

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022-2052

**PORTFOLIO HOLDERS:** COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE  
COUNCILLOR ALASTAIR GUNN, PORTFOLIO HOLDER FOR HOUSING

**LEAD OFFICERS:** SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE (01279) 446228  
ANDREW MURRAY, DIRECTOR OF HOUSING (01279) 446676

**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 and finalisation of the Plan and Appendices, following consultation.

#### **REASON FOR DECISION**

- A** The HRA Business Plan 2022-2052 is a formal update on the Council's landlordservice 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 Corporate Strategy outlining the Council's short, medium and long term housing landlord ambitions. It recognises the need to establish a sustainable financial future, the meeting of local priorities, tackling housing need, and the continuation of the provision of support for tenants/leaseholders. Keeping our stock to the highest quality, safe, regulatory compliant, and improving housing conditions.
2. The HRA Business Plan set out in Appendix A of this report complements and is influenced by other corporate and housing strategies and policies. Other reports submitted to this meeting for approval including:
  - a) HRA Budget 2023/24
  - b) Capital Programmes 2023
  - c) The Capital and Treasury Report 2023/24, which includes the Capital Strategy (attached as Appendix A to the report), giving information on the forecast capital programme to 2027/28; 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) Implementation of the Rent Standard (2022), increasing dwelling rents by a maximum of 7 per cent from April 2023.
  - b) The rental income estimates assume that in 2023/24 there will be 50 right-to-buy sales and that the percentage number of voids will be 1.27 per cent of total stock, or an average of 116 vacant properties.
  - c) Increases in garage rents by five per cent annually.
  - d) Full recovery of all utility and other premises costs from tenants and leaseholders through service charges.
  - e) Implementation of the staff pay award in accordance with current Government policy with effect from 1 April 2023.
  - f) Depreciation continues to be calculated based on the Existing Use Value for Social Housing (EUSSH) spread over the estimated life of the asset.
  - g) Renewal of the Public Works Loan Board (PWL) debt of £208.837 million when it becomes due and additional borrowing taken when necessary as reflected in the current capital programme.

- h) Maintaining a minimum HRA working balance with effect from 31 March 2023 of £3.529 million, complying with the “industry average” of £389 per property.
- i) Retaining and enhancing the housing asset management plans as outlined below:
  - i) Maintain compliance of the Council’s housing stock with the housing regulatory requirements. Continue 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. Undertake catch-up works.
  - ii) Prioritise resources to safeguard the well-being 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, damp/mould 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) Target resources to garage-related works and re-prioritise the approved Garage and Hardstand Strategy to remain within available resources.
  - vi) Realise further efficiencies from responsive repairs programmes and scopes of works.
  - vii) Continue to develop a “House Building Programme” to outline the aspirations for the delivery of new housing in accordance with housing need, local plan priorities, regeneration priorities, and affordability/viability.

## **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.
8. The Housing Service is in the process of varying its current tenancy conditions. Consultation commenced on the 12 December 2022 and will apply to all existing and new tenancies. A draft of the proposed agreement has been sent to all Council tenants as part of the statutory consultation process prescribed by the Housing Act 1985. The proposed new agreement addresses changes in legislation including some parts of the Localism Act 2011, The Prevention of Social Housing Fraud Act 2014 and The Anti-Social Behaviour, Crime and Policing Act 2014 as well as strengthening provisions linked to fire safety. The consultation period initially ran until 8 January 2023 but has been extended to take into account possible delays due to the industrial action by postal workers during this period. Tenants have been able to respond and comment in a variety of ways, including via the Council's website, via a designated e-mail address, through their Harlow MyHome accounts, or in writing. As at 26 January 2023 this had resulted in 108 responses (38 responses providing comments regarding the proposals, 30 stating no comments or affirming that they agree with the proposed changes and a further 40 responses which relate to tenants personal issues or requesting permissions. The consultation process is intended to conclude on 5 February, allowing an additional 4 weeks in response to the postal issues.

## **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, Chief Executive**

### **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 Services**

None specific.

**Author: Simon Hill, Director of Governance and Corporate Services**

### **Appendix**

Appendix A – HRA Business Plan 2022-2052

### **Background Papers**

None.

### **Glossary of terms/abbreviations used**

HRA – Housing Revenue Account

CPI – Consumer Prices Index