

**REPORT TO:** CABINET

**DATE:** 24 JANUARY 2019

**TITLE:** HOUSING REVENUE ACCOUNT BUSINESS PLAN  
2018-2048

**PORTFOLIO HOLDERS:** COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

COUNCILLOR MARK WILKINSON, DEPUTY  
LEADER AND PORTFOLIO HOLDER FOR  
HOUSING

**LEAD OFFICERS:** SIMON FREEMAN, HEAD OF FINANCE AND  
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**CONTRIBUTING OFFICER:** ANDREW SMITH, FINANCE MANAGER (01279)  
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**This is a Key Decision**

**It is on the Forward Plan as Decision Number I008576**

**The decision is not subject to Call-in Procedures for the following reason:**

The decision stands as a recommendation to Full Council

**This decision will affect no ward specifically.**

**RECOMMENDED that** Cabinet recommends to Full Council that:

- A** The Housing Revenue Account (HRA) Business Plan, as set out in Appendix A to this report, be approved.
- B** Authority be delegated to the Managing Director, in consultation with the Portfolio Holder for Housing, to make minor amendments to the Plan, if necessary, following consultation.

**REASON FOR DECISION**

- A** The HRA Business Plan 2018-2048 is a formal update on the Council's landlord service over the next 30 years. Housing stock holding councils need to demonstrate that their business is sustainable over the long term.

## **BACKGROUND**

1. This new Business Plan is presented in response to the plan to build new council homes, fire safety and regulation, the Homelessness Reduction Act 2017, Universal Credit and inflationary pressures. Externally, the potential effect of Brexit adds uncertainty. 2019/20 is the fourth and final year of mandatory reductions in rent levels.
2. The HRA Business Plan set out in Appendix A of this report complements and is influenced by other reports submitted to this meeting for approval including:
  - a) HRA Budget 2019/20
  - b) Capital Programme 2018/19-2019/20
  - c) The Capital and Treasury Report, which includes a Capital Programme Strategy (attached as Appendix B to the report) which gives information on the forecast capital programme to 2022/23 including the programme of house building; the Treasury Management Strategy (attached as Appendix C to the report) and Investment Strategy (attached as Appendix D to the report).

### **What are the Plans Key Themes?**

3. The key principles which underpin the HRA Business Plan are:
  - a) Reduce dwelling rents annually by one per cent in each of the four years 2016/17 – 2019/20.
  - b) Renew the Public Works Loan Board (PWLB) debt of £209 million upon maturity of each loan and the repayment be kept under review.
  - c) Set the minimum HRA working balance at 31 March 2019 at £4 million, being £2.5 million for extraordinary events and £1.5 million for fire safety work following the Grenfell Tower Public Inquiry.
  - d) Retain the housing asset management plans as outlined below:
    - i) maintain compliance of the Council's housing stock to the housing regulatory requirements. Continuing with the replacement regime (based on stock condition survey) for internal and external property components such as kitchens, bathrooms, central heating systems, roofs and external structure of homes)
    - ii) prioritise resources to safeguard the wellbeing and safety of the Council's tenants in their homes in regard to increased statutory and legislative landlord requirements for fire safety, electrical (communal) safety, asbestos management and lift maintenance
    - iii) prioritise energy efficiency initiatives that alleviate fuel poverty

- iv) prioritise resources for disabled adaptations to meet statutory requirements and keep under review annually
  - v) reduce resources to garage-related works and re-prioritise the approved Garage and Hardstand Strategy
  - vi) realise further efficiencies from responsive repairs programmes and scope of works
  - vii) develop a three year housing programme to outline the aspirations for the delivery of housing, affordable housing, social rented, and the building of new council housing. In accordance with local plan priorities, regeneration priorities, and affordability/viability
- e) Assume annual increases of at least five per cent per year for garages and increases/decreases in service charges related to changes in expenditure, subject now though to a proposal to incentivise take-up in some areas of the town.

## **ISSUES/PROPOSALS**

### **How has the Plan Been Changed?**

4. The Business Plan incorporates the latest forecasted income and expenditure projections produced in consultation with tenant and leaseholder representatives. The Council is committed to resident involvement and believes that this is a way in which residents can be involved in the management of their homes.

### **Taking the Plan Forward**

5. The Plan is a working document subject to ongoing updates and reporting, and effectively establishes the HRA Medium Term Financial Strategy.
6. The Council's Housing Management Standards Board and Tenant and Leaseholder Panels will jointly monitor service delivery against the national housing standards regulated by the Homes and Communities Agency (HCA).

## **IMPLICATIONS**

### **Place (Includes Sustainability)**

Investment in the housing stock can have regenerative benefits for residential areas.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

**Finance (Includes ICT)**

The financial implications are set out within the HRA Business Plan.

**Author: Simon Freeman, Head of Finance and Deputy to the Managing Director**

**Housing**

Service implications are contained in the report and accompanying Business Plan.

**Author: Andrew Murray, Head of Housing**

**Community Wellbeing (Includes Equalities and Social Inclusion)**

The Business Plan has been developed in consultation with tenants and leaseholders, ensuring an inclusive approach to forward planning for the Council's Housing Services.

**Author: Jane Greer, Head of Community Wellbeing**

**Governance (Includes HR)**

None specific.

**Author: Simon Hill, Head of Governance**

**Appendices**

Appendix A – HRA Business Plan 2018-2048

**Background Papers**

None.

**Glossary of terms/abbreviations used**

HCA –Homes and Communities Agency

HRA – Housing Revenue Account

PWLB- Public Works Loan Board