



HRA Business Plan Review

COMMUNITY SELECT COMMITTEE

19 OCTOBER 2023

A reminder of what is impacting us...

- Last comprehensive review of HRA Business Plan in 2019/20
- The world has changed: social and financial impact of the pandemic; energy / materials and labour costs; Cost of Living; climate change
- Council responsibilities are growing – increased regulation through:
 - Social Housing Regulation Act
 - New Consumer Standards
 - New Decent Homes Standard
 - Building Safety Act
 - Fire Safety Act



We have continued to deliver at significant breadth and pace...

Targets established in the 2019/20 plan have been met:

- 287 new homes provided since 2019
- Implementation of building safety legislation, electrical testing cycle and cyclical programme of planned maintenance
- Implementation and extension of Major Refurbishment Contract
- Implementation of Cooperative Neighbourhood Model
- Roll out of Customer Online Account
- Housing Older Persons Strategy; Allocation Policy; Under Occupation Policy; Local Lettings Policy



Multiple Priorities in 2024/25 and beyond...

Meeting new regulatory requirements and full cost of regulation

New Consumer Standards with a focus on safety, transparency, engagement and fair allocation

Decarbonisation and energy efficiency

Development of new homes and investment in existing stock to meet differing needs and growing demands

Maintenance, repairs and upkeep of existing stock

Fulfilling new Decent Homes requirements

Energy and Cost of Living Crisis

Greater resident involvement underpinned by clear governance and accountability structure

Recruitment, retention and growing talent

Maximising Income

Supporting residents in need

Balancing the Budget

- Government social rent policy estimated to have reduced HRA rent income by £225 million over 30 years
- Tenant rent arrears remain historically high (26% increase in Tenant rent arrears between March and June 2023) as people struggle with increased food, energy and fuel bills
- Impact of Government welfare reform has hit the most vulnerable - tenants in receipt of Universal Credit and in rent arrears is 71% of the total overall arrears' cases



Balancing the Budget

- Bridging revenue expenditure and investment in assets requires Council bids for grant funding:
 - £17.8 million for New Builds
 - £5.4 million decarbonisation
- In order to implement a viable 30 year plan a shift in HRA approach is needed so that significant regulatory, statutory and financial burdens are met
- Multiple risks to be mitigated over the lifetime of the plan
 - Rent policy uncertainty
 - New burdens funding
 - Inflationary pressures



New Build Delivery

- Fulfilling 5 Star Quality Pledge
- Funding through RTB Receipts; Homes England; Capital Receipts
- New regulations requiring 30% less carbon emissions since 2022
- Resident 'buy-in' to new energy performance initiatives
- 529 new homes between 2024 and 2029
- 2,237 new homes over 30 years



Five Star Quality Programme HOUSING DEVELOPMENT

- 1 Sustainable development
- 2 Genuinely affordable rents
- 3 Tenure blind design
- 4 Makes best use of land
- 5 Community led consultation



Stevenage
BOROUGH COUNCIL



New Build Delivery – a proud record!

- Measures to increase revenue income, support greater delivery and improve payback of capital projects:
 - Increase in affordable rented properties capped to LHA
 - Exploring Shared Ownership as a Tenure option for those that do not require full rented subsidy and have some aspirations for home ownership
 - Continue to leverage external grant funding opportunities

On the right road, over 387 homes delivered so far and 288 more by 2025



Asset Management

- Revised Asset Management Strategy focusing on:
 - Safe environments for tenants
 - Excellent customer experience through effective engagement
 - Investing in climate change solutions to reduce energy cost and carbon footprint
 - Compliance with future Decent Homes Standard; Building Safety; Fire Safety
 - Energy Performance Certificate target
 - Damp and Mould regulations



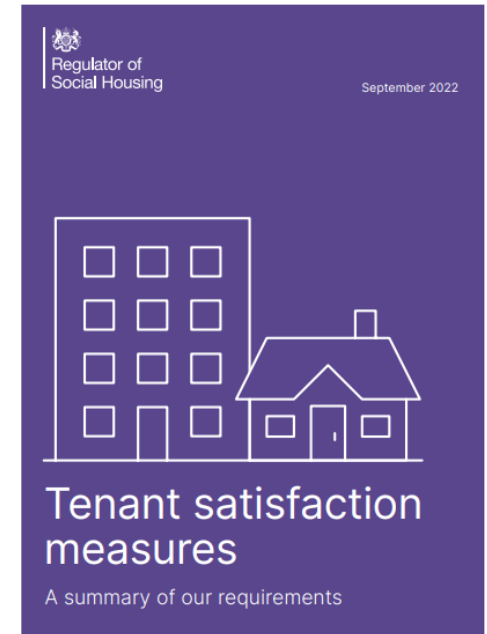
Asset Management

- Implementation of improvements identified through the Ridge Review of the repairs and voids pathway
- Focus on clearing the backlog of empty properties (voids) in 2023/24 and transition from external contractor led works to in-house service by April 2025 (£550,000)
- Focus on tackling fencing repairs in 2024/25 (£850,000)



Housing Services

- Need for greater capacity in response to new Consumer Regulations
- Introduce Tenant Engagement Framework
- Housing Qualification requirement for all Housing Managers
- Implement Tenancy Audits
- Alignment of Housing and Neighbourhood Services to better serve customers



Housing Services

- Increased support for vulnerable residents
- Digital investment in income collection
- Review of Rent Arrears Action Plan



Timeline

27 October	HRA Review Report to Informal Executive Meeting
15 November	HRA Review Report to Executive
13 December	HRA Draft Budget and Rent Setting to Executive
17 January	HRA Final Budget and Rent Setting 2024/25 to Executive
24 January	HRA Final Budget and Rent Setting 2024/25 to Full Council