

---

## HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN 2019-20

---

### Reason for the Report

1. This report provides the Committee with background information to enable Members to carry out pre-decision scrutiny of the draft proposals for “**Housing Revenue Account (HRA) Business Plan 2019-20**” prior to its consideration by the Cabinet at its meeting on the 21 March 2019.
2. A copy of the draft Cabinet Report is attached at **Appendix A**, which in turn contains the following:
  - **Appendix 1** – “Housing Revenue Account (HRA) Business Plan 2019-20

### 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. 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.
4. The stock 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 in order to be eligible for the Major Repairs Allowance (MRA) Grant (currently £9.5m).

### Issues

5. Attached at **Appendix 1** is the Housing Revenue Account Business Plan which aims to;
  - set out Cardiff's purpose and vision as a social housing landlord;
  - set out its 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.
6. The HRA Business Plan has been prepared and the following factors have been taken into account as outlined in the Cabinet report at **Appendix A**:
  - a. Changes to the **Welsh Government rent policy** (paragraphs 10-11)
  - b. The intention to apply the full **rent increase** of 2.4% to all tenants for 2019/20 (paragraph 12)
  - c. Maintenance of the **Welsh Housing Quality Standard** (WHQS). (paragraphs 13-14)
  - d. To support the **new build housing programme** which will deliver 2,000 new council housing units, of which 1,000 will be completed by May 2022. (paragraphs 15-24)
  - e. The **Remodelling and Refurbishment** of existing homes over the life of the plan (paragraph 25) including:
    - Neighbourhood Regeneration,
    - Capital Improvement Works
    - Fire Safety works
    - Community Benefits
  - f. **How the Council manages its homes.** (paragraph 26)
  - g. **Providing advice and information to tenants** (paragraph 27)
  - h. The impact of **Welfare Reform** (paragraph 28)
7. The Cabinet recommendations seek approval for the HRA Business Plan 2019-2020.

## **Way Forward**

16. At this meeting, the following witnesses will be in attendance:
  - a. Councillor Lynda Thorne, (Cabinet Member for Housing & Communities);
  - b. Councillor Susan Elsmore, (Cabinet Member Social Care, Health & Well-Being)
  - c. Sarah McGill, (Corporate Director, People & Communities);
  - d. Jane Thomas, (Assistant Director, Housing & Communities);
  - e. Colin Blackmore, (Operational Manager Building Improvement & Safety).
17. Pre-decision scrutiny aims to inform the Cabinet's decisions by making evidence based recommendations. Scrutiny Members are advised to:
  - a. 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;
  - b. check the financial implications section of the Cabinet report to be aware of the advice given;
  - c. check the legal implications section of the Cabinet report to be aware of the advice given;
  - d. check the recommendations to Cabinet to see if these are appropriate.
18. 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 on the 21 March 2019.

## **Legal Implications**

19. 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 the Cabinet/Council will set out any legal implications arising from those recommendations. All decision taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirements 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 taken having regard to the Council's fiduciary duty to its taxpayers; and (he) be reasonable and proper in all the circumstances.

### **Financial Implications**

20. 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**

21. The Committee is recommended to:
- a. consider the information provided at this meeting; and
  - b. determine whether it wishes to relay any comments or observations to the Cabinet for consideration at its meeting on the 21 March 2019; and
  - c. consider the requirements for further scrutiny of this issue.

**Davina Fiore**

**Director of Governance & Legal Services**

**28 February 2019**