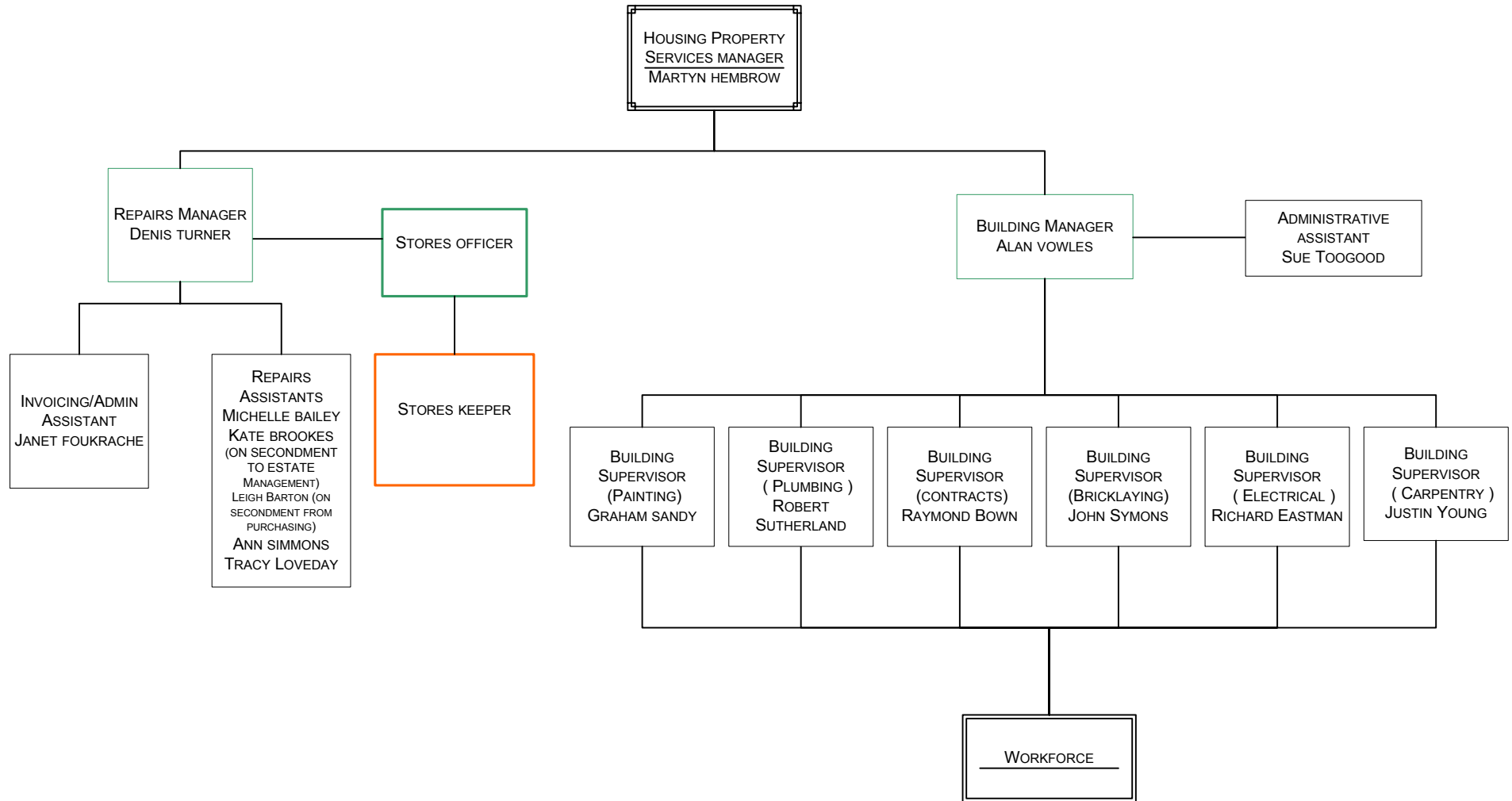
If the 70/30% split is agreed further work is needed to consider the financial implications both for the section transferring to Deane Housing, and the section to be retained by the Council. The financial implications are needed to consider the issues around staffing, use of Depot, division of services and service level agreements between the Council and Deane Housing post transfer. The Council will need to identify any diseconomies of scale that may result from the split which could add costs, either to the Council's retained services, or to Deane Housing and therefore reduce the valuation. The Council will need to carry out more work on the future of the staff remaining with the Council in the event of a "yes" ballot with other implications involving ISiS, job evaluation and any white paper on local government reorganisation.

5. Recommendation

The recommendations listed above apply equally if the DLO transferred to Deane Housing or remains within the overall structure of the Council.

It is therefore recommended that the housing related works representing 70% of the DLO functions should be transferred to Deane Housing embracing the recommended changes for the way forward in order to provide the continued level of Decent Homes Standards adopted by the Council at present.

APPENDIX A



Works carried out currently by the Building DLO which are not Housing (TDBC) related:

TDBC Public Buildings, including

The Deane House (including IT works to satellite locations)

The Priory Depot

The Municipal Buildings

The Crematorium and Cemeteries (Taunton and Rockwell Green)

Playing Fields and Recreation Grounds Pavilions, shelters, toilets, seats, etc

Priory Fields Industrial Units

Wellington Trading Estate

Public Conveniences Taunton, Wellington, Wiveliscombe, Bishops Lydeard, Milverton,

Leisure Facilities Blackbrook Pavilion, Wellsprings Sports Centre, Wellington Sports Centre, Swimming Pools, etc.

Elections both local and general

Mayor Making

Christmas Illuminations

Offices and Museum (former Squirrel Court, Wellington)

Signage various, No Drinking, No Dog Fouling, etc.

Car Parks

Allotments

Disabled Facility Grant Work for Housing Associations / Private properties

On demand responsive repair work for Housing Associations

Somerset County Council (schools)

Various private works including The Market, Brewhouse Theatre, Churches, Doctor Surgeries, Women's Refuse, Taunton Bus Station,

Parish Councils various (seats / notice boards,etc.)

Street Nameplates

Bus Shelters

Highway Seating general locations

Electrical works to pumping stations (Poole Refuse Site, Knightstone Hsg, etc.)

Works for Building Control Section on private properties requiring immediate action, assistance at the Building Control Seminars

Various Corporate activities storage, transportation and erection of Tourism tent, assistance with Taunton Flower Show, Taunton Carnival, Taunton Marathon, Wellington Carnival, Wellington Street Fayre, Carol Concert, erection of Bunting / Shields / Flags for Twinning visits / Royal Visits, occasions, etc.

Disabled road markings to highways

Banner erection at Castle Bow

TAUNTON DEANE BOROUGH COUNCIL

SPECIAL HOUSING REVIEW PANEL - 21 JUNE 2006

REPORT OF THE HEAD OF HOUSING (HOUSING TRANSFER CONSULTATION CO-ORDINATOR) AND HOUSING ACCOUNTANT

PROPOSED RETENTION HRA CAPITAL PROGRAMME 2007/08 to 2010/11

(This matter is the responsibility of Executive Councillor G Garner.)

1. Introduction

During the Stock Options Appraisal Process the Council's advisors, PriceWaterhouseCoopers, reported that if the housing stock was retained the Council could not afford to maintain the stock to the requirements of the Government's Decent Homes Standard.

At that time they were forecasting a deficit in funding of around £2.4m per year for the period to the 31st December 2010.

This report looks at how the Council could deliver a housing capital programme that would meet the decent homes standards within the available resources and to what extent changes within the service would be made.

2. Budget Position

Following on from the stock options work, the Housing Asset Manager has been working on the production of a capital work programme that he believes will meet the requirements of the decent homes standards. This has been produced through careful analysis of the minimum standard identified by the stock condition survey commissioned by the Council and completed in the autumn of 2005.

This revised programme makes a number of assumptions regarding the works identified by Savills as being necessary, principally around the question of whether the items are funded by the Council's capital programme or whether they can be met through existing revenue account forecasts.

The Housing Asset Manager has discussed his capital programme with Savills and they have agreed with the principal assumptions made.

Using the figures produced by the Housing Asset Manager, the capital funding gap has been re-calculated and this is forecast to be an average of £1.85m per year for the four years from 2007/08 to 2010/11. Detail supporting this has been included as Appendix A.

3. How the Housing Service Would Look

Following on from work undertaken by the Housing Asset Manager, the Housing Management Team has had various meetings and discussions identifying how this budget gap of £1.85m can be closed. It should be noted that at present these figures include no provision for the Job Evaluation exercise.

A number of ideas have been identified and these are outlined within Appendix B attached.

Some of the key areas identified by this work are as follows:

- Changing the external painting cycle from 5-yearly to 7-yearly could save £200k per year
- A reduction in the standard of re-let decorations and the introduction of a voucher for general needs tenants could save £200k per year
- A change in the housing management structure and a reduction in the number of managers could save £100k per year
- The working balance is currently approximately £600k over the minimum amount recommended by the Audit Commission. The Council could choose to use £150k of this per year over the four-year period
- A reduction in the amount of recharges from valuation following the deletion of two posts (following retirement) could save £70k per year

After taking into account these issues there will still be a shortfall of some £400k. Further discussions have taken place and a number of further suggestions have been made. Whilst these have yet to be accurately quantified some figures have been included for guidance on Appendix B. These include:

- The lease of part of the depot as commercial land. The valuer is currently working on a figure for expected annual income but at present a value of £50k per year has been included. It should be noted that this is very much an estimate. We also need to consider the implications of this alongside the current DLO review that is being undertaken.
- Increasing the garage rents by 10% in year one would result in increased income of around £30k per year
- Discussions have been had around any reductions in staffing levels within units that charge directly to the HRA, particularly around the following areas:
 - Two FTEs within the housing performance/compliance team
 - One post within the homelessness team that is currently being charged to the HRA
 - Savings to be identified within the Housing Operations Unit.These reductions could save £180k per year
- Further reductions in the re-lets budget have been suggested that could raise another £100k per year
- Further reductions within other teams around the council that are currently funded by the HRA. As yet these have not been quantified.

Discussions are currently ongoing around these areas. It should be noted however that these savings do not total the required £1.85m. We propose this £460,000 shortfall be found by reorganising the Decent Homes work.

4. General Fund Housing

It should be noted that a draft forecast General Fund Housing capital programme has also been completed.

The resources available to fund spending in this area are principally:

- Grants from central government to fund disabled facilities grants
- Supported borrowing
- Receipts from Right to Buy sales of the council stock

It should be noted that the predicted total capital resources available for each of the next four years averages £1.2m per year. Of this, £210k is ring-fenced for Disabled Facilities Grants, leaving approximately £1m to fund both Private Sector Renewal Grants (PSRGs) and grants to Registered Social Landlords (RSLs). These figures are very much dependant upon the level of Right to Buy sales, which have significantly dropped in recent years.

It is believed that we need at least £850k to fund grants to RSLs, and a much-reduced budget for PSRGs for 2006/07 is £335k. In addition the DFG budget for the current year is £350k.

This means that the General Fund Housing Capital programme would be short of resources by some £335k per year.

The Council therefore needs to ensure that it can set a General Fund capital budget that meets both the resources available and it's resources.

5. Recommendation

That the Council should in the event of a "no" vote, accept the officers' financial advice to ensure we meet the "decent homes" standard by 2010 at the cost of the reductions to services and posts as outlined. Posts and services are not finalised and may be altered to ensure the financial targets are met.

TAUNTON DEANE BOROUGH COUNCIL

APPENDIX A

STOCK RETENTION CAPITAL SHORTFALL

	2006/07	2007/08	2008/09	2009/10	2010/11
CAPITAL PROGRAMME	4,786,143	4,983,190	5,180,559	5,388,552	5,606,953
ADD FEES AT 6%	5,073,312	5,282,181	5,491,393	5,711,865	5,943,370
RESOURCES:	3,942,000				
MRA		3,557,527	3,634,587	3,714,495	3,797,374
RCCO	- 248,710	392,403	505,006	436,053	365,234
TOTAL RESOURCES	3,693,290	3,949,930	4,139,593	4,150,548	4,162,608
SHORTFALL	1,380,022	1,332,251	1,351,800	1,561,317	1,780,762
TOTAL SHORTFALL	7,406,152				
OVER FOUR YEARS	1,851,538				

CONFIDENTIAL

CLOSING THE CAPITAL BUDGET GAP

APPENDIX B

AREA	ITEM	SAVING
REPAIRS	CHANGE PAINTING CYCLE FROM 5 YEARS TO 7 YEARS	200,000
REPAIRS	REDUCTION IN RE-LET BUDGET. INTRODUCTION OF A NEW STANDARD FOR RE-LETS	200,000
OPERATIONS	REDUCTION IN THE TENANTS PARTICIPATION TEAM OF ONE FTE	21,000
OPERATIONS	ALL NEW TENANTS CHARGED WITH FORMULA RENT ON COMMENCEMENT OF TENANCY	80,000
OPERATIONS	CHARGE DEANE HELPLINE WITH COMMERCIAL RENT	3,000
MANAGEMENT	REDUCTION IN HOUSING MANAGEMENT STRUCTURE	100,000
MANAGEMENT	REDUCTION IN/REMOVAL OF MANAGEMENT CONTINGENCY BUDGETS	150,000
MANAGEMENT	USE OF WORKING BALANCE	150,000
ELDERLY SERVICES	REDUCTIONS IN MINOR MISCELLANEOUS BUDGETS	8,000
RECHARGES	REDUCTION IN RECHARGES FROM VALUATION FOLLOWING TWO RETIREMENTS	70,000
		<hr/>
		982,000
BUDGET GAP		1,851,000
REVISED SHORTFALL		869,000
OTHER ISSUES DISCUSSED:		
	SALE/LEASE OF DEPOT	50,000 ESTIMATED - GENERAL FUND
	GARAGE RENT INCREASES 10% ABOVE INFLATION IN YEAR 1	30,000
	PERFORMANCE/COMPLIANCE TEAM	74,000 TWO FTES
	HOUSING OPTIONS TEAM	26,000 ONE FTE
	SAVINGS FROM HOUSING OPERATIONS UNIT	80,000
	REDUCTION IN OTHER STAFF AREAS (REDUCTION IN RECHARGES)	25,000
	FURTHER REDUCTION IN RE-LETS MAINT	100,000
	INCREASING CHARGES FOR SEWAGE TREATMENT WORKS	19,000
	ASSET MANAGEMENT CHARGING FOR INFORMATION	5,000
	SHORTFALL REMAINING	460,000