



Report for:	Cabinet
Title of report:	Housing Revenue Account - Business Plan Update 2023
Date:	March 2023
Report on behalf of:	Councillor Margaret Griffiths , Deputy Leader and Portfolio Holder for Housing
Part:	I
If Part II, reason:	N/A
Appendices:	1 – Housing Revenue Account Business Plan
Background papers:	Housing Revenue Account Business Plan 2021-2024 (dacorum.gov.uk)
Glossary of acronyms and any other abbreviations used in this report:	H.R.A – Housing Revenue Account

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need
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	<p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
Wards affected	All wards
Purpose of the report:	To approve the Housing Revenue Account Business Plan 2023
Recommendation (s) to the decision maker (s):	That Cabinet recommends the adoption of the HRA Business Plan to Council.
Period for post policy/project review:	The Housing Revenue Account Business Plan will be reviewed annually as part of the Council's Medium Term Financial Plan.

1 Introduction:

- 1.1 This report provides an update on the financial position of the HRA over the next 30 years and shows that the Housing Revenue Account (HRA) business plan continues to be robust and viable and is able to deliver its key priorities.
- 1.2 The Housing Revenue Account (HRA) and the services that the Council provides for its Council tenants and leaseholders are more relevant and important than ever. With the Social Housing Bill introducing a new regulatory framework, supported by a greater emphasis on resident engagement, the HRA must ensure its management function is strong and both anticipates and meets the needs of all of its residents.
- 1.3 The HRA will continue to accelerate the delivery of affordable homes and contribute towards the reduction in use of temporary accommodation to deliver better outcomes for residents. With carbon net zero a key Council goal, the green credentials of new build homes and the retrofitting of existing stock are also of paramount importance in the HRA and make an important contribution to meeting the Council's wider climate change ambitions.
- 1.4 The Business Plan sets the parameters of the work and spend that are undertaken by the Council's Housing Service and underpins every decision taken in the HRA. The Business plan shows that the Council has a balanced HRA that is able to deliver on the construction, decarbonisation, management and engagement priorities it has set itself. This report sets out the ongoing priorities for the HRA, along with the assessment that the Business Plan remains affordable, with debt at a manageable level.
- 1.5 In support of the objectives set out in the plan, the Housing Service is currently going through a major service transformation programme. The focus of the programme is to provide an improved customer experience, increase opportunities for engagement, and to ensure satisfaction with services provided by the Council remains high.

2 Overview:

- 2.1 The HRA Business Plan sets out the strategic plan for managing and maintaining the Council's social housing stock.
- 2.2 It details our short to medium term plans and priorities for the housing and asset management services and provides a long term forecast on stock investment and financial planning.
- 2.3 It gives an economically sustainable strategy from which to go forward, meeting the statutory health and safety requirements, improving the decency of homes, providing more homes, and starting the journey towards carbon neutrality.
- 2.4 It is a good framework from which to make decisions on a daily basis moving forwards, aligned with Council corporate priorities.
- 2.5 It sets out how the housing service is delivered, including what it will cost and how the resources will be used.
- 2.6 It defines priorities for investment and summarises the key risks with actions to mitigate these risks.
- 2.7 It provides a framework for prioritising the delivery of health and safety measures, the need for meeting demand for more social housing, keeping homes decent, and addressing the challenges of energy efficiency and climate emergency.

- 2.8 The plan sets out how we will meet the challenges and changes in the Government's Social Housing Bill through compliance works for building safety, electrical inspections, fire risk assessments and fire door inspections.
- 2.9 The plan supports improvement of the energy efficiency of our properties, tackling fuel poverty and inequality in our stock so that tenants benefit from warmer homes at the lowest cost possible.
- 2.10 The plan will support the delivery of our Asset Management Strategy, which is currently under development, meeting the requirements to keep the stock decent and affordable and considering future changes to the Government's Decent Home Standard.
- 2.11 The plan will also promote the delivery of new social homes through new build or acquisition to ensure the Council continues to provide as many affordable homes as it can.
- 2.12 A full copy of the plan is contained in Appendix 1.

3 Options and alternatives considered

The development of the Business Plan is an essential tool for delivering excellent Housing Services. All policy options have been considered in developing the plan, in consultation with residents.

4 Consultation

Housing tenants and leaseholders are directly involved in decisions regarding service provision, both through the work of the Tenant and Leaseholder Committee and through regular and ongoing engagement with residents. The Tenant and Leaseholder Committee were consulted on the plan on 28th February 2023 and the Housing and Community Overview and Scrutiny Committee will be consulted on the Business Plan on 15th March 2023 and their feedback incorporated within it.

5 Financial and value for money implications:

- 5.1 The plan covers a 30 year period with a focus on the medium term, where there is greater certainty on costs, demands, resources and pressures, to enable the prioritisation of housing investment.
- 5.2 The plan remains affordable and viable throughout the life of the 30-year plan, and the Council is able to deliver on the priorities of the HRA, including those linked to the Corporate Plan.
- 5.2 The financial model is a tool for testing existing priorities, the impact of changes in Government policies and changes in key business activities to ensure plans remain affordable. Delivery of new build Council housing is achieved using grant funding, HRA cash resources and Right-to-Buy receipts (known as 1-4-1 monies). This ensures the HRA remains able to meet its debt repayment commitments.

6 Legal Implications

- 6.1 Section 167 of the Localism Act 2011 gave effect to Schedule 15 of that Act and, since the coming into force of Schedule 15, English local authorities have been required to be self-financing in relation to their housing stock, financing their housing stock from their own rents.
- 6.2 It is not a legal requirement to produce a HRA Business Plan; however, it is good practice and it helps to ensure that HRA-related statutory duties and financial requirements are met; that residents are fully engaged in the key investment and strategic decisions that impact on them; and it provides a good framework for long-term strategic planning and decision-making.

7 Risk implications:

All aspects of risk have been fully considered and the risk impact analysis and mitigation measures are set out in detail within the plan.

8 Equalities, Community Impact and Human Rights:

8.1 A Community Impact Assessment has been carried out and is set out in Appendix 2. The assessment does not identify any adverse impacts on any protected group.

8.2 Human Rights – There are no Human Rights Implications arising from this report.

9 Sustainability implications (including climate change, health and wellbeing, community safety)

9.1 Carbon reduction measures will be implemented across the Council's existing housing stock and included within the design and construction of new properties.

9.2 A plan to get HRA stock to an EPC 'C' rating is in place. In addition to this retrofitting work, new-build projects are assessed individually to include the potential costs and benefits of strong carbon-friendly design. All new developments are expected to achieve an EPC A, as the aim is to have properties that are zero-carbon.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no Council infrastructure implications directly arising from this report.

11 Statutory Comments

Monitoring Officer:

S151:

12 Conclusion:

12.1 Our Housing Revenue Account Business Plan marks the next step in our housing improvement journey.

12.2 The business plan sets out how the available funds for the Council to maintain and improve its council homes will be spent, showing that the Housing Revenue Account is sustainable with resource management.

12.3 This plan focuses on health and safety, which must always be our priority, and sets out how the council can keep its focus on meeting the decent homes standard across our stock. There are also a range of housing improvements planned for the benefit of residents.

12.4 In developing our plan, we have listened to our residents and are grateful for the work and support of our Tenant and Leaseholder Committee and Overview and Scrutiny Committee who have helped shape the plan. Our plan will be updated annually, and we are strongly committed to do all that we can to deliver excellent homes and landlord services for all our residents.