

**City of Lincoln
Housing Revenue Account 30-Year
Business Plan
2024 - 2054**



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Foreword

Welcome to this document which sets out the City of Lincoln Council's ambitions for its housing stock for the next 30 years.

The City Council has been providing much needed affordable quality homes for the people of Lincoln since 1920 when we completed our first properties in the north of the City. We are proud of our housing and passionately believe in the positive influence, good quality, affordable housing has on people's lives.

We currently have a housing crisis throughout the country with an acute shortage of affordable housing.

This housing crisis includes the City of Lincoln and is an immensely challenging situation. Rising inflation, increases in interest rates, the cost of living crisis, changes in the private rented sector and the effects of the war in Ukraine have simultaneously changed the world we operate in.

We must play our part in addressing climate change and the strategy presented here complements our existing actions in response to the climate and environmental emergency declared by the City Council in July 2019.

We must also respond to changing national legislation and guidance and in particular the regulations brought in to ensure that the tragic events of Grenfell never happen again.

This document sets out the next phase of our journey and although difficult times lie ahead, we have plans to address what is ahead of us.

We will provide more housing and we will ensure our housing stock management dramatically reduces its impact on the environment. We will invest in and improve our existing estate areas whilst at the same time strive to improve our services for our tenants.

Our mission is to provide good quality housing which meets the varied needs of our residents and to do this we have developed a set of ambitious goals. The City Council's strategy, Vision 2025, sets out our aspirations to deliver a fairer more prosperous place to live and work for our residents, and delivering good quality housing and neighbourhoods is central to this goal.

This 30-year business plan describes our long-term commitment to deliver real improvements to the city's council housing stock and surrounding neighbourhoods and to do this we have identified four main objectives: -

- **Core Housing Services** - Tenants consistently place core housing services such as repairs, caretaking and landscaping as their number one priority and we will work to ensure that Lincoln is ranked amongst the country's top performing social landlords.
- **New Homes** - Our plans to build, acquire and enable the development of 1,700 additional homes over 30 years means that we will reduce homelessness and provide a greater choice of places for people to live.

- **Estate Regeneration** - Our plans to regenerate estates means that we will tackle problems like parking, crime and anti-social behaviour by improving the urban landscapes (the look and feel) of our streets and neighbourhoods.
- **Decarbonisation** - Our plan to achieve an energy performance rating of C for all our council housing properties by 2030 means that we will protect the environment by reducing our carbon footprint and making homes cheaper to run for residents.

In conclusion, I wish to place on record our deep appreciation for the tenants and for our staff who work so hard to provide supportive communities, homes and services to our tenants and their families. Thank you also to the many people who have contributed to this document and I look forward to delivering the plan with you all.

Donald Nannestad. Portfolio Holder for Quality Housing and Deputy Leader of the Council.

October 2023.

1. Introduction

The Housing Revenue Account (HRA) is a ring-fenced financial account used to manage local authority social landlord activities. It is funded through rents and service charges from council tenants and leaseholders. It is ring-fenced in law and can only be used to provide services such as repairs and maintenance, landscaping and caretaking to council housing tenants or leaseholders or to fund the development or acquisition of new council homes or other related capital projects.

The HRA Business Plan was last reviewed and updated in spring 2023 and this review aims to provide an updated long-term HRA Business Plan written and approved for the 2024/25 financial year.

This Business Plan is our strategic plan for managing and maintaining Lincoln's council housing properties and estates. It also sets out how we will provide housing services to support our tenants, and their families, to live in well maintained and sustainable homes, which will be safe, secure, and of a high quality. It sets out our short to medium term plans and priorities for the housing service. The strategic objectives set out within the plan, will influence our longer-term (30 year) plans for financial planning and investment into our existing council housing and for the provision of new homes.

At the heart of the plan is our desire to provide quality housing and to make our neighbourhoods, clean, green and safe. Our aim is also to use this investment to support long-term improvements in communities and neighbourhoods by improving wider socioeconomic factors such as health, welfare, crime, and education.

Over the last decade the social housing sector has seen significant challenges including the impact of rent cuts imposed by central government, political uncertainty, increased demand for social housing, the focus on increased fire and building safety measures and the surge in operational cost inflation caused by international conflicts. This has combined to create a difficult operational environment.

However, the abolition of the previous borrowing cap allows flexibility to develop longer-term solutions to address these challenges and for us to help deliver our housing goals.

Within this plan, we consider the current investment needs of our homes, recognising our ambitious plans to regenerate our estates and develop and acquire additional affordable homes.

The finance section describes the key assumptions we have made to develop the financial model. These assumptions form the basis of our long-term plans and demonstrate how we can grow surpluses that will enable sustainable investment in our homes and neighbourhoods.

2. City of Lincoln Corporate Vision and Objectives

Lincoln's Vision 2025 sets out what the Council want to achieve by 2025 and how we will achieve it. It focuses on five key priorities to deliver Lincoln's ambitious future, they are:

- 1. Let's drive inclusive economic growth.**
- 2. Let's reduce all kinds of inequality.**
- 3. Let's deliver quality housing.**
- 4. Let's enhance our remarkable place.**
- 5. Let's address the challenge of climate change.**

In 2020 the council agreed a new Housing Strategy to deliver "*quality affordable homes in which people can feel safe and thrive*". This strategy supports Lincoln's corporate vision and sets out a plan to deliver quality housing through three key objectives:

- **Provide housing which meets the varied needs of our residents.**
- **Building sustainable communities.**
- **Improve housing standards for all.**

The HRA Business Plan supports and complements Vision 2025 and the City of Lincoln Housing Strategy's aspirations and sets out the financial assumptions and planning to deliver those aims. The HRA Business Plan commits to:

- Ensure the housing services funded through the HRA are efficient and effective.
- Maintain the quality and safety of the existing supply of council housing stock.
- Deliver major repair and component replacement programmes to the stock.
- Invest in new homes.
- Increase the supply of housing to tackle homelessness.
- Invest in the delivery of new affordable homes for rent.
- Review HRA assets to maximise their effectiveness and efficiency.
- Improve the quality of neighbourhoods.
- Supporting the Council's goal to achieve net zero carbon by 2030.

This Business Plan provides an overarching framework that sets out how we will deliver these objectives. It also provides a prudent financial base for the delivery of specific services and goals that are set out in greater detail in the associated Housing Strategy and Asset Management Strategy.

3. National and local context

3.1 National factors affecting the HRA

The period from 2016 has seen the country face many challenges as it strives to cope with; changes to the political landscape. The period from 2022 has seen significant uncertainty, with economic challenges and political changes at home and a war in Ukraine. This section describes some of the national factors that influence Lincoln's HRA Business Plan.

Social Housing (Regulation) Act 2023

A Charter for Social Housing Residents

The Government's new Housing Bill received Royal Assent on 20th of July 2023. The aim of the Act is to deliver 'transformational change' for social housing residents to empower residents, provide better redress, better regulation, and improve the quality and safety of social housing. Key provisions include:

- Making safety, transparency, and energy efficiency part of the Regulator of Social Housing's fundamental objectives.
- Enable the Regulator to set standards for the competence and conduct of staff working for registered providers of social housing.
- Giving the Secretary of State the power to introduce new requirements for registered providers relating to health and safety measures.
- Regular inspection of registered providers with specific focus on economic regulations and tenant satisfaction measures.

The introduction of the Act is already having a direct impact on the governance and operational service delivery of Lincoln's council housing service. The Act contains a charter that sets out seven commitments that residents should expect from their landlord: -

1. To be safe in your home.
2. To know how your landlord is performing, including on repairs, complaints, and safety, and how it spends its money.
3. To have complaints dealt with promptly and fairly, with access to an Ombudsman.
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 landlords.
6. To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair.
7. The Government will ensure social housing can support people to take their first step to ownership.

The Act also promises a range of other measures and reforms, each of which is relevant to the City of Lincoln Council:

- A reformed Regulator of Social Housing with new reactive and proactive consumer regulation.

- The Regulator to inspect organisations with over 1000 homes at least once every four years to review compliance with the consumer standards.
- A strengthened housing ombudsman which allows tenants easier access and speeds up complaint resolution as well as new quarterly webinars for residents on insight reports about complaints data learning points and case studies.
- A series of key performance indicators that landlords will be required to report against with proposed satisfaction measures on repairs safety, complaints engagement and the neighbourhood management. Landlords will also be required to report on executive pay and how they spend their money.
- A new accountable person for safety and consumer standards within each landlord.
- An expectation the tenant should be able to access key information from their landlords.
- An intention to tackle antisocial behaviour by clarifying the roles of different agencies and signposting who can support residents.

The requirement that all registered social landlords must collect and publish a range of 22 satisfaction measures on areas such as repairs, safety checks, complaints and tenant perception of a landlord's services must be implemented.

The Council will continue to be proactive and feels the Act builds on some of the initiatives we have already taken and will help to continue to strengthen our future service delivery. We have also introduced actions to ensure that the new data is being collected and will be first published in April 2024.

Damp and Mould

Damp and Mould in housing is of concern nationally and the Housing Secretary has written to all councils and social housing providers instructing them to declare details of damp and mould issues affecting properties and how it is being tackled.

Many of our homes are older and could suffer from condensation or a lack of ventilation leading to mould problems. During 2023 we have reviewed and updated our property standards and operating procedures to ensure they meet the needs of tenants and our obligations as a landlord.

Decent Homes 2

The original Decent Homes Standard was introduced in 2000, it set a minimum standard that all social landlords had to meet by a target date of 2010. The Government is now working to update the Decent Homes standard and plans to deliver an updated set of standards that all social houses must meet.

We have previously developed a 'Lincoln Standard' which goes beyond the original Decent Homes standard and we will review and update this standard early in 2024 in line with published updated standards.

Cost of Living Crisis

The impact of the global economic situation as a result of international conflict and increased inflation has materially altered the outlook for the UK economy and increased uncertainty

over what may happen next. In the UK steeply rising energy prices have led to rising inflation and a 'cost of living crisis' for many, with the low paid and vulnerable the worst hit. The Government consulted on a potential rent cap which could reduce HRA income at a time when costs are likely to increase.

We subsequently increased rents by 6.5%, this equates to a real-term reduction in resources, which could affect the long-term financial sustainability of the HRA and impact investment decisions.

Building and Fire Safety

Following the Grenfell fire in 2017, Government introduced several measures to improve fire and building safety especially in high rise blocks and buildings of multiple occupancy.

The Hackett report was published in 2018 and set out over 50 recommendations for the delivery of a robust regulatory system. In response to this Government introduced the Building a Safer Future (BSF) initiative as a framework to address the shortcomings identified by the Hackett enquiry.

Two key pieces of legislation support this initiative – the Building Safety Act and the Fire Safety Act. The Fire Safety Act received royal assent in April 2021 and the Building Safety Act received royal assent in April 2022. Many of the detailed provisions in the Acts will be implemented over the next two years through a programme of secondary legislation.

Following consultation and formal introduction of the Acts it is likely that there will be additional requirements to further improve building and fire safety. In Lincoln we recruited specialist fire safety expertise to provide professional guidance in reaction to new and changing regulations and legislation around building safety.

Works are planned and resident engagement activity has increased to ensure residents are able to appreciate the nature of the fire risk. The tower blocks are all regarded as low risk due to the construction methods and additional control measures and rectification works, carried out over the last few years.

All tower blocks have dedicated fire strategies and we have completed the Type 4, intrusive Fire Risk Assessments. This is a critical step to develop the building licence, required under the Building Safety Act. The other property archetypes with communal areas, are being assessed on a rolling programme. This is being managed by a specialist in-house team. The processes created has seen an increase of fire safety works across this stock and an improved level of management of risk.

Government Home Ownership Products

The Government has introduced Home ownership products to promote home ownership for first time buyers. This includes Help to Buy schemes and First Homes. The risk for Lincoln is that these schemes will encourage tenants to buy their council homes (especially modern or new build properties) at a time when the Council is looking to increase the number of Council homes.

Right to Buy Receipts

Recent changes in the Right to Buy regulations extended the period that receipts can be retained from three years to five years. At the same time the level of receipts that can be used to support development spend has increased from 30% to 40%.

Prudential Borrowing

HRA's became self-financing in 2012, with restrictions placed on the level of external borrowing. The Government removed the debt cap in 2018 and HRA borrowing became subject to similar prudential borrowing guidelines as other Council Funds. This change provides an opportunity for Lincoln to increase the supply of affordable housing, however, it needs to ensure that the investment represents value for money and that it can meet the costs of the borrowing.

Welfare Reform

Two recent governmental policies have affected the HRA.

The Welfare Reform and Work Act 2016 required social landlords to reduce rents by 1% each year for four years from April 2016. From April 2020 social landlords could increase rents by the Consumer Price Index (CPI) plus 1% for at least five years. The overall effect of these changes has been to reduce the revenue available to the HRA by a cumulative total of circa £17million. In 2022 the Government consulted on the introduction of a second cap on rents which resulted in limiting the annual rent increase in social housing to a maximum of 7% in 2023/24. With sector inflation running at 11.1% (in September 2022) this means that the HRA saw a substantive reduction in income as rent levels during the period did not keep in line with sector costs.

From March 2018 Lincoln Council became a Universal Credit (UC) full-service area which meant any working age person/couple making a new claim for Housing Benefit, Employment and Support Allowance, Income Support, Job Seekers Allowance or Tax Credits would apply for UC. From September 2023 Department for Works and Pensions (DWP) will begin managed migration for customers on Tax Credits only, with a view of completing managed migration for all working age customers by December 2028. The introduction of UC has brought changes to the rental profile of our tenants as shown below: -

- 25% are in receipt of full housing benefit
- 10% are in receipt of partial housing benefit
- 36% are in receipt of Universal Credit
- 29% do not receive any of the above

**Data in December 2022*

These changes to the welfare system represent a major change and we will continue to monitor the impact of these changes on rent collection and associated bad debts.

Coronavirus (COVID-19) Pandemic

Coronavirus continues to cause disruption to all areas of society and business in the UK. The pandemic changed the ways in which we operate and limited our ability to interact with and serve customers. This was especially noticeable for services where tenants visit one of our offices or where we must enter tenants' properties to carry out repairs or mandatory safety checks. It is now much more difficult to recruit or retain staff, especially for customer facing roles, as people are now making different lifestyle decisions and are seeing hybrid working with less time in the office and more time working from home as more desirable.

The situation has not yet returned to normal and many of our contractor and supply chain partners continue to be affected and this has led to delays in many projects and programmes of work. We continue to monitor and respond to the situation.

Brexit – Leaving the European Union

The UK left the European Union on the 31 January 2020. It is difficult to quantify the consequences of Brexit because the impact of the move was overshadowed by the COVID pandemic. However, there are several areas where we continue to notice the effects of Brexit on the HRA:

- Imports from the EU have been disrupted by the new border formalities, 60% of construction materials and 80% of softwood comes from the EU and our exit has led to shortages of goods and materials and higher costs.
- Brexit has led large numbers of EU workers to leave the UK, which in turn has led to shortages of skilled labour in the construction and maintenance sectors, HGV drivers etc.
- It is now more difficult to recruit staff with more job vacancies.
- Prices for goods, services, and utilities continue to rise, for example the National Federation of Housing (NATFED) estimate that repairs and maintenance costs have increased by 16% in the 12 months from April 2022 to March 2023.

Radon

The health risks associated with radon gas in houses is an emerging theme for social landlords. Radon is an odourless colourless radioactive gas that is everywhere both inside and outside homes. We are currently assessing any potential risk to our tenants and preparing a Radon Management Plan. Once the risks and the required remedial works have been identified they will be programmed into our property investment programme.

3.2 Local factors affecting the HRA

It is important to understand the local context and its impact on shaping and influencing long-term planning and the delivery of housing services and associated projects. The following section provides an insight into the city's socio-economic make up and the local demand for social housing.

Socio-economic Factors¹

Population

Lincoln has a population of 103,813 people and its population has grown by 1% per annum since 2011, which is almost double than the national growth rate. According to the latest population projection Lincoln's population will only slightly increase by 2043. It should be noted that the data for the projected population in Lincoln is based on the 2018 year. This is currently the latest available data provided by the ONS but does not fully capture the impact of recent events such as Covid and Brexit.

Lincoln has a younger profile than England, generally the population of Lincoln is relatively younger than the national average, with the exception of the 0-14 age group which is smaller in Lincoln (15.2%) than England's average of 17.4%. Furthermore, analysis shows broadly similar growth rates in each age group for the city between 2011 and 2021. These growth rates differ to England's growth rates, particularly in the younger age groups. The 15-24 age group has fallen by 4% across England between 2011 and 2021, and the largest increase in all age groups is the 65+ age group, which grew by 20% in this period. This suggests that the City of Lincoln's population remains relatively young in contrast to the national trend.

Our analysis regarding population projection suggests that the population of Lincoln is forecast to age. By 2043, the 65 and over age group is forecast to grow in population by 47% between 2021 and 2043, which is the highest projected population growth rate of all age groups. Whereas the 0-14, 25-44 and 45-64 age groups are projected to decline by 2043. The 15-24 age group is projected to grow at a slower rate, which is likely linked to the presence of University of Lincoln, attracting people of student age. Some of these trends are broadly in line with the national trends; however, the 0-14 age group saw a less significant fall in its population across England. The 25-44 and 45-64 age groups grew slightly in contrast to the negative growth rates in these groups in Lincoln. This analysis suggests key implications for future housing needs in Lincoln with increased demand for specific housing typology more suitable for older people.

Employment

The proportion of people in employment in Lincoln has fallen by 3.6% from 2011 to 2021. Comparing this to the proportion of unemployed people, the rate has fallen by only 0.4% between 2011 and 2021. However, the proportion of economically inactive people in Lincoln has increased by 11.1%. Overall, the proportion of economically active people who are in employment amounts to 57.3%. The proportion of economically inactive people amounts to 41.9%. This is partly attributed to the student population that is present in Lincoln and the economic effects associated with the Covid-19 pandemic and the lockdown restrictions which have caused a downturn in the economy and reduced economic activity across the country due to long term illness.

¹ Lincoln City Profile, ONS, Census 2021, Source Savills Estate Regeneration Review 2023

The total number of jobs in the City of Lincoln amounts to 57,000 in 2021, according to Business Register and Employment Survey (BRES) (2023), with jobs increasing by 7.5% since 2011. Employment in Lincoln is predominantly focused on health, retail, and education.

Approximately 12,000 jobs out of 57,120 jobs in Lincoln are in the health sector in 2021, which represents 21.1%. and has grown at the fastest rate between 2011 and 2021. Retail experienced the largest decline in the employment share between 2011 and 2021, which is presumably related to the economic effects of the Covid-19 pandemic and the lockdown restrictions associated with it.

The availability of housing will be a relevant factor for organisations who may be considering investing in the city and individuals and families who may be considering relocating to Lincoln.

Educational Attainment

There is an established link between the level of educational attainment and deprivation, with Lower attainment leading to greater levels of deprivation in communities. General educational attainment in Lincoln is similar to England, apart from Levels 3 and 4 qualifications. Lincoln has a lower proportion of people with Level 4 qualifications than England but a higher proportion of Level 3 qualifications than England.

Deprivation

Lincoln was ranked as the 68th most deprived local authority area out of a total of 317 in 2019 and has improved its ranking since 2015 (45th most deprived). The three domains that Lincoln has scored higher in the rankings (less deprived) are in crime, housing and living environment. These three areas have the least weighting on the overall Indices of Multiple (IMD) score. Health remains Lincoln's most deprived domain. Within the city deprivation levels vary. Analysis indicates that the north-eastern part of Lincoln is more deprived compared to the rest of the city. The western and south-western parts are broadly least deprived with pockets of deprivation around the Birchwood area.

Demand for Affordable Housing

Lincoln is a successful city with a growing population. The city is an urban centre located in a predominantly rural county. Property densities within the city boundary are high and there are limited sites to develop new housing developments. Almost all the potential development sites in the city will be constrained by factors such as land contamination, flooding, archaeology, conservation etc. All these factors inhibit potential developments and the city Planning Department estimate that approx. 446 homes will be built in the next three years, with only 0 to 2 of these homes being affordable homes.

The council housing register shows the number of applicants on the city's housing waiting list, who wish to access council housing in Lincoln and these are summarised in the following table.

Table 1

	Band 1	Band 2	Band 3	Band 4	TOTAL
March 2020	100	428	457	412	1,397
March 2021	151	307	666	n/a	1,124
March 2022	250	417	795	n/a	1,463
March 2023	344	438	947	n/a	1,729

In the period from March 2020 to March 2023 the number of applicants on the housing register increased by 23%. Over the same period band 1 applicants increased from 100 to 344 a rise of 244%.

Between March 2020–21, we saw a drop in applications on the housing register. This was due to a policy change which set a residency qualification criteria that had to be met to be eligible. At the same time, we also amended the banding structure, from four bands to three.

Since the policy change, there has been a steady increase of active applications. This is due to a combination of reasons, coming out of the coronavirus pandemic where we were unable to allocate to the general register for a period of time, the cost-of-living crisis affecting private tenants/owner occupiers who can no longer afford their accommodation and also an increase in Private Sector Landlords selling their properties (due to tax changes and climate change regulations) and evicting tenants (following the lifting of restrictions during the pandemic).

Our view is that demand for housing of all types, especially affordable housing in Lincoln will continue to increase.

4. Resident Involvement

We have an active and effective group of tenants that represent all the tenants and leaseholders of our homes and estates. The group is called the Lincoln Tenants Panel (LTP).

We understand and appreciate the importance of working in partnership with our residents to design and deliver housing services and have been doing this by consulting and working with our Lincoln Tenants Panel (LTP). The LTP is for everyone who has a role as tenant of the City of Lincoln and representatives include:

- Council tenants
- Sheltered housing tenants
- Resident leaseholders
- Private tenants of leaseholders

The panel is independent of Lincoln Council and plays a vital role in ensuring that tenants are fully involved as we shape housing policy. We are committed to working with the LTP to:

- Ensure meaningful resident engagement in decision making
- Work collaboratively with tenants to implement mechanisms for scrutiny and oversight
- Support tenants to hold Lincoln Council to account
- Be open to the challenges that all of this brings

The Council have been working in partnership with our tenants and have reviewed and updated the Tenant Involvement Strategy which sets out how we will provide a range of ways for tenants and leaseholders to get involved to co-design services and improvements.

The Council have also been consulting with its tenants and the Lincoln Tenants Panel (LTP) to talk to them about the development of the long-term business plan, as their views are fundamental to the development of this document.

Please see below a quotation from the Chairman of the Lincoln Tenants Panel

“This has been an exciting journey for the Lincoln Tenants Panel – we have been involved in the development of the councils 30-year business plan for housing and excited to progress through to the next stage; we believe a sustainable business plan will ensure we can meet our targets by understanding the challenges our council faces and to envisage a way forward to help solve this.

We have been consulted in the development of the four strategic workstreams that are central to the business plan, and we look forward to on-going involvement, to help shape the delivery of major improvements to our homes and estates.”

Mick Barber – August 2023

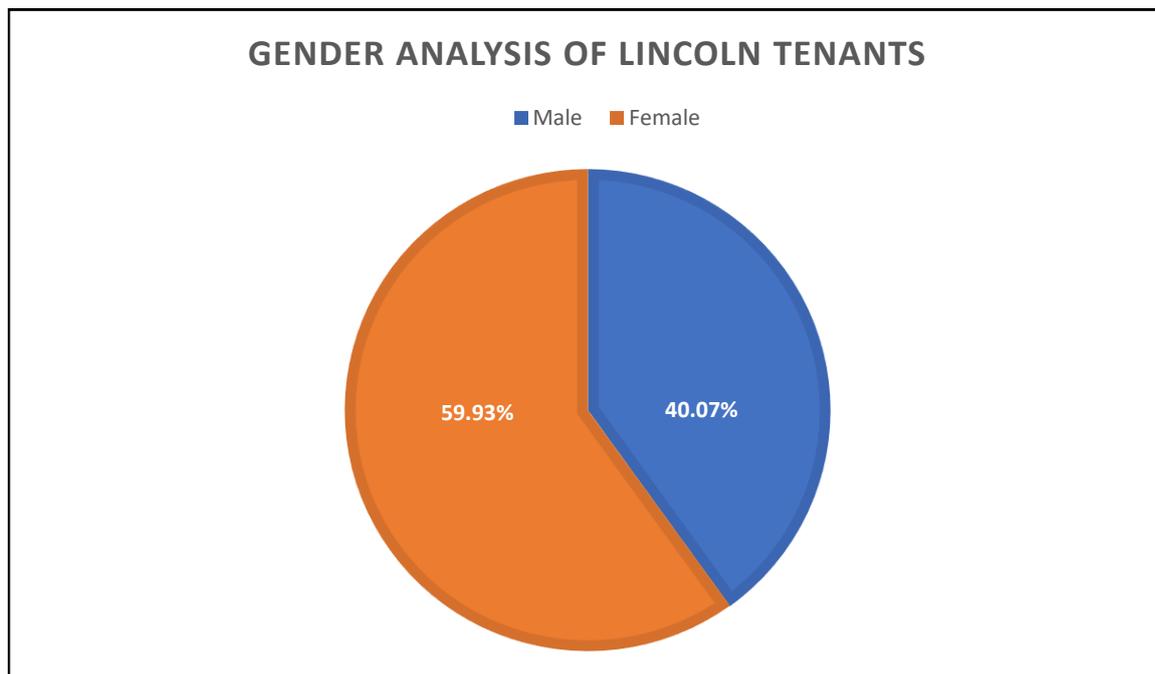
5. Housing Revenue Account Housing Services

Social housing is about much more than just buildings. It includes homes, neighbourhoods and communities and is ultimately focussed on helping tenants and leaseholders to fulfil their potential and live happy lives. It is widely accepted that good quality housing is critical to health and wellbeing, it helps people to stay healthy and provides a base to raise a family, sustain a job, contribute to the community, and generally achieve a good quality of life.

Our goal is to ‘Deliver Quality Housing’ in Lincoln and this section sets out how the HRA Business Plan supports the delivery of housing and housing services to its tenants.

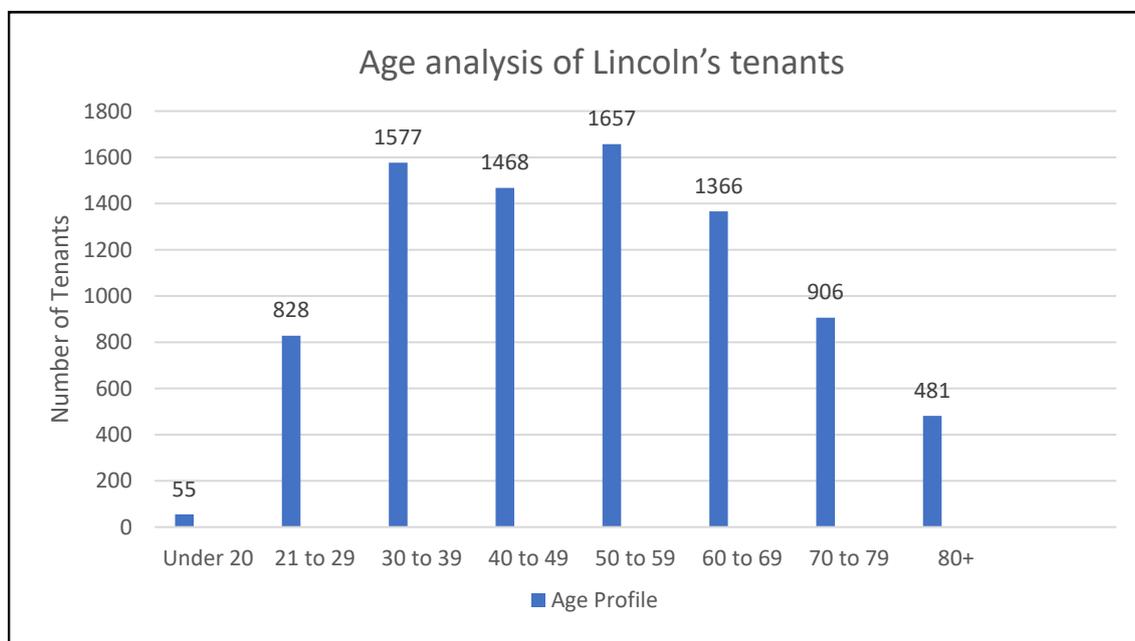
Knowing and understanding our residents is the key to giving them a good service. Our residents are all different and it is important that we understand these differences to tailor housing service to meet their varied needs.

Chart 1



We have 8,327 tenants in Lincoln and this graph shows that females are the largest gender with 59.93% and males 40.07%

Chart 2



This chart shows the age profile of Lincoln's tenants. The 50 to 59 age group has the largest number of tenants (1,657), closely followed by 30 to 39 (1,577) and 40 to 49 (1,468). This

together with the generally ageing population strongly suggests that we should be building more older persons accommodation.

5.1 Housing Revenue Account Portfolio

The Council has a total rented housing stock of 7,800 dwellings. This comprises of 7,333 general needs dwellings, with the remainder being older persons housing. Most of the stock is of traditional build; however, the portfolio includes prefabricated housing built in the 1940s, along with sheltered housing schemes, high-rise flats built in the 1960s and a small number of properties of non-traditional construction types.

There are also 1,113 garages, 61 garage plots and 326 leasehold properties. In addition to the core portfolio there are a small number of flats and houses that are being managed as temporary accommodation for homeless households, some as move-on accommodation for former rough sleepers using the Housing First principle and some Local Authority Housing Fund homes that are used for selected cohorts of resettled families.

General needs housing at 31st March 2023

This includes bungalows, houses, flats, and maisonettes. Houses make up the largest proportion with 47.90%, followed by flats with 41.02%, bungalows with 7.45%, maisonettes with 3.53% and bedsits with 0.08%. The following table shows general needs housing by property type and number of bedrooms.

Table 2

	Bedrooms				Totals
	1	2	3	4+	
Bedsit	6	-	-	-	6
Bungalow	323	162	61	1	547
Flat	2,388	605	15		3,008
House	16	1,725	1,613	159	3,513
Maisonette	-	242	17	-	259
Totals	2,733	2,734	1,706	160	7,333

Older persons housing at 31st March 2023

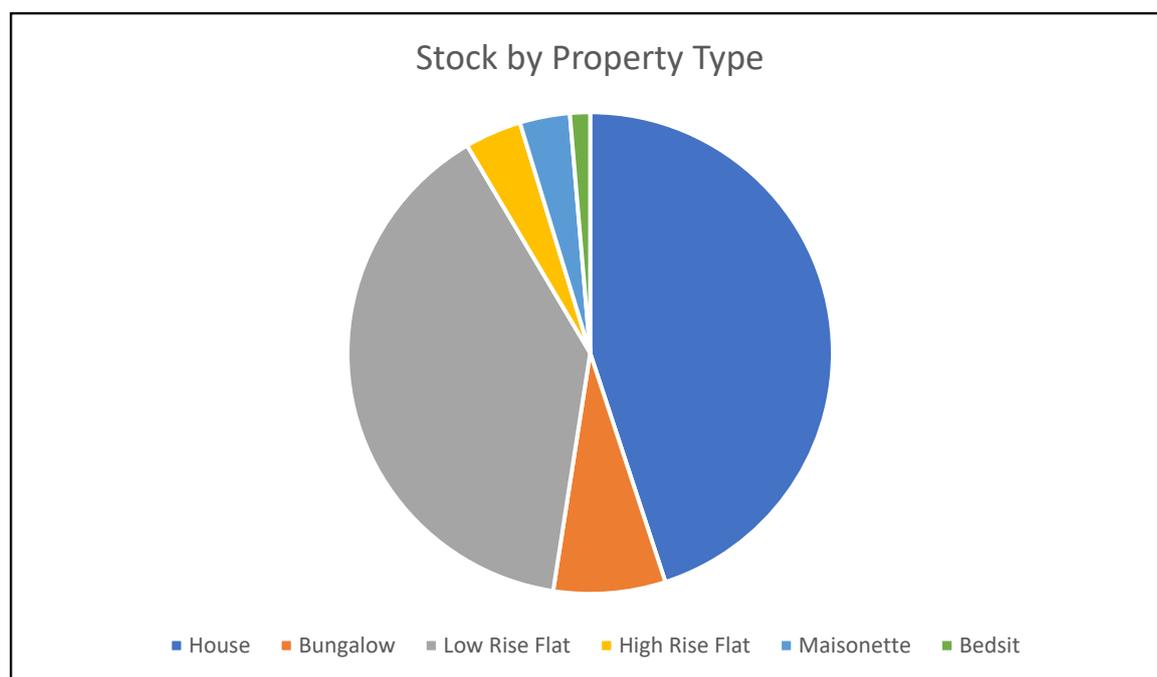
There are 467 older persons properties based in seven sheltered schemes, which are a mixture of independent and assisted living properties. Two schemes comprise bedsitter accommodation, the bedsits are ensuite, however, there is no separate living area. Most of the sheltered accommodation is made up of flats and there are 36 sheltered bungalows and 9 houses. In 2022 we opened De Wint Court an extra care sheltered housing (category 2.5)

scheme, this comprises 50 one-bedroom flats and 20 two-bedroom flats. The following table shows older persons housing by property type and number of bedrooms.

Table 3

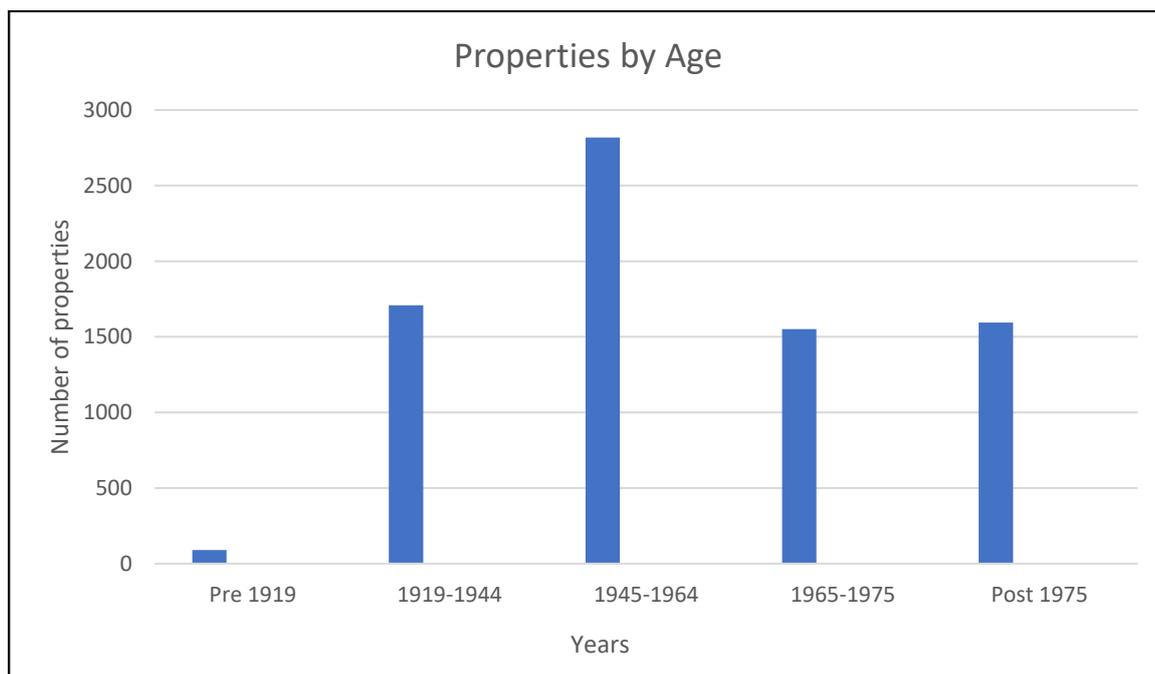
	Bedrooms			Totals
	1	2	3	
Bedsit	104	-	-	104
Bungalow	16	20	-	36
Flat	281	36	1	318
House	-	-	9	9
Totals	401	56	10	467

Chart 3



Houses are the single largest property type with 3522 units (45.16%) closely followed by Flats with 3326 units (42.64%). Bungalows are the third largest property type with 583 units (7.47%), with 259 (3.32%) maisonettes and 110 (1.41%) Bedsits.

Chart 4



This table clearly illustrates the age profile of the housing stock with 6,176 properties (79.2%) being built between 1900 and 1974, with a further 1,624 properties (20.8%) being constructed after 1974.

The age profile of the homes is comparable amongst councils with retained housing stock. It demonstrates the importance of continuous investment in maintenance and improvement works to ensure properties continue to be attractive to residents whilst also maintaining and achieving the Decent Homes Standard.

5.2 Providing quality housing which meets tenants needs and aspirations

The Council's housing stock is well maintained and has been the subject of a structured programme of maintenance.

The most recent stock condition data shows that 99.19% of local authority housing stock was compliant with the Decent Homes Standard. This equates to 63 dwellings. 0.81% were classified as not being compliant and the majority of these were awaiting delivery of the identified planned improvement works.

The Council has an Aids and Adaptations procedure that completes adaptations to homes where there is an approved medical requirement for them.

5.3 Maintaining our homes

Maintenance, and Investment

Just over 300 of the Council's homes were built using non-traditional construction methods such as Anglian (26), Arcon (139), Cornish (61), Hawksley (63) and Waites (23). The form

of construction used means that these homes can be difficult and expensive to maintain and expensive for tenants to keep warm.

Table 4

EPC Rating	No. of Properties
A	0
B	94
C	6,462
D	1,237
E	4
F	3

Repairs and maintenance is voted as an important service by Lincoln’s tenants and we constantly look for ways to improve the quality and effectiveness of the service. It is important that we increase the proportion of spending on planned work to achieve value for money and provide efficiency savings to reinvest in our homes.

We have introduced a "scheduled repairs" strategy for responsive repairs, where non-urgent repairs are batched and delivered on a locality basis. This reduces wasteful travel, reduces Co2 emissions and increases the amount of time operatives have to work on repairs in tenant’s homes. It also allows us to plan more effectively and manage stores and materials more efficiently. During 2022-23 we responded to a total of 34,890 repair requests (this includes building and gas repairs), 11,054 (32%) were priority one repairs and 23,836 (68%) were urgent or scheduled repairs. This relates to an average of 4.47 repairs per property for the year.

During 2022-23 the ratio of responsive to planned maintenance was 20.32% planned to 79.68% reactive.

As a landlord we are responsible for Gas Safety, Legionella and Electrical Safety, Fire Safety and Asbestos Management in our properties. We have two teams that work in conjunction with the wider housing teams to ensure our residents are safe and free from harm.

We fully support the Council’s objective to make Lincoln a socially responsible and sustainable city and are actively looking at a range of options to make our council housing more energy efficient to reduce greenhouse gas emissions from our homes. The average Energy Performance Certificate rating of Council dwellings in March 2023 was 71.57. The Council is committed to improving the energy efficiency of Council housing, reducing energy costs, and improving thermal comfort for tenants. Over 84% of the council stock has an EPC rating of C or above, placing the thermal efficiency of the housing stock higher than the national average.

5.4 Core Landlord services

Most of the housing teams time and energy is devoted to providing core housing services to our residents. During consultation with all of our tenants this was confirmed as something very important to them. This includes a range of comprehensive services including: -

- lettings and nominations
- void management
- tenancy management
- supported housing management
- resident involvement
- responsive and void repairs
- planned repairs and cyclical maintenance
- safety assurance activity
- estate management
- rent collection and arrears recovery
- financial management
- remodelling, acquisition, and disposal
- leasehold management; and
- Right to Buy management

6. Our plans for the next 30 years

'High quality housing that is affordable and flexible can help people of all situations to grow and achieve their true potential' -Vision 2025

This section looks forward at our plans to increase the number of homes and improve key housing services.

Lincoln's Vision 2025 document sets out the council's plans to deliver Lincoln's ambitious future and the HRA business plan has been developed to help achieve this goal.

Whilst researching and developing the current five-year business plan, it became clear that a number of the HRA's strategic objectives would take longer than five years to plan and deliver. For that reason, the decision was made to develop a longer-term business plan to enable planning for the delivery of four long-term objectives, these are: -

1. Develop and improve core housing services
2. Provide additional affordable housing
3. Regenerate estates and neighbourhoods
4. Reduce carbon emissions

6.1 Develop and improve Core Housing Services

Vision 2025 sets out the City's commitment to '*providing housing which meets the varied needs of its residents*' in developing this business plan.

The Government is looking to drive up standards in social housing and has indicated that it is planning several major reforms, each of which will increase the cost of delivering housing services:

1. The Decent Homes Standard (DHS) has played a key role in setting minimum standards that social homes are required to meet since its introduction in the early 2000's. In November 2020 the Government committed to reviewing the Decent Homes Standard and it is currently consulting on what the new standards should be. It is likely that the updated standards will place an increased focus on safety and security and be more expensive to deliver.
2. In parallel to the DHS review, the Government is looking at the Thermal Comfort Criteria for housing and is consulting on raising the Minimum Energy Efficiency Standards to EPC C. We currently have approx. 1,500 properties below EPC C and the new standard would require additional investment.
3. Consultation is currently underway to determine the Consumer Standard criteria that will be used by the Regulator of Social Housing to inspect and audit Registered Providers. Once this has been agreed it could result in additional resources being required to complete work to ensure compliance.
4. The review of qualification and professional training for housing staff and it is possible that they will set minimum qualification levels for all housing staff. This will improve the quality of service by driving up standards. However, the training will need to be funded and higher qualified staff may seek increased salaries. There is also a risk that experienced staff choose to leave the sector as they don't wish to complete the qualifications.

During our consultation with tenants they also advised that the delivery of high-quality housing services such as repairs and maintenance, cleaning, caretaking, grounds maintenance and housing management services is important to them. These areas are often overlooked when developing long-term strategic plans, however, we are determined to ensure that residents voices are heard and that we include their priorities in our future plans.

Investing in our assets

The Council has an annual capital investment programme to make improvements to its stock. Over the next five years we will invest over £59.8m to improve and modernise the housing stock.

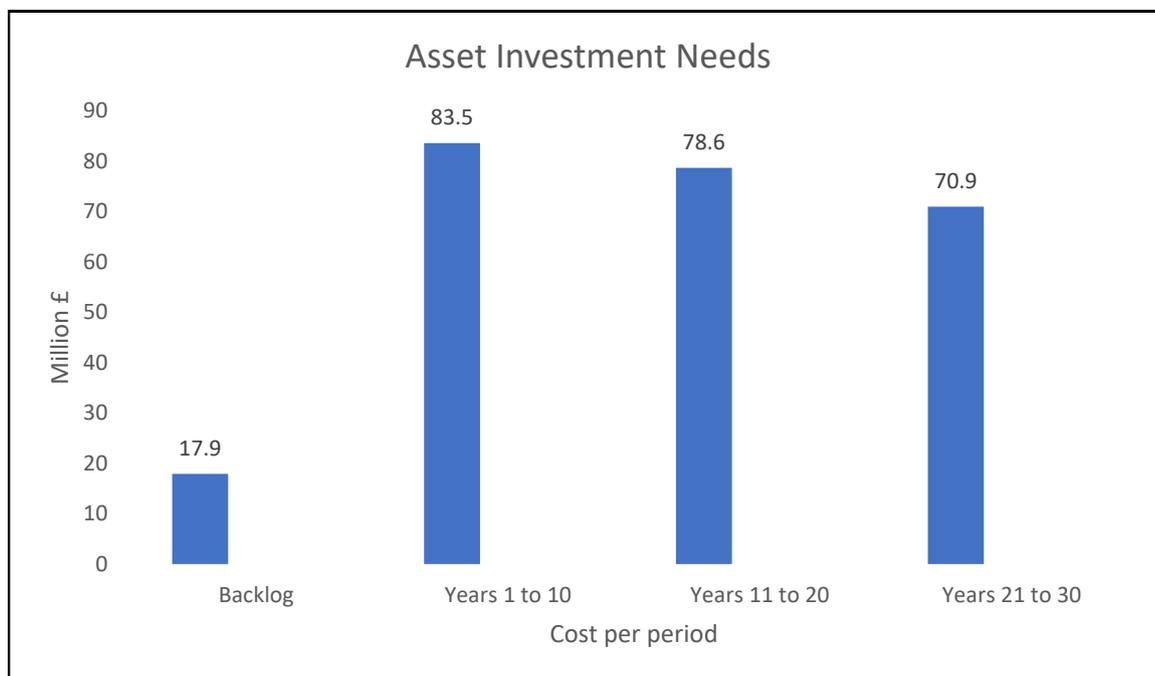
In addition, we estimate that we will spend £53.9m on responsive repairs over the next five years.

In a self-financing environment, understanding the asset base and associated future investment requirements to maintain the asset base in a desirable condition is key to ensuring the financial viability of the business plan.

It is therefore essential to maintain assets to maximise their value in the future and to ensure sufficient resources have been allocated for the long-term maintenance of the stock. A strategic approach to asset management ensures the long-term strategic vision for the authority is underpinned by a thorough understanding of current and future needs.

Stock condition data has identified the following investment levels over the next 30 years. The following chart demonstrates the asset investment value needed over the next 30 years in ten-year bands.

Chart 5



*The above costs are based on 2023 prices and have not been increased to take account of future inflationary pressures.

**The backlog figure is where improvements have been refused or we are unable to gain access to the property.

The table below shows that we will need to invest a total of £233million modernising our housing stock over the next thirty years, at an estimated average annual sum of £7.77million.

Component Replacement Programme

We actively monitor the condition of our properties through a programme of stock condition surveys and have developed a programme where building components and systems are replaced on a planned programme. The following table shows the total replacement costs for the ten most expensive components in ten-year bands sorted in descending order.

Table 5

Component	Years 1-10	Years 11-20	Years 21-30	Total
	£	£	£	£
Kitchens	25.9m	9.9m	28.3m	64.2m
Heating Boilers	9.5m	14.1m	10.8m	34.5m
Electrical Systems	7.7m	15.5m	4.8m	27.9m
Landscaping and Boundaries	10.2m	9.9m	2.3m	22.5m
Roofs	7.4m	6.7m	6.6m	20.6m
Bathrooms	6.6m	8.1m	6.4m	21.1m
Windows	7.8m	8.1m	4.2m	20.2m
Doors	3.9m	2.5m	4.1m	10.7m
Heating Systems	2.9m	3.3m	2.2m	8.5m
Communal Doors	1.4m	248k	976k	2.7m
Total	83.5m	78.6m	70.9m	233.1m

Our approach to replacing heating and electrical systems is under review as it is likely that these costs will change once we develop a strategy for achieving Net Carbon Neutral. As with the previous table these estimates are based on 2023 costs and have not been adjusted to take account of future inflationary pressures.

The stock condition data, along with lifecycle costing, has been analysed to identify the level of investment required to ensure the authority continues to achieve and maintain homes to the Decent Homes standard and tenant aspirations.

In respect of gas and electrical heating and appliances, biomass boilers, water hygiene, fire alarms and emergency lighting, these are the subject of 100% annual testing under a cyclical programme and the associated costs have been extrapolated to indicate the level of annual investment required with account taken of whole life costing.

As part of the commitment to develop and improve the Core Housing Services we will:

- refresh resident profile data
- analyse and publish the full results of the tenants survey
- produce any necessary improvement plans based on the results of the survey
- provide support to tenants to help them to sustain their tenancies
- review and update the Lincoln Standard
- improve the energy efficiency of our properties
- Implement testing programme and complete a plan for remedial works regarding radon levels in properties

- procure new grounds maintenance and housing garden services
- produce a training and qualification log for all housing staff
- collect feedback from tenants as part of the Tenant Satisfaction Measures (TSM) process
- replace numerous IT systems into a new integrated system -
- aim to attain top quartile performance across all areas of the Tenant Satisfaction Measures
- develop a progressive transformation plan that will further embed a high-performing, customer centric culture within the housing team

6.2 Delivering New Homes

The Councils Vision 2025 document recognised that a quality affordable home in which people can feel safe and thrive is a fundamental element in creating a positive community and enhancing society as whole.

It commits, as did its predecessor Vision 2020, to do everything possible to meet housing demand and improve standards across all tenures in the city. This means high quality housing that is affordable and flexible, that can help people of all situations to grow and achieve their true potential. The Council recognises that by having a place to call home, people not only feel that they belong in their community, but they are more likely to look after their surroundings, which raises and maintains the appearance of the city.

The Council is the largest landlord in the city and therefore must be cognisant of its role in the local housing market and be prepared to set high standards that will hopefully drive and encourage others to follow.

Our current stock of circa 7800 homes has been reduced dramatically by the requirement to sell its properties under the national Right to Buy scheme (see table below). By its very nature this has dramatically reduced the amount of social rental properties available to the people of our city. Sadly, many of the properties sold under right to buy (est. to be >70%) are now in the hands of private sector landlords and let at market rates and therefore, due to massively increasing rent levels in the city, are not affordable to many individuals and families.

Table 6

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
RTB's sales for FY Apr-Mar	37	53	62	67	48	57	33	55	51

Recognising this situation, the council has committed in V2025 to:

- Let's provide housing which meets the varied needs of our residents, i.e., increase housing numbers

In terms of the HRA and social housing generally this has been expressed in a target of an additional 400 homes over the period of the current V2025 document.

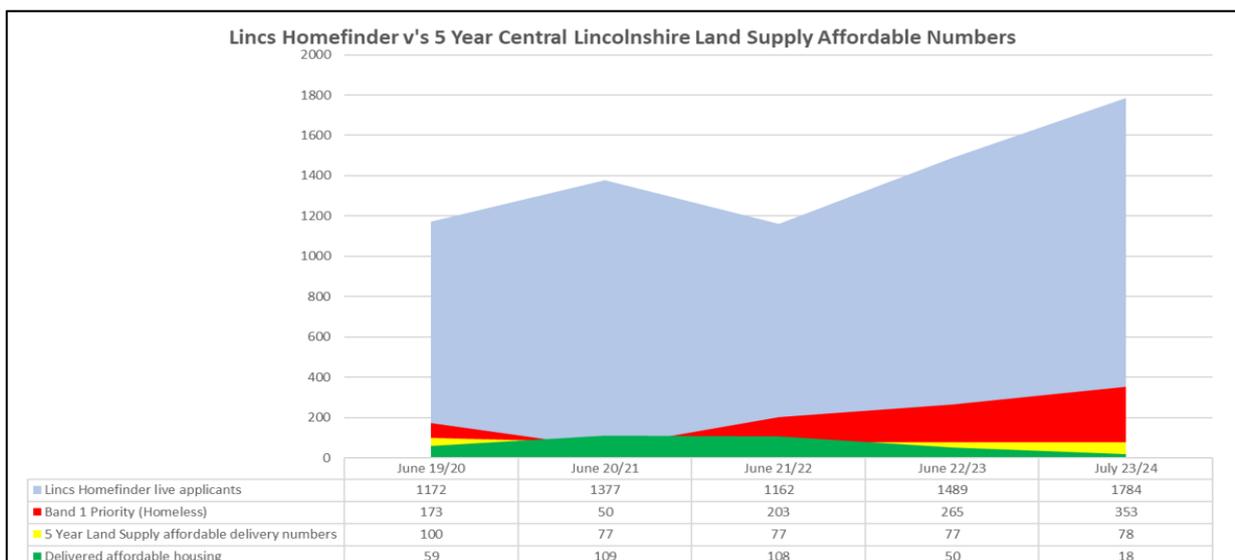
The Council recognises its role and responsibilities to meet housing need and since 2015/16 has provided or enabled over 700 new and additional affordable homes in the city (See table below).

Table 7

Financial Year	CoLC - Acquisitions Open market /Buy backs	New Build purchases or built by CoLC	New Build Other Provider	Total Delivered
2015/16	0	20	21	41
2016/17	0	0	57	57
2017/18	0	23	16	39
2018/19	0	176	79	255
2019/20	34	0	25	59
2020/21	36	20	53	109
2021/22	33	70	5	108
2022/23	8	32	10	50
2023/24 (as of 18.08.23)	7	10	4	21
Total delivered 15/23	122	347	270	739

Although the Council has been successful in delivering additional housing, our local housing market has worsened in terms of demand versus supply over the last few years. Whilst it can only be used as a proxy indicator the councils own housing register now has around 1780 active applicants seeking homes. The following graph shows demand for affordable housing:

Chart 6



This graph demonstrates that we have circa 350 individuals and families in Band 1 (our highest need band), meaning “customers requiring urgent rehousing where the council has a legal duty to consider them for accommodation”. This does however include those already in our stock requesting a transfer to either downsize due to over provision or the opposite to upsize due to under provision e.g. a growing family.

If we were to meet the whole of this need, we would need to provide an additional 350 homes over the next few years. If we equate this to our current year in year delivery it would take approximately five years to provide these homes.

It is clear from our consultation with our elected Members and the Lincoln Tenants Panel that they would like to be more ambitious and deliver additional housing as quickly as possible, whilst also recognising our constraints (see below). Members ranked housebuilding as their second most important priority when measured against the other three priority areas mentioned in the 30-year Business Plan. Members understand the complexity of Lincoln’s current housing market and identify Council intervention as important and playing a lead role in attempting to normalise the situation. Whilst not fixing the local housing market issue alone, it is a positive intervention that may lead to other benefits such as improving energy efficiency generally and driving up standards in the private sector as supply begins to equalise demand.

We must accept that we are operating with some constraints. As a council we have limited land available for development. As house building in the HRA was restricted, the skills to bring forward major sites and large numbers of new homes are not easily accessible to us. Funding can be complex and with the higher costs of development we may need to involve other organisations such as the Homes and Regeneration Agency to bring forward developments that would otherwise be unviable.

To address these constraints, over the next 6 months we will review the entirety of our stock and estate areas and look for opportunities to infill and make use of obsolete or unused space. This may mean removal of existing homes to provide access to previously inaccessible sites. We will also consider building outside of the city boundary, especially where sites or opportunities become available adjacent to our boundary. We will also explore any opportunities we identify to provide additional housing by purchasing buildings and land not currently being used for housing.

We will engage with our partners such as the Homes and Regeneration Agency to maximise the grant available to us to bring affordable/social homes forward. We will also seek other grant opportunities through other Government departments to bring forward specialist housing as we have done in the past with programmes such as RSAP, NSAP and SHAP.

We explore working with our Registered Provider (RP) partners to tap into their professional expertise and development teams.

When funding new homes, our current business model is that any development should where possible breakeven at affordable rent levels (80% of market rent). In recent times we have

supplemented our RTB receipts (returns from house sales) with borrowing for the Public Works Loans Board. We always look to maximise the use of these receipts.

We apply for and draw down any funding that is made available to us by Government agencies such as the Homes and Regeneration Agency. Where required we will add additional resources from the HRA Housing Investment Programme. In applying funding this way, we are assuming that rent debit will service the debt costs, so essentially, we will as previously stated be in a breakeven position. In practice each development will be preceded by a viability assessment which will also determine if the council should be charging an affordable or social rent.

We are committed to providing homes people need over the term of this business plan.

1. We will scrutinise the findings of the housing needs assessment being completed in 2023 to ensure that we are developing and acquiring properties that are in line with the current and future needs of the city's population.
2. Each year, we will, ensure that as a minimum there will be no net reduction in the number of homes in our stock. Based on current RTB loss figures we will build or buy a total of 1,700 properties over the life of this business plan which is an average of 50 properties a year.
3. Over the next ten years we will provide enough homes to reduce the number of applicants in Band 1 of the Housing Register by 75%. This would be an initial delivery target of circa 260 additional homes at an average of 26 per year.
4. We will review these targets year on year to take advantage of new opportunities that are presented to increase our stock but, also to continually understand what our Band 1 requirement looks like.
5. We will use a variety of approaches and opportunities to increase our stock: -
 - We will establish what level of market housing needs to be developed on HRA land to make the site viable (in term of infrastructure etc). These include the sites at Western Growth Corridor and Queen Elizabeth Road.
 - We also have several other development sites such as Searby Road and Tentercroft Street that could be used to provide additional affordable homes.
 - We will review our existing assets base, including garage sites, and release any available land suitable for development.
 - We will work with our Registered Provider partners and existing developers in the city to bring forward development sites in partnership or buy off plan.
 - We will look at our existing housing stock and look to remodel if we believe this will potentially increase house numbers or the number of bedrooms available given the shortness of supply of 2 and 3 bedroom homes. This will include an immediate review of 2 of the 3 high-rise blocks we have.
 - We will look outside of our boundary and seek opportunities to invest in sites and developments that complement our stock.
 - We will continue our existing buy back (Purchase & Repair) programme, but we will be cognisant of the impact this may have on the local housing market.

6.3 Estate and Neighbourhood Regeneration

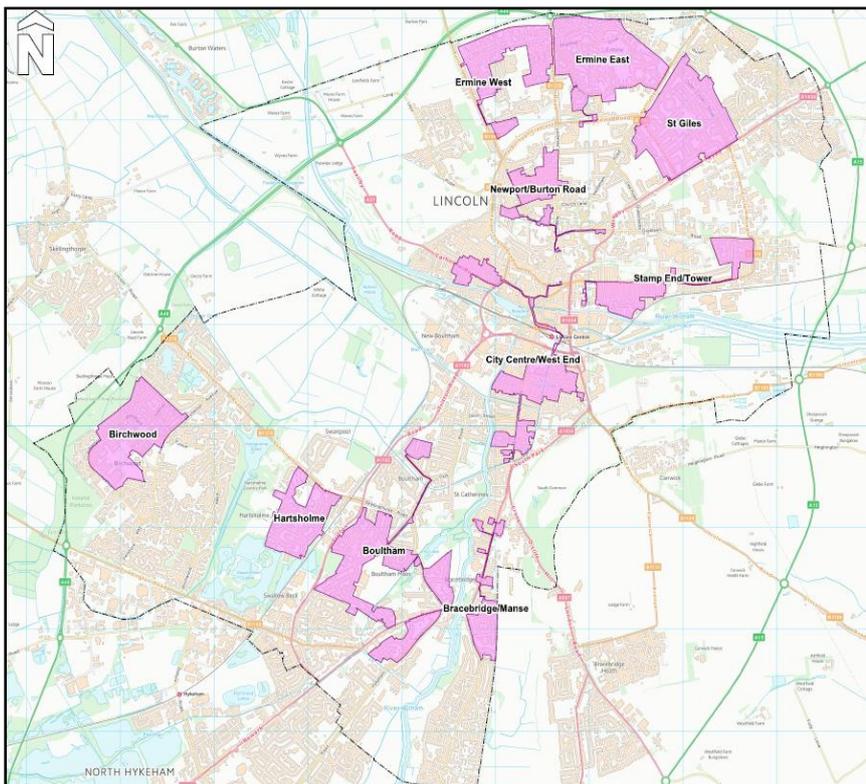
We believe that providing good quality housing and well-designed public spaces can improve the quality of life and offer new opportunities to residents and stimulate inward investment in neighbourhoods.

We have set out our ambitious plans to develop and improve Lincoln in the Vision 2025 document, and this business plan details how we will make our estates and neighbourhoods **CLEAN, GREEN, and SAFE**. Improving communal areas and providing bin stores and cycle racks will make neighbourhoods CLEANER. Creating green corridors and replacing or refurbishing old inefficient housing will make the city GREENER. Reducing cul-de-sacs and improving external lighting will make the city SAFER.

The city’s council housing is based in various locations across the city and consists of ten estates, these are shown on the map below.

Chart 7

Location of Council House Estates in the City of Lincoln



We know that improving the quality of our neighbourhoods and estates and reshaping services can have many positive impacts for the city by:

- Developing social cohesion and individual wellbeing by helping to improve health, educational attainment, employment and skills, whilst reducing crime and deprivation.

- Improving the quality of our streets and neighbourhoods which will enhance the quality of life for residents and visitors and make Lincoln a more attractive location for investment and tourism.
- Using underused land (garage sites etc.) to provide much needed additional housing.
- Reducing unemployment and increasing inward investment and economic growth which can deliver significant financial benefits.
- Improving the provision and condition of garages and parking arrangements.

We have already undertaken a comprehensive review of our estates to identify the areas that could benefit from regeneration projects. This review has shown that parts of our estates suffer from social deprivation, high levels of ASB and crime. There is also a lack of transport connectivity between neighbourhoods and a lack of community amenities such as pharmacies and shops. Our estates also offer a range of opportunities and there are numerous areas that could be improved to provide good quality open green spaces or the possibility for additional housing or car parking spaces.

We understand the importance of high-quality communal areas, garages and green spaces and are committed to maintaining and improving our HRA estates and neighbourhoods. To do this we will deliver a range of interventions and improvements over the life of this business plan.

Involving and consulting with our residents is essential and we will continue to consult with tenants, residents, communities and members to ensure we develop and maintain a 'shared vision' for the future of our estates and neighbourhoods.

To improve efficiency and ensure delivery we will sort estate regeneration projects into one of two categories:

1. Small/Medium projects - value up to £100,000

E.g., Improve bin storage, provide cycle racks, improve play areas, upgrade external lighting, create green corridors between blocks etc.

2. Large projects - value £100,001 and above

E.g., Reconfigure parking spaces, improve controlled access to public and semi-public spaces, reshape property exteriors, refurbish/redevelop high-rise blocks and pre-fabs, build additional housing on infill sites, improve interconnectivity by developing additional cycle ways and green corridors between neighbourhoods.

We are currently reviewing our garage and local parking strategy and this will be completed by the end of 2024. Following this we will deliver a programme of improvements to ensure that we deliver good quality parking arrangements at an equitable cost to residents.

These projects will take more than one year to deliver and will be managed and funded from the HRA capital programme.

6.4 Addressing Climate Change

On 23rd July 2019 Lincoln Council issued a Climate and Environmental Declaration to address the challenge of climate change.

The Council has a Decarbonisation Strategy and Action Plan that sets out its response to the Climate Emergency. The Plan looks at the emissions that are in the direct control of the Council. The Council also works with the Lincoln Climate Commission and Lincolnshire County Council, to produce and implement plans and policies and deliver strategies to reduce climate change.

As the largest landlord in the city our actions can make a major contribution to the city's aim to reduce climate change. Although there is a moral aim to make improvements to properties to make them carbon neutral, we must balance this with the running costs for tenants that live in the homes and making best use of council resources. There is still a lot of uncertainty in the market about the potential impacts and risks that may come with some of the new technology, for example: -

- The lifespan of some of the materials is unknown. This means that the whole life cost of some materials is unable to be appraised fully as the current costs cannot be compared to any potential longer lifespan.
- The disposal of some of the batteries and materials needs to be considered and options made available.
- The infrastructure within the National Grid does not yet have the capacity to support all housing to change over to all electric devices.
- There are insufficient numbers of charging points for electric vehicles to support all fleet vehicles. This requires the installation of additional charging points; however, this will only be possible if there is the support available from the National Grid infrastructure. There is also a national shortage of operatives that are adequately trained to work on the new technology should it need repairing or maintaining.

For the HRA to make its contribution towards Lincoln's target to be a net zero carbon city by 2030 we will deliver the following actions.

Over the next five years:

1. We will ensure that all council housing properties achieve EPC Band C by 2030.
2. We will continue to improve the environmental performance of our homes as we deliver planned major repairs and improvements, by installing high quality windows and doors and replacing heating systems with high efficiency boilers and controls.
3. We will complete surveys on all housing archetypes to gather data that will enable us to produce a fit for purpose investment programme that includes what is required to retrofit the council housing stock. We will look to complete any improvements as and when they are required to improve the properties during the next five years, however, a retrofitting programme will not be launched during the five years.

4. We will continue to research and test materials that are currently available and are introduced during the next five years to ensure that the Council have the best intelligence on which materials are the most effective and efficient to reduce carbon emissions. Examples of this are air flow heat pumps and devices that monitor the amount of moisture in the air inside properties.
5. We will commission inspections of land owned by the HRA that offers the potential to be used as bio-diversity net gains. Once this data is available, we will seek to follow the necessary requirements to implement and maintain these sites to use to offset carbon emissions and consider the possibility of using these sites to offer for carbon credits to other developers or businesses.
6. We also commit that any new housing developments that are commissioned by the HRA will be to provide net zero homes or deliver the homes at SAP A rating. Where this is difficult to deliver, we will look to offset on-site using other methods outside of the homes.
7. We will ensure that our fleet contracts aim to provide electric vehicles providing the technology and infrastructure required to charge the vehicles is available and effective.

After five years:

1. We will commit to implementing and delivering a Housing Investment Programme that includes works to retrofit council housing.
2. We will complete a training needs analysis and implement a training programme for operatives to be equipped to complete the necessary repairs on all new technology.
3. We will continue to deliver any new housing developments that are commissioned by the HRA to provide net zero homes or deliver the homes at SAP A rating.

7. The Financial Model

This business plan sets out our ambitious long-term plans to deliver quality council housing in Lincoln. The previous section set out our four strategic aims and delivering these will only be possible if we have a prudent financial plan that delivers capacity in the HRA to invest in the housing service.

Alongside the business plan the Council's key financial strategy is its Medium Term Financial Strategy. The purpose of the MTFs is to set out the overall framework on which the Council plans and manages its financial resources to ensure that they fit with, and support, the direction of the Council's vision and strategic priorities. While the business plans sets out the longer term plans for council housing the MTFs is focussed on the first five-years and mirrors the business plan in this respect.

The MTFs contains a number of financial objectives for the Council, in response to the impact that current economic conditions are having on the Council's finances and the inherent uncertainty in financial planning, these objectives have been reviewed to ensure they remained relevant. The key overriding objective continues to be: -

- To continue to drive down the net cost base, in line with available resources, to ensure the Council maintains a sound and sustainable financial base, delivering a balanced budget over the life of the MTFs.

The further objectives that the MTFs seeks to achieve are as follows:

- To ensure the Council uses its reserves and balances carefully, seeking to maintain robust levels and replenishing where necessary, to address any future risks and unforeseen events without jeopardising key services and the delivery of outcomes
- To seek to maximise income levels, including maintaining in the short term and growing over the medium term, the Council Tax and Business Rates tax bases, whilst ensuring that Council Tax rate and Housing Rent increases are kept an acceptable level.
- To ensure that the Council's limited resources are directed towards its Vision and strategic priorities, redirecting where necessary to allow for improvement and investment.
- To ensure the Council provides efficient, effective and economic services which demonstrate value for money.

We also have some general principles that we follow for the HRA, which are:

- The prudent level of reserves on the HRA is to maintained at between £1m-£1.5m.
- Surpluses in the HRA, are in the short term i.e. over the 5-year MTFs period, contributed to the capital programme as part of useable capital reserves and held for investment purposes.
- Financing of new builds or acquisitions will be (after the use of 1-4-1 or grant funding) funded through borrowing on the basis that investments are predominately made where projected income offsets the cost including borrowing. Some investments may though not generate a surplus but will have wider strategic benefits which warrant the investment.

We have developed a financial model that predicts the future performance of our HRA assets and measures them against our financial and operational objectives.

Central to this are the set of financial assumptions that underpin and inform the model. These include assumptions on future income and expenditure levels, staffing and repair and maintenance costs, debt management costs and future interest rates. These assumptions provide the guidelines for the HRA to follow, as they enable us to accurately forecast what the HRA will do in the future. A table summarising these assumptions is shown in Appendix 5.

The development of a long-term financial model provides several important advantages: -

- Provides an improved understanding of the business, based on accurate and tested financial data.
- Enables periodic reviews of financial performance.
- Offers the opportunity to benchmark performance against peer groups.
- Enables the use of 'stress testing' techniques to minimise risk.
- Provides much more accurate financial forecasts and budgets.
- Supports the ability to make quick, accurate decision on growth opportunities.

We are taking a long-term view of the management of the councils housing stock and are planning over a thirty-year period. This enables the development of complex strategies to achieve our long-term goals and objectives. In addition, we are also developing rolling multi-year budgets to; enable prudent financial planning and management to support the delivery of medium and long-term projects and the provision of a wide range of operational services.

7.1 Revenue Budgets

The HRA account is under a great deal of pressure to break even because of increased inflationary pressures, notably on staff salaries, energy, and utility costs, building materials and sub-contractor prices. Whilst at the same time having to cope with below inflation rent increases in 2021/22 and 2022/23.

The following table provides a summary of the HRA revenue projected budgets for the period 2024/25 to 2053/54. These budgets pay for all the operational day to day housing services (repairs and maintenance, housing management, estate services) as well as depreciation costs and transfers to the major repair reserve.

The table summarises HRA income and expenditure into five-year segments 1 to 5, 6 to 10 etc. The final column provides a total of the income/expenditure over the whole 30-year period.

Table 8 - 30-Year HRA SUMMARY - 2022/23 to 2052/53

	Yr 1 to 5	Yr 6 to 10	Yr 11 to 15	Yr 16 to 20	Yr 21 to 25	Yr 26 to 30
HRA 30 YEAR SUMMARY						
Dwelling rents	166,787,393	192,639,693	216,855,887	244,729,194	276,935,705	314,300,839
Non-dwelling rents	2,127,785	2,461,156	2,853,154	3,307,588	3,834,401	4,445,122
Service charge income	3,561,363	10,076,049	14,662,482	16,997,835	19,705,149	22,843,668
Other income and contributions	3,630,926	3,577,636	3,737,319	3,905,149	4,081,539	4,266,927
Total income	176,107,467	208,754,534	238,108,842	268,939,765	304,556,794	345,856,556
Repairs & maintenance	53,967,362	61,015,670	66,956,105	73,521,942	80,784,197	88,822,434
Management (incl RRT)	52,610,515	58,102,185	64,149,507	70,826,240	78,197,891	86,336,791
Bad debts	1,305,178	1,327,836	1,495,820	1,688,446	1,911,025	2,169,254
Dwelling Depreciation	38,823,854	40,239,460	44,427,615	49,051,677	54,157,015	59,793,721
Debt management	72,820	83,265	91,931	101,499	112,063	123,727
Total costs	146,779,729	160,768,416	177,120,978	195,189,803	215,162,192	237,245,926
Net income from services	29,327,739	47,986,118	60,987,864	73,749,961	89,394,602	108,610,630
Interest payable	-11,977,846	-11,352,078	-9,493,199	-7,148,150	-5,584,614	-5,091,783
Interest income	1,684,636	1,481,812	2,904,789	5,066,501	8,188,476	13,197,039
Net income/expenditure before appropriations	19,034,529	38,115,852	54,399,454	71,668,313	91,998,464	116,715,885

Set aside for debt repayment	0	-5,897,597	-12,553,563	-12,000,000	-5,576,168	-2,303,235
Revenue contributions to capital	-17,728,701	-46,358,748	-12,604,606	-18,673,588	-14,381,008	-11,835,028
Allocation to/from other reserves	-1,122,254	-2,354,598	0	0	0	0
Other appropriations	0	0	0	0	0	0
Net HRA Surplus/Deficit	183,574	21,573,967	29,241,285	40,994,726	72,041,288	102,577,622

HRA Balance brought forward	1,227,516	18,572,438	44,548,031	83,863	148,905,166	246,157,843
HRA surplus/(deficit)	-18,740	3,843,157	7,108,848	8,788,768	15,787,727	21,112.68
HRA Balance carried forward	1,208,776	22,415,595	51,656,879	92,651,605	164,692,893	267,270,515

Other reserves brought forward	5,821,345	6,046,885	6,046,885	6,046,885	6,046,885	6,046,885
Appropriation from HRA	115,450	0	0	0	0	0
Release of reserve	0	0	0	0	0	0
Other reserves carried forward	5,936,795	6,046,885	6,046,885	6,046,885	6,046,885	6,046,885

In the first five-year period the HRA revenue account has a projected total income from rents, service charges and various other income streams of £176million, this continues to rise for each of the subsequent five-year periods and reaches £346million for years 26 to 30. This assumes that rents will increase by 6.5% (2023/24), 5% (2024/25) then 3% beyond (assuming CPI = 2%) and CPI (2%) plus 1% in each of the subsequent years.

The table illustrates several interesting points, most notably: -

- With a total income over the 30-year period of £1.542billion the HRA is a large business and major player in Lincoln's economy.
- The compound effect of inflationary increases (on both income and expenditure) almost doubles financial values over a 30-year period.
- Prudent management of the HRA can deliver significant surpluses to reinvest back into the council's housing stock.

The various income streams are spent across numerous budgets. The main item of expenditure is on repairs and maintenance which incurs the largest expenditure in each of the five-year periods, followed by staffing costs, debt management expenses, HRA loan charges, HRA debt provision and major repairs reserves.

The short-term economic situation is uncertain, and we anticipate that we will continue to face significant short-term inflationary increases that may drive up costs for energy, fuel and materials.

7.2 Capital Budgets

The following table provides a summary of the HRA capital budgets for the period 2024 to 2054. The budgets consist of four categories.

Table 9

HRA Capital Budgets 2022/23 to 2051/52

	Yr 1-5	Yr 6-10	Yr 11-15	Yr 16-20	Yr 21-25	Yr 26-30
HRA CAPITAL PROGRAMME						
Stock capital investment	59,762,818	61,753,683	57,012,438	67,688,798	68,482,418	71,551,138
Other Improvements	0	0	0	0	0	0
Development/Acquisition	17,768,633	17,768,633	1,266,953	294,760	325,470	359,350
IT Infrastructure	1,081,231	121,064	0	0	0	0
Capital programme	78,612,683	63,141,700	57,307,198	68,014,268	68,841,768	71,947,988

In total we are planning to spend £408million on various capital projects over the next 30 years at an average spend of £13.6million a year.

1. Stock Capital Investment makes up approx. 95% of our capital expenditure. This includes the Decent Homes and Lincoln Standard improvement programmes, Health

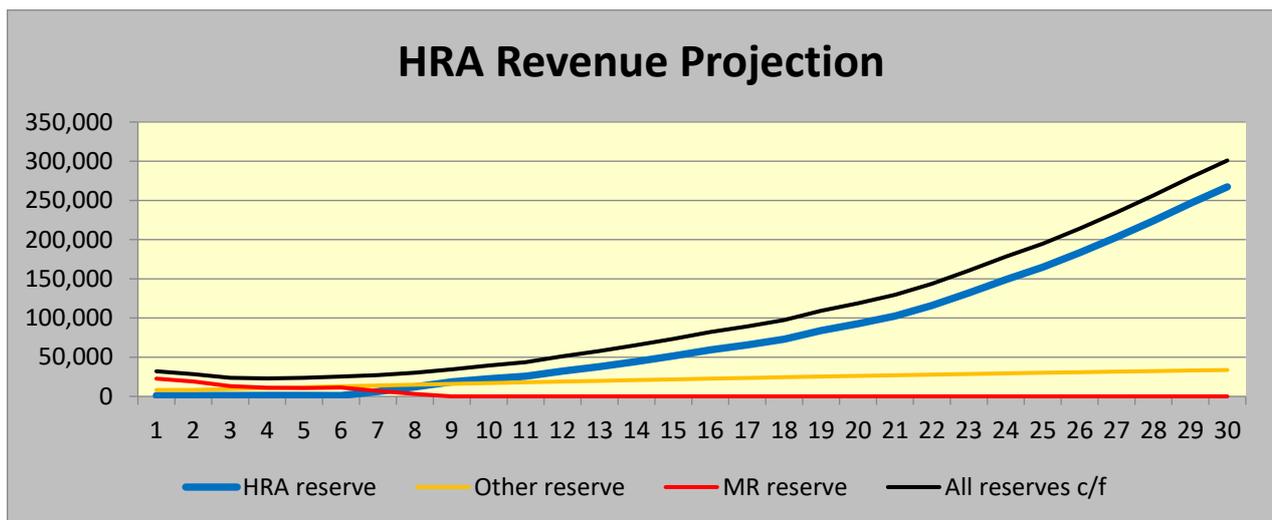
and Safety works and landscaping and environmental improvement projects, CCTV systems and improvement works to garage sites. In total we will be investing £386million in these projects over the next 30 years.

2. Development and acquisitions, this includes various projects to build new homes and the acquisition of one-off properties under the Buy Back and other government housing schemes. In total we will be investing £20million delivering additional homes.
3. IT/Infrastructure, this includes on-going investment in IT systems, hardware, and communication systems. In total we will invest £1.2m in this area.

7.3 HRA Surpluses

We have taken a prudent approach to the financial management of the HRA we estimate that the HRA revenue account will produce a total net surplus of circa. £266million over the 30-year period. The gross balance at year five will be £24million, by year 10 this will have risen to £39m and this continue will continue to increase incrementally to reach a total of £301million by year 30.

Chart 8



The prudent approach to managing the HRA set out in this business plan will, over time deliver surpluses that will enable Lincoln Council to invest in; improving core housing services, make our council houses greener and cost less to keep warm, regenerate our estates and build additional affordable houses.

8. Governance and Performance

The City Council's Constitution sets out how the council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The HRA Business Plan and policy framework are approved by Executive, as these are key decisions for example in relation to the capital programme, which is included in the council's Medium Term Financial Strategy and dwelling/non dwelling income in the annual rent setting report.

Informing and supporting those decisions is a structure set out in the Constitution.

Performance - Measuring Performance

We have a performance framework which incorporates monthly performance metrics and quarterly performance measures for the services we provide across the HRA business.

This helps us to monitor service delivery and to report consistent information to a range of audiences, including to tenants and to officers in the council, together with presentations to Housing Scrutiny Committee and Executive.

These measures and the discussion around them, help us to make decisions about service improvements and about how to make services more efficient.

There is also a direct link to the strategic measures in Strategic Plan which ensures that the HRA business contributes to Vision 2025.

Also subject to monitoring and scrutiny within the framework, we have a Housing Work Plan, Vision 2025 action plan, team plans and individual objectives which all link back to delivering key actions and priorities in service delivery. These priorities and plans improve efficiency, secure value for money and improve the quality of our homes and the services that we provide.

Appendix 1

Housing Strategy Action Plan

Note – [insert link to latest version of the housing strategy](#)

Appendix 2

Asset Management Strategy Action Plan

Note – [insert link to latest version of the asset management strategy](#)

Appendix 3

Housing and Investment Risk Register

Note – [insert link to latest version of the housing risk register](#)

Appendix 4

Department of Housing and Investment High Level Key Performance Indicators 2023/24

Performance indicator	PSC 23-24 Target		HSSC 23-24 Target
	CoLC Lower Target	CoLC Higher Target	Target
Rent collected as a percentage of rent due	96.50%	97.50%	97.50%
Current rent arrears as a percentage of rent due	4.15%	4.00%	4.00%
Percentage of rent lost due to vacant dwellings	1.20%	1.00%	1.00%
Average re-let times (minor works) *all dwellings*	34 days	32 days	32 days
Average relet times (including major works) *all dwellings* - Overall	40 days	38 days	38 days
Percentage of priority repairs carried out within time limit (1-day tickets)	98.50%	99.50%	99.50%
Percentage of homes with a valid Gas Safety Certificate	98.60%	99.00%	99.00%
Repairs completed right first time (1- and 3-day tickets)	90%	92%	92%
Percentage of repairs appointments kept (1- and 3-day tickets)	95%	97%	97%

Percentage of Urgent repairs carried out within time limits (3-day tickets)	95.00%	97.50%	97.50%
Percentage of non-decent homes	1.20%	1.00%	1.00%
Percentage of alarm calls answered within 60 seconds	97.50%	98.00%	Not in HSSC
The number of people currently on the housing list	No target - volumetric measure		Not in HSSC
Percentage of tenants satisfied with repairs and maintenance	90.00%	95.00%	Not in HSSC
The number of people approaching the council as homeless	No target - volumetric measure		Not in HSSC
Successful preventions and relief of homelessness against total number of homelessness approaches	45.00%	50.00%	Not in HSSC
Percentage satisfied of new connections for the control centre	90.00%	95.00%	Not in HSSC
Number of properties 'not decent' because of tenant's refusal to allow work (excluding referrals)	No target - volumetric measure		Not in HSSC
% of offers accepted first time	Not in PSC		85%
% of Priority repairs carried out within time limits (1-day tickets) – Aaron Services only)	Not in PSC		99.50%
% of complaints replied to within Housing Code timescales	Corporate target		95%

Average number of working days to respond to complaint	Not in PSC	12 days
% of ASB cases closed that were resolved	Not in PSC	94%
Average days to resolve ASB cases	Not in PSC	70 days
% of complaints replied to within Housing Code timescales	Corporate target	95%
Average number of working days to respond to complaint	Not in PSC	12 days
% of ASB cases closed that were resolved	Not in PSC	94%
Average days to resolve ASB cases	Not in PSC	70 days

Appendix 5 - HRA Development Programme

Scheme	2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		26/27		Future delivery - dates TBC	
	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC	Other Affordable Provider	CoLC
LN6 Development	6															
Markham House		5														
Rookery Lane						32		10								
De Wint Court				70												
Gaunt Street	9															
Boultham Dairy site	18															
Riseholme Road (Waterloo)	20	15														
Former council properties / open market acquisitions		36		15		8		12		10						
NSAP / RSAP purchases				18												
Monks Road			5													
Hermit Street										11						
Gap Homes									5							
Garage Sites											10		10			
SHAP - framework provision											15					
LAHF							6									
Roman gate Taylor Lindsey affordable homeownership product					10											
Roman gate Taylor Lindsey inhouse affordable section 106 contributions							4		10							
RSAP - Framework							6									
LAHF								9								
Queen Elizabeth Road Site														81		
S106											10		10		10	
Western Growth Corridor															363	277
Jasmine Green																49
Longhurst Flats															17	
Tentercroft Street																40
Palmer Street																10
TOTALS	53	56	5	103	10	40	10	37	15	21	25	10	10	91	390	376

KEY	
Complete	287
In progress	27
Likely to proceed	182
Dates to be confirmed if scheme progresses	756
Total identified	1252

Appendix 6

City of Lincoln Business Plan Assumptions

	Medium-Term Financial Plan (Mirrored in the Model)	Year 5+ Used in the o Long-term Business Plan	Commentary
Rents	6.5% (23.24), 5% (24.25) then 3% beyond (assuming CPI = 2%) RTBs (-50pa)	CPI (2%) + 1% RTBs (-50pa Y6, Y7+ this reduces by -1 pa)	The plan assumes CPI at 4% for 2024.25 then CPI at 2% thereafter. Rents increase all-years at CPI +1%. The current rent policy ends in April 2024 – consensus is that rents should continue to increase by CPI +1% until further long-term guidance is issued. The CPI rates used are reasonable given latest forecasts.
Non-Dwelling Rents	3% 2024.25 beyond	CPI (2%) + 1%	We would expect non-dwelling rents such as garages to continue to increase by CPI +1%.
Service Charges	3% 2024.25 beyond* (Only a small minority of properties currently have a service charge) *De Wint Court is the only exception to this with service charges calculated annually on a full cost recovery basis.	CPI (2%) + 1%	The majority of social landlords (councils and RP's) have implemented rent de-pooling, the Council are proposing to introduce new service charges, with a phased approach, effective Apr-25. New service charges will increase in line with service costs unless direction not to fully recover costs
Repairs	3% 2024.25, 2% beyond	CPI (2%)	Increases are dependent on contracts and if uplifted by CPI or by the relevant BCIS index. Not all expenditure is inflated as per MTFS assumptions.

Management	Pay c.6% 2024.25, 2% beyond* Utilities 3% 2024.25, 2% beyond *the MTFS originally assumed a pay award of 3% for 2024.25, this has since been uplifted to recognise the latest national pay offer (though not agreed) which represents an average increase of c.6%	CPI (2%)	Salary costs now reflect the proposed national pay offer for 2024.25, and 2% thereafter. Utilities are inflated by 3% in 2024.25, and 2% thereafter. The cost-of-living impact within 2023.24 was recognised within the current MTFS and the base budget was increased by 180% and 100% for Gas and Electricity respectively. Not all expenditure is inflated as per the MTFS assumptions.
Bad Debt Provision	Fixed £250k	0.7%	Beyond the current MTFS the bad debt provision rises in line with rent increases.
Depreciation	Cash Limited – to match MTFP	CPI (2%)	N/A
Capital Expenditure	Cash Limited – to match MTFP	CPI (2%)	Based on inflated Stock Condition Surveys
Debt Management	Cash Limited – to match MTFP	CPI (2%)	Based on Treasury Management Requirements
Interest Paid	Existing Loans c3.4% New Loans (£2.7m) c4.1% Internal Borrowing >£17.6m 0%	Existing Loans c3.4% Internal Borrowing 0%	Limited new borrowing included due to level of available resources. Internal borrowing reduces investment interest received.
Interest Received	c1.7% to c1.1% (To be updated in next MTFS refresh)	1.1% (To be updated in next MFTS refresh)	Longer terms rates are set to reduce.

Appendix 7

Glossary:

Affordable Rent	Up to 80% of open market rent.
AHP	Affordable Homes Programme
Allocations Policy	The Council's policy setting out how Council housing is allocated
Category 1 sheltered housing	Properties are grouped together, usually with a common room, with a site warden.
Category 2 sheltered housing	Flats / bedsits "all under one roof" with facilities such as a common room, guest room and communal kitchen with a site warden.
Category 2.5 sheltered housing or extra care sheltered housing	Flats / bedsits "all under one roof" with on-site care provision, a scheme manager, and a range of communal facilities such as a restaurant, hair salon and treatment rooms.
Cost floor	Section 131 of the Housing Act 1985 (the cost floor) limits the Right to Buy discount to ensure that the purchase price of the property does not fall below what has been spent on building, buying, repairing, or maintaining it over a certain period. For new homes the cost floor covers the first 15 years. However, where the cost floor is above the valuation the sale price will equal that valuation.
CPI	Consumer Price Index
Decent Homes Standard	Homes that are warm, weatherproof and have reasonably modern facilities.
Depreciation charge	Annual amounts representing the long-term needs of the existing stock to be moved from the HRA to the Major Repairs Reserve.
EPC	Energy Performance Certificate
Formula Rent	Social rent which has reached the target under rent restructuring.
General needs housing	Housing which is not designated for people with specific housing needs. However, general needs bungalows are usually only allocated to older people and people with disabilities.
HAPPI	Housing our Ageing Population: Panel for Innovation

Housing Association	A not-for-profit organisation which provides affordable housing. A housing association registered with the Regulator of Social Housing is a private registered provider.
HRA	Housing Revenue Account. This is ring-fenced, landlord account which records expenditure and income arising from the provision of housing accommodation by local housing authorities.
Leasehold properties	When HRA properties are sold through the Right to Buy the former tenant of a bedsit, flat or maisonette becomes a leaseholder.
Lettable standard	Standard of property which each Council home is required to reach before it is let.
Net zero	Net zero refers to achieving a balance between the amount of greenhouse gas emissions produced and the amount removed from the atmosphere.
Rent Standard	Sets out the rent increases local authorities and housing associations are expected to levy on social and affordable rented housing.
Retained Right to Buy receipts	Often referred to as 1-4-1 receipts, these are receipts received by the Council for Right to Buy sales over and above the assumed level of sales agreed under self-financing settlement payment. The receipts can fund up to 30% of the total scheme cost of replacement social housing.
SAP	Standard Assessment Procedure.
Statutory homeless	A household is homeless, eligible for assistance, in priority need, unintentionally homeless and has a local connection.
Social Rent	Formula set by the Government which reflects valuation, average earnings, and the size of a property.
Supported housing	Housing which should only allocated to people with specific housing needs, this includes sheltered housing.
Tenancy Policy	Sets out the types of tenancies which the Council offers and in what circumstance.
Void	Empty council house.