

Housing & Property Services

# Housing Revenue Account Business Plan

2021 - 2051



**North Kesteven**  
DISTRICT COUNCIL

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## Foreword

*The Housing Revenue Account Business Plan sets out the Council's plans and ambitions in its role as a landlord for the next thirty years. Our plans have always and will always be developed in consultation with our tenants. They are at the heart of everything we do.*

*Our watchword is simple. We don't manage houses, we provide homes. They're the homes you make for yourselves, so we are always looking for ways to improve the Council's housing stock.*

*This Plan has been produced at a time of significant challenges. We have only just started to return to 'business as usual' following the global pandemic that has affected everyone's lives (and everything the Council does) since 2020. And now the effects of the war in Ukraine are seriously impacting on the cost of living for every one of us, but also on the costs of providing the excellent housing services we are proud to deliver.*

*However it is also a time of optimism and opportunity. The implications of the Government's Charter for Social Housing Residents are beginning to emerge, and they're things North Kesteven takes pride in having worked hard at for years already. Making sure our properties are safe, that our tenants are listened to and kept informed, that we learn from any complaints and that we have an independent check on how well we're doing.*

*We prioritise investment in areas that matter. Top of the list is achieving the Council's Carbon Net Zero target to combat climate change. So all new homes will meet our CO<sub>2</sub>sy standard giving high energy efficiency and lower heating bills. And we're trialling innovative ways to retrofit existing properties to make sure every resident benefits from reduced energy costs as well as helping our environment.*

*The Council's new build programme is ambitious. We aim to continue this and I'm proud to say that at the time of writing this foreword, we have completed more new homes in the past 12 months than ever before.*

*These are challenging times, times which are having an impact on our residents and on wider housing need. But rest assured that we are determined to continue to provide the best quality of service and the support to our tenants and to make sure the North Kesteven housing service plays its part in the overall service the Council delivers to the District's residents.*

Cllr Ian Carrington

Deputy Leader of North Kesteven District Council, and Executive Board Member for Housing and Property Services

# 1. Introduction

The Housing Revenue Account (HRA) is the financial account used to manage North Kesteven District Council's landlord activities. It is "ring-fenced" and therefore can only be used for providing services to tenants, through collection of rent and other charges. Other council services are funded through the General Fund.

The HRA Business Plan is the Council's strategic plan for managing and maintaining its housing stock. It highlights the Council's priorities for the landlord function within Housing and Property Services, sets out detailed plans for the short to medium term (five years), and provides a long term (30 years) outlook on stock investment and financial planning. North Kesteven District Council has full responsibility for the financial management of the HRA, and the business planning process ensures that the priorities of the plan are affordable and deliverable.

In November 2020, the Ministry of Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities) issued the Charter for Social Housing Residents: Social Housing White Paper. The Charter sets out not only what every social housing resident should be able to expect from their landlord, but also what the government will do to ensure that social landlords live up to the Charter, with a large amount of focus placed on strengthening the current regulatory regime for social housing.

This revised plan, covering the period 2021 to 2051, takes into account this and the many other key changes since the last plan was developed in 2016. For many of the provisions in the Charter, additional legislation (primary or secondary) and/or guidance (statutory or non-statutory) must be issued before detailed requirements will be known and these will need to be incorporated into the HRA Business Plan as they become available.

Supporting delivery of the HRA Business Plan is the HRA Delivery Plan, a living document that will be subject to ongoing monitoring, and be reviewed at least annually to reflect ongoing changing circumstances and priorities.

## 2. Background & Strategic Context

### 2.1. Background

The HRA Business Plan, in its current form, was first approved in April 2012, following the abolition of the existing housing subsidy system and introduction of self-financing through powers introduced in the Localism Act 2011. In simple terms, self-financing awarded the Council control of its HRA, in return for taking on a proportion of national housing debt.<sup>1</sup>

Generally, the Plan will be reviewed in full every five years, and is also subject to ongoing monitoring to ensure that the Council responds appropriately to change in key policy areas. Due to significant changes in national housing policy, including the unexpected announcement of a four year rent reduction at the Summer Budget 2015 (and later established in legislation in the Welfare Reform & Work Act 2016<sup>2</sup>), the Plan was last fully reviewed in 2015/16. The revised version, reflecting the changes in the wider operating environment as well as the progress made following its introduction in 2012, was approved in April 2016.

Since then, the Council has continued to review the housing portfolio and in particular the sustainability of its assets, which has further clarified prospects for investment in stock and services, as well as opportunities for the construction of new affordable homes. This plan reflects the current position in 2021, as well as the progress made since its inception in 2012.

The Plan focuses on the core landlord function of the Council in managing and investing in the Council's residential properties. It sets out how the Council will deliver its key Housing and Property objectives within the resources available, aiming to achieve a balance between:

- Spending on housing management, maintenance and support services that meet the needs of our customers and comply with regulatory requirements, whilst also maintaining efficiencies;
- Investing in the existing housing stock to ensure that agreed standards are met;
- Investing in new affordable homes, contributing to meeting local housing demand;
- Ensuring a sustainable Business Plan with fair and affordable rent levels; and
- Repaying the housing debt.

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<sup>1</sup> <https://www.gov.uk/government/publications/the-housing-revenue-account-self-financing-determinations--2>

<sup>2</sup> <https://www.gov.uk/guidance/welfare-reform-and-work-act-2016-social-rent-reduction>

## 2.2. National Context

The Council operates in a complex and changing political, economic and social environment, and changes to national housing policy can have a significant influence on the HRA Business Plan. This section outlines the key national policies that already impact, or are expected to impact, the Plan.

### Welfare Reform

Over the past ten years, the government has pursued a programme of various reforms to the welfare system, which aimed to make the benefit system fairer and more affordable, reduce poverty, worklessness and welfare dependency; and reduce levels of fraud and error.<sup>3</sup> Welfare reform encompasses a number of different policy aspects; the majority of provisions were implemented through the Welfare Reform Act 2012<sup>4</sup> and the Welfare Reform and Work Act 2016<sup>5</sup>. In response, the Council implemented a Landlord Welfare Reform Strategy for the period 2016 to 2020, to help mitigate the impact of Welfare Reform changes on the Council's landlord function and tenants. This Strategy provided a clear focus for the Council's interventions and initiatives, the most successful of which have gone on to become embedded in standard working practices.

A number of welfare reform policies continue to have an impact on the Council's landlord function and tenants, including the Removal of the Spare Room Subsidy<sup>6</sup> and the Benefit Cap<sup>7</sup>. The most significant of these continues to be the introduction of Universal Credit, involving a restructure of the benefit system intended to create one income-replacement benefit for all working age adults.

Universal Credit (UC) replaces six "legacy" benefits and tax credits for working age households; first piloted in 2013, the rollout to Jobcentres was completed by the end of 2018, reaching the Lincoln Jobcentre in March 2018, and the Sleaford Jobcentre in November 2018.<sup>8</sup> Following completion of the rollout – initially focused on new claimants only – the government now expects all households claiming legacy benefits and tax credits to have moved across to UC by September 2024.

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<sup>3</sup> <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/>

<sup>4</sup> <https://www.legislation.gov.uk/ukpga/2012/5/contents/enacted/data.htm>

<sup>5</sup> <https://www.legislation.gov.uk/ukpga/2016/7/contents>

<sup>6</sup> <https://www.gov.uk/government/collections/local-authorities-removal-of-the-spare-room-subsidy>

<sup>7</sup> <https://www.gov.uk/benefit-cap>

<sup>8</sup> <https://commonslibrary.parliament.uk/constituency-data-universal-credit-roll-out/>



## HRA Borrowing Cap

As part of the self-financing determination in 2012, the government placed limits on the amount of borrowing that a Council could undertake within the HRA – known as the HRA Borrowing Cap. In October 2018, the government issued the Limits on Indebtedness (Revocation) Determination 2018<sup>9</sup>, abolishing the HRA Borrowing Cap with immediate effect. As a result, local authorities are no longer constrained by government controls over borrowing for housebuilding in the HRA, and are able to borrow against their expected rental income, in line with the Prudential Code.<sup>10</sup>

## Regulatory Standards (including Rent Setting & the Rent Standard)

The current Regulatory Framework for Social Housing in England was first published in 2015<sup>11</sup> by the Homes and Communities Agency, which was the government's housing, land and regeneration agency, as well as the regulator of social housing providers in England, at that time. In order to ensure propriety and separate the agency's investment and regulatory functions, in January 2018 the Homes and Communities Agency was replaced by Homes England, overseeing housing investment and acceleration of housing delivery, and the Regulator of Social Housing (RSH), with responsibility for the regulation of registered social housing providers in England. Local authority landlords such as North Kesteven District Council are subject to mandatory registration with the Regulator.

The Regulatory Framework comprises a number of Regulatory Standards, classified as either Economic or Consumer<sup>12</sup>. The current Regulatory Standards are explored in further detail in Section 8.1. All registered providers of social housing must comply with the Consumer Standards, however, until recently the Regulator had no power to set Economic Standards for local authorities, therefore, they did not apply to local authority landlords.

Since April 2016, the Welfare Reform and Work Act 2016 had required all social landlords to reduce their rents by 1% each year, for four years (known as the “social rent reduction”)<sup>13</sup>. Before the social rent reduction took effect, rent policy was applied to local authority and private registered providers in different ways. While most social housing rents charged by private registered providers were regulated by the Regulator, local authority rents were not regulated; instead, they were indirectly controlled through the Housing Benefit system, and subject to government guidance. As a consequence of the introduction of UC (which is intended to be paid directly to the claimant, rather than the landlord), not all local authority tenants continued to be

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<sup>9</sup><https://www.gov.uk/government/publications/limits-on-indebtedness-revocation-determination-2018/limits-on-indebtedness-revocation-determination-2018>

<sup>10</sup><https://www.gov.uk/guidance/housing-revenue-account#removal-of-the-hra-borrowing-cap>

<sup>11</sup><https://www.gov.uk/government/collections/regulatory-framework-requirements>

<sup>12</sup><https://www.gov.uk/guidance/regulatory-standards>

<sup>13</sup><https://www.gov.uk/guidance/welfare-reform-and-work-act-2016-social-rent-reduction>

covered by Housing Benefit subsidy payment, meaning the indirect control of local authority rents through the Housing Benefit system was no longer possible<sup>14</sup>.

In order to address this, the Ministry of Housing, Communities & Local Government (MHCLG; now the Department for Levelling Up, Housing and Communities) issued a direction to the RSH to set a new standard on rent for registered providers (the “Rent Standard”), to come into effect on 1 April 2020. Unlike the other Economic Standards, the Rent Standard applies equally to private and local authority registered providers, and therefore since April 2020, the Council has been subject to direct rent regulation by the Regulator. Alongside this, MHCLG issued a Policy Statement on Rents for Social Housing, permitting annual rent increases of up to the Consumer Prices Index + 1%, and it is expected that this policy will remain in place for at least five years<sup>15</sup>.

## Building & Fire Safety

Following the Independent Review of Building Regulations and Fire Safety<sup>16</sup> and consultation with industry and the public, in July 2020 the government published draft legislation intended to make people safer in the buildings they live in – the Building Safety Bill<sup>17</sup> - alongside a consultation on Fire Safety<sup>18</sup>.

The Building Safety Bill contains a number of provisions to secure the safety of people in or around buildings, and improve safety standards. It establishes the building safety regulator and its objectives and duties, as well as making specific provision for high risk buildings including identification of an accountable person for safety, requiring the appointment of a designated building safety manager and setting out minimum standards for resident engagement on safety.

The draft Bill has formed the basis for consultation and engagement with the housing sector throughout 2020, is currently proceeding through Parliament, having first been laid in July 2021<sup>19</sup>. Until it is enacted (expected in 2022), the exact requirements of landlords will not be known, and it is expected to take several years for all the provisions within it to be implemented. The government response to the Fire Safety consultation<sup>18</sup>, published in March 2021, confirms the intention to legislate through the Building Safety Bill to further strengthen requirements in relation to Fire Safety, following the enactment of the Fire Safety Act 2021<sup>20</sup> in late April 2021.

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<sup>14</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740299/180912\\_Rents\\_for\\_social\\_housing\\_from\\_2020\\_to\\_2021\\_consultation\\_document.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740299/180912_Rents_for_social_housing_from_2020_to_2021_consultation_document.pdf)

<sup>15</sup> <https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020>

<sup>16</sup> <https://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-final-report>

<sup>17</sup> <https://www.gov.uk/government/publications/draft-building-safety-bill>

<sup>18</sup> <https://www.gov.uk/government/consultations/fire-safety>

<sup>19</sup> <https://bills.parliament.uk/bills/3021>

<sup>20</sup> <https://www.legislation.gov.uk/ukpga/2021/24/contents/enacted>

## Housing Disrepair & the Homes (Fitness for Human Habitation) Act 2018

The provisions of the Homes (Fitness for Human Habitation) Act 2018<sup>21</sup> were implemented in phases, becoming applicable to all tenancies (other than fixed term tenancies granted for a period longer than seven years) from 20<sup>th</sup> March 2020. The Act implies a contractual term into each tenancy agreement, complementing the existing legal repair obligations for landlords as established in Section 11 of the Landlord and Tenant Act 1985<sup>22</sup>, which allows for the courts to compel landlords to undertake works, issue fines if the works are not carried out, and award compensation to tenants, subject to following the Pre-Action Protocol for Housing Conditions Claims (England)<sup>23</sup>. The Homes Act gives tenants a direct route to challenge their landlord in court, as well as expanding the factors able to be considered to include any prescribed hazard under the Housing Health & Safety Rating system.

In general, it is the landlord's responsibility to ensure that their homes are considered fit for human habitation; however, the landlord is not liable until they have been given notice of the issue, and the landlord is also not responsible for problems caused by the tenant failing to act in a "tenant-like manner"<sup>21</sup>. Since the Homes Act was passed, it has been reported that a number of law firms have targeted social housing tenants encouraging them to take action on a "no-win, no-fee" basis<sup>24</sup>, often using questionable tactics to encourage tenants to make unjustified claims<sup>25</sup>.

To mitigate the risk of disrepair claims, it is recommended that landlords ensure that repair and maintenance policies are fit for purpose; that good records are kept (including detailed records of every repair, ensuring that every contact with each tenant is recorded); and that cross-departmental training and awareness of disrepair claims is provided to ensure procedures are adhered to, and responses are co-ordinated across customer service, housing management and repairs teams<sup>24</sup>.

## Energy & Clean Growth

Following the signing of the Paris Agreement (a legally binding, international treaty on climate change) in 2015, the government published its Clean Growth Strategy in 2017<sup>26</sup>. This included two key policy proposals for improving the emissions from housing stock across the country: improvement of energy efficiency in homes, and rolling out low carbon heating. These proposals were restated in the Ten Point Plan for a Green Industrial Revolution<sup>27</sup> and further developed in

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<sup>21</sup> <https://www.legislation.gov.uk/ukpga/2018/34/section/1/enacted>

<sup>22</sup> <https://www.legislation.gov.uk/ukpga/1985/70/section/11>

<sup>23</sup> [http://www.justice.gov.uk/courts/procedure-rules/civil/protocol/prot\\_hou](http://www.justice.gov.uk/courts/procedure-rules/civil/protocol/prot_hou)

<sup>24</sup> <https://www.insidehousing.co.uk/comment/comment/disrepair-claims-against-social-landlords-are-on-the-rise-52902>

<sup>25</sup> <https://www.insidehousing.co.uk/news/no-win-no-fee-lawyers-targeting-tenants-of-soft-touch-social-landlords-68820>

<sup>26</sup> <https://www.gov.uk/government/publications/clean-growth-strategy>

<sup>27</sup> <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution>

the Energy White Paper: Powering our Net Zero Future<sup>28</sup>, issued in quick succession in late 2020.

The Energy White Paper details government proposals to clean up the energy system and reach net zero emissions by 2050, and a number of these proposals will impact on the HRA Business Plan. It is important to note that while energy efficiency and reducing carbon emissions (or decarbonisation) are highly linked, they are not necessarily interdependent and therefore each may be considered in isolation as well as in conjunction.

### **Energy Efficiency**

The Clean Growth Strategy contained a variety of proposals to improve the energy performance of housing stock, currently measured through the Energy Performance Certification (EPC) assessment. It confirmed the government ambition to have as many existing homes as possible (regardless of tenure) to reach EPC Band C by 2035; for the private rented sector, the target for the vast majority of homes to reach EPC Band C was by 2030, and the Strategy suggested that similar targets were being considered for social housing. It also outlined plans for newly developed properties to meet more stringent energy performance targets through updates to building regulations, later confirmed in the consultation on the Future Homes Standard<sup>29</sup>, which concluded in early 2020.

The Ten Point Plan confirmed that government seek to implement the Future Homes Standard in the shortest possible timeline, and restated the government's commitment to ensuring that as many existing homes as possible reach EPC Band C by 2030.

Further detail was provided in the Energy White Paper, which stated that a roadmap to the Future Homes Standard will be published as soon as possible, and noted that an interim uplift in standards was subject to consultation. The White Paper also confirms the government intention to create a long-term regulatory framework to improve the energy performance of homes, with the first steps detailed in the Energy Performance Certificates Action Plan<sup>30</sup>, published in September 2020.

### **Decarbonisation**

The Clean Growth Strategy also contained a variety of proposals for decarbonisation, identifying that reducing demand for energy by improving energy performance of properties will be necessary but insufficient to meet the ambition of net zero emissions by 2050, and therefore decarbonisation of how homes are heated will also be needed. In addition to a number of proposals to encourage the take up of low carbon heating systems, it outlined an ambition to phase out the installation of high carbon fossil fuel heating in new and existing off gas grid

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<sup>28</sup> <https://www.gov.uk/government/publications/energy-white-paper-powering-our-net-zero-future>

<sup>29</sup> <https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings>

<sup>30</sup> <https://www.gov.uk/government/consultations/energy-performance-certificates-in-buildings-call-for-evidence>

residential buildings during the 2020s.

The Ten Point Plan confirms that the Future Homes Standard requires new properties to be “zero carbon ready”, and these properties are expected to have between 75 and 80% lower carbon emissions than those built to current standards. The Energy White Paper confirms the government expectation that, by the mid-2030s, all newly installed heating systems will be low-carbon, or appliances that can be easily converted to a clean fuel supply.

In October 2021, the government published its Net Zero Strategy<sup>31</sup>, setting out policies and proposals for decarbonising all sectors of the economy to meet the net zero target of 2050. This was accompanied by the Heat and Buildings Strategy<sup>32</sup>, which outlined significant further detail on how the Government intends to deliver the ambitions set out in the Ten Point Plan<sup>27</sup> with a particular focus on reducing carbon emissions from heating.

## Exit from the EU

The United Kingdom formally withdrew from the European Union on 31<sup>st</sup> January 2020, and the subsequent transition period ended on 31<sup>st</sup> December 2020. Exiting the EU has a number of potential direct and indirect implications for social housing providers, and it may take time for some of these to become fully apparent. The construction industry is expected to be particularly affected, both in terms of supply chain and access to labour from the EU<sup>33</sup>. There are also significant changes to public sector procurement policy<sup>34</sup> as well as new guidance on eligibility for housing for nationals from within the European Economic Area<sup>35</sup>.

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<sup>31</sup> <https://www.gov.uk/government/publications/net-zero-strategy>

<sup>32</sup> <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

<sup>33</sup> <https://www.builders.org.uk/news/brexit-brings-increased-risks-for-construction-contracting-a/>

<sup>34</sup> <https://www.gov.uk/guidance/public-sector-procurement>

<sup>35</sup> <https://www.gov.uk/guidance/allocation-of-accommodation-guidance-for-local-authorities>

## The Charter for Social Housing Residents

The Charter for Social Housing Residents: Social Housing White Paper was published by MHCLG in November 2020<sup>36</sup>, with stated aims to raise the standard of social housing and meet the aspirations of residents today and into the future. The Charter sets out what every social housing resident should be able to expect, as follows:

1. **To be safe in your home.** We will work with industry and landlords to ensure every home is safe and secure.
2. **To know how your landlord is performing**, including on repairs, complaints and safety, and how it spends its money, so you can hold it to account.
3. **To have your complaints dealt with promptly and fairly**, with access to a strong ombudsman who will give you swift and fair redress when needed.
4. **To be treated with respect**, backed by a strong consumer regulator and improved consumer standards for tenants.
5. **To have your voice heard by your landlord**, for example through regular meetings, scrutiny panels or being on its Board. The government will provide help, if you want it, to give you the tools to ensure your landlord listens.
6. **To have a good quality home and neighbourhood to live in**, with your landlord keeping your home in good repair.
7. **To be supported to take your first step to ownership**, so it is a ladder to other opportunities, should your circumstances allow.

In particular, the White Paper sets out what the government will do to ensure that social housing landlords live up to the Charter. A large amount of focus is placed on strengthening the current regulatory regime while also moving from reactionary to proactive regulation, requiring landlords to:

- be transparent about their performance and decision-making – so that tenants and the regulator can hold them to account;
- put things right when they go wrong; and
- listen to tenants through effective engagement.

Each provision in the Charter encompasses a particular theme, and the key provisions with implications for the HRA Business Plan are summarised below. It contains a number of measures that will require social housing landlords to change the way they operate; however, for many of the provisions in the Charter, additional legislation (primary or secondary) and/or guidance (statutory or non-statutory) must be issued before detailed requirements will be known.

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<sup>36</sup> <https://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper>



## **Theme One - Safety**

Consumer regulation will be strengthened to explicitly include safety, and landlords will need to identify a nominated person responsible for ensuring health & safety compliance. Regulation of smoke and carbon monoxide alarms, as well as electrical safety, is proposed to increase, and statutory and good practice guidance on engaging with residents of all tenures on matters of safety is expected.

## **Theme Two – Landlord Performance**

Landlords will need to identify a senior person responsible for ensuring compliance with the Consumer Standards, and the Regulator will develop, collect and publish a set of Tenant Satisfaction Measures for landlords, on things that matter to tenants. Alongside publication of the Tenant Satisfaction Measures, landlords will have to provide a clear breakdown of how their income is being spent, including levels of executive remuneration. As a minimum, landlords will have to report to every tenant on their performance at least annually; however the expectation is that performance will be reported to tenants as frequently as possible, using new technologies where available.

## **Theme Three - Complaints**

Landlords will need to ensure compliance with the Housing Ombudsman's Complaint Handling Code<sup>37</sup> and the Housing Ombudsman will work more closely with the Regulator to ensure that landlords are held to account more effectively<sup>38</sup>. Landlords are required to ensure that residents have clear and up to date information on how to complain, and will also be required to publicise the details of cases determined and published by the Housing Ombudsman, to improve accountability.

## **Theme Four – Consumer Regulation**

The Consumer Standards will be jointly reviewed by MHCLG (now the Department for Levelling Up, Housing & Communities) and the Regulator, and the Regulator's enforcement powers will be strengthened, including reduced notice periods for inspections, and removal of the cap on the level of fines it is able to issue. The Regulator will be given the power to publish a Code of Practice on Consumer Standards to make clear what landlords are required to deliver; it is expected that this will include a requirement to have a specific policy to tackle issues around Domestic Abuse, and landlords will have to demonstrate how they are actively seeking out best practice and considering ways to improve engagement with tenants.

In a significant change, the Regulator will move from a reactive to a proactive approach to regulation; the “serious detriment test” – which currently blocks the Regulator from intervening over consumer standards unless it believes tenants are at risk of serious harm – will be removed, and routine inspections of landlords will be introduced. Alongside this, an expectation

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<sup>37</sup> <https://www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/>

<sup>38</sup> <https://www.gov.uk/government/publications/memorandum-of-understanding-between-the-regulator-of-social-housing-and-the-housing-ombudsman>

is placed on all landlords to self-refer to the Regulator any breaches of the Consumer Standards. In addition to the requirement to identify a senior person responsible for ensuring compliance with the Consumer Standards (as outlined in Theme 2), local authorities will also have to demonstrate to the Regulator that elected members have sufficient oversight of their Council's compliance in this area.

### **Theme Five – Resident Engagement**

Landlords will be required to continually improve the way they engage with tenants, providing tailored engagement opportunities that meet the needs of all tenants, and demonstrating that they have sought out best practice (as outlined in Theme Four). To complement this, MCHLG (in partnership with tenant led national bodies) will deliver a new opportunities and empowerment programme for social housing residents, to support more effective engagement and giving residents the tools and knowledge to influence landlords, and hold them to account. In addition, professional training and development, from frontline to senior colleagues, will be reviewed to ensure residents receive a high standard of service from social housing colleagues across all roles.

### **Theme Six – Decent Homes and Estates**

The outcomes of the call for evidence on social housing allocations will be reviewed, ensuring allocations are made in the fairest way possible while achieving the best outcomes for local communities. Landlords will need to ensure that tenants know who is responsible for action on anti-social behaviour (ASB), clarifying the roles of agencies involved in tackling ASB and signposting tenants to the most appropriate advice and support for their situation. Landlords will also be expected to use their knowledge of vulnerable tenants to monitor and support those at particular risk of exploitation.

The Decent Homes Standard<sup>39</sup> will be reviewed, potentially widening the scope to include energy efficiency and decarbonisation, access to and quality of green spaces, and security of neighbourhoods. This review commenced in February 2021, and will be conducted in two parts; part 1, running from Spring to Autumn 2021, will seek to understand the case for change; if the case is made, part 2 will run from Autumn 2021 to Summer 2022 and consider how decency should be defined. It is anticipated that the outcome will be a refreshed Decent Homes Standard, potentially applicable from April 2023 onward.

### **Theme Seven – Supply & Home Ownership**

Social landlords are expected to deal with leaseholders in a fair and transparent way, including the calculation and communication of services charges. Local authorities are encouraged to utilise the removal of the HRA Borrowing Cap to build more council homes, and a new National Design Guide will be implemented to emphasise the importance of building beautiful and well-designed social homes.

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<sup>39</sup> <https://www.gov.uk/government/publications/a-decent-home-definition-and-guidance>



## Covid-19

The novel coronavirus Covid-19, first identified in late 2019, spread across the world in early 2020, with the first cases in England identified in late January<sup>40</sup>. On 11 March, the World Health Organisation declared a global pandemic<sup>41</sup>, and by the end of March, the government had imposed stringent restrictions on activity across the country in an effort to stop the spread of the virus, including a requirement for those at particularly high risk of severe adverse effects from the virus to “shield”, remaining at home and minimising contact with others. Since then, these restrictions have variously been lifted, re-applied and amended, and at the time of developing the Business Plan in early 2021, continue to remain in place<sup>42</sup>. Both the virus itself, and the restrictions applied in order to control it, have had significant impacts for the Council’s tenants and residents, colleagues, and ability to maintain delivery of services.

The impact of the pandemic on the economy has been severe; during 2020, redundancies were at record levels and levels of unemployment increased significantly; while, as of late 2021, levels of unemployment were falling, levels of employment had still not returned to pre-pandemic levels<sup>43</sup>. In addition, many more workers were furloughed, often only receiving up to 80% of their usual full pay. As a result, more tenants found it difficult to pay their rent, leading to a significant rise in both arrears and UC claims. In addition to this, tenant concerns about the virus (particularly where a tenant is shielding) led to some reluctance in allowing access to properties to carry out repairs and annual servicing, even where government restrictions allowed this.

National and regional restrictions have varyingly required certain services to stop completely, or be significantly reduced, particularly for non-essential lettings (increasing rent loss) and maintenance work. Development and regeneration projects have also been impacted due to significant restrictions imposed on the construction industry at the start of the pandemic, which have since been lifted. Possession action was largely been stopped altogether, with minor exceptions for the most serious cases. As tenants’ ability to pay their rent reduced, arrears increased, with sector analysis in January 2021 showing that arrears across the social housing sector had reached over £1bn<sup>44</sup>; across English local authorities, HRAs have lost a combined £165.8m in income<sup>45</sup>. Arrears are forecast to return to pre-pandemic levels in 2022.

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<sup>40</sup> <https://www.bbc.co.uk/news/uk-england-55622386>

<sup>41</sup> <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/interactive-timeline/>

<sup>42</sup> <https://www.gov.uk/coronavirus>

<sup>43</sup> <https://researchbriefings.files.parliament.uk/documents/CBP-8898/CBP-8898.pdf>

<sup>44</sup> <https://www.insidehousing.co.uk/news/social-housing-rent-arrears-hit-record-1bn-69364>

<sup>45</sup> <https://www.gov.uk/government/publications/local-authority-covid-19-financial-impact-monitoring-information>

## 2.3. Local Context

North Kesteven is one of seven districts in Lincolnshire and covers an area of 92,244 hectares (356 square miles), of which 95% is classed as green space, including agricultural land and open space. The District is characterised by small settlements and large areas of farmland; more than 64% of the population live in rural settlements, including villages or market towns, and therefore North Kesteven has been classed as being “mainly rural” by the Office for National Statistics (ONS)<sup>46</sup>. It is a large and diverse rural area, stretching from the Witham in the east almost to the Trent in the west, and from the sparsely populated villages to the south of Sleaford to the more densely-populated Lincoln fringe in the north.

There are around 100 communities in the North Kesteven District. The population of the District was estimated at 116,915 in mid-2019, an increase of nearly 8% compared with 2011<sup>47</sup>. There are two towns, with approximately 19,500 people in Sleaford, and 16,400 in North Hykeham. Around a third (34%) of North Kesteven’s residents live in communities in the Lincoln “fringe” (the area immediately surrounding Lincoln City, including North Hykeham), and nearly a fifth (17%) live in the Sleaford area<sup>48</sup>. Of the remaining 49%, around half live in communities with fewer than 1,000 people, and the other half live in communities outside the Lincoln fringe or Sleaford, with more than 1,000 people. The 2011 Census showed that North Kesteven was the fourth fastest growing district in England and Wales; more recent projections continue to demonstrate a high level of population growth. The population of North Kesteven is forecast to grow by just over 6% by 2026, and nearly 9% by 2031, almost double the forecast growth for all of England of 3.5% by 2026, and 5.4% by 2031<sup>49</sup>.

North Kesteven traditionally has a higher than average number of older residents; 2019 estimates show that nearly a quarter (23.6%) of residents are aged 65+, compared to an average of 18.4% for the rest of England. Correspondingly, there are lower than average numbers of children (17.4% aged 0-15 compared to the England average of 19.2%) and working age residents (59% aged 16-64 compared to the England average of 62.4%)<sup>48</sup>. Recent projections show that the population aged 65+ is expected to increase by over a quarter (25.7%) by 2031, by which time they will form over 27% of the total population of the district<sup>49</sup>. North Kesteven has a low ethnic minority population, with the most recent estimates showing that over 97% of residents are White British and just over 2% belong to a minority ethnic group<sup>50</sup>.

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<sup>46</sup> <https://www.gov.uk/government/statistics/defining-rural-areas>

<sup>47</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/analysisofpopulationestimatestool> (latest data available; Census data from 2021 is due to be available in mid-2022)

<sup>48</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/wardlevelmidyearpopulationestimatesexperimental> (latest data available; Census data from 2021 is due to be available in mid-2022)

<sup>49</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/localauthoritiesinenglandtable2>

<sup>50</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationcharacteristicsresearchtables>

In 2019, MHCLG released the newly updated Indices of Multiple Deprivation (IMD), following earlier releases in 2015 and 2010. North Kesteven is in the top 16% of the least deprived local authority areas in England, ranking 268<sup>th</sup> of 317 in total. This is a slight decline on the 2015 IMD in which North Kesteven ranked 270<sup>th</sup>, which itself was a decline on the 2010 IMD in which the ranking was 273<sup>rd</sup>. However, North Kesteven remains the least deprived of all the Lincolnshire authorities<sup>51</sup>. Further analysis of individual domains (or aspects) of deprivation in specific Lower Layer Super Output areas<sup>52</sup> provides more detailed context.

Rural isolation is a potential issue for many residents, with a lack of access to public transport and/ or a lack of local facilities being a particular feature of a number of settlements in North Kesteven. This is reflected in the “Barriers to Housing & Services” domain of deprivation, which considers road distance to a post office, primary school, general store/supermarket and GP surgery, alongside household overcrowding, homelessness and housing affordability. Of the 64 LSOAs in North Kesteven, six rank in the bottom decile (i.e. the bottom 10%) for this domain, representing over a third (27)<sup>53</sup> of the total of 75 parishes in North Kesteven.

### 2.3.1. Links with other plans

The HRA Business Plan interrelates with other strategies in the Council’s corporate strategy framework. In developing the plan, careful regard has been given to aligning Housing and Property priorities with corporate priorities and ambitions, and other key strategy documents. A range of programmes, policies and plans enable the Council to implement the improvements, activities and investment needed to meet its Housing and Property objectives.

#### NK Plan

The NK Plan is the Council’s main strategic planning document, setting out the vision, purpose, priorities and ambitions to drive improvement and service delivery over the lifetime of the plan. In early 2022, the Council agreed the NK Plan for the three-year period 2022 to 2025<sup>54</sup>, confirming the Council’s priorities and ambitions as shown overleaf. The Housing and Property service has a role to play in supporting all of the NK Plan priorities, with the fundamental Business Plan Priorities contained within the “Our Homes” priority.

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<sup>51</sup> <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

<sup>52</sup> <https://data.gov.uk/dataset/c481f2d3-91fc-4767-ae10-2efdf6d58996/lower-layer-super-output-areas-lsoas>

<sup>53</sup> Anwick; Ashby de la Launde and Bloxholm; Aswarby and Swarby; Aubourn with Haddington; Aunsby and Dembleby; Beckingham; Brant Broughton and Stragglethorpe; Culverthorpe and Kelby; Digby; Dogdyke; Dorrington; Newton and Haceby; North Kyme; Osbournby; Rowston; Roxholm; Scopwick; Silk Willoughby; South Hykeham; South Kyme; Stapleford; Swaton; Temple Bruer with Temple High Grange; Threkingham; Walcot near Folkingham; Wilsford

<sup>54</sup> <https://www.n-kesteven.gov.uk/your-council/facts-and-figures-about-the-council/council-performance/>

Priority	Ambitions
<b>Our Communities:</b> To enhance the wellbeing, safety and health of all our communities; inspiring and supporting a sustainable and flourishing future	<ul style="list-style-type: none"> <li>• <b>Promote participation and engagement within our communities as well as recovery from the impacts of Covid-19</b></li> <li>• Promote healthy lifestyles by providing a range of leisure and cultural opportunities</li> <li>• Support partnership health strategies including the Homes for Independence Blueprint as part of our provision of effective and efficient support services for our residents</li> <li>• Work with our communities towards a clean, safe and inclusive district</li> </ul>
<b>Our Environment:</b> To meet the challenge of climate change, ensuring integration and delivery of the <b>Climate Emergency Strategy &amp; Action Plan</b> across all NK Plan priorities	<ul style="list-style-type: none"> <li>• <b>Champion greenhouse gas reduction both within the Council and across the district</b></li> <li>• Research and promote adaptations needed to increase resilience to climate change</li> <li>• Promote and protect environmental health and deliver services to reduce the transmission of Covid-19</li> <li>• Conserve and enhance NK's heritage assets</li> <li>• Develop biodiversity across the district and support natural carbon capture</li> </ul>
<b>Our Economy:</b> To enable all of our communities to continue to flourish as part of the economic recovery from Covid-19 as well as opportunities from the Green economy	<ul style="list-style-type: none"> <li>• <b>Support business recovery in the district; the protection of existing jobs and creation of new jobs</b></li> <li>• Attract investment to improve physical infrastructure, support regeneration, and digital connectivity</li> <li>• Create a clear vision of place; celebrating and marketing all that the district has to offer</li> <li>• Promote the economic opportunities from tackling climate change</li> </ul>
<b>Our Homes:</b> To deliver sustainable housing growth, and pursue energy efficient development to meet the current and emerging needs of all our communities	<ul style="list-style-type: none"> <li>• <b>Facilitate the provision of community infrastructure to align with housing growth</b></li> <li>• Provide high quality services for both housing and tackling homelessness</li> <li>• Maintain, improve and future-proof housing</li> <li>• Deliver the Local Plan, increasing the supply of sustainable housing</li> </ul>
<b>Our Council:</b> To aspire to be a high-performing, value for money Council that is agile and embraces the challenges and opportunities of the future	<ul style="list-style-type: none"> <li>• <b>Deliver high quality, value for money services</b></li> <li>• Ensure our Council is financially resilient</li> <li>• Be open and accountable</li> <li>• Maintain a strong focus on our customers</li> </ul>

## Climate Emergency Strategy & Action Plan

In July 2019, the Council unanimously resolved to declare a “Climate Emergency”, leading to the approval in September 2020 of the Climate Emergency Strategy and Action Plan<sup>55</sup>, which sets out the targets that the Council aspire to, and the actions required to achieve these.

The Council is at the forefront of climate change strategy development in local government, with strategic aims to:

- Become a carbon neutral council by 2030; and
- Support partners, residents and local businesses to achieve carbon neutrality with an aspirational timeframe of 2030.

Housing and Property Services have a role to play in achieving both of these aims and aspirations, but are likely have a more significant impact on the target to become a carbon neutral council by 2030. To do this, the Council has set a target for “net zero” carbon emissions by 2030; this will involve:

- Achieving a 95% reduction in emissions by 2030; and
- Offsetting remaining emissions in 2030.

The Climate Emergency Action Plan identifies a number of actions required to achieve these targets. Actions with a direct impact on the HRA have informed the development of this Plan, are mainly contained in:

- Section 2 – The Built Environment;
- Section 4 – Energy, Carbon Capture, and Offsetting;
- Section 7 – The Natural Environment; and
- Section 9 – Adaptation and Resilience.

## Tenancy Strategy

The Localism Act 2011 brought in a requirement for local authorities to produce and publish a Tenancy Strategy, setting out matters which all registered providers of social housing in the area (including stock retained local authorities themselves) must consider when framing their own tenancy policies<sup>56</sup>.

In 2013, the Central Lincolnshire authorities of City of Lincoln Council, North Kesteven District Council and West Lindsey District Council published a joint Tenancy Strategy, with a key aim to make the best use of the social housing stock in order to provide homes from those households who are unable to meet their own housing needs within the Central Lincolnshire area<sup>57</sup>.

At the time of developing the Business Plan, the Tenancy Strategy is undergoing review; it is

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<sup>55</sup> <https://www.n-kesteven.gov.uk/residents/climate-action/>

<sup>56</sup> <https://www.legislation.gov.uk/ukpga/2011/20/part/7/chapter/2/crossheading/tenancy-strategies/enacted>

<sup>57</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/information-about-housing-in-north-kesteven/housing-strategies-and-policies/>

anticipated that the outcome of the review (expected in 2022) will be the development of a local authority specific Tenancy Strategy for each of the Central Lincolnshire authorities, and any emerging North Kesteven Tenancy Strategy will be used to inform future reviews of the Housing Services Tenancy Policy.

### **Supporting Independent Living Strategy (HPS)**

Over the lifetime of the previous Business Plan, an Older Persons' Housing Strategy<sup>58</sup> was in place, aimed to ensure that the Housing and Property Service effectively contributed to maximising the general wellbeing of older people, by providing housing and support to meet their needs, and ensuring they feel valued, respected, and part of a community. In line with the strategic planning cycle, this is subject to review, and will be relaunched in the first year of this Business Plan.

The Council recognises that the need for services to enable residents to live independently, safely and in a way that maintains wellbeing and quality of life is not limited to older persons, and therefore the scope of the strategy will be widened to consider the Council's approach to supporting independent living for all.

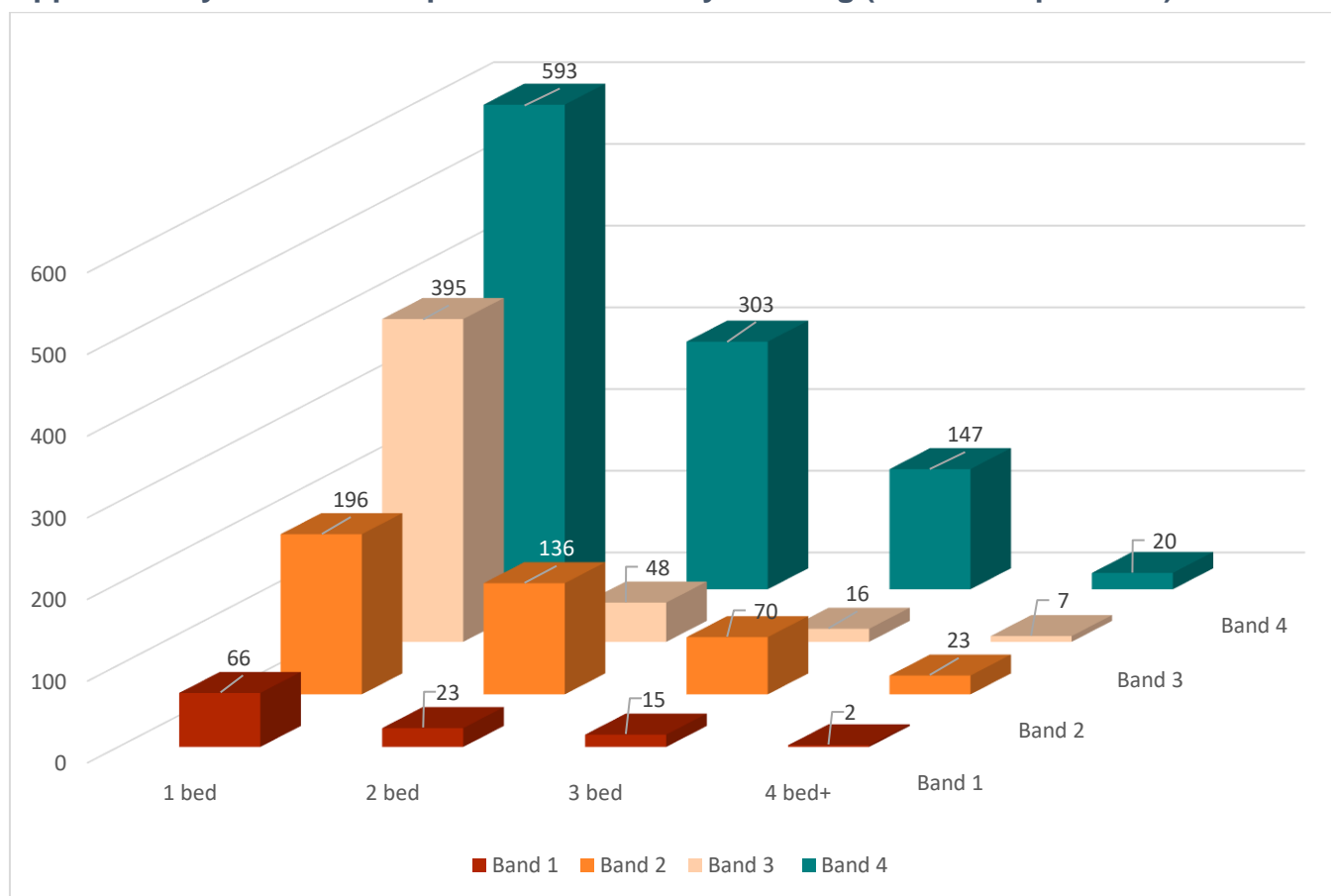
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<sup>58</sup> <https://www.n-kesteven.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=48164>

## 2.4. Housing Need & Housing Demand

As of the 1<sup>st</sup> April 2021, there were just over 2,000 applicants registered on Lincs Homefinder, the Council's choice based lettings system; of these, just under 1,500 have a local connection to North Kesteven, as determined by the current allocations scheme<sup>59</sup>. Nearly half of these applicants are not considered to be in housing need, with over 1,000 being placed in Band 4, the lowest priority band. Of the remainder, just over 500 applicants are assessed as Band 1 (urgent need to move) or Band 2 (high need to move), therefore it can be shown that housing need in the district is significantly lower than overall demand for affordable housing. The profile of our applicants is summarised below.

**Applicants by Bedroom Requirement & Priority Banding (as at: 1<sup>st</sup> April 2021)**



While there is demand for all sizes of accommodation, there is an increasing need for smaller homes, particularly for single people and couples without children.

<sup>59</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/i-want-to-be-a-council-tenant-in-north-kesteven/>



The following table compares details of the housing register as at 1<sup>st</sup> April 2021, to the housing register as at 1<sup>st</sup> April 2016, confirming the percentage change.

**Applicants by Bedroom Requirement & Priority Banding (as at: 1<sup>st</sup> April 2021; 1<sup>st</sup> April 2016; and percentage change)**

Beds Required	Banding	Band 1	Band 2	Band 3	Band 4	Total
1 bed	2021	66	196	395	593	1250
	2016	11	74	343	419	847
	(% change)	^ 500%	^ 165%	^ 15%	^ 42%	^ 48%
2 beds	2021	23	136	48	303	510
	2016	23	73	71	221	388
	(% change)	= 0%	^ 86%	v 32%	^ 37%	^ 31%
3 beds	2021	15	70	16	147	248
	2016	7	46	14	116	183
	(% change)	^ 114%	^ 52%	^ 14%	^ 27%	^ 36%
4 beds+	2021	2	23	7	20	52
	2016	1	12	1	31	45
	(% change)	^ 100%	^ 92%	^ 600%	v 35%	^ 16%
Totals	2021	106	425	466	1063	2060
	2016	42	205	429	787	1463
	(% change)	^ 152%	^ 107%	^ 9%	^ 35%	^ 152%

While there is generally demand for all types of accommodation, the identified need is largely for flats and smaller family houses.

However, a majority of properties that become vacant are bungalows, or larger family houses (see also Section 4.2.1).



## Applicants by Property Eligibility & Priority Banding (as at 1<sup>st</sup> April 2021)

<b>Property Eligibility</b> <i>(Applicants may be entitled to more than one type of property)</i>	<b>Band 1</b>	<b>Band 2</b>	<b>Band 3</b>	<b>Band 4</b>	<b>Total (Band 1 &amp; 2 only)</b>	<b>Total</b>
<b>House</b>	38	212	73	416	<b>250</b>	<b>739</b>
<b>Bungalow</b>	40	116	140	385	<b>156</b>	<b>681</b>
<b>Flat (ground floor)</b>	78	275	349	630	<b>353</b>	<b>1,332</b>
<b>Flat (above ground floor)</b>	59	266	291	669	<b>325</b>	<b>1,285</b>
<b>Maisonette</b>	24	116	86	330	<b>140</b>	<b>556</b>

## 3. Business Plan Analysis

The stock profile and tenant profile are key drivers of the Business Plan and are set out in this section, followed by a summary of the key tenant priorities that have been identified through engagement and consultation. These have been used to inform the overall Business Plan priorities, set out at the end of this section.

### 3.1. Our Homes

As at 1<sup>st</sup> April 2021, the Council owned 3,845 homes in the HRA, and managed 49 leasehold properties.

#### 3.1.1. Stock Profile & Condition

Of the 3,845 properties accounted for in the HRA, 3,829 are general needs properties (including over 300 located at former sheltered schemes) and 16 are specialist supported (Extra Care) properties, making the Council the largest provider of social housing in North Kesteven District.

The stock primarily consists of self-contained 1, 2 and 3 bed properties for general needs; the majority of 1 and 2 bed properties are bungalows, and the majority of 3 bed properties are houses. Bungalows with two bedrooms and houses with three bedrooms comprise over two thirds (68%) of the total stock.

#### Stock by Number of Bedrooms & Property Type (as at 1<sup>st</sup> April 2021)

Bedrooms	Bungalow	Flat	House	Maisonette	Total
1 bedroom	322	120	10	0	452
2 bedrooms	1,318	347	375	0	2,040
3 bedrooms	22	5	1,263	12	1,302
4 bedrooms	2	0	49	0	51
<b>Total</b>	1,664	472	1,697	12	3,845

The overall profile of property types within the housing stock remained relatively static over the lifetime of the previous Business Plan.

### Stock by Property Type (with historical changes – 2017-2021)

Date	Bungalow	Flat	House	Maisonette	Total
1 April 2017	1,655	469	1,734	11	3,869
1 April 2018	1,655	468	1,717	11	3,851
1 April 2019	1,656	467	1,696	11	3,830
1 April 2020	1,659	466	1,696	11	3,832
1 April 2021	1,664	472	1,697	12	3,845

The stock is generally in good condition, meeting current housing standards; however, the age profile combined with the relatively high proportion of non-traditional stock may present challenges for future investment.

### Stock by Age & Property Type (as at 1<sup>st</sup> April 2021)

Build Year	Bungalow	Flat	House	Maisonette	Total
Pre-1919	0	0	12	0	12
1919 -1944	22	0	505	0	527
1945 - 1964	480	201	968	12	1,661
1965 - 1982	949	201	78	0	1,228
1983 - 2002	162	17	3	0	182
Post-2002	51	53	131	0	235

### Stock by Major Repairs Allowance (MRA) Archetype<sup>60</sup> (as at 1<sup>st</sup> April 2021)

MRA Archetype	Properties	% of total stock
Pre-1945 small terrace house	17	0.4
Pre-1945 semi-detached house	332	8.6
All other Pre-1945 houses	172	4.5
1965-74 house	32	0.8
1945-64 large terrace house / semi-detached / detached house	389	10.1
Post-1974 house	172	4.5
All non-traditional houses	583	15.2
Pre-1945 low rise (1-2) storey flat	0	0

<sup>60</sup> The Major Repairs Allowance (MRA) Archetype is a categorisation of property types, derived from the Major Repairs Allowance depreciation methodology; see also footnote 61.

MRA Archetype	Properties	% of total stock
Post-1945 low rise (1-2) storey flat	281	7.3
Medium rise (3-5 storey) flat	203	5.3
High rise flat	0	0
Bungalow	1664	43.3

In addition to the 583 non-traditional houses identified by MRA Archetype above, the Council also owns a number of flats and bungalows of a non-traditional construction type that are not reflected in the MRA Archetype categorisation.

Overall, over a fifth (22%) of homes owned by the Council are of a non-traditional construction type: 37% of houses, 23% of flats, and 7% of bungalows.

#### Stock by Property Type & Construction Type (as at 1<sup>st</sup> April 2021)

Construction Type	Bungalow	Flat	House	Maisonette	Total
Airey	0	0	200	0	200
Cornish	46	20	203	0	269
Gregory	12	84	3	0	99
Kencast	18	0	0	0	18
Pre-Fab	13	0	0	0	13
Spooner	6	0	108	0	114
Swedish	0	0	14	0	14
Trusteel	19	4	18	0	41
Unity	10	0	6	0	16
Wates	0	0	68	0	68
<b>Total - Non-Traditional Construction</b>	<b>124</b>	<b>108</b>	<b>620</b>	<b>0</b>	<b>852</b>
Agricultural	0	0	3	0	3
Passive	0	0	2	0	2
Traditional	1,540	368	1,068	12	2,988
<b>Total – Traditional Construction</b>	<b>1,540</b>	<b>368</b>	<b>1,073</b>	<b>12</b>	<b>2,993</b>

Finally, while a majority of properties benefit from gas heating, this is not an option for properties located in the many settlements within the District where there is no connection to the gas mains.

#### Stock by Heating Type & Property Type (as at 1<sup>st</sup> April 2021)

Heating Type	Bungalow	Flat	House	Maisonette	Total
Gas	1133	460	1048	12	2,653
Electric Storage	408	9	28	0	445
Oil	41	1	118	0	160
Solid Fuel	9	0	437	0	446
Air Source Heat Pump	71	2	59	0	132
Ground Source Heat Pump	2	0	3	0	5
Log Burner	0	0	4	0	4

#### 3.1.2. Stock Valuation

In line with the relevant guidance<sup>61</sup>, the Social Housing – Existing Use Value (EUVSH) is the basis for valuing the Council’s residential properties within the HRA. This involves undertaking a market valuation, then applying an adjustment factor (determined by region) to reflect that the property is socially rented (i.e. reflecting factors such as security of tenure for the tenant, and being let at less than market rent). In the East Midlands, the adjustment factor is 42%.

In 2021 an open market valuation of the Council’s housing stock was undertaken by a RICS qualified Valuer, and the value as at 31<sup>st</sup> March 2021 was £392,734,000. After applying the adjustment factor of 42%, the EUVSH adjusted value was £166,230,000. The Council’s policy is to carry out a full revaluation every five years, with interim annual desktop valuations.

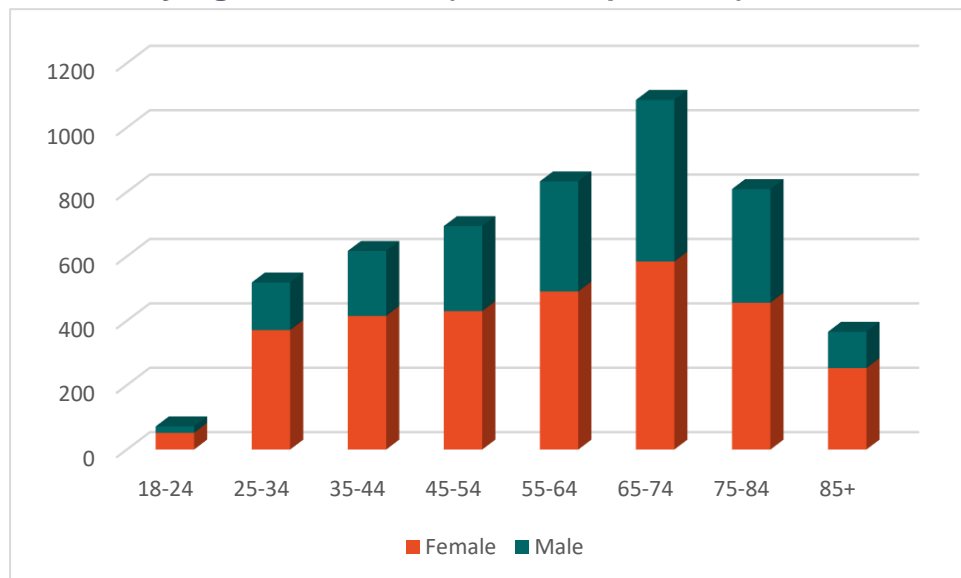
<sup>61</sup> <https://www.gov.uk/government/publications/stock-valuation-for-resource-accounting-2016-guidance-for-valuers>

## 3.2. Our Tenants & Residents

### 3.2.1. Tenant Profile

The profile of tenants (as at 1<sup>st</sup> April 2021) significantly differs from the general profile of the population in the district.

#### Tenants by Age and Gender (as at 1<sup>st</sup> April 2021)

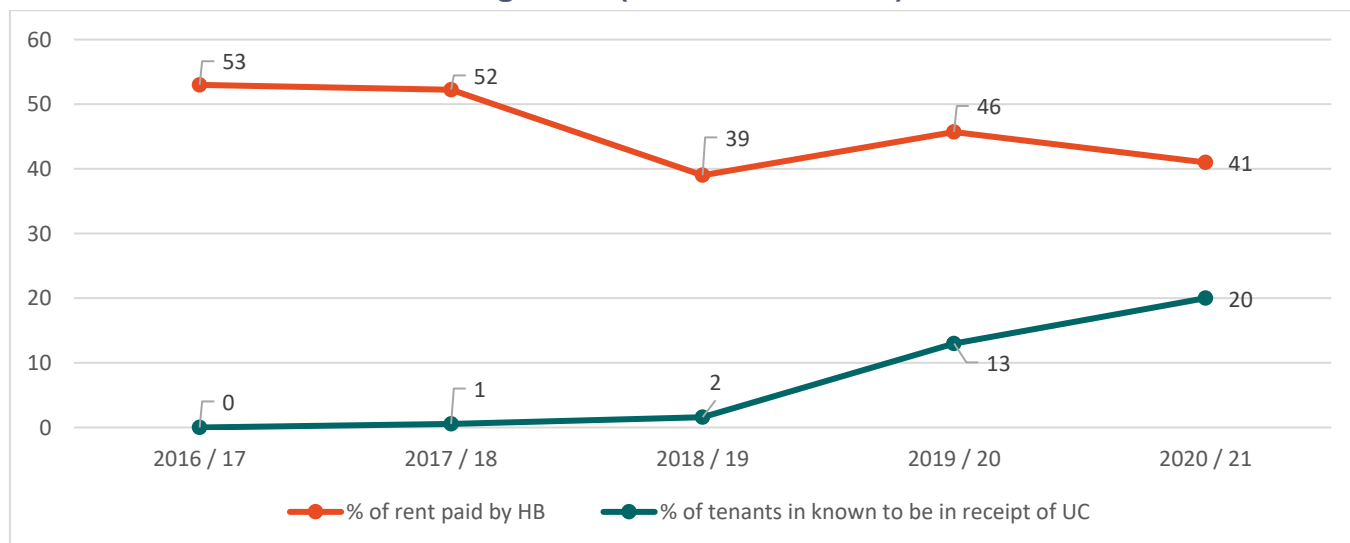


As at 1<sup>st</sup> April 2021, nearly half of tenants (45%) are over 65 years old, and nearly a quarter (24%) are over 75 years old, with a majority of households consisting of 1 or 2 people.

61% of tenants are female, and 39% are male.

Although take up of Housing Benefit has reduced overall since the introduction of Universal Credit, well over a third (41%) of rent was paid by Housing Benefit in 2020/21, while a fifth (20%) of tenants are known to be claiming Universal Credit. As such, over half of tenants are receiving some form of assistance with their housing costs.

#### Rates of assistance with housing costs (2016/17 – 2020/21)



Further information on the diversity profile of tenants is captured in the annual Housing and Property Services Equality & Diversity statement.

### **3.2.2. Tenant Priorities**

Tenants have been closely involved in developing this Plan, in line with the Council's current approach to tenant participation.

#### **Roadshows & Initial Questionnaire**

In Autumn 2019, a series of roadshows were held to engage with tenants across the district in order to establish their main concerns for the future. A pilot questionnaire was developed to capture tenants' views at these events, and over the eight roadshows arranged, 68 tenants attended and completed the questionnaire. Their comments and queries were used to inform minor amendments to the questionnaire to gain further insight on issues raised at the roadshows.

The revised questionnaire was sent out to all tenants in early 2020 as part of the Survey of Tenants and Residents (STAR), to which 30.9% (n1175) tenants responded. For ranking questions, weighted average methodologies (appropriate to the format of each question) were applied to the results to ensure the overall sentiment expressed by tenants was captured as accurately as possible. The outcomes of the roadshow and STAR surveys were then compared; for each question, across both surveys, tenants had generally identified the same three priority items for each question across both surveys, although there were some slight differences in rank. The significantly higher response rate for the STAR survey gives better assurance on the resulting data, and therefore the results provided here reflect the rankings determined from the STAR results.

#### **Follow Up Questionnaire & Facebook Polls**

In Summer 2020, the tenant priorities identified through the roadshows and STAR results were analysed and collated, and the resulting list of priorities drawn up. This list formed the basis for a follow up survey, to check the correct priorities had been identified, and seek tenant views on options for addressing the identified priorities; this was distributed to all tenants in late 2020. In addition, individual questions were put to digitally engaged tenants through polls held on the NK Housing Facebook page.

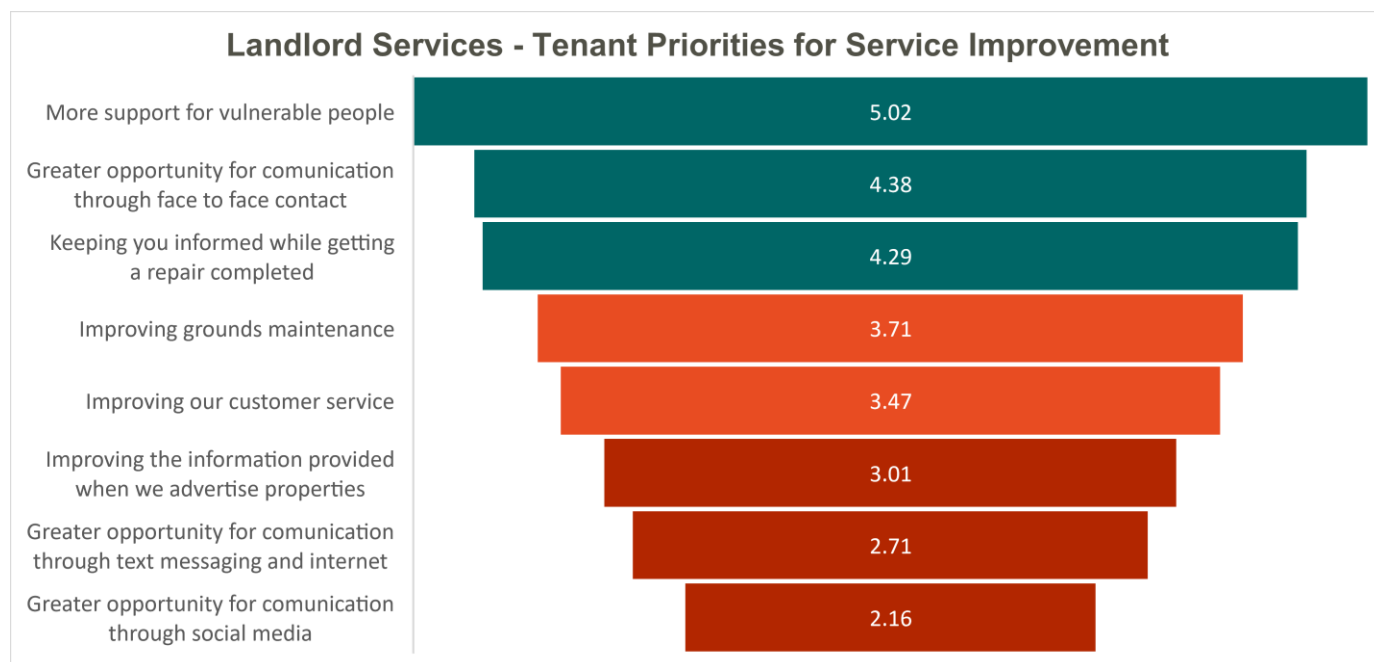
Overall, just over 9% (n340) of tenants responded to the follow up questionnaire or Facebook poll; while the resulting additional insight is useful, regard must be given to the fact that, as fewer than 1 in 10 tenants chose to participate, the views expressed may not necessarily be representative of the wider tenant base.

#### **Tenant Liaison Panel**

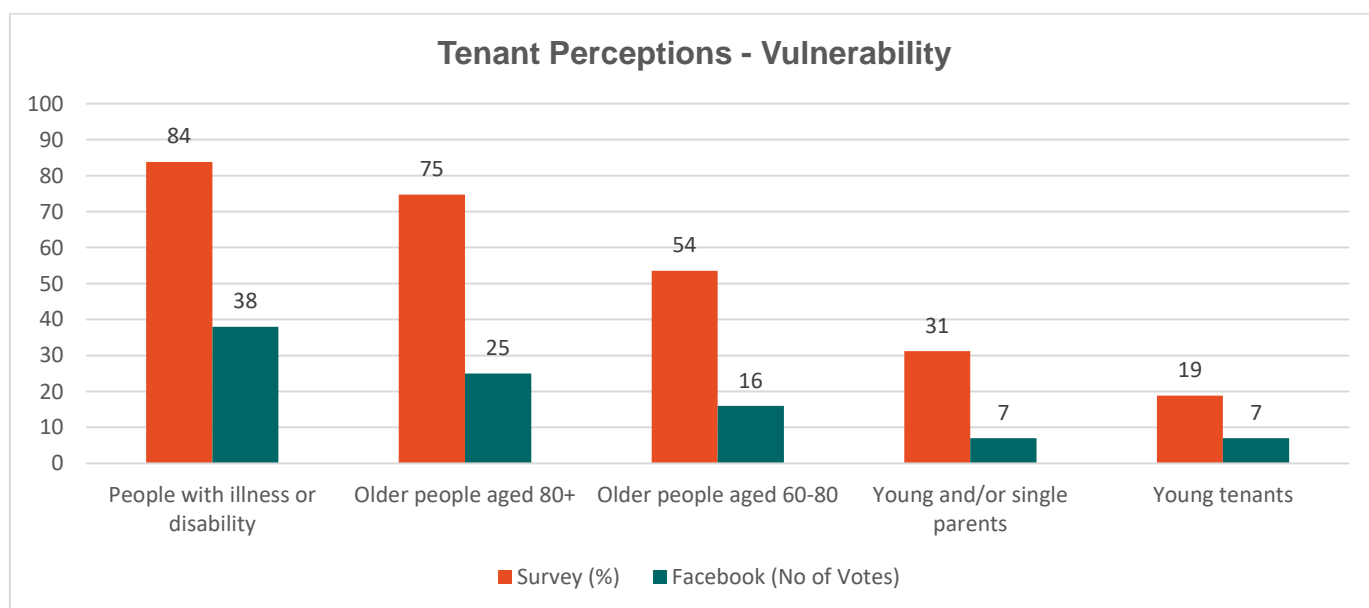
The Tenant Liaison Panel has had a dual role in the development of this Plan. First, it has considered, and provided external validation of the main concerns identified by our tenants. Second, it has formally considered and supports the draft HRA Business Plan for recommendation to the Council.

## Tenant Priorities for Service Improvement – Landlord Services

While the sector (and corporate) trend has been to move towards more digital communication, North Kesteven's tenants place significantly higher value on greater opportunity for face to face communication than for communication via text messaging, the internet or social media.

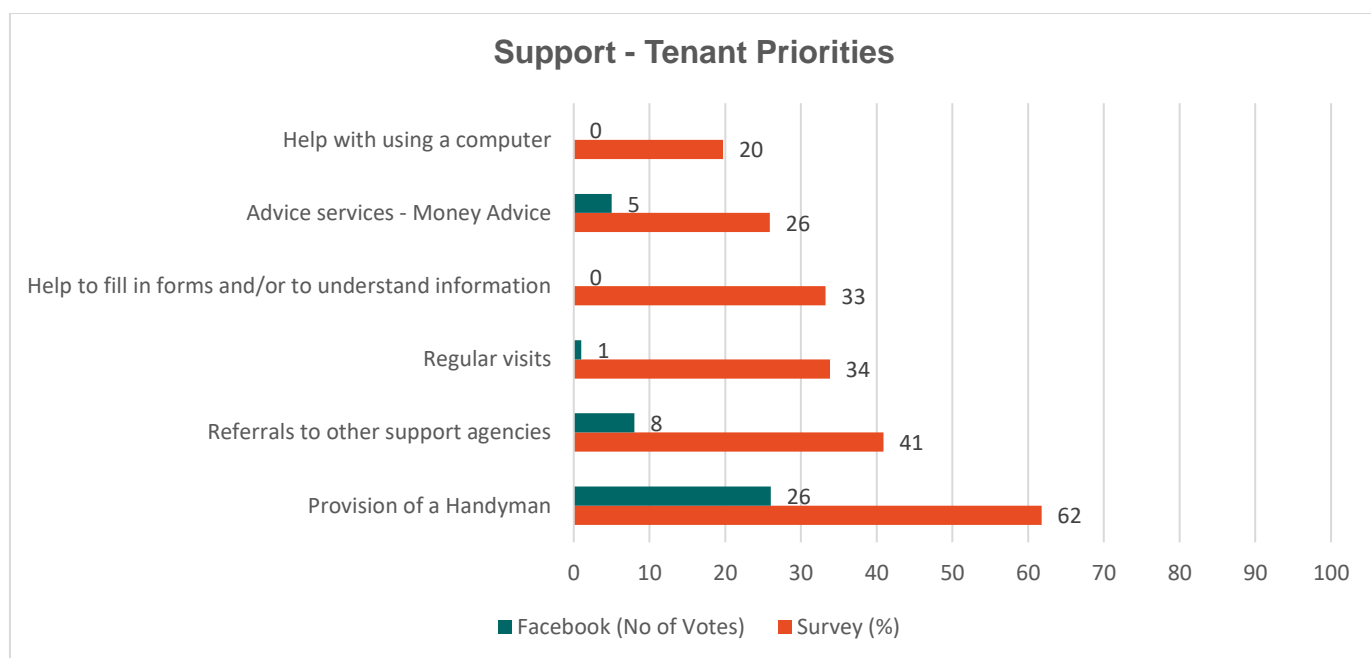


Given the overwhelming backing for “More support for vulnerable people” as the top priority for landlord services, additional questions were included in the follow up survey to further clarify what was meant by this, seeking to identify exactly who tenants understand “vulnerable people” to mean, and what additional support they felt would be most beneficial.



A significant majority of tenants who responded consider that people of any age with an illness or disability, along with people aged over 80, are vulnerable and in need of more support. The types of support that tenants felt would be most beneficial are detailed overleaf.

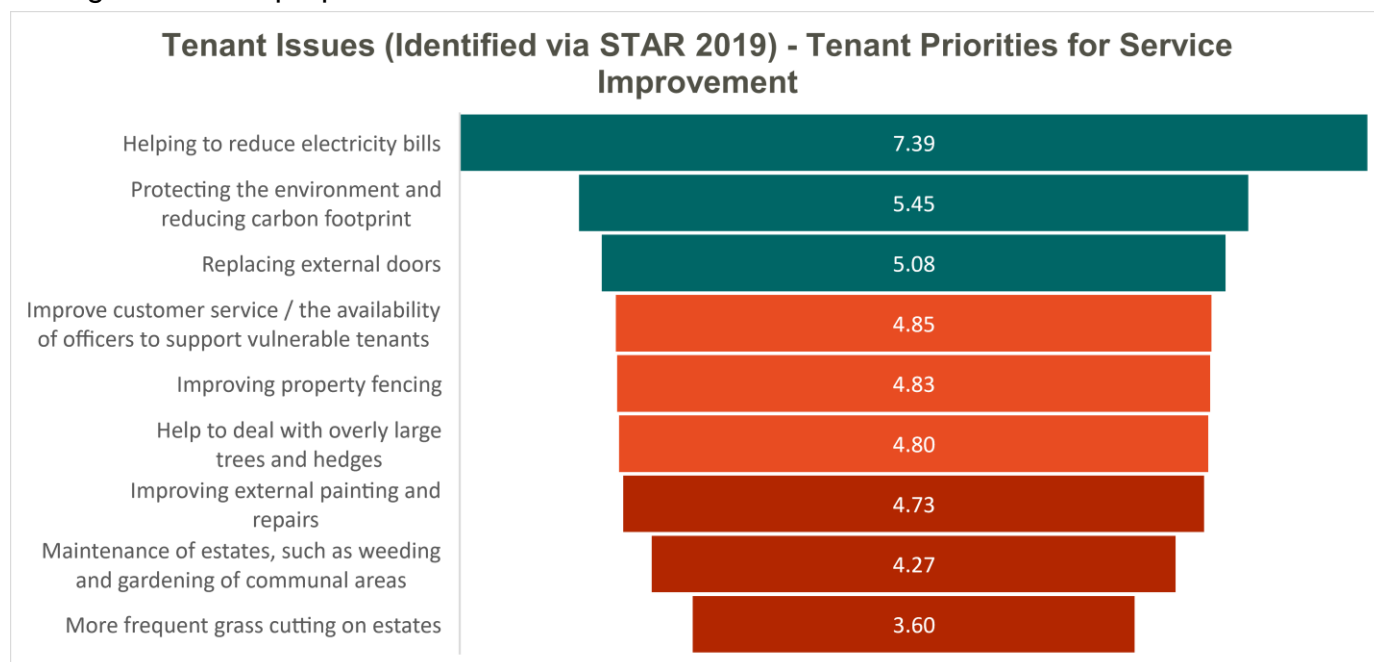




As the top two tenant priorities for support – provision of a Handyman, and referrals to support agencies – are services already available to tenants, this demonstrates that additional publicity of existing services should be explored. The preference identified for regular visits is a recurring theme, explored in further detail later in this section.

### Tenant Priorities for Service Improvement – Tenant-Identified Issues

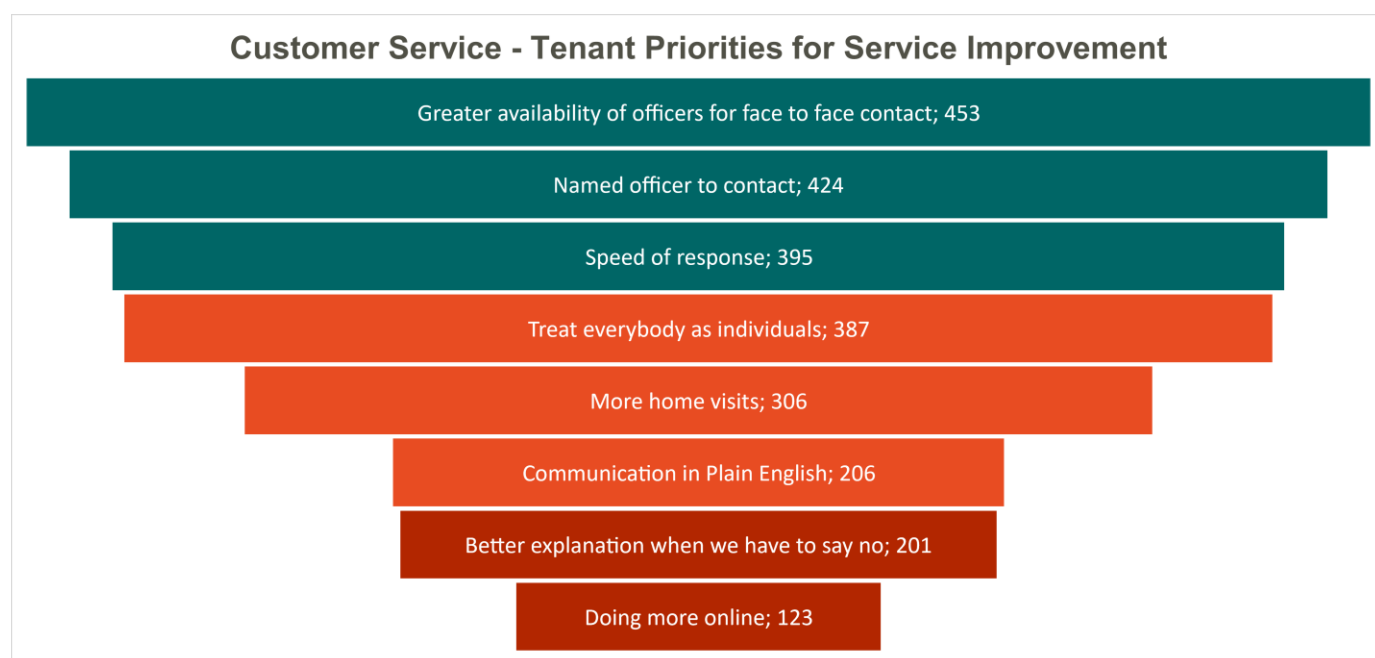
Using the common issues raised by tenants in the previous year's STAR (2019), tenants were asked to rank each issue in order of importance for them; energy efficiency, reducing the carbon footprint and issues of potential fuel poverty feature highly in the tenant sentiment. Accompanying comments provided suggest energy efficiency is also a factor in the high ranking of replacement of external doors, particularly where tenants may have doubled glazed windows installed, but their doors remain wood framed and / or single glazed leading to avoidable energy leakage from their properties.



91% of tenants responding to the follow up survey agreed that the correct three priorities had been identified, along with all 36 tenants who responded to the same question posed on the NK Housing Facebook page. This focus on energy efficiency is also reflected in the Tenant Priorities for Investment in Existing Properties, explored in further detail later in this section.

### **Tenant Priorities for Service Improvement – Customer Service**

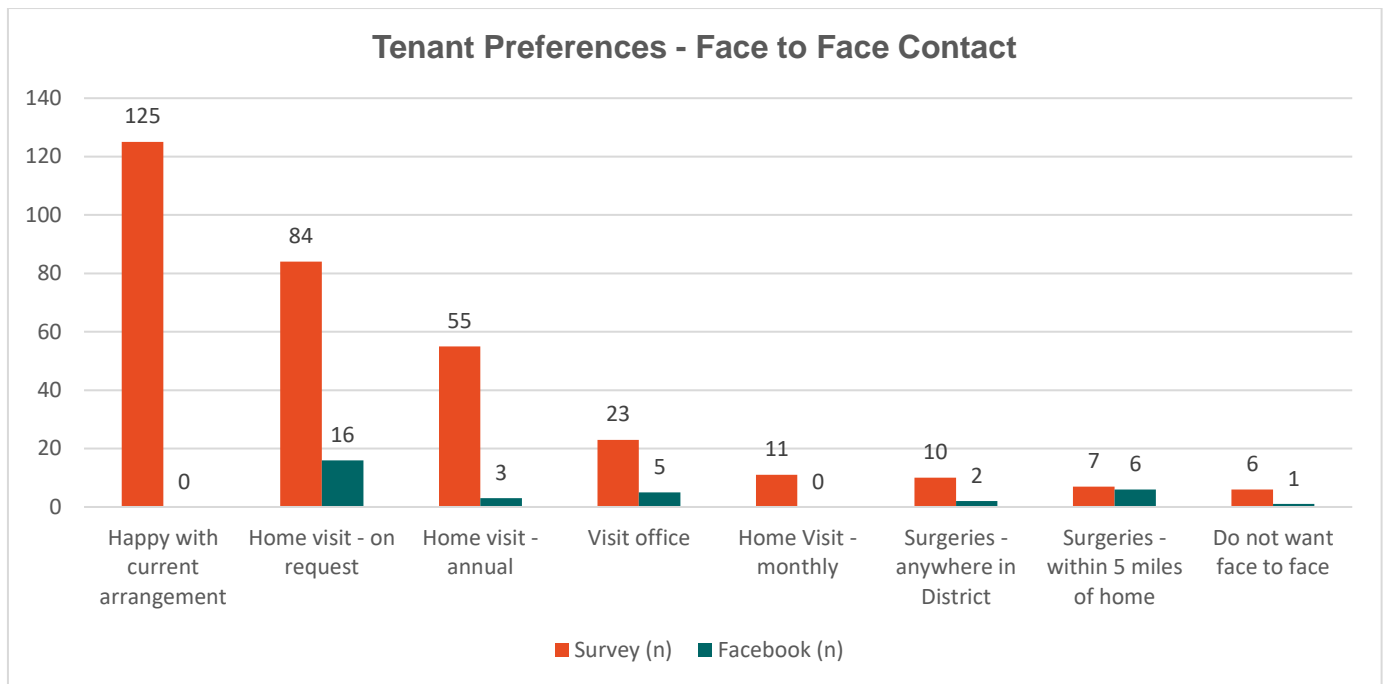
Tenants responding to the 2020 STAR who had ranked “Improve customer service / availability of officers to help and support vulnerable tenants” in their top four tenant-identified issues were asked to complete an additional question, requesting they choose up to three aspects of customer service they felt most needed improvement.



While a smaller number of tenants identified “doing more online” as a priority, almost four times as many identified “greater availability of officers for face to face contact”, and this was closely followed by have a “named officer to contact”. This underlines the sentiment expressed in previous questions of a general preference for personal, face to face contact rather than a digital first approach.

For each of the top three priorities identified for improvement of customer service, a further question was included in the follow up survey to provide additional insight and context.

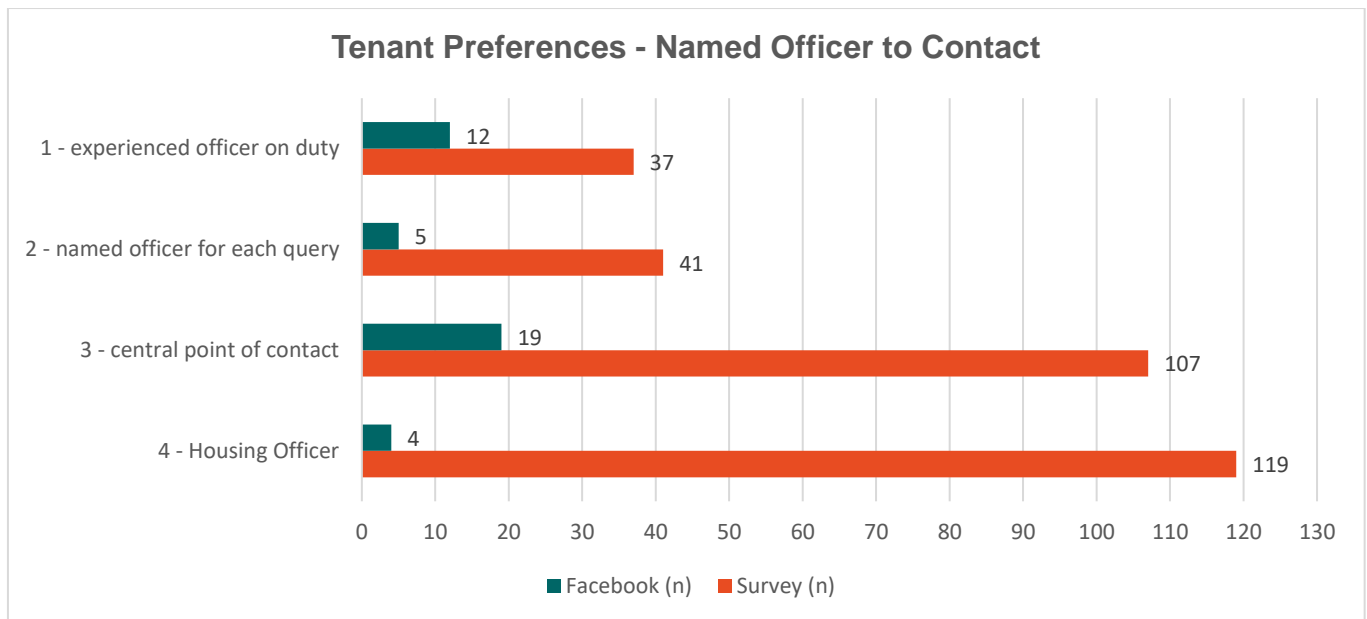
Tenants were asked to either confirm that they were happy with the current arrangement for face to face contact (where, on request, tenants can come into the offices or will be visited at home) or choose one alternative from a list of alternative methods of provision for face to face contact.



While the results suggest that many tenants are happy with the current arrangement, more than half of tenants responding to the survey expressed a preference for an alternative. Given the variety of views expressed and the differing picture emerging from different survey methods (while a majority of tenants responding to the follow up survey were happy with the current arrangement, this option received no votes on Facebook), further investigation into tenant preferences for face to face contact, including additional analysis of correlation between specific preferences and tenant profiles will be required to inform further service development in this area, to ensure that the services we deliver are further tailored to the diverse needs of our tenants.

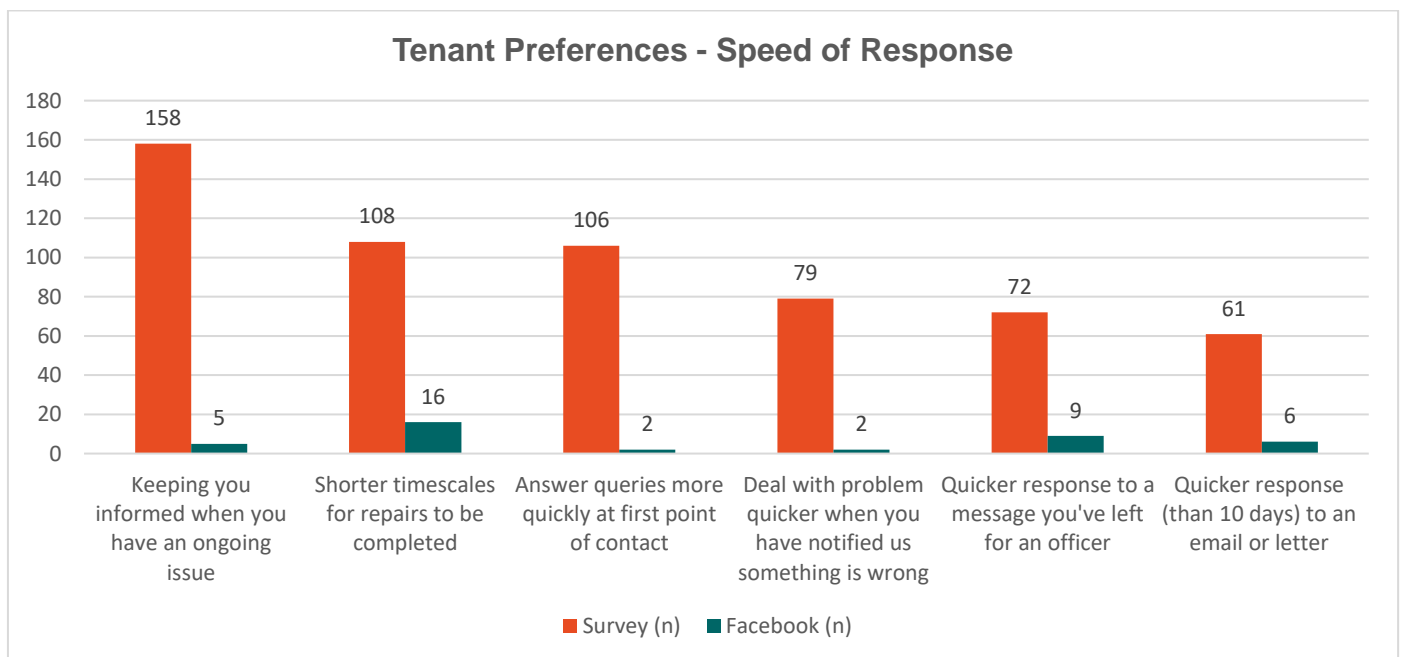
Tenants were also asked for further detail on what the named officer to contact meant to them, with four main options to choose from:

1. An experienced officer on duty for each section;
2. To be given the name of an officer to contact for each query you contact us about;
3. A central point of contact who can refer you to the person that can deal with your query, and/or chase up queries if necessary; or
4. The Housing Officer for the area you live in.



A number of services within Housing & Property currently utilise a duty officer system; as this was the least preferred option, these results confirm that our current approach to customer service is now in need of review; further analysis of correlation between specific preferences and tenant profiles will be required to inform further service development in this area.

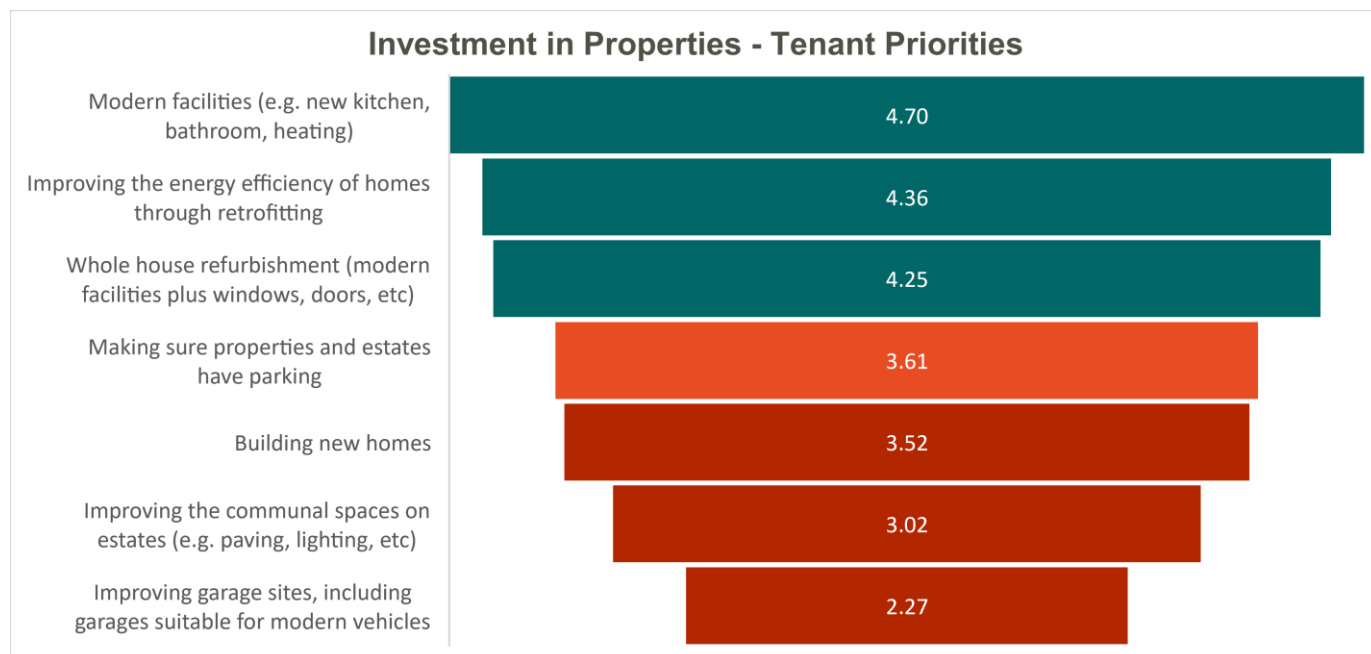
Finally, in relation to speed of response, tenants were asked what they felt Housing and Property Services need to respond to more quickly. Currently, the service aims to respond to telephone calls within 24 hours, and emails and letters within ten days.



This insight will be particularly useful in informing a future review of our overall customer service provision, including those aspects currently provided corporately. The preference for quicker completion of repairs will also need to be considered as part of any future changes (including contractual) to responsive repair provision.

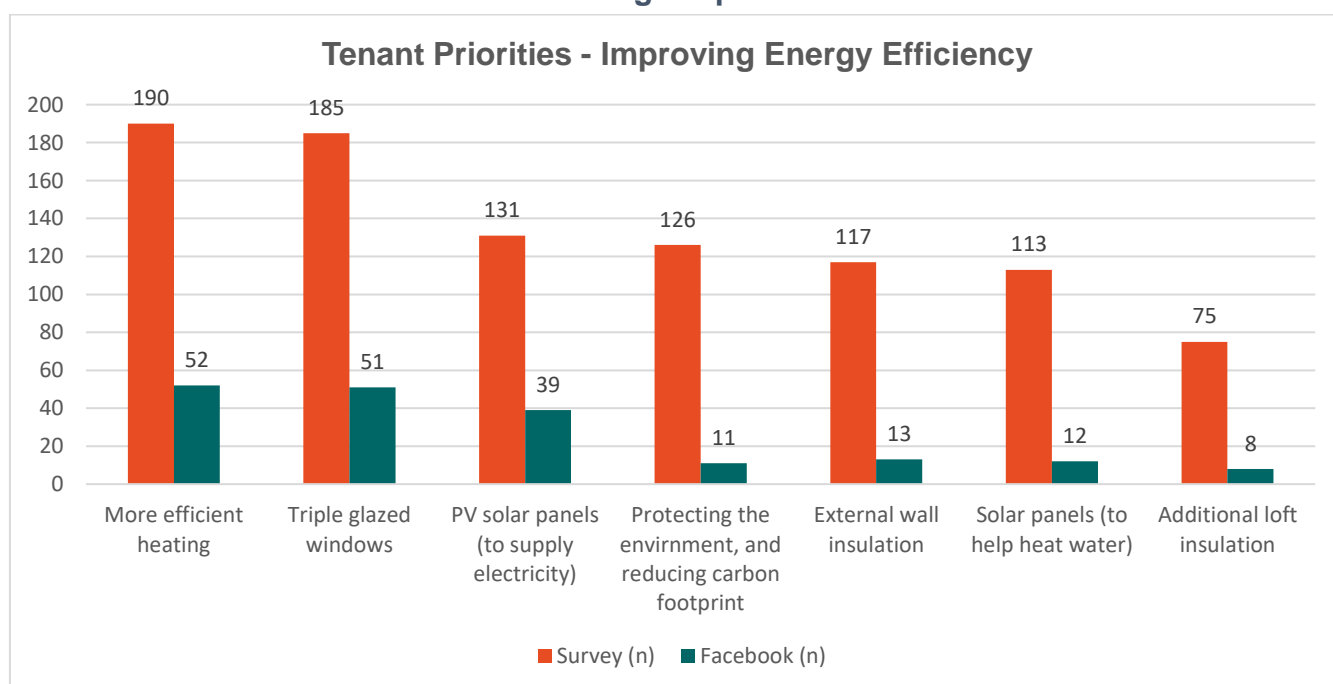
## Tenant Priorities for Investment

Tenants' views have also been sought on future investment, both in existing properties and the provision of new homes, to establish their priorities for investment in existing properties, and benefit from their lived experience of residing in a North Kesteven home to inform the authority's understanding of tenant considerations for the design of new properties.



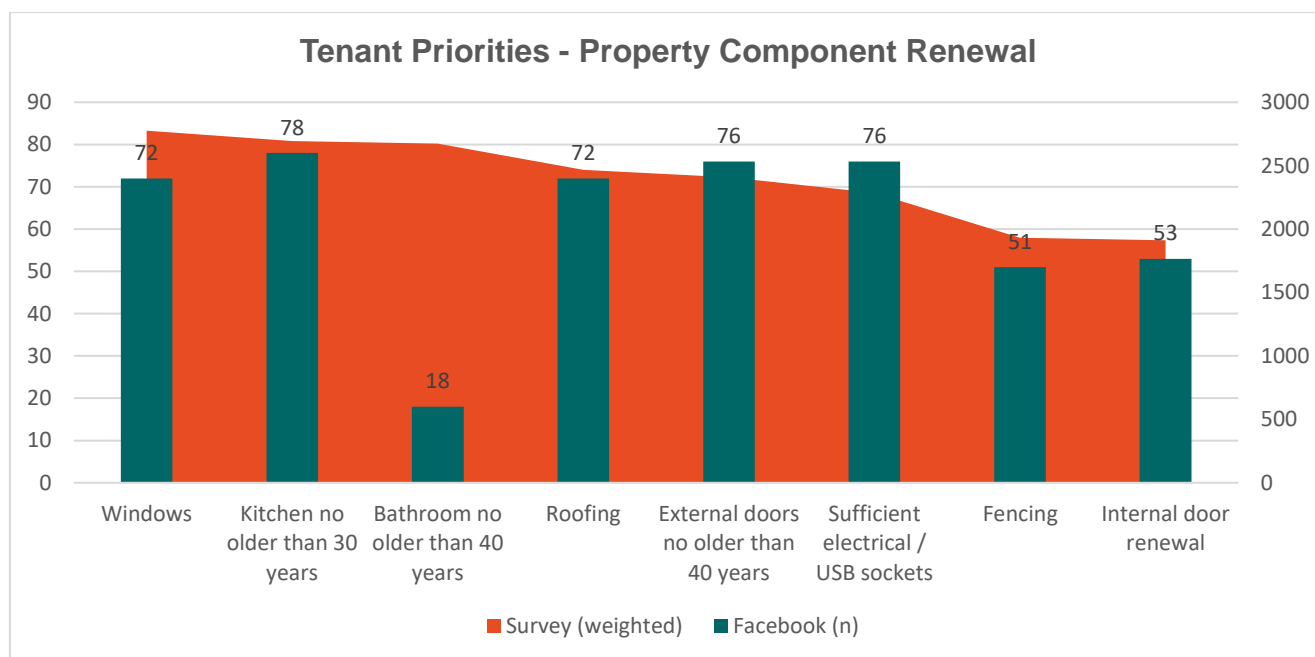
Following the trend of the previous questions, energy efficiency again features highly in tenant priorities, second only to modern facilities. For each of the top three priorities identified, an additional question was included in the follow up survey and put to poll on Facebook to gain tenants' views on prioritisation of the work required.

## Tenant Priorities for Investment – Existing Properties

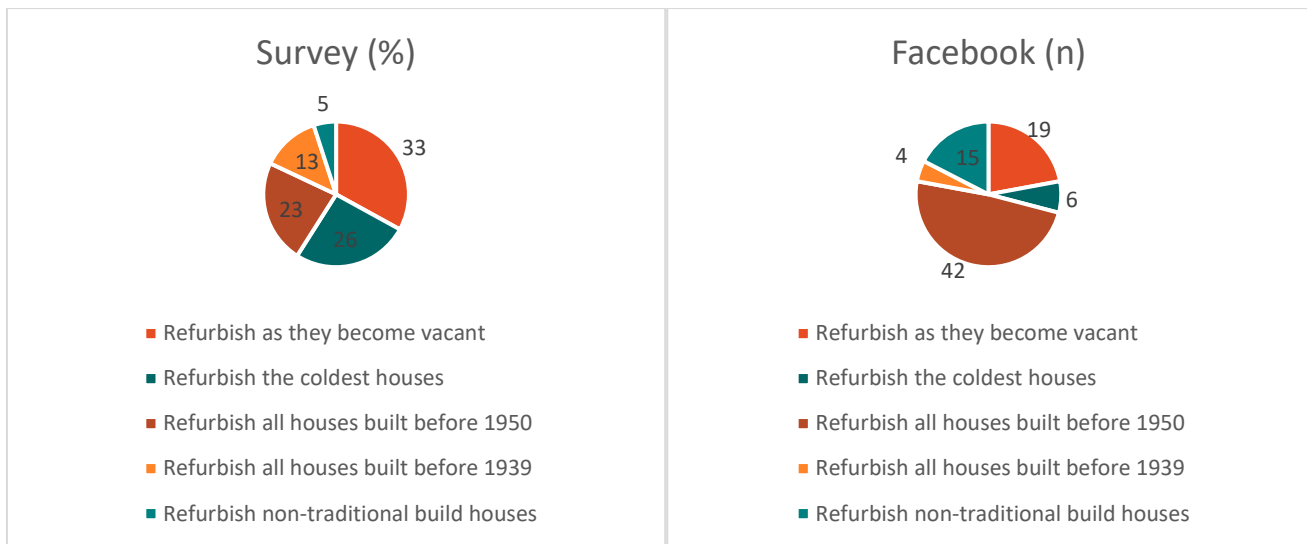


Across both the survey and Facebook polls – each of which requested tenants to choose their top three measures – a significant preference was expressed for more efficient heating, and triple glazed windows. Facebook respondents also expressed a particular preference for the third ranked priority (PV solar panels to supply electricity), whereas the follow up survey found similar levels of support for this and the next three ranked items.

Tenants were next asked to prioritise replacement of individual property components (with the results weighted accordingly), as well as confirming their preferences in relation to whole house refurbishment.

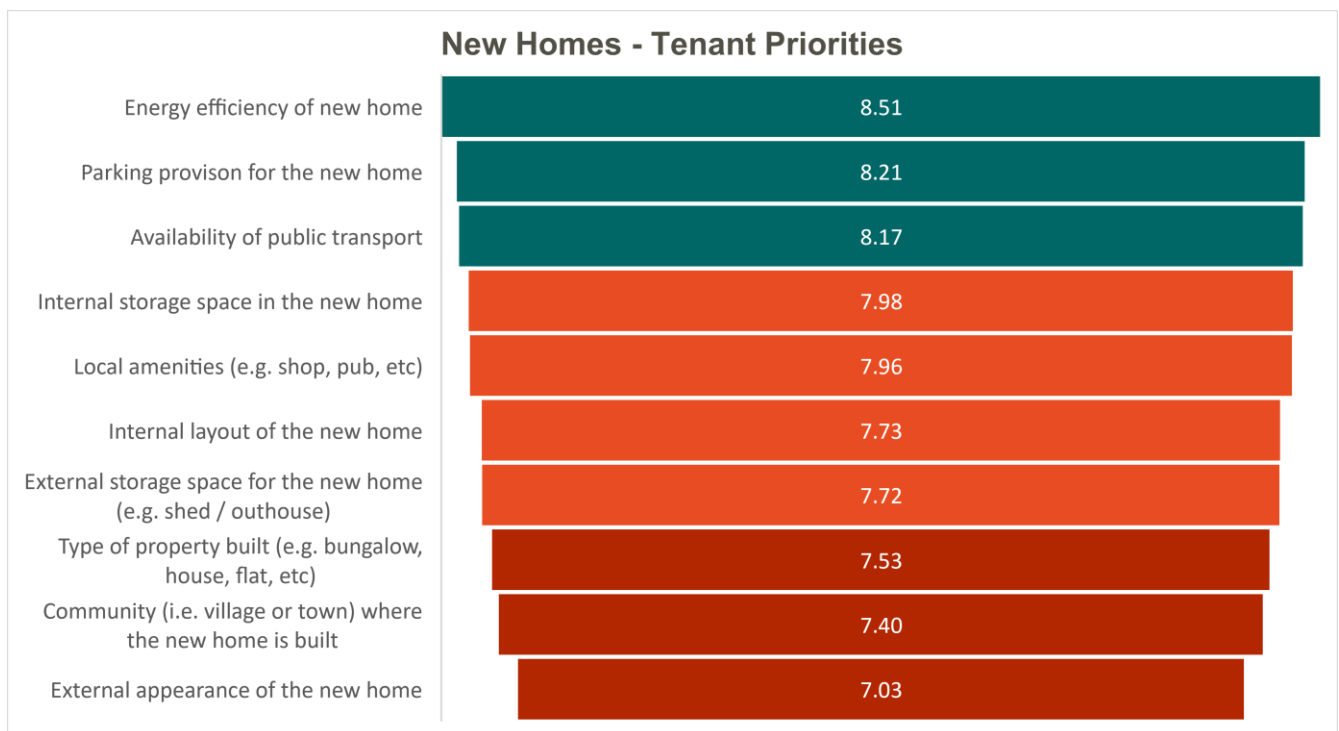


Tenants were next asked how whole house refurbishments should be prioritised; significantly different preferences were expressed in the Facebook polls than the follow up survey, as shown below. Tenants were also asked whether whole house refurbishment should bring properties up to present building regulation standards, or a higher standard (such as retrofit Passivhaus). Again, the results differed across both engagement methods, with a significant majority (39 of 44) of tenants polled on Facebook feeling properties should be brought up to present building regulation standards only, whereas over half (53%) of tenants responding to the follow up survey feeling that properties should be brought up to a higher standard (shown overleaf).



### Tenant Priorities for Investment – New Homes

Finally, tenants were asked to prioritise various considerations that may apply to the provision of new homes. Energy efficiency was the top priority identified by tenants, and these results have also informed the New Build Delivery Plan accordingly. It is interesting to note the fairly consistent scores generated across all options provided, suggesting that tenants do not have a strong preference for specific priorities in relation to provision of new homes, but see all considerations as broadly of equivalent importance.



88.2% of tenants who responded to the follow up survey, and 98.2% of tenants polled on Facebook agreed that the top three factors identified above were the correct priorities when building new Council homes.

### 3.3. Business Plan Priorities

The HRA Business Plan supports the following Ambitions within the NK Plan:

Priority	Ambitions
<b>Our Communities:</b>	<ul style="list-style-type: none"> <li>• <b>Promoting participation and engagement within our communities as well as recovery from the impacts of Covid-19</b></li> <li>• Supporting partnership health strategies including the Homes for Independence Blueprint as part of our provision of effective and efficient support services for our residents</li> <li>• Work with our communities towards a clean, safe and inclusive district</li> </ul>
<b>Our Environment:</b>	<ul style="list-style-type: none"> <li>• <b>Champion greenhouse gas reduction both within the Council and across the district</b></li> <li>• Research and promote adaptations needed to increase resilience to climate change</li> <li>• Develop biodiversity across the district and support natural carbon capture</li> </ul>
<b>Our Homes:</b>	<ul style="list-style-type: none"> <li>• Provide high quality services for both housing and tackling homelessness</li> <li>• Maintain, improve and future-proof housing</li> <li>• Deliver the Local Plan, increasing the supply of sustainable housing</li> </ul>
<b>Our Council:</b>	<ul style="list-style-type: none"> <li>• <b>Deliver high quality, value for money services</b></li> <li>• Ensure our Council is financially resilient</li> <li>• Be open and accountable</li> <li>• Maintain a strong focus on our customers</li> </ul>

Analysis of Housing Revenue Account features and activities in the strategic context of both the external and internal operating environments has established the following priorities for this Business Plan:

- Maximising rental and service charge income, while also providing sufficient and appropriate support for tenants and residents experiencing hardship;
- Maintaining quality homes and neighbourhoods, that are safe and secure to live in;
- Meeting housing need, ensuring properties are affordable and meet the needs of tenants, through:
  - the provision of new homes;
  - ensuring best use of existing stock; and
  - using innovative approaches to reduce the incidence of existing homes for which there is little or no demand;



- Responding to the Climate Emergency, improving the energy efficiency of council properties within the specified timescales while also considering wider estate environmental improvements;
- Responding to the provisions of the Charter for Social Housing Residents and emerging Building Safety legislation, ensuring continued compliance with current and future regulatory and legislative requirements;
- Continual improvement of the services offered to tenants and residents, ensuring the Housing and Property service is responsive to their diverse needs;
- Delivering an effective response to the specific key challenges identified, within the resources available.

The key challenges in delivering the Business Plan Priorities are explored in further detail in the following chapters, and actions to address these challenges are set out in Appendix 1.

## 4. Housing Services

### 4.1. Housing Register

The Council has a housing register, Lincs Homefinder<sup>62</sup>, for all applicants seeking social and affordable housing in North Kesteven. This register is maintained within the Housing Options Team. The Lincs Homefinder Lettings Policy is choice based, and defines how applications will be assessed and prioritised, as well as setting out how properties will be allocated; both new applications for housing and transfer applications from existing tenants are subject to the Policy<sup>63</sup>. Most Council owned accommodation will be let in accordance with this Policy; specific exceptions include specialist extra care units, and flexible tenancy reviews. Vacancies are advertised with details of facilities, rent, charges and tenancy type.

### 4.2. Tenancy Management

The majority of tenancy management services are provided in the Neighbourhood Services team.

#### 4.2.1. Allocations, Lettings & Mutual Exchange

On average, the Council re-lets approximately 300 vacant properties per year, equating to around 8% of the overall housing stock. While there is mainly demand for all types of accommodation, the identified housing need is largely for flats and smaller family houses; however, a majority of properties that become vacant are bungalows, or larger family houses.

Once allocated a tenancy, both the Housing Options and Neighbourhood Services teams work closely with the prospective tenant(s) prior to viewing, to understand their needs and make an assessment on affordability, to aid their transition. An escorted internal viewing is available, prior to prospective tenants deciding whether to accept the offer of the tenancy.

Some vacant properties experience a particularly low level of demand, variously due to the location, configuration, eligibility criteria, or a combination of one or more of these. Local Lettings Policies have provided a mechanism to address this, but have been insufficient in some areas. Alternative options to increase the desirability of such properties, such as converting properties to meet the identified need for specific areas, will therefore be considered in the future.

Mutual exchanges are actively promoted; the Council subscribes to HomeSwapper<sup>64</sup> as a means to enable tenants to access accommodation that meets their needs.

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<sup>62</sup> <https://www.lincshomefinder.co.uk/>

<sup>63</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/i-want-to-be-a-council-tenant-in-north-kesteven/>

<sup>64</sup> <https://www.homeswapper.co.uk/>

## Re-Lets by Property Type & Size – 2016/17 – 2020/21

Property Type & Size	2016/17	2017/18	2018/19	2019/20	2020/21	Total
1 bed bungalow	19	40	26	30	27	142
2 bed bungalow	96	101	89	109	83	478
3 bed bungalow	0	1	1	3	0	5
1 bed flat (ground floor)	5	6	10	6	6	33
2 bed flat (ground floor)	6	18	13	8	6	51
3 bed flat (ground floor)	0	2	0	1	0	3
1 bed flat (above ground floor)	17	11	17	9	3	57
2 bed flat (above ground floor)	25	39	28	22	16	130
3 bed flat (above ground floor)	0	1	2	1	0	4
3 bed maisonette	3	2	3	0	2	10
1 bed house	0	0	3	3	1	7
2 bed house	20	25	24	37	26	132
3 bed house	57	67	69	94	33	320
4 bed house	1	5	2	6	2	16
<b>Total</b>	<b>249</b>	<b>318</b>	<b>287</b>	<b>329</b>	<b>205</b>	<b>1388</b>

### 4.2.2. Sustainment

As a landlord, the Council recognises that there are many contributing factors to tenancy sustainment, and invests in a variety of tools to enable tenants to live independently.

The Council's Money Advice Service prioritises Council tenants for assistance with income maximisation and debt management.

Within Neighbourhood Services, a team of in-house Tenancy Sustainment Officers provide flexible and practical assistance to tenants who have been identified with additional needs that could potentially risk their tenancy. Types of support provided include (but not limited to): income maximisation; rent payment management support; assistance with improving property condition; support for setting up first homes, and homes for those who have previously been homeless or experienced domestic abuse; and support for residents at former sheltered housing schemes. Where appropriate, referrals are able to be made to a range of external agencies to provide tenants with support, assistance and advocacy, which includes signposting to appropriate agencies for more intensive support where this is required.

Over the lifetime of the previous Business Plan, demand for tenancy sustainment support increased significantly; in 2016, less than 100 tenants were supported by the service, but by 2021 this had increased to over 400.

#### **4.2.3. Enforcement**

As described above, the Council's aim is to enable the sustainment of successful tenancies, and Housing Services will work with tenants to address any breaches in tenancy conditions. Where it is not possible to resolve an issue, or an issue is considered to be serious, appropriate enforcement action will be taken. The Anti-Social Behaviour (Housing) Policy Statement<sup>57</sup> is a document setting out how Housing Services will respond to unacceptable behaviour, in conjunction with other teams within the Council such as Community Safety / Anti-Social Behaviour, Environmental Protection, Licencing and Building Control.

#### **4.2.4. Neighbourhood Management**

The role and impact of the wider environment on estates is recognised and valued. The Council aims to have communal and open spaces to be proud of, and that are of value to the local residents. A budget is available to maintain and improve these areas, along with contracts for grounds maintenance, and investment has been made in a full time general maintenance officer, responsible for undertaking regular inspections, and improving and maintaining these areas. The Managing Our Estates policy<sup>57</sup> sets out what tenants can expect from the Council as the landlord in managing these locations.

### **4.3. Income Management**

Income management services are primarily provided by the Income Management team, and the Neighbourhood Services team.

#### **4.3.1. Income Policy**

The Income Policy<sup>57</sup> sets out how the Council will set, communicate, collect and enforce payment of rent and other housing-related charges. Monies owed to the Council are public funds, and Housing Services therefore take their responsibility to collect all monies due seriously. Non-payment will be pursued through the relevant channels, whilst also offering appropriate support to those who have genuine difficulty in paying.

#### **4.3.2. Payment Culture**

The Council recognises that in order to maximise the collection of income due, it must promote a culture in which tenants and customers understand and accept their obligation to meet their

debts. It aims to actively develop and facilitate a culture where customers understand and act upon their responsibility to meet their financial obligations. Key principles that underpin this culture are:

- Rent is a priority debt;
- The prioritising of other debts will not be accepted as a reason for non-payment of rent;
- Tenants have responsibility for payment of their rent;
- Active engagement between tenants and Council officers is nurtured;
- Tenants should take every possible opportunity to improve their financial situation; and
- The Council supports tenants who are struggling.

#### **4.3.3. Financial Assistance**

The Council recognises that very few tenants are wilful non-payers, and as such offers a range of financial assistance to tenants, acknowledging that some financial difficulties are as a result of circumstances outside their control. These include, but are not limited to:

- Discretionary Housing Payments;
- Homeless Prevention Payments;
- Transfer Incentive Scheme;
- Money Advice Service; and
- Domestic Energy Advice.

#### **4.3.4. Leaseholders**

Whilst the Council has a relatively low number of Leaseholders, it recognises the importance of being able to manage them effectively and ensure accurate services charges are calculated and evidence provided. This is reflected in recent investment in the housing management system to support this area of work. The Council complies with all legislation when consulting with Leaseholders when undertaking improvement works or repairs to leasehold properties.

### **4.4. Communal Facilities**

The Council has 15 locations at which communal facilities are sited; these include communal lounges, laundries and guest rooms, all situated on former sheltered housing schemes. The cost of maintaining and running the communal facilities are charged to the tenants of the dwellings that were linked to those facilities, when they were designated as sheltered. The charges are recovered on the basis of actual costs incurred. Bookings are also taken from third parties for community uses, with any funding received from such bookings used to help to offset the costs to tenants. The communal rooms have been closed to everyone since March 2020; tenants have had their charges suspended and the associated costs have been paid from the HRA.

The future of the communal facilities needs to be reviewed in the life of this Business Plan, with

the following questions considered:

- Are there further community uses that the buildings can be used for that will be for the benefit of all tenants?
- Can the communal rooms be self-sufficient without the need to recover the costs from tenants?
- Are the current tenants linked to the rooms happy to continue to be charged for the costs?
- Are there other uses for the rooms?

## 4.5. Key Challenges

The key challenges arising from the Business Plan analysis set out in this chapter can be summarised as follows:

- Identifying new approaches to improve the Council's ability to meet housing need, with regard to issues such as:
  - Allocations scheme eligibility rules contributing to difficulty in letting properties, and significant numbers of properties being allocated to applicants with no identified housing need;
  - Turnover of stock mis-matched with identified need under current property eligibility rules;
  - Prevalence of stock within certain settlements disproportionate to identified need and/or population;
- Continuing to adapt to the welfare reform agenda, monitoring the impact on tenants and residents and ensuring they are appropriately supported; and
- Reviewing use of communal facilities to reduce the financial burden on residents at former sheltered schemes;
- Continuing to ensure that service charges for Leaseholders are accurate, evidenced and secure value for money;
- Maximising income through rent and other housing-related charges, while also responding sensitively in cases of genuine hardship;
- Continuing to work collaboratively with other Council teams such as Community Safety / Anti-Social Behaviour, Environmental Protection and Licensing on enforcement issues, while also responding to emerging regulatory requirements for neighbourhood and anti-social behaviour management.

The actions to be undertaken to address these challenges are set out in Appendix 1.

## 5. Asset Management

Over the lifetime of the previous Business Plan, significant changes have emerged in the construction industry. This Asset Management Strategy seeks to maintain and build upon the previous strategy, while incorporating the new challenges.

Management of the HRA stock can be broken down into three distinct areas:

- **NK Home Standard** – this seeks to ensure that homes are safe, secure, and remain in a decent condition, through the provision of:
  - Planned & cyclical maintenance programmes;
  - Responsive repairs;
  - Void property repairs;
  - Effective building safety management;
  - Aids and adaptations; and
  - Associated services.
- **Retrofit CO<sub>2</sub>sy Homes** – this new standard seeks to ensure that all of the Council's properties aspire to achieve the targets set out within the Climate Emergency Strategy; and
- **New Build CO<sub>2</sub>sy Homes** – this specifies the standard for all HRA New Build properties, to achieve zero carbon in use.

### 5.1. Operating Environment

The Climate Emergency and major events in the building safety environment have dictated a need for change in the Strategic Approach to Asset Management.

#### 5.1.1. Building Safety Bill & Fire Safety Act 2021

The emerging Building & Fire Safety 2021<sup>20</sup> will require a review of the Council's Health & Safety procedures and practices. This will need to be carried out during the lifetime of this Plan, following formal publication, and in accordance with the timescales set out in the legislation.

#### 5.1.2. Climate Emergency Action Plan

The Climate Emergency Strategy & Action Plan<sup>55</sup> identifies a number of actions required to meet the Council's strategic aims in relation to the Climate Emergency. Climate emergency and net zero emissions targets are fully integrated in corporate decision making, and service delivery.

#### Climate Emergency and the Housing Stock

Domestic homes account for a significant amount of Britain's carbon dioxide (CO<sub>2</sub>) emissions.

The Council is tackling these issues directly within its housing stock.

In recent years, the Council has been successful in reducing energy usage and improving the efficiency of the housing stock through a major programme of installing highly efficient gas boilers, and by taking advantage of grant funding available to social landlords to undertake loft and cavity insulation. These measures have not only contributed to reducing CO<sub>2</sub> emissions, but also towards tackling fuel poverty for tenants.

The Climate Emergency Strategy & Action Plan identifies a number of further actions related to the Council's existing stock and provision of new homes.

The key challenges in relation to the Council's existing stock and estates are:

- Increasing low energy exterior lighting for street lighting, council housing estates and at leisure centres (2.6), by:
  - Investigating options to improve external lighting on council housing estates (2.6.2).
- Avoiding the most carbon intensive heating fuels in council housing (2.7), by:
  - Considering in relation to business plan renewal (2.7.2) – this document;
- Introducing a council house property performance package (2.11), by:
  - Developing a plan for worst performing council housing (2.11.1); and
  - Commissioning consultancy to develop costed options to reduce energy consumption and upgrade insulation on all stock taking a whole building approach (2.11.2).
- Increasing renewable energy generation through solar panel installation (4.1), by:
  - Investigating building and ground mounted options on existing and new property (4.1.1).
- Improving management of council land so it provides the ecosystem services that support humans and nature to be more resilient to the effects of climate change (7.1), and Increasing green infrastructure and biodiversity to compensate for and absorb the greenhouse gas emissions with the authority cannot eliminate (7.4) by:
  - Reviewing land within existing and new NKDC housing developments and identifying opportunities to increase and improve green and biodiverse infrastructure (7.1.2 / 7.4.4).

The actions relating to the Council's new homes provision are:

- Increasing housing standards (2.5), by:
  - Undertaking an exercise to establish a carbon neutral specification and compare to Passivhaus (2.5.1); and
  - Introducing a policy to undertake options appraisal for all new NKDC housing tenders (2.5.2).
- Investigating zero / low emissions building specification options (2.9), by:
  - Performing options appraisals including zero emissions from energy along with a whole life cycle analysis on building cost based on expected life of building / site



(2.9.2).

- All new NKDC building developments to be net zero emissions (2.10), by:
  - All NKDC capital projects to be built to net zero emission, or approved alternative specification (2.10.1).
- Increasing renewable energy generation through solar panel installation (4.1), by:
  - Investigating building and ground mounted options on existing and new property (4.1.1).
- Improving management of council land so it provides the ecosystem services that support humans and nature to be more resilient to the effects of climate change (7.1), and Increasing green infrastructure and biodiversity to compensate for and absorb the greenhouse gas emissions with the authority cannot eliminate (7.4) by:
  - Reviewing land within existing and new NKDC housing developments and identifying opportunities to increase and improve green and biodiverse infrastructure (7.1.2 / 7.4.4).
- Factoring climate adaptations measures into new council housing (9.5), by:
  - Factoring in (as part of investigations into net zero emissions housing design) climate adaptation measures, to tie in to new build standard review (9.5.1).

To achieve the ambitions set out within the Climate Emergency Strategy, this Business Plan will establish a new standard aimed at reducing CO<sub>2</sub> levels by 2030. This new standard will be branded as **“CO<sub>2</sub>sy Homes”**.

Delivery of the Council’s Climate Emergency Action Plan could have a significant impact on the ability of the Council to undertake investment in the stock, and impact on the NK Home Standard and the new build programme, if not carefully considered.

## 5.2. Strategic Approach to Asset Management

This section details the Council’s approach to managing the housing related assets held in the HRA. It covers a range of activities that ensure the housing stock meets the required standards, both now and in the future.

The strategic approach encompasses the principles set out within the Climate Emergency Strategy & Action Plan, ensuring that decisions relating to stock management consider the aspirations of the Strategy and are incorporated into the Business Plan and stock management approach.

To ensure a robust and balanced approach to the utilisation of the HRA, this Business Plan seeks to ensure resources are used in the most cost-effective manner. This strategy is key to the Council’s asset management and business planning approach. It is essential to have a sound understanding of the asset base, future investment requirements and options in order

to achieve this.

The housing stock represents the Council's most valuable asset and, set against the repair and maintenance costs, its largest obligation. The Council needs to ensure that the properties it owns and manages are:

- In good condition;
- Safe;
- In the right location;
- Designed to fit modern purpose; and
- Sustainable, and improved in line with the emerging climate emergency and related legislation.

The purpose of asset management in this context is to ensure the housing stock is closely managed in order to:

- Help meet housing need across the district;
- Provide value for money;
- Keep dwellings in a good condition in cost effective ways;
- Ensure dwellings are maintained and let in a safe condition;
- Continue to maintain properties in line with the NK Home Standard;
- Ensure works and properties comply with all statutory Health and Safety requirements;
- Provide a balance between responsive, cyclical repairs, capital investment and new asset delivery;
- Achieve high standards of energy efficiency, and contribute to the Council's aim to achieve net zero carbon by 2030;
- Create good neighbourhoods for Council tenants and their neighbours; and
- Provide assurance to the Council's auditors and relevant regulators that the housing and property service is well managed.

Our strategic approach is to:

- Engage with tenants and Members in developing and implementing asset management;
- Ensure that the Council's homes are maintained in a safe condition, and all properties meet the statutory Health and Safety requirements, as defined by the Regulator of Social Housing;
- Develop a capital programme that meets tenant aspirations and priorities, whilst also maintaining properties to the NK Home Standard;
- Implement an age and condition-based approach to capital investment;
- Continue the ongoing survey of the housing stock on a five-year cycle to continually maintain the accuracy of stock data;
- Base all future investment plans and decisions on the data derived from the ongoing and continuous stock condition survey;
- Seek value for money in all investment decisions and contract procurement;
- Continue to let void properties to standards agreed through consultation with tenants,

and in line with corporate priorities;

- Establish an effective heating policy, recognising the challenges created by a rural district with a significant number of off mains gas assets whilst ensuring affordability and environmental credibility;
- Continually review and implement the highest design and environmental standards across the housing new build capital programme;
- Ensure all property services activities make a positive contribution to, and align with, the aims and objectives of the Council's corporate strategy.

### **5.3. Asset Management Key Objectives**

In developing the Council's approach to asset management, key underlying objectives are proposed in order to balance assets and requirements to ensure that the housing stock meets the needs and standards required now, and in the future:

#### **NK Home Standard**

- To deliver and maintain properties to the NK Home Standard;
- To develop a balanced and affordable planned maintenance programme;
- Undertake regular cyclical maintenance to all of the Council's property;
- Implement a programme of works to ensure continued compliance with health and safety requirements;
- To provide a robust and flexible responsive repairs and maintenance service; and
- To provide an effective void property repairs and upgrade service.

#### **Retrofit CO<sub>2</sub>sy Homes**

- Improve energy efficiency and respond to the Climate Emergency Action Plan;
- Setting the Retrofit CO<sub>2</sub>sy Homes standard; and
- To review and align the repair strategy alongside the Retrofit CO<sub>2</sub>sy Homes standard.

#### **New Build CO<sub>2</sub>sy Homes**

- To implement the Council's adopted New Build Housing Plan; and
- To deliver the New Build Programme.

#### **Property Services Procurement, Business Resilience & Procedures**

- To establish contract procurement solutions to deliver the Business Plan;
- To undertake programme management in accordance with the Council's adopted process;
- Work towards the integration of Property IT systems, for users and customers; and
- To ensure business resilience and manage risk.

## 5.4. NK Home Standard

The NK Home Standard relates to the quality of the homes, repairs, maintenance, health and safety and the 30-year investment programme. The environmental improvements planned to the stock are detailed within the Retrofit CO<sub>2</sub>s Homes Standard.

### Delivering and Maintaining Properties to the NK Home Standard

Whilst all social landlords have a statutory obligation to maintain their properties to the governmental Decent Homes Standard, the Council has adopted the NK Home Standard, seeking to ensure that the Council's stock condition exceeds the minimum statutory requirement. Adopted in 2016, this has ensured that the Council's tenants benefit from an approach which recognises the rural off-gas circumstances prevalent in significant parts of the District, and allows for an investment policy which seeks to minimise property running costs and fuel poverty and can facilitate the reduction of carbon emissions. The Decent Homes Standard is due to be revised and relaunched during the lifetime of this Plan and the revised Standard will be integrated into this Plan where required.

### The Challenge

The challenge facing the Council's housing stock is:

- To establish a Capital Investment Strategy which seeks to combine defined component replacement of critical items, whilst allowing for a flexible assessed 'Just-In-Time' approach to be adopted for non-critical components assessed through continuous inspection and survey;
- To work with tenant groups and stakeholders to prepare a 30-year business plan based on component replacement dates, whilst refining a five-year short-term plan aimed at ensuring maximum lifespan of non-critical components; and
- To consider the revised Decent Homes Standard once launched.

The new NK Home Standard is based on a component being replaced at the end of its life cycle period, with the exception of boiler replacement and roof replacement; life cycles for key components are shown in the table below.

### Life Cycles for Key Components

Component	Life Cycle (Years)
Bathroom	40
Boiler	20 (subject to survey)
Heating System	40
Kitchen	30
Roof & Chimneys	80 (subject to survey)
Windows & Doors	40

## **Response to the Challenge**

In principle there is a potential saving to be realised by extending the life cycle of non-critical components, based on condition survey data.

An approach based on a combination of component lifespans and a condition-based programme for less critical components such as roofing, non-traditional refurbishments and boilers is proposed. This approach differs from previous business plans by evaluating the remaining lifespan of all types of space heating boilers prior to their planned target replacement 15-year lifespan, through the accredited maintenance contractor inspection regime. It is anticipated that this approach will allow for up to a maximum of five additional years lifespan for boilers, whilst not significantly increasing the number of early failures.

To ensure that tenants and residents continue to receive the highest quality of service, a contract will be established to provide an emergency boiler replacement service to ensure continuity of service.

Survey inspections have indicated that the roofing to the stock is in better condition than the predicted lifecycle replacement dates. However, it has been established that, whilst roofing is in generally acceptable condition, a programme of chimney removal/replacement will be needed to ensure the safety and stability of these components. Recent advances in surveying techniques, using high quality drone surveys, have provided the Council with greater insight into the specific condition of roofs and chimneys, allowing targeted repairs to be undertaken, and therefore saving on unnecessary wholesale roof replacement. The previous 65-year roofing lifespan has been amended to a maximum of 80 years, where condition can be verified and established through aerial survey.

Savings achieved through the extension of component lifespans will be recycled into an energy efficiency investment fund to provide for an ongoing programme of improvements to meet the Climate Emergency Action Plan.

Changes to the Heating Policy included in this asset strategy detail a reduction in the installation of fossil fuel appliances.

## **Stock Condition and HHSRS Surveys**

Stock condition surveys are undertaken to each individual property to assess condition, use and required reinvestment over the next 30 years, and from 1<sup>st</sup> April 2021 an updated HHSRS assessment will be undertaken as part of the stock condition surveys as standard. The surveys are carried out in-house on a rolling programme basis, with approximately 800 properties surveyed annually. As at 1<sup>st</sup> April 2021, the number of condition surveys completed is 2023. The data captured is uploaded to the housing Strategic Asset Management System (SAM).

Robust stock condition information forms the cornerstone of an effective strategy and provides the data required to produce programmes of investment that will appropriately maintain the

stock in good condition. This data is enhanced and regularly validated by feedback from all programmed and cyclical repairs and maintenance activities.

This document sets out the criteria for the age of individual components with a defined cyclical replacement programme. Consultation will be undertaken with tenant groups and stakeholders leading to the implementation of a hybrid approach for the replacement of non-critical components; it is important that all investment decisions made in relation to the existing housing stock result from the outcomes of condition surveys.

#### **5.4.1. Planned Maintenance Programme**

The new NK Home Standard entails a planned maintenance programme achieving economies by replacing components on both an 'Anticipated Lifespan' basis and a 'Just-in-time' basis, dependent on the priority of the component.

##### **Kitchens & Bathrooms**

It is proposed to continue to replace kitchens and bathrooms at 30 and 40 years respectively. Tenants are given a number of choices with both kitchens and bathrooms, which include:

- Kitchen unit styles and worktops;
- Wall tiles;
- A choice of decorative finishes and colours for walls; and
- Floor coverings will be offered in kitchens and bathrooms.

It is proposed that kitchen units are replaced on a like-for-like basis, with only minor adaptations to allow for tenants' household appliances. Electrical improvements (e.g. additional sockets) will not be undertaken on kitchens which have previously been upgraded.

Floor coverings will be replaced at the time of kitchen replacement. The provision of floor coverings was removed in the previous Business Plan, to help mitigate the impact of the rent reduction over a four-year period; however, of the lifetime of the previous Business Plan, it was clear that this was a significant disincentive for tenants to agree to improvement works, as well as creating an additional hazard for tenants unable to meet the cost of providing their own replacement floor covering. The new Business Plan can contain the additional cost, and the change will benefit tenants as well as removing one barrier to having improvement works completed.

##### **Boiler Replacements & Heating**

It is proposed that for the length of this business plan, gas central heating boilers will continue to be used, and be replaced at between 15 and 20 years old, subject to survey.

Oil and solid fuel boilers, and electric storage heaters, will be replaced on planned approach incorporating "just in time" principles, subject to survey and in accordance with the Retrofit CO<sub>2</sub>sy Homes Standard.

Heating systems are programmed to be renewed in 40-year cycles.

### **Mains Gas**

Where mains gas is available, a highly efficient condensing gas boiler and radiator system will continue to be installed on replacement. A secondary focal point fire will not be provided.

While the carbon status of mains gas as a fossil fuel is recognised, during the lifetime of this Business Plan the focus will be on addressing the more carbon-intensive fossil fuel systems. The renewal of main gas boilers will need further consideration upon the next review of the Business Plan.

### **Oil, Solid Fuel, Bottled Gas and Electric Storage Heaters**

The installation of these systems will no longer be considered as standard in line with the identified Tenant Priorities for Investment – Existing Properties for more efficient heating, and due to the carbon intensity of the fuels they require (including fossil fuels used in electricity generation). Installations of these systems will therefore only be made in exception, for example, where a referral from social care specifies such a system as most appropriate to meet tenant needs.

For all properties due for replacement, the heating provided will be an Air Source Heat Pump (ASHP) system, subject to the installation of an ASHP being technically viable under the package of measures that would be implemented. Where it is not possible to provide an ASHP, the most carbon efficient approach will be reviewed and applied.

### **Building Safety Improvement Works (formerly general building works)**

The ongoing collection of property data confirms that the Council's properties are generally in good condition, while also identifying some works for which it will be prudent to take a planned approach, for a larger number of properties. Therefore, a programme of works will be developed that includes:

- Chimney repair and replacement;
- Footpath replacement;
- Fencing replacement;
- Gutter replacement; and
- Brickwork repair and re-pointing.

Emergency or responsive repair failures can be added to the Capital Works Programme, where the nature or quantity of the work would be more cost-effective or better managed through a planned programme. Work for inclusion in this contract will be approved through the Housing Stock Group or Property Management Team, and contained within existing budgets.



## **Windows and Doors**

The Council's approach will be to ensure that both windows and external doors are replaced within 40 years.

Windows, when installed, will be triple glazed in line with the identified Tenant Priorities for Investment in Existing Properties for energy efficiency.

External doors and frames are replaced with a composite door set with uPVC frame and a factory-manufactured door set. Doors must meet either Secured by Design or PAS 011 security standards.

## **Estate Improvements**

Following a programme of improvements and annual survey of estates the general condition has been assessed as "Good". It is important that the Council considers ongoing repairs and maintenance in order to maintain the estates to this standard.

While the focus of the Decent Homes programme was simply the condition of properties, The Charter for Social Housing Residents makes clear that the review of the Decent Homes standard will have a wider scope encompassing estates and access to open green spaces.

Where tenant reports or tenant survey results identify issues, the following areas will be considered for repair or upgrade where necessary, subject to available funding:

- Lighting;
- Fencing;
- Issues of anti-social behaviour;
- General condition of communal and common areas.

Over the lifetime of the previous Business Plan, a review of car parking provision was undertaken by Tenants Investigating Services, involving evaluation and scoring of existing parking arrangements. The outcome of the review and any recommendations made will inform the Council's estate improvement plans.

## **Electrical Systems**

Electrical fixed wiring condition surveys and feedback from tenants have identified an emerging issue with the number of electrical sockets in properties. An insufficient number of sockets may not allow for the significant number of modern-day electrical goods that may be present in habitable areas, and overloaded trailing cables present electrical risks and safety hazards.

In order to identify the extent of the issue so that an appropriate response can be developed, a full survey will be carried out during the electrical periodic inspections, in the next cycle of inspections.



## **Roofing and Chimneys**

The roofing survey forms part of the ongoing stock condition survey; to date, this has identified potential for extending the roof lifespan. The previous 65-year roofing lifespan will be amended to an 80-year lifespan, subject to condition being verified and established through an aerial survey. Using drone aerial technology, a roofing and chimney survey will identify any necessary repairs, and provide a realistic estimate of the useful life remaining in order to inform the 30-year programme.

Any potential savings through this route will be recycled into an energy efficiency investment fund to provide for an ongoing programme of energy improvements.

## **Ventilation**

Additional ventilation will be considered as part of the Retrofit CO<sub>2</sub>sy Homes Standard for the existing housing stock.

As a minimum, all properties will have mechanical extraction from kitchens and bathrooms; through the condition survey, any properties without kitchen and bathroom ventilation will be added to a programme of works.

## **Maintaining Ageing Housing Stock (Whole House Refurbishment at Void)**

A budget has been created to allow whole house refurbishment of selected older stock at the void stage, in line with the Tenant Priorities for this type of work. Some pre-war properties require significant refurbishment work to reach a lettable standard. Some properties are still being let with inadequate numbers of electrical sockets, old overpainted internal woodwork, doors and plasterwork which fall below easily maintainable standards. This budget allows for the inclusion for works that would not be picked up through the current capital investment programme.

This Council has traditionally, over several years, experienced an annual turnover of vacant properties in the region of 10% of its total housing stock; each year, approximately 300 homes are re-let to new tenants. Over 10% (n490) of the Council's homes were constructed before 1940, and whilst the major components, including kitchens, bathrooms and heating installations, have been replaced as part of an ongoing planned programme, the internal joinery, walls, ceilings, doors and electrical layouts have generally not been replaced. Pre-war properties are now a minimum of 80 years old, and some internal finishes require major refurbishment to raise the standard that of a modern lettable property.

This Plan identifies work, in addition to the current Void Standard that would seek to improve let-ability of these properties. On an annual basis, undertaking whole house refurbishment of the ten most in-need properties will reduce ongoing maintenance, and provide an increase in lifespan of the property.

## **Structural Repairs to Non-Traditional Stock**

A survey (undertaken by Michael Dyson Associates in 2011) has shown that the structural integrity of the non-traditional stock can be maintained for an assured life of at least 30 years (i.e. up to 2041) if repairs and maintenance measures are implemented to maintain the effective weather tightness of the external fabric. It is proposed that a new review of the non-traditional stock survey will be undertaken to update and test the assumptions, as more recent surveys have suggested that the properties are faring better than anticipated.

## **Tenant Support During Improvement Works**

Delivering the Council's ambitious programme of investment for improvement and environmental enhancement of its housing stock is dependent on tenants allowing works to be undertaken within their homes. Some improvement works are essential to maintain the fabric of the property, and keep tenants safe and secure.

Encouraging tenants to have improvement works completed will ensure that the housing stock is well maintained and meets the NK Home Standard, as well as keeping the housing stock as energy efficient as possible, which in turn helps to keep tenants' energy bills down, reducing carbon emissions while also ensuring the property is able to be kept warm.

The Council recognises that tenants may have valid concerns about improvement works to be undertaken, which may be mitigated through the provision of additional support. A new policy for Tenant Support During Improvement Works has therefore been developed, which identifies a number of tools that, depending on individual circumstances, may be used to help and support tenants to have their improvement works completed. This policy has now been approved and will be implemented alongside this Business Plan. The policy will be subject to regular reviews to ensure it continues to meet the needs of tenants.

## **Aids and Adaptations**

The Council recognises its social responsibility to provide adaptations and facilities for people with a disability, as well as the statutory requirement to comply with the provisions of: the Housing Grants, Construction and Regeneration Act 1996; the Equality Act 2010; the Care Act 2014; and the Regulatory Reform (Housing Assistance) [England and Wales] Order 2002.

The Council seeks to deliver a responsive aids and adaptations service which meets the needs of customers and provides good value for money. To achieve this, the Council aims to:

- Consider all referrals for adaptations received from Social Services (Adult / Children's Social Care) and, where appropriate, fund them;
- Undertake a home visit to measure up and consult on adaptations, within 50 working days of receiving a Social Care referral;
- Prepare for works, and complete adaptations within 80 working days of receiving a Social Care referral;
- Fast track requests for minor aids through the repairs contract; and
- Monitor customer satisfaction and learn from experience.

The type of work undertaken ranges from small items (such as handrails) to more major adaptations (such as level access showers) and, in a few exceptional cases, a property extension. A team of staff are dedicated to this work, who have developed systems to ensure that:

- Cases are effectively prioritised;
- Work is carried out in a timely fashion, subject to Social Services assessment; and
- Tenants are satisfied with the work.

Through Allocations, Lettings & Mutual Exchange, the Council aims to ensure that vacant properties that have disabled adaptations are re-let to a new tenant who requires such adaptations. This minimises the need for further expenditure on works for the new tenant, or costly removal of adaptations.

### **5.4.2. Cyclical Maintenance**

Regular cyclical maintenance is carried out to certain components of a property, which include (but are not limited to):

- Annual boiler servicing;
- Maintenance of fire extinguishers, fire alarms to flats and shared housing schemes;
- External redecoration, including joinery pre-paint repairs, every seven years;
- Fixed wiring periodic tests of electrical installations;
- Annual smoke alarm and carbon monoxide alarm servicing;
- Servicing and maintenance of sprinkler systems;
- Lift maintenance;
- Door entry system and TV aerial servicing;
- Annual stairlift servicing; and
- Sewage treatment plant maintenance.

Cyclical servicing is planned at regular defined intervals (e.g. annual boiler servicing) based on statutory requirements or best practice.

### **5.4.3. Health & Safety**

The corporate process for managing Health and Safety has led to the creation of a number of council-wide management teams, to review specific areas of Health and Safety, to manage and review compliance against statutory requirements. Each has a Terms of Reference, and cover the following areas:

- Legionella Health & Safety Working Group;
- Electrical Safety Health & Safety Working Group;
- Fire Safety Working Group, and Fire Health and Safety Action Group;
- Construction Health & Safety Working Group;
- Asbestos Health & Safety Working Group; and

- Gas & Heating Health & Safety Working Group.

The following policies<sup>57</sup> identify the actions and responsibilities for the management of Health and Safety of the housing stock:

- Water Hygiene and Control of Legionnaires Disease Policy;
- Electrical Safety Management Policy;
- Fire Safety Policy;
- Contractor Control Policy & Procedures;
- Management and Control of Asbestos Policy; and
- Gas Safety Management Policy

Budgets are in place to allow a continual programme of works to meet Health and Safety requirements, and to ensure compliance with the Housing Health and Safety Rating System (HHSRS) operating guidance.

The Council's aim is to ensure that dwellings meet Health and Safety requirements so that tenants are living in a safe and secure environment. In line with the Health and Safety regulatory framework, this will be achieved by identifying and managing those risks.

The Council has reviewed its compliance with the main areas of Health and Safety and has reported the outcome to tenants through the At Home magazine (see Appendix 4: Safe as Houses – Meeting Our Safety Obligations).

### **Housing Health & Safety Rating System (HHSRS)**

The Housing Health and Safety Rating System (HHSRS) replaced the Fitness Standard element of the Decent Homes Standard<sup>39</sup>. It assesses the 29 main health and safety risks inherent in a property.

If a property fails the HHSRS, it automatically fails the Decent Homes Standard. HHSRS failures are classified as Priority One works and will be addressed at the earliest opportunity.

As part of the ongoing strategy for meeting the HHSRS requirements, asset surveyors involved in carrying out condition surveys of properties have also been trained to approved industry standards to identify potential HHSRS failures. This will enable the Council to build up accurate safety data relating to its housing stock through the ongoing condition surveys.

### **Asbestos in Non-Housing Stock**

The Council's Management and Control of Asbestos Policy<sup>57</sup> sets out how the Council identifies and manages asbestos for all council homes.

The Council conducts surveys and sampling, and manages asbestos-containing materials in accordance with its Management and Control of Asbestos Policy, and The Control of Asbestos

Regulations 2012<sup>65</sup>.

Management surveys are undertaken to all non-domestic properties; in the HRA, this includes communal lounges, shared housing schemes and communal areas to flats. This information is held in an Asbestos Register together with an Asbestos Management Plan.

All high-risk asbestos-containing materials are programmed for removal as they are identified. Medium and low risk asbestos-containing materials are left in-situ, and are only removed if the risk should change (e.g. they become damaged, the condition worsens or require removal to enable repair or alteration work to be carried out).

### **Asbestos in Housing Stock**

The Council's Management and Control of Asbestos Policy<sup>57</sup> sets out how the Council identifies and manages asbestos for all council homes.

The Council's aim is to carry out asbestos management surveys to 100% of the housing stock; there is a rolling programme of surveys, with 750 properties outstanding as of April 2021. All information is recorded and made available to tenants and contractors who require it. Good practice supported by the Health & Safety Executive (HSE)<sup>66</sup> suggests landlords should collect and hold asbestos data on a minimum of 15% of their stock; the Council exceeds this, and now holds information on over 80% of its properties. The surveys identify asbestos-containing materials and enable the Council to monitor their condition in the surveyed properties. Where access is not obtained to carry out a physical survey, this information will be cloned from other properties of a similar type, to provide records for all properties.

Contractors are made aware where asbestos-containing materials are located before undertaking repairs or refurbishment work. If Refurbishment and Demolition Surveys are required, these are undertaken prior to work commencing.

An explanatory and advisory leaflet about asbestos has been sent to all tenants and leaseholders. The Council has also issued all tenants with the details of known asbestos-containing materials for their property. Tenants of properties that have been 'cloned' (as described above) have also been provided with information of the likely location of asbestos-containing materials. All new tenants are provided with this information as soon as is practical after the property is occupied.

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<sup>65</sup> <https://www.legislation.gov.uk/ukxi/2012/632/contents/made>

<sup>66</sup> <https://www.hse.gov.uk/pubns/books/hsg264.htm>

## Legionella

The Council has a Water Hygiene & Control of Legionnaires Disease Policy<sup>57</sup> for all properties. Risk assessments have been completed, and are reviewed on a periodic basis regarding the risk of Legionella at former sheltered housing sites and other sites with common stored water, as required by the HSE Approved Code of Practice L8: Legionnaires' Disease<sup>67</sup>.

A contractor undertakes regular inspections and any remedial work that may be required. The Council also carries out risk mitigation work by flushing hot and cold water systems to void properties just before they are occupied.

For domestic properties, risk assessments are undertaken on a property archetype basis, and a rolling programme is in the process of being implemented.

## Gas Installations

The Council has a Housing Gas and Heating Safety Management Policy<sup>57</sup> that ensures the safety of tenants in homes that contain a gas supply, and associated appliances. Under the Gas Safety (Installation and Use) Regulations 1998<sup>68</sup> and HSE Approved Code of Practice L56<sup>69</sup>, it is a requirement that landlords issue a Landlords Gas Safety Certificate within 12 months to each property. The Council aims to ensure that 100% of certificates are renewed within this timescale.

The servicing of gas appliances is audited on the Council's behalf by a third-party company. At present, a 10% sample is checked to ensure compliance with legislation. This can be increased, or specific operatives targeted, dependent on the findings of the audit.

The policy contains a robust process to take action against tenants who do not allow the contractor access to service appliances and check gas safety.

## Electrical Installations

Periodic electrical safety inspections of the fixed wiring installations are undertaken at periods of no more than five years. The next inspection date is detailed on each property certificate issued.

Following a rolling programme, the whole housing stock now has a fixed wiring certificate and necessary remedial works have been undertaken (58 outstanding as of 1st April 2021). While there is currently no statutory requirement to do so, the Council is therefore complying with the current electrical safety standards for private sector housing<sup>70</sup> and will therefore be well placed to meet the potential future regulatory requirements for electrical safety in the social housing

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<sup>67</sup> <https://www.hse.gov.uk/pubns/books/l8.htm>

<sup>68</sup> <https://www.legislation.gov.uk/ukxi/1998/2451/contents/made>

<sup>69</sup> <https://www.hse.gov.uk/pubns/books/l56.htm>

<sup>70</sup> <https://www.gov.uk/government/publications/electrical-safety-standards-in-the-private-rented-sector-guidance-for-landlords-tenants-and-local-authorities>

sector, outlined in Theme One (Safety) of The Charter for Social Housing Residents.

In order to maintain the fixed wire certification a new rolling programme commenced in April 2021, with all emergency works carried out at the time of inspection. In addition to this, a review of the number of sockets provided in properties will also be carried out.

### **Smoke and Carbon Monoxide Detectors**

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015<sup>71</sup>, which came into force on 1<sup>st</sup> October 2015, place a statutory duty on most landlords to provide smoke and carbon monoxide detectors, however, social landlords such as the Council are excluded from this statutory requirement<sup>72</sup>.

Nevertheless, the Council recognises the importance of minimising risks to tenants' safety, and therefore provides smoke detectors to all properties, as well as carbon monoxide detectors to all properties with either gas, solid fuel or oil heating. Both types of detector are inspected annually. The Council has allowed for the full replacement of both detectors, on a rolling programme of ten years for smoke alarms and five years for Carbon Monoxide Detectors. This will be kept under review as the emerging regulatory requirements for social landlords (outlined in Theme One of The Charter for Social Housing Residents) become apparent, to ensure the Council is compliant with any new regulatory duties placed upon it.

### **Fire**

In accordance with The Regulatory Reform (Fire Safety) Order 2005<sup>73</sup> the Council has undertaken Fire Risk Assessments of communal areas to flats, communal lounges and shared housing schemes.

The Fire Risk Assessments are reviewed on a regular basis (bi-annually), or when physical changes are made to the layout of a building, and recorded on a register. Any physical work required to mitigate the risks identified is undertaken, and management processes put in place.

Housing management officers carry out regular checks of the communal areas of flats, and property services colleagues and the Housing Health and Safety Co-ordinator carry out checks on former sheltered housing schemes. As these inspections are completed they are recorded, and any issues identified are reviewed through the corporate Fire Safety Group meeting.

### **Estate and Common Part Risk Assessment Inspections**

The council has a policy in place for estate management<sup>57</sup>; maintenance and housing management staff carry out regular inspections of the estate areas, garage sites and other common parts of our assets. An assessment is undertaken based on ensuring the health and

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<sup>71</sup> <https://www.legislation.gov.uk/ukxi/2015/1693/contents/made>

<sup>72</sup> <https://www.legislation.gov.uk/ukxi/2015/1693/regulation/3/made>

<sup>73</sup> <https://www.legislation.gov.uk/ukxi/2005/1541/contents/made>



safety of tenants, residents and visitors to the Council's estates. Where high risks are identified, mitigating works are undertaken either through planned or responsive repairs contracts.

#### **5.4.4. Repairs and Maintenance Service**

The overall aim of the repairs and maintenance service is to provide a fit for purpose responsive repairs and maintenance service to Council properties and tenants, in order to respond efficiently (and in a timely manner) to unplanned failures in the properties, to prevent deterioration in their condition and ensure service standards are maintained.

The existing repairs and heating contracts were last reviewed in 2019, and will be re-tendered to commence in 2024, during the lifetime of this Business Plan. The Council will need to maintain a high performing Repairs Service, while also carrying out investigations to establish the best way to deliver the repairs and heating service contracts in the future.

##### **Responsive Repairs**

The objective of the Repairs Service is to provide a customer focused responsive repairs service, which achieves high levels of performance, customer satisfaction and good value for money. The key actions required to achieve this objective are:

- Establishing a service plan to align the repairs standards with the Retrofit CO<sub>2</sub>sy Homes and New Build CO<sub>2</sub>sy Homes Standards;
- Developing successful working relationships with contractors;
- Making appointments for all repairs;
- Getting the job done right first time, as quickly as possible; and
- Using tenant feedback to shape the service.

A “responsive repair” is a repair carried out as a result of wear and tear, accidental or deliberate damage, or the weather. Requests for responsive repairs are usually tenant driven and undertaken as a single job normally of a low value, which make them difficult to programme.

Repairs that are not the Council's responsibility, or which arise through the unreasonable actions of a third party, are recharged.

The responsive repairs service has more contact with tenants and residents than any other service, and therefore the performance of the service is used by most tenants and residents as a proxy for how effective the overall Housing and Property service is.

Contracts are in place for the following responsive repairs:

- Day-to-Day Repairs – combined with void and external repairs;
- Heating Repairs – combined with gas servicing;
- Door Entry Systems and TV aerial maintenance to blocks of flats;
- Stairlifts annual servicing, and installations following a Disabled Adaptation; and



- Disabled Adaptations and minor works to council properties.

Since March 2014, the Day-to-Day Responsive Repairs Service has been carried out by a single repairs contractor, Kier Services. The contract responds to the most repairs of all the responsive services, and the Council works continually to improve the service and value for money. The Heating Repairs and Servicing contract is carried out by Aaron Services. The advantages of the long-term relationships with these contractors have been:

- Both main contractors deliver a telephone customer service centre taking calls from our customers, allowing the contractor to make appointments at first point of contact;
- Improving tenant involvement to develop the service;
- Grouping as many repairs as possible, so they can be undertaken in a more pre-planned way;
- Improving repairs priorities to ensure work is completed at the earliest opportunity; and
- Basing the Heating Repairs Service on a year's maintenance all-inclusive cost per property, so any repair work is carried out at no additional cost to the Council.

An overview of repairs performance is provided in the Annual Report to Tenants<sup>74</sup>. The Repairs Service will continue to be subject to regular review, as part of the Council's Local Offers to tenants (see Section 7.1 – Service Standards). In 2020/21, the Repairs Service received approximately 12,000 calls, of which 4,500 were for heating repairs and 7,500 were day-to-day responsive repairs.

#### **5.4.5. Void Property Repairs**

The objective of the void management process is to make empty properties available for let as quickly as possible, minimising rent loss and maximising the housing available, whilst striving to meet customers' expectations. The priorities are to:

- Provide a safe and secure home;
- Improve re-let timescales;
- Provide a re-let standard that meets customers' expectations; and
- Undertake works to improve, where possible, the environmental standards of the property.

Void repairs, cleaning, clearing and decoration of void properties and inspections are undertaken by the responsive repairs contractor.

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<sup>74</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/information-about-housing-in-north-kesteven/annual-report-to-tenants/>

## Void Standard

The current re-let standard (agreed as part of the Council's Local Offers) is that the Council will:

- Carry out a gas safety check where gas is installed, and leave a copy of the certificate at the property;
- Carry out a safety check of the electrical installation;
- Undertake a water hygiene test, and provide a certificate;
- Remove any rubbish from the property and garden;
- Clean the property;
- Re-decorate parts, or all of the property, if it is deemed required at the void inspection; and
- Carry out all of the urgent repairs, and try and complete all other repairs whilst the property is empty.

To ensure that void properties are made available to new tenants as promptly as possible, the Council may:

- Leave minor repairs to be completed until the new tenant has moved in (if this is the case then tenants will be informed of the timescale for their completion); and/or
- Delay work to garden areas, for it to be completed once the property is occupied.

To recoup expenditure, a recharge order is raised for removal of goods, clearance of gardens and repairs where the tenancy agreement has been breached.

## 5.5. Retrofit CO<sub>2</sub>sy Homes

The objectives for the existing housing stock are to:

- Improve energy efficiency, and respond to the Climate Emergency Action Plan;
- Set the Retrofit CO<sub>2</sub>sy Homes Standard; and
- Review and align the repair strategy alongside the Retrofit CO<sub>2</sub>sy Homes Standard.

In order to achieve these objectives, the Council is required to make challenging decisions on the options available, which include:

- Targeting carbon saving, or energy efficiency;
- Targeting carbon saving, or fuel poverty;
- Prioritising investment in new properties, or investment in existing properties;
- Prioritising investment into the properties that are “easiest” to improve, or properties that will see the “biggest” difference;
- Focusing on the cheapest options, or comprehensive programmes; and
- Concentrating on reducing carbon, or achieving net zero carbon emissions.

### 5.5.1. Setting the Benchmark

The Energy Efficiency of domestic properties is currently measured through the Energy Performance Certificate (EPC) assessment, which gives each property a Band rating from A (very efficient) to G (very inefficient). EPCs tell the occupant how costly the property will be to heat and light, what its carbon emissions are likely to be, and what measures could be undertaken to improve the energy efficiency of the property. The government has a longer term aim for all existing homes, regardless of tenure, to reach EPC Band C by 2035; for rented homes, the government's ambition is for the majority of these to reach EPC Band C by 2030.

The Council ensures an EPC is available for every home that is let; all new homes have an EPC, generated as part of the commissioning documentation. Over a number of years, this ensures that a large percentage of the stock now has an EPC. The remainder of the stock have been cloned from the available data.

From this assessment of the EPC position, the housing stock has been split into three main groups (detailed in the table overleaf) as worst performing, average performing and best performing. The table uses 3 example property types from each category to show indicative costs of retrofitting and potential savings in carbon for each group.

#### Capital Cost Assessment of Improvement to 3 Specific Property Types (to reduce Carbon Emissions)

Property Category	Worst performing (EPC Band E improved to B)	Average performing (EPC Band D improved B)	Best performing (EPC Band B improved A)	Total
Properties in Category (n)	609	2,999	237	3,845
Investment Cost (£ per property)	28,305	13,500	5,525	
Budget Estimate (£)	17,111,682	40,486,500	1,309,425	58,907,607
Total with On-Costs (£)	23,956,354	56,681,100	1,833,195	82,470,649
Carbon Saving per property (Tonnes)	6.4	1.66	0.11	
Total CO <sub>2</sub> saved for each £1m investment	160	88	14	

### 5.5.2. Costs of Retrofitting

From the previous table, it is clear that the biggest challenge of retrofitting the Council's housing stock is the cost, and how the work will be funded. The current estimate to retrofit the whole stock is in the region of £82.5m.

Under the current HRA financing legislation (see also Section 6) if the whole amount were to be borrowed then the HRA would not remain viable in the long term. A number of alternative funding sources have been discussed, and need to be considered further during the lifetime of this Business Plan. These funding sources are currently defined as low, medium and high impact on the HRA:

- **Low impact:** borrowing against existing headroom; potential for £7m, but £650,000 savings would be required by 2030 in order to fund this;
- **Medium impact:** alter component replacement timescales; potential for £18m but would require amendment to and re-consultation on the NK Home Standard;
- **High Impact:** amend current new build programme, plus service savings; potential for £53m but impact on revenue and continued viability of HRA with reduced new build programme, and a savings programme would need to be developed.

None of the funding choices outlined above will cover the costs that have been identified to date. As such, there would need to be a continuous review of spending priorities, in addition to a number of other approaches such as:

- Maximising grant income;
- Lobbying for reform to HRA financing rules; or
- Considering income models linked to improvements and/or cross-subsidy.

### 5.5.3. Setting the Retrofit CO<sub>2</sub>sy Homes Standard

In order to establish a strategy to achieve Net Zero Carbon homes by 2030, it is important to recognise the findings established to date:

- With the help of external consultancy, the most cost-effective measures that achieve the greatest savings in carbon have been established;
- Net Zero Carbon will require the decarbonisation of the electricity grid, and a measure of off-setting; and
- Sufficient funding is not yet available.

## Setting the Strategy

The strategy for the lifetime of this Business Plan is to:

- Establish a pilot programme to test potential improvements, costs and carbon savings;
- Develop a long term strategy based on the most cost-effective improvements, the funding availability in the HRA, and a review of options for dealing with the properties that are the most difficult to improve; and
- Develop the supporting activity required and carry out a regular review of funding options.

## Specific Targets

Specific objectives for the lifetime of this Business Plan are:

- To pilot improvements to at least six properties, two from each category of worst performing, best performing and average performing:
  - Properties selected will undergo a thorough retrofit assessment; works identified through this assessment may include measure such as:
    - Air Source Heat Pump installation;
    - Improvement in glazing and doors;
    - Internal or external insulation, and improved loft insulation;
    - Air handling; and/or
    - Low energy lighting.
- Undertaking data comparison, to establish a framework for the comparison of property EPCs;
- Comparing EPCs against property archetypes and tenant energy bills;
- Tenant Engagement:
  - Tenant engagement is key to a successful retrofit programme; retrofit must be thought of as something being done *with* and *for* people;
  - Provide a planned strategy for the provision of support to tenants prior to and during works, as well as ongoing engagement to provide education, aftercare and monitoring
- To bid for grant funding through the Social Housing Decarbonisation Fund, and any other funding routes as appropriate.

### 5.5.4. Aligning the Repair Strategy

The Council will provide a working framework to continue to enhance the holistic improvement of the natural environment alongside the reduction of carbon emissions and the future proofing of housing and development, serving to not only reduce environmental impact but to provide new and varied ecological opportunities.

Every effort will be made to research and employ the most environmentally friendly, sustainable and effective materials as well as the most appropriate methodology for all projects.

Targeted environmental surveys should be a key part of any planned or reactive works, enabling key decisions to be made on habitat improvement, which must include bats, birds, wildlife and general environmental surveys.

Typical improvements for any project should include:

- The use of environmentally friendly materials. (i.e. bat friendly roofing felt, toxin free materials and sympathetic roof details, etc.); and
- Designed enhancements such as the inclusion of bat and bird boxes within the walls and roof (compartmentalised to avoid contamination).

## **5.6. New Build CO<sub>2</sub>sy Homes**

New Build CO<sub>2</sub>sy Homes is the new standard applicable to all new build properties, and replaces the existing Fabric First 2018 standard.

The Fabric First Standard was introduced in 2013, and first revised in 2015 (as Fabric First Plus). It was further improved in 2017, and in 2018 uplifted again (as Fabric First 2018) moving it noticeably beyond current building regulation requirements; thermal performance was improved, and features already included in the Standard (such as additional storage space and triple glazing) were retained. In order to build upon the Fabric First Standard, and meet the actions contained within the Climate Emergency Action Plan, the Council engaged specialist consultants to report on the options available to be considered to move towards Zero Carbon homes in accordance with the Climate Emergency Action Plan.

The New Build CO<sub>2</sub>sy Homes Standard is to build net zero carbon new build properties to a certified Passivhaus standard, subject to paragraph 16.2 of the New Build Delivery Plan.

### **5.6.1. New Build Housing Strategy**

The Council's strategy remains to deliver a new build programme that increases the amount of affordable housing for rent, responds to levels of need identified on the housing register and, as a minimum investment, replaces those properties sold through the Right to Buy.

### **5.6.2. New Build Delivery Plan**

The Council's recently adopted New Build Delivery Plan<sup>75</sup> sets the direction for delivery of new build properties in the HRA through to 2030, and contains further detail on the implementation of the New Build CO<sub>2</sub>sy Homes Standard.

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<sup>75</sup> <https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=286&MId=8128&Ver=4>

## **5.7. Property Services Procurement, Business Resilience and Procedures**

### **5.7.1. Contract Procurement Solutions to Deliver the Business Plan**

It is vitally important that the Council manages future procurement exercises effectively, in order to ensure that social value is demonstrated, and value for money is obtained.

The Council has robust contract procedures in place, contained in the Constitution. Procurement Lincolnshire provide procurement advice to ensure these are followed, as well as providing support for procurement under emerging governmental post-Brexit directives.

### **5.7.2. Policies and Procedures**

A standard set of policies and procedures has been developed to ensure a standard of procedural quality assurance and compliance across Housing and Property Services.

### **5.7.3. IT Systems**

Property Services IT systems will be reviewed, with a view to working towards commonality of integrated IT systems within the lifetime of the business plan. Opportunities to commence a rationalisation of systems will present through the renewal of the Council's repairs and maintenance contracts.

The current core systems and their uses are as follows:

- Northgate – housing management system;
- SAM - domestic asset management system, utilised to record condition of the housing stock and the formulation of the 30 year Business Plan;
- OneServe - existing repairs and maintenance system, shared with incumbent maintenance partners;
- CAMMS – the Council's corporate performance and project management system;
- Earthlight - GIS mapping, and asset land registry data and records.

As contracts for systems are due to be renewed, an options appraisal will be carried out to determine if they can be integrated into other existing systems used by the Council.

Advances in technology and data management will be explored, aiming to lead to improvements in communication with both tenants and the asset the council operates. Intelligent property management systems will be explored and trialled to establish the effectiveness, prior to rolling out technology. Examples of the types of systems available include:

- Heating controls (HIVE, etc.)
- Smart metering
- Component management
- Servicing management
- CO2 and smoke alarm
- Fault reporting.

#### **5.7.4. Business Resilience and Managing Risk**

In an increasingly interdependent and uncertain environment, the Council should ensure that it is well placed to maintain its key services in the event of major challenges. There are several areas that have, within the lifetime of the existing Business Plan, shown to be fragile and incapable of coping with major national or local emergency. Both the Exit from the EU and the global Covid-19 pandemic have highlighted the critical need for a business continuity emergency plan, to enable the service to continue to deliver its statutory and operational functions.

Business resilience requires that the Council is able to demonstrate a capability to respond to unforeseen circumstances.

The following summary identifies functions that may be impacted in future emergencies:

- Contractor failure;
- Appliance servicing (e.g., gas, oil, solid fuel, electric);
- Fire safety;
- Water hygiene;
- Electrical systems;
- Asbestos management;
- Construction (Design and Management) Regulations 2015;
- LOLER (Lifting Operations and Lifting Equipment Regulations 1998);
- CO and smoke alarms;
- HHSRS (Housing Health & Safety Rating System);
- Other functions:
  - General repairs and maintenance;
  - Planned maintenance;
  - Cyclical maintenance;
  - New Build.

A Property Services Business Continuity Plan and Live Risk Register will be kept updated to identify the risks, and mitigation measures against each risk to minimise the Council's exposure to critical failure.



## 5.8. Key Projects

### **Grinter House Estate Regeneration**

Grinter House (and Close) is a former sheltered housing scheme in North Hykeham, for which there has been little demand, and vacancies at the scheme have generally been difficult to let. The properties were in need of full refurbishment to meet the needs of existing and future tenants, but the existing properties and configuration did not make good use of the large site, and required improvement. It is therefore proposed to regenerate the site to create 32 new properties, including remodelling of the existing single storey building to provide much needed smaller homes for single people.

### **Extra Care**

The Council has, for many years, had an ambition to provide a larger Extra Care housing scheme within the District. Working in partnership with Lincolnshire County Council (LCC), this ambition is now becoming a reality through a jointly funded scheme on the disused site of the former LCC highways depot at the Hoplands, Sleaford. The development proposal includes a dedicated 40-unit Extra Care building (comprising 29 one-bed homes and 11 two-bed homes) and a separate block of 12 flexible living apartments for working-age adults with health needs.

### **Enhancement of the Built Environment & Alternative Strategies for the Management of Open Spaces**

The Council will strive for the continued education of our residents, and improved community engagement in all aspects of recycling, environmental appreciation and living in a cleaner carbon neutral environment.

Green spaces will be improved and enhanced for the benefit of both the environment and residents, including structured environmental development of amenity areas, unwanted gardens, and the creation of green corridors. Wider community engagement will be actively sought, seeking ideas to enhance the local environment within the District's settlements; improvements such as communal gardening, planting of fruit bearing trees and bushes, "micro meadows", educational wildlife areas and urban wildlife corridors will all be encouraged.

The Council will seek to provide a wider and more sustainable environment, improving and enhancing existing green spaces by the planned creation of meadow or wild areas.

This is aimed to reduce mechanical input contributing to a reduction in carbon emissions, provide useable habitat, and create a learning and recreational resource for the local community. The Council will seek to encourage the interaction of stakeholders, contractors and charitable bodies to form partnerships to support these projects, and local schools and communities will be actively encouraged to make use of these resources.

## 5.9. Key Challenges

The key challenges arising from the Business Plan analysis set out in this chapter can be summarised as follows:

- Renewing the responsive repairs contract and heating repairs and servicing contract;
- Maintaining properties to the renewed NK Home Standard;
- Ensuring homes remain safe and secure to live in, complying with current fire, legionella, asbestos, gas and electrical safety regulations;
- Review and align the repair strategy alongside the Co2-sy Homes NK Standard;
- Ensuring repair and maintenance policies are up to date and fit for purpose, mitigating the risk of housing disrepair claims;
- Utilising stock condition survey data to inform a programme of planned improvements to components that would previously have been serviced on a reactive basis;
- Implementing and monitoring the effectiveness of additional Tenant Support During Improvement Works, keeping it under review to ensure it continues to meet tenants' needs;
- Undertaking a full survey of electrical socket provision through the programme of electrical periodic inspections, to inform development of an appropriate response;
- Ensuring the outcomes of the Tenant Investigating Services review into car parking provision are encompassed into estate improvement plans;
- Responding to changes in the operating environment, including:
  - Emerging regulatory requirements, including provisions within the Charter for Social Housing Residents, Building Safety, Fire Safety and the Decent Homes Standard review outcome;
  - Energy Performance measurement, recording and reporting;
  - The anticipated national Heat and Buildings Strategy;
- Identify innovations to meet the challenges facing the construction industry following the Exit from the EU;
- Delivering the Council's New Build Housing Strategy and Delivery Plan;
- Identify the most appropriate delivery solutions to work towards net zero carbon emissions by 2030.

The actions to be undertaken to address these challenges are set out in Appendix 1.

## 6. The Housing Revenue Account Financial Plan

The Housing Revenue Account (HRA) is the financial account used to manage North Kesteven District Council's landlord activities. It is "ring-fenced" and therefore can only be used for providing services to tenants, through collection of rent and other charges.

Self-financing was implemented nationally in April 2012, and involved a one-off financial settlement with central government in return for the ability to retain and control all rental income<sup>1</sup>. The Council's net debt settlement was agreed at £56.867 million. Under self-financing, the Council has the ability to use surplus rental income to invest in the existing housing stock and service improvements and to build additional council housing.

The Council's current 30 year business plan financial model - the "HRA Financial Plan" - includes all revenue and capital income and expenditure associated with the HRA over a 30 year period, along with debt repayments. The HRA Financial Plan requires continued updating on the basis of changes to levels of Right to Buy sales, future inflation, in-year budget amendments, changes to investment levels and interest on balances.

### 6.1. Key Principles

The following key principles underpin the HRA Financial Plan:

- The plan supports the Council's key housing objectives for managing its stock, delivering housing services and investing in new social rented homes;
- The replacement of dwelling components maintains the useful life of each dwelling, and ensures the Council's adopted dwelling standards are adhered to;
- To build new dwellings to meet the social housing waiting list, and aim to at least replace the number of dwellings that are expected to be disposed of under the Right to Buy legislation;
- Right to Buy receipts are fully utilised in the Housing Capital Programme to ensure that no receipts are returned to the government, and are used to part fund the Housing Capital Programme, thus reducing the amount required to fund the programme from borrowing;
- Rents are set in adherence to central government policy and statute<sup>15</sup>;
- The treasury management objective is that borrowing take up is affordable, sustainable and prudent<sup>76</sup>, ensuring that both revenue and capital objectives are met by effective cash management with a risk averse approach<sup>77</sup>;

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<sup>76</sup> <https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2017-edition-online>

<sup>77</sup> <https://www.n-kesteven.gov.uk/your-council/facts-and-figures-about-the-council/council-spending/treasury-management-strategy/>

- Sufficient reserves and balances are maintained, to enable the Council to maintain its financial standing, and to ensure financial sustainability throughout the life of the plan; and
- Wherever possible, external grants are sought to part fund new build dwellings (e.g. Homes England grants for Affordable Homes<sup>78</sup>).

## 6.2. Assumptions

The underlying assumptions within the revised plan are summarised below:

### Housing Revenue Account – Key Assumptions

	2021/22	2022/23	2023/24	2024/25	2025/26
Cost of Living Award	1.75%	2%	2%	2%	2%
Inflation Rate Applied to Capital Components	4%	4%	4%	4%	4%
Rent Increase	1.5%	4.1%	3%	3%	3%
Number of Right to Buy Sales	25	25	25	25	25

#### 6.2.1. Rents

In early 2019, MHCLG issued a new Policy Statement on Rents for Social Housing, confirming a return to Formula Rent from 2020/21 onwards, and permitting annual rent increases of up to the Consumer Prices Index (CPI) + 1%<sup>15</sup>. It is expected that this policy will remain in place for at least five years.

In addition, a direction was issued to the Regulator of Social Housing to set a new standard on rent for registered providers (the “Rent Standard”), to come into effect on 1 April 2020.

Unlike the other Economic Standards, the Rent Standard applies equally to private and local authority registered providers, and therefore since April 2020, the Council has been subject to direct rent regulation by the Regulator (see also Section 8.1.2 – Economic Standards).

Whilst the previous financial plan correctly assumed a return to Formula Rent from 2020/21, it also assumed that the relevant rate of CPI (as at September of the preceding financial year) would be 2%, and therefore that the overall rent increase for 2020/21 would be 3%. CPI in September 2019 was 1.7%, and therefore the rent increase applied for 2020/21 was actually 2.7%.

<sup>78</sup> <https://www.gov.uk/government/collections/affordable-homes-programme-2021-to-2026>

CPI in September 2020 was just 0.5%, and therefore the rent increase applied for 2021/22 was 1.5%. CPI in September 2021 has risen to 3.1%, and therefore the rent increase applied for 2022/23 was 4.1%. It is still assumed that CPI will return to 2% in future years, and therefore future rent increases are assumed to be 3%.

### **6.2.2. Other Charges**

The Council makes other charges to tenants and leaseholders, including ground rents, service charges and rent for council garages; estimates of the income from these charges have been included in the 30 year projection.

### **6.2.3. Inflation**

The Consumer Price Index (CPI) is assumed to be 2% in the Business Plan, but not all costs are uplifted by CPI or the Retail Price Index (RPI). Building costs inflationary uplift is assumed to be 4%, based on the Building Cost Information Service (BCIS) indices<sup>79</sup> and historic trends.

### **6.2.4. Right to Buy Sales**

Right to Buy Sales are assumed to remain at 25 per year for 2021/22 onwards, broadly reflecting the average annual sales over the lifetime of the previous Business Plan. Right to Buy Sales have a significant impact on the HRA; an indicative rent loss figure for 25 properties would be £96,000 per year (based on an indicative rent of £80 per week, over 48 weeks). The financial impact on the HRA of the Right to Buy Sales completed over the lifetime of the previous Business Plan is shown in the table overleaf.

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<sup>79</sup> <https://bcis.co.uk/insight/bcis-tender-price-index-panel/>

## Financial Impact of Right to Buy Sales (2016 – 2021)

	2016/17	2017/18	2018/19	2019/20	2020/21
Number of properties sold	28	34	26	20	11
Total Market Value of Properties Sold (£)	3,059,000	3,807,000	2,886,000	2,470,000	1,327,000
Total Discount Awarded to Tenants (£)	1,433,125	1,781,000	1,410,970	1,066,470	598,550
Total Amount Received by Council after Discount (£); of which:	1,615,875	2,026,000	1,475,030	1,403,530	728,450
Total Pooled to Central Government (£)	408,652	407,119	401,827	401,885	401,945
Total Retained by the Council for Investment in the Capital Programme (£)	1,207,223	1,630,688	1,073,203	1,001,645	326,505
Total Rent Loss over 30 Years Resulting from Sales (Estimated; £)	5,209,125	6,222,941	5,226,841	4,115,566	2,226,011

In August 2018, a consultation was undertaken by MHCLG on the use of sales receipts from properties sold through Right to Buy<sup>80</sup>. The government responded to this consultation in March 2021, undertaking to implement a number of reforms from 1<sup>st</sup> April 2021<sup>81</sup>. These reforms have been factored in to the HRA Financial Plan.

### 6.2.5. Housing Capital Programme

A provisional Housing Capital Programme from 2021/22 of £283.4 million will be delivered over 30 years to address the key asset management challenges identified within the Business Plan. Further detail of the programme is provided at Appendix 3. Of this, £202.5m will be invested in stock improvements and enhancements, and the remaining £80.9m will be invested in new affordable housing, and refurbishments.

The updated Business Plan has a ten year new build programme that will enable the Council to meet both its aim to replace those properties sold through Right to Buy, and aspiration to increase the overall number of affordable homes in the District.

### 6.2.6. Treasury Management

The Council took on additional debt of £56.9 million as part of the self-financing settlement with central government. The loan to repay the debt has been taken through the Public Works Loans Board (PWLb), as the Treasury has offered advantageous rates for this type of loan at 3.03%

<sup>80</sup> <https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales>

<sup>81</sup> <https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales/outcome/use-of-receipts-from-right-to-buy-sales-government-response-to-the-consultation>

per annum. The loan will be paid back using 'equal instalments of principal' (EIP) over the agreed term. This means that the repayments, including interest, will be higher in the early years before reducing towards the end of the term. This represents the cheapest option for the HRA over the lifetime of the plan, and provides scope in future years to borrow further amounts in order to improve the housing stock or create new dwellings.

Following the removal of the HRA Borrowing Cap, the Council is no longer constrained by government controls over borrowing for housebuilding in the HRA, and is able to borrow against expected rental income, in line with the Prudential Code<sup>10</sup>.

### 6.2.7. Investment Priorities

The 30 year projections have been based around a number of principles, which will be used to consider further investment proposals over the lifetime of this Plan:

- The guiding principle is to invest funds to:
  - **Improve** and **enhance** the quality of existing properties to at least the NK Home Standard;
  - **Build** new homes for rent through the housing service; and
  - **Respond** to the service needs and aspirations of customers.
- Funding will be allocated to meet the priorities set out in this document where possible;
- Any change to priorities will be subject to consultation with HRA tenants;
- Investment decisions will be taken in the long term interest of the service and will be fundable within 30 year forecasts without detrimentally impacting on priorities for the service.

## 6.3. Sensitivities

Sensitivity analysis is undertaken as part of the annual budget setting and HRA Medium Term Financial Strategy<sup>82</sup> review processes, and outcomes are used to inform the 30-year HRA Financial Plan model. There are a number of sensitivities that can be run to test the base model, and to assess the impact of variations in, for example:

- Rent and service charge changes;
- Bad debts and void rent loss;
- Inflation;
- Right to Buy sales;
- Future major repairs costs; and
- Rent collection and bad debt recovery rates.

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<sup>82</sup> <https://www.n-kesteven.gov.uk/your-council/facts-and-figures-about-the-council/council-spending/medium-term-financial-strategy/>

As identified in section 6.2.1, CPI in September 2020 was just 0.5%, and therefore the rent increase applied for 2021/22 was 1.5%. The HRA Financial Plan assumes that CPI will return to 2% in future years, and therefore future rent increases are assumed to be 3%; should CPI remain below 2%, rental income will be lower than forecast. A significant change to national rent policy during the lifetime of the Business Plan is also no longer without precedent<sup>13</sup>.

Right to Buy Sales have a significant impact on the HRA; any increase in sales above the anticipated levels would have a detrimental impact on the rental income receivable over the life of the 30-year Financial Plan, while a decrease in sales and associated receipts would improve the Council's ability to fund the housing capital programme.

Any significant reduction in the rent income receivable would mean that the Council would have to undertake another in-depth review of the HRA services it provides, to assess the impact. This would include:

- The level of service delivered, e.g. standard (or basic), instead of the high quality / "gold plated" service currently provided;
- Potential curtailment of the new build programme; rental income funds the contribution to the Major Repairs Reserve, which in turn funds component replacement and new build activity; and
- Ultimately, the Council would have to "cut its cloth" accordingly, making tougher decisions with even less spending capacity, as income would be a more scarce resource.

Future investment will also be informed by the condition of the housing stock; the ongoing programme of continuous stock condition surveys has identified that, while the Council's properties are generally in good condition, works will be required for which it will be prudent to take a planned approach, for a larger number of properties.

With regard to inflationary assumptions, it must be noted that all management, maintenance and capital expenditure is forecast to increase by specific inflation factors; most notably, the BCIS inflationary uplifts<sup>79</sup> are applied on repairs and maintenance budgets, and component replacements in the capital programme. Any real increases above these provisions would therefore have to be met by efficiency savings, reductions in planned service enhancements, or by scaling back the capital programme.

## **6.4. Financial Risk**

The move to self-financing significantly altered the risk profile in HRA Financial Plans. The Council is not at risk of fluctuations in interest rates on any currently contracted debt, as the Council only holds fixed rate loans. Any variation in base rates will not impact on the Council's finances for loans taken to date.



The Council undertakes stress testing and sensitivity analysis on all major income and expenditure budgets, to ensure it is in a position to react to deviations in expected budgetary outcomes.

A HRA Business Plan risk register has been developed, which combines key service-based and financial risks associated with the Plan (see Section 8.3 – Risk Management).

## 6.5. Key Challenges

The key challenges arising from the Business Plan analysis set out in this chapter can be summarised as follows:

- Managing the tension between the Council's social purpose as a registered social landlord and local housing authority, and financial considerations;
- Ensuring effective treasury management to enable delivery of the Business Plan Priorities;
- Ensuring continued compliance with rent regulation;
- Revising the HRA Financial Plan in line with any changes to the financial market; and
- Continuing to minimise risks through stress testing, ensuring the HRA is in a position to react to deviation in expected budgetary outcomes.

The actions to be undertaken to address these challenges are set out in Appendix 1.

## 7. Service Delivery & Performance Monitoring

### 7.1. Service Standards

The standards of service that tenants should expect to receive from the Council – or Local Offers – must balance the feedback received from tenants with the resources available for service delivery. Local offers aim to make a positive difference to tenants' homes, quality of life, and community.

The current Local Offers<sup>83</sup> were implemented in 2017, and are now subject to review to take account of the feedback received from tenants, both during consultation on this Business Plan, and more generally to reflect the priorities of this Business Plan.

### 7.2. Information Systems

As the management of the Council's tenancies and housing stock becomes more complex, it will be vital that information systems are fit-for-purpose and capable of supporting new ways of working.

The provisions of The Charter for Social Housing Residents present a number of challenges when viewed in conjunction with current information systems provision and working practices; ensuring quality of data, and effective and efficient data management practices will be paramount in ensuring the Council can respond effectively to regulatory requirements, meet obligations under the Data Protection Act 2018, and provide the level of service that tenants and residents should be able to expect.

Ensuring meaningful engagement with tenants and residents, where every contact counts, will be difficult to achieve with disparate systems featuring a lack of integration, and in the absence of a dedicated Customer Relationship Management (CRM) system. This curtails Housing and Property Services' ability to develop effective and timely Tenant Insight to drive service development, and meet the Tenant Priorities for Service Improvement in Customer Service. Ensuring every contact is recorded, in a centralised location that can be easily interrogated, would also dramatically improve the Council's ability to defend claims, such as those for Housing Disrepair.

The mobilisation of the new repairs and maintenance contract, alongside the expiry of contracts for some of the current information systems in use, over the lifetime of this Business Plan will provide an opportunity to review the multiple systems currently in use.

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<sup>83</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/information-about-housing-in-north-kesteven/service-standards/>

Any review will need to establish whether a one-system solution will support efficiencies in the management of the Council's housing stock, whilst delivering better customer service to tenants and residents, and (implementation costs notwithstanding) achieve longer term financial savings to strengthen the HRA.

Alongside this, in line with the corporate approach that services are "Digital By Design", the online presence of Housing and Property Services will need to be enhanced, to enable tenants and residents to make more service requests online, as well as improving capability and capacity to disseminate appropriate information to tenants in a timely way, in a manner of their choosing.

This is likely to require further development of the use of social media (such as the dedicated NKDC Housing Facebook page) as a channel, as well as implementation of the Housing Online module within Northgate, which would offer a significant improvement to tenants' and residents' ability to "self-serve" online.

### 7.3. Equality & Diversity

The Council is committed to providing services which embrace diversity and promote equality of opportunity, recognising that discrimination in society exists, and seeking to provide services fairly to all<sup>84</sup>. The Council uses an Equality Impact Assessment (EIA) process when making decisions, updating policies and implementing projects to identify the effect that decisions may have on different groups within the District.

Housing & Property Services are committed to meeting the Council's equality objectives, and a self-assessment against the Local Government Association's Social Housing Equality Framework<sup>85</sup> was undertaken in early 2022, to identify any actions required in order to do so, and ensure these are progressed through inclusion in future service delivery plans. One of the first actions will be to undertake the Tenant Census.

#### Tenant Census

As a social landlord, it is important that the Council is aware of the detailed profile of its tenants, to ensure that services are shaped appropriately to meet their diverse needs. In addition, effective tenant insight means that, where resources are limited, they can be more effectively targeted towards those tenants with the highest need.

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<sup>84</sup> <https://www.n-kesteven.gov.uk/your-council/facts-and-figures-about-the-council/equality-and-diversity/equality-and-diversity-policy/>

<sup>85</sup> <https://local.gov.uk/our-support/guidance-and-resources/equality-frameworks/social-housing-equality-framework>

In 2011, the Council undertook a Tenant Census, to collect a range of information and data from tenants and their households. A key part of this exercise was to capture relevant information related to households with protected characteristics as defined by the Equality Act<sup>86</sup>. The information gathered has been used to inform service delivery in a variety of ways; however, there have been significant challenges in ensuring that this data remains accurate and up to date.

It is therefore planned to carry out another Tenant Census in 2022/23, broadly in line with the timing of the national census, carried out every ten years. Prior to carrying out the Tenant Census, best practice datasets will be reviewed to inform the final dataset to be collected, ensuring compliance with data processing requirements. Following the Census, new working practices will be implemented (see below) to ensure that the data collected is appropriately and effectively maintained in the future.

## **7.4. Resident Engagement**

Given the significant changes experienced over the lifetime of the previous Business Plan, and the emerging regulatory changes likely to take effect over the lifetime of this Business Plan, it is timely for the Council to undertake a review of its approach to resident engagement. It is therefore proposed that a renewed Resident Engagement Strategy will be developed in 2022/23, following completion of the Resident Engagement Review Action Plan in 2021/22 (see also Section 8.4 – Resident Involvement & Scrutiny).

### **7.4.1. Tenant Insight**

Following completion of the Tenant Census, the Council will implement an annual “Tenant Talk” to ensure relationships are maintained with all tenants; tenants will be offered a face to face visit where desired, ensuring they are able to engage in a manner of their choosing, and to meet identified tenant preferences for face to face contact and more regular visits as a means of support. This will provide an opportunity to identify any new tenancy or support issues at an early stage, to enable preventative and proactive action to be taken, as well as also ensuring that the Council can meet its obligations in relation to personal data under the Data Protection Act 2018. The resulting tenant insight data will also be used in other ways to inform service development and enhancement, and this will be captured in the renewed Resident Engagement Strategy.

It must be noted that developing effective tenant insight is contingent on deployment of effective Information Systems for data management, as well as adherence to agreed working practices for data processing.

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<sup>86</sup> <https://www.gov.uk/guidance/equality-act-2010-guidance>

## 7.4.2. Tenant Satisfaction

Housing and Property Services collect and analyse a range of tenant satisfaction data.

Information gathered on tenants' levels of satisfaction following specific service requests is termed "transactional" satisfaction data; this provides insight on tenants' experience of accessing our services, and is used to identify both examples of good practice, and potential service improvements required, as well as in contract management. Where possible, consistent methodology is used to ensure comparable data is generated, to allow effective Benchmarking Performance & Cost of service performance to be undertaken.

Currently, this information is requested from new tenants, following a completion of a responsive repair or planned improvement works, or lodging of a complaint. It is planned to expand the areas for which transactional satisfaction is surveyed over the lifetime of this Business Plan, to ensure tenant experience can be considered in evaluation of a wider range of service delivery, as well as to meet emerging regulatory requirements. This may include the Council's approach to management of anti-social behaviour, and overall customer service.

In order to measure wider perceptions of the Housing and Property Service and gather qualitative data on tenants' experience, the Council undertakes an annual Survey of Tenants and Residents (STAR). This data is analysed to identify trends and emerging issues, which, in turn, inform service planning. The overall results and actions taken in response to the survey outcomes are reported back to tenants through the At Home magazine<sup>87</sup>, and Annual Report to Tenants<sup>74</sup>. An overview of the key satisfaction outcomes is provided later in section 7.6.1.

In 2020, the methodology used by social landlords to ensure that surveys result in comparable data<sup>88</sup> was subject to a full review in which the Council was an active participant. In addition, Theme Two (Landlord Performance) of The Charter for Social Housing Residents, published in November 2020 set out the intention of the government to create a new set of tenant satisfaction measures for landlords that will be collected and published by the Regulation of Social Housing; consultation on these measures by the Regulator commenced in December 2021, ongoing to March 2022, with the final regulatory measures required expected to be confirmed in Summer 2022<sup>89</sup>.

The annual STAR survey cycle has therefore been paused for 2021, to allow for a review of the Council's approach to measuring tenant satisfaction. This will ensure that the Council has sufficient assurance on its survey data quality, is able to effectively compare levels of satisfaction

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<sup>87</sup> <https://www.n-kesteven.gov.uk/residents/homes-and-property/i-am-currently-a-council-tenant-in-north-kesteven/at-home-magazine/>

<sup>88</sup> <https://www.housemark.co.uk/products/data-comparison-analysis/tailored-comparisons/annual-benchmarking/housemark-star/>

<sup>89</sup> <https://www.gov.uk/government/consultations/consultation-on-the-introduction-of-tenant-satisfaction-measures>

with other providers to drive service improvement, and is able to meet future regulatory requirements. The next STAR will therefore be undertaken no earlier than late 2022, when the content and format of the regulatory measures to be reported is expected to be known.

## **7.5. Performance Monitoring & Benchmarking**

The Council has a corporate Performance Management Framework and a specific performance monitoring system to facilitate oversight of numerous aspects of service performance, ensuring any deteriorating performance is identified at an early stage so actions can be put in place to remedy emerging issues. A range of performance and management information is collected and analysed, and :

- Key Performance Indicators (KPIs) tell the Council whether it is achieving the ambitions captured in the NK Plan, and are reported regularly to the Council's Executive Board, Performance and Resources Overview and Scrutiny Panel and Corporate Management Team;
- Service Performance Indicators (SPIs) cover service issues in more detail, and help the Corporate Management Team monitor trends and service development; they are reported regularly to the Corporate Management Team,
- Operational Performance Indicators (OPIs) comprise a range of performance and management information to assist the Council in delivering services that are efficient, economic and effective, and are monitored on a regular basis by Directors, Heads of Service and Departmental Management Teams.

### **7.5.1. HPS Performance Management Framework**

As at 1<sup>st</sup> April 2021, the Performance Management Framework for Housing and Property Services comprised nine KPIs, six SPIs, and 43 OPIs. In addition to the corporate reporting provision outlined in the previous section, Key and Service Performance Indicators will be quarterly to the Tenant Liaison Panel, and annually to tenants in the Annual Report to Tenants<sup>74</sup>. The current Performance Framework is outlined in the table overleaf.

The Framework is reviewed regularly to ensure it remains fit for purpose; the next full review is due to be carried out during 2022/23, to ensure it remains aligned with emerging regulatory requirements, and provides sufficient oversight of service delivery.

## HPS Performance Management Framework – KPIs / SPIs

Ref	Definition	Owner
KP019	% of tenants satisfied with the landlord service provided by the Council	Housing Policy, Performance & Systems Manager
KP020	No of homeless cases prevented and relieved through use of housing advice and prevention tools	Assistant Housing Services Manager (Options)
KP027	No of new Council homes provided	Architectural Design & Investment Manager
KP028	No of properties that do not meet the NK Home Standard	Contracts & Commissioning Manager
KP046	% of dwellings with a valid gas safety certificate	Contracts & Commissioning Manager
KP047	% of repairs completed right first time	Repairs & Voids Manager
KP049	Total amount of current arrears (excluding Direct Debit payers)	Income Management Team Leader
KP051	Average re-let time for Council Housing (calendar days) – standard voids	Housing Services Manager
KP052	Average re-let time for Council Housing (calendar days) – major works voids	Housing Services Manager
SP005	No of households living in temporary accommodation	Assistant Housing Services Manager (Options)
SP006	Rent collected as % of rent due	Income Management Team Leader
SP038	Average time to complete Disabled Facilities Grant works in private sector properties following referral from social care (working days)	Contracts & Commissioning Manager
SP039	Average time to complete Disabled Adaptations in Council properties following referral from social care (working days)	Contracts & Commissioning Manager
SP050	Rent loss due to void	Housing Services Manager
SP053	No of properties (within the calendar month) where the gas safety check was not completed before the expiry date	Contracts & Commissioning Manager

### 7.5.2. HPS Performance Forum

The Housing and Property Services Performance Forum comprises all senior colleagues within Housing & Property Services, supported by officers in Policy & Performance and Compliance. Meeting at least quarterly, it provides an opportunity to analyse, evaluate and challenge the performance of the Housing and Property Service.

The Forum also serves to coordinate service improvement initiatives, including the identification of areas requiring Service Reviews and the outcomes of continuous improvement activities, contributing to the ongoing development of an effective, balanced, and customer focused approach to continuous service enhancement, improvement and development.



## 7.6. Value for Money

Delivering high quality, value for money services is a Key Ambition in the NK Plan, and in managing the HRA, the Council must ensure that its statutory duties and functions are adequately resourced, while also safeguarding viability of the Account in the long term. To meet these requirements, Housing and Property Services strive to deliver services that provide value for money, by ensuring that:

- Costs compare well with other housing providers, allowing for external factors;
- Costs are commensurate with service delivery performance, and outcomes achieved;
- Performance in relation to value for money is monitored and reviewed;
- Full, long term costs are taken into account when making spending decisions, including procurement; and
- Where possible, improved value for money and efficiency gains are achieved.

### 7.6.1. Benchmarking Performance & Cost

The Council recognises the importance of appropriate and timely benchmarking of housing performance and costs against other housing providers (both local authority, and private registered social landlords) and has been a member of Housemark<sup>90</sup> for a number of years.

Housemark is a national housing benchmarking organisation, jointly owned by the Chartered Institute of Housing<sup>91</sup> (CIH) and the National Housing Federation<sup>92</sup> (NHF). Subscribed housing providers submit detailed information on performance and cost using consistent methodology, enabling comparison with other housing organisations nationally; member organisations are able to define their own peer groups for comparison, using a number of parameters such as type of provider, geographical location or stock size. Costs are generally compared on a “per property” basis.

To ensure an adequate sample size for appropriate comparison the Council benchmarks with other housing providers with a similar stock size (between 2,500 and 5,000 properties), regardless of landlord type or geographical location. Due to the complexity of the benchmarking exercise and large number of landlords that participate, full comparative outcomes generally do not become available until around 6 months following the end of the financial year benchmarked.

A selection of benchmarking outcomes during the lifetime of the previous Business Plan is provided on the following pages.

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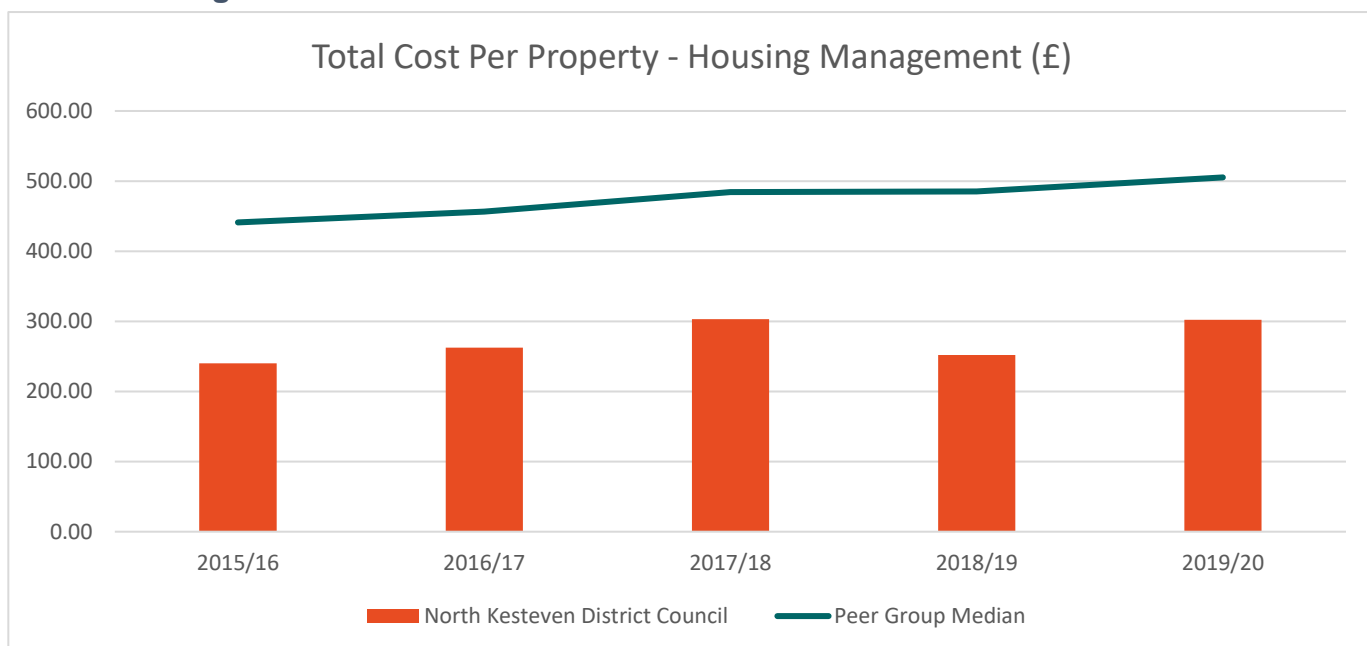
<sup>90</sup> <https://www.housemark.co.uk/about-us>

<sup>91</sup> <https://www.cih.org/about-us>

<sup>92</sup> <https://www.housing.org.uk/about-us/>

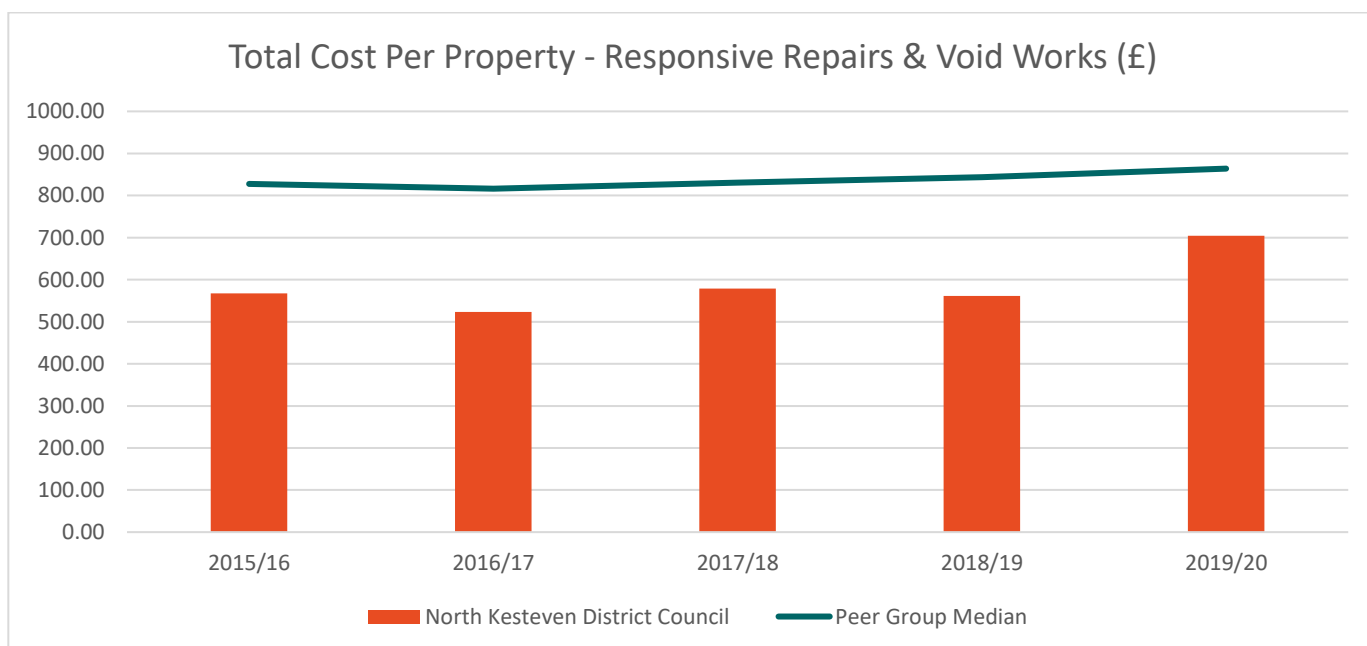


## Benchmarking Outcomes 2015/16 – 2019/20: Costs



The cost of housing management services has generally compared extremely favourably over the period benchmarked; the cost per property for North Kesteven is generally between 50 and 60% of the peer group median, and costs have remained relatively stable over time.

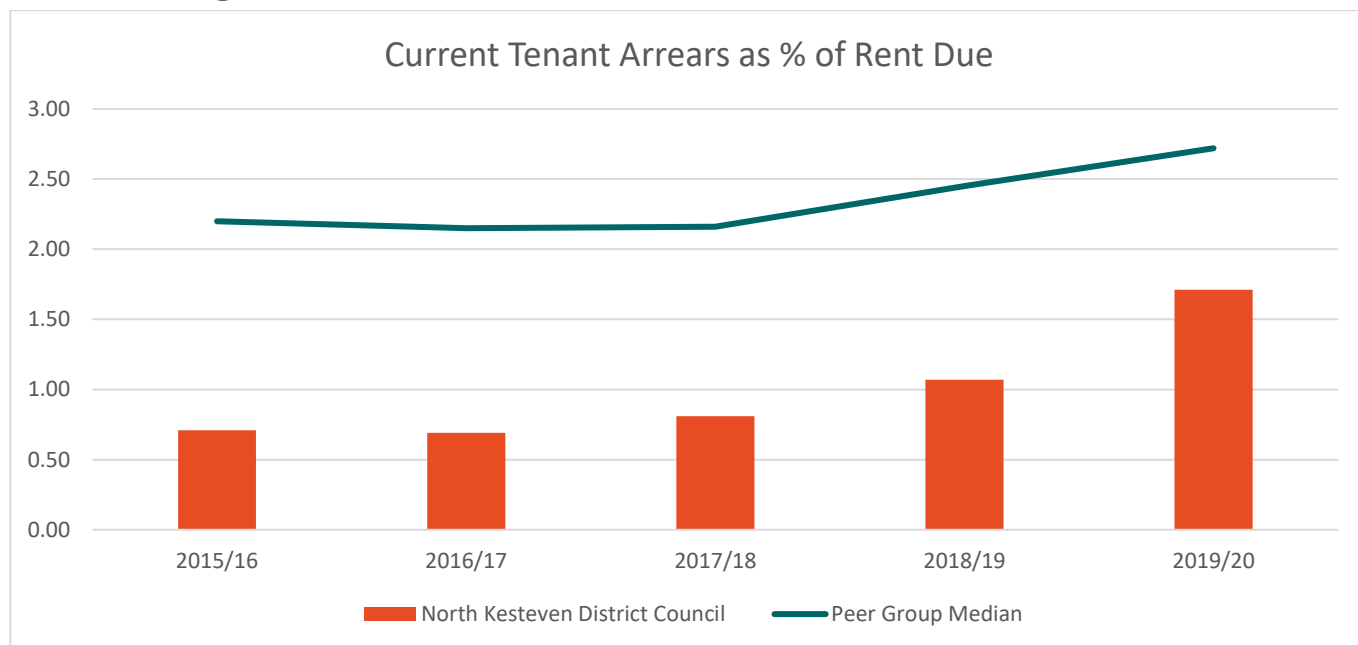
Housing management services - as defined by Housemark – include tenancy and leasehold management, rent arrears and collection, lettings, resident involvement and management of anti-social behaviour.



Similarly, the cost of responsive repairs and void works has also generally compared extremely favourably over the period benchmarked, with the cost per property for North Kesteven generally between 65 and 80% of the peer group median.

While the trend across the sector has been a slight increase over time, North Kesteven's costs increased considerably more in 2019/20 than on average, mainly attributable to an increase in void works costs during the year. Following a review of void management, preliminary results for 2020/21 show that void works costs are now returning to expected levels.

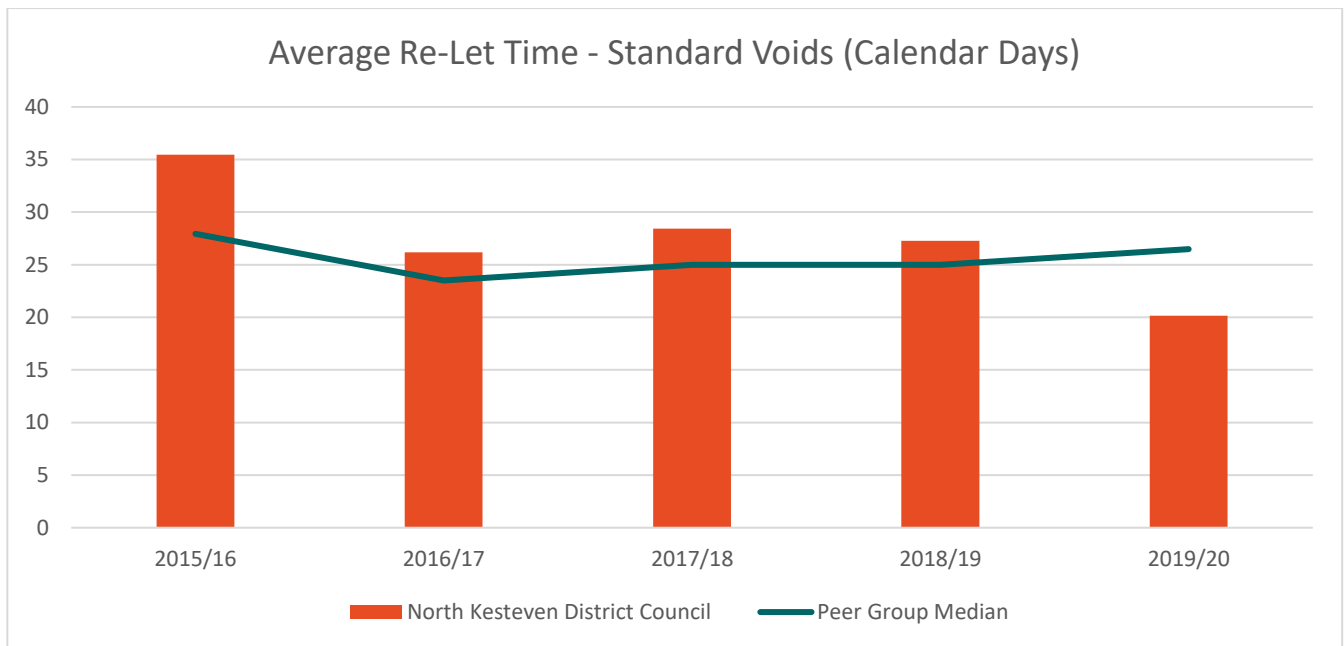
### Benchmarking Outcomes 2015/16 – 2019/20: Performance



Performance of North Kesteven's tenancy and income management services has compared favourably over the period benchmarked, with rates of current tenant arrears significantly less than half of the peer group median until the last year.

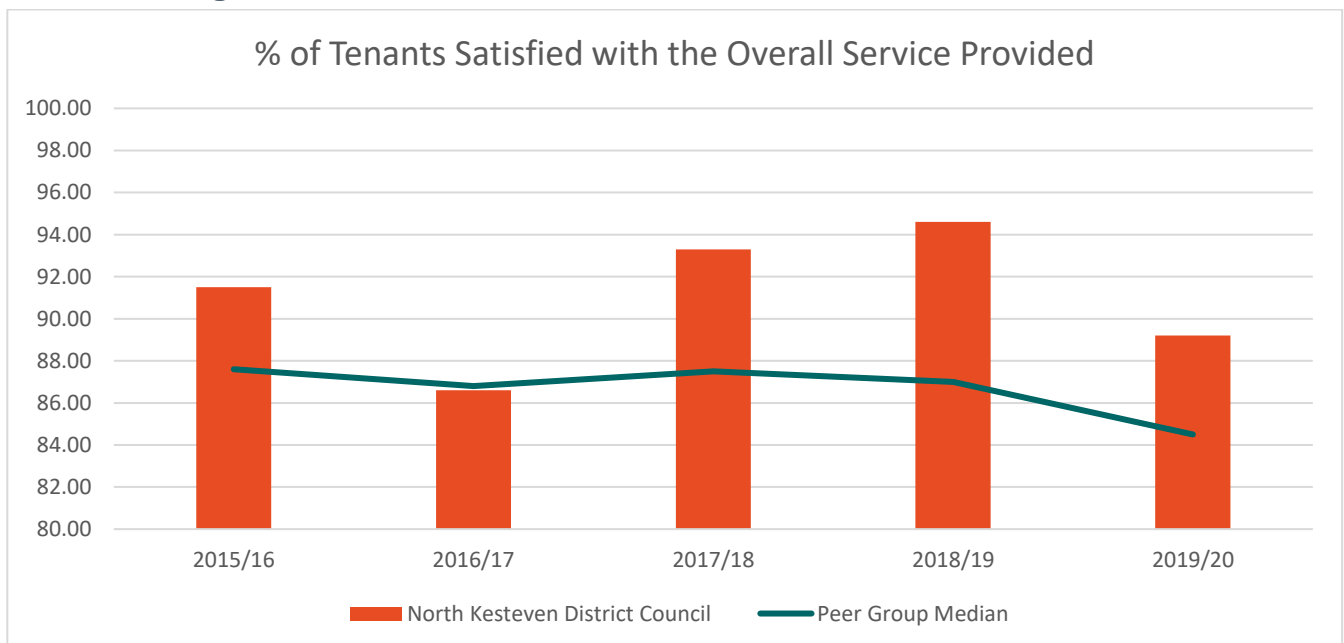
In 2019/20, the rate of current tenant arrears was still around two thirds of the peer group median; year on year increases from 2017/18 reflect the trend within the sector, however the impact on North Kesteven income has been significantly less than elsewhere, due to the considerably lower starting position.

Additional analysis undertaken shows that the increase is at least partially attributable to the rollout of Universal Credit (UC) in the District from 2017/18, and the authority is responding to this through the initiatives detailed in the Income Policy.



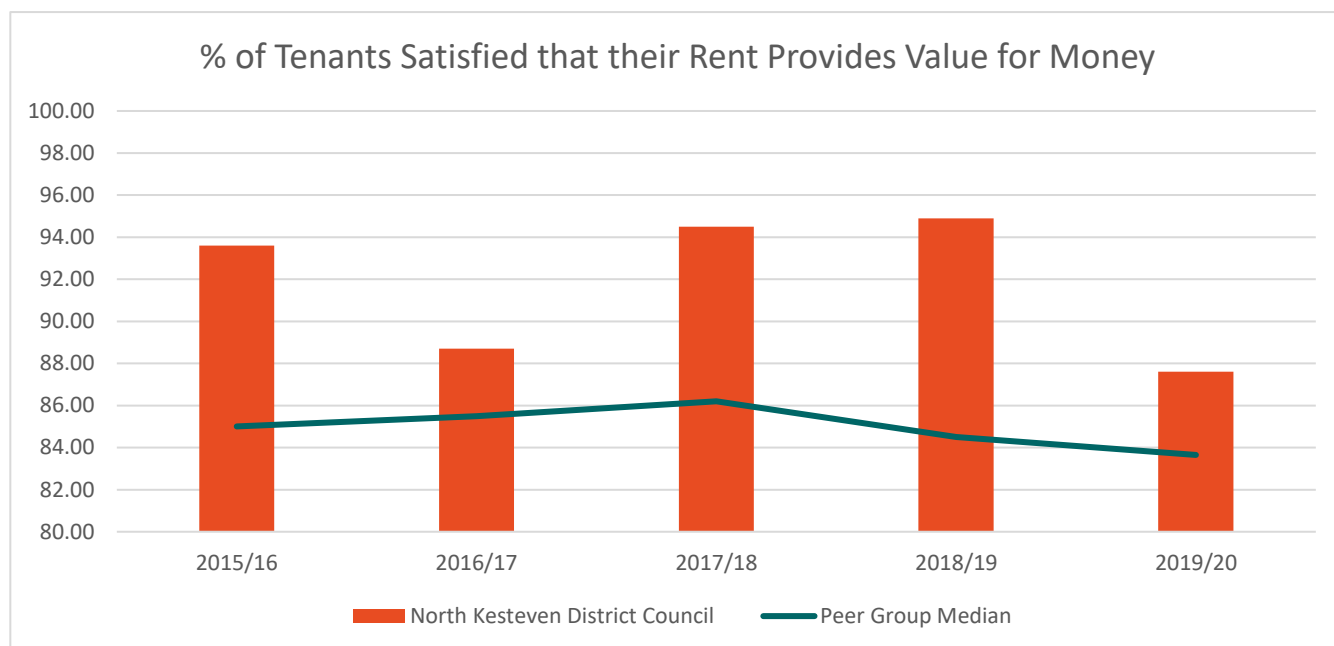
The average re-let time for standard voids remained consistently higher than the peer group median in the first four years of the period benchmarked, and this was a key factor in initiating the review into void management that commenced in 2019/20. While the average re-let time was significantly reduced during 2019/20, this was accompanied by the significant increase in the cost of void works demonstrated in the previous section; the void management review therefore continued throughout 2020/21, seeking to further address the balance between service performance and service cost.

### Benchmarking Outcomes 2015/16 – 2019/20: Tenant Satisfaction

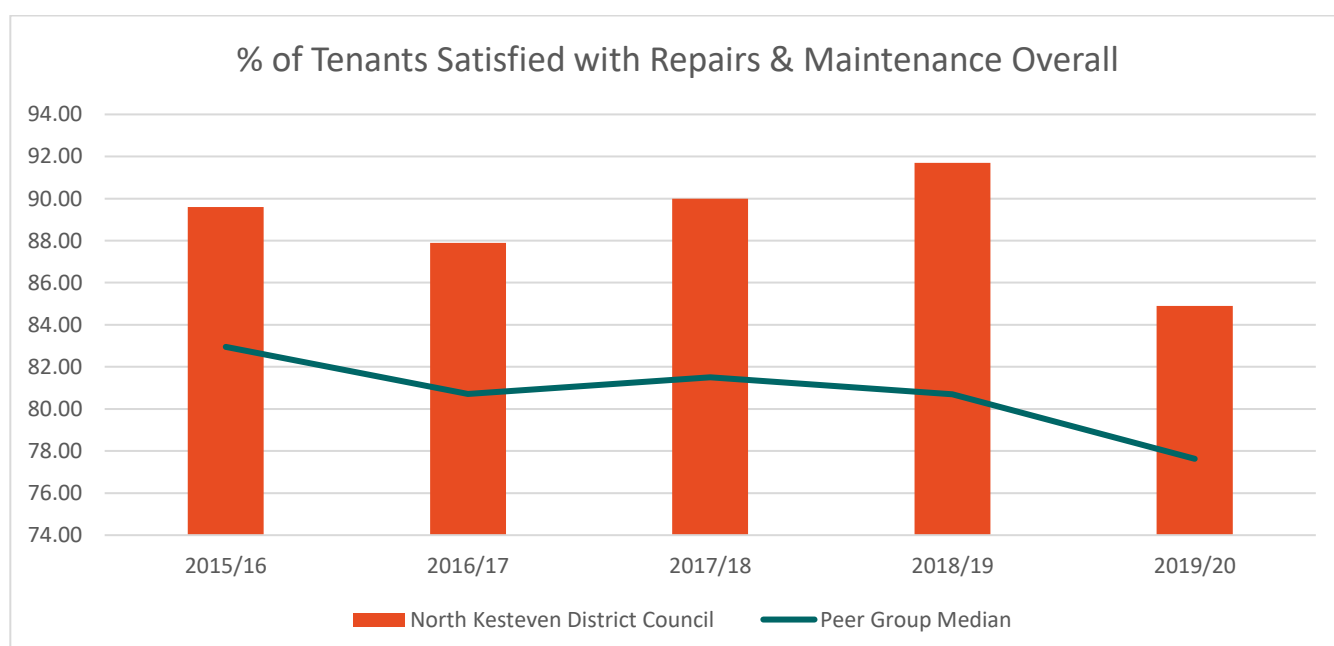


North Kesteven tenants generally have high levels of satisfaction with the overall service provided; excepting 2016/17, satisfaction rates are generally four to seven percentage points higher than the peer group median.

As highlighted in section 7.4.2, it is anticipated that the planned review of the Council's approach to measuring tenant satisfaction will improve assurance on the resulting outcomes, while also ensuring that the future approach will continue to result in useable data that can inform service improvement activities.



North Kesteven tenants are generally more satisfied that their rent provides value for money than those of peers, with satisfaction rates generally three to eleven percentage points higher than the peer group median. Further investigation of the significant reduction in satisfaction in 2019/20 found that this is largely attributable to tenant perceptions of the change in national rent policy, as, at the time of the survey, the first rent increase for four years had been proposed to tenants, following four years of rent reduction.



North Kesteven tenants are generally more satisfied with the overall approach to repairs and maintenance than those of peers, with satisfaction rates generally six to 11 percentage points higher than the peer group median. Further investigation of the significant reduction in satisfaction in 2019/20 did not uncover any specific drivers, but it is noted that the general trend in satisfaction with the overall approach to repairs and maintenance reflects that of peers.

### **Using Benchmarking Data Effectively**

Benchmarking outcomes are used to highlight areas where value for money could be improved, and commission service reviews to drive efficiencies. As part of service improvement activities, “best in class” housing providers are investigated to identify best practice and innovative approaches to common challenges.

Benchmarking outcomes are reported to tenants through the At Home magazine, the Annual Report to Tenants and through digital channels where available. Identifying additional ways to report timely and up to date performance and benchmarking outcomes to tenants will form part of the renewed Resident Engagement Strategy.

### **7.6.2. Service Reviews & Continuous Improvement**

Housing and Property Services regularly review service provision in a variety of areas, to ensure they are of consistent quality and demonstrate value for money; areas for review are identified through analysis of a variety of data, including tenant feedback, performance data and benchmarking outcomes.

When considering initiatives for service improvement, best practice is sought from a variety of credible sources, including exemplar housing providers identified through benchmarking, the CIH<sup>91</sup>, and other leading housing sector organisations such as the Tenant Participation Advisory Service (TPAS<sup>93</sup>) and the Housing Association Charitable Trust (HACT<sup>94</sup>).

Over the lifetime of the previous Business Plan, areas subject to review have included:

- Voids and lettings co-ordination and management;
- Garage letting and management; and
- Policy and procedure framework and management.

Over the lifetime of this Business Plan, areas identified for review include (but are not limited to):

- Handyman service;
- Decoration schemes;
- Measuring tenant satisfaction;
- Data quality and management;

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<sup>93</sup> <https://www.tpas.org.uk/about-tpas>

<sup>94</sup> <https://www.hact.org.uk/about-us>

- The performance management framework;
- Approach to governance and regulatory compliance; and
- Customer service provision.

## 7.7. Key Challenges

The key challenges arising from the Business Plan analysis set out in this chapter can be summarised as follows:

- Undertake a full review of Information Systems provision, to include asset management and the corporate approach of “Digital by Design”;
- Renewing the approach to resident engagement and involvement, widening opportunities for tenants and residents to have a voice, and influence the decisions taken that affect them;
- Securing continual improvement of the services offered to tenants and residents, ensuring that value for money is secured and utilising best practice and innovation, via benchmarking and any other appropriate mechanisms identified;
- Continuing development of effective and robust performance management processes, ensuring the Housing & Property Performance Management Framework is fit for purpose and enables early identification of potential performance issues;
- Developing a strategy to improve data quality assurance throughout the service, whether property or people related, encompassing Data Protection and Freedom of Information legislative requirements;
- Revitalising Housing & Property Services’ approach to Equality and Diversity, using the Local Government Association Social Housing Equality Framework to establish a programme of work, including a Tenant Census.

The actions to be undertaken to address these challenges are set out in Appendix 1.

## 8. Governance & Resident Involvement

The Council has a Constitution<sup>95</sup>, which sets out how it operates, how decisions are made, and the procedures in place that ensure the Council is efficient, transparent and accountable to local people; decisions with regard to the HRA Business Plan will be made in accordance with these arrangements.

The Council has a number of overview and scrutiny panels<sup>96</sup> which scrutinise the decisions made by committees, act as a critical friend, review current and emerging policies and their contribution to the Council's priorities, and challenge performance. Overview and scrutiny of the Council's landlord services falls within the remit of the Communities and Economy Overview and Scrutiny Panel. Tenant scrutiny is facilitated through Tenants Investigating Services (see Section 8.4.2).

Additionally, the Executive Board Member for Housing and Property Services meets regularly with senior managers of the service, including the Deputy Chief Executive and Head of Housing & Property Services.

### 8.1. Regulation

The current Regulatory Framework for Social Housing in England<sup>97</sup> was first published by the Homes and Communities Agency in 2012. Subject to several updates since its implementation, it contains a number of Regulatory Standards, classified as either Economic or Consumer. All registered providers of social housing must comply with the Consumer Standards; of the Economic Standards, only the Rent Standard applies to local authority registered providers, with the remainder applicable to private registered providers only. Each Standard confirms the outcomes that registered providers of social housing are expected to achieve, and the specific expectations of the regulator.

In 2018 responsibility for social housing regulation was transferred from the Homes and Communities Agency to the newly-created Regulator of Social Housing<sup>98</sup> (RSH). The current regulatory regime<sup>99</sup> is largely reactive<sup>100</sup> in relation to the Consumer Standards, with pro-active regulatory activities focused on the financial viability and governance of private registered providers<sup>101</sup>. Each of the Standards sets out the "Required Outcomes" for regulatory

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<sup>95</sup> <https://www.n-kesteven.gov.uk/your-council/how-the-council-works/>

<sup>96</sup> <https://www.n-kesteven.gov.uk/your-council/how-the-council-works/decision-making/overview-and-scrutiny/>

<sup>97</sup> <https://www.gov.uk/guidance/regulatory-standards>

<sup>98</sup> <https://www.gov.uk/government/organisations/regulator-of-social-housing/about>

<sup>99</sup> <https://www.gov.uk/government/publications/brief-guide-to-regulation-of-registered-providers>

<sup>100</sup> <https://www.gov.uk/government/publications/guidance-on-the-regulators-approach-to-intervention-enforcement-and-use-of-powers>

<sup>101</sup> <https://www.gov.uk/government/publications/regulating-the-standards>

compliance, along with “Specific Expectations” of social housing providers.

Substantial changes to the regulatory regime, outlined in The Charter for Social Housing Residents, are expected to be made during the lifetime of this Business Plan; one of the most significant of these for local authorities is the proposed change from reactive to pro-active regulation of the Consumer Standards, which will see inspections of compliance with the applicable Regulatory Standards undertaken on a regular cycle.

A review of the existing Regulatory Standards is also planned; while (at the time of writing the Business Plan) the timescale for review is, as yet, unknown, in November 2021 the Regulator issued a policy statement setting out the proposed principles and approach<sup>102</sup>. As the proposed timescales and requirements emerge, they will be factored in to future service delivery planning.

### **8.1.1. Consumer Standards**

The four Consumer Standards<sup>97</sup> are the:

- Home Standard
- Tenancy Standard
- Neighbourhood & Community Standard; and
- Tenant Involvement & Empowerment Standard.

The Consumer Standards apply to all registered providers of social housing; the Regulator makes clear that ultimately, within a local authority, elected members are responsible for ensuring the Standards are met, and that others, such as tenant panels, have a role in scrutinising that this is delivered.

The Consumer Standards are currently subject to a co-regulatory approach, meaning they are not proactively regulated, with registered providers instead expected to self-refer to the Regulator if they become aware that there has been a potential breach. The Council therefore monitors its compliance with the Standards through a Voluntary Self-Assessment process, with outcomes reported to elected members and tenants through the Tenant Liaison Panel.

#### **Home Standard**

The Home Standard<sup>103</sup> sets expectations for registered providers of social housing to provide tenants with quality accommodation, and a cost effective repairs and maintenance service.

The Council's key activities in responding to this Standard are mainly discussed in Section 5 – Asset Management.

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<sup>102</sup> <https://www.gov.uk/government/publications/reshaping-consumer-regulation-our-principles-and-approach>

<sup>103</sup> <https://www.gov.uk/government/publications/home-standard>



## **Tenancy Standard**

The Tenancy Standard<sup>104</sup> sets expectations for registered providers of social housing to let their homes to tenants in a fair, transparent and efficient way.

The Council's key activities in responding to this Standard are mainly discussed in Section 4 – Housing Services.

## **Neighbourhood & Community Standard**

The Neighbourhood and Community Standard<sup>105</sup> sets expectations for registered providers of social housing to keep the neighbourhood and communal areas associated with the homes they own clean and safe, co-operate with relevant partners to promote the wellbeing of the local area and help prevent and tackle anti-social behaviour.

The Council's key activities in responding to this Standard are discussed in both Section 4 – Housing Services and Section 5 – Asset Management.

## **Tenant Involvement & Empowerment Standard**

The Tenant Involvement and Empowerment Standard<sup>106</sup> sets expectations for registered providers of social housing to provide choices, information and communication that is appropriate to the diverse needs of their tenants, a clear approach to complaints, and wide opportunities for them to have influence and be involved.

The Council's key activities in responding to this Standard are mainly discussed in Section 7 – Service Delivery & Performance Monitoring.

### **8.1.2. Economic Standards**

The three Economic Standards<sup>97</sup> are the:

- Governance & Financial Viability Standard;
- Value for Money Standard; and
- Rent Standard.

Most of the Economic Standards do not apply to all registered providers of social housing; the Regulator has no power to set economic standards for local authorities other than on rents, and therefore the Rent Standard is the only Economic Standard that applies to all registered providers. It is pro-actively regulated through a Regulatory data return. While the Council is not regulated on the other two Economic Standards, they are still regarded in relation to service delivery.

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<sup>104</sup> <https://www.gov.uk/government/publications/tenancy-standard>

<sup>105</sup> <https://www.gov.uk/government/publications/neighbourhood-and-community-standard>

<sup>106</sup> <https://www.gov.uk/government/publications/tenant-involvement-and-empowerment-standard>

## **Governance & Financial Viability Standard**

The Governance and Financial Viability Standard<sup>107</sup> sets expectations for private registered social housing providers to be financially viable, with good levels of governance.

While this Standard does not apply to the Council, the financial viability of the HRA is assured through the robust HRA Business Planning process undertaken.

## **Value for Money Standard**

The Value for Money Standard<sup>108</sup> sets expectations for private registered social housing providers to make the best use of the resources that they have to meet their objectives.

While this Standard does not apply to the Council, delivering Value for Money services is a Key Ambition in the NK Plan and Housing and Property Services strive to meet this ambition in all activities.

## **Rent Standard**

The Rent Standard<sup>109</sup> sets out the requirements around how all registered social housing providers set and increase their rents for all housing stock, in line with government policy as set out in the Policy Statement of Rents for Social Housing<sup>15</sup>.

The Council ensures the Rent Standard is met throughout the rent setting process set out in the Income Policy<sup>57</sup>, and is pro-actively regulated on the Standard through a Regulatory data return.

### **8.1.3. Voluntary Self-Assessment**

Since the current Regulatory Standards were introduced in 2012, the Council has undertaken regular voluntary self-assessments against each of the Consumer Standards, to ensure continued compliance with the overall regulatory framework. The most recent round of self-assessments were completed in 2018/19, and the results reported to elected members as follows:

- Neighbourhood & Community, and Tenant Involvement and Empowerment Standard – Executive Board, 13<sup>th</sup> September 2018<sup>110</sup>
- Tenancy Standard – Executive Board, 11<sup>th</sup> October 2018<sup>111</sup>
- Home Standard – Executive Board, 17<sup>th</sup> January 2019<sup>112</sup>

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<sup>107</sup> <https://www.gov.uk/government/publications/governance-and-financial-viability-standard>

<sup>108</sup> <https://www.gov.uk/government/publications/value-for-money-standard>

<sup>109</sup> <https://www.gov.uk/government/publications/rent-standard>

<sup>110</sup> <https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=286&MId=7378&Ver=4>

<sup>111</sup> <https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=286&MId=7379&Ver=4>

<sup>112</sup> <https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=286&MID=7382>

Given the significant changes in both the wider operating environment and local working practices since these self-assessments were completed, another in depth self-assessment against each of the Consumer Standards will commence in 2022, with the results used to ensure that the Council is best placed to meet the challenge of future changes to the regulatory regime.

#### **8.1.4. Regulatory Data Returns**

Currently, the Council is required to complete one regulatory data return in order to comply with regulatory requirements, the Local Authority Data Return (LADR)<sup>113</sup>.

The LADR is an annual census conducted by the Regulator of Social Housing, and is required to be completed by all local authority registered providers of social housing in England, from 1<sup>st</sup> April 2020. It is used by the Regulator to collect a range of data on stock and rent levels, and has replaced part of the Local Authority Housing Statistics<sup>114</sup> (LAHS) statistical data return made annually to MHCLG (now the Department for Levelling Up, Housing & Communities).

Collation, verification and submission of the required data is managed by the Policy & Performance function within the Housing Policy, Performance and Systems team, in collaboration with key colleagues across the service.

#### **8.1.5. Preparing for Regulatory Change**

The Charter for Social Housing Residents outlines a number of proposed changes to the regulatory regime for social housing, many of which are likely to take effect during the lifetime of this Business Plan. These include:

- Moving from a reactive to a proactive approach in regulating the Consumer Standards, including:
  - Routine regular inspections for landlords with over 1,000 homes, on a minimum four year cycle, with annual desktop reviews;
  - Development of a suite of Tenant Satisfaction Measures for landlords, to be collected by the Regulator through an additional regulatory data return, and published by the Regulator and landlords themselves;
- A joint review of the Consumer Standards by the Department for Levelling Up, Housing & Communities (formerly MHCLG) and the Regulator, including strengthening of Consumer Regulation to explicitly include safety;
- Publication of a Code of Practice on Consumer Standards too make clear what landlords are required to deliver;
- A review of the Decent Homes Standard;
- Requiring nomination of a senior officer(s) for each organisation as responsible for Health

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<sup>113</sup> <https://nroshplus.regulatorofsocialhousing.org.uk/Documents/DocumentByTheme/14>

<sup>114</sup> <https://www.gov.uk/government/collections/local-authority-housing-data>

and Safety compliance, and compliance with the Consumer Standards, to improve assurance and accountability;

- Expecting landlords to use their knowledge of vulnerable tenants to monitor and support those at particular risk of exploitation;
- Demonstrating to the Regulator that Councillors have sufficient oversight of local authority landlords' compliance with the regulatory standards; and
- A review of professional training and development for social housing staff across all roles from frontline to senior executive, to ensure residents receive a consistently high standard of service.

The proposed changes are both significant and wide-ranging, and will require all social housing landlords to change the way they operate in some form. For many of the proposals, additional legislation (primary or secondary), and / or guidance (statutory or non-statutory) must be issued before detailed requirements are known.

To ensure that the Council can effectively respond to the changes as they emerge, a provisional timeline of events and a "Meeting the Charter" action plan has been developed during 2021/22, and used to inform service planning.

## 8.2. Complaints

The Council has a Customer Feedback Policy<sup>115</sup> which has a universal two-stage process for dealing with complaints, but makes specific provision for complaints from tenants. Tenants who remain dissatisfied with the responses received at both stage 1 and stage 2 of the process are able to either:

- Ask for a review of the complaint outcome by the Housing Complaints Panel. This is an optional course of action for tenants. The Panel is there to help resolve disputed between the tenant and the landlord. If a resolution is not possible, the complaint can be referred to the Housing Ombudsman; or
- Contact a Designated Person (a District Councillor or MP). Designated persons are there to help resolve disputes between tenants and their landlord and/or can refer the complainant in writing to the Housing Ombudsman within eight weeks of the final decision; or
- Refer their own complaint to the Housing Ombudsman (this must be a minimum of eight weeks following the date of the letter notifying complaint closure).

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<sup>115</sup> <https://www.n-kesteven.gov.uk/your-council/have-your-say/customer-feedback/>

The Housing Ombudsman<sup>116</sup> is a free, independent and impartial service set up by law to look at complaints about housing organisations registered with them, resolving disputes involving the tenants and leaseholders of social housing providers, and voluntary members (landlords in the private sector); registration is mandatory for local authority and private registered providers of social housing.

In line with the provisions of Theme Three of The Charter for Social Housing Residents, the Council has undertaken a self-assessment against the Housing Ombudsman's Complaint Handling Code and published the results as required<sup>115</sup>; this will be repeated at regular intervals over the lifetime of the Business Plan to ensure continued compliance with the Code.

## **8.3. Risk Management**

A risk is a future event (or series of events) which has the potential to impact on the Council's objectives, either at strategic or service level. Risk management is a systematic process whereby organisations identify, evaluate, respond to and monitor the risks attached to their activities. The Council has a dedicated corporate risk management system in place, to facilitate a consistent approach to risk.

### **8.3.1. Internal Audit**

As part of the Councils Combined Assurance model, we work with managers, third parties and internal audit to manage the risks from our operations. We work with Assurance Lincolnshire to establish an assurance framework for risk management, control and compliance.

### **8.3.2. Risk Register**

A risk register has been produced to assess the risks associated with factors and activities relating to this Business Plan. The risk register will continue to be monitored, updated and evaluated to ensure the Housing and Property service is able to mitigate the impact of future risk.

## **8.4. Resident Involvement & Scrutiny**

The Council provides different ways for tenants to be involved in decision making and service design, outlined below. In order to maximise the opportunities for resident involvement and scrutiny and ensure the opportunities provided meet the various needs of tenants, the Council's

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<sup>116</sup> <https://www.housing-ombudsman.org.uk/about-us/what-we-do/>

approach to resident involvement and scrutiny will be included in the scope of the wider review of resident engagement, identified in Section 7.4.

#### **8.4.1. Tenant Liaison Panel**

The Tenant Liaison Panel is an advisory part of the Council's decision making process, giving tenants a voice with which to promote their interests, in partnership with the Council as their landlord.

The Panel meets regularly – a minimum of four times per year – and is intended to give tenant representatives an opportunity to discuss matters affecting their homes and local environment with officers of the Council and elected members, influencing decisions prior to debate at other Council Committees.

The Panel is a partnership of all tenant representatives and five nominated Councillors, with formal administrative support from the Democratic Services team. Chairing of the Panel is shared, alternating between a Councillor and a tenant representative on a two year cycle; when the Chair is a Councillor, the Vice Chair will be a tenant representative, and vice versa.

#### **8.4.2. Tenants Investigating Services**

The Council facilitates tenant scrutiny of services through a tenant scrutiny panel – “Tenant Investigating Services”. The panel is comprised completely of tenants, with facilitation support provided by the Community Engagement team, and is empowered to choose any topic they wish to investigate.

Once a topic has been selected, the panel undertake investigations into the service provided, are provided with access to all officers and information they require, consult with other tenants on their experience of services provided, and compare local standards with those of other housing providers.

The resulting evidence is then used to produce a report, with a range of recommendations that aim to improve services for all tenants. The report is presented to the Housing and Property Departmental Management Team, who assess the recommendations and decide if they can be implemented; where a recommendation is declined, sufficient justification must be provided by the relevant service manager.

Topics reviewed by Tenants Investigating Services over the lifetime of the previous Business Plan have included:

- Applying for a council house;
- Tenant's own home improvements; and
- Parking on council estates.

## 8.5. Business Plan Monitoring & Reporting

The Council has in place an established annual financial and service planning cycle. This sets the process for refreshing corporate priorities, aligning budgets, undertaking corporate and service planning activities and reporting against progress, with ongoing engagement with the community, partners and staff taking place throughout. The monitoring and refreshing of the HRA Business Plan is integrated into this process and the plans, performance indicators and risk assessments associated with the Business Plan will be updated accordingly.

It is important that progress on the Delivery Plan and achievements against performance targets are monitored throughout the year. The Financial Plan and risks associated with the HRA Business Plan must also be kept under review.

An officer led HRA Business Plan Delivery Review Group will be established to track delivery of the Plan, and to review the Financial Plan and HRA Business Plan risk register on a regular basis. This group will provide progress reports to CMT every quarter. Any significant movements in the financial assumptions and budgets associated with the HRA Business Plan will be dealt with through the council's financial management and reporting arrangements.

Based on current planning cycles, the HRA Business Plan will next be fully renewed and re-published in 2026, unless significant changes to the operating environment require an earlier review.

## 8.6. Key Challenges

The key challenges arising from the Business Plan analysis set out in this chapter can be summarised as follows:

- Ensuring continued compliance with the Regulatory Framework for Social Housing, using regular self-assessment against applicable regulatory standards to inform service planning and development;
- Responding to emerging regulatory changes resulting from the Charter for Social Housing Residents, including preparation for the planned pro-active inspection regime;
- Ensuring effective risk management processes are in place to mitigate the impact of emerging risks;
- Ensuring that the Complaints handling process aligns with the Housing Ombudsman Complaint Handling Code, further developing the internal mechanisms for both specific customer feedback and Housing Ombudsman best practice reports to inform delivery of services;
- Renewing the approach to resident involvement, widening opportunities for tenants to influence the decisions taken that affect them (as part of the wider review of resident engagement, identified in Chapter 7);

- Maintaining an effective HRA Business Plan monitoring and review process which ensures the Delivery Plan is revised as required due to changes in the operating environment.

The actions to be undertaken to address these challenges are set out in Appendix 1.



## Appendix 1: Summary Delivery Plan

BPP Ref	Business Plan Priority	Action Ref	Action	Owner	Due by
1	<b>Maximising rental and service charge income</b> while also providing sufficient and appropriate support for tenants and residents experiencing hardship	1.1	Maximise collection of rent and other housing-related charges, responding sensitively to cases of genuine hardship and ensuring a consistent and fair approach	Housing Services Manager	Annual
		1.2	Regularly review the Income Policy, ensuring it continues to meet both business and tenant needs	Housing Services Manager	2023/24
		1.3	Continue to ensure our service delivery responds to changes in the welfare system, through effective monitoring of impact so that tenants have access to the right support at the right time	Housing Services Manager	Annual
		1.4	Continue developing a value for money approach to the management of leaseholders and associated charges	Housing Services Manager	2023/24
		1.5	Enhance opportunities for tenants to influence rent setting, within the requirements of the regulatory framework	Housing Services Manager	2024/25
2	<b>Maintaining quality homes &amp; neighbourhoods</b> that are safe and secure to live in	2.1	Ensure repair and maintenance policies are up to date and fit for purpose	Property Services Manager	2022/23
		2.2	Ensure homes remain safe and secure to live in, complying with current fire, legionella, asbestos, gas and electrical safety regulation	Property Services Manager	Annual
		2.3	Develop a programme of planned improvements to components previously serviced on a reactive basis, utilising stock condition survey data	Property Services Manager	2023/24
		2.4	Through electrical periodic inspections, undertake a full survey of electrical socket provision to inform development of an appropriate response to meet tenants' needs	Property Services Manager	2025/26
		2.5	Incorporate the outcome of the TIS review into car parking provision into estate improvement plans	Property Services Manager	2022/23
		2.6	Develop and implement initiatives to enhance neighbourhoods, improving communal spaces and boosting access to useable green spaces where possible	Departmental Management Team (HPS)	2023/24
		2.7	Continue to work collaboratively with Council teams outside of the Housing and Property Service on enforcement issues (including but not limited to: Community Safety / ASB; Environmental Protection; Building Control; Licensing)	Housing Services Manager	Annual

3	<b>Meeting housing need, ensuring properties are affordable and meet the needs of tenants</b> through the provision of new homes, ensuring best use of existing stock, and using innovative approaches to reduce the incidence of existing homes for which there is little or no demand	3.1	Identify and trial new approaches to improve the Council's ability to meet housing need, which may include revised eligibility criteria	Housing Services Manager	2023/24
		3.2	Review the Lettings Policy on a bi-annual basis to ensure local housing need is met, and to make best use of limited housing stock	Housing Services Manager	2024/25
		3.3	Implement the New Build Strategy and achieve the Delivery Plan	Property Services Manager	2021/22 / Annual
4	<b>Responding to the Climate Emergency</b> improving the energy efficiency of council properties within the specified timescales while also considering wider estate environmental improvements	4.1	Implement the New Build CO <sub>2</sub> sy Homes Standard	Property Services Manager	2021/22
		4.2	Review & align the repair strategy alongside the CO <sub>2</sub> sy Homes Standard	Property Services Manager	2023/24
		4.3	Identify and implement the most appropriate delivery solutions to work towards net zero carbon emissions by 2030 for the existing stock (Retrofit CO <sub>2</sub> sy Homes Standard)	Property Services Manager	2023/24
		4.4	Develop a plan to effectively engage with tenants and residents on proposals for responding to the Climate Emergency	Departmental Management Team (HPS)	2022/23
		4.5	Ensure the options appraisal process for energy-related initiatives includes an assessment of the likely financial impact on tenant occupiers, so that issues of fuel poverty are balanced against wider Climate Emergency considerations	Departmental Management Team (HPS)	2023/24
		4.6	Monitor, assess and respond to emerging changes in Energy Performance Certification	Property Services Manager	2022/23
		4.7	Monitor, assess and respond to the emerging national Heat and Buildings Strategy	Property Services Manager	2022/23
5	<b>Responding to the provisions of the Charter for Social</b>	5.1	Undertake bi-annual self-assessment against the Regulatory Framework for Social Housing to inform service planning and service development, ensuring continued regulatory compliance	Housing Policy, Performance & Systems Manager	2023/24

	<b>Housing Residents and emerging Building Safety legislation</b> ensuring continued compliance with current and future regulatory and legislative requirements	5.2	Develop an action plan for "Meeting the Charter for Social Housing Residents" with regard to national timescales for implementation	Head of Housing & Property Services	2021/22
		5.3	Develop an action plan for meeting the provisions of the Building Safety Bill and associated legislation, with regard to national timescales for implementation	Head of Housing & Property Services	2022/23
		5.4	Participate in and contribute NKDC's experience to the Decent Homes Standard review	Head of Housing & Property Services	2022/23
6	<b>Continual improvement of the services offered to tenants and residents</b> ensuring the Housing & Property Service is responsive to their diverse needs	6.1	Undertake a full review of use of communal rooms, developing and implementing recommendations for each location, to ensure appropriate use and value for money	Housing Wellbeing Strategy Manager	2022/23
		6.2	Implement additional Tenant Support During Improvement Works, monitoring the uptake and efficacy of support provided, and reviewing as required to ensure the policy continues to meet the needs of tenants	Departmental Management Team (HPS)	2022/23
		6.3	Develop a new Resident Engagement Strategy that widens opportunities for tenant and residents to have a voice, and influence decisions that affect them	Housing Policy, Performance & Systems Manager	2022/23
		6.4	Continue development of effective and robust performance management processes, ensuring the Housing & Property Performance Management Framework is fit for purpose, and enables early identification and resolution of potential performance issues	Housing Policy, Performance & Systems Manager	2023/24
		6.5	Benchmark Housing & Property Services appropriately, to ensure that value for money is achieved and inform continual improvement that utilises best practice and innovation, where feasible	Housing Policy, Performance & Systems Manager	Annual
		6.6	Develop a strategy to improve data management throughout the service, with a robust approach to quality assurance and encompassing Data Protection and Freedom of Information legislative requirements	Housing Policy, Performance & Systems Manager	2023/24

		6.7	Establish a programme of work to revitalise Housing and Property Services' approach to Equality and Diversity in service delivery, utilising the Local Government Association Social Housing Equality Framework	Housing Policy, Performance & Systems Manager	2022/23
		6.8	Further develop the internal mechanisms for specific customer feedback and Housing Ombudsman (HO) best practice reports to inform delivery of services, in line with the HO Complaint Handling Code	Housing Policy, Performance & Systems Manager	2022/23
7	<b>Delivering an effective response to the specific key challenges identified, within the resources available</b>	7.1	Undertake renewal of the repairs contract and heating repairs and servicing contracts, informed by tenant feedback and with a focus on value for money	Property Services Manager	2023/24
		7.2	Undertake a full review of Housing and Property Information Systems provision, to include asset management and with regard to the corporate approach of "Digital by Design" and improving service efficiency	Housing Policy, Performance & Systems Manager	2022/23
		7.3	Ensure effective treasury management that enables delivery of the Business Plan Priorities	Strategic Finance Manager	Annual
		7.4.	Ensure that financial considerations are balanced against the Council's social purpose as a registered social landlord and local housing authority	Head of Housing & Property Services	Annual
		7.5	Continue to minimise risks through stress testing of the Financial Plan, ensuring the Housing Revenue Account is in a position to react to any deviation in expected budgetary outcomes	Strategic Finance Manager	Annual
		7.6	Identify innovations to meet the challenges facing the construction industry following the Exit from the EU	Property Services Manager	Annual

## Appendix 2: HRA Operating Account 2022-2052

	Year 1				Year 2	Year 3	Year 4	Year 5
	<i>Original Estimate</i>	<i>Carry Forwards</i>	<i>Approved in Year</i>	<i>Approved Estimate</i>				
As at April 2022	£	£	£	£	£	£	£	£
	2022/23	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Expenditure</b>								
Repairs and Maintenance	4,224,000	-	-	4,224,000	4,352,800	4,508,700	4,726,300	4,903,800
Supervision and Management	4,031,900	-	-	4,031,900	4,098,200	4,100,100	4,203,600	4,323,300
Group Dwellings - Facility Costs	67,000	-	-	67,000	56,500	49,800	51,800	53,400
Handyman Service	-	-	-	-	-	-	-	-
Housing & Property Services	151,500	-	-	151,500	185,200	209,300	200,700	206,700
General Community Facilities	70,500	-	-	70,500	73,100	75,800	78,700	81,800
Communal Areas	59,300	-	-	59,300	44,800	62,700	47,400	66,400
Maintenance of Open Spaces	229,700	-	-	229,700	236,000	242,900	250,200	257,700
Community Engagement	139,000	-	-	139,000	141,700	144,700	148,400	152,000
Money Advice	37,900	-	-	37,900	39,000	40,200	41,400	42,600
Rents, Rates, Taxes and Other Charges	298,600	-	-	298,600	320,700	344,100	352,500	361,100
Bad Debt Provision (Net of Write Offs) - Existing	164,400	-	-	164,400	171,200	178,600	179,400	183,600
Interest Repayments	2,065,800	-	-	2,065,800	2,135,800	2,202,100	2,239,100	2,202,300
Debt Management Expenses - Existing	21,100	-	-	21,100	21,200	21,200	28,900	29,400
<b>Total Expenditure</b>	<b>11,560,700</b>	<b>-</b>	<b>-</b>	<b>11,560,700</b>	<b>11,876,200</b>	<b>12,180,200</b>	<b>12,548,400</b>	<b>12,864,100</b>
<b>Income</b>								
Rental Income	(16,392,100)	-	-	(16,392,100)	(17,061,000)	(17,803,300)	(17,880,600)	(18,300,700)
Other Income	(7,100)	-	-	(7,100)	(7,300)	(7,500)	(7,700)	(7,900)
Investment Income/Mortgage Interest	(39,100)	-	-	(39,100)	(44,700)	(49,900)	(51,400)	(52,900)
Service Charge Income	(5,400)	-	-	(5,400)	(5,600)	(5,800)	(6,000)	(6,200)
<b>Total Income</b>	<b>(16,443,700)</b>	<b>-</b>	<b>-</b>	<b>(16,443,700)</b>	<b>(17,118,600)</b>	<b>(17,866,500)</b>	<b>(17,945,700)</b>	<b>(18,367,700)</b>
<b>Net Cost of Services</b>	<b>(4,883,000)</b>	<b>-</b>	<b>-</b>	<b>(4,883,000)</b>	<b>(5,242,400)</b>	<b>(5,686,300)</b>	<b>(5,397,300)</b>	<b>(5,503,600)</b>
<b>Appropriations</b>								
Transfer to/(from) Major Repairs Reserve	4,640,600	-	-	4,640,600	4,902,700	5,329,300	5,029,600	4,631,300
Transfer to/(from) Affordable/Target Rents Difference Reserve (regarding New Build)	242,400	-	-	242,400	339,700	357,000	367,700	378,700
Transfer to/(from) HRA Earmarked Exp Reserve	-	-	-	-	-	-	-	-
<b>Net Operating (Surplus) / Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(493,600)</b>
Working Balance at beginning of year	(750,000)	-	-	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
(Surplus) / Deficit for the year	-	-	-	-	-	-	-	(493,600)
Working Balance at end of year	(750,000)	-	-	(750,000)	(750,000)	(750,000)	(750,000)	(1,243,600)
HRA Working Balance needed (minimum £750,000 from 2014/15 onwards)					(750,000)	(750,000)	(750,000)	(750,000)

	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
As at April 2022	£	£	£	£	£	£	£	£
	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
<b>Expenditure</b>								
Repairs and Maintenance	5,030,000	5,265,600	5,535,600	5,659,600	5,843,900	6,129,200	6,361,300	6,525,800
Supervision and Management	4,446,100	4,572,200	4,708,500	4,835,700	4,973,600	5,115,300	5,261,100	5,418,900
Group Dwellings - Facility Costs	54,400	56,400	58,100	59,100	60,300	61,800	63,200	64,300
Handyman Service	-	-	-	-	-	-	-	-
Housing & Property Services	213,000	219,400	225,900	232,700	239,700	246,900	254,300	262,000
General Community Facilities	85,000	88,300	91,700	95,200	98,800	102,600	106,500	110,500
Communal Areas	50,200	70,300	53,000	74,200	56,100	78,900	59,600	83,600
Maintenance of Open Spaces	265,500	273,400	281,600	290,000	298,700	307,500	316,700	326,100
Community Engagement	155,600	159,300	162,900	166,800	170,700	174,600	178,800	183,400
Money Advice	43,900	45,200	46,500	47,900	49,300	50,800	52,300	53,900
Rents, Rates, Taxes and Other Charges	370,100	379,000	388,200	397,900	407,600	417,700	427,800	438,500
Bad Debt Provision (Net of Write Offs) - Existing	188,000	192,400	196,900	205,400	206,200	211,000	215,900	220,900
Interest Repayments	2,311,400	2,318,200	2,455,200	2,590,500	2,609,100	2,696,000	2,756,300	2,693,100
Debt Management Expenses - Existing	29,600	30,400	31,100	31,100	31,400	31,800	32,100	32,000
<b>Total Expenditure</b>	<b>13,242,800</b>	<b>13,670,100</b>	<b>14,235,200</b>	<b>14,686,100</b>	<b>15,045,400</b>	<b>15,624,100</b>	<b>16,085,900</b>	<b>16,413,000</b>
<b>Income</b>								
Rental Income	(18,729,900)	(19,168,500)	(19,616,600)	(20,457,900)	(20,541,900)	(21,019,500)	(21,507,300)	(22,005,500)
Other Income	(8,100)	(8,300)	(8,500)	(8,700)	(8,900)	(9,100)	(9,300)	(9,500)
Investment Income/Mortgage Interest	(54,500)	(56,100)	(57,800)	(59,500)	(61,300)	(63,100)	(65,000)	(66,900)
Service Charge Income	(6,300)	(6,400)	(6,500)	(6,600)	(6,700)	(6,800)	(7,000)	(7,200)
<b>Total Income</b>	<b>(18,798,800)</b>	<b>(19,239,300)</b>	<b>(19,689,400)</b>	<b>(20,532,700)</b>	<b>(20,618,800)</b>	<b>(21,098,500)</b>	<b>(21,588,600)</b>	<b>(22,089,100)</b>
<b>Net Cost of Services</b>	<b>(5,556,000)</b>	<b>(5,569,200)</b>	<b>(5,454,200)</b>	<b>(5,846,600)</b>	<b>(5,573,400)</b>	<b>(5,474,400)</b>	<b>(5,502,700)</b>	<b>(5,676,100)</b>
<b>Appropriations</b>								
Transfer to/(from) Major Repairs Reserve	4,587,300	4,635,800	4,685,200	7,379,200	5,134,300	5,022,100	5,036,800	5,196,200
Transfer to/(from) Affordable/Target Rents Difference Reserve (regarding New Build)	390,100	401,800	413,900	426,300	439,100	452,300	465,900	479,900
Transfer to/(from) HRA Earmarked Exp Reserve	-	-	-	-	-	-	-	-
<b>Net Operating (Surplus) / Deficit</b>	<b>(578,600)</b>	<b>(531,600)</b>	<b>(355,100)</b>	<b>1,958,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Working Balance at beginning of year	(1,243,600)	(1,822,200)	(2,353,800)	(2,708,900)	(750,000)	(750,000)	(750,000)	(750,000)
(Surplus) / Deficit for the year	(578,600)	(531,600)	(355,100)	1,958,900	-	-	-	-
Working Balance at end of year	(1,822,200)	(2,353,800)	(2,708,900)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
HRA Working Balance needed (minimum £750,000 from 2014/15 onwards)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)

	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
As at April 2022	£	£	£	£	£	£	£	£
	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43
<b>Expenditure</b>								
Repairs and Maintenance	6,834,200	7,187,900	7,349,200	7,589,900	7,963,500	8,266,900	8,481,300	8,884,800
Supervision and Management	5,567,000	5,726,400	5,890,900	6,060,700	6,243,900	6,416,000	6,602,200	6,794,200
Group Dwellings - Facility Costs	65,700	67,300	68,200	68,800	70,700	72,000	74,000	76,500
Handyman Service	-	-	-	-	-	-	-	-
Housing & Property Services	269,800	277,900	286,200	294,800	303,600	312,700	322,000	331,700
General Community Facilities	114,700	118,900	123,400	128,100	133,000	138,100	143,300	148,700
Communal Areas	63,000	88,400	66,500	93,500	70,300	98,900	74,300	104,700
Maintenance of Open Spaces	335,700	345,700	355,900	366,500	377,400	388,600	400,100	412,000
Community Engagement	187,900	192,500	197,200	202,000	206,800	211,800	216,900	221,900
Money Advice	55,500	57,200	58,900	60,700	62,500	64,400	66,300	68,300
Rents, Rates, Taxes and Other Charges	449,400	460,800	472,400	484,400	496,500	509,000	521,800	535,200
Bad Debt Provision (Net of Write Offs) - Existing	226,100	231,300	236,600	242,100	247,600	253,300	264,100	265,000
Interest Repayments	2,675,300	2,612,100	2,557,400	2,479,300	2,486,600	2,498,300	2,484,200	2,535,300
Debt Management Expenses - Existing	32,100	32,000	31,900	31,700	31,900	32,000	32,000	32,200
<b>Total Expenditure</b>	<b>16,876,400</b>	<b>17,398,400</b>	<b>17,694,700</b>	<b>18,102,500</b>	<b>18,694,300</b>	<b>19,262,000</b>	<b>19,682,500</b>	<b>20,410,500</b>
<b>Income</b>								
Rental Income	(22,514,100)	(23,033,700)	(23,564,200)	(24,105,800)	(24,658,900)	(25,223,500)	(26,293,100)	(26,388,000)
Other Income	(9,700)	(10,000)	(10,300)	(10,600)	(10,900)	(11,200)	(11,500)	(11,800)
Investment Income/Mortgage Interest	(68,900)	(71,000)	(73,100)	(75,300)	(77,600)	(79,900)	(82,300)	(84,800)
Service Charge Income	(7,400)	(7,600)	(7,900)	(8,200)	(8,500)	(8,800)	(9,100)	(9,400)
<b>Total Income</b>	<b>(22,600,100)</b>	<b>(23,122,300)</b>	<b>(23,655,500)</b>	<b>(24,199,900)</b>	<b>(24,755,900)</b>	<b>(25,323,400)</b>	<b>(26,396,000)</b>	<b>(26,494,000)</b>
<b>Net Cost of Services</b>	<b>(5,723,700)</b>	<b>(5,723,900)</b>	<b>(5,960,800)</b>	<b>(6,097,400)</b>	<b>(6,061,600)</b>	<b>(6,061,400)</b>	<b>(6,713,500)</b>	<b>(6,083,500)</b>
<b>Appropriations</b>								
Transfer to/(from) Major Repairs Reserve	5,043,200	5,059,400	5,778,000	5,557,300	5,505,300	5,488,400	6,123,300	5,475,600
Transfer to/(from) Affordable/Target Rents Difference Reserve (regarding New Build)	494,300	509,100	524,400	540,100	556,300	573,000	590,200	607,900
Transfer to/(from) HRA Earmarked Exp Reserve	-	-	-	-	-	-	-	-
<b>Net Operating (Surplus) / Deficit</b>	<b>(186,200)</b>	<b>(155,400)</b>	<b>341,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Working Balance at beginning of year	(750,000)	(936,200)	(1,091,600)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
(Surplus) / Deficit for the year	(186,200)	(155,400)	341,600	-	-	-	-	-
Working Balance at end of year	(936,200)	(1,091,600)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
HRA Working Balance needed (minimum £750,000 from 2014/15 onwards)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)

	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
As at April 2022	£	£	£	£	£	£	£	£	£
	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52
<b>Expenditure</b>									
Repairs and Maintenance	9,348,200	9,558,400	9,872,400	10,361,400	10,757,800	11,037,300	11,495,700	12,061,900	12,584,300
Supervision and Management	6,991,800	7,205,600	7,406,000	7,623,500	7,847,100	8,078,200	8,328,700	8,562,900	8,828,600
Group Dwellings - Facility Costs	78,100	78,800	80,600	82,300	82,600	84,300	84,600	84,800	84,400
Handyman Service	-	-	-	-	-	-	-	-	-
Housing & Property Services	241,700	351,900	362,500	373,400	384,600	396,100	408,000	420,300	432,900
General Community Facilities	154,200	159,900	165,900	172,200	178,900	185,700	192,700	200,100	207,800
Communal Areas	78,800	110,800	83,300	117,500	88,300	124,500	93,500	131,900	99,100
Maintenance of Open Spaces	424,300	436,900	450,000	463,600	477,500	491,800	506,600	521,900	537,500
Community Engagement	227,200	232,700	238,200	243,800	249,800	255,700	261,800	268,300	275,000
Money Advice	70,300	72,400	74,600	76,800	79,100	81,500	83,900	86,400	89,000
Rents, Rates, Taxes and Other Charges	548,800	562,800	577,200	591,800	607,000	622,500	638,500	654,800	671,800
Bad Debt Provision (Net of Write Offs) - Existing	271,100	277,300	283,600	290,000	302,200	303,200	310,000	317,000	324,100
Interest Repayments	2,525,200	2,606,800	2,687,000	2,731,000	2,746,100	2,717,700	2,857,800	2,951,700	3,015,700
Debt Management Expenses - Existing	32,200	32,500	32,800	33,000	33,100	33,200	33,500	33,800	33,800
<b>Total Expenditure</b>	<b>20,991,900</b>	<b>21,686,800</b>	<b>22,314,100</b>	<b>23,160,300</b>	<b>23,834,100</b>	<b>24,411,700</b>	<b>25,295,300</b>	<b>26,295,800</b>	<b>27,184,000</b>
<b>Income</b>									
Rental Income	(26,988,000)	(27,600,400)	(28,225,300)	(28,862,900)	(30,078,000)	(30,177,100)	(30,854,000)	(31,544,400)	(32,248,500)
Other Income	(12,100)	(12,400)	(12,700)	(13,000)	(13,400)	(13,800)	(14,200)	(14,600)	(15,000)
Investment Income/Mortgage Interest	(87,300)	(89,900)	(92,600)	(95,400)	(98,300)	(101,200)	(104,200)	(107,300)	(110,500)
Service Charge Income	(9,700)	(10,000)	(10,300)	(10,600)	(10,900)	(11,200)	(11,500)	(11,800)	(12,100)
<b>Total Income</b>	<b>(27,097,100)</b>	<b>(27,712,700)</b>	<b>(28,340,900)</b>	<b>(28,981,900)</b>	<b>(30,200,600)</b>	<b>(30,303,300)</b>	<b>(30,983,900)</b>	<b>(31,678,100)</b>	<b>(32,386,100)</b>
<b>Net Cost of Services</b>	<b>(6,105,200)</b>	<b>(6,025,900)</b>	<b>(6,026,800)</b>	<b>(5,821,600)</b>	<b>(6,366,500)</b>	<b>(5,891,600)</b>	<b>(5,688,600)</b>	<b>(5,382,300)</b>	<b>(5,202,100)</b>
<b>Appropriations</b>									
Transfer to/(from) Major Repairs Reserve	5,479,100	5,381,000	5,362,600	5,137,500	5,661,900	5,165,900	4,438,400	4,063,300	5,460,900
Transfer to/(from) Affordable/Target Rents									
Difference Reserve (regarding New Build)	626,100	644,900	664,200	684,100	704,600	725,700	747,500	769,900	793,000
Transfer to/(from) HRA Earmarked Exp Reserve	-	-	-	-	-	-	-	-	-
<b>Net Operating (Surplus) / Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(502,700)</b>	<b>(549,100)</b>	<b>1,051,800</b>
Working Balance at beginning of year	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(1,252,700)	(1,801,800)
(Surplus) / Deficit for the year	-	-	-	-	-	-	(502,700)	(549,100)	1,051,800
Working Balance at end of year	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(1,252,700)	(1,801,800)	(750,000)
HRA Working Balance needed (minimum £750,000 from 2014/15 onwards)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)



## Appendix 3: HRA Capital Programme 2022-2052

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
As at April 2022	£	£	£	£	£	£	£	£	£	£
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Housing Revenue Account Capital Expenditure:</b>										
Engineering	54,400	56,600	58,800	61,200	63,600	66,200	68,800	71,600	74,400	77,400
Disabled Adaptations	260,000	270,400	281,200	292,500	304,200	253,100	263,200	273,700	284,700	296,000
Other Works (Canopies, Chimney Stacks etc)	140,400	146,000	151,900	157,900	164,200	170,800	177,700	184,800	192,100	199,800
Contingency - Heating reclassified 2016/17 onwards	118,000	125,000	112,000	112,000	118,000	106,000	112,000	106,000	112,000	124,000
Windows	-	-	-	-	-	-	-	-	3,600	-
Front Doors	-	-	-	-	-	-	-	-	108,500	4,400
Back Doors	-	-	-	-	-	-	-	-	188,700	8,000
Roofing	983,300	579,700	764,900	748,700	710,500	819,900	894,800	886,800	956,500	1,065,800
Kitchens	855,000	696,900	498,700	358,200	278,000	174,800	186,000	366,500	851,600	909,500
Bathrooms	364,100	285,500	237,100	433,200	225,900	297,000	416,100	504,900	756,600	677,800
Heating	404,900	429,600	834,300	168,500	1,624,900	424,800	3,764,100	3,837,200	665,500	422,600
Electric Heating	10,400	119,000	180,000	23,400	24,300	-	-	301,100	782,800	29,600
Estate Improvements (works moved from revenue)	189,700	197,300	205,200	213,400	221,900	230,800	240,000	249,600	259,600	270,000
Non Traditional - Structural Improvements	52,000	54,100	56,200	58,500	82,700	394,800	410,600	427,000	444,100	464,800
Garages	-	-	-	-	80,100	83,300	86,700	90,100	93,800	97,500
Asbestos Removal	37,900	39,400	40,900	42,600	-	-	-	-	-	-
New build / Land Acquisition UNALLOCATED	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Hoplands, Sleaford	8,860,100	-	-	-	-	-	-	-	-	-
Moor Lane, Potterhanworth	50,000	-	-	-	-	-	-	-	-	-
Grinter House and Close, North Hykeham Refurbishment	3,723,000	-	-	-	-	-	-	-	-	-
Purchase - 19 x Navenby Purchases	963,500	-	-	-	-	-	-	-	-	-
Energy Efficiency improvements to existing housing stock -	108,200	-	-	-	-	-	-	-	-	-
Electrical Periodic Inspections to Councils Existing Housing	52,000	54,100	56,200	-	-	-	-	-	-	-
Northgate Software Purchases	208,600	-	-	-	-	-	-	-	-	-
Fees	153,300	134,400	121,600	125,200	129,000	132,900	136,900	141,000	145,200	149,600
<b>HRA Total Expenditure</b>	<b>22,588,800</b>	<b>8,188,000</b>	<b>8,599,000</b>	<b>7,795,300</b>	<b>9,027,300</b>	<b>8,154,400</b>	<b>11,756,900</b>	<b>12,440,300</b>	<b>10,919,700</b>	<b>9,796,800</b>

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
As at April 2022	£	£	£	£	£	£	£	£	£	£
	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42
<b>Housing Revenue Account Capital Expenditure:</b>										
Engineering	80,500	83,700	87,100	90,600	94,200	98,000	101,900	106,000	110,200	114,600
Disabled Adaptations	230,900	240,200	249,800	259,800	270,100	280,900	292,200	303,900	316,000	328,700
Other Works (Canopies, Chimney Stacks etc)	207,800	216,100	224,800	225,100	234,100	243,500	253,200	263,400	273,900	284,800
Contingency - Heating reclassified 2016/17 onwards	244,000	358,000	112,000	118,000	154,000	112,000	112,000	124,000	100,000	100,000
Windows	96,200	68,000	1,090,600	1,021,700	751,900	295,000	1,646,000	840,700	2,017,300	2,284,200
Front Doors	4,600	31,700	66,900	285,700	214,000	55,100	292,200	141,000	400,700	444,400
Back Doors	2,800	32,700	73,900	202,600	239,900	40,500	218,600	87,500	347,600	376,000
Roofing	1,133,000	1,075,900	1,132,200	1,191,400	1,613,600	1,483,400	1,651,800	1,458,600	1,095,600	1,612,700
Kitchens	1,160,300	1,076,100	1,464,500	1,337,700	1,121,900	1,109,600	1,260,200	1,231,800	437,900	1,329,400
Bathrooms	174,400	752,300	300,000	474,700	160,300	153,600	148,600	603,500	1,465,500	719,100
Heating	990,600	1,067,700	997,400	1,454,400	823,500	848,400	1,808,100	3,492,600	459,900	2,416,500
Electric Heating	1,508,700	480,300	499,500	242,400	288,200	187,300	311,700	384,900	-	21,900
Estate Improvements (works moved from revenue)	280,800	292,000	303,700	315,900	328,500	341,600	355,300	369,500	384,300	399,700
Non Traditional - Structural Improvements	123,200	128,100	133,200	138,500	154,900	-	-	-	-	-
Garages	101,400	-	-	-	-	-	-	-	-	-
Asbestos Removal	-	-	-	-	-	-	-	-	-	-
New build / Land Acquisition UNALLOCATED	5,000,000	5,000,000	-	-	-	-	-	-	-	-
Hoplands, Sleaford	-	-	-	-	-	-	-	-	-	-
Moor Lane, Potterhanworth	-	-	-	-	-	-	-	-	-	-
Grinter House and Close, North Hykeham Refurbishment	-	-	-	-	-	-	-	-	-	-
Purchase - 19 x Navenby Purchases	-	-	-	-	-	-	-	-	-	-
Energy Efficiency improvements to existing housing stock -	-	-	-	-	-	-	-	-	-	-
Electrical Periodic Inspections to Councils Existing Housing	-	-	-	-	-	-	-	-	-	-
Northgate Software Purchases	-	-	-	-	-	-	-	-	-	-
Fees	154,100	158,700	163,500	168,400	173,500	178,700	184,100	189,600	195,300	201,200
<b>HRA Total Expenditure</b>	<b>11,493,300</b>	<b>11,061,500</b>	<b>6,899,100</b>	<b>7,526,900</b>	<b>6,622,600</b>	<b>5,427,600</b>	<b>8,635,900</b>	<b>9,597,000</b>	<b>7,604,200</b>	<b>10,633,200</b>

	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
As at April 2022	£	£	£	£	£	£	£	£	£	£	£
	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	Total
<b>Housing Revenue Account Capital Expenditure:</b>											
Engineering	119,200	123,900	128,900	134,100	139,400	145,000	150,800	156,800	163,100	169,600	3,050,600
Disabled Adaptations	341,800	355,500	369,700	384,500	399,900	415,900	432,500	449,800	467,800	486,500	9,655,400
Other Works (Canopies, Chimney Stacks etc)	296,200	308,100	320,400	333,200	346,600	360,400	374,800	389,800	405,400	421,600	7,668,800
Contingency - Heating reclassified 2016/17 onwards	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	3,679,000
Windows	752,000	805,800	529,900	640,800	679,800	824,800	569,500	2,106,600	311,900	2,302,800	19,639,100
Front Doors	254,300	133,700	189,300	284,500	134,400	191,300	368,500	340,100	84,200	87,600	4,117,100
Back Doors	258,400	76,800	196,700	210,700	120,000	163,000	297,600	257,300	129,100	97,300	3,625,700
Roofing	1,677,200	1,820,100	1,636,600	3,814,200	2,154,000	2,151,400	2,629,600	1,511,300	2,120,700	1,219,500	42,593,700
Kitchens	771,000	2,966,000	2,171,900	1,745,400	1,349,300	1,401,800	2,118,200	1,883,000	247,100	1,385,900	32,744,200
Bathrooms	1,462,100	1,381,000	1,751,200	1,818,400	1,456,300	1,689,300	2,496,400	2,305,100	1,338,200	955,500	25,803,700
Heating	1,311,700	4,553,300	3,570,600	1,074,600	735,100	2,134,600	1,896,700	2,143,800	3,230,700	1,855,000	49,441,600
Electric Heating	-	213,300	24,600	76,900	26,700	194,100	230,700	149,900	-	324,300	6,636,000
Estate Improvements (works moved from revenue)	415,600	432,300	449,600	467,500	486,200	505,700	525,900	547,000	568,800	591,600	10,639,000
Non Traditional - Structural Improvements	-	-	-	-	-	-	-	-	-	-	3,122,700
Garages	-	-	-	-	-	-	-	-	-	-	632,900
Asbestos Removal	-	-	-	-	-	-	-	-	-	-	160,800
New build / Land Acquisition UNALLOCATED	-	-	-	-	-	-	-	-	-	-	60,000,000
Hoplands, Sleaford	-	-	-	-	-	-	-	-	-	-	8,860,100
Moor Lane, Potterhanworth	-	-	-	-	-	-	-	-	-	-	50,000
Grinter House and Close, North Hykeham Refurbishment	-	-	-	-	-	-	-	-	-	-	3,723,000
Purchase - 19 x Navenby Purchases	-	-	-	-	-	-	-	-	-	-	963,500
Energy Efficiency improvements to existing housing stock -	-	-	-	-	-	-	-	-	-	-	108,200
Electrical Periodic Inspections to Councils Existing Housing	-	-	-	-	-	-	-	-	-	-	162,300
Northgate Software Purchases	-	-	-	-	-	-	-	-	-	-	208,600
Fees	207,200	213,400	219,800	226,400	233,200	240,200	247,400	254,800	262,400	270,300	5,511,300
<b>HRA Total Expenditure</b>	<b>7,966,700</b>	<b>13,483,200</b>	<b>11,659,200</b>	<b>11,311,200</b>	<b>8,360,900</b>	<b>10,517,500</b>	<b>12,438,600</b>	<b>12,595,300</b>	<b>9,429,400</b>	<b>10,267,500</b>	<b>302,797,300</b>

## Appendix 4: Safe as Houses – Meeting Our Safety Obligations

### HEALTH & SAFETY

The Council is committed to ensuring that tenants' homes are safe and secure and ensuring that it takes positive steps to manage and improve compliance with its health and safety duties



In the wake of recent tragic events including the Grenfell Tower fire, the Independent Review of Building Regulations and Fire Safety made a number of recommendations.

NKDC has responded to the initial report by undertaking a comprehensive audit of all its duties and the relevant regulations that govern health and safety of its properties. On the following pages is a summary of the report.



Below are some of the main health and safety regulations landlords must abide by. Detailed over the page is what the Council has to do and what it does to fulfil its duties.

#### All premises:

- Gas safety (Installations and Use) Regulations 1998/ACoPL56
- Health & Safety at Work Act 1974
- Lifting Operations and Lifting Equipment Regulations 1998
- IEE Wiring Regulations BS 7671:2008 (2011) 17th

#### Communal premises:

- Control of Substances Hazardous to Health Regulations 2002
- Notification of Cooling Towers and Evaporative Condensers Regulations 1992
- Control of Legionella Bacteria in Water Systems Approved Codes of Practice (ACOP) L8 2013
- Regulatory Reform (Fire Safety) Order 2005
- Housing Act 2004

#### Domestic premises:

- Defective Premises Act 1972
- Landlord and Tenant Act 1985



## FIRE RISK MANAGEMENT

Required	What we do
<p>NKDC has a legal duty to:</p> <ul style="list-style-type: none"> <li>• carry out fire risk assessments for all communal areas (e.g. flat stairwells)</li> <li>• evaluate the risk to people from fire, and to ensure that adequate fire safety measures are in place</li> </ul>	<ul style="list-style-type: none"> <li>• Complete fire risk assessments for communal areas every four years and review them every two years – these determine:               <ul style="list-style-type: none"> <li>» Specific hazards</li> <li>» Corrective action required</li> <li>» A risk level and priority rating for any risks</li> </ul> </li> <li>• All significant findings are identified, recorded and actioned in a timely manner</li> <li>• Smoke alarms are installed to all properties and serviced annually</li> <li>• Officers make quarterly fire checks of communal areas</li> <li>• At Home magazine regularly updates tenants on fire safety. The new tenant pack has health and safety information</li> </ul>

## ASBESTOS

Required	What we do
<ul style="list-style-type: none"> <li>• Conduct work so that people will not be exposed to health and safety risks, including exposure to asbestos</li> <li>• Provide information to other people including contractors and tenants when work may affect their health and safety</li> <li>• Assess the health and safety risks to anybody who may be affected by work activities, and make arrangements to protect them</li> </ul>	<ul style="list-style-type: none"> <li>• There is a programme of asbestos management surveys for all properties. Surveys are completed prior to refurbishment and demolition works</li> <li>• Maintain records of all asbestos management surveys and make them available to all contractors prior to the commencement of any works</li> <li>• All employees working with asbestos are Asbestos Awareness trained, including dedicated asbestos-trained P405 officers to oversee the management of asbestos in our premises</li> <li>• Where materials are identified to be containing or presumed to contain asbestos NKDC will inform tenants who may be affected by it</li> </ul>

## MECHANICAL LIFT SAFETY

Required	What we do
<ul style="list-style-type: none"> <li>• To undertake 6 monthly examinations of all equipment used for the purposes of lifting persons</li> <li>• Retain and manage records of all examinations</li> </ul>	<ul style="list-style-type: none"> <li>• Zurich Insurance company examine all person-carrying lifts every 6 months</li> <li>• All records are managed and logged with Zurich</li> <li>• All faults identified are actioned in a timely manner</li> <li>• An annual servicing for all person-carrying lifts</li> </ul>

## GAS AND HEATING SAFETY

Required	What we do
<ul style="list-style-type: none"> <li>NKDC has a legal duty to:</li> <li>Ensure that all domestic and communal gas installations and appliances are serviced annually</li> <li>Retain and manage servicing and installation records</li> </ul>	<ul style="list-style-type: none"> <li>Employ a competent contractor to carry out an annual MOT - inspection, testing and maintenance of all domestic heating boilers</li> <li>All empty properties are inspected and tested prior to re-letting</li> <li>A dedicated Heating Contract Co-ordinator manages and monitors the contract and recording database</li> <li>Morgan Lambert Ltd undertakes audits of gas services</li> <li>Carbon monoxide alarms are installed in all properties where required and serviced annually</li> </ul>

## WATER HYGIENE

Required	What we do
<p>NKDC has a duty to ensure the:</p> <ul style="list-style-type: none"> <li>Regular water risk assessment and testing of hot and cold water systems communal premises</li> <li>Identification and assessment of risks from legionella bacteria in hot and cold water systems in communal premises</li> <li>Implementation of preventative or control measures for risks</li> <li>Programmed management and maintenance of all water equipment and systems</li> </ul>	<ul style="list-style-type: none"> <li>Regularly monitor and test hot and cold water systems in all communal premises</li> <li>Risk assessments of communal premises every 2 years</li> <li>All records are logged and managed and shared with the competent contractor</li> <li>All non-compliances are recorded, and actioned within a timely manner</li> <li>Local Authority Building Control Department inspects 10% (50) of the Council's domestic premises annually</li> <li>All relevant NK employees/associates are trained in legionella awareness</li> <li>All water systems in void properties are flushed weekly and again at sign-up</li> </ul>

## ELECTRICAL

Required	What we do
<ul style="list-style-type: none"> <li>To inspect, test and certify electrical installations within all properties</li> <li>To inspect, test and ensure safety of electrical installations all void properties prior to re-letting</li> <li>Retain and manage records of inspections and certified installations</li> </ul>	<ul style="list-style-type: none"> <li>An electrical inspection is made of all premises every 5 years</li> <li>Void properties have an electrical inspection and test before a new tenant moves in</li> <li>Properties with an unsatisfactory test certificate are to have all works completed to rectify defects</li> <li>A Health &amp; Safety Regulatory Compliance Officer manages and monitors the contract</li> </ul>

## HEALTH & SAFETY

The Council has performance targets for the six areas of health and safety outlined on the previous page. The following is the performance attained in 2019/20. (Note some are for work being completed over a few years)



**90%** of NKDC domestic properties with an up to date 6 monthly lift inspection report. (Target – 100%)



**2** properties where the gas safety check was not completed before the expiry date - tenant failed to allow access (Target – 0)



**100%** of dwellings have a valid gas safety certificate



**95.75%** of gas services accessed and completed without landlord involvement (Target - 96%)



**100%** of premises containing communal areas have an up-to-date fire risk assessment



**100%** premises with up to date water hygiene risk assessment.



**3604** electrical periodic inspections have been completed to date (2015-2020) (Target – 3848)



**100%** of water hygiene issues identified resolved within 24 hours



**789** properties (constructed prior to 2000) that do NOT have a property-specific Domestic Asbestos Management Survey we are working towards having all properties surveyed





**North Kesteven**  
DISTRICT COUNCIL

District Council Offices, Kesteven Street, Sleaford, Lincolnshire NG34 7EF  
Telephone Number: (01529) 414155  
180912-JA2