

Mid Suffolk District Council

Housing Revenue Account Business Plan



Mid Suffolk District Council Housing Revenue Account (HRA) Business Plan

Executive Summary

This document sets out the framework that is the HRA business plan. It is essentially a document that sets a broad context for both future financial planning and investment decisions, as well as a medium-term strategy for the HRA and outcomes on behalf of tenants and leaseholders.

The plan must ensure that the Council's housing stock related priorities and programmes are supported and delivered whilst demonstrating sound financial management within existing budgets and through the use of additional debt headroom. The main priorities and programmes aim to;

- Increase the stock of social housing owned by the HRA through an ambitious development programme.
- Develop new homes that are built to the highest standard, contributing to the Council's effort to ensure carbon neutrality.
- Improve the quality of existing homes and communal areas and reduce the carbon footprint of existing council homes through investment in assets, community led regeneration and working with communities and individuals.
- Ensure that our homes, and the management of them, maintain and improve wellbeing outcomes for individuals, families and communities alongside other Council services and partners.
- Making sure the HRA Business Plans continuously remain financially viable and sustainable.

Introduction

The HRA is a ringfenced pot of money that is used solely for council-owned housing. All rent and service charge income goes into it, and all expenditure (management, maintenance etc) comes out of it. The purpose of the business plan is to record expenditure and income of maintaining our housing stock and closely related services or facilities, which are provided primarily for the benefit of our tenants. The business plan must have due regard to the longer-term income expectations as well as any opportunities provided by the additional debt headroom, which allows additional prudential borrowing to meet the Council's ambitions.

More information about what a Housing Revenue Account is and how it can be used can be found [here](#).

The main priorities of the Councils' landlord service can be summarised as follows:

- Tackling and adapting to climate change
- Developing new Council housing
- Investing in our current homes
- Involving our tenants in the running of the housing service
- Improving the services that we provide our tenants
- Improving the neighbourhoods that we manage
- Implementing digital transformation

Financial considerations and securing efficiencies

Whilst the HRA is ring-fenced, there still needs to be a focus on maximising income and gaining efficiencies across all services to make sure services deliver the very best value for money to our customers.

The reinvestment of these savings and efficiencies back into tenant services is key – the funds would be reinvested back into the HRA to deliver the right service priorities for tenants. The savings will benefit our residents and would help fund the following activities, plus more, depending on evolving priorities:

- Enhanced housing management and estate management services provided for the benefit of tenants (e.g. additional resource to address anti-social behaviour, additional support for vulnerable tenants).
- Improved maintenance of existing homes.
- Increased new build activity to increase the number of much needed affordable homes.
- Increased programme to retrofit existing stock and meet the national climate emergency target of being zero carbon by 2050, with the added benefit of lowering fuel bills for tenants.

A financial scenario that we explored through the development of the Business Plan was the introduction of 'Invest to Save' initiatives. The principles of this were:

- One new initiative a year for four years
- Starting from 2022/23
- Each initiative requires £50k to introduce
- Ongoing running costs are £50k pa per initiative
- Each initiative reduces costs by £100k pa from its second year

The impact on the long-term financial plan was significant savings over the medium to long term. We will actively look to identify projects that could meet these criteria. Whether it be individual projects or a group of small, combined projects.

FINANCIAL ASSUMPTIONS

The HRA Business Plan for the Council has been developed using a number of Baseline Assumptions, these are as follows:

- Revised inflation assumptions
- CPI projections reflect Bank of England Monetary Policy Report (Feb 2022)
- Rent increases reflect CPI +1% until 2024/25, then CPI only from 2025/26
- Updated Capital and Revenue budgets
- Updated EPC-C investment assumptions
- Spending pressures met from within existing budgets
- EPC-C investment by 2030 included in the Baseline assumptions
- Each authority to provide at least 65 new units a year (on average) between 2022 and 2025/26
- Strategic Priorities Reserve available to spend (s/t £1.000m minimum balance)
- Rent loss from voids assumed at 2%
- Investment in existing housing stock will continue at current levels

Naturally these assumptions will need to be continually monitored and updated due to the level of uncertainty within the wider environment, for example the rate at which CPI increases and the cost-of-living crisis being faced during 2022.

HRA Business Plan Scenarios

The HRA Business Plan has been developed by evaluating the opportunities and risks of a range of scenarios these were:

Scenario 1 – Deliver zero carbon measures by 2050

Scenario 2 – Deliver 500 extra homes in each authority over 10 years

Scenario 3 – Increase budgets to reflect additional spending pressures

Scenario 4 – Invest to save initiatives

Scenario 5 – Effects of a 1-year rent freeze in 2022/23

Scenario 6 – Combined effects of scenarios 1, 2 & 3

Scenario 7 – Optimised version of scenario 6

HRA Financial Scenarios

Once these baselines assumptions had been agreed and developed the following charts show how these impact the overall performance of the Organisations Business Plan:

- Balances within the Plans
- The levels of investment through the Capital Programme
- Levels of Debt/Borrowing
- Levels of Interest Cover
- Levels of overall Stock holding

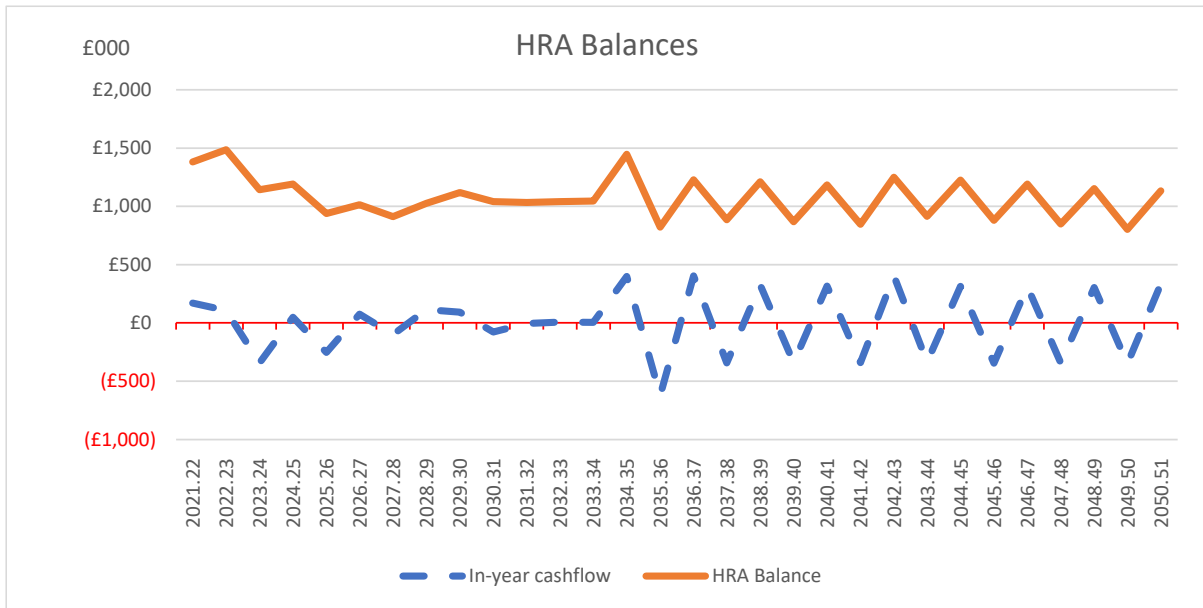
Mid Suffolk Baseline

Mid Suffolk Baseline Description	HRA Business Plan				
	1 2021.22 (,000)	2 2022.23 (,000)	3 2023.24 (,000)	4 2024.25 (,000)	5 2025.26 (,000)
Income					
Gross Rental Income	£14,691	£15,492	£17,181	£19,171	£19,244
Void Losses	-£323	-£310	-£344	-£383	-£385
Tenanted Service Charges	£704	£675	£714	£732	£747
Non-Dwelling Income	£355	£352	£373	£382	£390
Other Income	£19	£43	£46	£47	£48
Total income	£15,445	£16,254	£17,971	£19,949	£20,043
Expenditure					
General Management	-£3,143	-£3,246	-£3,424	-£3,505	-£3,571
Bad Debt Provision	-£92	-£97	-£108	-£120	-£121
Responsive & Cyclical Repairs	-£3,639	-£4,148	-£4,390	-£4,523	-£4,637
Total expenditure	-£6,874	-£7,491	-£7,922	-£8,148	-£8,329
Capital financing costs					
Interest paid on debt	-£2,968	-£2,968	-£3,930	-£4,099	-£4,245
Interest paid on 141 receipts	£0	-£88	-£217	-£270	-£260
Interest Received	£6	£3	£4	£4	£4
Depreciation	-£3,911	-£4,452	-£4,942	-£5,237	-£5,382
Capital financing costs	-£6,873	-£7,505	-£9,085	-£9,602	-£9,884
Appropriations					
RCCO	-£1,527	-£1,151	-£1,308	-£2,151	-£2,084
Appropriations	-£1,527	-£1,151	-£1,308	-£2,151	-£2,084
Net income/ (expenditure)	£171	£106	-£344	£48	-£253
HRA Balance					
Opening Balance	£1,210	£1,381	£1,488	£1,144	£1,192
Generated in year	£171	£106	-£344	£48	-£253
Closing Balance	£1,381	£1,488	£1,144	£1,192	£939

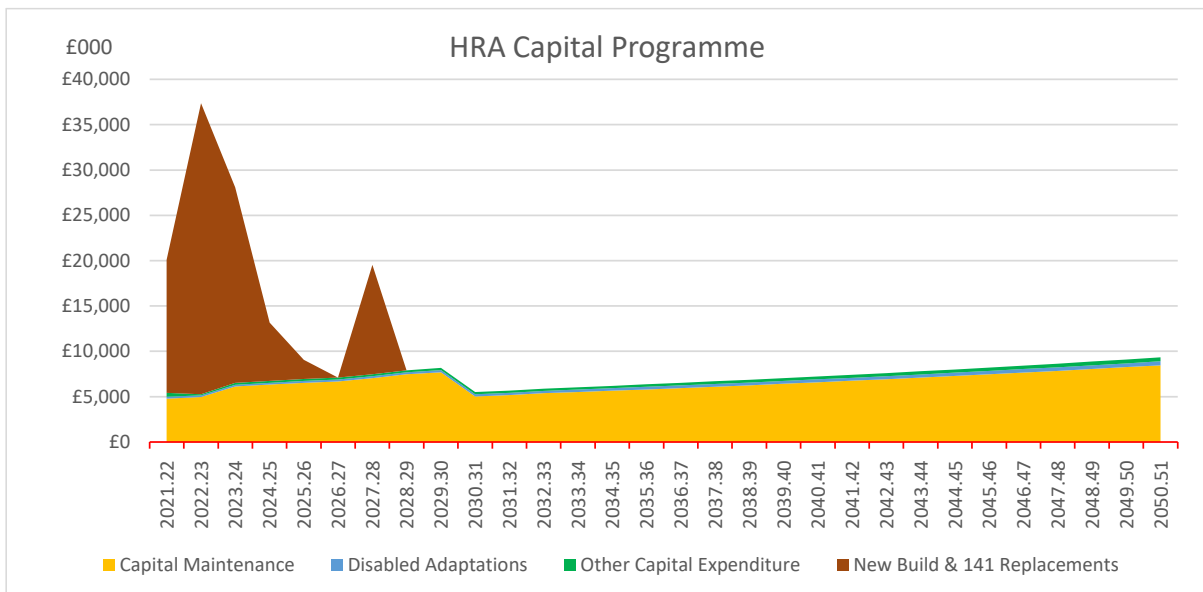
Mid Suffolk Capital Programme

Mid Suffolk District Council Capital Programme - Baseline		HRA Business Planning Model				
Description	1 2021.22	2 2022.23	3 2023.24	4 2024.25	5 2025.26	
Expenditure	(,000)	(,000)	(,000)	(,000)	(,000)	
Capital Maintenance	-£4,773	-£4,950	-£6,119	-£6,333	-£6,529	
Disabled Adaptations	-£232	-£200	-£200	-£200	-£206	
Other Capital Expenditure New Build & 141 Replacements	-£416	-£111	-£200	-£200	-£206	
	-£14,661	-£32,102	-£21,566	-£6,434	-£2,114	
Total expenditure	-£20,082	-£37,363	-£28,085	-£13,168	-£9,055	
Financing						
RCCO	£1,527	£1,151	£1,308	£2,151	£2,084	
HRA Reserve	£0	£0	£0	£0	£0	
Strategic Priorities Reserve	£4,705	£0	£0	£0	£0	
MRR	£3,911	£4,452	£4,942	£5,237	£5,382	
RTB - Allowable Debt	£0	£0	£0	£0	£0	
RTB - LA Share	£0	£0	£0	£0	£0	
RTB - Transaction Costs	£0	£0	£0	£0	£0	
RTB Buyback Allowance	£0	£0	£0	£0	£0	
Other Capital receipts	£527	£666	£683	£700	£718	
Gen Cap Reserve	£0	£0	£0	£0	£0	
SO Receipts	£238	£2,566	£4,052	£355	£0	
Leaseholders' reserve	£26	£0	£0	£0	£0	
HRA Reserve 4	£0	£0	£0	£0	£0	
RTB - 141 Receipts	£3,650	£7,111	£6,255	£2,010	£803	
Capital Grant	£355	£945	£945	£0	£0	
S106	£0	£0	£0	£0	£0	
Returned to Capital Reserve	£0	£0	£0	£0	£0	
Borrowing	£5,142	£20,472	£9,901	£2,716	£67	
Total financing	£20,082	£37,363	£28,085	£13,168	£9,055	
Net over/ (under) financing	£0	£0	£0	£0	£0	

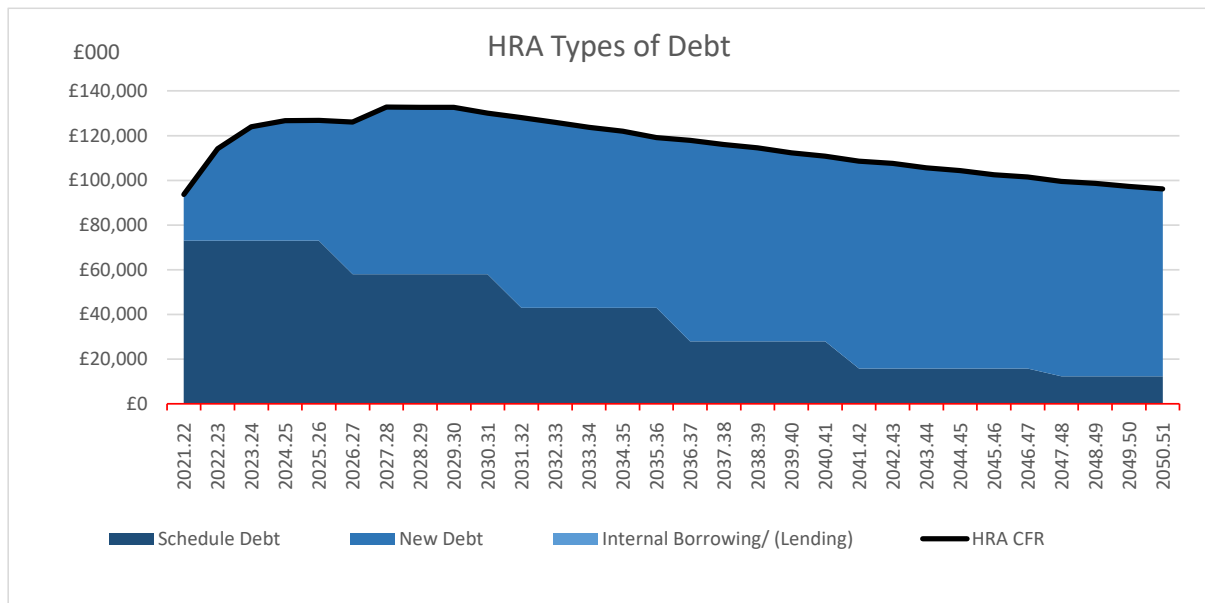
Baseline – HRA Balances – Mid Suffolk



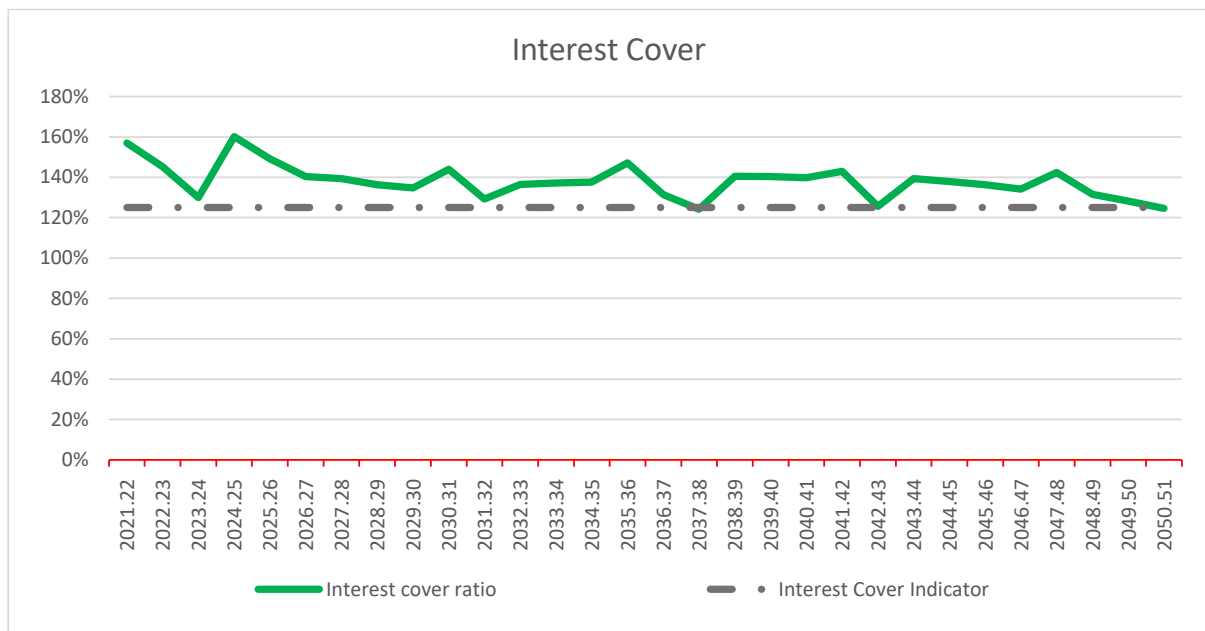
Baseline – HRA Capital Programme – Mid Suffolk



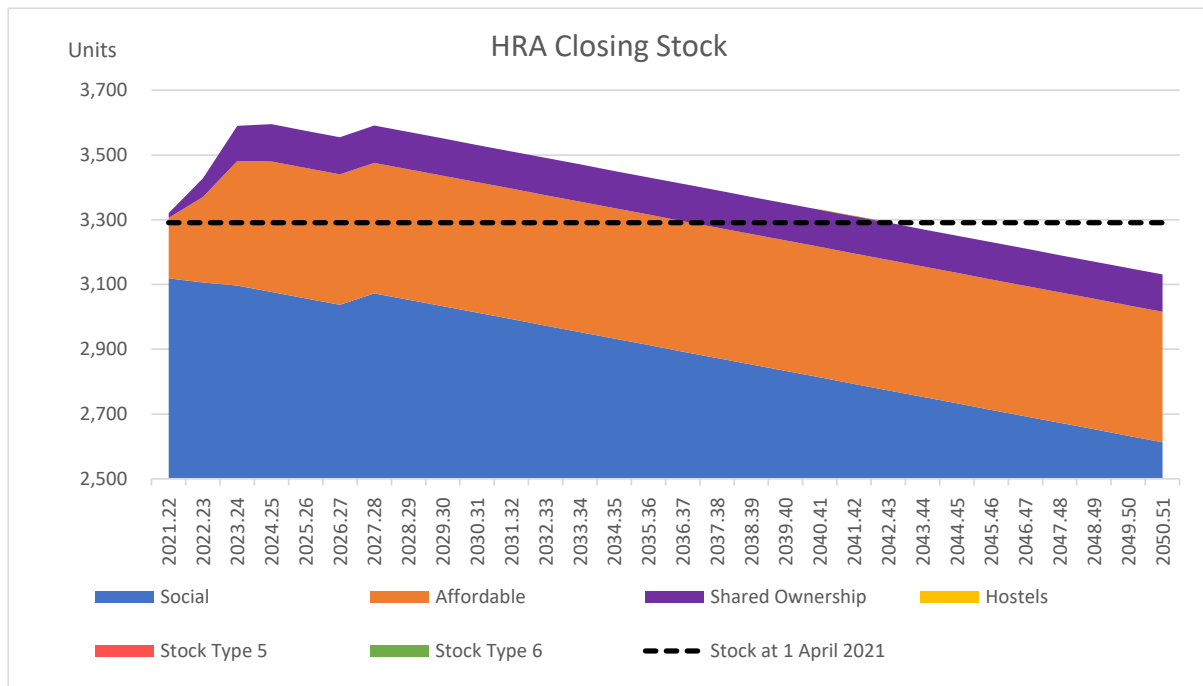
Baseline – HRA Debt – Mid Suffolk



Baseline – Interest Cover – Mid Suffolk



Baseline – Closing Stock – Mid Suffolk



In summary the baseline position evidences

- Peak debt: £132.776m in 2027/28
- £96.161m debt remaining in 2050/51
- Interest cover maintained at 138% to 160%
- Interest cover declines over the long term, indicating reducing affordability
- Minimum Revenue Balance maintained

Mid Suffolk Baseline demonstrates some borrowing will be required to deliver the baseline capital programme. With Mid Suffolk income being enough to repay some debt within a reasonable timescale.

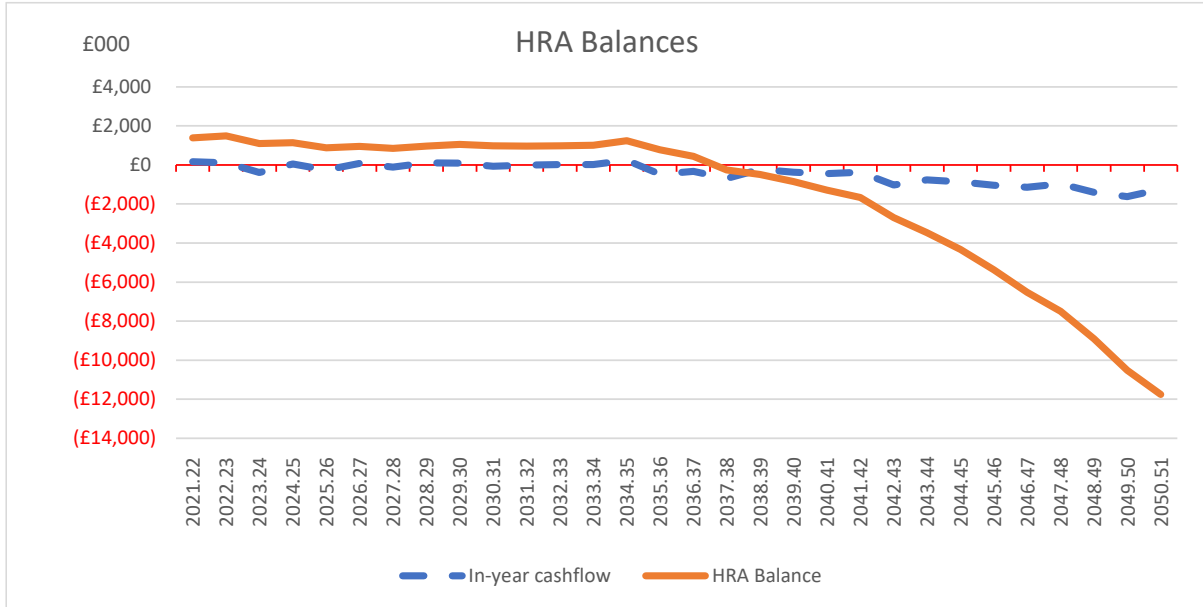
Current gaps in data relating to stock condition, need to be plugged and the intention is to use current stock condition data to update the plan during 2022/2023.

Scenario 1 – Deliver additional zero carbon measures by 2050

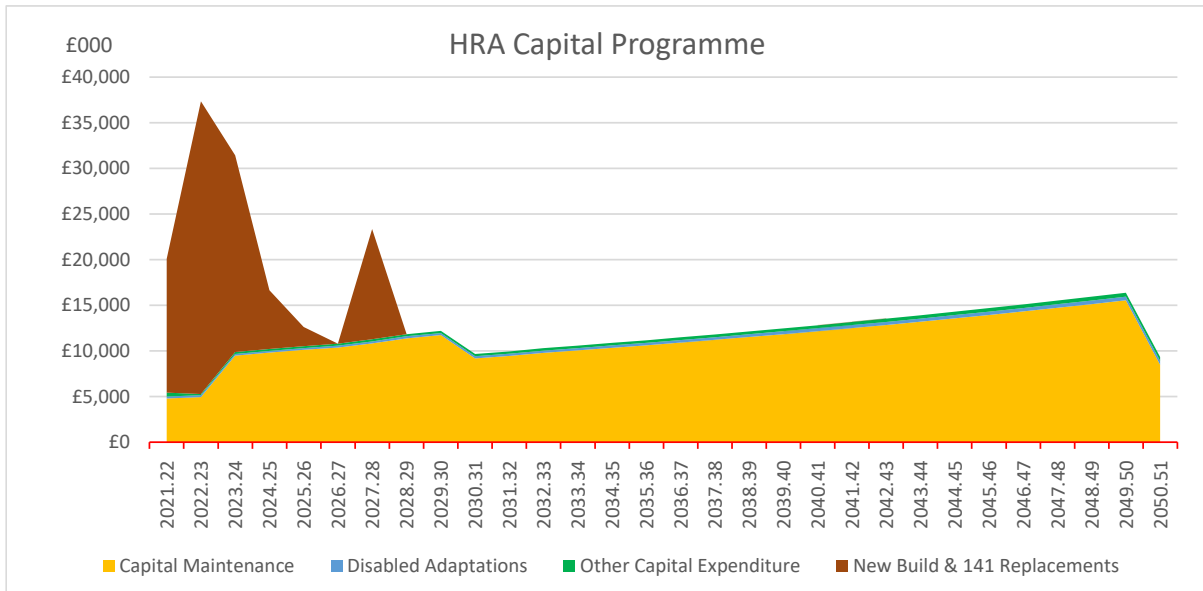
Assumptions include: The HRA Baseline position + deliver zero carbon measures by 2050 with a Retrofit cost of £24k per property. To be completed over 27 years, starting in 2023/24

Scenario 1 - Deliver additional zero carbon measures by 2050

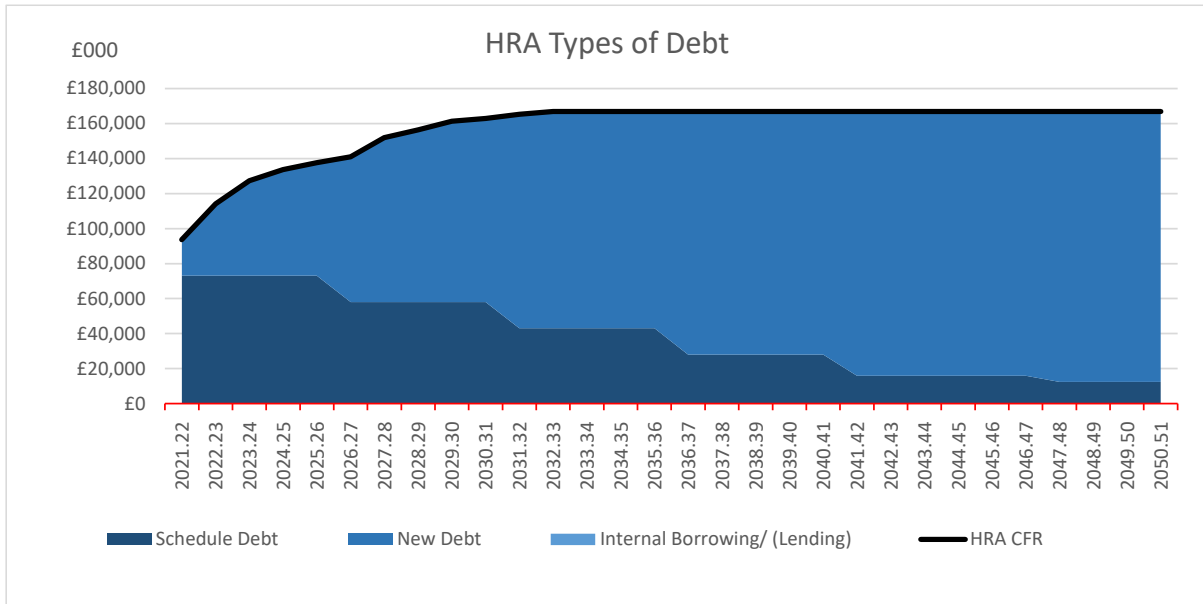
HRA Balances – Mid Suffolk



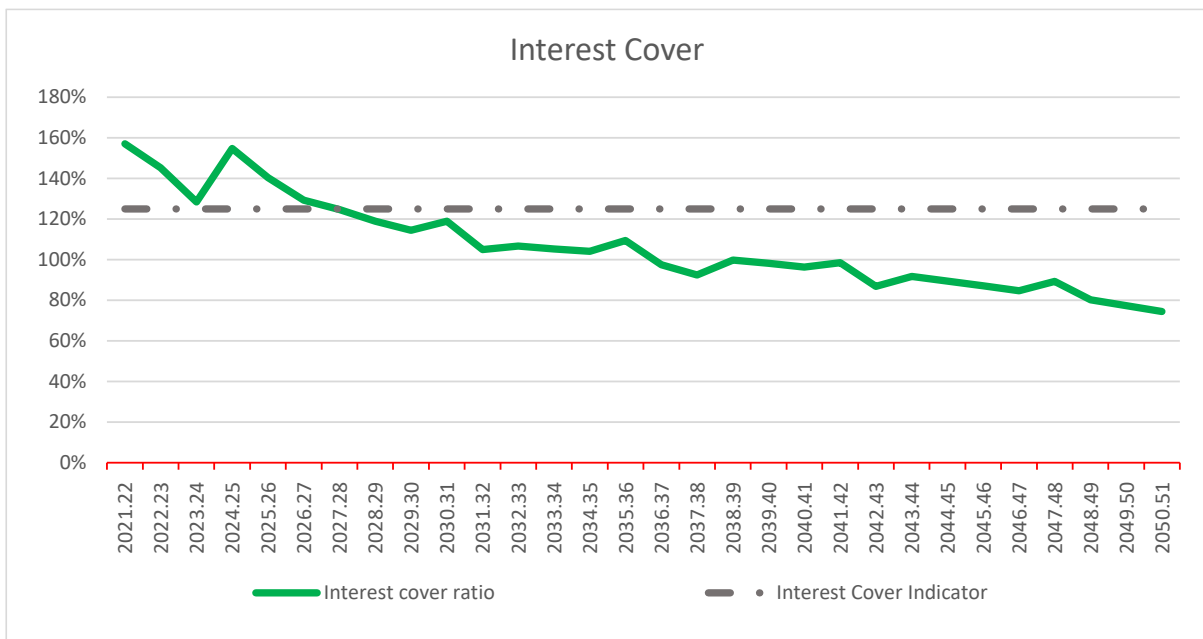
Scenario 1 – HRA Capital Programme – Mid Suffolk



Scenario 1 – HRA Debt – Mid Suffolk



Scenario 1 – Interest Cover – Mid Suffolk



In Summary

- Peak debt: £166.853m from 2032/33
£34.077m more than in the baseline position and occurs 5 years later
- Residual debt: £166.583m after 30 years Which Mid Suffolk would be unable to repay debt
- Unable to deliver the full capital programme over 30 years
A £90.400m shortfall by year 30
- Interest cover not acceptable. With debt unaffordable over the long term
- Minimum revenue balance not maintained. HRA goes into deficit by end of the period

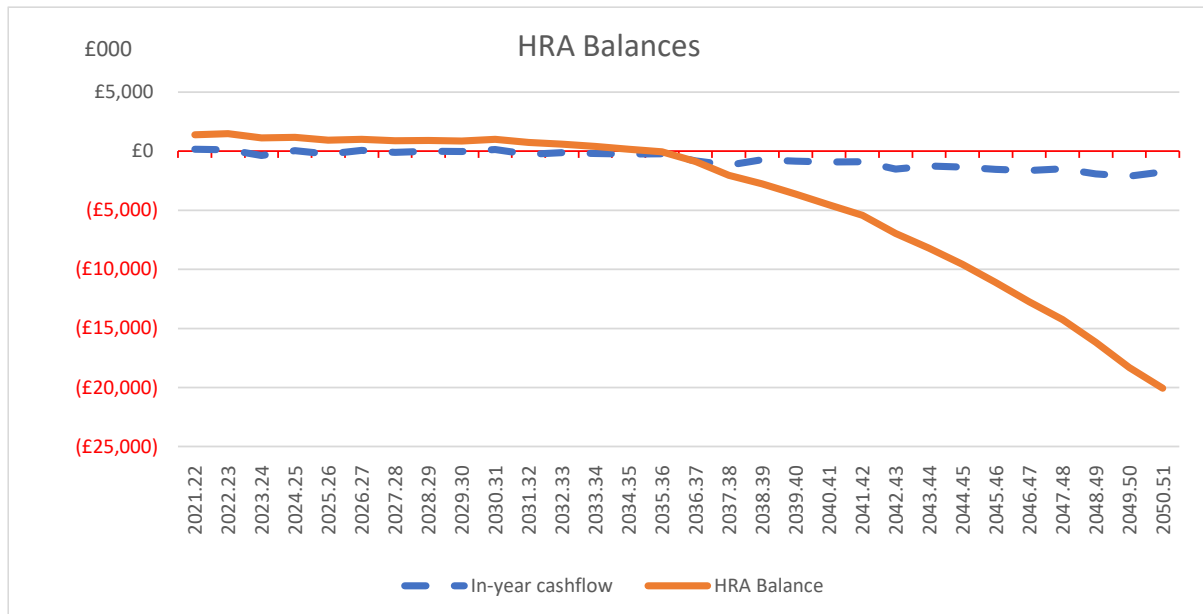
In summary the Authority would be carrying very high debt. With the Capital programme not fully deliverable and not financially sustainable, unless something else changes e.g. higher income, reduced costs or additional grants to subsidise the overall cost of environmental measures.

Scenario 2 - Effects of a 1-year rent freeze in 2023/24

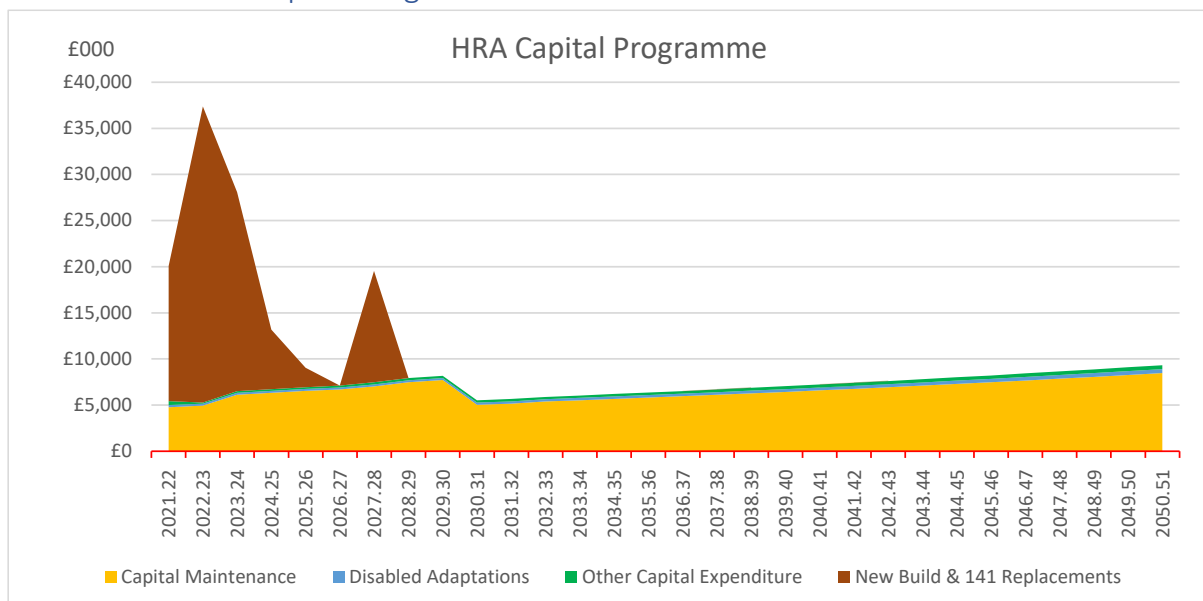
The following scenario considers the baseline, with a 1-year rent freeze in 2023/24

This would reflect a local decision by the authority to implement a zero-rent increase. With Rents continuing to increase by maximum levels from 2024/25 and Formula rents continue to be uplifted in line with Government policy.

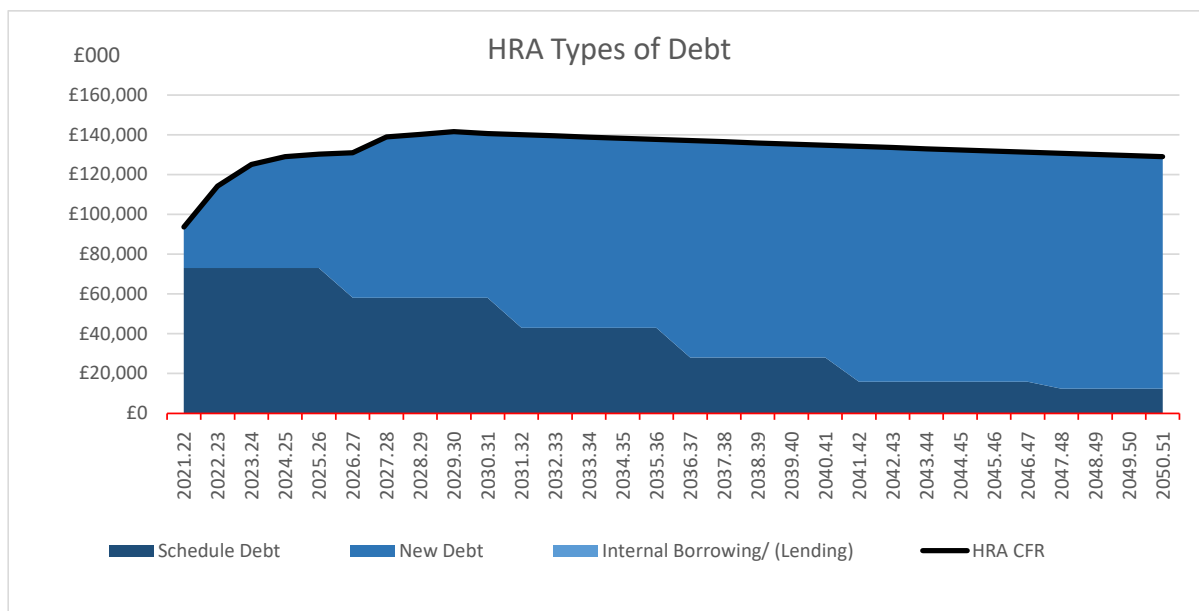
HRA Balances – Mid Suffolk



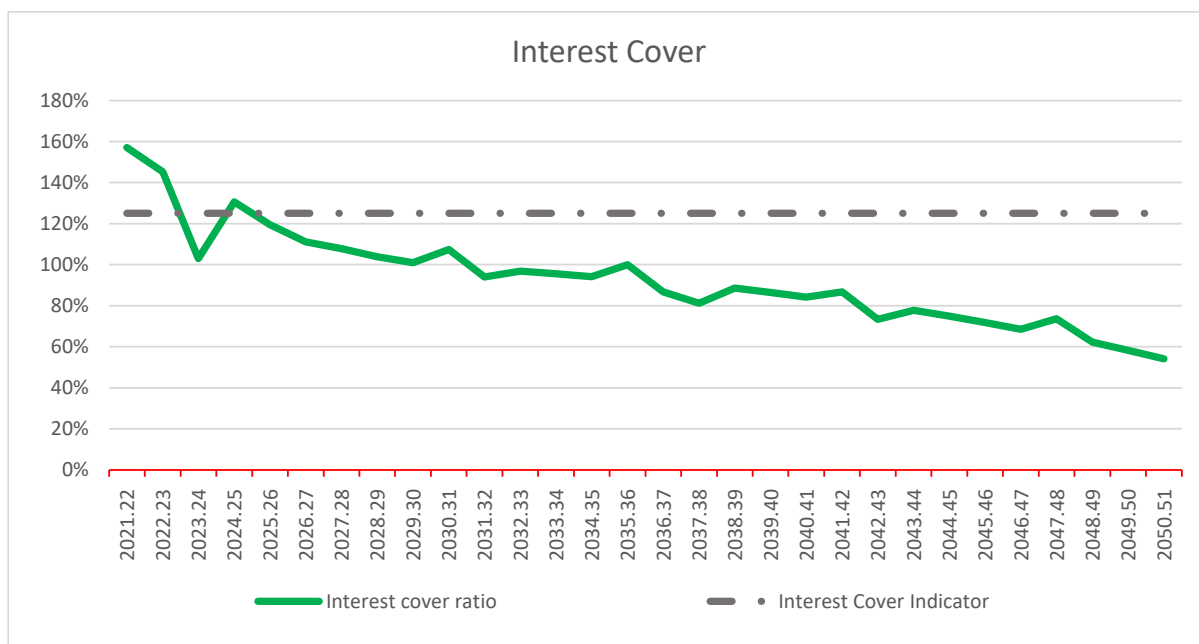
Scenario 2 – HRA Capital Programme – Mid Suffolk



Scenario 2 – HRA Debt – Mid Suffolk



Scenario 2 – Interest Cover – Mid Suffolk



In Summary:

- Peak debt: £141.527m in 2029/30
 - An additional +£8.751m
 - Which occurs 2 years later
- Residual debt: £ 29.023m after 30 years
 - Minimal repayment of debt
- Able to deliver the full 30 year capital programme
- Interest cover is unacceptable. Projections are unaffordable after the medium term

- Minimum revenue balance not maintained. HRA goes into deficit mid-plan

This scenario requires higher debt for the authority, but lost income reduces ability to service that debt. It becomes not affordable or sustainable for Mid Suffolk. With Interest cover at levels that would not be acceptable with the HRA going into deficit mid-plan.

Hence any decision to freeze rents would need to be accompanied by compensating measures that reduce overall costs.

Conclusion

In Conclusion after allowing for EPC – C investment, but before adding zero carbon works Mid Suffolk's HRA has a relatively weak underlying position and hence would be able to repay less debt within a reasonable timescale and less able to maintain the minimum HRA Balance.

The introduction of additional zero carbon works (Scenario 1) exposes the limits of the HRA for the council. Whilst any freeze of rents for a year (Scenario 2) would require the authority to borrow more to compensate for lost income.

At present the authority struggles to deliver both new homes and zero carbon investment. As such steps need to be taken to address these challenges over the next 12 -24 months it is proposed the Business Plan should be reviewed and update annually, with consideration to be made as how to address the competing priorities of spending more on both new and existing homes whilst managing any reductions in Income.

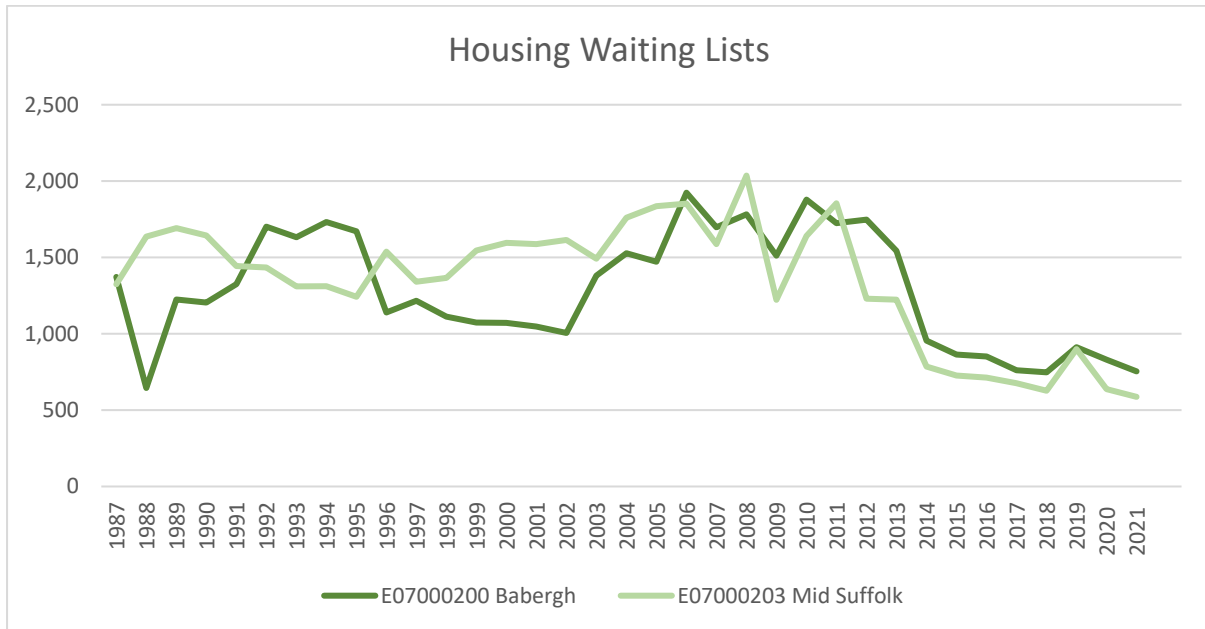
It is therefore the intention to bring forward a plan over the next 12 months which looks to evidence how operating costs can be reduced; this includes the development of Invest to Save Initiatives. This would reduce costs in the long term, along with the use of business process reengineering and lean systems thinking to create efficiencies.

In addition, we will look to maximise income. This will initially be through the introduction of a Rent and Service Charge Policy during 2022 with the introduction of Service Charges following and applying Rent Flexibility (as and when the Council) feels it would be appropriate and would be affordable to tenants. It will also be important to capitalise on any opportunities to bring into the Council additional Government grants through schemes such as the Social Housing Decarbonisation Fund which will support and contribute towards the cost of retrofit measures and which have deliberately been excluded from this financial scenario work.

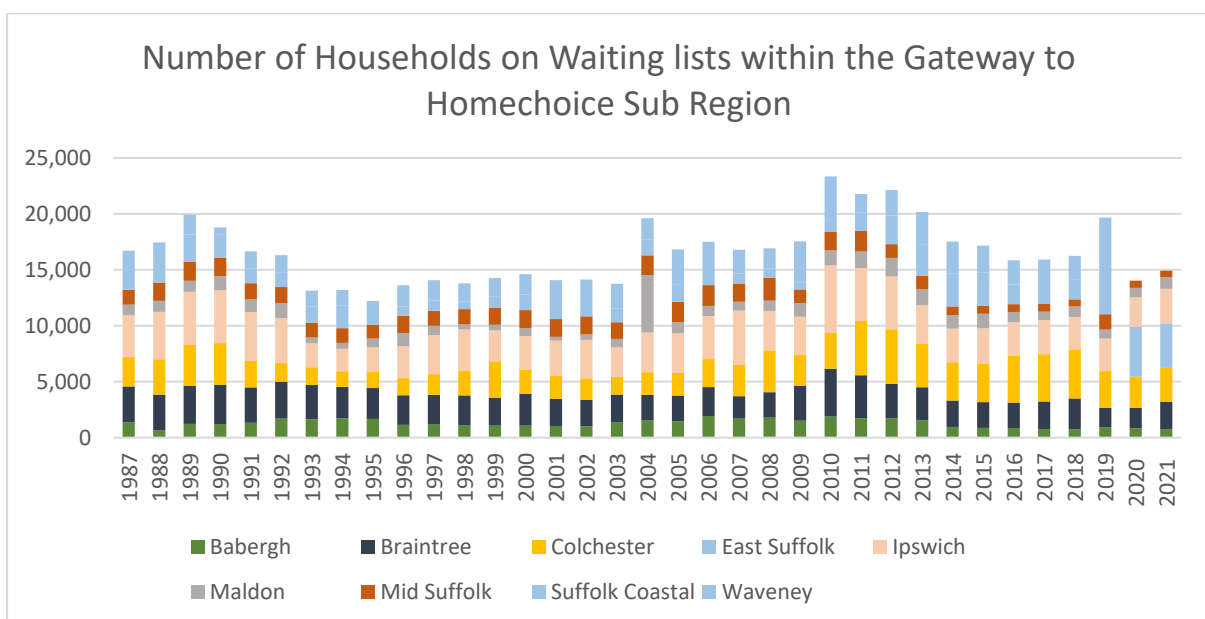
Housing those in need

The following charts show how Housing Waiting lists have evolved over the past 34 years.

Babergh & Mid Suffolk – Housing Waiting Lists



Number of Households on Housing Waiting Lists across the current Sub Region



The Localism Act 2011, which came into force in 2012, gave local authorities the power to set their own qualification criteria determining who may or may not go onto the housing waiting list.

Previously, local authorities were only able to exclude from their waiting list people deemed guilty of serious unacceptable behaviour. The Localism Act changes have contributed to the decrease in the number of households on waiting lists since 2012.

As of March 2022, the demand for housing is as follows:

	Babergh	Mid Suffolk
Households requiring 1 bedroom	155	125
Households requiring 2 bedrooms	338	253
Households requiring 3 bedrooms	262	173
Households requiring more than 3 bedrooms	39	28
Total	796	568

Housing Waiting List data by Band

Priority	Babergh	Mid Suffolk
Band A	59	22
Band B	201	152
Band C	160	121
Band D	26	29
Band E	350	255
Total	796	579

Based upon reasonable Housing Preference (Band A – Band C) there are 420 (52%) households in need of Housing in Babergh and 295 (51%) households in need of Housing in Mid Suffolk.

Developing the Housing Revenue Account Business Plan

The priorities for the Housing Directorate in the medium term are determined by several elements, which this section will consider. It outlines both the national and local context for our spending decisions, the commitments already made that will impact on budgets in the future, and the views of Tenants, Elected Members, and Housing staff.

National Policy Context

In the context of the Grenfell tragedy in June 2017, national policy around social housing has gained significant focus over the last few years. This has culminated in a White Paper published in November 2020, 'The Charter for Social Housing Residents'. The key principles embedded within this include increased resident voice and empowerment to shape services, increased redress for residents, increased regulation across the whole social housing sector including in-house council housing services, improved quality of homes, improved fire safety and an increased focus on new build with options for home ownership.

A Building Safety Bill was published in July 2020. There is clear guidance within the bill about the direction of travel – greater accountability for fire safety, improved standards and greater regulation.

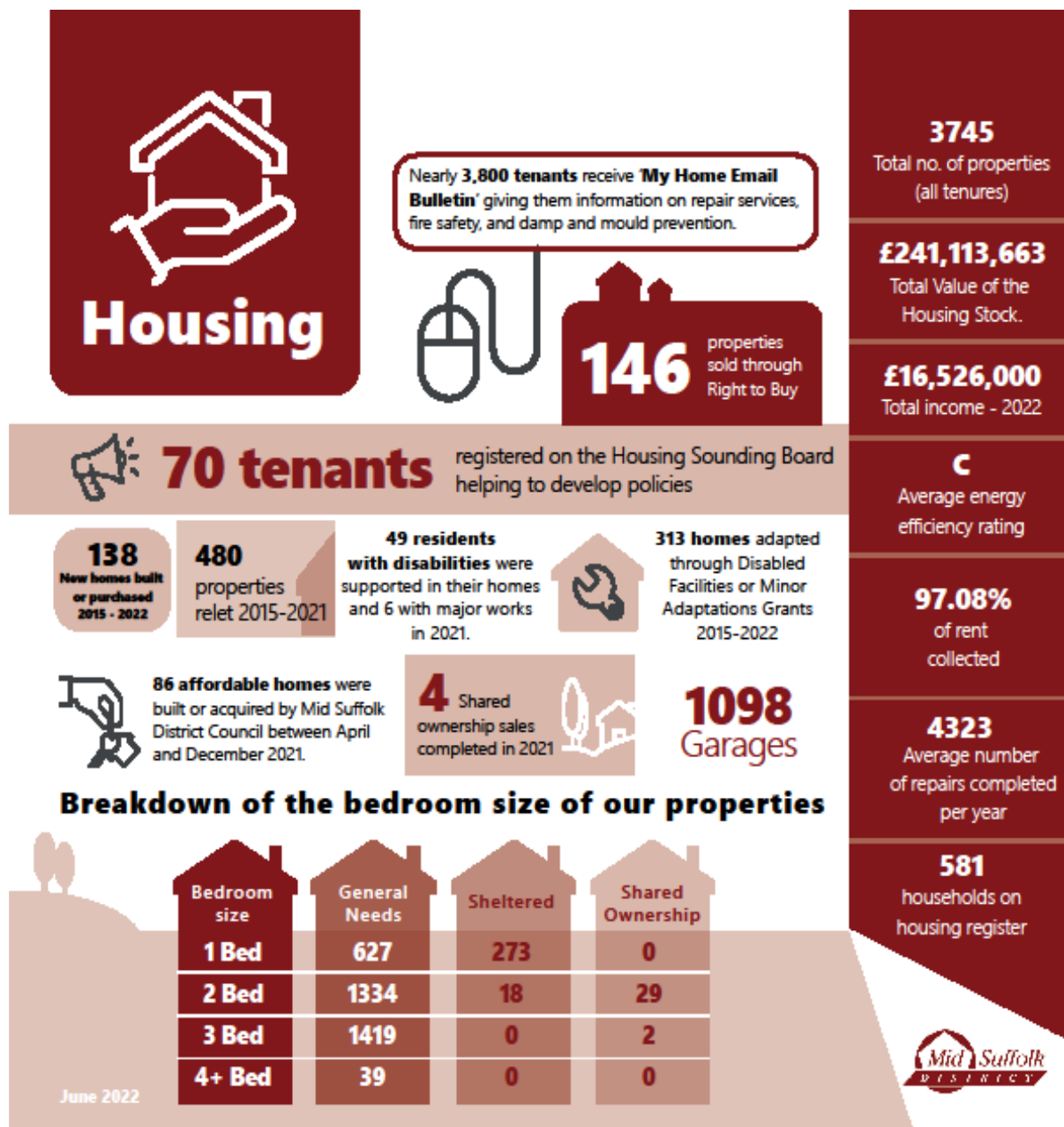
Further national developments focus on the review of the Decent Homes Standard that sets the minimum standards for council owned homes. This is expected to report in 2022 and to focus on how councils' impact on wider "place" and communities across its stock and the delivery of measures to improve energy efficiency across all council owned stock.

Council owned stock will also be subject to the wider national policy statements around energy efficiency as well as the local declaration of the climate emergency. To meet national carbon targets all housing, including council housing, must meet net zero carbon levels by 2050, and all Council homes meeting EPC C by 2030.

The White Paper and the focus on regulation is also being supported by an enhanced role for the Housing Ombudsman. The development of thematic reviews, 'naming and shaming' providers with poor standards and taking a more aggressive approach where the benefit of the doubt no longer rests with the landlord, suggest a time of greater focus on the quality of experience of the resident that has not been seen for the past 10 years nationally.

The future of our council housing stock across both Districts clearly needs to embrace these agendas more proactively and innovatively to make sure we deliver excellent services for our residents.

Local Context



Declaration of climate emergency

As a landlord, we understand our housing stock needs to be prepared for the challenges of climate change; both in terms of reducing emissions from UK homes and ensuring homes are adequately prepared for the future impacts of climate change.

In 2019, following our climate emergency declarations, Babergh and Mid Suffolk set up an Environment and Climate Change Task Force to look at the climate challenge the districts face.

We have been given a target of 2030 to meet the Government's Clean Growth Strategy, which sets an ambition to upgrade all Social Housing to an energy performance rating of C. Our properties currently on average have a rating of C.

The Government has also set a target for all new homes to be "net zero" in relation to carbon emissions by 2030. As such, this plan will incorporate the recent development and adoption of a Design Guide and Specification for all new housing the Councils build in the future.

Rural districts, some deprivation, unaffordable housing market

Suffolk has double the national average of people resident in rural areas and this rural population is older (higher percentage of those aged 65+) than its urban population.

A recent All Party Parliamentary Group inquiry into rural housing shows:

- People living in very rural areas, like ours, experience more limited social networks, isolation, and loneliness which can be exacerbated by poor transport.
- To avoid rural decline there is an urgent need to provide affordable housing for people wanting to live and work in the most rural communities, whilst rural homes are 20% more expensive than in urban areas

Ageing population

Over the next 20 years the population across both Districts is projected to increase by 9% (18,200). The biggest increase is projected to be in people over 75.

Community engagement events during recent years lead us to believe an increasing number of retirees are choosing our districts for a later life move due to the attractive towns and villages, proximity to major cities and relatively lower house prices compared to London and the southeast commuter belt.

Compared to relatively more affordable urban areas the impact of fewer entry level homes in rural areas means there can be less 'churn' / housing turnover per annum – in time this may effectively act as a block to encouraging thriving, vibrant and sustainable communities.

Successful Homelessness and Rough Sleeper work

Preventing Homelessness is a priority for Babergh and Mid Suffolk. Everyone needs somewhere to live and a place that they can call home.

Our vision is to end rough sleeping in our Districts. We have already gone some way to achieving this through our work to date by helping families to access accommodation in the private sector, reduced the use of B&B accommodation, bringing empty homes back into use, and developing and purchasing additional properties to add to our existing Housing Stock.

Our Housing and Homelessness Rough Sleeping Strategy sets out our commitments up to 2024.

Local Plans

In March 2021, the Babergh and Mid Suffolk Joint Local Plan was formally submitted to the Secretary of State for Housing, Communities and Local Government for independent examination.

The Joint Local Plan sets out a planning framework to guide development and facilitate growth in Babergh and Mid Suffolk Districts over the long term. It will play an important role in shaping our future – how towns and villages develop, how we protect and enhance our natural environment, develop our local economy, improve leisure and visitor facilities, improve social infrastructure and support more sustainable forms of travel.

Homes & Housing Strategy

We all need and deserve somewhere to live and call home. Having a place to call our own provides belonging, contributes to positive health and wellbeing and strengthens community spirit.

Our Housing vision is for residents to live in affordable and high-quality homes that enable them to build settled, safe and healthy lives within sustainable and thriving communities.

Our [Homes and Housing Strategy](#) sets out how we will meet this challenge.

Consultation and current situation

During the summer of 2021 all tenants, Members and Housing staff were asked to give their views on what priorities should be funded using the HRA over the long term. Feedback was given via digital surveys, with the option of telephone surveys for those not online, and a virtual workshop.

The results identified the following **seven priorities** which are listed from highest to lowest priority. A brief description on commitments to date are included:

Investing in our current homes

Consultation feedback: 75% of respondents did not feel we invest enough in maintaining our properties. Better home insulation is the most important investment to be made, closely followed by new windows and doors and new heating systems.

Properties require constant investment to maintain their quality. In some cases, this could be as simple as replacing kitchens and bathrooms, but in some cases, more significant upgrades may be required; retrofitting properties to improve insulation, lower household fuel bills, and reduce the carbon cost per property.

Building and buying new council housing

Consultation results: To increase the Council Housing available to local people we should build more homes and encourage tenants in large properties with spare rooms to downsize.

We have large numbers of local people on the waiting list for social housing and know that there is considerable need within our communities. At the same time, we lose a steady stream of homes to the Right to Buy. Hence our focus on building or acquiring new homes which has been extremely successful in recent years.

Climate change

Consultation results: 70% of respondents think we should be doing more to address climate change. Improving the energy efficiency of homes was the preferred choice for tackling climate change. This will be achieved through retrofitting and every Council home achieving an Energy Performance Certificate Level C.

Both Councils have declared a climate emergency and are committed to implementing change that will reduce the impact of human activities on the climate and help us adapt to the climate change that is already happening. through initiatives that reduce carbon and increase biodiversity.

We have gone paperless on a number of processes and introduced a new scheduler module for booking repairs appointments, which enables us to make the most efficient use of our operatives in an area, reducing travel in the district.

Improving the services that we provide our tenants

Consultation results: Respondents would prefer their Housing Officer to visit when requested or once a year. 65% would like to see more Housing Staff in their neighbourhood.

Different social landlords can take very different approaches to the services they offer tenants. On the one hand, a landlord could let the property but then do very little for the tenants other than provide basic services.

Alternatively, a landlord could employ staff that are focused on providing support, advice, and assistance to try and help our most vulnerable tenants improve their lives.

Improving our neighbourhoods

Consultation results: 87% of respondents like their neighbourhood. Friendly neighbours or community is the top reason they liked their area, but a lack of parking was the main reason for disliking the area.

The quality of the built environment varies across our estates, but there are some common themes; a lack of car parking, uninspiring landscaping, neglected garage sites, which this plan will aim to rectify through additional investment.

Involving tenants in the running of the housing service

Consultation results: 61% of respondents do not feel listened to and 55% want more opportunities to be involved. Digital surveys were the preferred method for getting involved.

We recognise the importance of involving our tenants in important decision-making and the running of our service, but we accept that there is much more we could do in this area.

Digital transformation

Consultation results: 52% of respondents regularly access our services online. 28% of respondents had signed up to the 'My Holme' an online tenant portal and mainly used it to contact the housing service. The main reason for not signing up was not knowing it existed or preferring to speak to someone.

We are living in an ever more digitally connected world, and most services can now be accessed online. In the last two years we have introduced a large number of new digital tools and services including an online tenant portal for tenants to manage their rent account, regular electronic communication to tenants, new online systems for managing rent, Anti-Social Behaviour cases, contact from customers and scheduling repairs appointments. Our performance is recorded and reported digitally enabling improved consistency and trend analysis. We have also used digital platforms to engage with customers via surveys and virtual meetings, increasing the accessibility for more customers to work with us.

Digital transformation is important to us and our customers and over the next two years we will be delivering an ambitious programme including booking repairs online, upgrading our whole Housing Management system, new modules for managing voids and the materials our operatives use and carry in their vans to improve the services we deliver.

We will be increasing our digital engagement with customers through social media and continue to develop the digital services we already have in place to ensure we are making the most of the tools available to maximise our services to our customers

What will the Plan Deliver?

This section shows what the plan aims to deliver under each of the 7 priority areas identified above.

Investing in our current homes

It is vitally important that we continue to invest in existing homes. The introduction of the Building Safety Act, the launch of Decent Homes 2 along with new legislation as a result of Social Housing reforms and the Climate emergency requires us to proactively

invest in homes both in respect to day-to-day repairs and planned and capital investment in our stock.

In 2020/21 Babergh spent £1,058 per property on Responsive repairs and Void works whilst it spent £1,151 per property on Major works and Cyclical works.

In 2020/21 Mid Suffolk spent £1,061 per property on Responsive repairs and Void works whilst it spent £1,011 per property on Major works and Cyclical works.

We expect these values to increase over the next 3 – 5 years as we see the cost of materials, professional skills and consultancy and wages for certain roles that are in significant demand increase. We will embark on ambitious programmes to ensure every home meet EPC C by 2030, whilst ensuring every home is safe and of a high quality.

We will:

- Make decisions on our future stock profile – including disposal/redevelopment of the poorest and worst performing stock
- Invest in new technology to improve the maintenance of existing homes
- Introduce an enhanced ‘void’ standard based on quality rather than cost and time
- Develop long term savings on repairs and maintenance
- Develop a ten-year Capital Investment Programme (2023 – 2033)
- Exceed tenant expectations

Make decisions on our future stock profile – including disposal/redevelopment of the poorest and worst performing stock It is vital that we invest the limited resources we have in the right place at the right time. This includes making investment decisions on our existing Housing stock. For example, we do not want to invest in a poorly performing home, that is of the wrong size, in the wrong location.

We will introduce a review process which allows us to overlay a variety of existing data streams to make decisions on our stock profile. Utilising stock condition, demand and need data, along with local intelligence to make decisions on future investment and disposals.

Invest in new technology to improve the maintenance of existing homes We intend to invest in homes by introducing smart devices/sensors that can fight fuel poverty and provide remote data insights that could cut maintenance costs and improve resident well-being. Using sensors, that could understand occupancy and optimise heating settings, saving residents costs on their energy bills.

This data is then used to produce a dashboard displaying a range of welfare and maintenance including mould risk, poor insulation, fuel poverty risk, boiler performance and abandonment risk. Plus, a messaging service which could conduct surveys, book in maintenance visits and post announcements directly to the in-home display.

Introduce an enhanced 'Void' standard based on Quality rather than cost and time We know that an area of investment and improvement that our tenants have asked us to prioritise is the quality of homes when they are presented to new tenants. This can lead to complaints, higher repair costs, and lower satisfaction.

We will introduce an enhanced standard which will enable us to ensure every home is let to the highest standard and quality based on value for money, whilst ensuring all tenants maintain their homes to an acceptable level and that homes are returned to the Council in an acceptable standard.

Average void costs are £4,500 whilst the sector average for void costs is currently £5,829 whilst upper quartile performance is £2,183.

Develop long term savings on repairs and maintenance We know that a significant amount of our costs are spent maintaining existing homes, this involves existing maintenance staff crisscrossing the districts responding to repairs as they are reported. We intend to develop a Business Case on the introduction of a new Housing MOT, along with the use of remote technology which would allow us to plan work by conducting a raft of repairs/improvements to each home before moving on to the next. This will ensure homes are well maintained, whilst reducing the reactive nature of conducting repairs currently.

Develop a ten-year Capital Investment Programme (2023 – 2033) We will develop a 10-year planned maintenance schedule, which will allow us to accurately predict where investment needs to take place. By creating programmes of activity that support the delivery of wider ambitions, we will ensure that every home is of the highest quality, energy efficient and sustainable. This programme will allow us to inform tenants of exactly what improvements they can expect and when this will take place.

Exceed tenant expectations We know that our existing performance in relation to the maintenance, repair and renewal of homes does not always meet the expectations of tenants.

We expect the improvements outlined in this Business Plan to, over the next 2 to 3 years, increase satisfaction to 'upper quartile' performance in comparison to fellow social housing landlords.

Tackling and adapting to climate change

The UK has set in law a target to bring all greenhouse gas emissions to net zero by 2050. To achieve this, as a social housing provider we need to insulate homes and replace fossil fuel heating systems with 'clean heat' technologies such as heat pumps and heat networks.

Decarbonising homes is not only an essential part of tackling the climate emergency, but it also combats fuel poverty, supports the economy, creates jobs, and creates warmer homes and cleaner air.

We, like all Social Housing providers face the challenge of how to cut carbon emissions and tackle climate change whilst delivering safety measures work and building new homes.

We will:

- Retrofit – and improve the energy efficiency of homes
- Aspire to provide additional investment in existing homes to reach a higher level of energy performance
- Lower energy costs for tenants
- Educate tenants in how to use the home to gain the greatest benefits
- Use new technology and building methods
- Support organisational and Suffolk wide Climate change ambitions
- Deliver greater levels of Biodiversity within our estates and neighbourhoods
- Ensure neighbourhoods meet tenants needs e.g. community allotments, sense of place and belonging

Retrofit – and improved energy efficiency of homes As part of the government's Clean Growth Strategy, ministers set a target that all social homes must have an EPC rating of 'C' by 2030. The National Housing Federation (NHF) has previously warned that the target would be a "challenge" and government support would be needed. Research last year estimated that the cost of retrofitting all social homes in the UK to zero carbon could cost £100bn.

We have undertaken a comprehensive review of all of our homes in conjunction with the Energy Saving Trust (EST), which has enabled us to plan and understand the cost of improvement measures, to each home, based on ensuring the use of the most cost-effective measures whilst providing the greatest level of enhancement on SAP ratings.

Mid Suffolk – The cost of meeting EPC C by 2030

MID SUFFOLK	EPC	SAP	Number	%	Ave cost	Totals
	A	92+	20	1	-	Already C+
	B	81-91	577	18	-	Already C+
	C	69-80	1,388	42	-	Already C+
	D	55-68	1,133	34	£10,000	£11,330,000
	E	39-54	138	4	£17,000	£2,346,000
	F/G	21-38	37	1	£24,000	£888,000
Total			3,293	100		£14,564,000

Aspiration to provide additional investment in existing homes to reach a higher level of energy performance We have already begun the work to identify how Babergh and Mid Suffolk can exceed the target of meeting EPC C by 2030. This would be achieved by introducing a long-term ambitious programme of improvement activity which would aim to ensure all properties are of a standard with good levels of insulation including new windows.

With Air Source Heating together with associated enlarged radiators and water tanks ground floor insulation giving opportunity for under floor heating; and, making Air Source Heating more efficient. As well as additional external insulation to bring properties to an EPC of A. This will require significant additional investment and rely on accessing grant monies when available. We intend to bring forward plans as to how this will be afforded over the medium to long term, as we identify the opportunities to maximise grants and budgets and minimise costs.

Lower energy costs for tenants We will continue to develop solutions including the installation of energy efficient and low-cost heating solutions. This includes expanding our air source heating programme, external wall insulation programmes, and more energy efficient boilers etc.

Education of tenants in how to use the home to gain the greatest benefits We recognise that we need to provide tenants that require assistance more education on how they can use their home; to encourage and support minimising energy bills and reduce the risk of damp and mould.

We will develop a range of helpful YouTube videos and information guides as well as providing bespoke advice and support, where appropriate.

Use of new technology and building methods We recognise that the world is changing, and the use of new building methods and construction materials supports us exploring new ways to develop and deliver new homes, as well as maintaining existing stock.

This includes the use of modern methods of construction, the use of off-site prefabrication and energy efficient products and sensors that enable us to provide and maintain low-cost housing. This will be incorporated through our Design Guide, Technical specification, and Capital Programme.

Support organisational and Suffolk wide Climate change ambitions We are actively involved in working together with Suffolk partners to support and guide our residents, communities, and businesses to make the changes required to best set Suffolk on the path for carbon neutrality by 2030.

<https://www.greensuffolk.org/app/uploads/2021/07/Suffolk-Climate-Emergency-Plan.pdf>

Greater levels of Biodiversity within our estates and neighbourhoods We identify that there is so much more we can do to improve estates and neighbourhoods; this includes creating habitats and wildlife corridors. We can achieve this by planting wildflowers, reducing grass cutting and using natural solutions. This in turn can reduce our costs and improve our environment and tenant satisfaction at the same time. We will work with Tenants and our Neighbourhoods and Public Realm Teams to develop local solutions.

Neighbourhoods that meet tenant needs e.g. community allotments, sense of place and belonging We want to support tenants and residents to embrace their Neighbourhoods and Communities. This will ensure everyone has ownership of their place, their homes, streets, estates, and neighbourhoods. Providing the ability to influence how neighbourhoods look and feel to live, work and play in. We will achieve this through active and participatory approaches, offering tenants the ability to make decisions. This could include, for example (but not limited to), Community allotments, play areas, community orchards and community shops.

Building and buying new Council housing

We will:

- Introduce an Affordable Housing Strategy
- Have the ambition to build/acquire 65 new homes, in each District, per year, for each of the next six years
- Implement a New Build Design Guide and Technical Specification
- Place an emphasis on Good Quality Design, Energy Efficiency, low running costs, Sustainability, Modern Methods of Construction
- Ensure efficient use of Right to Buy Receipts
- Ensure efficient use of what we have – Downsizing Programme
- Remodel and make an efficient use of our existing estate – Housing Asset Review

Introduction of an Affordable Housing Strategy As part of the HRA Business Plan we recognise the importance of articulating our Affordable Housing Strategy. It provides a backdrop to the ambitions we have to build more new Affordable Homes in our districts over the next few years, articulating our approach and how new homes will be brought forward and developed.

Councils' development purpose Under this strategy will be the provision of new homes at affordable rent or for affordable home ownership and, where financially viable, social rent.

Where possible and appropriate, these sites will be subsidised through additional funding, which could include Homes England grant funding, Right to Buy receipts, commuted sums received through S106 planning agreements, and other forms of subsidy.

The Councils' will identify a pipeline of sites looking forward over the period of the medium-term financial strategy. These sites will include land already in Council ownership. It is unlikely that the aspirations for housing delivery will be met by existing landholdings and therefore the following will also be considered:

- Acquired properties from developers 'off the shelf'
- Acquisition of land or buildings
- Regeneration projects and opportunities with existing land assets
- Refurbishment/conversion of existing buildings

Financial control, Viability and Risk Management

Members will set the strategic direction of the development programme through the approval of this HRA Business plan and Affordable Housing Strategy and delegate (subject to viability tests and criteria laid out in the attached appendix x) the Assistant

Director for Assets and Investments, or Assistant Director for Housing operational authority to proceed with schemes.

Each project will be assessed to ensure it meets the following criteria:

- a) Meets housing need and housing demand for affordable home ownership products
- b) That the financial viability is fully assessed and that the basis on which it can proceed is fully understood. The Councils' chosen methodology for this is through the use of 'Proval' software. Project managers will ensure viability assessments are undertaken at the following scheme stages so that viability can be accurately understood for each scheme.
 - Offer stage (for S106 acquisitions) or RIBA Stage 2
 - Sign of formal contract or award of contract
 - Practical completion (handover)
- c) The development, where appropriate, meets the design guide, housing technical specification, Building Regulations, and other planning/policy requirements.
- d) That the development has adequate funding (or that it can be obtained) to cover all costs during the development period.
- e) That individual project risk registers are maintained and fed into programme and corporate risk registers.

Delivery of affordable home ownership products

The provision of shared ownership/shared equity/First Homes involves greater short term financial risk. To minimise the exposure to these risks Babergh and Mid-Suffolk District Councils will:

- a) Appropriately balance the mix of rented and affordable home ownership products on a development and across the programme based on housing need and market intelligence.
- b) Consider options for the conversion of affordable home ownership products to rent if there are difficulties with sales.
- c) Implement sales and marketing processes at an early stage to avoid 'voids' on affordable home ownership properties.
- d) Enable staircasing on shared ownership to 100%, except where this is restricted through the planning system.
- e) Shared ownership leases to be provided on a term of at least 990 years as per Homes England model shared ownership lease.

Ambition to build/acquire 65 new homes, in each District, per year, for the next six years across both districts. It is our ambition that over the next six years each Council will build or acquire up to 65 new homes each year. That's a total of 390 homes per Council. These homes will be built in accordance with the Affordable Housing Strategy as set out above.

New Build Design Guide and Technical Specification Our Councils are committed to delivering a housing pipeline to benefit the residents of Babergh and Mid Suffolk. We recognise the important role that the Council plays in defining emerging housing quality, design and sustainability; to provide a positive legacy for the places in which we reach, together with the environment and standard of living for residents.

This Housing Design Guide [Design Guide V9.pdf](#) sets out a clear and ambitious design framework which captures characteristics in design that we will aim to adopt generally in our projects, as well as further aspirational objectives that we hope to incorporate where suitable, viable and beneficial.

This Housing Design Guide reflects the high-level design outcomes we aspire to and shall be used to redefine the Councils developments in the future. The Guide is to be read in conjunction with the Technical Specification. The Housing Design Guide and Technical Specification respond to industry movement in design standards, residents' expectations and the recently declared Climate Emergency.

This Design Guide is established around four key design topics, referencing the National Design Guide Characteristics:

- Context and Identity
- Movement, Nature and Public Spaces
- Homes and Buildings (Including the Build Form and Uses)
- Towards Zero Carbon (Resources and Lifespan)

Our Design Guide and Technical Specification can be found alongside this HRA Business Plan as accompanying and supporting documents that will be approved as part of this Business Plan.

Emphasis on Good Quality Design, Energy Efficiency, low running costs, Sustainability, Modern Methods of Construction Our Design Guide and Technical Specification will focus on emphasising good quality design, energy efficiency, low running costs, sustainability, and modern methods of construction. Broadly this will consider:

Context and Identity - Context and Identity looks at how our work can enhance the existing surroundings with attractive and distinctive developments.

This relates to the holistic design character of the development. It explores aspirational objectives and common themes that we will actively look to incorporate.

Movement, Nature and Public Spaces - Nature and public spaces covers specific principles relating to these topics. It looks at ways we can enhance accessibility and ease of movement around our developments. The ways in which we can both enhance and optimise the role of nature in our built environment. And the ways we will champion a safe, social and inclusive public realm.

Homes and Buildings (Including the Build Form and Uses) - Homes and Buildings looks at principles we will incorporate to develop a coherent pattern of development, which is both mixed and integrated. It sets goals to ensure our buildings will be functional, healthy, and sustainable.

Towards Zero Carbon (Resources and Lifespan) - In 2019 all Suffolk Local Authority members declared a 'climate emergency'. As part of this, the Suffolk Climate Change Partnership, SCCP, will work together with partners across the county and region towards the aspiration of making the county of Suffolk carbon neutral by 2030. This section sets positive and ambitious goals for meeting this pledge, delivering efficient and resilient developments made to last.

All Developments - Innovation is encouraged across all scales of development, with Design teams encouraged to meet as many 'we aspire to' statements as practical in addition to all of the 'mandatory' statements. With additional requirements for major developments as outlined below. The approach taken will vary dependent on the nature, scale, location and context of each proposal. The 'we aspire to' statements are included to inspire innovation and the pursuit of higher standards by providing examples of how the councils development objectives can be addressed. These approaches are all underpinned by industry best practice.

Major Developments are defined as ten or more dwellings or a site area of 0.5 hectares or more. Additional Requirements At least one 'we aspire to' statement must be met under each of the following topic headings:

- Movement, Nature and Public Spaces
- Homes and Buildings (including Built Form and Uses) And at least two 'we aspire to' statements must be met under:
- Towards Zero Carbon (Resources and Lifespan) Design teams will be expected to outline their approach to meeting the selected aspirational goals and how these will be monitored to ensure success and to inform future council projects and iterations of the Design Guide.

Efficient use of Right to Buy Receipts We already ensure we make best use of our Right to Buy Receipts.

However, we intend to go further. It is current Government policy that any new council homes built since July 2008 are eligible for exclusion from the provisions in the pooling regulations relating to Right to Buy sales.

This means that, if these replacement homes were subsequently sold under the Right to Buy, the Councils would be able to retain the whole receipt with no conditions or the same constraints placed on the use of 1-4-1 receipts. (Receipts from sales of properties built since July 2008 can be spent on any eligible capital purpose - affordable housing, regeneration projects or the paying down of HRA debt).

An exception to this is where homes sold were built with social housing grant. In this case the balance of the initial grant will be returned to the Homes England 'pot' enabling them to reinvest in building more affordable rented homes.

An Agreement will be made under powers provided by section 11(6) of the Local Government Act 2003 permitting the council to retain the full capital receipt on any subsequent sale of excluded properties.

Efficient use of what we have – Downsizing Programme We recognise that we need to ensure that we have a sufficient supply of the right homes of the right size in the right place. Whilst building and developing more homes is one option it is important we consider making best use of existing assets. As such we will proactively identify those tenants that are currently under occupying their homes, then consider how we can proactively support those that would like to consider downsizing.

Remodelling, efficient use of existing estate – Housing Asset Review We recognise that many of our estates were built in a post war period and now would benefit from a wider review. This would involve surveying estates and neighbourhoods. To identify improvements to the hard and soft landscaping including remodelling of estates, neighbourhood improvements, and regeneration. This will be a long-term review that will rely on up-to-date stock condition data, feedback from tenants and residents and opportunities such as available land etc.

Improving the services that we provide our tenants

It is imperative that we continually improve existing levels of service and performance. We want every single tenant to feel listened to and satisfied with the service they receive. We want our tenants to experience an exemplar landlord service and we will place tenants at the heart of our decision making.

We know this will require a greater focus on ensuring our data, performance, scrutiny, and satisfaction all evidences the approach being taken is the right one; and that our tenants are satisfied with the services they receive.

We will:

- Place Tenants at the 'Heart' of what we do, including decision making
- Develop a coherent approach to Data, Performance, Scrutiny and Satisfaction
- Benchmark our performance and report on it
- Exceed the new Regulatory Framework and Standards as set by the Regulator of Social Housing.
- Learn from every Complaint
- Measure satisfaction in 'real time' and in accordance with the newly developed RSH Tenant Satisfaction Measures
- Conduct a review of staff training and qualifications to improve services and ensure residents' complaints are dealt with effectively
- Introduce a Customer Relationship Management (CRM) system to manage demand

Place Tenants at the 'Heart' of what we do including decision making. Tenants should be at the centre of decision making and have choice as to how services are delivered. We want our tenants to feel empowered and equipped to be able to hold us to account and will therefore co-design with tenants a Tenant Engagement Strategy which provides both variety and choice on how, and when, tenants can be actively involved and engaged.

It's important to us all tenants have their voice heard, for example, through regular meetings, scrutiny panels or being part of decision making. We will ensure we provide support, where it is wanted, and provide the right tools to ensure we actively listen.

Develop a coherent approach to Data, Performance, Scrutiny and Satisfaction. We know that ensuring we have accurate data will enable us to make informed decisions on how we deliver services.

This will enable us to use data intelligence to provide a more bespoke and tailored approach to meeting tenants' needs. Data will drive decision making and ensure we can manage performance and trends effectively.

We want to ensure by collecting, recording and evaluating data we will be able to offer a more inclusive and accessible service to meet the specific needs of our tenants.

We will ensure our performance is actively scrutinised by both our existing organisational Overview and Scrutiny function as well as providing opportunities for those tenants who are actively involved and want to make a difference.

We know it is vital that we can evidence how our landlord service is performing, including on repairs, complaints, safety, and how it spends its money, so that our tenants have access to the information they require to hold us to account.

Benchmark our performance and report on it Where we collect data and performance measures, we will ensure that we benchmark our services against the sector and publicly report and promote our performance. This will ensure that we learn from those performing well, as well as, ensuring we continuously improve in the areas in need of development and celebrate our successes.

Learn from every Complaint We want to ensure that everyone can have their complaints dealt with promptly and fairly, with access to a strong ombudsman who will provide swift and fair redress when needed.

We value complaints. We will ensure we learn valuable lessons from every complaint we receive.

Whilst we strive for high standards in everything we do, we recognise that sometimes we will not always get it right. When tenants take the time to inform us of their views and opinions, we will ensure that we identify any lessons learnt and demonstrate where we have improved our services. We will provide opportunities for tenants to be involved in regular reviews of complaint themes and lessons learnt and publish our performance on customers' satisfaction with complaint handling.

Exceed the new Regulatory Framework and Standards as set by the Regulator of Social Housing In 2020, the government published [The charter for social housing residents – social housing white paper](#), which set out ways to improve experiences for people living in social housing. We want to ensure that we do not only meet all the requirements as set out by legislation and the Regulator of Social Housing's (RSH) Standards but exceed the framework.

Identifying where we can go further and how we can ensure our function and responsibilities as a landlord is identifiable as leading by example. This would for example involve setting stretching Key Performance Indicators and aspirational outcomes for the service.

Measure satisfaction in ‘real time’ and in accordance with the newly developed RSH Tenant Satisfaction Measures Following the publication of the Charter for social housing one of the proposed steps was introducing a set of consistent tenant satisfaction measures throughout the sector. The aims of these measures are to provide visibility to tenants around how their landlord is performing and enable them to compare and identify areas for improvement.

These measures have been refined and can be found in the attached Appendix. We will undertake a commitment to ensure all tenants have access and the ability to provide us with their opinions and views through a suite of Tenant Perception Surveys, each year. We expect these to be managed independently of us as the landlord to ensure consistency as well as compliance with the RSH expectations.

We will ensure that we continuously review our performance against these standards and take steps to develop actions if we identify areas in need of improvement.

Conduct a review of staff training and qualifications to improve services and ensure residents’ complaints are dealt with effectively A review of qualifications and professional training will drive up standards by making sure our housing staff are better equipped to support tenants, deal effectively with complaints, and make sure homes are safe and of good quality.

We know that the Regulator is reviewing the Professional Standards expected of Housing Professionals with key stakeholders and will put forward recommendations to the government. It will also consider if additional training is required to improve the service provided to residents.

We will ensure that everyone working within the Housing Service not only meets our own organisation values and behaviours, but they are equipped with the most appropriate level of qualifications and training to ensure our tenants receive the highest levels of service now and in the future. This includes specialist training and experience for example supporting someone that has a recognised mental health condition in a professional manner.

Introduce Customer Relationship Management (CRM) system to manage demand Data organised and presented by a CRM platform leads to a better understanding of our customers’ needs and requirements. This leads to greater intelligence which helps us to offer a more efficient customer experience. This tool will enable our teams to collaborate more easily, break down silo working and improve our communication. A CRM system will ensure tenants only need to tell us once and enable us to get it right first time.

Improving the neighbourhoods that we manage

We know that the environment in which tenants live is important to them and it can support strong levels of satisfaction along with a sense of community, safety, security and wellbeing. Its therefore important that we support tenants by providing attractive, clean, welcoming and appealing neighbourhoods and estates to live in and enjoy.

We Will:

- Regenerate, Redesign, and redevelop estates (where appropriate and necessary)
- Improve existing parking provision, inc EV charging
- Increase biodiversity and environmental improvements
- Improve quality of estates through the development of a Neighbourhoods Strategy
- Neighbourhoods that are identified as being safe, secure, pleasant, enjoyable and fun to live within
- Increase tenant satisfaction in respect of where they live

Regeneration, Redesign, and redevelopment of estates (where appropriate and necessary) We recognise that our existing estates and neighbourhoods were historically built to high standards and to the needs of those choosing to live there. However, of course, needs, wants, and desires evolve and change over time. We need to be responsive to these changes and this includes developing solutions fit for purpose not just for now but the future. We will actively review each of our larger estates and actively engage tenants and stakeholders on how we could develop solutions. This could include identifying opportunities to develop additional new homes, improve the environment, and create neighbourhoods that are attractive and desirable to all.

Improved existing parking provision, including EV charging We recognise the rising number of cars utilising the existing parking provision that is available, with the expectation that in the short term more and more tenants will require alternative solutions including EV charging. We will actively review existing estates and neighbourhoods in a holistic way that allows us to not just focus on one issue or one solution. This will require exploring opportunities to fund the work through the introduction of a Neighbourhood Renewal Fund. This is funded proportionately by existing funds where the Communities are diverse with a blend of homeowners and tenants and leaseholders.

Increased biodiversity and environmental improvements Urban green spaces are important places for wildlife in the UK, but many are not as good as they could be. We will proactively utilise the Biodiversity Toolkit which provides information on how we can improve, maintain and monitor green spaces around estates and neighbourhoods for wildlife. Early engagement with staff and residents will be key to success. Codesigning green space will be a great way to bring together wildlife enthusiasts within our Housing and Neighbourhoods teams and residents and help bring a sense of ownership to all involved in the project.

We will review all of the biodiversity management options. Then choose which of the options as a team, we want to implement on site.

https://www.shgroup.org.uk/media/1023167/biodiversity-toolkit_23022021.pdf

Improved quality of estates through the development of a Neighbourhoods Strategy

We intend to develop a Neighbourhoods Strategy in conjunction with tenants, residents, members, and stakeholders. This strategy will provide a backdrop for how we will ensure:

- To have neighbourhoods that we, and our customers and the community are proud of.
- To ensure we have clear standards so that residents know what to expect from our service.
- To ensure our services deliver value for money.
- To maintain a regular, visible presence on our estates e.g. estate inspections.
- To ensure we comply with all Health & Safety requirements.
- To encourage residents to take responsibility for their environment/neighbourhood.
- To take a robust approach to environmental crime which includes fly-tipping, abandoned cars and dog fouling

Neighbourhoods that are identified as being safe, secure, pleasant, enjoyable and fun to live within

It is vital that neighbourhoods are places which provide multiple benefits, including being safe and secure and creating a sense of safety and security. We believe through the introduction of a Neighbourhood Fund from 2023 alongside other funding streams we can prioritise improvements that can have mutual benefits such as increasing biodiversity, improving the appearance and creating opportunities to have fun, and play.

Increases in tenant satisfaction in respect of where they live

We anticipate through the approaches described we will see increases in the levels of satisfaction of tenants and residents. However, we will not make assumptions and will continually review whether the improvements improve the happiness and well being of tenants, residents, and communities. This may be through perception surveys and feedback.

Involving tenants in the running of the service

We recognise both the importance and value of active participation by tenants in the running of the Housing service. Whilst our existing Governance structures support elected Members to make decisions on the development and delivery of key Strategies, Policies and Key Decisions, we will also create an environment which empowers tenants to be actively involved in the development and management of our landlord services.

We will:

- Active Decision Making for tenants through a person-centred approach
- Development of an innovative Governance model that would introduce a Housing Advisory Board
- Delivery of an action plan that supports a model of engagement that places tenants at the heart of decision making (in line with TPAS accreditation)
- Increase levels of satisfaction that the landlord listens to tenant views and acts upon them
- Reduce the 'Stigma' associated with being a tenant

Active Decision Making for tenants through a person-centred approach We believe a person-centred approach will enable our officers and members to work collaboratively with tenants who use services. Person-centred supports tenants to develop the knowledge, skills and confidence they need to more effectively manage and make informed decisions about the services they personally receive. It is coordinated and tailored to the needs of the individual. And, crucially, it ensures that people are always treated with empathy and respect. We will ensure this is a culture that runs through everything we do.

Development of an innovative Governance model that would introduce a Housing Board This would involve the creation of an advisory board composed of Council Members, tenant representatives, and independent members with expertise in the field to oversee performance, contribute to strategy and operating plan/budget, as well as consider policy or service changes before formal approval through the council's established decision-making routes as per the constitution. The purpose of an advisory board can be summarised as overseeing the activity of and offering advice, expertise, and insight to the council, in the delivery of services to tenants.

In greater detail, the advisory board would:

- Assist the service to meet the objectives set by the council in consultation with tenants.
- Oversee and monitor the performance of the service against its targets, annual operating plan and the HRA Business Plan.

- Offer advice, expertise, and insight in seeking continuous improvements and innovation in performance and service delivery.
- Assist the council to develop strategies for the service to be reviewed from time to time, and an annual operating plan to deliver our Strategies and Business plan
- Within the budgetary envelope set by the council for the HRA, assist and support in the development of the annual HRA budget report and associated operating plan.
- Ensure that the service and the council as landlord meet the revised and enhanced landlord expectations embodied in the housing White Paper.
- Ensure that the service meets the new enhanced regulatory expectations in respect of safety, compliance and the consumer standards.
- Ensure that principles of resident involvement and engagement are fully embedded in the work of the new service, that the views and needs of residents are clearly considered in delivering and improving services and that 'Together with Tenants' commitments are delivered as anticipated by the White Paper.
- Receive and act on reports from tenant scrutiny panels.

Delivery of an action plan that supports a model of engagement that places tenants at the heart of decision making (in line with TPAS accreditation)

We will ensure we develop and deliver an action plan which aims to meet the requirements of Tenant Participation Advisory Service TPAS - National Tenant Engagement Standards. This includes:

- There is a clearly defined and agreed role for residents in the governance arrangements of the organisation
- Scrutiny activity works to the five TPAS Scrutiny key principles; Independent, Inclusive, Positive, Constructive & Purpose
- Residents are meaningfully engaged in the co-creation, monitoring, and review of the organisation's engagement strategy to make sure it delivers clear impact and value
- Residents are meaningfully engaged in the development, monitoring and review of the organisation's policy; service; budget and strategic development as well as any local offers for service delivery
- All information provided to residents is clear and understandable with key points summarised, using an inclusive range of methods and in a format to suit the intended recipient
- The organisation provides sufficient resources to deliver effective engagement and residents have the opportunity to influence the decision about the resources made available

- There is an appropriate menu of engagement opportunities that; reflects the resident profile; responds to the different needs in relation to equality strands and any additional support, which can be evidenced in the delivery of their services, engagement activities and communications to promote widespread engagement

Increase levels of satisfaction that the landlord listens to tenant views and acts upon them We want to initially capture a baseline of tenants' views and opinions on how well (or not) we listen and act on tenants' views. We will then regularly monitor progress by making incremental improvements to what we do and how we do it in response to tenants' views which may include feedback, complaints, and survey results.

Reduce the 'Stigma' associated with being a tenant The government acknowledged it in its green paper of 2018, a new deal for social housing, recognising that stereotypes shaped by the negative language used by politicians and the media can be reinforced by the way social housing is managed and run.

Conversations with tenants to inform the green paper emphasised the sense of 'institutional indifference' they can experience from landlords. The causes of stigma are many and varied. They include the way in which the media represents and reports on social housing and the people who live in it creating and reinforcing unfair stereotypes. Housing policy which promotes home ownership as superior to renting also plays a part.

We will create a culture that ensures through every aspect of what we do tenants feel assured that 'stigma' does not exist within Babergh and Mid Suffolk.

Implementing digital transformation

Like most Landlords within the sector, external factors continue to impact on our Business Plan. For example, the period of rent reduction in recent years.

At the same time, our customers' aspirations are increasing, and we've found they are requesting a 24-hour approach, more self-service, and an alternative to phoning our customer services teams during working hours.

In response to this shifting backdrop, we have taken a step back to look ahead at the future and how we can run a strong, growing landlord service which creates more opportunities to thrive.

We will:

- Move to a cloud-based software system to enable greater flexibility for staff and tenants
- More tenants with both the skills and tools to embrace digital tools (Digital Survey)
- Self-serve on the go
- Move towards 'Digital Tenancies'
- Use of dashboards to provide a clear picture of performance 'in real time'

Move to a cloud-based software system to enable greater flexibility for staff and tenants by 2023 we aim to move to a new cloud-based Housing Management System that will provide secure, resilient, and agile infrastructure. It will increase the opportunity and ability for both our staff and tenants to access services digitally with greater flexibility and reliability.

More tenants with both the skills and tools to embrace digital tools (Digital Survey) Our Digital Skills survey conducted during 2021 provided a clear direction of travel and the need to support and assist more tenants to gain the skills, confidence, and ability to access and utilise Digital Services whilst having access to Tablets, Computers, and devices to access the Internet. We will develop a programme of activities including access to learning, development, and training which will provide more tenants to not only access our services including the 'My Home' portal and self-serve their tenancies but the ability to access other services on the go.

Self-serve on the go We have seen significant numbers of tenants signing up to the 'My Home' portal which provides them with the ability to self-manage more of their tenancy including managing their rent and having an active role in understanding what is going on within the Housing Service.

We want to go much further and support tenants to actively self-serve and manage their tenancy including reporting and monitoring repairs, contacting officers through online chat as well as uploading pictures or video conferencing with staff.

Move towards 'Digital Tenancies' We know many of our tenants do not need to contact us day to day and would choose to have more flexibility and freedom in managing their homes if given the opportunity. We want to provide more choice including the introduction of 'Digital Tenancies'. These would enable people to sign their tenancy, book a repair, pay rent, report anti-social behaviour and more, with all their documents available via a digital portal.

The introduction of 'digital tenancies' signals the start of being able to handle the complete landlord-tenant relationship online. One of the major advantages for tenants is that it significantly reduces paperwork and time and costs.

This is part of wider organisational transformation which means our employees are working in a much more agile way, and everyone is working much more smartly.

Use of dashboards to provide a clear picture of performance 'in real time' It's important to us that we can provide a clear picture of how well we are performing at any time ensuring we are compliant with regulation; but able to evidence to tenants, staff and members how well we are doing. This would provide an opportunity to drill down to a tenant's own address and provide them with a complete digital library of information including all documents, certificates and instructions for the use of systems within their home.

Performance and Benchmarking

Rent arrears and management of empty homes performance have been challenging over the past decade due to the combined effects of austerity measures, welfare reform and increases in personal debt.

When benchmarked, Babergh and Mid Suffolk's landlord service is seen to be performing adequately when compared nationally and with comparator organisations.

Benchmarking Data from 2020/21

We already work with Housemark a provider of benchmarking comparable data within the Social Housing sector. We receive both monthly and annual performance summaries which shows us, at a glance, what the numbers mean to our tenants, our people, and our business. With Housemark we receive on-time data and insight needed to pivot services and build an agile data driven culture. These reports compare our costs and performance with a peer group of similar social landlords.

We know that our overheads cost per property in 2020/21 was £141 in Babergh and £185 in Mid Suffolk. These were down £47 per property on 2019/20 in Babergh and £28 in Mid Suffolk. Overheads include premises spend, ITC, HR and other central back-office costs. These costs compare to a 'Peer Median of £339 per property.

However, we commit to a complete review of the current 'Recharge to the General Fund' to ensure the Housing Revenue Account is receiving value for money.

The Housing management cost per property (which is the cost of core landlord services including specialist staff such as Housing Officers and Income Officers) was £177 in Babergh in 2020/21 and £211 in Mid Suffolk compared to a 'Peer Median' of £245 per property.

In line with the recommendations in the Social Housing White Paper we will publish performance data on the Tenant pages of our website and share this directly with tenants via the My Home Bulletin on a quarterly basis.

Our aim is to perform even better whilst supporting the people we work with by developing genuine relationships with each of them to realise their potential.

Performance – Tenant Survey Results 2022

Babergh & Mid-Suffolk District Council commissioned Acuity Research & Practice (Acuity) to carry out an independent survey of residents to collect data on their opinions and attitudes towards their landlord and the services provided. The survey shows that there are some positive results but also highlights areas for improvement.

A good percentage of residents are satisfied with the overall service provided by Babergh & Mid Suffolk (70%). More are satisfied that they are treated fairly and with respect (77%), are kept informed (74%).

With satisfaction of the repairs service, they received in the last 12 months (74%).

That they know how to make a complaint should they need to (73%) and that the home provided by BMS is safe and well-maintained (71%).

Slightly fewer are satisfied with the quality of their homes (69%) and that BMS are easy to deal with (68%). Considerably fewer are satisfied that BMS provides a positive contribution to their neighbourhood (56%), the repairs and maintenance service (55%), that BMS listens to their views and acts upon them (53%) and their approach to handling complaints (51%).

When asked what one thing Babergh could improve, comments were grouped into three main themes, which provides appropriate focus for individual service areas, as well as the Council may wish to investigate further.

The results of the key driver analysis should also be taken into consideration. Through the development of the Business Plan and the goals set out it is recognised we should concentrate our efforts upon the following three areas. It is likely there would be a noticeable increase in resident satisfaction as a direct result.

Resident Engagement Satisfaction - being kept informed about the things that matter to residents is the strongest driver of overall satisfaction in the present survey and performed well. This measure is often linked to listening to views and acting upon them.

Customer Services - being easy to deal with is also a key driver of overall satisfaction and can be linked to complaints handling; one of the areas with the highest level of dissatisfaction in the survey. When asked what one thing BMS could do to improve its services, customer contact was mentioned often by residents, primarily answering phones, and overcoming accessibility and language barriers.

The Home - the quality of the home is often driven by the performance of the repairs and maintenance service, and this is likely to be the case for BMS. The repairs and maintenance service produced the highest level of dissatisfaction in the survey (34%) and when asked what could be improved, residents most often mentioned outstanding or forgotten repairs and the timescales to complete repairs.

Through the development of this plan, we expect to demonstrate to tenants that we have actively listened to their feedback and will take every opportunity to improve the services we provide throughout the landlord function and duties to provide high quality, safe homes and the highest levels of customer service and customer satisfaction. We will monitor progress through regular tenant satisfaction perception surveys.

Conclusion

In considering an aspiration for the future of the housing service, and the delivery of HRA Business Plans that everyone can commit to for the next few years.

The following seven aims will drive the service forward in the medium term. These will in themselves be partly driven by national and local considerations as well as best practice elsewhere and linked to the Council's corporate objectives.

- **Investing in our current homes**
- **Tackling and adapting to climate change**
- **Building and buying new Council housing**
- **Improving the services that we provide our tenants**
- **Improving the neighbourhoods that we manage**
- **Involving tenants in the running of the service**
- **Implementing digital transformation**

A detailed 'SMART' action plan will be developed in response to this plan being adopted by both Councils and will run alongside the existing Homes and Housing Action Plan and the organisations Outcomes framework.

It is recognised that, whilst it is five years since the last Housing Revenue Account Business Plan was adopted, moving forward an annual review of progress will be undertaken that considers both financial performance of the accounts alongside the qualitative outcomes being delivered and the satisfaction of tenants and leaseholders.

An Annual Report published in May each year will publicly demonstrate the progress being made by looking back at the previous 12 months. This approach will also enable us to look forward at least a year ahead ensuring that we continuously adjust the Business Plan to reflect the environment around us including identifying what's working and what's not; what has changed and what we need to do differently.

Whilst the seven aims will set the destination and future of the service it should be accepted that the objectives may need to adapt and flex to meet all stakeholders' expectations.

In summary these will be:

- To provide new homes that are energy efficient and improve the efficiency of existing homes to tackle the climate emergency.
- To engage with residents to reduce fuel poverty and raise awareness of climate friendly actions.

- To manage our external communal areas and green spaces well so that residents can enjoy these areas and be proud of where they live.
- To develop and provide affordable housing in a range of tenures and types to the highest standard of construction that can be afforded.
- To maintain and manage our homes to deliver the best outcomes for those living in them.
- To provide homes that are safe and healthy to live in by ensuring that all building safety standards are met, and residents can easily raise concerns.
- To deliver services that are influenced by and reflect the needs of local communities.
- To work in partnership with many agencies to promote social inclusion and support residents to be involved and thrive in their local communities.
- To deal effectively with complaints of anti-social behaviour and ensure there is appropriate support for victims.
- To work in partnership to support the needs of vulnerable residents to enable them to lead safe and independent lives.
- To work in partnership to reduce poverty wherever possible and to promote financial inclusion.
- To provide support for residents so they can manage and maintain their tenancies.
- To make the best use of technology and deliver new ways of working that benefit our residents.
- To ensure staff receive appropriate training and development to enable them to provide a high standard of service.
- To ensure that our services are responsive to diverse needs and that residents can access these in ways that are most convenient to them.
- To continually benchmark service delivery and ensure cost and performance outcomes are upper quartile.
- To promote resident involvement in service development and review by providing support, information, and resources to individual tenants and community organisations.

- To robustly measure resident satisfaction and provide services that are shaped by the views of our residents.
- To provide transparent information to residents about how well we are performing including how we deal with complaints.

APPENDICES

Appendix One	Annual financial assumptions and scheme approval process
Appendix Two	Tenant Satisfaction Measures
Appendix Three	Affordable Homes Development Strategy
Appendix Four	New Build Design Guide
Appendix Five	Technical Specification

Appendix One

Annual financial assumptions and Scheme approval process

These are to be reviewed on an annual basis with the Finance and Housing teams.

Rented Schemes

- Net Present Value (NPV) Discount rate – 4.5%
- Loan repayments based on 50-year loan repaid under annuity method.
- Development interest rate – at prevailing rate
- Short term investment rate receivable
- Inflation – Retail Price Index
- Rent on completion
- Rent increase – as per Government Rent Policy
- Allowance for voids and bad debts – 2%
- Management costs - £400 per property per annum
- Maintenance (day to day) - £500 per property per annum
- Major works – 0.8% of works from year 15

Shared Ownership schemes

- Sales initial tranche rate of 30%
- Households will not purchase further shares in their property

Approvals and Delegations

Net Present Value (NPV) will be used for determining the level of internal approval required and schemes proceeding. Net Present Value is the value of all future cash flows (positive and negative) over the entire lifetime of an investment and discounted to the present.

The following table sets out the approval process to be followed when a scheme is presented or varied: -

Category	Criteria	Approving body
1	Within the terms of the development strategy and Net Present Value – positive after 50 years	Assistant Director – Assets and Investments or Assistant Director for Housing
2	Outside of Development Strategy or Net Present Value – negative after 50 years	Member Approval

Note

A positive NPV assessment over 50 years means that a scheme will generate sufficient income to cover its running costs and repay the loan needed to undertake the initial construction within 50 years. A negative NPV assessments means that the initial loan will only be repaid at some stage after year 50.

APPENDIX Two – Tenant Satisfaction Measures

Keeping properties in good repair

01: Homes that do not meet the Decent Homes Standard	Measured by landlords directly
02: Repairs completed within target timescale	Measured by landlords directly
03: Satisfaction with repairs	Measured by doing tenant perception surveys
04: Satisfaction with time taken to complete most recent repair	Measured by doing tenant perception surveys

Maintaining building safety

05: Gas safety checks	Measured by landlords directly
06: Fire safety checks	Measured by landlords directly
07: Asbestos safety checks	Measured by landlords directly
08: Water safety checks	Measured by landlords directly
09: Lift safety checks	Measured by landlords directly
10: Electrical safety checks	Measured by landlords directly
11: Satisfaction that the home is well maintained and safe to live in	Measured by doing tenant perception surveys

Respectful and helpful engagement

12: Satisfaction that the landlord listens to tenant views and acts upon them	Measured by doing tenant perception surveys
13: Satisfaction that the landlord keeps tenants informed about things that matter to them	Measured by doing tenant perception surveys
14: Agreement that the landlord treats tenants fairly and with respect	Measured by doing tenant perception surveys

Responsible neighbourhood management

15: Anti-social behaviour cases relative to the size of the landlord	Measured by landlords directly
16: Percentage of communal areas meeting the required standard	Measured by landlords directly
17: Satisfaction that the landlord keeps communal areas clean, safe and well Maintained	Measured by doing tenant perception surveys
18: Satisfaction that the landlord makes a positive contribution to neighbourhoods	Measured by doing tenant perception surveys
19: Satisfaction with the landlord's approach to handling of anti-social behaviour	Measured by doing tenant perception surveys

Effective handling of complaints

20: Complaints relative to the size of the landlord	Measured by landlords directly
21: Complaints responded to within Complaint Handling Code timescales	Measured by landlords directly

APPENDIX Three

Babergh and Mid-Suffolk Joint Affordable Homes Development Strategy

April 2022

1) Councils' development purpose

The Councils' development purpose under this strategy will be the provision of new homes at affordable rent or for affordable home ownership, and where financially viable social rent.

Where possible and appropriate these sites will be subsidised through additional funding, which could include Homes England grant funding, Right to Buy receipts, commuted sums received through S106 planning agreements, and other forms of subsidy.

The Councils' will identify a pipeline of sites looking forward over the period of the medium term financial strategy. These sites will include land already in Council ownership. It is unlikely that the aspirations for housing delivery will be met by existing landholdings and therefore the following will also be considered

- Acquired properties from developers 'off the shelf'
- Acquisition of land or buildings
- Regeneration projects and opportunities with existing land assets
- Refurbishment/conversion of existing buildings

2) Financial control, Viability and Risk Management

Members will set the strategic direction of the development programme through the approval of this strategy and delegate (subject to viability tests and criteria laid out in Appendix 1) the Assistant Director for Assets and Investments, or Assistant Director for Housing operational the authority to proceed with schemes.

Each project will be assessed to ensure it meets the following criteria:

- a) Meets housing need and housing demand for affordable home ownership products
- b) That the financial viability is fully assessed and that the basis on which it can proceed is fully understood. The Councils' chosen methodology for this is through the use of 'Proval' software. Project managers will ensure viability assessments are locked at the following scheme stages so that viability can be accurately understood for each scheme.
 - Offer stage (for S106 acquisitions) or RIBA Stage 2
 - Sign of formal contract or award of contract
 - Practical completion (handover)
- c) The development where appropriate meets the design guide, housing technical specification, Building Regulations and other planning/policy requirements.
- d) That the development has adequate funding (or that it can be obtained) to cover all costs during the development period.
- e) That individual project risk registers are maintained and fed into programme and corporate risk registers.

3) Delivery of affordable home ownership products

The provision of shared ownership/shared equity/First Homes involves greater short term financial risk. To minimise the exposure to these risks Babergh and Mid-Suffolk District Councils will:

- a) Appropriately balance the mix of rented and affordable home ownership products on a development and across the programme based on housing need and market intelligence.
- b) Consider options for the conversion of affordable home ownership products to rent if there are difficulties with sales.
- c) Implement sales and marketing processes at an early stage to avoid 'voids' on affordable home ownership properties.
- d) Enable staircasing on shared ownership to 100%, except where this is restricted through Designated Protected Area status.
- e) Shared ownership leases to be provided on a term of at least 990 years as per New Homes England model shared ownership lease.

Annual financial assumptions and Scheme approval process

These are to be reviewed on an annual basis with the Finance and Housing teams.

Rented Schemes

NPV Discount rate – 4.5%

Loan repayments based on 50 year loan repaid under annuity method.

Development interest rate – at prevailing rate

Short term investment rate receivable

Inflation – Retail Price Index

Rent on completion

Rent increase – as per Government Rent Policy

Allowance for voids and bad debts – 2%

Management costs - £400 per property per annum

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Major works – 0.8% of works from year 15

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Note

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Housing Design Guide

May 2022



APPENDIX Five

Technical Specification

Sharepoint link - [New Homes Technical Specification v7.pdf](#)