

REPORT TO: CABINET

DATE: 23 JANUARY 2020

TITLE: HOUSING REVENUE ACCOUNT BUSINESS PLAN
2019-2049

PORTFOLIO HOLDERS: COUNCILLOR MIKE DANVERS, PORTFOLIO
HOLDER FOR RESOURCES

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This is a Key Decision

It is on the Forward Plan as Decision Number I010152

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 Chief Executive, 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 2019-2049 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, Universal Credit and inflationary pressures.
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 2020/21
 - b) Capital Programme 2019/20-2020/21
 - 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 2023/24 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) To increase dwelling rents annually by CPI+1 per cent commencing 2020/21. Uplifts are based on the Consumer Price Index as at September annually. In this Business Plan rents will increase by 2.7 per cent with effect from April 2020, and an estimated three per cent annually thereafter.
 - 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 2020 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) The following asset management priorities 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 well-being 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) Develop energy efficiency initiatives that alleviate fuel poverty.
 - iv) Allocate resources for disabled adaptations to meet statutory requirements and keep under review annually.
 - v) Target 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 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.

IMPLICATIONS

Environment & Planning (Includes Sustainability)

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

Author: Andrew Bramidge, Head of Environment & 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 Chief Executive

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 2019-2049

Background Papers

None.

Glossary of terms/abbreviations used

HRA – Housing Revenue Account