

# **Milton Keynes Council**

## **Housing Revenue Account Business Plan**

**2020/21 – 2049/50**

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**Appendix 1: HRA Business Plan Model**

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# 1. Introduction

## 1.1 Overview

In April 2012, new legislation changed the way in which local authority housing is financed. Under the provisions of the Localism Act 2011, the centrally controlled Housing Revenue Account subsidy system was abolished, and councils were given local control to run their housing (landlord) services in consultation with tenants and leaseholders.

The Housing Revenue Account (HRA) Business Plan is Milton Keynes Council's strategic plan for managing and maintaining its housing stock under these arrangements. It sets out the Council's short to-medium term plans and priorities for its landlord services and provides a long term (30 year) perspective on stock investment and financial planning.

The Council has high ambitions for the housing and regeneration service, and these are articulated in this Business Plan. We will deliver on our commitment to build 500 new council homes by 2022 and a further 700 by 2030, totalling 1200. We will tackle climate change by improving the energy efficiency of our council housing stock and building carbon neutral council homes, helping MK reach its target of being carbon neutral by 2030 and carbon negative by 2050. We will deliver our community led regeneration and estate renewal programme across MK, with planning for The Lakes Estate and Fullers Slade already underway, and early engagement planned to commence on Beanhill, Bradville, Coffee Hall, Netherfield, and Tinkers Bridge by March 2021. We will aim, through the HRA investment proposed in this Business Plan, to create 375 jobs and 150 apprenticeships. We will work with partners to tackle anti-social behaviour, which we know causes misery and disruption for too many of our tenants and residents.

In light of the possible implications of Covid-19, the Business Plan needs to have long-term relevance and maintain a focus on the important issues that have already shaped our thinking, such as the climate emergency and the need for residents to have access to high quality, safe, secure, affordable housing. Covid-19 has had, and will continue to have far reaching effects, not only by impacting directly on the lives of residents, but also impacting the delivery of the Council's housing related services and those of its contractors, disrupting the supply chain and driving up costs. The Business Plan plays a key role in the delivery of the Council's Covid-19 Economic Recovery Plan, intended to support local people and businesses to respond, adapt and recover in the wake of the pandemic. While the Council will need to take a cautious approach to investment of the HRA, making the right investment decisions at the right time will be key to supporting MK residents and the local economy.

The Business Plan is a living document and will be reviewed annually in consultation with tenants and leaseholders to reflect changing circumstances and priorities.

## **1.2 Purpose of the Business Plan**

The plan focuses on the core business of managing and investing in the Council's HRA housing stock (and associated land), providing services to council tenants and leaseholders and investing in new council homes. At July 2020, the Council owned 11,118 homes and managed 1,618 leasehold properties. The purpose of the Business Plan is to:

- Set out the Council's medium-term objectives for the housing service as a landlord, aligning these with the Council's corporate objectives and priorities.
- Analyse the current position for the housing service.
- Assess the key challenges facing the landlord service.
- Plan how to achieve the objectives and meet the challenges, through the formulation of an action plan (the Delivery Plan).
- Explain how the actions will be resourced.
- Provide a framework for managing key risks and for monitoring and evaluating progress in delivering the Business Plan.

In delivering its objectives as a landlord, the Council will seek to achieve a balance between:

- Meeting the needs and expectations of our tenants and leaseholders and reflecting their priorities, whilst maintaining efficiencies.
- Investing in the existing housing stock to ensure the ongoing quality and sustainability of our assets.
- Investing in new council homes to replace those lost through the Government's Right to Buy scheme and to meet local demand. In doing so we will ensure that any new homes brought forward are sustainable and of a high quality. We will include renewable energy where possible and follow the policies laid out within PlanMK and the MK Sustainability Strategy 2019-2050.
- The supply of new council homes will be brought forward according to need and we will ensure that we do not only concentrate on delivery within the major urban conurbations.
- Ensuring rents and service charges are truly affordable and offer value for money, whilst ensuring that a healthy HRA is maintained to enable ongoing investment.
- Repaying the housing debt.

## **2. Strategic context**

### **2.1 Milton Keynes: The local setting**

Approximately 18% of the boroughs' total housing stock is social housing, either provided by the Council or other social housing providers. The population is estimated to be in the region of 265,000 and is growing rapidly. As such, in 2016 the Objectively Assessed Need (OAN) for housing in Milton Keynes was 26,500 up to 2031.

### **2.2 The strategic framework**

The HRA Business Plan (HRABP) is a key document setting out what the Council will do in its role as a housing landlord to help deliver the Council's wider objectives set out in the Council Plan, PlanMK and Housing Strategy. The HRABP is a living document which articulates the short, medium and long-term strategies for the management, maintenance, improvement and addition to the Council's housing stock. It has been updated to include the latest priorities and financial position of the Housing and Regeneration Service and demonstrates to elected members, council tenants and staff:

- the sustainability of our existing homes
- how viable our current investment plans are in the long-term
- the finances available for investment in new homes and investment in our existing stock and service
- the role of the housing service in the Council's overall vision and priorities.

Underpinning the Business Plan is the Asset Management Plan (Appendix 2). The principal role of the Asset Management Plan (AMP) is to inform our decision making to ensure that our housing assets are maintained to the highest standard, provide a positive Net Present Value to the HRA and meet the needs of our tenants and leaseholders. The AMP enables us to maintain, unlock, create and add asset value through an informed approach to investment, including a defined clear strategy for its 'non-traditional' housing stock and properties that are uninhabitable due to requiring major works. It sets out the parameters for investment, disposal, acquisition and redevelopment, ensuring that investment decisions offer value for money, are prioritised effectively and are made in a planned and structured way using sound, objective and up to date stock condition and other financial and non-financial data. Good quality stock investment information is crucial for the Council to manage financial risk effectively. In short, there must be a link from robust stock investment data to the long-term financial plan in order that we can understand the performance of our assets over the term of the Business Plan and can measure the return on investment against our own housing objectives.

Both the HRABP and the AMP underpin the Business Plan Model (BPM). Together with internal and external factors such as rent increases, inflation and changes in the housing stock, the BPM demonstrates how delivery of the plans and policy objectives set out in the Business Plan impact on income and expenditure over a 30-year period. The BPM helps to ensure that the HRA remains financially viable in the long term and enables us to understand the key performance drivers including levels of capital expenditure, rent, voids, and management and maintenance costs in order to understand what management actions can be taken to improve performance. Where resources are insufficient to meet all investment needs, the model can be used to identify where liabilities can be reduced through targeting investment at the long-term sustainable stock and exploring alternative options for poorer performing stock.



## **2.3 Covid-19: supporting economic economy**

The early signs of the impact of Covid-19 on Milton Keynes are of an unprecedented economic shock. 82% of businesses in Milton Keynes recorded a decrease in domestic sales in the second quarter of 2020 compared to the first quarter. Approaching a third (30%) of companies expect a decrease in their workforce during the third quarter and 29% (33,900) of employees have been furloughed during the pandemic. The number of Universal Credit claimants aged 25-49 in Milton Keynes more than doubled from 2,770 in March 2020 to 6,375 in May 2020.

The Council has developed a Covid-19 Economic Recovery Action Plan, designed to create a recovery that contributes to the council priorities of a green economy, tackling child poverty and addressing inequality. The action plan will categorise the actions of the Council and its partners under People, Business and Place. Actions that the HRABP can contribute to, through the new build and regeneration programmes will include:

- Assisting people with training and reskilling, with a focus on groups that find themselves at most disadvantage
- Promoting local skills through apprenticeships while building council housing
- Create local jobs by using local supply chains while building council housing
- Inward investment and place marketing, including opportunities linked to SEMLEP and the Oxford to Cambridge Arc
- Promoting neighbourhood economies in which local shops, services and facilities can be easily accessed by those working and learning at home

## **2.4 Service priorities and delivery plans**

A number of key challenges and priorities were identified when the HRA Business Plan was first developed in 2018, following consultation with our tenants and leaseholders. These are captured in the Delivery Plan in section 11 of this document.

## **2.5 National context**

### **2.5.1 National policy context**

In February 2017, the Government published its Housing White Paper 'Fixing our broken housing market,' which set out "a comprehensive package of reform to increase housing supply and halt the decline in housing affordability."



The Autumn Budget 2017 set out an ambition “to put England on track to deliver 300,000 new homes a year.” A revised National Planning Policy Framework was published in July 2018. The document refines the presumption in favour of sustainable development; confirms the position on preparing and reviewing plans; outlines the Government’s plans to deliver a sufficient supply of homes; clarifies its definition of affordable housing and commits to help making best use of land whilst achieving well designed spaces.

January 2018 saw the founding of Homes England as the Government’s housing delivery agency whose 5-year Strategic Plan aims to respond to the long term housing challenges facing the country by striking bold deals and forming new types of innovative partnerships to shake up housing delivery.

In early 2018, new funding to help speed up planning decisions and help deliver quality new homes was announced. The first wave of the Planning Delivery Fund was awarded to enable councils to process more applications, implement new reforms and train planners to tackle the housing challenges faced by their local area.

A Social Housing Green Paper was published in August 2018. This had a focus on safety, tenant engagement, consumer regulation, complaint resolution, the role of the Housing Ombudsman, reducing the stigmatisation of social housing and increasing professionalism in housing management. Key announcements from the Green Paper included:

- The repeal of the Higher Value Assets Levy arising from the Housing and Planning Act 2016.
- Decision not to implement the mandatory fixed-term tenancies provisions of the Housing and Planning Act 2016 at this time.
- A strengthening of the role of the Social Housing Regulator along with proposals for a set of performance indicators which would be reported to the Regulator and published in league tables.
- Review of handling residents' complaints including timescales to refer to the Housing Ombudsman.
- The potential re-introduction of stock transfer for Council housing to ‘community led’ housing associations, whilst reforming the ‘Right to Manage’ arrangements, or other measures, in giving tenants more choice and control over the services they receive.

For council tenants and leaseholders, the implications of these proposals are far-reaching. It ensures that the Council can continue to offer ‘lifetime’ tenancies, providing essential security for those wishing to have a true stake in their homes and their communities. The focus on regulation and complaints indicates that tenants and leaseholders can expect an improved, more consistent method of redress when things

go wrong, and ultimately, should tenants wish to do so, significant support in devolving housing management powers to local communities. However, despite being expected by September 2019, the White Paper has not yet been published.

In August 2018 the Government issued its consultation paper on the 'Use of receipts from Right to Buy sales.' The consultation paper proposes to grant greater flexibility to councils in how much of receipts can be used to develop new housing and extend the time period for the retention of current receipts.

In his Autumn Budget 2018, the Chancellor removed the HRA Debt Cap, freeing councils to borrow more in a bid to boost council housebuilding. The implications of this change are set out in Section 9 of the Business Plan.

During 2019, the Housing Delivery Fund was launched in partnership with Barclays Bank to provide £1billion of loans finance to help support small and medium sized developers to speed up the delivery of thousands of new homes planned across England. Overseen by Homes England, the Housing Delivery Fund supports the delivery of new homes, including social housing, retirement living and apartments for rent, whilst also encouraging greater innovation in how housing is delivered, such as brownfield land and urban regeneration projects.

The major announcement in 2020 has been the Government's 'New Deal for Britain' launched on 30 June. More detailed announcements will be made in July and in the Spending Review and Autumn Budget later this year. Measures include investment and delivery of infrastructure, a planning policy review paper, changes to the planning system to come into effect in September and support for housebuilding, including a £12bn programme for affordable homes over the next eight years.

In addition to the raft of announcements in response to the COVID-19 emergency, there have been further announcements during June 2020, including:

- Homes England loan funding for infrastructure for four strategic housing sites
- Temporary relaxation of rules governing the use of right-to-buy receipts
- Further financial support to provide accommodation for rough sleepers and those threatened with homelessness
- Public Works Loan Board borrowing returned to 2019 rate for social housing

The Government launched the First Homes consultation in February 2020. This scheme will offer key workers and local people new-build homes with a minimum of a 30% discount off market price in perpetuity. The homes will be allocated by local authorities to eligible first-time buyers.

## 2.5.2 Grenfell and the Hackitt review

In May 2018, the Government published its findings into fire safety standards in high rise and other complex buildings, following the Grenfell Tower fire in 2017. Known as the Hackitt review, it found a systematic failure in the regulation of such buildings, underpinned by:

- Ignorance of the regulations and guidance by those making decisions.
- Indifference, with those charged with adherence to regulations motivated by getting things done as quickly and as cheaply as possible.
- Lack of clarity of roles and responsibilities exacerbated by an increasingly fragmented sector.
- Inadequate regulatory oversight and enforcement tools.

The review addressed these concerns by designing a new regulatory framework, which is designed to:

- Create a more simple and effective mechanism for driving building safety.
- Provide stronger oversight of duty-holders with incentives for the right behaviours, and effective sanctions for poor performance.
- Reassert the role of residents.

In response to the Grenfell tragedy a new £1billion fund was launched in May 2020 to meet the cost for unsafe non-ACM cladding on residential buildings that are 18 metres and over and do not comply with building regulations. The government has also published an amendment to the statutory guidance to building safety regulations – otherwise known as Approved Document B. These changes will ensure sprinkler systems and consistent wayfinding signage are mandatory in all new high-rise blocks over 11 metres tall when they come into force.

The Council owns and manages two tower blocks – Mellish Court and The Gables. In response to the Hackitt review, these buildings have been fully inspected, and whilst they do not have Aluminium Cladding Material (ACM), responsible for the spread of the fire at Grenfell, a number of other issues were identified which are being addressed. The Council is upgrading its fire doors and alarm systems in consultation with fire authorities, tenants and leaseholders, and is fully complying with the Government's drive to share the outcomes of fire safety testing. A Building Safety Manager is now in post with further Building Safety Surveyors appointed as responsible persons in line with the government's new 'Building Safety Regulator' advice on tighter regulation of high-risk residential buildings of 18m or more in height.

### **2.5.3 Universal Credit**

The rollout of Universal Credit (UC), the benefit replacing working age, income-related benefits, came into force in Milton Keynes on 5 December 2018. This affects all claimants making a new claim for the legacy benefits (housing benefit, job seekers allowance, income support, employment and support allowance, working tax credit and child tax credit), and requires its management to be undertaken wholly on-line.

The introduction of UC poses a significant risk to the Council's income streams. Across the country, stock-holding authorities have seen rent arrears rise on average by 12%, despite only 4% of those in arrears claiming the new benefit. We have modelled the impact for Milton Keynes using national figures and will design and deliver support packages to tenants accordingly, with a strong focus on tenancy sustainability.

The impact has accelerated due to an increase in UC claims arising from the COVID-19 pandemic. The number of tenants claiming UC has nearly doubled over the first half of 2020 and is expected to increase further as full service rolls out, impacting on rent collection rates. The service is seeking to mitigate this through partnership working with DWP, welfare support to affected tenants and claiming direct landlord payments wherever possible.

### **2.5.4 Supported housing**

In August 2018, the Government announced that all housing costs for sheltered and supported housing will remain in the housing benefit system. This certainty will allow housing providers to plan for further developments to meet the complex housing and support needs of those more vulnerable members of the community.

More recently an adult social care taskforce for addressing ongoing COVID-19 care issues has been established; however, the Government is yet to develop a "robust oversight regime" to ensure quality and value for money in supported housing as set out in 2018.

### **3. Guiding principles**

The Business Plan has been developed in line with three guiding principles to ensure it is robust, efficient and deliverable:

- Engagement
- Value for money
- Equality and diversity
- Environmental sustainability

#### **3.1 Engagement**

Involving our tenants and leaseholders in designing and shaping the services they receive is essential. This reflects the Council's commitment to co-operative working with the aim of creating a landlord service where tenants are at its heart, where engagement and involvement in the design, delivery and scrutiny of services is regarded as 'business as usual', and where tenants are confidently and effectively able to hold the service to account. This co-production model of service delivery will improve performance, drive up satisfaction and ultimately provide our tenants with services that meet their needs, represent value for money and improve quality of life.

Our key aims are to:

- Ensure our landlord services meet regulatory requirements and deliver best practice in tenant engagement.
- Provide a wide range of tenant engagement opportunities that allow them to influence decisions and scrutinise performance of the landlord service.
- Motivate, guide and support housing staff to ensure tenant engagement is embedded in every aspect of the landlord service.
- Support tenants to effectively influence decision-making and scrutinise performance by giving them appropriate information, training and resources.
- Encourage involvement and participation from a diverse representation of tenants.

To achieve this, we will:

- Facilitate improved engagement between the landlord service and its tenants.
- Develop a range of involvement opportunities, including a scrutiny panel and a complaints panel, enabling all tenants and leaseholders to be involved in ways that work for them.
- Work with our tenants to prepare for any potential change to best practice in tenant involvement by way of the Government's green paper.
- Publish an annual report for tenants and leaseholders.

- Use the results from customer satisfaction surveys, known as ‘STAR’ surveys, to inform service developments and improvements.
- Continue to support and fund Residents Associations and help create new ones in areas where there is currently no such body.

Engaging with and listening to our tenants was critical in developing the Business Plan in 2018 and will be equally as critical for the 2020 refresh. More information on how we engaged, what tenants told us and how we plan to consult this time around is given in section 4.

### **3.2 Value for money**

The Council is committed to managing and allocating housing revenue resources to ensure continued service delivery, whilst maintaining financial sustainability. It is essential that the HRA Business Plan and associated Delivery Plan are adequately resourced in order to:

- Ensure that the financial assumptions underpinning the HRA Business Plan are regularly reviewed.
- Produce an annual HRA Medium Term Financial Strategy and a balanced budget.
- Ensure that the housing and regeneration service adopts a responsible procurement approach that achieves value for money and demonstrates social value.

Housing and Finance staff are working to finalise a New Build & Acquisitions Value For Money Protocol, to define the metrics through which the VFM of individual and collective New Build schemes (including the New Build elements of Regeneration schemes) can be consistently assessed and approved.

### **3.3 Equality and diversity**

The Council recognises the diversity of its tenants and leaseholders and works hard to meet their needs, ensuring that everyone can access the services provided, making adjustments where necessary. This is encapsulated in the Council's Equality Vision: *‘Improve the way we engage, think, plan and act to deliver equality and accessibility for everyone, every day.’*

The Council uses an Equality Impact Assessment (EIA) process when making decisions, updating policies and implementing projects to identify what effects decisions may have on the different communities in Milton Keynes. Assessments help to identify potential impacts on protected groups (as defined in the Equality Act 2010), both positive and negative, and to look at how to avoid disadvantage or further improve the

delivery of services. An EIA has been completed for the HRA Business Plan and determines that there should be no adverse impact on any communities in MK.

### **3.4 Environmental sustainability**

Environmental sustainability is linked to all aspects of our lives – from creating more fuel-efficient greener homes to environmentally conscious communities. A sustainable home is one that has the least possible negative impact on our environment. The HRABP has an important role to play in this agenda and in achieving the Council's ambition to be a carbon neutral city by 2030 and carbon negative by 2050.

We will use renewable and recyclable resources across our new build and planned investment programmes to reduce energy consumption and waste, create healthier places to live and protect the environment in a responsible manner. Further detail is provided in section 5.4.

## **4. Defining the priorities of the landlord service**

### **4.1 Introduction**

The priorities of the landlord service set out in this plan have been developed to ensure that they:

- Contribute to the Council's overall objectives and priorities set out in the Council Plan and other key related documents.
- Comply with legislation, statutory regulation and guidance.
- Comply with our guiding principles set out in section 3.
- Meet the needs and expectations of our tenants.

### **4.2 Engagement**

The views, needs and expectations of our tenants are at the heart of this document and were used to inform our priorities when they were agreed in 2018. Our engagement process in 2018 consisted of:

- A letter sent directly to all council tenants and leaseholders to make them aware of the consultation and explain the various ways in which they could be involved
- An online consultation page, including an explanation as to what a Housing Revenue Account is, along with a short accompanying video.
- A poster to highlight the consultation and web page address was made available for display in community locations.
- 19 consultation events held in 10 locations, focussing in or near to the areas in which most of our council tenants live.
- An online survey, also available as a hard copy at the consultation events, developed in consultation with Residents Associations.
- Hard copies of the survey were given to our sheltered accommodation providers and staff supported those residents to complete surveys.

In total, 86 residents attended the consultation events and 594 surveys were completed and returned through the post. Some general themes included:

- The desire for more face to face contact with the housing and regeneration service.
- A need for more regular communication about regeneration.
- A feeling of scepticism that they, as tenants and leaseholders, are genuinely listened to and able have an influence on services.



Tenants and leaseholders will be consulted again on the 2020 refresh of the Business Plan, to inform us of their current priorities for investment. Due to the COVID-19 restrictions, it will not be possible to hold face to face events as we did in 2018, so we will need to carefully consider other means through which tenants can engage and have an opportunity to share their views. As a minimum, a survey will be sent to every tenant and leaseholder.

Following the 2020 refresh, the Business Plan will be reviewed annually, with tenants and leaseholders being consulted as part of the review process so that they have an opportunity to continuously shape the future direction of the landlord service.

### **4.3 Tenants' priorities**

The feedback from the consultation in 2018 told us that tenants and leaseholders priorities included investing in:

1. Repairing existing homes
2. New homes (with an emphasis on larger family homes)
3. The upkeep of estates and communal areas
4. Improved energy efficiency
5. New kitchens and bathrooms
6. Pavements, paths, fences and gates
7. Pest control
8. Improved entrance security for communal and sheltered accommodation

These priorities were built into the 2018 Business Plan and will be considered again through the 2020 consultation process.

## 5. Asset management and investment

### 5.1 Introduction

A planned approach to the Council's property asset management results in the positive benefit of cost effective and enhanced accommodation. The Council's process for effective property asset management incorporates the relationship between available funding, the essential requirement to satisfy our tenants, meaningful data and a reliance on reliable and efficient service providers. It is important to realise that a structured and programmed plan requires the long-term management of assets in order that the best accommodation solutions are provided, enabling a preventative approach rather than a reactive one. It is essential to have a sound understanding of the asset base and future investment requirements and options to ensure that the Council's housing stock is sustainable in the medium and long term. The Council's Asset Management Plan sets out our approach and the benefits to our tenants in more detail.

### 5.2 Stock composition

The stock includes a range of property types and has particular characteristics specific to the development and growth of our borough. Table 1 shows the stock composition as at July 2020.

Property type	Numbers of units
Bungalows	1,971
Disabled adapted bungalows	573
Sheltered bungalows	111
Houses	5,199
Disabled adapted house	12
Sheltered houses	1
Flats	2,264
Disabled adapted flats	90
Sheltered flats	809
Maisonettes	88
<b>Total</b>	<b>11,118</b>
Leasehold properties	1,618

Table 1: MKC Property Type

A high proportion of the stock was built between the late 1960s and into the 1970s, which means that components across the stock will require replacing broadly at the same time. This will lead to spikes in investment need that is not ordinarily seen where the stock is

built over a much longer time period. The investment programme will be 'smoothed' to address these spikes so that delivery of the programme is aligned to available capacity and funding.

The Council owns and manages 26 sheltered housing schemes offering around 800 tenancies and has been effective in contributing to the strategic priority of maintaining independent living for older people in Milton Keynes. The current age criteria for Sheltered Housing is 60 and above (or 55 and above if there is an identified support need).

There is also a high proportion of non-traditionally constructed properties, primarily of timber frame with lightweight external steel cladding systems. There are also 16 Reema hollow panel blocks in Bletchley. Reema construction is a system of building using prefabricated reinforced concrete panels. Properties that are built using non-traditional methods and/or materials have their own specific maintenance issues and often cost more to maintain than other traditionally built properties.

It is currently difficult to obtain a mortgage for properties built this way due to potential problems with similar large panel system construction buildings, such as Ronan Point. In 2020/21 we will commission a separate survey of these properties and develop a strategy for the future of our non-traditional stock.

The Council owns two tower blocks - Mellish Court, an eighteen-story reinforced cross wall construction of one and two bedroom flats and The Gables, an eleven story reinforced concrete construction of one and two bedroom flats. Both tower blocks require major investment works which need to be considered as part of a long-term strategy for these blocks. Recent surveys have highlighted fire related works required on both tower blocks and we are working with Bucks Fire and Rescue Services as we carry out work to keep the buildings safe. This work, which includes the installation of new fire doors and fire alarm upgrades will be completed by March 2021. Post Grenfell, it is important to note that both tower blocks **do not** have aluminum composite material (ACM).

### **5.3 Stock condition and decent homes**

Our consultation in 2018 showed that investing in the Council's existing stock is the number one priority for tenants.

The Council has a number of assets not meeting an acceptable Decent Homes Standard (DHS) hence a Decent Homes Standard programme is required in order to reduce the level of non-decent assets. Historically there has been a lack of investment in the Council's housing stock.

The capital investment programme (section 5.5) is addressing decency by prioritising new kitchens, bathrooms, roofs, windows, rewiring and energy efficient heating. Current stock decency levels are at 87%. In 2018 when the HRA Business Plan was first developed, the decency level was 65%. This significant improvement has been achieved due to the planned investment works undertaken during 2018/19 and 2019/20. We will establish a new Milton Keynes Decent Homes Standard that will be set above the government’s minimum standard as we look to address areas such as damp and mould by upgrading insulation of our properties and fitting mechanical extractor units in all bathrooms and kitchen. Providing decent, safe, warm and secure homes for tenants is of paramount importance to the Council.

We will continue to carry out stock condition surveys until 100% of properties have been surveyed. We will also ensure that our data is updated in real time, following planned and responsive investment. This is to ensure that the Council can continue to make investment decisions with the most up to date information available.

#### 5.4 Energy performance and environmental sustainability

The Standard Assessment Procedure (SAP) is the methodology to assess and compare the energy and environmental performance of dwellings, providing an accurate assessment to underpin energy and environmental policy initiatives. Table 2 shows the current Energy Performance Certificate (EPC) ratings of the Councils stock as at June 2020 (where A is the highest rating and G the lowest rating).

<b>EPC Rating</b>	<b>% of MKC Stock</b>
<b>A</b>	0
<b>B</b>	1.14
<b>C</b>	50.91
<b>D</b>	46.92
<b>E</b>	0.91
<b>F</b>	0.10
<b>G</b>	0.04

Table 2: Current EPC Ratings of the Council’s housing stock

Future investment work will incorporate energy improvement measures which offer value for money and improved efficiencies, addressing fuel poverty and climate change including lowering carbon emissions and the use of renewable cleaner energy. The target for the Council is to achieve an EPC energy rating of C and above across all its housing stock. The five-year Investment Plan incorporates this priority with upgrades of components such as windows, doors, insulation and energy efficient heating systems.

In line with the MK Sustainability Strategy 2019-2050 we are working with our partners to undertake energy assessments of our buildings to help us understand where best to invest as we create sustainable assets and communities. Over the next three years we will focus on our sheltered units and large blocks such as Granby Court, Everglades, Furze House and Bellfounder House where we will invest in energy efficiency works to reduce costs for our tenants, lower our carbon emissions and provide decent, warm, safe and greener assets fit for the future.

From recent assessments we will reduce carbon levels across these assets in line with the projected annual reduction as tabled below:

<b>Scheme</b>	<b>Emission reduction tonCO2e</b>
Granby Court	460.63
Everglades	176.23
Furze House	31.85
Bellfounder House	125.94

We will also look to take advantage of Government funding to help improve the energy efficiency of our housing stock. We are keen to reduce our carbon emissions further and have allocated £50m over the next 3 years to retrofit our assets with new and evolving green technology in line with our ambitions to become a carbon neutral city by 2030 and carbon negative by 2050.

Projections show that this level of investment could result in c.1900 properties being converted to net carbon zero with an estimated saving in energy bills in the region of £1.4m. This equates to approximately £766 per property per annum. This would help significantly reduce fuel poverty across MK.

By working with our contractors this could also result in significant job creation and other Social Value initiatives. Over three years, it is estimated that this could result in approximately 16 apprentice starts, 24 new jobs and up to 500 training courses and would have a significant benefit on the economic recovery of MK post Covid-19.

## **5.5 Five-year capital investment programme**

Table 3 sets out the Council's five-year investment programme. The investment prioritises decent homes and energy efficiency across our housing stock.

The programme incorporates:

- Major mechanical, electrical and structural investment on two tower blocks, The Gables, Wolverton, and Mellish Court, Bletchley. Feasibility studies are underway to look at possible redevelopment of the two tower block sites and wider footprint to provide additional housing.
- Improved energy efficiency works to our sheltered housing stock and blocks of flats such as Granby Court
- 16 'Reema' non-traditional blocks with the possibility to re-model or develop these sites. Feasibility studies are to be carried out on the future of these assets and their wider footprint for redevelopment opportunities.
- Harrier Court, a general needs flatted block served by a steel walkway which has come to the end of its economical use. The walkway and balconies will need to be replaced in order to provide access and egress to the building. Replacement of this walkway will take place during 20/21.
- In 2018 major flooding affected many properties across the Woughton estates. We will undertake flood defence works across estates where the threat of flooding is an issue.

The Council has moved, as per sector guidance, to electrical testing of its assets every 5 years. This has dramatically increased the number of inspections required and so the investment plan has factored this into the programme.

Funding has been allocated for fire safety works. The council is actively addressing the current issues surrounding fire door performance post-Grenfell by the introduction of an inspection regime to cover all fire doors installed across our housing stock, and emergency lighting.

To note: the capital investment programme is live and may attract change due to factors outside of its control such as extreme weather and COVID-19 restrictions. We are taking a cautious approach to investment during 20/21 as seen in the investment table below. This is an amended 5-year programme for which approval will be sought through the budget process as we seek additional funding later in the year based on positive investment output over the third quarter of 20/21.

Description	2019-20	2020-21	2021-22	2022-23	2023-24
Aids & Adaptations	1,293,158	1,256,622	1,176,000	1,211,000	1,247,000
Communal Area Upgrades	2,777,715	4,096,578	3,047,450	3,478,794	3,514,794
Doors	1,102,883	1,120,000	666,000	695,000	714,000
Windows	1,305,455	470,000	1,482,000	1,409,000	1,440,000
Saints Georges Walkways	2,115	221,196	0	0	0
Bathroom Upgrades	2,702,338	450,000	3,311,000	3,288,000	2,496,000
Wiring	137,295	750,000	441,000	538,000	1,947,000
Kitchen Upgrades	4,184,409	1,000,000	8,789,000	8,361,000	8,547,000
Heating Systems	1,572,537	600,000	2,306,500	2,381,500	1,787,000
Roof/ Structural Upgrades	5,108,360	6,362,000	7,757,000	8,104,000	8,318,000
Kilkenny House	9,022	60,978	0	0	0
Communal Heating	1,407,629	1,800,000	726,833	230,000	230,000
159 Ramsons Conversions	-	40,000	0	0	0
Lifts at Sheltered Schemes	-	324,000	240,000	0	0
External walls and fencing	716,843	1,046,000	3,582,659	3,481,659	3,278,682
Fire Safety works	104,413	1,501,000	1,444,041	310,000	310,000
Voids - Works	3,088,374	2,814,000	2,796,000	2,922,000	2,999,000
<b>Extensives</b>					
Harrier Court	-	250,000	835,683	0	0
Mellish Court Upgrade	-	1,500,000	221,485	0	0
The Gables Upgrade	66,579	200,000	297,421	0	0
Reema Blocks - 16 Blocks	-	200,000			0
Flood defence works		500,000	500,000		
<b>Total</b>	<b>25,579,125</b>	<b>26,562,374</b>	<b>39,620,072</b>	<b>36,409,953</b>	<b>36,828,476</b>

Table 3: Five year capital investment programme 2019/20 – 2023/24

In conjunction with the five year investment plan, a detailed Asset Management Plan has been developed to identify the investment needed in the stock in order to keep homes decent, warm, safe and green. This will be combined with a revised Milton Keynes Standard for decent homes, which will be produced in consultation with tenants to ensure that properties continue to meet their needs in the future.

## **5.6 Planned investment and repairs on regeneration estates**

The Council makes no distinction between properties in regeneration areas and those outside regeneration areas when making HRA investment decisions and carrying out day to day repairs. All properties are treated in a fair and equitable manner.

The only time when planned investment may stop is when Cabinet approves a Demolition Notice, and this notice is served upon affected tenants. At this point, a property may be removed from the investment plan. Tenants will be informed of this at the appropriate time in the event that a Demolition Notice becomes necessary. Day to day responsive repairs will continue up to the point of demolition if they are required.

## **5.7 Compliance**

The health and safety of the Council's residents, staff, operatives and visitors to any properties or other buildings managed or owned by the Council is of paramount importance. There are seven main areas of compliance - fire, electrics, asbestos, gas, water hygiene, lifts and the Housing Health and Safety Rating System (HHSRS).

The Council is actively addressing the current issues surrounding fire door performance post-Grenfell by the introduction of an inspection regime to cover all fire doors installed across our housing stock. All Fire Risk Assessments (FRA) are undertaken when due and recorded on our property database (Keystone).

The Council works closely with external authorities such as Buckinghamshire Fire and Rescue Service who regularly carry out their own FRAs on our Housing stock. In the coming year, we are investing in fire related improvements to our Sheltered Housing schemes, and blocks including tower blocks.

### Electrics

The Council tests electrical installations every five years in line with industry best practice and funding has been allocated for this. In addition, the Council will upgrade the electrical supply and components in Mellish Court and the Gables and carry out full assessments of our sheltered units to make sure that they are fully compliant.

### Asbestos

The Council's approach to managing asbestos is to carry out visual inspections of all properties and note the location of asbestos in an Asbestos Register. Only if the asbestos is damaged or considered unsafe will it be removed, or work carried out to make it safe.



When major works are required to a property, for example the installation of a new heating system, bathroom or kitchen, a further intrusive survey will be carried out to identify what action needs to be taken. Only if it is deemed necessary to remove asbestos, either because it is damaged or to enable the replacement of a specific attribute, will the Council remove it. Only qualified and certified contractors will be commissioned to undertake the surveys and remove asbestos in a controlled environment, disposing of any hazardous materials in a safe, controlled manner.

### Gas

Gas testing is carried out annually as per statutory requirements, and at times in advance of the expiration date of the current gas test certificate, sometimes three months before the gas test is due. The Council has taken this proactive approach as this allows time to act on 'no access' properties, allowing valuable time to make the required contact and arrangements to attend and carry out the statutory gas test so as to achieve 100% compliance. Appropriate legal action will be taken if access within the required time is not granted by tenants. The Asset Management team is keen to move away from fossil fuel dependency and will investigate cleaner, more cost-effective greener energy options on blocks and sheltered schemes.

### Water Hygiene

Regular water hygiene tests are carried out where the Council provides and stores a water supply. Water temperatures are checked regularly in order to monitor the threat of Legionella. A qualified certified contractor has been appointed to undertake this duty and provide testing results. There is a robust water testing regime in place with all records documented and saved on our property database (Keystone). Over the next four years the Council will be looking to remove water storage tanks and install new direct fired boilers which will lower the risk of fluctuating water temperatures and stagnant water, which is the most common cause of Legionella.

### Lifts

The Council carries out regular inspections of all of its lifts. A full condition report is undertaken by a qualified specialist with any recommendations actioned. Inspections are separate from any maintenance or service and only carried out by a company who is competent and has sufficient technical and practical knowledge of the lift. The company that undertakes this duty for the Council is impartial and independent from the company that carries out our lift maintenance work. This is to allow for an objective assessment of the lifts and any works required.

## Housing Health and Safety Rating System (HHSRS)

The Housing Health and Safety Rating System (HHSRS) is a risk-based evaluation tool to help the Council identify and protect against potential risks and hazards to health and safety from any defects identified in dwellings. It was introduced under the Housing Act 2004 and applies to residential properties in England and Wales.

### **5.8 Responsive repairs and maintenance service**

The Council's repairs and maintenance service is delivered by Mears Group Plc and includes:

- Day to day (routine) repairs
- Gas servicing
- Electrical testing
- Work to empty properties
- Statutory compliance testing
- Inspections and maintenance (e.g. fire, water hygiene, asbestos, gas and electrical safety)
- A 24/7 all year round Out of Hours Emergency Service

Approximately 38,000 repairs are carried out each year, plus a further 14,000 heating repairs.

The Council's priority is to provide a tenant and leaseholder focused repairs service which achieves high levels of performance, tenant satisfaction and good value for money. In this respect, its objectives are closely aligned to the Home Standard set out by the Regulator of Social Housing, which places expectations on registered providers to:

- Ensure a prudent, planned approach to repairs and maintenance of homes and communal areas which demonstrates an appropriate balance of planned, responsive repairs, and value for money.
- Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of and offers choices to residents and has the objective of completing repairs and improvements right first time.
- Meet all applicable statutory requirements that provide for the health and safety of the residents in their homes.

Following the Council's decision to bring the client function of the repairs service back in house, it is taking steps to ensure the service meets the needs and expectations of tenants, drives up quality and delivers value for money. To enable the client function to

grow and have greater control over the direction and governance of the repairs and planned investment works and ensure we meet our statutory obligations as a landlord, we will look to increase the resource within the Asset Management team. We have ambitions to directly deliver the repairs and maintenance service when the contract with the current contractor ends in 2024, and plans to set up a Direct Labour Organisation (DLO) will be prepared.

The Customer satisfaction, quality of works, average void turnaround times, disrepairs, compliance and health and safety performance are key areas across the contract that it is felt need to have a stronger client lead. The current capacity of the client is significantly limited at 7 officers and needs to be increased by 30 to effectively manage the contracts with an additional budget of £1.12m required to meet this demand in resource and prepare the service for direct delivery.

We are moving to a more planned approach to reduce reactive repair workload and expenditure. The aim is to benefit tenants and leaseholders by reducing the number of repairs they have to report and, over time, to improve and streamline delivery of the service. We have introduced a live system which allows our tenants to monitor and track the repair operative on route which will benefit first time fix and access to carry out repairs. We are also introducing a tenant 'portal' which will allow tenants to digitally raise, monitor and re-schedule their repairs. The Council and local Councillors have introduced repair drop-in surgeries on the Lakes Estate which have received positive feedback and enabled the service to be more responsive to tenants needs. A similar surgery has been agreed for Fullers Slade which will be rolled out in the coming months, with further surgeries planned across estates. The nature, location and frequency of repairs will be monitored to identify measures that can be taken to reduce the overall volume of repairs and to identify appropriate programmes of planned capital investment works to maintain and enhance the housing stock.

Tenants also have a responsibility to look after their property as defined within their tenancy agreement (which will be reviewed and consulted on in 2020). We will be introducing a robust 'Recharge Policy', aimed at charging tenants for necessary repair work, maintenance work and any other general housing costs created by deliberate and wilful damage, negligence, or accidental/unintentional damage caused by the tenant, their household or any visitors to the property to fixtures and fittings or communal areas. This policy will have a direct influence on lowering the levels of repairs raised and costs associated with wilful damages and will promote positive tenant behaviours.

We continue to work with contractors to improve services through an annual review mechanism within the contract, to bring about continued improvement and value for money. This review takes place annually in February and gives the Council the

opportunity to reset KPIs and costs for the following year. A further annual contract performance review takes place in June and analyses actual performance delivered on KPIs and cost information for the previous year. As part of this process, the Council has agreed to amend two KPIs to ensure a more responsive repairs service is provided, that meets tenant needs and expectations:

- i. The average time taken to complete a repair will be reduced from 12 days (as it currently is) to nine days
- ii. Customer satisfaction, currently set at a score of 7 or above, will be increased to a score of 8 and above, as satisfied on a scale of 1 to 10

## **5.9 Leaseholders**

The Council is responsible for the maintenance of a property's structure and communal areas of blocks containing leasehold and shared ownership dwellings. Leaseholders are liable for an apportionment of costs in relation to the day to day services and large major works to the building, as specified in individual leases. The Homeownership Team is responsible for providing Milton Keynes' homeowners, including leaseholders and shared owners, with a range of services associated with the management of their leases/transfer agreements and the management of the service charges for the management, upkeep and improvements of the Council's blocks and estates.

The Council will ensure that proactive consultation with leaseholders is undertaken in relation to specific works programmed, and officers within the Homeownership Team will be kept fully informed of proposed programmes to enable them to serve requisite notices, based on information supplied by the Asset Management team.

The Homeownership Team manage leasehold service charge accounts and deal with right to buy enquiries. This includes:

- Calculation of service charges
- Sending quarterly invoices and annual service charge breakdown
- Section 20 consultation
- Monitoring and recovery of service charges accounts
- Dealing with pre-assignment enquiries
- Registration of sublet
- Dealing with disputes and breaches
- Processing alteration applications

## **5.10 Housing for older people**

The number of vacancies within sheltered schemes fluctuates, and supply and demand are not always in balance. The allocation process for sheltered housing has been recently

reviewed and now includes an assessment of need carried out by the sheltered housing team to ensure that the support needs of the tenant are fully taken into account. The number of voids has been higher than expected due to the COVID-19 pandemic and the delays in preparing properties for re-letting.

There is a programme of major works in place that identifies schemes that have major work requirements including roofing, LED lighting upgrades and boiler replacements, and options for remodelling. We have undertaken high level assessments of our sheltered housing stock as we look to lower carbon emissions and introduce cleaner energy options.

The sheltered housing service is preparing for digital transformation in 2023 and will be preparing to upgrade the emergency call systems in all the schemes to ensure they are compatible with digital technology. There will be a capital bid prepared and a 2 year programme presented to the HRA once the costings and specification for the upgrade have been finalised

In line with the sheltered housing plan (2017) Buckland Lodge has now been closed and demolished to make way for a new scheme of housing both for older people and general needs.

The Council also has a number of purpose-built bungalows designated for older people. These provide level access accommodation for people wishing to remain independent and offer a viable option for people wishing to downsize from houses, freeing up valuable family accommodation. These properties are connected to the Council's community alarm service, offering 24/7 emergency assistance and support.

The Council will explore 'future proofing' options within the general needs housing stock to make homes more fuel efficient, flexible and adaptable to meet the changing needs of an aging population. It will work with tenants in the development of new technology to contribute to the sustainable future of the sheltered and supported housing business. Further high-level assessments of our sheltered stock will take place during 2020 which will provide the council with blueprint options on how to reduce its carbon footprint through cleaner energy options.

### **5.11 Aids and adaptations**

The Council is committed to a comprehensive programme of adaptations to its own properties and spends in the region of £1.1m each year to provide more suitable and flexible accommodation for tenants with disabilities.

During 2019/20, 263 aids & adaptations were completed to MKC's housing stock, with 189 adaptations being completed to private dwellings properties ranging from the installation of stair lifts and wet rooms to building ramps and platforms to ensure tenants can remain living in their homes as independently as possible. The demand for adaptations increases every year as the Council is housing more tenants who need care and support as well as suitable housing.

Each request for an adaptation is assessed by an occupational therapist and then presented to a multi-agency panel for funding approval. Consideration is given to the appropriateness of the adaptation and the feasibility for that property. Once approved the work is designed and carried out by the Council or a contractor on its behalf.

## 6.0 Regeneration and estate renewal

### 6.1 Introduction

Following a 20-week consultation, the Council's next iteration of the Regeneration Strategy, the 'Community Led Regeneration and Estate Renewal Strategy' is due for adoption in October 2020. This draft strategy sets out our strategic priorities for community led regeneration and estate renewal under four key themes:

- **Housing:** increase the supply and quality of council homes to meet housing need and tackle the housing crisis
- **Communities:** improve the quality of the local environment with better green and open spaces and housing that promotes low energy consumption and environmental sustainability, supported by improved infrastructure and community facilities
- **Health and wellbeing:** promote a high quality of life for people of all ages and backgrounds, in safe, cohesive and healthy neighbourhoods
- **Better jobs:** enable people to maximise economic opportunity in Milton Keynes through targeted support for training, employment and enterprise

The themes are subject to change following the consultation earlier this year. An initial assessment of the feedback received suggests the need to further consider the 'green' agenda and improve the thermal and energy efficiencies of our homes and enable residents to feel safer by tackling issues such as anti-social behaviour.

The strategy will provide a clear vision of how we will work with residents and other stakeholders to achieve our community led regeneration and estate renewal ambitions for Milton Keynes and build strong communities across the borough.

We remain committed to regeneration, with a greater focus on jobs, skills and life chances built around estate renewal, strengthening the work already being delivered. We want to ensure that proposals are financed from a range of sources and that communities define their own needs and priorities.

## **6.2 Regeneration and estate renewal**

Regeneration is about building stronger communities. The new strategy shifts the focus to renewal, jobs and improved health and seeks to move away from a demolition-first approach. We will improve estates and build new homes, in addition to investing £165m on improving our housing stock across all of Milton Keynes between now and 2024.

Previously, we were focusing on seven priority areas within Milton Keynes. However, it has been recognised that there are other pockets of deprivation within Milton Keynes and without this change in emphasis these would not be addressed. We are committed to providing a programme that is shaped and informed by local people, local councillors and other local stakeholders. We recognise that ambitious plans to renew and regenerate estates have the potential to cause disruption to residents' lives and we will only commit to these schemes after full consultation and a rigorous assessment of the benefits that could be brought forward.

In addition to the two estate renewal projects currently underway (the Lakes Estate and Fullers Slade) we are in discussion with local residents and councillors about possible renewal options for Netherfield and Mellish Court. Discussions on Netherfield are focused on how we can utilise the recent demolition of Buckland Lodge to act as a catalyst for estate renewal. Residents of Mellish Court have recently established a residents' forum following issues with the balconies and other investment works and we are using this as an opportunity to discuss wider renewal opportunities.

## **6.3 Community engagement**

As part of our engagement work, we will prioritise the five remaining 'priority' areas from the previous iteration of the regeneration strategy.

Our approach will be community led and we will establish a lead local stakeholder forum to steer our engagement and develop Local Investment Plans. These forums will comprise representation from the parish councils, residents' groups, ward councillors and other interested stakeholders and will be supported by a team member from the Housing Delivery Service.

Each local stakeholder forum will establish subgroups to lead on the key themes within the strategy - housing, communities, health & wellbeing (incorporating safety issues such as anti-social behaviour), better skills and jobs and environmental sustainability). These thematic groups will be supported by the relevant team members from Council service areas.



## **7.0 Increasing the supply of council housing**

### **7.1 Introduction**

The Milton Keynes Housing Strategy 2020-2025 sets the target of delivering 500 new council homes by 2022. Within this Business Plan, we are looking to go beyond this and deliver not only the 500 as pledged but plan for the delivery of 1,200 new council homes over the next ten years. We have set this ambitious council house building target to ensure that we have enough affordable housing in the City to meet local needs taking into account the projected number of homes we are expected to lose through Right to Buy and the number that could be delivered through the planning system over this period.

In order to achieve these ambitious targets, we will ensure that we secure the relevant resource to deliver the programme. Over the past year we have begun to grow our internal resource and it may be necessary to increase this further as the programme gathers pace and as new development schemes and estate renewal projects are brought forward.

We will ensure that new council homes are developed in the most sustainable way including renewable energy where possible and taking due consideration of the relevant policies included within PlanMK and having due regard to the MK Sustainability Strategy 2019-2050.

### **7.2 Approach**

The Housing Delivery service will act as lead client in the procurement of new build activity and will work closely with a range of partners, including MKDP, to maximise delivery.

Most council new build developments are likely to be on council owned land, although consideration will be given to acquiring privately owned land subject to funding and viability, especially in areas where demand for council housing is highest, or where it aids land assembly to facilitate bringing forward larger or more complex schemes.

Before proceeding with any new build proposal, ward councillors will be engaged over site selection to ensure that new developments can meet the needs of local people.

The Council also has an acquisitions programme to bring additional homes into the HRA through open market purchase. This will be flexible in its approach and will complement the new build programme by enabling the Council to deliver council owned homes in areas of the borough where land and new build opportunities are more restricted. The Council plans to purchase 35 homes in 20/21, a slightly reduced target due to the COVID-19 restrictions we faced at the beginning of the year. We will revisit this in December 2020

and agree additional funding if required. It is anticipated that from 2021/22 onwards, the acquisitions programme will revert to a target of 50 houses per year and is likely to continue for 10 years.

### **7.3 Funding and viability**

In October 2018 the Government, removed the borrowing cap imposed on local authorities' HRAs. This change puts us in a much stronger financial position to develop an increased level of Council Housing, something that we were unable to do previously. It has given local authorities the power and flexibility to deliver their development and regeneration programmes in-house, by providing a more flexible funding regime.

Additional funding can be secured, for example through cross subsidy by building homes for market sale as part of our schemes, the sale of HRA land or surplus assets, or by securing grant funding through Homes England. All options will be considered with the aim of maximising the number of new council homes delivered while minimising the cost to the HRA (and its tenants), ensuring viability and safeguarding the long-term sustainability of the HRA. We will develop a Housing Development Strategy setting out how we will achieve this.

## **8. Housing Operations**

### **8.1 Introduction**

The focus of the service is on the basics of good housing management. The Council anticipates that it will invest more in:

- Supporting tenants to sustain their tenancies
- Looking after and maintaining estates, including a review of the pest control provision, as well as working with Public Realm on a solution for pest control across Milton Keynes council housing land and assets
- Thorough tenancy audits which will identify issues within our tenants' homes, helping to identify areas of investment and improvement
- Strengthening relationships within local communities across MK
- Improving income collection systems and providing support for vulnerable tenants to manage their finances and be able to pay their rent

### **8.2 Supporting tenants to sustain their tenancies**

This will be achieved by:

- A programme of tenancy audits, prioritising our most vulnerable tenants, to help identify the early signs of tenancy failure with the aim of taking proactive prevention work where appropriate.
- Working collaboratively with partners including the Department for Work and Pensions (DWP) to support tenants in claiming Universal Credit.
- Increasing the capacity available to offer tenants and leaseholders a comprehensive welfare benefit advice, budgeting and tenancy support
- Ensuring robust tenancy management of Antisocial Behaviour (ASB), tenancy fraud and all other breaches of tenancy

### **8.3 Looking after and maintaining council estates**

The Council will keep its estates safe, clean and as great places to live. We will do this by:

- Carrying out regular estate inspections
- Providing each Neighbourhood Officer with a budget to invest in local improvements
- Providing a comprehensive caretaking and cleaning service to maintain local estates and blocks, including investing in additional staff, vehicles and equipment. We will extend the caretaking service to sheltered housing schemes and develop local offers for our tenants, such as landscaping and handy person services.
- Working closely with Public Realm to tackle fly tipping, pests and other issues that affect our estates, including grounds maintenance and bin storage areas

- Establishing better relationships with Registered Providers to manage estates more effectively and in partnership
- Investing in pest control to mitigate the impact of pests on HRA properties (e.g. wasps nests, pigeons and rats which can affect the structural integrity of buildings) and safeguard the health and wellbeing of tenants, particularly the most vulnerable (e.g. cockroaches, pigeons and rats can all spread infectious disease).
- Carrying out a review of estate car parking and garages to ensure the Council can meet the parking challenges facing many tenants, working with Asset Management and Housing Delivery teams.

#### **8.4 Enabling tenants and leaseholders to shape and scrutinise the landlord service**

A key role of the Neighbourhood Officers is to act as local champions for engagement in their area. Supported by a specialist Resident Engagement team and working under the Regulator for Social Housing's framework and guidance, Neighbourhood Officers will encourage and support tenants and leaseholders to become involved in shaping and scrutinising the services they receive by;

- Developing and implementing an engagement strategy, setting out how tenants can be involved in the planning, delivery and scrutiny of services.
- Developing and implementing a Local Housing Offer, specific to the needs of individual communities.
- Communicating with tenants openly and regularly through the publication of an annual report, tenant surveys, newsletters and consultations.
- Developing tenant panels or forums to help inform and shape service improvements.
- Developing a network of local tenant champions and actively seeking feedback from tenants, residents and visitors about the condition of communal blocks and wider estates.
- Developing local service level agreements for all local areas setting out the level of service, including the response times to specific issues that tenants can expect.
- Developing and implementing a bimonthly forum for leaseholders, the aims of which are to review, monitor and make recommendations for the improvement of leaseholder services.

## **9. Financial plan**

### **9.1 Rent and Service Charge policy**

The Council's rent and service charge policy can be summarised as:

- To follow the Government's rent guidance except in the following cases
- Shared Ownership rents are increased or decreased by the same percentage rate as charged for Council rents in the previous financial year
- New-build properties financed through capital receipts from retained "one-for-one" replacement of Right To Buy sales, are charged rents equal to the prevailing Local Housing Allowance, and increased or decreased annually by the same amount as the Local Housing Allowance
- Tenants and shared owners are advised annually of the rents and service charges payable, no less than 28 days before increased or decreased rents take effect (usually the first Monday in April).

Service charges are made to cover costs incurred for the benefit of groups of tenants, rather than for the benefit of all tenants. The Council's service charge policy can be summarised as:

- To seek to recover the full costs of services provided to groups of tenants, rather than to all tenants
- To follow the service charge regime set out in the Government's rent guidance
- To maximise the income received from service charges for services that are additional to responsibilities under the tenancy agreement

Tenants and shared owners are advised annually of the service charges payable, along with their rents, no less than 28 days before increased or decreased service charges take effect (usually the first Monday in April).

### **9.2 Leaseholders' Service Charge policy**

Leaseholders' annual service charges are levied to recover the costs of managing and maintaining communal areas and facilities, in accordance with the terms of the leases.

Leaseholders' major works charges are made to recover the costs of major works to the fabric of buildings and communal area, which are in accordance with the terms of the leases.

Leaseholders are consulted on the proposals for works and the costs to be recovered in accordance with S.20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002, Section 151. Where mandated by statute,

the Council provides additional time to pay major works charges. The Council does not provide additional time to pay major works charges under any discretionary arrangement.

Both annual service charges and major works are recovered in accordance with the terms of the leases.

### **9.3 Other fees and charges**

Other fees and charges applicable are set out annually in the Council's annual budget-setting report.

### **9.4 Right to Buy receipts**

Receipts from the sales of property under the Right to Buy (RTB) are partly paid to government, and partly retained by the Council to fund housing capital expenditure. A portion of RTB receipts are retained for "one for one" replacement of properties sold under RTB and can be used only for the construction or purchase of new affordable housing.

### **9.5 Other capital receipts**

Receipts from the sale of other housing assets are used by the Council to fund housing capital expenditure.

### **9.6 Borrowing and treasury management**

The Council has borrowed about £230m in the past to fund the construction, purchase, and planned maintenance of Council housing. The government had set a maximum of £260m on the Council's total borrowing for housing, which limited the amount of new Council housing that can be afforded, but this cap has recently been abolished.

Cabinet will be considering [has approved] on 1 September 2020 a recommendation to separate its General Fund and Housing Revenue Account borrowing, so that future borrowing for council housing purposes has no impact on council tax budgets and services. This will mean that borrowing for new council housing, and for major repairs and estate renewal, can be planned and implemented to secure best value for tenants.

Borrowing is managed in accordance with the Council's Treasury Management Strategy, which includes rules about ensuring that any new borrowing is affordable from the HRA.

The cabinet report [LINK TO BE ADDED] sets out the implications of this separation into "two pools" and the impact on the HRA, along with the changes to the Treasury

Management strategy which will ensure that HRA borrowing is affordable and effectively managed.

### **9.8 Statutory accounting**

The HRA is a part of the Council's overall General Fund account and reported as notes to the Council's annual audited Statement of Account.

### **9.9 Annual budget**

Budgets for the HRA are reviewed and approved each year by the full Council in line with the corporate budget-setting process.

### **9.10 Medium term financial planning**

The corporate budget-setting process includes Medium Term Financial Plans, including one for the HRA. This projects the expected levels of income and expenditure over a five year period, to ensure that these balance over the planning period.

### **9.11 HRA business planning**

For the HRA, the Council also maintains a Business Plan Model to show the effects on income and expenditure over a 30-year period of the delivery of the policy objectives set out in this Business Plan, together with other internal and external factors such as rent increases, inflation, and changes in the housing stock. The Business Plan Model enables the Council to ensure that the HRA remains financially viable in the long term, so that the future condition and management of tenants' homes can be assured.

Appendix 2 shows the position of the current Business Plan Model reflecting the delivery of the current Business Plan.

## **10. Governance and risk management**

### **10.1 Governance**

The Council has a constitution that sets out how it operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Decisions with regard to the HRA Business Plan will be made in accordance with these constitutional arrangements. The Council has a number of overview and scrutiny select committees, including a Community and Housing Committee, tasked with scrutinising the services provided by housing and regeneration, and a Regeneration and Estate Renewal Scrutiny Committee. Additionally, the portfolio holders responsible for the various services delivered by housing and regeneration meet regularly with senior managers.

### **10.2 Monitoring**

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 contained in the appendices to this document will be updated accordingly. In future, the HRA Business Plan document and the 30-year Financial Plan that underpins it will be reviewed and updated on an annual basis. The review will take into account any changes to legislation or policy, changing local priorities and it is intended to feed into the annual budget-setting process.

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 will also be kept under review.

### **10.3 Risk**

The Council's corporate risk register captures the most significant risks affecting the medium to-long term priorities of the Council. The Council also maintains a housing and regeneration-specific risk management plan and register.



## **10.4 Performance**

In delivering its housing services, the Council must ensure that it complies with the standards set by the Regulator for Social Housing. The regulatory approach places the onus on the Council to ensure that the standards are met and to support tenants, both to shape and scrutinise service delivery and to hold Councillors to account. Within this context, the Council's framework for managing and scrutinising performance is particularly important for reviewing and maintaining service standards, identifying improvement activities and communicating levels of performance both internally and externally.

The housing and regeneration service operates within the corporate performance management framework, which enables the Council to determine and monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services that benefit the community. These are encompassed within the Council Plan.

Supporting the Council Plan are a suite of housing and regeneration service summaries, which set out what key services are delivered, and the key performance indicators used to measure performance. Performance is reported on a quarterly basis to the Council's Scrutiny Management Committee.

## **10.5 Customer feedback**

As part of its commitment to deliver customer-focused services, the Council's customer complaints and feedback system records all types of feedback (customer complaints, compliments, comments, suggestions and Councillor and MP enquiries). Regular reports are produced looking at performance, along with causes and outcomes of customer complaints. This analysis enables managers to review service quality and learn from customer feedback, in order to make service improvements.

From analysing the available data for 2019-20, the following information is known about the housing and regeneration service in this regard:

- 209 complaints were dealt with, compared to 139 in 2018-19.
- 92% of complaints were resolved at stage one compared to 89% in 2018-19.
- 10 enquiries were made to Milton Keynes Council by the Ombudsman. 10 decisions were received of which only one was upheld, six were deemed to be a 'premature complaint' and were referred back to the Council to be investigated through our complaints procedure and three were not investigated. Some cases will have been

received and decided in different business years, this means that the number of enquiries received will not always match the number of decisions made.

- 39 compliments were received, compared to 38 in 2018-19.

Housing teams gather information on the level of satisfaction customers experience when accessing their services and this is routinely accomplished through service-specific surveys. In addition, at the start of 2020 we carried out our first STAR survey for a number of years, giving every tenant and leaseholder the opportunity to share their views about the services we deliver. The results will be shared with tenants through the annual report and will be used to identify where the service needs to improve.

We are considering options for how we carry out STAR surveys in the future and at what frequency. This is likely to be once every two years, with more regular focussed surveys being carried out more frequently to ensure that tenants and leaseholders have regular opportunities to tell us what they think of our services.

## 11. Delivery plan

The HRA delivery plan sets out the high-level priority activities to be undertaken over the short to medium term. There are a number of factors that have influenced the identification of the activities contained in the plan including:

- Corporate objectives and priorities;
- Housing and regeneration service priorities;
- Customer feedback and priorities identified through the 2018 [2020] HRA Business Plan consultation;
- National housing policies and legislative requirements;
- The financial resources available, as identified through the 30-year Business Plan model.

The delivery plan will be refreshed annually to reflect policy changes and residents' priorities, and thoroughly reviewed at least every five years. The Delivery Plan is set out in the following table.

## HRA DELIVERY PLAN: KEY ACTIVITIES 2020-2021

### COMPLETED ACTIONS SINCE 2018

Action	Owner	Target date	Commentary
Develop and maintain a risk register and risk management plan specific to the HRA.	Director of Housing and Regeneration	March 2020	The risk register and risk management plan are in place and will be reviewed quarterly.
Develop a suite of key performance indicators, management performance indicators and operational performance indicators.	Head of Housing Delivery	June 2019	KPI's are in place for the service. These are reported quarterly to the Overview and Scrutiny Committee, and to the Corporate Leadership Team.
Develop mechanisms to capture tenant satisfaction e.g. STAR surveys	Head of Housing Delivery	April 2019	A STAR survey was completed at the end of 2019-20. Results will be shared with tenants via the annual report going out in Sept.
Support the Big Conversation	Head of Housing Delivery	April 2019	The Big Conversation commenced and feedback from stakeholders led to the redevelopment of the new regeneration strategy. Going forward, community engagement will be at the heart of regeneration and estate renewal.
In response to tenants concerns officers to be apportioned £3,000 each to spend on low level public realm improvements	Head of Housing Operations	June 2019	Officers are aware they should spend this in appropriate areas and spends are monitored by their Team Leader and overall budget by Housing Manager.
Develop a programme of tenancy audits and estate visits / inspections	Head of Housing Operations	September 2019	Virtual Tenancy Audits were brought in during COVID-19 and are now part of standard practice. This will not replace 'in person' Tenancy Audits but rather compliment them.

Establish a tenancy sustainment team, consisting of welfare officers, to develop financial capacity with our tenants, identify those most at risk of tenancy failure and provide dedicated, tailored support with welfare benefits and wider tenancy management issues	Head of Housing Operations	September 2019	The Welfare Support Officers are working with tenants to ensure income maximisation while working with tenants to support them in maintaining their tenancies where practicable. The tenancy sustainment team will come under Adult Services – tenancy sustainment officer posts are yet to be recruited to.
Review and update the Rent and Service Charge setting policies	Head of Housing Operations	September 2019	New Rent and Service Charge policy approved in July 2020.
Establish clear working relationships with local DWP officials in order to escalate individual and strategic emerging issues around the implementation of full-service UC in Milton Keynes	Head of Housing Operations	April 2019	A co-location arrangement is in place with an officer based in Job Centre Plus to work jointly and address issues more effectively for tenants who are UC claimants.
Begin consultation with all tenants at Buckland Lodge sheltered scheme in 2019 with a view to decommissioning the scheme and using the site for alternative housing provision.	Head of Asset Management and Investment	April 2019	Consultation completed. Buckland Lodge was decommissioned and is undergoing demolition as at July 2020. Options are being considered for future housing provision at this site.
A 30 year asset management plan to be developed.	Head of Asset Management & Investment	July 2020	Asset Management Plan developed.

<b>FUTURE ACTIONS</b>		
<b>Action</b>	<b>Owner</b>	<b>Target date</b>
<b>Housing Delivery</b>		
Deliver 1200 council homes by 2030	Head of Housing Delivery	2030
Implement the new Community Led Regeneration and Estate Renewal Strategy through the development and monitoring of a robust action plan	Head of Housing Delivery	Ongoing
Deliver the regeneration and estate renewal programme on the Lakes Estate	Head of Housing Delivery	2025/26
Deliver the regeneration and estate renewal programme on Fullers Slade	Head of Housing Delivery	2026/27
Work with stakeholders to explore the potential for the redevelopment of Buckland Lodge	Head of Housing Delivery	March 2021
Work with stakeholders to explore the potential for the redevelopment of Mellish Court	Head of Housing Delivery	March 2021
Develop a Housing Development Strategy	Head of Housing Delivery	March 2021
Develop an Estate Renewal Investment Strategy	Head of Housing Delivery	March 2021
Explore options for redevelopment of the Council's 16 Reema blocks	Head of Housing Delivery	April 2021

Explore options for disused garage sites to provide additional housing development opportunities.	Head of Housing Delivery	April 2021
Develop and start to implement a 'co-produced' resident engagement framework and strategy	Head of Housing Delivery	March 2021
Develop and publish a tenant's annual report for 2019-20	Head of Housing Delivery	Sept 2020
<b>Housing Operations</b>		
Create a process of developing Local Housing Offers specific to the needs of individual communities (delayed due to ensure team are embedded in the community)	Head of Housing Operations	December 2021
Introduce capacity for the landlord service to tackle pest control and waste management issues that directly affect council tenants and compromise the landlord's contractual and statutory obligations (in discussions with Public Realm)	Head of Housing Operations	April 2021
Develop effective working relationships between neighbourhood officers and tenants on their 'patches', to include supporting Residents Associations, both existing and new; facilitating community events, so that the neighbourhood officer is fully embedded in the community as tenants' first port of call	Head of Housing Operations	April 2021
Facilitate regular dialogue between the Council and other local housing providers to tackle common themes in partnership, ensuring a consistent and improved level of service for tenants and generating best value for money.	Head of Housing Operations	December 2020
Review and update all major housing-specific policies so that they are legally and regulatory compliant.	Head of Housing Operations	March 2021

Review car parking and garage provision to ensure the Council makes best use of its assets whilst providing services tenants want and need.	Head of Housing Operations	March 2021
<b>Asset Management &amp; Investment</b>		
Housing stock to meet Decent Homes Standard (DHS) and introduce an enhanced Milton Keynes DHS	Head of Asset Management & Investment	April 2024
Undertake stock condition surveys of 100% of properties.	Head of Asset Management & Investment	April 2024
Delivery of the £165m planned investment programme	Head of Asset Management & Investment	April 2024
Explore options to self-deliver repairs and maintenance services by setting up a Direct Labour Organisation with support from external consultants	Head of Asset Management & Investment	April 2024
Invest in health and safety upgrades at The Gables and Mellish Court and investigate redevelopment options	Head of Asset Management & Investment	April 2021
Replacement of the walkway at Harrier Court to provide safe access and egress to front doorways.	Head of Asset Management & Investment	April 2021
Carry out full compliance assessments of our sheltered housing schemes so as they are fully compliant, undertaking fire related improvements as required.	Head of Asset Management & Investment	April 2021
Remove water storage tanks in sheltered schemes and install new direct fired boilers to lower the risk of fluctuating water temperatures and stagnant water, which is the most common cause of Legionella.	Head of Asset Management and Investment	April 2024
Explore 'future proofing' options within the general needs housing stock to make homes more fuel efficient, flexible	Head of Asset Management and Investment	April 2020



and adaptable to meet the changing needs of an aging population.		
Improve the caretaking and cleaning services, to include to all sheltered housing tenants	Head of Asset Management and Investment	April 2021
Develop service level agreements for our communal areas on council estates so that tenants and leaseholders know what to expect from the Council and can hold us to account if this service is not forthcoming	Head of Asset Management and Investment	April 2021
Develop a webpage and publish all programmed investment works, giving transparency.	Head of Asset Management & Investment	April 2021
Explore greener energy options across our stock to make homes more fuel efficient and address climate change	Head of Asset Management & Investment	April 2021
Develop a robust recharge policy aimed at charging tenants for necessary repair work, created by deliberate and wilful damage.	Head of Asset Management & Investment	April 2021