

**Executive Committee**  
2023

27<sup>th</sup> February

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**30 year HRA business plan, investment programme and asset management strategy for council housing**

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|--|---|
| Relevant Portfolio Holder  | Councillor Craig Warhurst<br>(Housing and Procurement)<br>Councillor Karen Ashley<br>(Finance and Enabling)   |
| Portfolio Holder Consulted   | Yes   |
| Relevant Head of Service   | Sue Hanley<br>(Deputy Chief Executive)<br>Peter Carpenter<br>(Executive Director of Finance)<br>Guy Revans<br>(Head of Environmental Services and<br>Housing Property Services)<br>Judith Willis<br>(Head of Community and Housing<br>Services) |
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| Wards Affected   | All Wards   |
| Ward Councillor(s) consulted   | No  |
| Relevant Strategic Purpose(s)  | 'Finding somewhere to live'<br>'Living Independent, active, and<br>healthy lives'<br>'Communities which are safe, well<br>maintained and green'.  |
| Non-Key Decision   |   |
| If you have any questions about this report, please contact the report author in advance of the meeting. |   |

**1. RECOMMENDATIONS**

**The Executive Committee RECOMMEND that: -**

- 1) The Housing Revenue Account 30-year Business Plan 2023-2053 be approved as set out in Appendix 1.**
- 2) The Housing Asset Management Strategy be approved as set out in Appendix 2.**
- 3) The Housing Capital Programme 2023-2027 be approved as set out in Appendix 3**

**2. BACKGROUND**

2.1 The Housing Revenue Account (HRA) is the financial account that is used to manage the Council's Landlord activities. The HRA account can only be used to provide services to Council Housing tenants through the collection of rent and other service charges.

2.2 The HRA covers a wide range of services to tenants and Leaseholders including

**Maintenance & Improvements**

- Day to Day Repairs
- Managing Empty Homes
- Major Improvements
- Estate based and environmental improvements
- Aids and Adaptations
- Cleaning of communal areas in flats

**Compliance activities**

- Gas Servicing
- Electrical Testing
- Fire Safety
- Lift Maintenance
- Asbestos Management

**Housing Management**

- Rent Collection including service charges
- Income advice and support
- Tenancy and Estate Management
- Allocations
- Right To buy
- Garage rentals
- Homelessness

2.3 The Housing Revenue Account (HRA) Business Plan sets out the priorities and provides direction for the management of the Council's Social Housing Stock over the next 30 years. The Business Plan has been reviewed, at the same time as developing a new HRA Asset Management Strategy, to ensure that the investment in the Council's Housing stock provides homes that have modern facilities, are safe and warm as contained within the 5-year Housing Capital Programme.

**2.4 HRA Business Plan**

- 2.4.1 The HRA Business Plan (Appendix 1) sets out the Council's income and expenditure plans for delivering services to Redditch Borough Council Housing.
- 2.4.2 The plan relies on several assumptions including changes in stock levels, right to buy sales, the number of voids, rent increases, debt, management costs for delivering the services above and borrowing costs associated with capital investment requirements that are based on stock condition information. More detail on these assumptions is included in the financial implications below. These assumptions are reviewed annually as a minimum.
- 2.4.3 The HRA Business Plan ensures that the Council has HRA reserves that are established and maintained at appropriate levels to provide a safety net for cost pressures or significant changes to assumptions made.
- 2.4.4 The long-term capital forecasts over the 30-year period are based on the Stock Condition Survey undertaken in 2019/20. This independent survey was commissioned to undertake a sample stock condition survey of the housing stock, garages, and parking sites. The survey provided an independent opinion of the 30-year profile of re-investment required for the Housing Stock broken down into the various categories of expenditure.
- 2.4.5 The reporting categories used within the stock condition data followed the Department for Levelling Up, Housing and Communities (DLUHC) guidance as follows
- Catch-up Repairs.
  - Future Major Works.
  - Improvements.
  - Estate Works.
  - Contingent Major Repairs.
  - Exceptional Extensive Works.
  - Cyclical Maintenance.
  - Disabled Adaptations
  - Responsive Repairs and Void Works.

- 2.4.6 The survey identified that the housing stock was in a reasonable state of repair with a proportionally low level of catch-up repairs and early years works required, however continued investment over a 30 year period was required in order to ensure that all properties are maintained to provide a good standard.
- 2.4.7 The proportion of responsive repairs and voids works at the time of the survey were deemed higher than expected when compared to the level of capital investment at that time. The reduced level of Capital Investment was largely due to the Service Review having restructured Housing Property Services including the Capital Team in 2019.
- 2.4.8 Subsequently however the level of repairs required has increased with the restrictions made during 2020 and 2021 because of the Covid-19 Pandemic. The contents of this report illustrate the Capital Programme of investment to improve our housing stock over the next 5 years.

## **2.5 HRA Asset Management Strategy**

- 2.5.1 The Housing Asset Management Strategy (Appendix 2) sets out the strategic approach to managing the Council's Social Housing Stock over the next 5 years. It sets out key principles and strategic priorities for projects and programmes to ensure that the housing stock is well maintained.
- 2.5.2 There are several key objectives within the strategy including to ensure we provide properties with modern facilities, that are safe and warm, and that repairs and maintenance activities are conducted in a cost effective and timely manner. This applies not only to the properties themselves but also the environment in which they are located.
- 2.5.3 Over the 30-year period that the stock condition survey results covered, clear re-investment priorities are identified including
- Kitchens and bathrooms (28%)
  - Heating system and space heating (22%)
  - Electrical Installations (18%)
  - External windows and doors (14%)
- 2.5.4 The HRA Capital Programme includes a variety of projects that will seek to ensure properties are improved to provide better safety, more modern facilities, such as kitchens and bathrooms, and to improve the thermal efficiency of properties.

- 2.5.5 Compliance functions including Fire, Electric, Gas and Asbestos are a key part of the Asset Management Strategy to ensure our homes are safe to live in. Compliance has seen significant improvements over the last 2 years with works completed and improvement programmes being delivered. For Fire Prevention the Council is required to undertake Fire Risk Assessments for our flatted accommodation. This has identified a range of improvements that are part of a rolling programme of improvements including new fire doors, fire alarms, preventative works and signage which continue to be upgraded initially across our previously 'sheltered' accommodation.
- 2.5.6 The programme of Electrical Inspection and Condition Reports (EICRs) required to test the electrical installations in our housing units on a 5-year cycle continues and includes checks on the level of smoke and carbon monoxide detection equipment in our properties to ensure they are compliant.
- 2.5.7 The Council's internal Gas Team have, over the last two years, provided increased levels of service and compliance through the delivery of the annual servicing programme, which checks all properties with gas to ensure compliance with Regulations, the delivery of gas repairs, as well as a programme of boiler replacement.
- 2.5.8 The replacement programme has been developed by targeting various models of old (14+ years) low efficiency (65%) boilers that have parts that are difficult to source. To date approximately 700 boilers have been replaced over the last 2 years with modern, efficient (90+%) boilers with associated 7-year warranties.
- 2.5.9 To further test compliance the Gas Engineers are audited by an external audit company which has seen performance rise from 74% two years ago to 100% in December 2022.
- 2.5.10 The Gas Team were also audited by the Internal Audit team in 2022, looking at ongoing investment in gas appliances in the Council's Housing stock, that Annual Gas Safety checks were undertaken, records were up to date and that Gas Engineers had the required certification and training. The conclusion of the report gave Significant Assurance.
- 2.5.11 A survey of asbestos in our communal areas has been undertaken and included a programme of removal of those items identified at risk. Other asbestos containing materials are still present in these areas

however these are subject to cyclical re inspection in order to ensure their integrity has not been altered. An internal Audit of Asbestos Management within Housing Property Services was also conducted in 2022 and this also gave a Significant Assurance outcome.

2.5.12 Improving the Energy Efficiency of our Housing Stock, together with lowering the impact on the climate, are key drivers within the strategy with a target of ensuring all of our properties meet a minimum Energy Performance Certificate Rating of C.

2.5.13 We have seen an increase in reported cases of Damp and Mould cases over the winter period and following the case and inquest into the death of Awaab Ishak. A review of our working practices has taken place and work is being delivered to remove this from our properties together with customer facing documents to assist in the removal of condensation from our properties. An internal working group has been set up to monitor the delivery of the action plan to tackle this particular issue.

## **2.6 HRA Capital Programme 2023/24-2027/28**

2.6.1 Based on the Capital Investment requirements contained within the Stock Condition Survey under, predominantly, the Future Major Works category a 5-year Capital Programme has been identified. This sets out the investment under various budget heads to complete works that will in turn reduce the volume and value of responsive and void repairs over the period.

2.6.2 The programme has been built around the key principles as outlined in the AMS

1. Maintenance through an effective Repairs Service,
2. Compliance functions being managed through good data management, processes and cyclical testing or inspection regimes
3. Ongoing investment to ensure compliance with the Decent Homes standard
4. Improving the thermal efficiency of our properties to achieve an EPC rating of C or above

2.6.3 The Repairs Service is currently under review regarding its structure and processes to ensure that it delivers an effective and efficient service to our tenants. Significant improvements have been made within the Voids team in ensuring repairs to voids are undertaken in a timelier manner, as well as significant reductions in the number of voids open, as this will directly impact on the assumptions made within the

Business Plan with the reduction of rent experienced while properties are empty.

2.6.4 The Capital Programme is established to ensure our properties remain compliant with the Decent Homes standard as well as providing thermal comfort through increased Energy performance.

2.6.5 The 30-year projection is based on the condition of the housing stock and assets from the stock condition survey. A rolling stock condition survey will be commissioned with results uploaded into the Asset Management Database to refresh data as part of the review of the plan and to ensure that capital investment is targeted accurately as part of future years programmes. This programme aligns with the Business Plan and is developed to align with the Asset Management Strategy.

2.6.6 The HRA Capital Programme 2023/4-27/8 (Appendix 3) aligns with the data from the stock condition data and is established to ensure our properties have modern facilities are safe and warm. Over the initial 2 years of the programme budgets have been included to ensure that the Council's responsibilities regarding compliance activities such as Electrical Rewires and Smoke detection upgrades are undertaken.

2.6.7 Works to improve fire protection across the housing stock form part of the programme to ensure that properties have the correct level of fire compartmentation together with new front and communal entrance doors.

2.6.8 We are also reviewing our Housing Stock to establish opportunities for re modelling existing buildings in order to create new housing units in order to extend both the number and choice of units available for our customers.

2.6.9 The internal refurbishment programme will ensure that the replacement and or upgrading of kitchens, bathrooms, associated wiring and heating works are undertaken across the Borough.

## **2.7 Regulator of Social Housing (RSH)**

2.7.1 In September 2022 the RSH launched a 'Tenant Satisfaction measures' (TSM) document which places a responsibility on all social housing landlords in England to return performance information, so that each provider can be assessed for how well it is providing good quality homes and services. This is part of the strategy to improve services for people living in social housing that was published in 2020 under the Social Housing White Paper – *The Charter for social housing residents*.

2.7.2 The TSM document sets out 22 measures covering 5 themes.

1. Keeping Properties in good repair
2. Maintaining Building Safety
3. Respectful and helpful engagement
4. Effective handling of complaints
5. Responsible neighbourhood management

2.7.3 Of the 22 measures they are split between those that the landlord is required to measure directly (10 No.) and those that are measured by tenant perception surveys (12 No.) (Appendix 4)

2.7.4 These new requirements come into force on 1st April 2023 with the results for 2023/24 to be forwarded to the RSH in the Summer of 2024 which will be subsequently published in Autumn 2024. It is anticipated that these will form 'league tables' so that tenants of their respective landlord can benchmark against our peers.

2.7.5 Whilst the survey results are not expected to be returned until Summer 2024 the approach adopted across Housing is to seek to develop a survey based on the criteria and questions specified by the RSH and release the survey in the new financial year. This will allow the Service to ensure the survey and its methodology is in line with the criteria of the survey. It will also allow the service to understand the current level of perception and to ensure dedicated plans are in place for any identified areas for improvement.

### **3. FINANCIAL IMPLICATIONS**

3.1 Through the development of the 30-year HRA Business Plan a number of key assumptions have been made. These include the following points:

- Consumer price index assumed at 2% per year from year 3 in line with government inflation target.
- Retail Price inflation with drives cost assumed at 10% in year one of the plan, 7.5% in year 2, 5% in years 3 and 4, and 3% thereafter.
- Pay inflation assumed to be 4.4% in year 1, 2.5% in year 2 and 1% thereafter.
- No additional borrowing assumed in this plan.
- Interest rate applied to Housing Revenue Account balances is 1.56%
- Rental Income assumes:



- An average rent of £150.41 and £96.65 on a 48 week basis for affordable and social rent properties respectively
- New tenants will pay target rent.
- Rent increase of 7% in years 1 and 2 in line with Government guidance and 3% (CPI +1%) thereafter.
- Rent Loss from voids is assumed to be 1.2% of rental income per year
- Provision for bad debts assumed to be 2% of rental income for the next 2 years to allow for the cost-of-living situation, reducing to 1.5% for the remaining years
- A minimum HRA revenue reserve of £400 per property (£2.1m) will help to mitigate the risk of unforeseen circumstances. A prudent level of HRA balance reserve will be determined annually as part of the budget setting process.
- RTB assumed to be 40 sales per year with 1,200 sales over 30 years.
- Capital charges of £4.2m based on HRA total debt of £122.2m, this includes £98.9m taken out on a fixed interest only basis in 2012 to cover the self-financing settlement payment.
- No debt repayment is assumed in this plan

### **National Rents Policy**

- 3.2 The Direction on the Rent Standard 2019 issued by the Government in February 2019 confirmed that from 1 April 2020 weekly dwelling rents can be increased by CPI inflation (Consumer Price Index), plus 1% for the 5 year period through to 2024/25. This is the fourth year following the new rent standard guidance. An increase of CPI plus 1% in 2023-24 will have resulted in a rent increase of 11.1%
- 3.3 On the 31st of August 2022, DLUHC published a consultation on a draft Direction to the Regulator of Social Housing about social housing rents in England. DLUHC was seeking views on whether a rent cap should be introduced, where it should be set and whether it should potentially cover one or two years
- 3.4 In the Autumn statement issued by the Chancellor on the 17th of November 2022, The government stated that it is capping the amount that social rents can increase by next year at 7% compared to circa.11.1% under current rules (CPI plus 1%).

### **HRA Borrowing Cap**

- 3.5 Self-financing placed a limit (Debt Cap) on borrowing for housing purposes at the closing position for 2011/12 at £122.2 million, however, the removal of the cap means that the HRA can borrow (within prudential limits) to pay for investment in our existing stock and provide new homes.

**Capital Investment**

- 3.6 Capital investment in our existing homes, is funded primarily from the Major Repairs Reserve, which holds the depreciation charge to the HRA and can be used purely to finance investment in existing stock and the repayment of HRA debt.
- 3.7 Capital receipts from Right to Buy sales can also be used to finance the HRA capital investment programme, although some of these receipts can only be used to finance new homes to replace those that have been sold. Borrowing, which is no longer capped, can also be used to finance the capital programme providing that it is affordable and complies with the Prudential Code for Capital Finance in Local Authorities. No additional borrowing is assumed in this plan.
- 3.8 Revenue surplus generated by the HRA is transferred to an earmarked capital reserve and this usable reserve is currently used as match funding for the new homes program but can also be used to repay HRA debt.
- 3.9 The table below summarised capital resource requirements on a 5 year basis over the full 30 year Business plan. The detailed year by year plan is set out in Appendix 1.

**REDDITCH BOROUGH COUNCIL**

**Executive Committee**  
2023

27<sup>th</sup> February

|  | Outturn<br>2022/23 | 2023-2028         | 2028-2033         | 2033-2038         | 2038-2043         | 2043-2048         | 2048-2053         |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | £                  | £                 | £                 | £                 | £                 | £                 | £                 |
| <b>Major Repairs Reserve</b>               |                    |                   |                   |                   |                   |                   |                   |
| Internal Refurbishment                     | 300,000            | 12,500,000        | 13,671,025        | 15,848,465        | 18,372,714        | 21,239,011        | 24,691,331        |
| Boiler Replacements                        | 850,000            | 3,850,000         | 4,101,307         | 4,754,539         | 5,511,814         | 6,389,703         | 7,407,417         |
| High Trees Project                         | 30,000             | 750,000           | 0                 | 0                 | 0                 | 0                 | 0                 |
| External Refurbishment                     | 225,000            | 2,800,000         | 3,281,046         | 3,803,631         | 4,409,451         | 5,111,763         | 5,925,934         |
| Electrical Upgrades                        | 300,000            | 500,000           | 546,841           | 633,939           | 734,909           | 851,960           | 987,656           |
| Door Entry and Security Upgrades           | 600,000            | 450,000           | 410,131           | 475,454           | 551,181           | 638,970           | 740,742           |
| Smoke Detection Upgrades                   | 590,000            | 1,100,000         | 546,841           | 633,939           | 734,909           | 851,960           | 987,656           |
| Balcony Replacements                       | 10,000             | 300,000           | 0                 | 0                 | 0                 | 0                 | 0                 |
| Major Voids                                | 750,000            | 2,500,000         | 2,734,205         | 3,169,693         | 3,674,543         | 4,259,802         | 4,938,278         |
| Energy Efficiency                          | 270,000            | 3,750,000         | 4,101,307         | 4,754,539         | 5,511,814         | 6,389,703         | 7,407,417         |
| Disrepair Cases                            | 75,000             | 250,000           | 273,420           | 316,969           | 367,454           | 425,980           | 493,828           |
| Fire Compartmentation                      | 1,590,000          | 2,250,000         | 1,367,102         | 1,584,846         | 1,837,271         | 2,129,901         | 2,469,139         |
| Garage Improvement Works                   | -                  | 1,100,000         | 1,367,102         | 1,584,846         | 1,837,271         | 2,129,901         | 2,469,139         |
| Structural Repairs                         | 75,000             | 375,000           | 410,131           | 475,454           | 551,181           | 638,970           | 740,742           |
| Asbestos General                           | 200,000            | 500,000           | 546,841           | 633,939           | 734,909           | 851,960           | 987,656           |
| Capitalized Salaries                       | 500,000            | 2,500,000         | 2,734,205         | 3,169,693         | 3,674,543         | 4,259,802         | 4,938,278         |
|  |                    |                   |                   |                   |                   |                   |                   |
|  | <b>6,365,000</b>   | <b>36,075,000</b> | <b>36,091,505</b> | <b>41,839,346</b> | <b>48,503,965</b> | <b>56,229,389</b> | <b>65,185,273</b> |
| <b>Capital Receipts</b>                    |                    |                   |                   |                   |                   |                   |                   |
| Disabled Adaptations                       | 200,000            | 1,750,000         | 1,367,102         | 1,584,846         | 1,837,271         | 2,129,901         | 2,469,139         |
| HRA Stock - Remodelling                    | -                  | 500,000           | 546,841           | 633,939           | 734,909           | 851,960           | 987,656           |
| Estate & Environmental Improvements        | 450,000            | 1,250,000         | 1,367,102         | 1,584,846         | 1,837,271         | 2,129,901         | 2,469,139         |
| Estate's Parking and Paving                | -                  | 650,000           | 820,261           | 950,908           | 1,102,363         | 1,277,341         | 1,481,483         |
| Stock Condition Survey Fees                |                    | 750,000           | 820,261           | 950,908           | 1,102,363         | 1,277,341         | 1,481,483         |
| Housing Management                         | 350,000            |                   |                   |                   |                   |                   |                   |
|  |                    |                   |                   |                   |                   |                   |                   |
|  | <b>1,000,000</b>   | <b>4,900,000</b>  | <b>4,921,563</b>  | <b>5,705,447</b>  | <b>6,614,177</b>  | <b>7,667,644</b>  | <b>8,888,901</b>  |
| <b>New Build/Acquisitions</b>              | 2,300,000          | 15,200,000        | 16,200,000        | 17,200,000        | 18,200,000        | 19,200,000        | 20,200,000        |
|  |                    |                   |                   |                   |                   |                   |                   |
|  | <b>10,265,000</b>  | <b>56,175,000</b> | <b>57,213,074</b> | <b>64,745,394</b> | <b>73,318,142</b> | <b>83,097,033</b> | <b>94,274,174</b> |
| <b>Financed by</b>                         |                    |                   |                   |                   |                   |                   |                   |
| Major Repairs Reserve                      | 6,365,000          | 36,075,000        | 36,091,505        | 41,839,346        | 48,503,965        | 56,229,389        | 65,185,273        |
| Capital Receipts                           | 1,000,000          | 4,900,000         | 4,921,563         | 5,705,447         | 6,614,177         | 7,667,644         | 8,888,901         |
| Capital Receipts earmarked for acquisition | 1,160,000          | 6,080,000         | 6,480,000         | 6,880,000         | 7,280,000         | 7,680,000         | 8,080,000         |
| HRA Capital Reserve                        | 1,740,000          | 9,120,000         | 9,720,000         | 10,320,000        | 10,920,000        | 11,520,000        | 12,120,000        |
| HRA - Borrowing                            |                    |                   |                   |                   |                   |                   |                   |
|  |                    |                   |                   |                   |                   |                   |                   |
|  | <b>10,265,000</b>  | <b>56,175,000</b> | <b>57,213,074</b> | <b>64,745,394</b> | <b>73,318,142</b> | <b>83,097,033</b> | <b>94,274,174</b> |

**Financial viability of the Housing Revenue Account**

- 3.10 The Business Plan is based upon financial modelling to ensure the financial viability of the HRA over the next 30 years.
- 3.11 The reduction in the number of dwellings from Right to Buy sales represent a loss of income and can jeopardise the long term financial viability of the HRA if these dwellings are not replaced. The current Government policy encourage the council to replace homes with the proceeds from RTB Sales. To mitigate the impact of the loss of rental income, the capital investment program will finance 600 replacement homes over the life of this plan.

3.12 We have to look at Right to Buy assumptions as to the viability of the Housing Revenue Account, as reductions in numbers of dwellings impacts works required in terms of delivery, magnitude and cost.

| <b>HRA Rental income - Sensitivity analysis to net reduction in Number of dwellings</b> |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Net Reduction in number or Dwellings per year</b>                                    | <b>2023.24<br/>£'000</b> | <b>2024.25<br/>£'000</b> | <b>2025.26<br/>£'000</b> | <b>2026.27<br/>£'000</b> | <b>2027.28<br/>£'000</b> |
| <b>20</b>   | <b>25,658</b>            | <b>27,357</b>            | <b>28,076</b>            | <b>28,815</b>            | <b>29,572</b>            |
| 25  | 25,649                   | 27,323                   | 28,015                   | 28,727                   | 29,454                   |
| 50  | 25,589                   | 27,136                   | 27,697                   | 28,269                   | 28,849                   |
| 75  | 25,534                   | 26,955                   | 27,384                   | 27,816                   | 28,248                   |
| 100   | 25,474                   | 26,768                   | 27,066                   | 27,358                   | 27,643                   |
| 125   | 25,419                   | 26,587                   | 26,752                   | 26,906                   | 27,043                   |
| 150   | 25,360                   | 26,401                   | 26,434                   | 26,448                   | 26,437                   |

The business plan assumes a net reduction of 20 dwellings over the next five years as highlighted in tables above (RTB less acquisitions).

The sensitivity analysis shows the impact of net reductions in dwellings on rental income over the medium term or first five years of the plan. Typically for every additional 25 properties lost, in year 1, the value of rental income reduces by £60k.

By Year 5 the equivalent rent loss for every additional 25 properties is approximately £600k.

3.13 The impact of the rental income affects the net operating expenditure.

| <b>HRA Net Operating Expenditure Surplus(-) or deficit (+) Sensitivity Analysis to net reduction in number of dwellings</b> |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Net Reduction in number or dwellins per year</b>   | <b>2023.24<br/>£'000</b> | <b>2024.25<br/>£'000</b> | <b>2025.26<br/>£'000</b> | <b>2026.27<br/>£'000</b> | <b>2027.28<br/>£'000</b> |
| <b>20</b>   | <b>-449</b>              | <b>-1,145</b>            | <b>-1,370</b>            | <b>-1,445</b>            | <b>-1,761</b>            |
| 25  | -442                     | -1,120                   | -1,325                   | -1,380                   | -1,673                   |
| 50  | -398                     | -981                     | -1,087                   | -1,040                   | -1,224                   |
| 75  | -357                     | -845                     | -854                     | -704                     | -779                     |
| 100   | -312                     | -706                     | -616                     | -364                     | -330                     |
| 125   | -271                     | -571                     | -382                     | -29                      | 115                      |
| 150   | -226                     | -432                     | -145                     | 311                      | 565                      |



- 3.17 Alongside assumptions for Right To Buy losses within the stock profile assumptions have also been included for the development, acquisition and remodelling of housing stock to provide additional units forms the strategy for reducing the impact of RTB losses.
- 3.18 Currently the Council's housing growth programme has 19 units of accommodation under construction and 8 sites agreed for development expected to provide an additional 37 units of accommodation over the next 3 years. A Housing Development Officer is now in place to deliver this programme and identify additional sites to be added to the programme to maintain the delivery of additional properties in the future.

**4. LEGAL IMPLICATIONS**

- 4.1 The HRA consists of expenditure on Council owned assets, primarily its Housing. There is a statutory requirement that the Council is obliged to keep its Housing Revenue Account separate from other housing activities in accordance with the Local Government and Housing Act 1989 (as amended).
- 4.2 The Council has a duty to disclose specified information in relation to the HRA and its operation under the Housing Revenue Account (Accounting Practices) Directions 2016.
- 4.3 In November 2020 MHCLG (now DLUHC) published guidance on the operation of the Housing Revenue Account ring-fence and highlighted the need to be fair to both tenants and council taxpayers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund.
- 4.4 The Localism Act 2011 introduced a system of Council Housing finance which replaced the HRA subsidy system with self-financing arrangements.
- 4.5 In October 2018 the HRA borrowing cap was abolished allowing local authorities the opportunity to borrow against expected rental income in accordance with the CIPFA Prudential Code 2021 (as amended).

**5. STRATEGIC PURPOSES - IMPLICATIONS**

**Relevant Strategic Purpose**

- 5.1 This report supports the strategic priorities of the Council principally in ensuring the Council provides a range of Housing for our tenants that

provide modern, safe and warm housing as part of 'Finding somewhere to live'.

- 5.2 Providing funding and programmes of works to ensure properties can be adapted to suit the needs of individuals is a key component of achieving 'Living Independent, active and healthy lives.'
- 5.3 Investment within the environment in which the Council's Social Housing stock is located including designing out crime, better security and safety measures as well as well-maintained space will assist in achieving 'Communities which are safe, well maintained and green'. Investing in energy efficiency of our stock as set out in 5.4 below also supports this Strategic Purpose.

#### **Climate Change Implications**

- 5.4 The Government's Clean Growth Strategy 2017 and Heat and Buildings Strategy 2021 sets a target for social housing providers to achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030 for all fuel poor properties together with a target to make all homes 'net zero carbon' by 2050. Within the Capital Programme budgets there are budgets set aside for improving the energy efficiency of the housing stock in order to meet Government.
- 5.5 The upgrading of electrical installations including LED lighting, more efficient gas boilers and further research and implementation of viable renewable energy technologies will assist in carbon reduction as a consequence of the use of our housing assets.
- 5.6 Increased thermal efficiency, more efficient lighting and heating will assist all of our tenants including those in Fuel Poverty. Support and Guidance is also offered through our contracted Energy Advice Service provider regarding energy bills, minimising home energy use, and referrals for energy saving measures.
- 5.7 New build properties delivered through the Council housing growth programme will be constructed to the highest energy efficiency rating viable and utilise renewable heating systems rather than gas boilers.
- 5.8 The improvement of the energy efficiency of the Council's housing stock is an important step in tackling fuel poverty and improving the quality of life of tenants and future tenants to reduce fuel bills and improve their quality of life. This will also assist the Council in reducing its carbon footprint in line with the Council's Climate Change Strategy

#### **6. OTHER IMPLICATIONS**

**Equalities and Diversity Implications**

- 6.1 Understanding the profile and needs of tenants will give greater insight into how specific requirements can be addressed and funded. The ongoing implementation of the new Housing System will assist in the development of a robust and detailed tenant profile, in conjunction with planned tenant engagement and wider local demographic data.
- 6.2 There are positive equalities implications resulting from the proposed plan, including the focus on heating, thermal efficiency, and window replacement, which will benefit physical health and wellbeing, those with long term conditions or disabilities and people in fuel poverty or struggling with the cost of living. The provision for aids and adaptations will also support people with a disability to remain, and remain independent, in their properties.
- 6.3 The provisions detailed in the plan, such as tenancy support, income advice and homelessness support will all help vulnerable tenants, such as those experiencing mental health challenges.

**Operational Implications**

- 6.4 As part of the ongoing review within Housing Property Services and the Housing Management Service Area a core objective is to ensure that there is sufficient capacity, knowledge and skills to deliver the range of services contained within this report.
- 6.5 The implementation and successful utilisation of ICT software, modernising service delivery and a greater emphasis on Performance Management will be critical factors in delivering the services.
- 6.6 The current cost of living situation will impact on some of our tenant's ability to pay their rent and could have an impact on this Plan. Several actions are being undertaken to support tenants and to keep arrears and bad debts to a minimum, for example:
  - 1. Referrals to Home Finance Advisors who provide money advice and assist residents to maximise their income.
  - 2. Moving Universal Credit claimants on to Alternative Payment Arrangements and apply for arrears direct payments as a preventative measure to avoid legal action.
  - 3. Working with Revenues and Benefits to access additional support, such as discretionary housing payments and make referrals to the Citizens Advice.



4. Utilising the Homelessness Prevention Support Grant where applicable.
5. Developing a partnership agreement with Redditch Job Centre to provide additional support to our residents who visit the job centre.

**7. RISK MANAGEMENT**

- 7.1 The Council may be in breach if a 30-year HRA Business Plan is not agreed.
- 7.2 There are a wide range of assumptions that are built into the model, combinations of these assumptions not being accurate, could impact significantly on the affordability of the plan. Ongoing and regular review of these together with the reserves, mitigate against these risks.
- 7.3 A large proportion of the works identified to improve our council housing stock is reliant on the capacity and performance of contractors. Good Contract and performance management will allow us to understand and manage this risk.

**8. APPENDICES and BACKGROUND PAPERS**

- Appendix 1 – 30 Year HRA Business Plan
- Appendix 2 – Housing Asset Management Strategy
- Appendix 3 – Housing Capital Programme 2023/4- 2027/8
- Appendix 4 – Tenant Satisfaction Measures

**9. REPORT SIGN OFF**

| <b>Department</b>               | <b>Name and Job Title</b>   | <b>Date</b>                   |
|---------------------------------|---|-------------------------------|
| Portfolio Holder                | Craig Warhurst (Housing and Procurement)<br>Karen Ashley (Finance and Enabling)   | 14/2/23                       |
| Lead Director / Head of Service | Guy Revans<br>(Head of Environmental Services and Housing Property Services)<br>Peter Carpenter<br>(Executive Director of Finance)<br>Judith Willis | 14/2/23<br>15/2/23<br>14/2/23 |

**REDDITCH BOROUGH COUNCIL**

**Executive Committee**  
**2023**

**27<sup>th</sup> February**

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|   |   |         |
|---|---|---------|
|   | (Head of Community and Housing Services)<br>Sue Hanley (Deputy Chief Executive) | 15/2/23 |
| Financial Services  | Kunmi Joseph  | 7/2/23  |
| Legal Services  | Claire Green  | 3/2/23  |
| Policy Team (if equalities implications apply)                | Rebecca Green   | 13/2/23 |
| Climate Change Officer (if climate change implications apply) | Matthew Bough (Strategic Housing Manager)                                       | 9/2/23  |

**Appendix 1 30 Year HRA Business Plan**





## **Appendix 2 – HRA Asset Management Strategy**

Redditch Borough Council - Housing Asset Management Strategy 2023-2027

### **1.0 INTRODUCTION**

Redditch Borough Council (the ‘Council’) has a retained stock of affordable housing located within the county of Worcester. This document sets our approach to the strategic management of our assets over the next 5 years; with reference to the anticipated reinvestment requirements over the next 30 years. It is directly linked to the Council’s Corporate Plan 2020-2024, Local Plan Housing Strategy, the Worcestershire Housing Partnership Plan and supported by the 30-year Business Plan and forms a strategic golden thread throughout the business.

#### **1.1 This strategy helps us ensure a focus on:**

- The safety and security of residents in their homes and communities;
- Achieving net zero carbon (NZC) milestones for our homes;
- Accurate data driven reinvestment decisions;
- Putting in place a properly funded business plan for asset investment and repair;
- Ensuring our stock is fit for purpose and financially viable.

#### **1.2 We have embraced the principles of effective asset management, recognising the importance of:**

- Accurate stock condition information, accurate and up to date compliance records;
- A transparent and robust mechanism for assessing stock viability and sustainability;
- Effective governance, stewardship and procurement;
- The value of a healthy relationship between the Asset Management, Housing Operations, Housing Management and Development functions;
- Effective programme and repairs service delivery.

### **2.0 STRATEGIC PRIORITIES AND CONSULTATION**

This strategy sets out the mission, enablers and strategic objectives for the Council and its operating functions and how service development is

driven by these. The Council aims to be recognised as a truly customer centric organisation. During 2019/20 the Council reviewed and set the following strategic priorities:

- Run and grow a successful business;
- Finding somewhere to live;
- Aspiration, Work and Financial Independence;
- Living independent, active, and healthy lives; and
- Communities which are safe, well maintained, and Green

- 2.1 The Grenfell Tower tragedy in June 2017 and thereafter the Fire Safety Act 2021, Building Safety Act 2022 and Social Housing Bill 2022 have further highlighted safety issues that remain in the affordable housing sector and what the Council will need to consider in future management and investment within homes. Whilst other issues such as the lack of affordable housing, welfare reform (Universal Credit), deprivation, homelessness, and demographic changes are all still relevant there is now a clear priority on the safety of residents in their communities and providing them with a forum to raise any concerns. Whilst the Council does not have any higher risk buildings (HRBs) as currently defined by the Building Safety Act 2022, we still need to consider other complex buildings (e.g., sheltered, and elderly accommodation) and those of medium height (11 to 18 meters) which over time are likely to become prescribed as HRBs.
- 2.2 In addition, the UK government amended its Climate Change Act in June 2019 to introduce a legally binding zero carbon target for the UK for 2050. A further strategic requirement is the eradication of fuel poverty. The Government has set out its further ambitions for housing with a target for getting all homes to EPC C by 2030.
- 2.3 The Corona virus, COVID-19, pandemic affected affordable housing providers in a variety of ways including the temporary cessation of planned investment works and emergency repairs as well as impacting many other services. The impact on resources and the ability to deliver asset management related investment is a priority against the backdrop of a difficult economic position impacted by the conflict in Ukraine and the rising costs of living. In particular the costs of materials and fuel which have led to higher levels of inflation than have been seen in the last 40 years.

- 2.4 A key responsibility of the Council is to ensure there is effective engagement with its tenants and providing customer focussed services based on two-way communication. A review of tenant engagement is ongoing and will include annual surveys as prescribed by the Regulator of Social Housing, publishing an Annual Report highlighting performance, successes and areas of improvement required. This will be supported by bespoke consultation to groups and or individuals based on the programmes of work to be delivered. The Council believes that paying attention to the views of residents assists with improving satisfaction with the service as a whole.
- 2.5 A key focus is to ensure the front-line services are efficient and customer focussed. The implementation of the new Civica CX system (Housing Management and Repairs Software) will enable better business information and performance data regarding the delivery of the Responsive Repairs service. Analysis of the balance of trades and their respective skills is being undertaken which will result in further recruitment to deliver a more productive and efficient service in line with best practice.
- 2.6 Over the last two years significant improvements have been made to the management of voids significantly reducing both the number of properties open and the time that they are void. Both directly impact on the Council's ability to receive rental income from these properties. Further work is ongoing to provide continuous improvement to processes and resultant performance.
- 3.0 OBJECTIVES
- 3.1 The key objectives of this strategy are:
- Aligning with the Council's six strategic priorities, which are based on our commitment to providing residents with effective and efficient services that not only meet their needs but understand them.
  - Ensuring the health, safety and security of our residents and the communities in which they live.
  - Managing and maintaining homes to a good standard.
  - Improving and maintaining homes, and as a by-product, continue to meet the Regulator of Social Housing's 'Home Standard' (including Decent Homes).

- Programming and procuring works so that repairs and maintenance is conducted cost effectively and responsively, in a way that reflects residents' needs, preferences and aspirations.
- Ensuring that necessary re-investment in the stock is made a key priority within the Council's financial framework.
- Improving environments on estates and supporting community regeneration.
- Ensuring all homes meet our landlord obligations for health and safety compliance.
- Ensuring the stock is fit for purpose and meets the needs of residents, the business and that demonstrate viability as well as value for money.

3.2.1 In order to deliver these objectives, the Council must ensure that the requirements of the stock are affordable in the context of its HRA Business Plan.

#### 4.0 OUR ASSETS

4.1 Our housing stock includes 5,711 dwellings and 532 leaseholders. All the stock is all located within Redditch Borough. The Council does not own any higher risk buildings (HRBs) (defined as properties with at least 7 storeys or at least 18 metres in height by the Building Safety Act 2022).

4.2 In addition to dwellings, The Council is also responsible for the management of a number of assets related to dwellings, for example garages, unadopted roads, street lighting and paths. In October 2019 there were 197 garage sites comprising 1,340 garages and 1,044 off-curtilage parking sites.

4.3 The extent of any non-traditionally constructed dwellings (including PRC construction etc.) is to be assessed as part of the new stock condition survey programme that will continually update information on our Housing Stock and Assets. Any non-traditional construction will need to be intrusively assessed by a specialist structural engineer, so that any structural repairs can be identified within the forecast expenditure plans. Provisional amounts have been included as an interim measure.

4.4 The Council recognises that the home remains truly at the heart of our tenants' needs and wellbeing and we aim to provide appropriate



adaptations to enable our residents to live independently. We also acknowledge our social responsibility to provide these adaptations and facilities for disabled and vulnerable people and to comply with the requirements of the Equality Act. Providing this service not only has a significant effect on the resident's welfare but also relieves significant pressure on the local health service.

**5.0 OUR CURRENT POSITION**

**5.1 Stock Condition**

The Council commissioned a stock condition survey in October 2019 which comprised a 100% inspection of blocks and common parts, as well as off curtilage garages and parking sites. A sample survey (55.8%) was undertaken of homes and the data uploaded into a new asset management database. Where surveys have not been undertaken yet, information has been cloned within the asset management database to provide a whole stock assessment.

**5.2** The survey identified that the housing stock is in a reasonable state of repair with a proportionately low level of catch-up and early years work required. The stock will require continued expenditure over a 30-year planning term to maintain homes to a good, tenatable standard.

**5.3** According to the stock condition survey the priority issues for re-investment (% of total 30-year expenditure indicated) include:

- Kitchens and bathrooms (28%)
- Heating system and space heating (22%)
- Electrical Installations (18%)
- External windows and doors (14%)

**5.4** Initial Tenders have been procured to enable the delivery of internal refurbishment works (Kitchen, Bathrooms, Electrical and Heating Works) identified above. Over 2021 and 2022 the Council identified a programme of replacement boilers to remove old, inefficient, hard to repair boilers and during this time replaced over 700 units with modern efficient boilers.

**6.0 Decent Homes**

The Decent Homes Standard is a Government led initiative, introduced in 2000, and now incorporated into the Home Standard which is one of four consumer standards that registered providers of social housing must comply with. The Council met the standard in 2010 and now must maintain homes to it, in a logical and affordable manner.

- 6.1 The Council plans re-investment works in accordance with the forecasts of stock condition survey, as part of a wider programme. Decent Homes works will therefore continue to be delivered as a by-product of effective works planning, founded from an ethos of pre-planned and programmed 'just in time renewals' (as promoted by the DLUHC in their Decent Homes and stock condition survey guidance) and in logical geographical groups.
- 6.2 The asset management database identified an overall Decent Homes failure rate of 3.33% (i.e., 41 of the 1,230 surveyed dwellings as part of the stock survey), however at that time, 9.93% was Potentially Non-Decent, within the next two years. The Council will assess Potentially Non-Decent over a 5-year period as part of its Capital Programme of works.
- 6.3 The Council plans to maintain Decent Homes by developing works programmes in 5-year bands. An amount of non-decency may therefore be experienced within any 5-year period, although zero non-decency will be delivered at the end of each programme period. In this way the Council can maintain a logical programme of work that afford economies of scale and value for money and avoid the need to 'pepper-pot' works year on year to meet this standard.

7.0 Compliance

The Council has and will continue to undertake regular reviews of housing compliance risks using both internal and external resources. These reviews will ensure that related policies, management plans, procedures and processes for each of the core compliance risk align with our landlord obligations. This will ensure the health and safety of our residents, visitors and other stakeholders are maintained.

7.1 The key risk areas that will be reviewed are:

- Asbestos containing materials
- Fire including Fire Risk Assessments

- Electrical safety (a 5-year testing programme);
- Water safety (legionella and scalding risks);
- Lifts and lifting equipment; and
- Fuel and Gas Safety (annual testing and servicing of boilers)

7.2 The Council have developed related policies, management plans, procedures, and processes for each of the core compliance risks, aligned with our Landlord Obligations. These are subject to regular review and auditing using both internal and external resources as verification. This will ensure the health and safety of our residents, visitors and other stakeholders are maintained.

7.3 Programmes of work have and continue to deliver a range of compliance functions including fire prevention works to previously sheltered accommodation, upgrading of smoke and carbon monoxide detection, an ongoing programme of Fire Risk Assessments, cyclical testing of fire alarms, emergency lighting, lift installations, electrical systems and boilers.

#### 8.0 ENERGY EFFICIENCY

Based on the 2019 sample Stock Condition Survey, the average Standard Assessment Procedure (SAP) score for Redditch's homes is 67.9, which is EPC band D (band C beginning at SAP 69). Approximately 40% of the stock has an EPC lower than C. The stock will need improvement works to improve it to band C by 2030 and thereafter NZC (band A) by 2050. These targets should ensure that where practical all our stock achieves the Government low carbon emission targets.

8.1 The current financial forecast does not include for retrofit improvements, although it does include for component replacement which can help to deliver improved energy efficiency, for example, window replacement. Over the next year we will undertake more detailed analysis and modelling of our stock to determine the measures needed to improve energy efficiency and reduced carbon emissions. This will enable us to determine the funding required and put in place programmes of works which align with cyclical and planned works, to minimise disruption to residents and obtain better value for money.

8.2 As part of the strategy to attract external funding to support Energy Efficiency Works the Council has applied for funding via the Social

Housing Decarbonisation Fund with results to be announced around March 2023. These works are tackling the worst performing properties based on a 'fabric first' approach. In 2022 the Council were successful in attracting Local Authority Delivery 2 (LADs) funding that improved properties in Laurel Close.

- 8.3 The selection of energy efficient measures likely to be required and that form part of the criteria of funding streams based on the 'fabric first' approach will include:
- The installation of double/triple glazing;
  - The installation of cavity wall insulation;
  - The addition of External Wall Insulation (EWI);
  - The improvement of loft insulation to at least 300mm thickness;
  - Proper insulation of hot water cylinders and pipework; and
  - Air and ground source heat pumps, especially to off gas grid homes.
- 8.4 Before considering options, it is important for the Council to fully understand its starting point through a detailed analysis of the energy efficiency performance of its stock. The Council has commissioned a consultant to undertake specialist energy efficiency modelling to assist with the understanding of our strategic needs and the related delivery.
- 8.5 The modelling will use the latest RdSAP method, with additional and enhanced analysis using georeferenced data. The model will use all relevant asset data to produce a full energy model of the Council's housing stock. The collation and cleansing of data will usually involve some cloning and highlight conflicting or missing data. To reflect this, the model stores a data confidence score for every data point. This allows the highlighting of homes with the poorest data confidence as priority for survey, or to identify particular data areas (for example heating information, or floor information) that need improving across the stock. This could be used to focus a programme of energy surveys designed to improve the quality of energy data if required.
- 8.6 Once the data is in the model, the Council can view and report on the stock's baseline performance and profile and identify installation options. As well as identifying all potential measures for each property and across the stock, the model tests user-defined investment scenarios. These can:

- Seek the most cost-effective ways of reaching energy targets, such as minimum SAP rating or Net Zero, across all stock or a specified group;
- Model the effect of a planned installation programme;
- Identify additional measures that meet various criteria that could be added to an existing programme; and
- Calculate SAP, fuel bill and CO2 savings for all options and scenarios evaluated.

8.7 The outputs of this modelling will then be used to determine the investment priorities to achieve NZC milestone and other maintenance requirements.

#### 9.0 ASSET PERFORMANCE MODELLING

The Council will assess viability and re-investment priorities through a Stock Viability Model that takes account of a range of factors including demand and projected costs. This appraisal process results in individual properties being allocated a red, amber, or green re-investment status (RAG).

9.1 This will provide an opportunity to tailor our management, maintenance, improvement and investment of our properties based on a key range of data.

9.2 The portfolio will therefore be divided into one of three categories:

1. Red – Those properties deemed to be of high risk (i.e. requiring higher than average levels of reinvestment (or cost) in order to maintain them in a good lettable condition) and/or that are in low demand (i.e. are difficult to let or which have an unjustifiably high void turnover rate).
2. Amber – Those properties that offer peripheral performance and that require further investigation to be reclassified as either red or green.
3. Green – Those properties that are in high demand and that require average or below average levels of re-investment. This category may otherwise be described as ‘core stock’.

- 9.3 Property in Red or Amber status is to be the subject of further investigation, or review through an options appraisal, until they are either re-classified or until such time as an alternative strategy is agreed.
- 9.4 A green status indicates that the stock classified as such is viable with a long-term future, being of low cost and high demand. The majority of stock falls within this classification and can be included within reinvestment plans without concern. The assessment of cost is made with direct reference to asset management data and associated reports. Demand will be assessed with reference to housing management perception informed by void turnover rates and associated performance indicators.

#### 10.0 LEASEHOLDERS

The Council has made a number of commitments to Leaseholders which are contained within the Leasehold Management Policy.

- 10.1 Any reinvestment decisions and resulting works must provide cost effective services, accurate and timely information and ensure that service charges reflect actual costs in accordance with statutory obligations and lease terms.
- 10.2 The Council will adhere to the statutory requirements for consultation under Section 20 of the Commonhold and Leasehold Reform Act and work with recognised organisations to ensure that we maintain a good two way communication with leaseholders.
- 10.3 Before any work starts on a leaseholder's property the Council will consult the leaseholder on the extent, timing and estimated cost of the work taking into consideration leaseholders' comments and recommendations.

#### 11.0 FUNDING

The 30-year HRA Business Plan and associated 5 year Capital Programmes identifying investment requirements define the resources available to the Council for the management and maintenance of the housing stock. There are defined categories to which re-investment can be directed and the manner in which the business will be regulated and monitored.

- 11.1 The requirements for revenue related activities including the management and reactive repairs and maintenance of the Housing Stock are assessed annually.

**Appendix 3 – 5 Year Capital Programme 2023/24 – 2027/28**

**REDDITCH BOROUGH COUNCIL**

**Executive Committee  
2023**

**27<sup>th</sup> February**

|  | Outturn<br>2022/23 | 1<br>2023.24      | 2<br>2024.25      | 3<br>2025.26      | 4<br>2026.27      | 5<br>2027.28      |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | £                  | £                 | £                 | £                 | £                 | £                 |
| <b>Major Repairs Reserve</b>               |                    |                   |                   |                   |                   |                   |
| Internal Refurbishment                     | 300,000.00         | 2,500,000         | 2,500,000         | 2,500,000         | 2,500,000         | 2,500,000         |
| Boiler Replacements                        | 850,000.00         | 850,000           | 750,000           | 750,000           | 750,000           | 750,000           |
| High Trees Project                         | 30,000.00          | 350,000           | 400,000           | 0                 | 0                 | 0                 |
| External Refurbishment                     | 225,000.00         | 300,000           | 500,000           | 700,000           | 700,000           | 600,000           |
| Electrical Upgrades                        | 300,000.00         | 100,000           | 100,000           | 100,000           | 100,000           | 100,000           |
| Door Entry and Security Upgrades           | 600,000.00         | 100,000           | 100,000           | 100,000           | 75,000            | 75,000            |
| Smoke Detection Upgrades                   | 590,000.00         | 300,000           | 300,000           | 300,000           | 100,000           | 100,000           |
| Balcony Replacements                       | 10,000.00          | 100,000           | 300,000           | 300,000           | 200,000           | 0                 |
| Major Voids                                | 750,000.00         | 500,000           | 500,000           | 500,000           | 500,000           | 500,000           |
| Energy Efficiency                          | 270,000.00         | 750,000           | 750,000           | 750,000           | 750,000           | 750,000           |
| Disrepair Cases                            | 75,000.00          | 50,000            | 50,000            | 50,000            | 50,000            | 50,000            |
| Fire Compartmentation                      | 1,590,000.00       | 1,000,000         | 500,000           | 250,000           | 250,000           | 250,000           |
| Garage Improvement Works                   | -                  | 100,000           | 250,000           | 250,000           | 250,000           | 250,000           |
| Structural Repairs                         | 75,000.00          | 75,000            | 75,000            | 75,000            | 75,000            | 75,000            |
| Asbestos General                           | 200,000.00         | 100,000           | 100,000           | 100,000           | 100,000           | 100,000           |
| Capitalised Salaries                       | 500,000            | 500,000           | 500,000           | 500,000           | 500,000           | 500,000           |
|  |                    |                   |                   |                   |                   |                   |
|  | <b>6,365,000</b>   | <b>7,675,000</b>  | <b>7,675,000</b>  | <b>7,225,000</b>  | <b>6,900,000</b>  | <b>6,600,000</b>  |
| <b>Capital Receipts</b>                    |                    |                   |                   |                   |                   |                   |
| Disabled Adaptations                       | 200,000            | 500,000           | 500,000           | 250,000           | 250,000           | 250,000           |
| HRA Stock - Remodelling                    | -                  | 100,000           | 100,000           | 100,000           | 100,000           | 100,000           |
| Estate & Environmental Improvements        | 450,000            | 250,000           | 250,000           | 250,000           | 250,000           | 250,000           |
| Estates Parking and Paving                 | -                  | 50,000            | 150,000           | 150,000           | 150,000           | 150,000           |
| Stock Condition Survey Fees                |                    | 150,000           | 150,000           | 150,000           | 150,000           | 150,000           |
| Housing Management                         | 350,000            |                   |                   |                   |                   |                   |
|  |                    |                   |                   |                   |                   |                   |
|  | <b>1,000,000</b>   | <b>1,050,000</b>  | <b>1,150,000</b>  | <b>900,000</b>    | <b>900,000</b>    | <b>900,000</b>    |
| <b>New Build/Acquisitions</b>              | 2,900,000          | 3,000,000         | 3,000,000         | 3,000,000         | 3,000,000         | 3,200,000         |
|  |                    |                   |                   |                   |                   |                   |
|  | <b>10,265,000</b>  | <b>11,725,000</b> | <b>11,825,000</b> | <b>11,125,000</b> | <b>10,800,000</b> | <b>10,700,000</b> |
| <b>Financed by</b>                         |                    |                   |                   |                   |                   |                   |
| Major Repairs Reserve                      | 6,365,000          | 7,675,000         | 7,675,000         | 7,225,000         | 6,900,000         | 6,600,000         |
| Capital Receipts                           | 1,000,000          | 1,050,000         | 1,150,000         | 900,000           | 900,000           | 900,000           |
| Capital Receipts earmarked for acquisition | 1,160,000          | 1,200,000         | 1,200,000         | 1,200,000         | 1,200,000         | 1,280,000         |
| HRA Capital Reserve                        | 1,740,000          | 1,800,000         | 1,800,000         | 1,800,000         | 1,800,000         | 1,920,000         |
| HRA - Borrowing                            |                    |                   |                   |                   |                   |                   |
|  | <b>10,265,000</b>  | <b>11,725,000</b> | <b>11,825,000</b> | <b>11,125,000</b> | <b>10,800,000</b> | <b>10,700,000</b> |



**Appendix 4 – Tenant Satisfaction Measures**

|   |  |
|---|--|
| <u>Measured by landlords directly</u>                                   | <b>TP - Measured by doing tenant perception surveys</b>                                      |
|   | TP01: Overall satisfaction   |
| <b><u>RP - Keeping properties in good repair</u></b>                    |  |
| RP01: Homes that do not meet the Decent Homes Standard                  | TP02: Satisfaction with repairs  |
| RP02: Repairs completed within target timescale                         | TP03: Satisfaction with time taken to complete most recent repair                            |
|   | TP04: Satisfaction that the home is well maintained  |
| <b><u>BS - Maintaining building safety</u></b>                          |  |
| BS01: Gas safety checks   | TP05: Satisfaction that the home is safe   |
| BS02: Fire safety checks  |  |
| BS03: Asbestos safety checks  |  |
| BS04: Water safety checks   |  |
| BS05: Lift safety checks  |  |
| <b><u>Respectful and helpful engagement</u></b>                         |  |
|   | TP06: Satisfaction that the landlord listens to tenant views and acts upon them              |
|   | TP07: Satisfaction that the landlord keeps tenants informed about things that matter to them |
|   | TP08: Agreement that the landlord treats tenants fairly and with respect                     |
| <b><u>CH - Effective handling of complaints</u></b>                     |  |
| CH01: Complaints relative to the size of the landlord                   | TP09: Satisfaction with the landlord's approach to handling complaints                       |
| CH02: Complaints responded to within Complaint Handling Code timescales |  |
| <b><u>NM - Responsible neighbourhood management</u></b>                 |  |
| NM01: Anti-social behaviour cases relative to the size of the landlord  | TP10: Satisfaction that the landlord keeps communal areas clean and well maintained          |
|   | TP11: Satisfaction that the landlord makes a positive contribution to neighbourhoods         |
|   | TP12: Satisfaction with the landlord's approach to handling anti-social behaviour            |