



Cabinet Recommendations to Council - Housing Revenue Account (HRA) Business Plan (2022-2052)

Corporate Priority:	Providing high quality council homes and landlord services.
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 The report at Appendix 1 introduces the Council's Housing Revenue Account (HRA) Business Plan 2022 to 2052. 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.
- 1.2 The HRA Business Plan sets out how the money that is available for the Council to maintain and improve council housing will be spent. The HRA Business Plan shows that the Council's Housing Revenue Account is sustainable over the 30-year period, but that resources will have to be managed carefully.
- 1.3 The Business Plan shows that the council can maintain its focus on 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.
- 1.4 The HRA Business Plan is an evidence led document and provides a framework for long term strategic planning. It is informed by a range of things including a survey of the Council's housing stock and by feedback from tenants. It contains a series of evidence led policy recommendations.

2 Recommendations

That Council:

- 2.1 Approves the Housing Revenue Account (HRA) Business Plan 2022 – 2052 and associated policy recommendations.
- 2.2 Delegates authority to the Director for Housing and Communities in consultation with the Director for Corporate services and the Portfolio Holder for Housing and Landlord Services to review and update the financial modelling within the HRA Business Plan on an annual basis to reflect the most up to date stock condition data.
- 2.3 Delegates authority to the Director for Housing and Communities in consultation with the Director for Corporate services and Portfolio Holder for Housing and Landlord Services to access the HRA Development and Regeneration Reserve to progress projects and activities in support of the HRA up to a limit of £100k per project and up to a maximum of £500k in any one year subject to the financial viability of the HRA Business plan not being undermined.
- 2.4 Revises the target working balance of the HRA be to £1m with effect from 1 April 2023.
- 2.5 Accepts that the affordability of new borrowing be measured using industry standard indicators, and these be tracked alongside the HRA business plan.
- 2.6 Continues the current policy of not providing for the repayment of debt within the HRA in respect of existing and any new borrowing.
- 2.7 Sets the rent for re-let properties at the 5% upward tolerance allowed on formula rent.
- 2.8 Designates the Director for Housing and Communities as the nominated person with responsibility for compliance with landlord health and safety on behalf of the Council.
- 2.9 Designates the Assistant Director for Housing Management as the nominated person with responsibility for ensuring that the consumer standards, as set out by the Social Housing Regulator, are met.
- 2.10 Agrees the following finance principles as set out at Section 9.8 of Appendix 1
 - a) that overhead recharges remain as is with annual uplift for inflation.
 - b) that any growth in management and maintenance costs is met by reductions elsewhere within the HRA.
 - c) that actual rent increases are in line with Government policy to maximise income to the HRA.

3 Reason for Recommendations

- 3.1 The HRA Business Plan 2022 – 2052 will support the Council to deliver on its commitments to deliver high quality council homes across Melton and to manage its available finances effectively.

- 3.2 The Council has made significant improvements to its housing and landlord services and whilst it is still on its housing improvement journey, is ready to transition from delivery of the Housing Improvement Plan to a more proactive, assurance led approach.
- 3.3 It is also important to note that the Business Plan has been developed at a time of significant regulatory change in the housing sector. A strong understanding of the council's housing stock and future investment needs is a key element of preparedness for this change.
- 3.4 The Council will also be taking other steps to ensure it is ready for the regulatory changes being introduced. The designation of a nominated person for landlord health and safety and a nominated person for consumer standards are requirements of the regulatory changes.
- 3.5 The HRA Business Plan is a significant programme of work for the Council. It provides a clear strategic framework and will enable the development of the Council's Housing Asset Management Plan and capital programme. The Business Plan takes into account feedback from tenants and sets out what is affordable, whilst also providing clarity on what the Council will need to consider to best manage its housing finances in the future.
- 3.6 The implementation of the HRA Business Plan marks a key transitional phase in the Council's Housing Improvement Journey and has been developed at a time of significant regulatory change for the housing sector.

4 Background

- 4.1 Cabinet considered the Housing Revenue Account (HRA) Business Plan (2022-2052) at their meeting on 13 July 2022 and made recommendations to Council, as outlined in section 2.
- 4.2 Scrutiny committee supported the development of the Housing Revenue Account (HRA) Business Plan (2022-2052) through workshop sessions in December 2021 and March 2022. The committee formally considered the business plan at their meeting on 14th June 2022 and provided feedback to Cabinet.

5 Main Considerations

- 5.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

6 Options Considered

- 6.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

7 Consultation

- 7.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

8 Next Steps – Implementation and Communication

- 8.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

9 Financial Implications

9.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

Financial Implications reviewed by: See Appendix 1

10 Legal and Governance Implications

10.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

Legal Implications reviewed by: See Appendix 1

11 Equality and Safeguarding Implications

11.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

12 Community Safety Implications

12.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

13 Environmental and Climate Change Implications

13.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

14 Other Implications (where significant)

14.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

15 Risk & Mitigation

15.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

16 Background Papers

16.1 As outlined in the Housing Revenue Account (HRA) Business Plan (2022-2052) report (Appendix 1).

17 Appendices

17.1 Appendix 1 – Housing Revenue Account (HRA) Business Plan (2022-2052) report.

17.2 Appendix A – HRA Business Plan 2022-2052

17.3 Appendix B – Summary of Business Plan recommendations

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