

on council housing from 2024/25 to 2027/28 and outlines a financial model until 2052/53.

- 3.2 The council housing service has responsibility for 3207 units of accommodation which are widely dispersed across the borough, including 11 sheltered housing schemes which provide accommodation to the over 60s or those who are over 55 with a support need. Additionally, the housing service is responsible for 143 leasehold properties, garage sites and housing land.

3.3 Key achievements since the last HRA investment strategy

- 3.4 Since the last HRA Investment Strategy 2018/19 -2022/23 the council has achieved a number of outcomes which align to the corporate objectives around People, Place and Prosperity. These include:

- Added to the stock by 70 new affordable homes (although 141 properties have been lost to the Right to Buy (RTB).
- The redevelopment of Ambion Court, a sheltered housing scheme.
- Capital improvement delivery- the following capital works have been completed over the last 5 years which includes:
 - 633 upgrades to electrical installations
 - 1471 Boilers/heating distribution system renewals with A Rated boilers
 - Renewal of windows to 329 properties
 - Renewal of doors to 369 properties
 - Replacement of 447 roof finishes
 - 585 kitchen refurbishments
 - 432 bathroom refurbishments.
- Meeting 100% compliance with the Decent Homes Standard.
- Working towards meeting the council's wider ambition to become net zero by 2030.

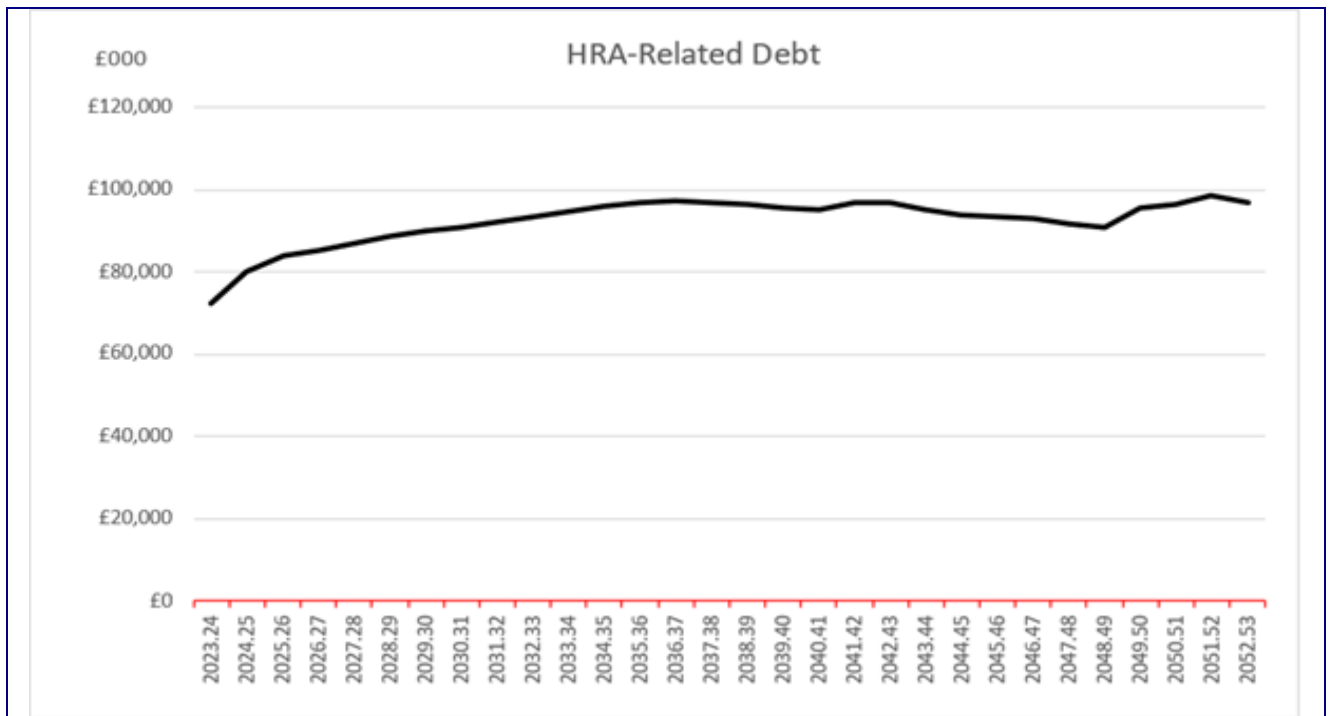
3.5 The HRA Financial Position

- 3.6 The HRA Investment Strategy outlines HRA investment requirements over the period 24/28. Overall, the updated model shows that the HRA is still in a balanced financial position. Central to ensuring that investment requirements remain viable is ensuring that rental and other income is maintained and maximised, and that reserves are maintained at an appropriate level.
- 3.7 There is less capacity than hoped to fund increasing the number of council homes, without taking on new debt as the existing debt is paid off. This is due to the demands on capital resources. Further work will take place on the impact of taking on new debt to fund additional acquisitions during 24/25.
- 3.8 The overall detail is contained within the HRA Investment Strategy attached to this report. A high-level summary is given in the table below, which gives the overall levels of income and expenditure expected based on the current 30

year Investment Plan. During this period debt will rise to around £97m. Table A provides a summary of financing requirements and estimated debt levels over the term of the 30-year business plan.

Table A: HRA financing and debt levels over the 30-year business plan

	2023/24 Prior year	2024/25 Forecas t	2025/26 Forecas t	2026/27 Forecas t	2027/28 Forecas t	2028- 2053 Forecas t	Total
	£m	£m	£m	£m	£m	£m	£m
Income	£m	£m	£m	£m	£m	£m	£m
Total income	£14.43	£15.42	£16.20	£16.69	£17.03	£511.67	£591.44
Total expenditure	-£7.64	-£7.75	-£8.00	-£8.18	-£8.32	-£261.65	-£301.54
Total financing costs	-£4.65	-£5.01	-£6.39	-£6.66	-£6.80	-£190.21	-£219.72
Net Operating Expenditure	£2.15	£2.66	£1.81	£1.85	£1.90	£59.80	£70.17
Appropriation s	-£2.16	-£2.63	-£1.76	-£1.81	-£1.94	-£59.06	-£69.36
Net income/ (expenditure)	-£0.01	£0.03	£0.05	£0.03	-£0.04	£0.74	£0.81
HRA Balance	£m	£m	£m	£m	£m	£m	£m
Closing HRA Balance	£0.81	£0.84	£0.89	£0.92	£0.89	£1.62	£1.62



3.9 Key priorities

3.10 Hinckley and Bosworth Borough Council Housing Service has a number of key priorities over both the immediate and longer term which include:

- **Increasing Affordable Housing-** The four year investment plan allows for an additional 57 properties, including schemes already approved such as Peggs Close. This will include considering links with section 106 opportunities and maximising spend of RTB receipts.
- **Maintaining the Decent Homes Standard-** Investment in capital programmes including roof repairs, kitchen/bathroom upgrades, and heating system replacements to ensure all properties continue to meet the decency standard.
- **Improved Energy Efficiency-** Upgrading electrical installations, installation of A-rated boilers, and replacement windows and doors across our housing stock. Achieving compliance with a minimum Energy Performance Certificate (EPC) rating of C in all individual dwellings by 2035. Decarbonising wider council assets including sheltered housing schemes and community centres.
- **Supporting Independent Living** - Maintaining elderly persons' homes and sheltered housing schemes. Continued provision of aids and adaptations for older people and people with disabilities.
- **Service improvements** - including investment in ICT and staffing capacity.
- **Compliance with Social Housing Regulation**
- **Maintaining a balanced HRA financial position**

The HRA Investment Strategy will be reviewed to ensure any opportunities from a new government are maximised.

3.11 Risks

- 3.12 There are number of risks that may impact the viability of the investment strategy. Rising costs for materials have hit the building sector hard over previous years, but now seems to have stabilised. However, should costs begin to rise steeply again this will affect both development and stock improvement programmes.
- 3.13 There is a skills shortage in the housing and development sector which may impact on the council's ability to reach its ambitions for developing new homes.
- 3.14 The Homes England Affordable Homes Grant programme comes to an end in 2026, and availability of grant after that period is not yet known. In addition, the council may be unable to access other government funding due to demand or previous success in drawing down funding making the council ineligible to apply.
- 3.15 The council, as a social landlord, is subject to the new regulation regime which strengthens consumer standards to help protect tenants and drive improvements in landlord services. As this is a recently introduced requirement, the impact on resources is not yet fully quantified.
- 3.16 There is also uncertainty over priorities set by future government post-election 2024 on the emphasis given to social housing delivery.
- 3.17 This HRA Investment Strategy and the supporting 30 year business plan are based on maximising income and future rent policy/decisions affecting income to the HRA Business plan could pose a risk.
- 3.17 The council plans to address these challenges by maximising income, seeking grant opportunities, investing in staff training, adapting to new regulations, and working to continuously improve service delivery.

4. Exemptions in accordance with the Access to Information procedure rules

- 4.1 Report to be taken in open session.

5. Financial implications [AW]

- 5.1 The financial implications are contained within the appended HRA Investment Strategy attached to this report.

6. Legal implications [ST]

6.1 None

7. Corporate Plan implications

The HRA Investment Strategy and business plan align to the following corporate objectives:

People -*Help people to stay healthy, happy and active and continue to provide initiatives that support children and young people, older people and our vulnerable residents.*

Place- *Promote sustainable development and initiatives to reduce the carbon footprint of the borough.*

8. Consultation

8.1 Consultation with the Tenant Scrutiny Panel will take place.

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report were identified from this assessment:

Management of significant (Net Red) risks

Risk description	Mitigating actions	Owner
HRA headroom will reduce if income is not maximised	Maximise income to the HRA through following rent policy and reviewing service charges	Head of Housing/Head of Finance
Changing legislative requirements may place additional financial demands on the HRA	Continue to explore opportunities to draw down grant funding	Head of Housing
Market forces- inflation and rising costs may impact service delivery and capital programmes	Competitive procurement, continue to keep under review technological advances, eg heating systems etc.	Housing Repairs Manager

10. Knowing your community – equality and rural implications

- 10.1 Arising implications and delivery of the HRA Investment Strategy will directly affect Hinckley and Bosworth Borough Council Housing tenants. The council has housing stock across the borough, including rural locations.

11. Climate implications

- 11.1 Decarbonisation is a central priority to the HRA Investment Strategy and subsequent delivery. The council housing service is working towards meeting the wider council objective to be net zero to 2030.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:

- Community safety implications
- Environmental implications
- ICT implications
- Asset management implications
- Procurement implications
- Human resources implications
- Planning implications
- Data protection implications
- Voluntary sector

Background papers: HRA Investment 30 year Business Plan

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