
HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN – PRE-
DECISION SCRUTINY

Purpose of Report

1. This report provides the Committee with background information to enable Members to carry out pre-decision scrutiny of the Housing Revenue Account (HRA) Business Plan 2018-19 prior to its consideration by the Cabinet at its meeting on the 15th March 2018.
2. A copy of the draft Cabinet Report is attached at **Appendix A**, which in turn contains, at **Appendix 1**, the HRA Business Plan 2018/19.

Background

3. All Local Authorities in Wales have the responsibility to plan for the housing needs of their population in their role as Strategic Housing Authority. However only 11 of the of the 22 authorities in Wales have retained their council housing stock and consequently a role in the direct delivery of affordable, good quality homes as a social housing landlord.
4. The Council's landlord functions are managed within a ring-fenced Housing Revenue Account. Since 2015 stock retaining authorities have operated on a self-financing basis following a "buy-out" from the previous HRA subsidy system. A borrowing cap was imposed by UK Treasury as part of the buy-out arrangements but Cardiff was successful in obtaining borrowing capacity for new

build homes having already achieved the Welsh Housing Quality Standard (WHQS) for its existing properties.

5. The 11 stock remaining authorities in Wales are required to present an “acceptable” Housing Revenue Account (HRA) Business Plan (including a 30 year financial model) to the Welsh Government each year in order that the Welsh Government can assess the progress of local authorities towards meeting and/or maintaining the WHQS and be eligible for the Major Repairs Allowance (MRA) Grant (currently £9.5m).

Issues

6. The Cabinet Report attached at **Appendix A** gives an overview of what is contained in the HRA Business Plan 2018/19. This includes:
 - Maintenance of the Wales Housing Quality Standard (WHQS)
 - New Build Housing Programme, including the Cardiff Living Partnership
 - Delivering Energy Efficiency
 - Remodelling and Refurbishment of existing homes
 - Estate Regeneration
 - Fire Safety Works
 - Neighbourhood Regeneration and Area Improvements
 - Community Hubs
 - Support for tenants, including participation, consultation and supporting vulnerable tenants
 - Community Hubs

7. The HRA Business Plan 2018/19 attached as **Appendix 1** aims to;
- set out Cardiff's purpose and vision as a social housing landlord;
 - set out it's objectives and standards for the service;
 - plan how the service aims to achieve the objectives and standards set out (the strategies);
 - plan resource and financial requirements;
 - provide a framework for monitoring and evaluating the progress of the housing 'business';
 - communicate Cardiff's plans to its tenants, members, the Welsh Government, other key stakeholders, partners and the wider community.
8. Members are required to reflect on the content of the HRA Business Plan, and can refer to the following sections for details. Please note that the page numbers listed below **refer to the pages of the original document in Appendix 1**.

Section of HRA Business Plan	Page(s) in Appendix 1
Welsh Housing Quality Standard (<i>including links with Capital Ambition, LDP and Typology of the Housing Stock</i>)	6-13
New Homes Ambition (including Cardiff Living Partnership)	14-19
Managing Our Homes (<i>PIs, Maintenance, workforce development, ASB, Tenancy Management and Caretaker Services</i>)	20-27
Advice & Information (<i>Hubs, Money Advice, Volunteering, Into Work Service, Welfare Reform</i>)	28 -39
Homelessness and Housing Need (<i>Scale of Rough Sleeping, Common Housing Waiting List, Number of properties and availability</i>)	40-45
Tenant Participation	46-51
Independent Living Services	52-53
Land and Asset Improvement (<i>including Land and Asset Schemes, Programmes of Work, Planned Maintenance</i>)	54-71
Financial Planning	72-79

Way Forward

9. At this meeting, the following witnesses will be in attendance:

- (i) Councillor Lynda Thorne, Cabinet Member, Housing & Communities
- (ii) Sarah McGill, Corporate Director for People and Communities
- (iii) Jane Thomas, Assistant Director Housing & Communities
- (iv) Colin Blackmore, Estates Improvement Manager

10. Pre-decision scrutiny aims to inform the Cabinet's decisions by making evidence based recommendations. Scrutiny Members are advised to:

- i) look at the information provided in the report to Cabinet to see if this is sufficient to enable the Cabinet to make an informed decision;
- ii) check the financial implications section of the Cabinet report to be aware of the advice given;
- iii) check the legal implications section of the Cabinet report to be aware of the advice given;
- iv) check the recommendations to Cabinet to see if these are appropriate.

11. Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

Legal Implications

12. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural

requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

It is recommended that the Committee:

- i. Consider the proposed draft report attached and decide whether it wishes to relay any comments or observations to the Cabinet at its meeting on the 15 March 2018; and
- ii. Decide the way forward with regard to any further scrutiny of this issue.

DAVINA FIORE

Director of Governance and Legal Services

8 March 2018