

Milton Keynes Council

Housing Revenue Account Rolling Business Plan

2020/21 – 2049/50

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1. Introduction

1.1 Overview

In April 2012, new legislation changed the way in which local authority housing is financed. Under the provisions of the Localism Act 2011, the centrally controlled Housing Revenue Account subsidy system was abolished, and councils were given local control to run their housing (landlord) services in consultation with tenants and leaseholders. Although this has provided greater flexibility, the government still exerts significant control through the capping of rents and control of receipts from the Right to Buy Scheme. These place significant constraints on the ability of the HRA to deliver investment.

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

The business plan is a baseline document to commence 2020/2021. In light of the impacts of COVID 19 and the unprecedented economic uncertainty being felt across the country, the business plan needs to maintain a focus on the important issues that have already shaped our thinking; the need for residents to have access to safe, quality, secure, affordable housing and tackling the climate emergency. COVID 19 has had, and will continue to have far reaching effects, not only by impacting directly on the lives of residents, but also impacting the delivery of the Council's housing related services and those of its contractors, disrupting the supply chain and driving up costs.

We will need to take a prudent approach to investment of the HRA; making the right investment decisions at the right time will be key to supporting MK residents and the local economy. The business plan will be a live document and will be reviewed annually in consultation with tenants and leaseholders to reflect changing circumstances and priorities. Updates will be provided to Cabinet on a 6-monthly basis.

The Council has high ambitions for housing and regeneration, and these are articulated in this baseline business plan. One of our main focusses is to keep residents safe and improve their homes to a Decent Homes Standard. It has become clear in recent months that significant investment in our tower blocks, Mellish Court and The Gables, will be required. In the early months of 2021, we will re-provide homes

for the residents of Mellish Court and The Gables, ensuring they are kept safe while we do this. We will provide confirmation of the 'what next' for these communities and assets by the end of Spring 2021.

The Council also has high ambitions for new council housing and regeneration and renewal of estates as set out in previous Council strategies, and these are articulated in this baseline business plan. We have an ambition to build 1,200 new council homes by 2030. We will deliver regeneration and estate renewal programmes across our assets. The Lakes Estate Phase A plans have received planning approval and are progressing and the development of plans with residents following the ballot in Fullers Slade is progressing. We will work with partners to tackle anti-social behaviour, which causes misery and disruption for too many of our residents and tenants.

We will tackle climate change and fuel poverty by improving the energy efficiency of our existing and new build housing stock, significantly contributing to reaching our target of being carbon neutral by 2030 and carbon negative by 2050. Stock owning Local Authorities will need financial support to recognise the costs of achieving this over this period and deliver to new national targets.

Prudent financial management is vital to ensure we can deliver the maximum benefits possible for our tenants and residents. This business plan sets out the baseline budget envelope which will drive the extent of our activities over the coming years. In the context of COVID 19 and its economic impact, our plans for regeneration and planned maintenance will provide significant economic impetus to the borough.

1.2 Purpose of the Business Plan

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

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

- Provide a framework for managing key risks and for monitoring and evaluating progress in delivering the Business Plan.

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

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

2. Strategic context

2.1 Milton Keynes: The local setting

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

2.2 The strategic framework

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

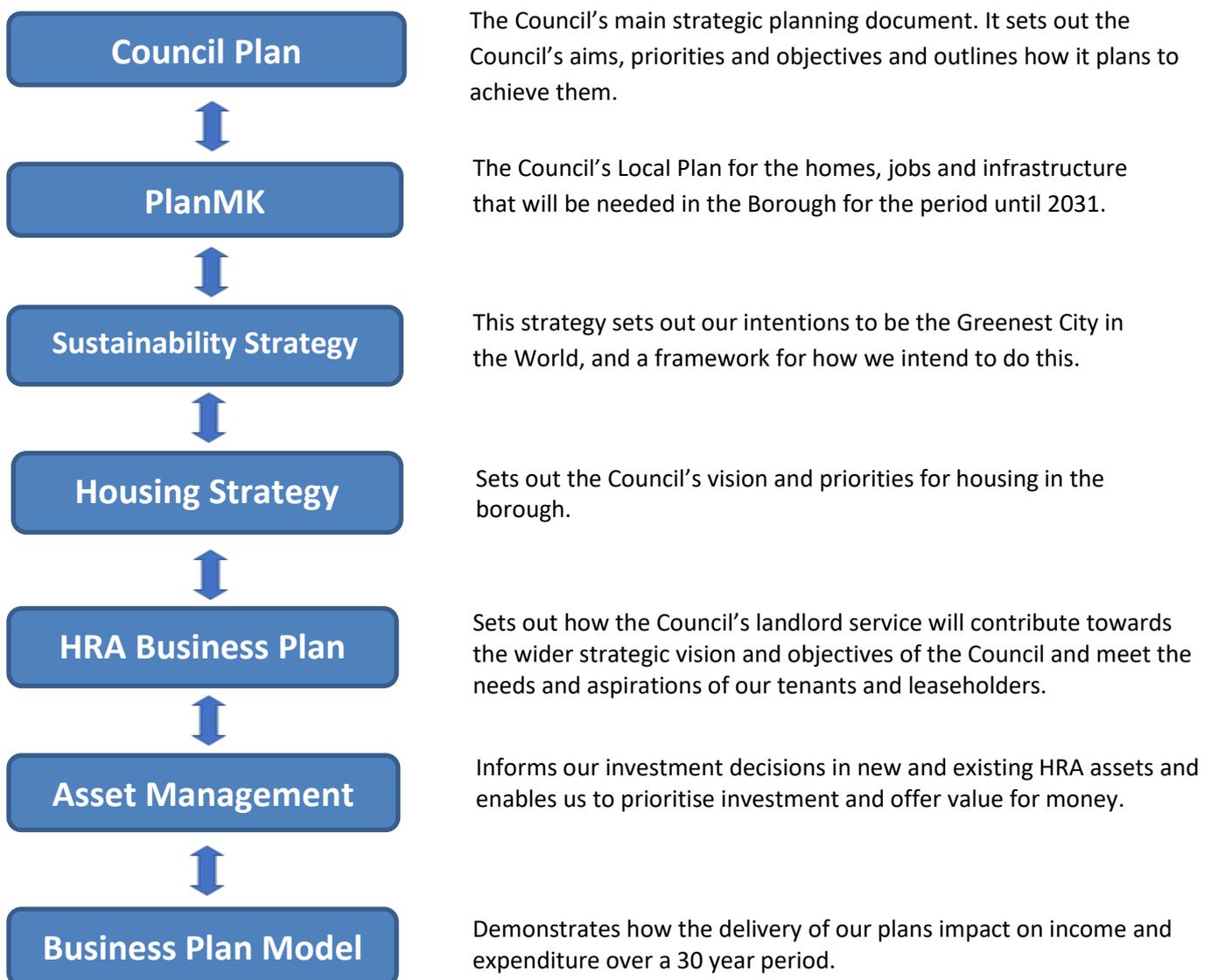
- the sustainability of our existing homes.
- how viable our current investment plans are in the long-term.
- the finances available for investment in new homes and investment in our existing stock and service.
- the role of the housing service in the Council's overall vision and priorities.

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

can understand the performance of our assets over the term of the business plan and can measure the return on investment against our own housing objectives.

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

The Strategic Framework



2.3 Covid-19: supporting economic recovery

Covid-19 is having an unprecedented economic impact on Milton Keynes, with 82% of businesses in the borough recording a decrease in domestic sales in the second quarter of 2020 compared to the first quarter. Approaching a third (30%) of companies expect a decrease in their workforce during the third quarter and 29% (33,900) of employees have been furloughed during the pandemic. The number of Universal Credit claimants aged 25-49 in Milton Keynes more than doubled from 2,275 in March 2020 to 5,221 in October 2020.

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

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

2.4 National context

2.4.1 National policy

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

The Autumn Budget 2017 set out an ambition "to put England on track to deliver 300,000 new homes a year." A revised National Planning Policy Framework was published in July 2018. The document refines the presumption in favour of sustainable development; confirms the position on preparing and reviewing plans; outlines the Government's plans to deliver a sufficient supply of homes; clarifies its definition of

affordable housing and commits to help making best use of land whilst achieving well designed spaces.

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

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

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

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

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

The major announcement in 2020 was the Government's 'New Deal for Britain.' Measures included investment in and delivery of infrastructure, a planning policy review paper, changes to the planning system to come into effect in September and support for housebuilding, including a £12bn programme for affordable homes over the next eight years. The Government has not yet published its response to the review of the current planning system.

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

- Homes England loan funding for infrastructure for four strategic housing sites

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

A Social Housing White Paper, 'The Charter for Social Housing Residents,' was published in November 2020, which sets to deliver transformational change for social housing tenants. Its stated aim is to "raise the standard of social housing and meet the aspirations of residents throughout the country." The Government plans to strengthen the Regulator of Social Housing to create new consumer standards for landlords to be measured against. This will be monitored by a new 'arm' of the regulator which will "proactively regulate on consumer standards including quality of homes, repairs, meaningful engagement with tenants and complaints handling." There will be a big focus on transparency with a new 'access to information scheme' and the Housing Ombudsman will have more powers to tackle complaints while the Decent Homes Standard will be reviewed. The Charter covers seven key areas that social housing tenants should expect:

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

2.4.2 Grenfell and the Hackitt review

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

- Ignorance of the regulations and guidance by those making decisions.

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

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

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

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

A Building Safety Manager is now in post with further Building Safety Surveyors to be appointed as responsible persons in line with the Government's new 'Building Safety Regulator' advice on tighter regulation of high-risk residential buildings. These new posts are funded through a budget pressure submitted in the 2021/22 HRA budget.

2.4.3 Universal Credit

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

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

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

2.4.4 Supported housing

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

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

3. Guiding principles

The HRABP has been developed in line with four guiding principles to ensure it is robust, efficient and deliverable:

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

3.1 Engagement

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

Our key aims are to:

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

To achieve this, we will:

- Facilitate improved engagement and communication between the landlord service and its tenants, including publishing an annual report.
- Develop a range of involvement opportunities, enabling all tenants and leaseholders to be involved in ways that work for them.
- Work with our tenants to meet the requirements set out in the Government's Social Housing White Paper.

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

Engaging with and listening to our tenants was critical when first developing the business plan in 2018 and has been equally as critical for the 2020 refresh. More information on how we engaged with tenants on the latest HRABP refresh and what they told us can be found in section 4.

3.2 Value for money

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

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

Housing and Finance staff are working to finalise a New Build and Acquisitions Value For Money (VFM) Protocol, to define the metrics through which the VFM of individual and collective New Build schemes (including the new build elements of regeneration schemes) can be consistently assessed and approved. This will be published with the next mid-year update.

3.3 Equality and diversity

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

The Council uses an Equality Impact Assessment (EIA) process when making decisions, updating policies and implementing projects to identify what effects decisions may have on the different communities in Milton Keynes.’ Assessments help

to identify potential impacts on protected groups (as defined in the Equality Act 2010), both positive and negative, and to look at how to avoid disadvantage or further improve the delivery of services. An EIA has been completed for the HRA Business Plan and determines that there should be no adverse impact on any communities in MK.

3.4 Environmental sustainability

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

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

4. Defining the priorities of the landlord service

4.1 Introduction

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

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

4.2 Engagement

The views, needs and expectations of our tenants are at the heart of this document and have been used to inform our priorities. Our engagement process has consisted of:

- A letter sent directly to all council tenants and leaseholders to make them aware of the consultation and explain why their views are important to us. This included a survey and a stamped addressed envelope.
- An online consultation page, including an explanation about the Housing Revenue Account Business Plan and the survey in an online format.
- Hard copies of the survey were given to our sheltered accommodation providers and staff supported those residents to complete surveys.

In total, 2,384 surveys were completed which equated to a response rate of 19%.

4.3 Tenants' priorities

The feedback told us that tenants and leaseholders priorities included investing in:

1. Repairs and maintenance of existing homes; this was by far the biggest priority.
2. Improvements to existing homes, prioritising kitchens, bathrooms, energy efficiency and dealing with mould.
3. Estate improvements, with a focus on paving and paths, fences and gates, pest control, and grass and shrub cutting
4. Improved entrance security for communal areas and sheltered accommodation

Tenants' priorities have been built into the refreshed business plan. A more detailed analysis of the consultation feedback is contained in Annex C to the Cabinet report of 2 February 2021.

5 Asset management and investment

5.1 Introduction

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

5.2 Stock composition

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

Property type	Numbers of units
Bungalows	1,971
Disabled adapted bungalows	573
Sheltered bungalows	111
Houses	5,199
Disabled adapted house	12
Sheltered houses	1
Flats	2,264
Disabled adapted flats	90
Sheltered flats	809
Maisonettes	88
Total Tenanted Properties	11,118
Leasehold properties	1,618
Shared Ownership	953

Table 1: MKC Property Type

A high proportion of the stock was built between the late 1960s and into the 1970s, which means that components across the stock will require replacing broadly at the same time. This will lead to spikes in investment need that is not ordinarily seen where the stock is built over a much longer time period. The investment programme will be 'smoothed' to address these spikes so that delivery of the programme is aligned to available capacity and funding.

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

There are some non-traditionally constructed properties, primarily of timber frame with lightweight external steel cladding systems. There are also 16 'Reema' blocks in Bletchley. Reema construction is a system of building using prefabricated reinforced concrete panels. Properties that are built using non-traditional methods and/or materials have their own specific maintenance issues and often cost more to maintain than other traditionally built properties. It is currently difficult to obtain a mortgage for properties built this way due to potential problems with similar large panel system construction buildings, such as Ronan Point. Before the end of 20/21, we will commission a separate survey of these properties and develop a strategy for the future of our non-traditional housing stock. Future potential investment need has not been factored into the 30-year financial model.

5.3 Stock condition and decent homes

Our consultation with tenants has shown that investing in our existing stock is the number one priority for tenants. Historically there has been a lack of investment in the Council's housing stock and as a result, 13% of our housing assets do not meet the Decent Homes Standard (DHS).

The capital investment programme (section 5.6) is addressing decency by prioritising new kitchens, bathrooms, roofs, windows, rewiring and energy efficient heating. Current stock decency levels are at 87%. In 2018 when the HRABP was first developed, the decency level was 65%. This significant improvement has been achieved due to the planned investment works undertaken during 2018/19 and 2019/20.

We will establish a new Milton Keynes Decent Homes Plus Standard that will be set above the Government's minimum standard as we look to address areas such as

damp and mould by upgrading insulation and fitting mechanical extractor units in all bathrooms and kitchens. Providing decent, safe, warm and secure homes for tenants is of paramount importance to us. The cost implications of this will need to be identified and considered alongside other future investment priorities within the HRA.

We will continue to carry out stock condition surveys and will ensure that our data is updated in real time, following planned investment. This is to ensure that we can continue to make investment decisions with the most up to date information available.

5.4 Energy performance

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

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

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

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

In line with the MK Sustainability Strategy 2019-2050 we are working with our partners to undertake energy assessments of our buildings to help us understand where best to invest as we create sustainable assets and communities.

5.5 Carbon neutral by 2030 and carbon negative by 2050

Milton Keynes Council's vision is to be the world's greenest and most sustainable city, using the opportunities of growth to tackle the challenges of climate change and resource competition to create a more prosperous city for all our people and future generations which is carbon negative by 2050.

Crucially, the Council is seeking to achieve its sustainability ambitions alongside preserving and improving the health and well-being of its residents. It is essential therefore that we take a strategic approach to our assets with a clear delivery plan and methodology underpinning it that enables available funding to be leveraged swiftly as it becomes available, whilst also meeting the longer-term priorities. It is all too easy to propose elemental additions to assets, without taking into account the 'whole house' performance of the asset, preservation of the energy produced, long-term maintenance and replacement costs and importantly the impact on the lives and fuel poverty of our residents living in their homes. A holistic approach to both asset performance and the health & wealth of residents is key in supporting carbon and sustainability plans.

Strategic Approach

To deliver our plans, we will build upon existing partnerships with Engie and Mears, working together to co-deliver the sustainable elements for the Council's housing stock, to enable the achievement of carbon neutrality by 2030 and carbon negative by 2050. We will deliver sustainable solutions as part of our repairs, maintenance and asset management investment role, following a structured methodology which is joined up and compliments the planned investment programme currently due to enter its third year of a five-year programme.

To align to the Council's Sustainability Strategy 2019-2050 the key areas we will focus on are:

- **Conservation:** reduce all elements of heat loss
- **Infrastructure:** maximise the efficiency of existing heat sources
- **Generation:** apply the appropriate renewable solutions
- **Funding:** robust and agile plan to access funding

Solutions include but are not limited to:

- Undertake a combined High-Level Assessments (HLA)/EPC/Stock Condition surveys of assets
- Retrofit housing to improve energy efficiency with a 'whole house' approach

- Installation of Photo Voltaic (PV) and other renewable energy solution such as air source heat pumps and electricity storage options
- Create new and expanded District Heating Networks and Energy Centres
- Continue waste diversion from landfill to achieve a step change to 100% by 2030
- Maximise digital platforms in core repairs and maintenance and related asset management activity to minimise travel time and resulting carbon emissions
- Ensure that all contracts require low carbon suppliers
- Invest in green jobs creation for Milton Keynes residents

Over the next three years of our five year £165m planned investment programme we are estimating at least £50m will be spent on improving energy efficiency. We will focus on our sheltered units, estates such as Fuller Slade, Coffee Hall and Tinkers Bridge and large blocks such as Granby Court, Everglades, Furze House and Bellfounder House where we will invest in energy efficiency works to reduce fuel costs for our tenants, lower our carbon emissions and provide decent, warm, safe and greener assets fit for the future. We will take advantage of Government funding to help improve the energy efficiency of our housing stock, working with local partnerships to complement our planned investment programme and retrofitting our assets with new and evolving green technology in line with our ambitions to become a carbon neutral city by 2030 and carbon negative by 2050.

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

Scheme	Emission reduction tonCO2e
Granby Court	460.63
Everglades	176.23
Furze House	31.85
Bellfounder House	125.94

5.6 Five-year capital investment programme

The Council's £165m five-year investment programme started in 2019 and prioritises decent homes. Making homes dry and safe and improving energy efficiency across our housing stock reflects the priorities of our residents as stated in the consultation. It is envisaged that following the five-year programme to bring the council stock to decent homes standard, the council will invest £13m a year in planned maintenance

and this has been built into the baseline model so the mistake to underinvest in planned maintenance is not repeated.

The programme also incorporates:

- Major fire related short-term investment on our two tower blocks, The Gables, Wolverton, and Mellish Court, Bletchley.
- Improved energy efficiency works to our sheltered housing stock and blocks of flats such as Granby Court and estates such as Fuller Slade, Tinkers Bridge and Coffee Hall.
- 16 'Reema' non-traditional blocks with the possibility to re-model or redevelop these sites. Feasibility studies are to be carried out on the future of these assets and their wider footprint for redevelopment opportunities.
- Harrier Court, a general needs flatted block served by a steel walkway which has come to the end of its economical use. The walkway and balconies will need to be replaced in order to provide access and egress to the building. Replacement of this walkway will take place during 21/22.
- In 2018 major flooding affected many properties across the Woughton estates. We will undertake flood defence works across estates where the threat of flooding is an issue.

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

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

It should be noted that the capital investment programme is live and may attract change due to factors outside of its control such as extreme weather and COVID-19 restrictions.

Five year capital investment budget 2019/20 – 2023/24

	2019-20	2020-21	2021-22	2022-23	2023-24
Total	25,579,125	29,062,374	41,528,413	37,529,500	37,448,000

The programme will be set out and agreed each year. Working with Mears and Engie, the Council will also be seeking government funds to support and accelerate our works to improve energy efficiency.

5.7 Planned investment and repairs on regeneration estates

The Council makes no distinction between properties in regeneration areas and those outside regeneration areas when making HRA investment decisions and carrying out day to day repairs. All properties are treated in a fair and equitable manner. The only time when planned investment may stop is when Cabinet approves a Demolition Notice and this notice is served upon affected tenants. At this point, a property may be removed from the investment plan or consideration given to replacing components when beyond economical repair. Tenants will be informed of this at the appropriate time in the event that a Demolition Notice becomes necessary. All day to day responsive repairs will continue up to the point of demolition to keep the property safe and secure as far as possible, with the option to decant if the property is deemed uninhabitable.

5.8 Compliance

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

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

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

Electrics

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

Asbestos

The Council's approach to managing asbestos is to carry out visual inspections of all properties and note the location of asbestos in an Asbestos Register. Only if the asbestos is damaged or considered unsafe will it be removed, or work carried out to make it safe, as advised in national guidance. When major works are required to a property, for example the installation of a new heating system, bathroom or kitchen, a further intrusive survey will be carried out to identify what action needs to be taken. Only if it is deemed necessary to remove asbestos, either because it is damaged or to enable the replacement of a specific attribute, will the Council remove it. Only qualified and certified contractors will be commissioned to undertake the surveys and remove asbestos in a controlled environment, disposing of any hazardous materials in a safe, controlled manner.

Gas

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

Water Hygiene

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

Lifts

The Council carries out regular inspections of all its lifts. A full condition report is undertaken by a qualified specialist with any recommendations actioned. Inspections are separate from any maintenance or service and only carried out by a company who

is competent and has sufficient technical and practical knowledge of the lift. The company that undertakes this duty for the Council is impartial and independent from the company that carries out our lift maintenance work. This is to allow for an objective assessment of the lifts and any works required.

Housing Health and Safety Rating System (HHSRS)

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

5.9 Responsive repairs and maintenance service

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

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

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

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

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

- Meet all applicable statutory requirements that provide for the health and safety of the residents in their homes.

Following the Council's decision to bring the contract management or client function of the repairs service back in house, it is taking steps to ensure the service meets the needs and expectations of tenants, drives up quality and delivers value for money. To enable the client function to grow and have greater control over the direction and governance of the repairs and planned investment works and ensure we meet our statutory obligations as a landlord, we will look to increase the resource within the Asset Management and Investment team. We have ambitions to directly deliver the repairs and maintenance service when the contract with the current contractor ends in 2024 and will robustly assess options for future service delivery, including the direct delivery or creation of a Direct Labour Organisation (DLO).

The customer satisfaction, quality of works, average void turnaround times, disrepairs, compliance and health and safety performance are key areas across the contract that need to have a stronger client lead. The current capacity of the client is significantly limited and needs to be increased to effectively manage the contracts with an additional budget of £1.12m required to meet this demand in resource and prepare the service for direct delivery. This budget has been included into the BP Model.

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

Tenants have a responsibility to look after their property as defined within their tenancy agreement. We will be introducing a robust Recharge Policy in April 2021, aimed at charging tenants for necessary repair work, maintenance work and any other general housing costs created by deliberate and wilful damage or negligence caused by the tenant, their household or any visitors to the property to fixtures and fittings or

communal areas. This policy will have a direct influence on lowering the levels of repairs raised and costs associated with wilful damage and will promote positive tenant behaviour.

A new Voids Lettable Standard will be introduced aimed at setting acceptable standards for works undertaken on properties when properties become void once tenants move out. The standard will cover all areas inside and outside of a property and provide clear guidance for contractors as to what standards are acceptable before handover for re-letting. Incoming tenants will also be informed of what to expect when they move into their new property. The Asset Management and Investment team will monitor standards delivered from its contractor by undertaking pre, mid and post inspections of void properties.

We continue to work with contractors to improve services through an annual review mechanism within the contract, to bring about continued improvement and value for money. This review takes place annually in February and gives the Council the opportunity to reset costs for the following year. A further annual contract performance review takes place in June and analyses actual performance delivered on KPIs and cost information for the previous year. As part of this process, the Council has agreed to amend two KPIs to ensure a more responsive repairs service is provided, that meets tenant needs and expectations:

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

5.10 Leaseholders

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

The Council will ensure that statutory consultation with leaseholders is undertaken in relation to specific programmed works, and officers within the Homeownership Team

will be kept fully informed of proposed programmes to enable them to serve requisite notices.

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

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

5.11 Housing for older people

The number of vacancies within sheltered schemes fluctuates, and supply and demand are not always in balance. The allocation process for sheltered housing has been recently reviewed and now includes an assessment of need carried out by the sheltered housing team to ensure that the support needs of the tenant are fully considered. The number of voids has been higher than expected due to the COVID-19 pandemic and the delays in preparing properties for re-letting. As of January 2021, there were 28 voids in sheltered housing; much higher than the usual weekly figure of 6-8.

There is a programme of major works in place that identifies schemes that have major work requirements including roofing, LED lighting upgrades and energy efficient boiler replacements, and options for remodelling. We have undertaken high level assessments of our sheltered housing stock as we look to lower carbon emissions and introduce cleaner energy options. In the recent consultation, tenants identified front entrance security as a priority issue so this will be reviewed, and improvements made where needed.

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

In line with the sheltered housing plan (2017) Buckland Lodge has now been closed and demolished to make way for a new scheme of housing both for older people and general needs. A business case is being developed for this new scheme, which will also set out the funding requirement which will need to be balanced against other investment priorities.

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

The Council will explore 'future proofing' options within the general needs housing stock to make homes more fuel efficient, flexible and adaptable to meet the changing needs of an aging population. It will work with tenants in the development of new technology to contribute to the sustainable future of the sheltered and supported housing business. Further high-level assessments of some of our sheltered stock took place during 2020 under the Re:Fit programme which will provide the Council with blueprint options on how to reduce its carbon footprint through cleaner energy options. These high-level appraisals are now being developed into investment grade proposals (IGP's) complete with costings ready to consider for implementation. The Re:Fit programme is being led by the Sustainability Team.

5.12 Aids and adaptations

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

During 2019/20, 263 aids & adaptations were completed to MKC's housing stock, with 189 adaptations being completed to private dwellings properties ranging from the installation of stair lifts and wet rooms to building ramps and platforms to ensure tenants can remain living in their homes as independently as possible. As of 4 January 2021, 168 adaptations had been completed, 27 in progress and 125 waiting at various stages of the process. The demand for adaptations increases every year as our population ages and the Council houses more tenants who need care and support as well as suitable housing.

Each request for an adaptation is assessed by an occupational therapist and then presented to a multi-agency panel for funding approval. Approximately 5-10 referrals are received each week for aids and adaptations. Consideration is given to the appropriateness of the adaptation and the feasibility for that property. Once approved the work is designed and carried out by the Council or a contractor on its behalf.

6.0 Regeneration and estate renewal

6.1 Introduction

Following an extended consultation, the Council's next iteration of the Regeneration Strategy, the 'Community-led Regeneration and Estate Renewal Strategy' was adopted in October 2020. This strategy sets out our strategic priorities for community-led regeneration and estate renewal under six key themes:

- **Housing:** increase the supply and quality of council homes to meet housing need and tackle the housing crisis
- **Communities:** improve the quality of the local environment with better green and open spaces, supported by good infrastructure and community facilities
- **Environmental sustainability:** reduce our carbon footprint and contribute towards the aim for MK to be carbon neutral by 2030 and carbon negative by 2050
- **Health and wellbeing:** promote a high quality of life for people of all ages and backgrounds, in connected and healthy neighbourhoods
- **Community safety:** tackle crime and antisocial behaviour (ASB) to ensure that people feel safe and secure in their homes and neighbourhoods
- **Better jobs and skills:** enable people to maximise economic opportunity in Milton Keynes through targeted support for training, employment and enterprise

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

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

6.2 Regeneration and estate renewal

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

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

As has been stated in the Community-led Regeneration and Estate Renewal strategy, in order to identify which other estates and neighbourhoods are most in need of investment, we will consider a range of local data and information including:

- The quality of council housing
- Environmental ratings of council housing stock
- Localised police data on crime and ASB
- Indices of Multiple Deprivation

Using these criteria, a scoring matrix will be developed to identify which estates and neighbourhoods are most in need of investment. This will enable the Council to prioritise estate renewal resources based on need.

The Lakes estate renewal project is the furthest advanced of the renewal programmes. Planning consent was received in September for Phase A with outline consent also being granted for Phase B at the same time. We are expecting to undertake a procurement exercise in early 2021 linked to the delivery of Phase A. This will allow for the construction of the new council homes required to cater for the decanting of Serpentine Court. Alongside this, environmental works will begin on-site, following engagement and consultation with residents to improve sections of the public realm. The works are:

- (a) to improve courtyards;
- (b) to renew play areas; and
- (c) to carry out cycle route improvements.

In addition to the Lakes, we will continue to progress with the Fullers Slade estate renewal project. Following this we will progress discussions with the other priority areas and look to build on the initial discussions regarding the potential on Netherfield.

6.3 Community engagement

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

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

Each estate renewal forum will establish subgroups to lead on the key themes within the strategy and these thematic groups will be supported by the relevant team members from Council service areas.

7.0 Increasing the supply of council housing

7.1 Introduction

The Council has an ambition to deliver 1,200 new council homes over the next ten years. A detailed programme of schemes is being developed to deliver against this target with each individual scheme being prioritised, taking into account the funding requirements and financial viability of each. We have set this ambitious council house building target to ensure that we have enough affordable housing in the borough to meet local needs, taking into account the projected number of homes we are expected to lose through Right to Buy and the number that could be delivered through the planning system over this period.

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

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

7.2 Approach

The Housing Delivery service will act as lead client in the procurement of new build activity and will work closely with a range of partners, including MKDP, to maximise delivery. Most council new build developments are likely to be on council owned land, although consideration will be given to acquiring privately owned land subject to funding and viability, especially in areas where demand for council housing is highest, or where it aids land assembly to facilitate bringing forward larger or more complex schemes.

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

7.3 Funding and viability

In October 2018, the Government, removed the borrowing cap imposed on local authorities' Housing Revenue Accounts. This provides increased flexibility to develop an increased level of Council Housing, something that we were unable to do previously. It has given local authorities the power and flexibility to deliver their development and regeneration programmes in-house, by providing a more flexible funding regime. Borrowing rates are at historical low levels which helps to support higher levels of investment in our stock. There are still key constraints on the HRA particularly in respect of continuing rent controls which limit our ability to raise additional revenue above CPI+1% and the continuing loss of stock through the RTB.

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

The HRABPM (HRA Business Plan Model) is the rolling 30 year financial forecast position of the HRA Business Plan and is set out in Annex B to the Cabinet report of 2 February 2021. This sets out the financial assumptions within the business plan, the approved capital and revenue budget, sensitivities within the plan and key treasury management considerations in order to manage borrowing levels in line with the prudential code. This will be reviewed annually and is subject to change as the economic consequences of Brexit and Covid 19 become clearer.

7.4 Mellish court and The Gables

The Council owns and manages two tower blocks – Mellish Court and The Gables. The Council commissioned its structural engineering specialists, to carry out intrusive surveys of both buildings. These surveys identified compartmentation issues at both blocks and concluded that neither block meets current health and safety standards given their age, as both were built in late 1960s. As a priority, short term mitigating measures have been put in place in discussions with Buckinghamshire Fire and Rescue Services to ensure the safety of residents. This includes upgrades to smoke/heat detectors and fire doors, evacuation plans and procedures, a 24/7 warden patrol service, increased presence of caretakers and housing officers and a decant plan.

Extensive engagement is ongoing with residents to ensure they have every opportunity to ask questions or raise concerns. An eight-week consultation on whether the Council should refurbish the blocks or demolish them and build new council homes on the site, commenced on the 14 December 2020 with a delegated decision report to be considered on 2 March 2021 following the consultation. For council tenants this is a statutory consultation under section 105 of the Housing Act 1985. Whilst there is no statutory requirement to consult leaseholders and private tenants on this matter, we will extend the consultation to them. If it is decided, having taken consultation responses into account, to demolish and build new council homes on the site, we will invite current residents to engage with us on developing the proposals.

The Council is appointing architects to work with residents and the wider community to develop options that have the potential to deliver at least the same number of council homes which would be lost if the two blocks are demolished. These options will be developed with engagement from local residents and ward and parish councilors, should the decision be taken to demolish and rebuild new council homes following the s105 consultation commencing in December 2020. This work will involve a full options appraisal of what can be delivered and how.

8. Housing Operations

8.1 Introduction

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

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

8.2 Supporting tenants to sustain their tenancies

This will be achieved by:

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

8.3 Looking after and maintaining council estates

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

- Carrying out regular estate inspections
- Providing each Neighbourhood Officer with a budget to invest in local improvements
- Providing a comprehensive caretaking and cleaning service to maintain local estates and blocks, including investing in additional staff, vehicles and equipment.

We will extend the caretaking service to sheltered housing schemes and develop local offers for our tenants, such as landscaping and handy person services.

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

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

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

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

9. Financial plan

9.1 Rent and Service Charge policy

The Council's rent and service charge policy (Annex D) is in general to follow the Rent Standard except in the following cases:

- Shared Ownership rents are increased or decreased by the same percentage rate as charged for Council rents in the previous financial year, in compliance with the Shared Ownership leases,
- New-build properties financed through capital receipts from retained "one-for-one" replacement of Right To Buy sales, or from Homes England grant, are charged rents equal to the prevailing Local Housing Allowance, and increased or decreased annually by the same amount as the Local Housing Allowance

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

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

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

9.2 Leaseholders' Service Charge policy

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

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

Leaseholders are consulted on the proposals for works and the costs to be recovered in accordance with S.20 of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002, Section 151. Where mandated by statute, the Council provides additional time to pay major works charges. The Council does not provide additional time to pay major works charges under any discretionary arrangement.

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

9.3 Other fees and charges

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

9.4 Right to Buy receipts

Receipts from the sales of property under the Right to Buy (RTB) are partly paid to government, and partly retained by the Council for the construction or purchase of new affordable rented housing, up to a maximum of 30% of costs.

This means that where the Council sells a property under the RTB the Council continues to retain any outstanding debt and cannot use the receipt to fund the repayment of the debt, thereby spreading this cost across other tenants.

9.5 Other capital receipts

Receipts from the sale of other housing assets would be used by the Council to fund housing capital expenditure, though no sales are currently planned.

9.6 Borrowing and treasury management

The Council has borrowed about £244m in the past to fund the construction, purchase, and planned maintenance of Council housing. The government had set a maximum of £260m on the Council's total borrowing for housing, which limited the amount of new Council housing that can be afforded, but this cap was abolished in October 2018 enabling Local Authorities to set their own local borrowing limits. Whilst the removal of the HRA debt cap gives rise to more capacity to invest in housing stock, and although currently accompanied by low market interest rates, it is not a panacea for unconstrained borrowing as the revenue financing costs of servicing new debt, must be sustainable over the long-term.

Borrowing activity is subject to the provisions of the Local Government Act 2003 which requires local authorities to have regard to the CIPFA Prudential Code when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that decisions are taken in accordance with good professional practice. Annex B to the Cabinet report of 2

February 2021 sets out the financial elements and metrics that will be used and this will also be included as part of our Treasury Management Strategy.

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

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

The September 2020 cabinet report set out the implications of this separation into "two pools" and the impact on the HRA, along with the changes to the Treasury Management strategy which will ensure that HRA borrowing is affordable and effectively managed.

9.7 Statutory accounting

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

9.8 Annual budget

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

9.9 Medium term financial planning

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

9.10 HRA business planning

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

viable in the long term, so that the future condition and management of tenants' homes can be assured.

Annex B to the Cabinet report of 2 February 2021 shows the position of the current Business Plan Model reflecting the delivery of the current Business Plan. This will be reviewed annually.

10. Governance and risk management

10.1 Governance

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

10.2 Monitoring

The Council has in place an established annual financial and service planning cycle. This sets the process for refreshing corporate priorities, aligning budgets, undertaking corporate and service planning activities and reporting against progress, with ongoing engagement with the community, partners and staff taking place throughout. The monitoring and refreshing of the HRA Business Plan is integrated into this process and the plans, performance indicators and risk assessments contained in the appendices to this document will be updated accordingly. In future, the HRA Business Plan document and the 30-year Financial Plan that underpins it will be reviewed and updated on an annual basis. The review will take into account any changes to legislation or policy, changing local priorities and it is intended to feed into the annual budget-setting process.

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

10.3 Risk

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

10.4 Performance

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

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

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

10.5 Customer feedback

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

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

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

the number of enquiries received will not always match the number of decisions made.

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

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

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

11. Action Plan

A detailed HRA BP action plan will be produced, built around our investment priorities, the capacity within the HRA and opportunities for external funding. This will be reviewed annually to reflect policy changes and residents' priorities, with a more extensive review at least every five years.