

To: Cabinet

Date: 13 July 2022

Report/Comments of: Scrutiny Committee

Title: Housing Revenue Account 30 Year Business Plan

SUMMARY OF REPORT CONSIDERED

Report Title:	Housing Revenue Account Business Plan 2022-2052
Purpose/Description of Report:	The report introduced the Council's Housing Revenue Account (HRA) Business Plan 2022 to 2052. The report explains that the purpose of the Plan is to set out the Council's expectations and plans for council homes for the next 30 years and the financial sustainability of the Council's housing services.
Key Decision:	No
Scrutiny Lead Member:	Cllr R Child, Scrutiny Committee Chairman
Relevant Portfolio Holder:	Cllr R Browne, Portfolio Holder for Housing and Landlord Services

1. Introduction and Overview

The Scrutiny Committee met on 14 June 2022 to consider a report on the Housing Revenue Account (HRA) Business Plan 2022-2052.

It was explained to Members that the purpose of the Business Plan is to set out the Council's expectations and plans for council homes for the next 30 years and the financial sustainability of the Council's housing services.

The Business Plan sets out how the money that is available for the Council to maintain and improve council housing will be spent. It facilitates compliance (health and safety) to ensure that Council homes remain safe and meet decent homes standards. It also sets out what other housing improvements can be made within the budget available, examines how the Council can build new council housing in an affordable and sustainable way, and also considers the implications of the changing regulatory context for the housing sector.

2. Summary of Feedback/Recommendations for Cabinet Consideration

- Scrutiny asked why the Asset Management Plan wasn't completed prior to the business plan as it was felt that the Council would produce a better business plan if all assets were known, however it was explained that Officers needed to establish the big picture first. The business plan will then inform the Asset Management Plan.
- Members queried the purpose of HouseMark but were informed that HouseMark provides the Council with opportunities for informal peer reviews as well as benchmarking data.
- Concern was raised in regard to registered providers allocating affordable homes to out of area people. Officers reassured Members that when registered providers acquire or provide affordable housing then they are bound by the housing allocations policy which includes local connection criteria.
- A concern was raised regarding an overreliance on consultants to support Council work, however it was explained that the use of Savills provided the Council with extra assurance and validation to the business plan. Although the cost was £4200, it was recognised that in comparison to the multimillion pounds business plan then the cost for the feedback and extra assurance represents good value.
- A Member commented that 20% of the housing stock had not been surveyed as part of the stock condition survey, therefore meaning that the Council do not know the condition of 20% of the housing stock. In response it was explained that the stock condition survey was not the only time Officers obtain access to properties and that elements of the stock, e.g. the heating system, are regularly inspected and maintained.
- It was noted that the capital programme was underspent by 50% in 2021/22, but reassurance was given at the time of budget setting that all available funds would be spent going forward.
- A discussion on garages ensued and Members commented that garages shouldn't be demolished without the correct consideration being given to what replaces them. In response it was explained that garages are not commercially viable, however if a garage is let then it needs to be in a good condition and occasionally the cost to bring a garage up to standard outweighs the potential income.
- A Member noted the sensitivity analysis showed some wide ranging changes in the finances and asked that if there was a change of government on the policy of a rent increase, then how would the Council cope with this. In response, it was explained that the sensitivity analysis factored a range of possibilities including the possibility that rents are not increased as much in a particular year. It was then

explained that if this was to happen, then it would have a highly significant impact upon the business plan, as can be seen in the sensitivity analysis.

Written by: Scrutiny Committee Chairman in consultation with Members of the Scrutiny Committee