

# Report to Safer Neighbourhoods and Active Communities Scrutiny Board

**1<sup>st</sup> November 2022**

<b>Subject:</b>	Housing Revenue Account 30 Year Business Plan
<b>Director:</b>	Director of Housing, Gillian Douglas
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## 1 Recommendations

1.1 That the Board considers and comments on the draft Housing Revenue Account 30 Year Business Plan.

## 2 Reasons for Recommendations

The Business Plan is a key strategic document that will be considered and adopted by Cabinet in February 2023. The Scrutiny Board is asked to comment on the Plan before the final version is presented to Cabinet.

## 3 How does this deliver objectives of the Corporate Plan?

Good quality, safe and suitable housing underpins all objectives with the Plan.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities



	<p><b>Quality homes in thriving neighbourhoods</b>  The Business Plan sets out how the Housing Revenue Account budgets will be used over the short, medium and long term in order to manage, maintain and improve the stock and ensure that tenants enjoy decent, safe and suitable housing in good quality neighbourhoods.</p>
	<p><b>A strong and inclusive economy</b></p>
	<p><b>A connected and accessible Sandwell</b></p>

## 4 Context and Key Issues

- 4.1 The Housing Revenue Account (HRA) is a ring-fenced income and expenditure account for council housing and sits separately to the council's other budgets. The income comes from the rents and service charges that tenants pay. The expenditure relates to the operational costs of management, maintenance, repairs and debt costs (interest and repayments). The HRA is also used for new build and major refurbishments through its capital programme.
- 4.2 It is important that we have a 30 year Business Plan in place to ensure the sustainability of the HRA and to set out how we will deliver council housing services in Sandwell. The Plan links to the council's Housing Strategy which is being revised and redeveloped in response to the Housing Needs Assessment 2022. The Plan also refers to the Housing Asset Management Strategy which is due for renewal and will be developed in the next 12 months, showing our plans for maintenance and investment as well as safety compliance and the delivery of energy efficiency improvements to homes.
- 4.3 There are still a number of factors that need to be taken in to account in formulating the final plan and in reviewing it in future years including :
- The rent increase that will apply in 2023/24. The results of the government's consultation on capping the increase at 3%, 5% or 7% closed in October and the results are expected in November. If the rent increase is too low this will limit investment plans now and over the long term.



- The results of the stock condition surveys that we are about to procure in order to build a more accurate picture of the quality of the stock. This data will inform future investment plans.
- Our aspirations for new build council housing delivery and what investment will need to be made to achieve this, taking account of site availability and potential external funding.
- The cost of ensuring compliance with new building safety legislation, including the Building Safety Act enacted in 2022 and being phased in from 2023.

4.4 Consultation on the draft Plan is being undertaken with key stakeholders including Sandwell Community Information and Participation Service (SCIPs), the Tenant and Leaseholder Scrutiny Group and the Tenant Management Organisations.

## 5 Implications

<b>Resources:</b>	HRA income is of the order of £130m pa. The plan also profiles a capital programme over the life of the plan. It is important to have a 30 year plan that sets out how we will manage income and expenditure and what the priorities are for the HRA.
<b>Legal and Governance:</b>	Local Government and Housing legislation applies to the HRA, ensuring it is a ring-fenced account.
<b>Risk:</b>	Oversight and management of the HRA is essential to ensuring the sustainability of the budget and value for money.
<b>Equality:</b>	HRA funded services and improvements must respond to the diversity of our tenants and residents and reduce inequalities.
<b>Health and Wellbeing:</b>	Decent homes are essential to the health and wellbeing of our tenants and residents.
<b>Social Value</b>	Social value considerations are built in to HRA tendering processes.

## 6 Appendices

Appendix 1 – Draft Housing Revenue Account Business Plan



## 7. Background Papers

None

