

Housing Revenue Account (HRA) Business Plan 2022-25



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Introduction

This is the first business plan prepared by the Homes and Neighbourhoods Service since the transfer of the housing management and maintenance service into the Council from Kirklees Neighbourhood Housing. The plan sets out the key challenges and objectives for the service over the next three years.

The Homes and Neighbourhood Service finds itself at an important point in its operational life. Having transferred the operations of KNH into the new service, established new governance arrangements and a new vision for the service, this is an opportune moment to set out the services' medium-term plans for its future service delivery. There are a number of challenges that the service must respond to if it is to deliver its vision and improve its delivery to the tenants and communities that it serves. These challenges include but are not limited to:

The key risks identified in the [risks](#) section below

- Rising service expectations of our tenants and wider society
- Embedding service excellence principles across our workforce and in the way we work
- Loss of stock through the right to buy
- Meeting climate change obligations and ensuring affordable warmth
- Responding to changing demographics and housing need and aspiration
- Ensuring joined up services between housing, health and social care
- Knowing our tenants and our places so we can respond to their needs

As part of the service's transition into to the council, an extensive consultation exercise has been undertaken with a wide range of stakeholders both internal and external to the service as part of understanding what service excellence looks like from their perspective. The consultation exercise included staff from across the service, a range of involved tenants and other stakeholders as diverse as the health and emergency services, and representatives from voluntary organisations. The intelligence gathered from this exercise has informed this plan through the objectives and performance standards that this business plan sets out.

Our vision is based on the outcome of this engagement and is set out on the following page.

Service Vision

Striving to be an excellent landlord by putting tenants and communities first.

The delivery of this vision will be underpinned by our service excellence principles

- **E**xperience of the tenant comes first
- **E**Xceptional, place-based service delivery
- **C**ommunicating well and working with tenants
- **E**mpathy and respect for all tenants
- **L**earning from and putting right our mistakes
- **L**etting tenants know who we are
- **E**xceeding expectations and making a lasting impression
- **N**ot what we can't do, but what we can do
- **C**ontact with tenants is always an opportunity for feedback
- **E**nsure we do what we say we are going to do

We will do this by ensuring the HRA invests in:

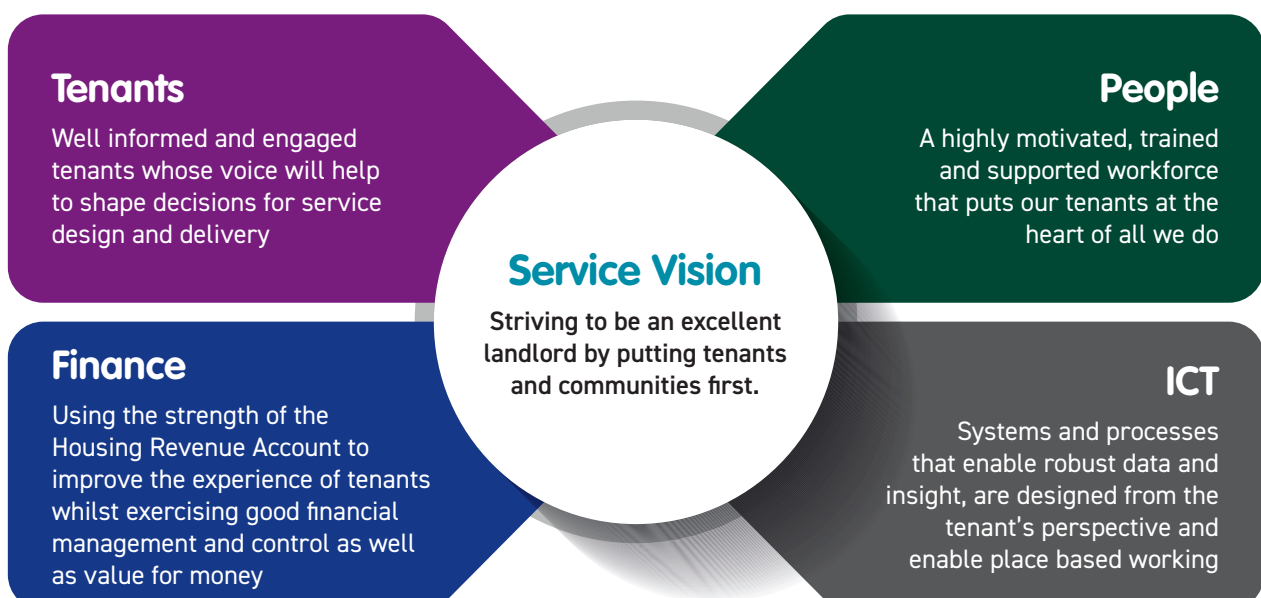
- improving the quality of the council's housing stock
- ensuring council homes keep tenants safe
- ensuring good place management so that neighbourhoods are attractive and inclusive
- decarbonising the council's housing stock and providing energy efficient homes and affordable warmth

- ensuring the council's homes are accessible and support a range of housing needs
- ensuring the service has a workforce that is well equipped and capable.

These principles will be supported by our four pillars of service delivery

- **People** – a highly motivated, trained and supported workforce that puts our tenants at the heart of all we do
- **ICT** – systems and processes that enable robust data and insight, are designed from the tenant's perspective and enable place-based working
- **Tenants** – well informed and engaged tenants whose voice will help shape decisions for service design and delivery
- **Finance** – using the strength of the Housing Revenue Account to improve the experience of tenants whilst exercising good financial management and control as well as value for money

By embedding the principles of the above vision, we will ensure the leadership of the service is focused on the key issues and improving performance that our tenants and stakeholders expect.



Operating Context

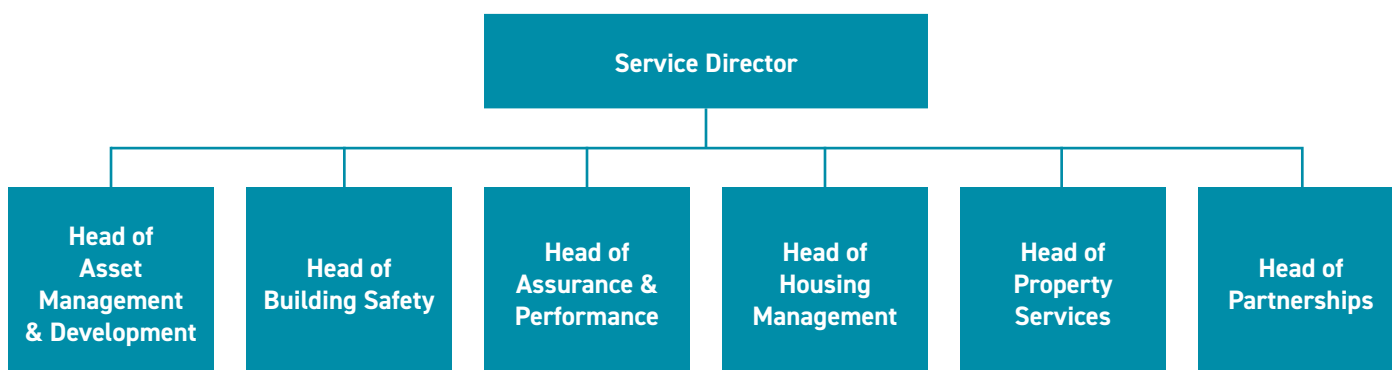
Homes and Neighbourhoods (H&N) are responsible for managing and maintaining some 22,137 properties across Kirklees.

These are made up of both houses and flats and are split geographically into north and south Kirklees and the breakdown of property size is summarised below:

Housing Stock at 31 March 2021

Bedsits	342
One bedroom	9,416
Two bedrooms	7,705
Three bedrooms	4,354
Four bedrooms	307
Five bedrooms	8
Six or more bedrooms	5
Total	22,137

The Service is part of the Growth and Regeneration Directorate and is led by a Service Director (Naz Parkar). The director is supported by the following six Heads of Service: Asset Management & Development, Building Safety, Assurance & Performance, Housing Management, Property Services, and Partnerships.



The service is supported by 835 staff 69.2% of which are male and 30.8% female, with 8.6% from Black, Asian and Minority Ethnic heritage and 6.7% identifying as disabled. The percentage of Black, Asian and Minority Ethnic staff is significantly lower than the Kirklees population (24.1% Black, Asian and Minority Ethnic). Clearly, as part of the Council's commitment to tackling inequalities, the service will need to consider how to address this but, also to encourage greater completion rates on ethnic monitoring since the ethnicity of 20% of the service's staff profile is unknown.

Multi-agency place-based working

H&N teams coordinate information and local insights, which will be fed in to the wider meeting

Internal and external relationships will be strong

H&N place-based 'team'

Using local data and intelligence, Councillor and Tenant Voice

Working with places to co-produce services

Individual teams

Officers providing an excellent tenant experience

Working with communities to respond to neighbourhood issues

The service is aligning with the Council's place-based strategy and is adopting the above model as its approach to place-based delivery. Over the life of this business plan, we will further align our current patch-based delivery to support the Council's place-based approach to enhance multi agency place-based working by using data and intelligence to understand the diversity of needs and aspirations of places and recognising that different places will require different approaches.

As part of our approach to Place-Based Working, we will be partnering with our colleagues in the new Pride in Place team to deliver environmental improvements on our estates. These works will be funded from the Former KNH reserves and the work we deliver will showcase the pride our communities have across Kirklees and allow others to join us on the journey. We often accomplish the best outcomes when working collaboratively with other teams within the Council, working with Members and external partners such as the Police and housing associations to deliver the Council's vision.

National Policy Context

The Homes and Neighbourhood Service operates in a highly regulated and complex operating environment.

The service's principal regulator is the Regulator for Social Housing (RSH) which takes a lead in regulatory matters for those organisations (private providers and Local Authorities) who are registered with them (Registered Providers [RP]). Kirklees Council is the Registered Provider for the social housing stock it owns within Kirklees, with the Homes and Neighbourhood service tasked with undertaking the housing management and maintenance services on its behalf. Whilst the RSH takes the lead in regulating RPs there are other bodies and influences on the service that are set out below.

The regulatory environment in which H&N operates is currently experiencing significant change and realignment. The RSH has launched a series of consultations around the future provisions of its regulatory regime and at the same time the new Building Safety Regulator is being established by the HSE. Therefore, over the next eighteen months we can anticipate a great deal of change to the regulatory regime and expectations on the service.

Social Housing Regulation

The regulatory framework for social housing in England is made up of:

- regulatory requirements – what registered providers of social housing need to comply with
- codes of practice – a code of practice can amplify any economic standard to assist registered providers in understanding how compliance might be achieved
- regulatory guidance – this provides further explanatory information on the regulatory requirements and includes how the regulator will carry out its role of regulating the requirements.

The regulatory framework comprises both economic and consumer standards comprising the elements below:

The 3 economic standards are:

1. [Governance and Financial Viability Standard](#)
2. [Value for Money Standard](#)
3. [Rent Standard](#)

The 4 consumer standards are:

1. [Home Standard](#)
2. [Tenancy Standard](#)
3. [Neighbourhood and Community Standard](#)
4. [Tenant Involvement and Empowerment Standard](#).

Currently the only one of the Economic Standards applicable to the H&N service is the rent standard, whilst all of the consumer standards apply.

In 2021 the regulator undertook consultation on potential changes to the regulatory framework. In particular the RSH has consulted on a new approach to regulating the Consumer Standards that will see it engaging with RPs in a more proactive way around these standards. A key focus of this is agreeing what tenant satisfaction measures should apply to these standards and how RPs will be required to monitor and report these to the regulator.

The regulator has in place a series of concordats with other regulators (Housing Ombudsman, Charity Commission, and is in dialogues with the Building Safety Regulator [HSE]) to recognise the overlapping jurisdictions of these other regulators with the understanding that the RSH will be the lead regulator for all Registered Providers. As the new regulatory framework is rolled out it is expected that further joint working and cooperation amongst these regulators will be embedded in the new arrangements.

Social Housing White Paper

The [Social Housing White Paper](#) (The Charter for Social Housing Residents) was published in November 2020 and sets out the following charter aims:

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 access to help, if you want it, for you to learn new skills 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.

The paper is a clear response to the tragedy at Grenfell Tower and whilst it has not yet progressed to a bill (there is an expectation that it will be laid before Parliament sometime around April) the direction of travel is clear. The RSH is reviewing its regulatory standards to take account of the provisions of the white paper and the Building Safety Bill (now an Act).

The further legislation arising from the white paper that is likely to include increased powers for the Regulator for Social Housing, the potential removal of the serious detriment test for the Consumer Standards and the proactive regulation of all of the regulatory standards (currently only the economic standards are proactively regulated). In addition, we anticipate a revision to the Decent Homes Standard to reflect what is regarded as safe and decent in today's context.

Building Safety Bill / Building Safety Regulator (BSR)

The Building Safety Bill 2019-20 was announced in the Queen's Speech in December 2019 following the Grenfell Tower fire on 14 June 2017. Its purpose is to put in place new and enhanced regulatory regimes for building safety and construction products, and to ensure residents have a stronger voice in the system.

It was expected that the main elements would:

- create an enhanced safety framework for high-rise residential buildings, taking forward the recommendations of the Hackitt review
- provide clearer accountability and stronger duties for those responsible for the safety of high-rise buildings, with clear competence requirements to maintain high standards
- give residents a stronger voice in the system and ensure that they fully understand how they can contribute to maintaining safety in their buildings
- strengthen enforcement and sanctions to deter non-compliance
- develop a new stronger and clearer framework to provide national oversight of construction products
- develop a new system to oversee the whole built environment, with local enforcement agencies and national regulators
- require that developers of new build homes must belong to a New Homes Ombudsman.

The [Fire Safety Bill](#) (now an Act) was also introduced to amend the Fire Safety Order 2005, clarifying that the responsible person or duty-holder for multi-occupied, residential buildings must manage and reduce the risk of fire.

The Health and Safety Executive (HSE) has been identified as the lead body for Buildings Safety Regulation and is currently establishing additional regulatory frameworks for both the governance and management of building safety matters.

Housing Ombudsman

The purpose of the Housing Ombudsman Scheme is to enable tenants and other individuals to have complaints about members investigated by a Housing Ombudsman. The role of the Ombudsman is to resolve disputes involving members of the Scheme, including making awards of compensation or other remedies when appropriate, as well as to support effective landlord tenant dispute resolution by others.

The Housing Ombudsman Service (HOS) looks at complaints about registered providers of social housing, for example housing associations, and other landlords, managers, and agents. The service is free to complainants, independent and impartial.

The role of the HOS has been strengthened in recent years and the Ombudsman has entered into a Memorandum of understanding with the RSH where it will work with and bring any issues of concern it has about an RP the Regulators attention. The HOS only looks at housing related complaints with any other complaint about the Councils Services being directed to the Local Government Ombudsman.

The above sets out the ever changing and complex nature of the regulatory environment in which the H&N service operates.



Local Policy Context

The Homes and Neighbourhood Service is part of the Growth and Regeneration Directorate of Kirklees Council and therefore contributes to the delivery of the council's vision and strategies.

The service seeks to deliver to all of the shared Council outcomes and makes a specific contribution to the following two:

- people live independently and have control over their lives
- people live in cohesive communities, feel safe and are protected from harm.

For a full list of the council's outcomes and strategies Homes and Neighbourhoods contributes to please see [appendix 1](#) at the end of this plan

The service operates exclusively in Kirklees and therefore it is important that the service understands the part it plays within the housing market across the borough and the residents that it serves. This section will set out some key findings of a market analysis report.

Kirklees is home to 441,000 people as of 2020. 62% of people are of working age (16-64), with 20.3% aged 0-15 and 17.9% aged over 65. This is similar to England, though Kirklees has a slightly higher proportion of young people (19.2% in England) and lower proportion of older people (18.5% in England).

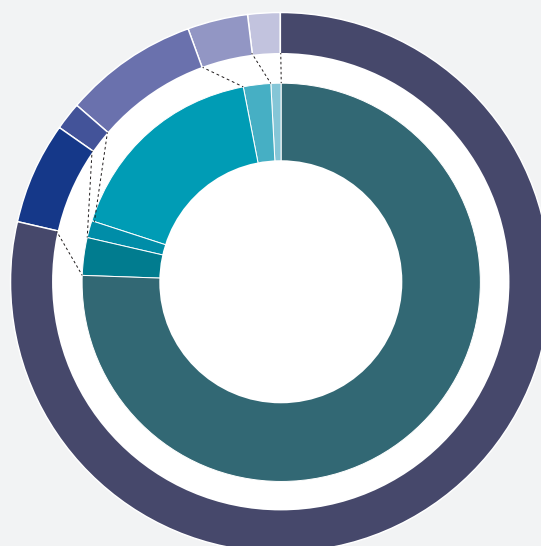
Kirklees is also an ethnically diverse area. The Census provides the best snapshot of an area's population, but with the 2021 Census not yet available, ONS have conducted more recent experimental analysis. This suggests that in 2016, just over three quarters (75.9%) of Kirklees residents were White British, lower than the 78.7% across England. This is largely due to a significantly larger population of people in Kirklees of Asian / Asian British ethnicity, which is more than double that of England – 17% to 8%. All other ethnicities are less prevalent in Kirklees than they are in England as a whole.

There were 177,750 dwellings in Kirklees in 2019, according to the ONS, and the mix of tenures has shown only subtle change in recent years.

Just over two thirds (68.9%) of properties are privately owned either outright or with a mortgage, a figure largely unchanged since 2012 when 68.6% of properties were owned. However, since 2012 there has been a slight increase in homes owned outright without a mortgage (from 33.5% to 36.2%) and a slight fall in homes owned with a mortgage (35.2% to 32.7%). This perhaps reflects challenges for people entering the housing market, with fewer people buying for the first time.

Population by Ethnicity

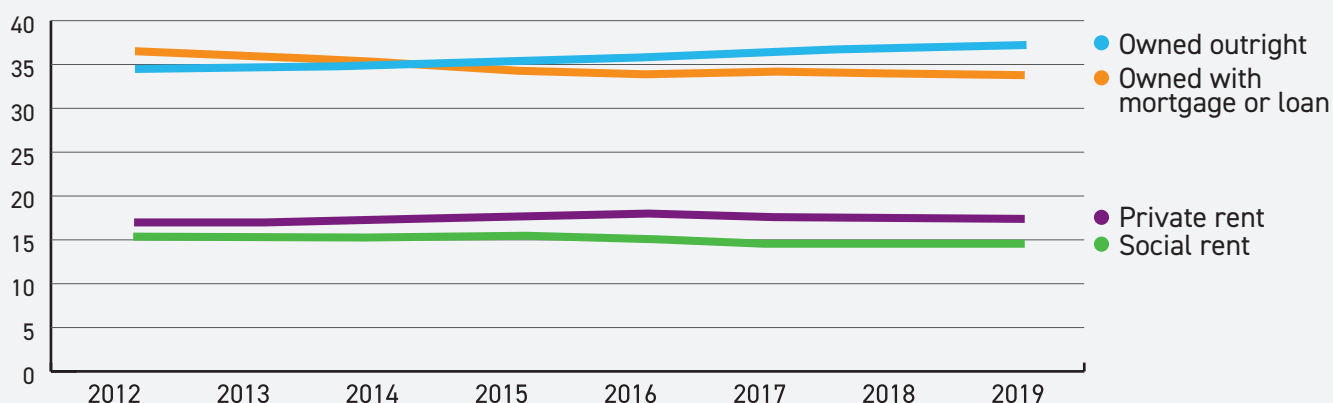
	England	Kirklees
White British	78.7%	75.9%
All other White	6.2%	2.8%
Mixed/multi-ethnic	1.8%	1.6%
Asian/Asian British	8.0%	17.0%
Black/Black British	3.5%	2.1%
Other ethnic group	1.9%	0.7%



Source: Population Estimates by Ethnic Group and Religion, ONS 2019

Kirklees Housing Tenure 2012-19

% of total properties



Source: Subnational Estimates of Dwellings by Tenure, ONS 2021

Therefore the 22,137 properties managed by homes and Neighbourhoods accounts for 12.5% of overall housing stock and is 88.6% of the social rented stock in the borough.

Overall, 31% of households rent, whether privately (17%) or in the social rented sector (14.1%). Although the proportion in private rented accommodation is slightly higher than in 2012, it has dipped slightly from a recent peak of 17.5% in 2016.

Like most local authorities, Kirklees has declared a climate emergency and has set out a vision to reach net zero by 2038. According to the Commission for Climate Change, energy use in homes accounts for 14% of the UK's total emissions, so housing has a significant role to play in achieving these targets. More thermally efficient homes can also help to reduce fuel poverty.

The median wage for a full-time worker resident in Kirklees stood at £29,000 in 2020. Whilst this is 9% lower than the average for England, this gap has not grown significantly in recent years. In the past decade, earnings in Kirklees have increased by an average of 1.84% a year, compared to 1.89% across England.

Given that earnings growth has kept pace with England, and price increases have been lower locally, it is perhaps to be expected that housing property ownership remains more affordable in Kirklees than elsewhere, when measured as a ratio of earnings to prices. Median prices were 5.5 times median earnings in 2020 in Kirklees, with the ratio similar for properties at the 25th percentile where prices were 5.3 times

earnings. Both ratios are close to where they were 10 years ago, though this ignores the fact that there was an improvement in affordability following the 2008 crash, and since 2013 the ratio has been rising again. It is also much higher than in 2002, when median prices were around 3 times median earnings. As such, although Kirklees remains a more affordable place for people to get on the property ladder than many parts of England, it remains a substantial challenge for many, and over the longer term the challenge has increased.

Looking ahead, Kirklees is likely to see significant demographic change which will influence the demand for housing in the future. The over 65 population is forecast to grow whilst other age groups decline or remain static. As such, by 2043 the over 65 population is projected to surpass the under 15 population. Such issues will need to be considered when thinking about the types of property people may require or desire in future.

Similarly, Kirklees has a more ethnically diverse population than the nation as a whole and this can also influence the housing choices people may make.

Our Performance

The most recent STAR surveys show a significant decline in our satisfaction levels since our 2018 survey. We achieved below the HouseMark median in all measures when compared to the 2019/20 figures.

The four key themes arising from the 2021 STAR survey are:

1. Improving the repairs service
2. Listening to our tenants
3. Delivering home improvements / renovations
4. Improving communications and contact.

This is an area of significant focus for this plan with additional investment in front line services and systems being made to improve our satisfaction results.

In relation to specific areas of service

Call handling performance improved during 2020/21 and surpasses the 2019/20 benchmarks, but this correlates with an increase in digital contact. The numbers using online options is decreasing across the sector and that trend is being reflected in the proportion of Homes and Neighbourhoods digital contact data available for analysis. As digital contact reduces, we may see a decline in call handling performance.

Housing Management overall is low cost when compared to our peers but is also low performance (based on 4 key KPIs). We spend more than average on tenancy management, income management and lettings but our peers spend twice as much on anti-social behaviour and three times as much on resident involvement.

Empty homes performance and costs has been impacted on by the effects of the pandemic and the increased works carried out on our properties at void stage in comparison to our peers. The standard of our properties has been lower than some of our peers, so we are on catch up as well as the addition of works needed due to the programme of asbestos surveys, an enhanced lettable standard above and beyond the

service our peers provide, the impact of covid on the process and available resource have all contributed to our position, although performance is now beginning to improve.

Income management indicators show higher cost and lower performance than some of our peers, but the effects of the pandemic appear to have been minimised. Collection rates are above the levels seen in 2019/20, current arrears are quite steady and there has been a slight increasing trend since April 2019 but not the rise we expected to see during the pandemic. Former tenant arrears however continue to rise, and we were below the median in 2019/20 but that may change when the 2020/21 figures are released. The sector is seeing rent collection rates decrease and arrears rise with initial information indicating this is at a greater rate than Homes and Neighbourhoods. The sector forecast was a possible 50% increase from March 2020, and our figures are currently only 8% higher.

Homes and Neighbourhoods maintenance costs are 27% higher than our peers at £2863 per property with almost two thirds of that spend being on major works and cyclical maintenance. We completed fewer than average responsive repairs pre-pandemic but during August our figures were higher than our peers which may indicate a shift in our position. Time taken to complete repairs has doubled since 2019/20, driven by the effects of the pandemic, and there has been an adverse effect on other repairs indicators too this appears to have experienced sector wide.

(Source: HouseMark)

Business Plan Priorities

Our objectives will be focused around the four key pillars of our service delivery. Below sets out our high-level objectives we have identified for each of our four pillars of service delivery.

People

A highly motivated, trained and supported workforces that put our tenants at the heart of all we do.

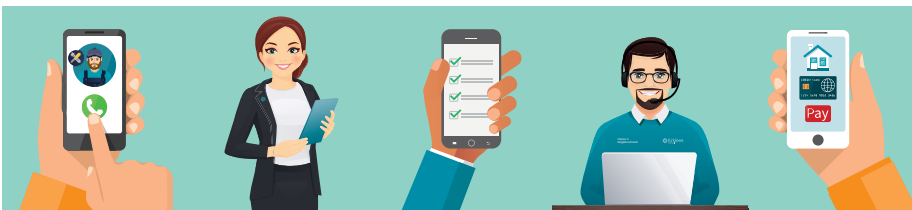


Key People Objectives

- Establish the H&N Leadership model
- Regularly review customer feedback and performance information to drive service improvements.
- Implement a training and development offer that supports the White Paper's housing qualifications expectations
- Develop mental health training package to improve our responses to our tenants needs

ICT

Systems and processes that support efficiency and effective service delivery for our customers.



Key ICT Objectives

- Implement Quality Management System
- Implement new housing management system 2022
- Procure Asset and Maintenance system winter 2022
- Improved data quality

Tenants

Well informed and engaged tenants that help to shape our service delivery.



Key Tenant Objectives

- Gather up to date demographic information about our tenants
- Develop tenant communication strategy
- Invest in our properties to make them safe secure and energy efficient
- Deliver the complaints handling strategy

Financial

Well managed and deployed financial and other resources that help us deliver our service objectives.



Key Resource Objectives

- Review of supply chain to ensure alignment with key policy areas and outputs
- Maintain balanced budget
- Improve the energy efficiency of tenants' properties
- Ensure tenants live in safe and secure properties

Overarching Objectives

- Review of supply chain to ensure alignment with key policy areas and outputs
- Maintain balanced budget
- Improve the energy efficiency of tenants' properties
- Ensure tenants live in safe and secure properties
- Improve operational performance across all measures

Measuring our success

We will measure our success by using a balanced scorecard comprising our four pillars of service delivery that draws upon sector tenant satisfaction measures, sector scorecard indicators and Value for Money metrics.

Where available current performance is shown in bold. Further work is underway to establish reporting against all of the measures together with improvement measures for the lifetime of the plan.

People indicators

- % turnover
- New starters completing probation
- Average length of service
- Sickness (% and days lost)
- Hours of training delivered
- % staff undertaking professional development courses

ICT indicators

- Voids as a % of Opening Stock Count: **1.50%**
- Average re-let time - standard re-lets (ytd, days): **55.24**
- Repairs Jobs Completed in Time (% ytd): **90.24%**
- Homes that do not meet the decent homes standard

Tenant indicators

- Overall Satisfaction
- Lettings Satisfaction (% in month): **83.33%**
- Satisfaction with repairs: 77.95%
- Complaints relative to the size of the landlord
- Complaints responded to within complaints code timescales
- ASB Cases relative to the size of the landlord

Financial indicators

- % rent collected (ytd): **98.38%**
- % Current rent arrears (of annual rent debit minus void loss): **3.80%**
- % Former tenant arrears (of annual rent debit minus void loss): **1.70%**
- % Rent lost through homes being vacant (ytd): **1.75%**
- Sector VFM Indicators

Investment Programme

The Capital investment in our existing housing stock is the most significant cost driver within the business plan.

Investing in the improving the standard of our stock and making sure our homes remain safe, modern, and warm will remain our main priority for 2022-23 and for the lifetime of this plan. The Right to Buy is reducing the Council's housing stock at a time when demand pressures are acute. The council will also need to invest in providing new homes that help meet some of the rising demand

The council remains committed to prioritising resources to meet the capital investment plan and to replacing homes lost through Right to Buy, and the council aims to maintain a consistent level of capital expenditure with a view to improving the condition of the existing stock.

The 2021/22 baseline budget of £20.3m provides for

Component replacements through Your Home Your Place	£11.8m
Energy efficiency	£1.0m
Environmental/estate improvements	£0.1m
Capital compliance	£3.8m
Adaptations	£3.5m

The baseline budget over the next five years will total £125.2m. The 2021/22 strategic priority budget is £9.3m which provides for Housing Growth, a new extra care scheme at Ashbrow, initial modelling for the high-rise project, the replacement of the Housing system and council house building. The strategic priorities budget over the next five years totals £168m.

Delivering new homes and maintaining and improving existing ones will be crucial in helping us to achieve our objectives. Providing places to live that are safe, secure and where there is a sense of pride will help support tenants quality of life, contribute to well-being whilst investment in energy efficiency measures will help tenants mitigate the impacts of rising fuel bills and the rising cost of living more generally.

Since 2017, we have delivered our capital programme through Your Home Your Place, a whole house approach to improvement and refurbishment. This programme has improved around 1800 homes internally and externally. Covid-19 has had a serious impact on the delivery of these works and in 2022/23 we will be completing those schemes which are already on site or where we have already committed to delivering improvements. The remainder of our programme for 2022/23 will be based on asset performance and will target those in the worst condition. In essence 2022/23 is transition year for the asset management strategy and it is intended to 'sunset' the whole home approach during this period. From April 2023 a new approach to asset management will be introduced ensuring stock condition and place-based data and intelligence inform future investment in the council's housing stock. Future replacement programmes will be based on an elemental approach focused on component replacement, for example, a kitchen, roof or window replacement based on the need.

Your Home Your Place

(Kitchens, bathrooms, windows and doors, roofs, electrical, heating, district heating, lifts)

Progress so far and plans for 2022/23:

- In 2022/23 we will deliver improvements to 650 homes. We will start a programme to replace district heating and commercial boilers in the worst condition and to undertake work in retirement living schemes to facilitate the introduction of heat meters. A programme of lift replacements in retirement living schemes and some high-rise blocks will also be delivered.

Energy Efficiency

Progress so far and plans for 2022/23:

- In 2021/22 we delivered whole house retrofit to 8 homes. Homes are now rated in SAP bands A and B and will help residents to reduce their energy usage. In 2022/23 we plan to deliver another 8 whole house retrofits. We will be using these schemes to help us understand how we can scale up our approach to retrofit.
- We will aim to place a scaled up bid for wave 2 of the Social Housing Decarbonisation Fund, which will be launched after 1 April. Whilst details of the funding are not yet known it is anticipated that there will need to be match funding from the energy efficiency budget.
- The Local Authority Delivery (LAD) 1b funding was due to end in March 2022. We are currently negotiating for an extension to the end of June 2022 which will require us to roll over the current budget allocation for this scheme into next year.
- Economical boilers
- In 2022/23 we will be working with the charity Groundwork Yorkshire, Green Doctors to offer energy saving solutions for our tenants living in council properties. The programme is designed to help check tenants' energy tariffs to ensure they are not overpaying for their energy, set boilers to the most efficient settings, offer tips on

how to stay warm and identify repairs which can reduce thermal loss. They also offer debt advice and support in claiming for any benefits they are entitled to. The current funding round will enable us to reach up to 3,500 homes. Each visit will also provide and up to date EPC and SAP information for our homes.

- In 2022/23 we will also focus on bringing together the data we are collecting from our projects and surveys to inform our approach to strategy and planning.

Environmental/estate improvements

Progress so far and plans for 2022/23:

- In 2022/23 we will complete a four-year programme of environmental improvements affecting 12 blocks in total.
- We will continue a rolling programme of bin store replacements to blocks of flats with communal areas.
- We will also complete environmental improvements to public open spaces, and communal areas within the Cowlersley estate. This project is looking at biodiversity and landscaping improvements following extensive engagement with the community and local school.

Cyclical maintenance

Progress so far and plans for 2022/23:

- We are developing a new five-year programme for external repairs to communal blocks and estates. The aim of this programme is to improve overall safety and appearance of estates. We will work closely with our Neighbourhoods teams who will help us to understand local priorities and plans already in place so that we can target our resources where need is greatest.

Increasing council home numbers

Increasing the number of new council homes remains a priority for us. We will be using a combination of tried and tested, and new construction methods to deliver pace, innovation, cost and carbon savings. Our council house building programme includes the construction of new homes, refurbishment and conversion of existing stock, the buy-back of right-to-buy Council and private homes and the purchase of Section 106 homes delivered through planning agreements. We are delivering low and plan to pilot zero carbon homes to help reduce fuel consumption for tenants and contribute to our climate commitments.

Opportunities in our New Build Programme will be assessed to try to ensure that what we develop is not only of a high standard but also considers whole life costs and future ways of living.

Homes purchased

Progress so far and plans for 2022/23:

- Up to December 2021 we had purchased 13 homes through buyback against a target of 35 with a further 7 currently at conveyancing stage. This is a mix of 1 and 2 bed flats and houses and 3 bed houses.
- Initially in 2020 Covid-19 slowed the sales market, however from 2021 onwards it has pushed up house prices, particularly for the types of dwellings we need to buy. Our housing register shows an overwhelming need for more 3 bed family homes across all wards.
- In 2022/23 we plan to purchase 37 buy-back homes and complete the acquisition of 20 Section 106 homes.
- From April 2023 we aim to purchase 32 buy-back homes and 50 Section 106 homes a year.
- There will be a need to look at the impact of the current market on our existing investment plans to be able to meet these targets.



New homes

Progress so far and plans for 2022/23:

- We are currently delivering the following new homes:
 - Due for completion in 2021/22
 - › 2 one and two bed flats
 - Due for completion in 2022/23:
 - › 20 two bed bungalows for older people
 - › 14 two bed houses –
 - › 4 refurbished one bedroom houses
 - Due for completion in 2023/24:
 - › 50 extra care apartments
- The two bed bungalows are prefabricated off-site and are a bespoke design. They will help us to understand how this method of delivery may help us to achieve our targets and influence our future planning.
- In 2022/23 we aim to complete at least 34 new build affordable homes and create at least 4 new homes by refurbishing existing Council buildings.
- In 2022/23 we will also be securing detailed planning permission for a low carbon housing pilot of 125 units, 20 of which will meet Certified Passivhaus standards and 1 will be a zero-carbon house with a view to commencing the development in 2023/24. The learning from this along with that from our retrofit and refurbishment projects will help us to develop an asset strategy which provides homes that are fit for the future.
- In 2022/23 we will complete the review of HRA land and negotiate the acquisition of S106 affordable homes from developers to strengthen our development pipeline.
- From April 2023 we aim to complete 100 new build affordable homes a year for the next 5 years.
- We will also be working to develop and establish long-term strategic partnerships that enable us to expand our pipeline and deliver the right mix of homes for the future.

Homes regenerated and remodelled

Progress so far and plans for 2022/23:

- In 2022/23 design work will be taken forward for two major regeneration projects the £37m of two high rise blocks at Berry Brow and the £16m refurbishment of Buxton House in Huddersfield.

Reducing the carbon footprint of our new housing

Progress so far and plans for 2022/23:

- To ensure that we programme and deliver a year-on-year increase in the percentage of low carbon homes, we will consider whole life costs including running and maintenance costs, and non-monetised outcomes in addition to assessing Net Present Value and costs at the point of delivery.
- We will identify financial gaps in our business cases for new schemes to enable carbon reductions through value engineering, and to inform decisions where whole life cost analysis can demonstrate longer term savings.
- On schemes of 30 or more homes we will seek to develop at least 15% of the homes to be certified, or be designed to be capable of being certified to Passivhaus standard.
- On all schemes we shall consider how our schemes can achieve and exceed a minimum of 31% carbon savings and meet and exceed the Future Home Standard when the government issues technical guidance consultation in 2023.

Repairs

The Repairs Service has been going through a major review of all services and developed a

clear operating model with the tenant experience and satisfaction being the focus for change and improvements. Some change has started and will be continuous over the next 18 months with the overall aim of achieving a sustainable operating model that delivers excellent services to the tenants and residents of Kirklees.

Areas of improvement within the service have included:

- an emphasis on compliance in all areas, keeping tenants safe in their homes.
- analysis of detailed repairs data and introducing tenant focused measures
- the introduction of text satisfaction feedback which helps to design and improve services while promoting a culture of positive feedback and dealing with complaints in a timely manner.
- restorative workshops with all staff to engage on new ways of working.

2022 sees a more focused approach to planned and cyclical maintenance; improving customer experience and collaboration, while targeting component replacements which ultimately reduces reactive maintenance requirements.

Significant investment (£1.5m) has been identified to upgrade and make improvements to ICT. We are on target to procure and implement a new asset management and repairs systems within the coming two years, increasing the tenant experience. This will provide improvements in performance management, reporting and productivity and quality asset intelligence which will support future strategic planning for capital investment along with the voice of the tenants.

The Repairs and Maintenance Service has faced a significant challenge in responding to the COVID-19 pandemic. During the first national lockdown in 2020, the Service only delivered critical activities such as emergency and urgent repairs, work in empty properties and gas servicing for a period of 3 months.

Although following the lockdown the service has mostly recovered and had no significant backlog within diaries, over the following year additional repairs not ordered through lockdowns have put pressure on diary capacity and increased the duration of time taken to respond to a repair.

The following initiatives started in Jan 2022 and will be ongoing throughout 2022/23:

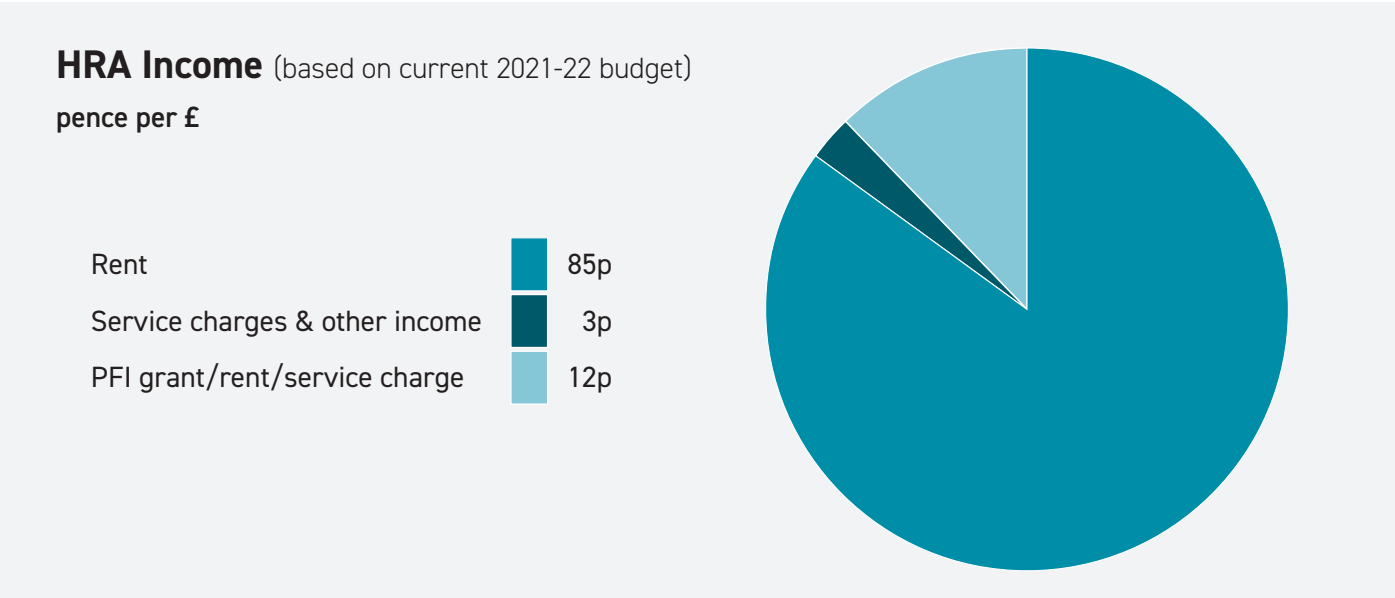
- planning and organising additional resource to drive down days in advance for appointment capacity, aiming to reduce below 5 days increasing tenant satisfaction
- stores delivery model which promotes first time fix
- flexible working patterns for operatives, extending the working day
- internal complaints review panel to scrutinise our or repairs service level of response
- trigger on repairs per property introduced to facilitate a proactive response to repairs issues.
- system reporting and cleansing improved to provide accurate information on any outstanding works
- new standard for voids introduced which is an improved standard for all
- some capital works removed from void stage to improve turnaround time and increase tenant choice
- additional recruitment has started to avoid the long term use of agency workers
- upskilling current workforce to deliver renewable technologies
- increased apprentice intake to 22 trade operatives to mitigate skills gap identified in coming years
- staff development at all levels
- mental Health awareness initiatives, personal wellbeing and responding to service delivery challenges.

Financial Plan

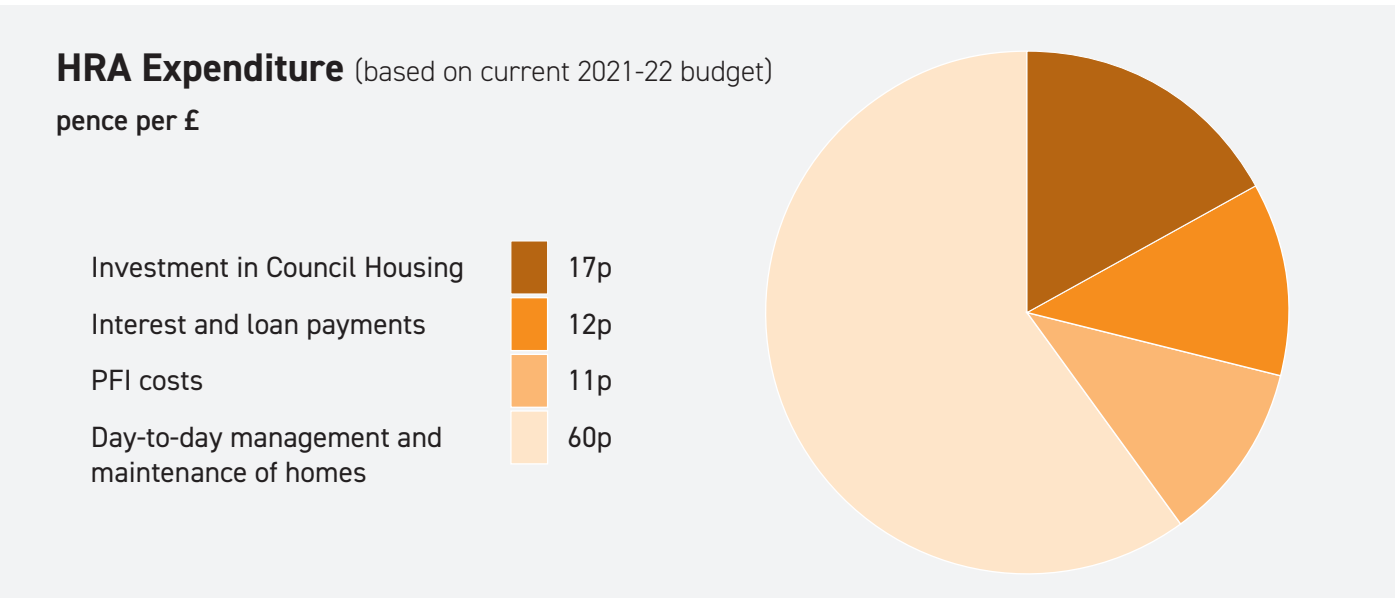
The purpose of the Financial Plan is to detail the level of resources available within the HRA to support the delivery of the priorities for Homes and Neighbourhoods, outlined in this Business Plan, which covers the period 2021/22 to 2050/51.

The HRA includes all income and expenditure incurred in managing the council's housing stock and in accordance with government legislation, operates as a ring-fenced account. Based on current assumptions, the projections over the next 30 years show a balanced HRA budget.

HRA Income (based on current 2021-22 budget)



HRA Expenditure (based on current 2021-22 budget)



Key assumptions

The key assumptions within the plan are set out below:

Inflationary increase

The plan provides for an inflationary increase of 2% throughout the plan but this will be reviewed on an annual basis.

Rents

Rents will increase by CPI + 1% from April. The projections for rental income reflect Right to Buy assumptions and the increase in the stock due to the Council House Building programme and buyback arrangements.

The new average weekly HRA dwellings rent for 2022/2023 is £74.09, based on a 52-week billing period and incorporating the CPI + 1% increase (September CPI at 3.1%) which still places Kirklees as a landlord charging the third lowest rent in the country. The proposed increase for 2022/23 will generate an annual increase of £3.1m, which over the 30-year life of the business plan will be £90.1m.

Service Charges

Tenants in multi storey flats and in low/medium rise flats receive additional services such as cleaning of communal areas, staircase lighting and lifts and only pay a proportion of the charge towards the cost of these services meaning, not all costs are recovered. Service charges will therefore increase by 4.1% will apply for 2022/23 to reflect more closely the costs associated with providing these services.

Provision for Bad Debts

The rollout of Universal Credit (UC) started in June 2015 and is ongoing with 32% of tenants currently in receipt of UC and 38% in receipt of partial or full Housing Benefit (HB). The provision will be dependent upon the expected level of arrears, which is expected to increase when tenants transition onto UC. The impact on the HRA is that an increase in the provision for doubtful debts will have to be made as Universal Credit is rolled out across Kirklees, then this projection will be revised to take account of performance in collecting rent due.

Repairs and Maintenance

For 2021/22 there is an annual budget of £27m set aside for repairs and maintenance of which £8.025m is provided for planned works, including revenue compliance, £8.950m for responsive works, £9.028m for Empty homes, which includes all costs associated with the new lettable standard and £1.013m for unplanned works. Over the life of the plan there is £691m set aside for repairs and maintenance. We recognise that the level of resources available to maintain our homes remains a priority to tenants.

Management costs

The Financial Plan provides for pay increases and inflationary increases on specific contractual commitments and utilities. Efficiencies in staffing and running cost reductions will continue to be realised over the period covered by the Financial Plan.

Investing in the Housing Stock

The council remains committed to prioritising resources to meet the capital investment plan and to replace homes lost through Right to Buy and the council aims to maintain a consistent level of capital expenditure with a view to improving the condition of the existing stock.

Baseline budget

The 2021/22 baseline budget of £20.3m provides for £11.8m for component replacements, £100k for estate improvements, £3.8m for capital compliance, £1m for fuel poverty and £3.5m for adaptations. The baseline budget over the next five years will total £125.2m. The 2021/22 strategic priority budget is £9.3m which provides for investment in new and replacement stock, a new extra care scheme at Ashbrow, initial modelling for the high-rise project, the replacement of the Housing system and council house building. The strategic priorities budget over the next five years totals £168m.

Capital Investment Plan 2021/22 to 2026/27

Growth and Regeneration: Homes & Neighbourhoods	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	TOTAL £'000
Housing Revenue Account							
Remodelling/high rise	200	6,252	10,911	7,253	11,131	9,696	57,000
Housing growth	2,300	3,662	2,880	3,240	3,770	3,770	20,404
Ashbrow Extra Care	865	5,116	2,619	0	0	0	8,600
New housing IT system	400	1,203	750	0	0	0	2,353
Council house building	3,544	12,238	28,500	25,000	5,900	6,181	81,363
Housing capital plan	11,848	9,153	10,606	10,606	11,647	21,125	74,985
Environmental	100	1,151	800	900	1,000	1,000	4,951
Compliance	3,830	8,700	5,558	500	500	500	19,588
Fuel poverty	1,041	2,730	825	825	825	825	7,071
Adaptations	3,507	3,300	2,964	2,928	2,964	2,964	18,627
Housing Revenue Account Total	27,635	53,505	66,413	51,252	37,737	46,061	294,942
Homes & Neighbourhoods Total	27,635	53,505	66,413	51,252	37,737	46,061	294,942

Former KNH Reserves

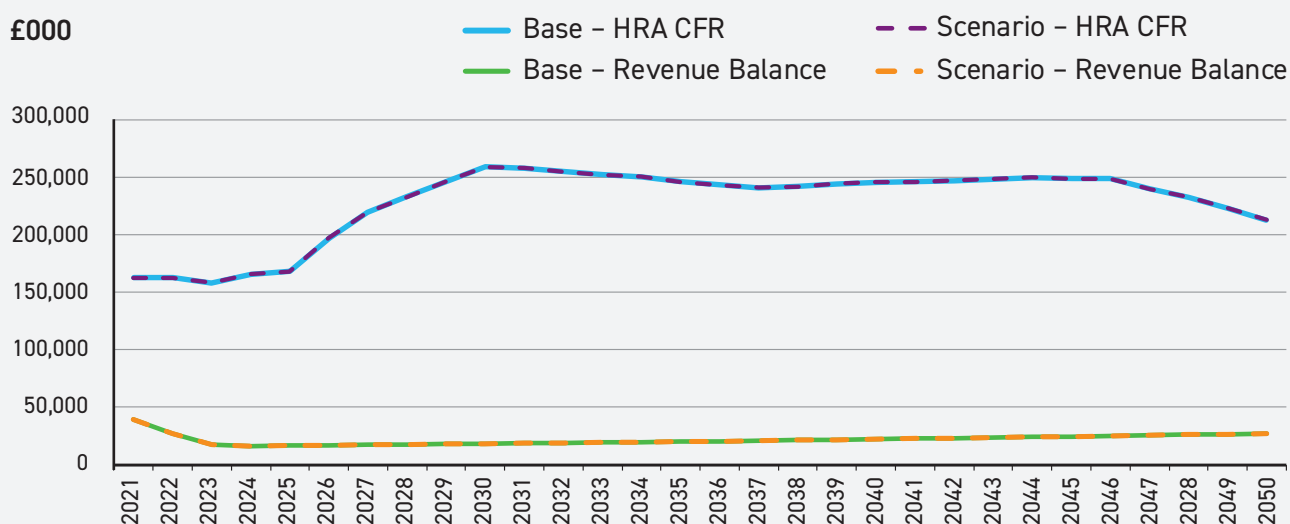
Following recent estate walkabouts, we are proposing to support a revised environmental strategy including an estate management plan over the next two years, which will address some of the environmental issues and improve the appearance of some of our estates. This will cost in the region of £2m over a two-year period and staff from Homes and Neighbourhood working closely with our colleagues in the Pride in Place team to deliver these environmental improvements

Reserves

A level of reserves will be maintained at a minimum of £15m per annum, which will provide for any unforeseen circumstances and will support managing risks.

Debt Profile 2021-2050

£000



Risks

Sector

The 2021 Sector Risk Profile highlights the following key risks that are impacting the sector.

- **Strategic choices:** Boards face a broad range of competing pressures and trade-offs in setting the strategic direction for their organisations and in utilising their limited financial capacity
- **Macroeconomic risk:** There is substantial ongoing uncertainty as the UK and global economies emerge from the pandemic. Labour market and supply chain disruption are affecting the prices and availability of goods and services, with significant volatility in inflation.
- **Stock quality:** Providers are likely to need to undertake substantial investment in existing stock over the next few years. Providers' stock is a long-term asset, and Boards must ensure an effective system for repairs and maintenance is in place to meet minimum standards and the needs of tenants
- **Health and safety:** Ensuring that tenants are safe in their homes is a fundamental responsibility of all social landlords. Boards must have assurance that providers' stock meets all relevant statutory health and safety obligations, irrespective of whether providers are carrying out these checks directly.
- **Service delivery and accountability to tenants:** Our consumer regulation casework continues to show the importance of effective and transparent communication with tenants. Demands for transparency will increase following the publication of the White Paper, and providers should take action now to strengthen engagement with tenants and improve the services they receive
- **New supply and the housing market:** Forecasts for development have now broadly returned to pre-pandemic levels. Both the development and sale of new units carry significant risks that Boards will need to manage, including the potential for impacts to financial viability and the achievement of strategic objectives, as well as providers' reputation with stakeholders

Homes & Neighbourhoods

Homes and Neighbourhoods will be aligning its risk approach to the sector risk profile to ensure we identify and mitigate the key risks affecting the sector at this time. In addition to these broad sector risks the service faces some service specific risks that we must focus upon.

- Not meeting our building safety compliance obligations
- Ineffective governance arrangements that do not support service delivery
- Ineffectual medium- and long-term strategic planning and financial management
- Poor business continuity planning
- Change management and process improvements poorly led
- Failure to provide homes and services that meet tenants needs
- Poor data quality and ineffective integration of data sources
- Ability to attract and retain talented staff.

To fully understand and mitigate these risks the service will be working with the Housing Advisory Board to develop a new risk mapping framework to provide clearer line of sight on the key risks that they will need to have oversight of.

Appendix 1

Kirklees Council Vision

Our vision for Kirklees is to be a district that combines a strong, sustainable economy with a great quality of life - leading to thriving communities, growing businesses, high prosperity and low inequality where people enjoy better health throughout their lives.

We want Kirklees to be a place where:

- children have the best start in life
- people are as well as possible for as long as possible
- people live independently and have control over their lives
- people have aspiration to achieve their ambitions through education, training employment and lifelong learning
- the borough has sustainable economic growth and provides good employment for and with communities and businesses
- people live in cohesive communities, feel safe and are protected from harm
- people experience a high quality, clean and green environment.

Link with Council Strategies

Access to services

Ensures that our tenants and citizens have appropriate and efficient ways of accessing H&N and wider Council services for the help guidance and support that they need. Efficient and effective ways of accessing transactional services (paying bills, booking tickets etc.) and reporting issues such as requesting a repair.

Digital strategy

Utilises digital technologies to enhance our service offer to tenants and citizens. Supports the access strategy by establishing digital access to services (support and transactional) and promoting ways of engaging with the Council and living more independently.

Place based working

Is an approach to understand the needs of four distinct areas of the authority in more detail and ensure that multi agency service delivery within these places is aligned with these needs and joined up to achieve the maximum impact.

Environmental strategy

Is built on the Councils decision to declare a climate emergency the strategy supports the Councils' ambition to be carbon neutral by 2038. This will involve the Council and the service increasing its use of electric vehicles, developing more energy efficient homes and improving the thermal efficiency of current housing stock through retrofit programmes.

Housing Strategy

The current strategy (2019-23) sets the Councils ambitions and challenges for housing across the borough. The three main themes of the strategy are meeting housing need, delivering quality housing and promoting housing growth. Whilst the strategy encompasses all tenure types of the H&N service will clearly focus on the delivery of social rented and affordable housing products for the citizens of Kirklees.

People Strategy

A well-trained engaged and motivated workforce is a critical component to deliver the Council and services objectives. The strategy presents an approach to staff recruitment retention and development in support of the Councils objectives. The Social Housing White Paper has specifically identified the training and development of staff as critical to the professionalisation of housing services.



Service Principles

E	X	C	E	L	L	E	N	C	E
Experience of the tenant comes first	Exceptional, place-based service delivery	Communicating well and working with tenants	Exceeding expectations and making a lasting impression	Learning from and putting right our mistakes	Letting tenants know who we are	Empathy and respect for all tenants	Not what we can't do, but what we can do	Contact with tenants is always an opportunity for feedback	Ensure we do what we say we are going to do



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