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Housing and Community Overview and Scrutiny Committee

Report for:	Housing and Community Overview and Scrutiny Committee
Title of report:	Dacorum Borough Council Housing Revenue Account Business Plan 2025 Update
Date:	04 December 2024
Report on behalf of:	Councillor Simy Dhyani, Portfolio Holder for Housing
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – HRA Business Plan 2025 Update Appendix B – Community Impact Assessment
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	HRA – Housing Revenue Account

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Corporate Priorities	<p>Community engagement: Engage with residents and partners to have a real say on our services and the borough</p> <p>Service improvement and delivery: Running the Council efficiently and putting residents at the heart of everything we do</p> <p>Vibrant communities: Foster arts, culture and leisure opportunities</p> <p>Sustainable future: Take action on the Climate and Ecological Emergency</p> <p>Clean, safe and green: Provide a clean, safe and green-focussed environment</p> <p>Homes to be proud of: Enable well-maintained and affordable homes, where people want to live</p> <p>Proud and thriving borough: Realise our potential as a great place to live and work with a thriving business community</p>
Wards affected	All
Purpose of the report:	<p>To present the proposed update of the HRA Business Plan.</p> <p>The HRA Plan provides the financial context of the Council's HRA service over a 30-year period with a focus on the medium term (first five years).</p>
Recommendation (s) to the decision maker (s):	To note the contents of the report and the proposed update of the HRA Business Plan
Period for post policy/project review:	The Business Plan is refreshed on an annual basis.

1 Introduction

1.1 This report presents an update to the Council's HRA Business Plan (Appendix A), setting out the financial implications of plans for new and existing Council homes contained in the Council's Housing Strategy 2025-29.

1.2 The Business Plan covers a 30-year period, with a focus on the medium-term (the first five years) where there is greater certainty on costs, demands, resources and pressures.

1.3 The Business Plan demonstrates that the HRA can deliver its key priorities whilst remaining financially sustainable. It identifies the risks associated with maintaining this position and where these can be mitigated.

1.4 The HRA Business Plan sets a broad context for financial planning and investment decisions to support delivery of the Council's strategies for housing. The plan takes account of the known financial information and issues, as well as assumptions made about variable elements impacting on the plan (e.g. inflation and interest

rates). The financial model used helps to support the analysis of the impact of changes to the information used and the assumptions made.

2 Overview

2.1 The 2-25 update to the HRA Business Plan sets out our strategic plan for managing and maintaining our 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 new 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 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 where possible.

2.9 The plan will support the delivery of our Asset Management Strategy, meeting the requirements to keep the stock decent and affordable considering future changes to the Government's Decent Home Standard.

2.10 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.

3 Options and alternatives considered

3.1 The Council is required to produce a business plan for the HRA. As part of the development of the plan, different scenarios have been explored and associated financial modelling undertaken. These are summarised at

4 Consultation

4.1 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 proposed Business Plan was presented to Tenant and Leaseholder Committee on 28th November 2024.

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 can deliver on the priorities of the HRA, including those linked to the Corporate Plan.

5.3 A robust financial model underpins the Business Plan. It is a tool for testing existing priorities, the impact of changes in Government policies and changes in key business sensitivities 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:

7.1 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 D. 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)

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

11 Conclusions:

11.1 The Business Plan sets out how the HRA will utilise the resources available to it to deliver the plans and objectives set out in the Housing Strategy 2025-29.

11.2 The plan demonstrates that its objectives will be met in a way that is financially sustainable.