

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: HOUSING REVENUE ACCOUNT BUSINESS PLAN2021-2051

PORTFOLIO HOLDERS: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

COUNCILLOR SIMON CARTER,
PORTFOLIOHOLDER FOR HOUSING

COUNCILLOR DAN SWORDS,
PORTFOLIO HOLDER FOR
REGENERATION

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE(01279) 446228

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CONTRIBUTING OFFICERS: SENIOR MANAGEMENT BOARD

This is a Key Decision

It is on the Forward Plan as Decision Number I012622

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, is approved.
- B** Authority is delegated to the Director of Housing, 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 2021-2051 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 new Corporate Strategy outlining the Council's short, medium and long term housing landlord ambitions. It recognises the need to establish a strong recovery tackling housing need, providing support for tenants/leaseholders and recommencing the Housing Investment Programme to keep our stock to the highest quality, with safe and improving housing conditions.
2. The HRA Business Plan set out in Appendix A of this report complements and is influenced by Housing landlord strategies and policies and other reports submitted to this meeting for approval including:
 - a) HRA Budget 2022/23
 - b) Capital Programmes 2021/22-2023/24
 - c) The Capital and Treasury Report 2022/23, which includes the Capital Strategy (attached as Appendix A to the report), giving information on the forecast capital programme to 2026/27; the Treasury Management Strategy (attached as Appendix C to the report) and the 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) Increase rents by Consumer Prices Index (CPI) plus one per cent until 2024/25. After that, assume that the annual increase will be reduced to CPI plus half of one percent.
 - b) Review the current rent-setting policy, with a view to setting rents at target rent levels as properties are relet and options for setting rents at affordable rent levels where properties are acquired or newly built (with the aim of assisting the viability of schemes).
 - c) Renew the Public Works Loan Board debt of £209 million upon maturity of each loan, with options for repayment to be kept under review.
 - d) Set the minimum HRA working balance at 31 March 2022 at £4.563 million, representing the "industry norm" of £500 per property.
 - e) Retain and enhance the housing asset management plans as outlined below:
 - i) maintain compliance of the Council's housing stock to the housing regulatory requirements. Continue with the replacement regime (based on stock condition survey data) for internal and external property components such as kitchens, bathrooms,

central heating systems, roofs and external structure of homes, taking into account carbon neutral ambitions

- ii) prioritise resources to safeguard the wellbeing and safety of the Council's tenants in their homes with 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 aligned to carbon neutral ambitions
 - iv) prioritise resources for disabled adaptations to meet statutory requirements to be reviewed annually
 - v) prioritise resources to garage-related works and re-prioritise the approved Garage and Hardstand Strategy to ensure delivery of the proposed works within affordable budgets
 - vi) realise further efficiencies from responsive repairs programmes and scopes of works with Harlow Trading Services (Property and Environment) Ltd through the Business and Improvement Plans and the revised Service Agreement
 - vii) increase investment over the next six years by £25.939m to allow catch-up on stock condition requirements
 - viii) develop and roll out a three year housing delivery programme to underpin the aspirations for the delivery of affordable, social rented and new build housing, in accordance with local plan priorities, regeneration priorities, and affordability/viability
 - ix) commence a programme of estate renewal to ensure Harlow's estates are fit for the future, aligned to town regeneration priorities
- f) Assume annual increases in rents for garages of at least five per cent per year and increases/decreases in service charges related to changes in expenditure.

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. Set out in the plan are the short, medium and long term ambitions envisaged to achieve our aspirations for housing. Delivery plans for the landlord service will be aligned to these ambitions, as outlined in Appendix A.
6. The Plan is a working document subject to ongoing updates and reporting, and effectively establishes the HRA Medium Term Financial Strategy.
7. The Council's Housing Standards Board and Tenant and Leaseholder Panels will jointly monitor service delivery against the national housing standards regulated by the Social Housing Regulator and the reinvigorated Housing Regulator.

IMPLICATIONS

Strategic Growth and Regeneration

The ambitions in this Business Plan will have a transformative impact upon the town and will be a significant factor in the regeneration process when combined with other broader programmes. The liaison with the Planning service will be key in ensuring timely delivery of the objectives of the Business Plan.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

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

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

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

Author: Andrew Murray, Director of Housing

Communities and Environment

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, Director of Communities and Environment

Governance and Corporate Support

None specific.

Author: Simon Hill, Director of Governance and Corporate Services

Appendix

Appendix A – HRA Business Plan 2021-2051

Background Papers

None.

Glossary of terms/abbreviations used

HRA – Housing Revenue
AccountCPI – Consumer Prices
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