
HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN 2021-22

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 2021-22 prior to its consideration by the Cabinet on the 18th March 2021.
2. A copy of the draft Cabinet Report is attached at **Appendix A**, which in turn contains, **Appendix B**; the HRA Business Plan 2021/22.

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. Cardiff Council's landlord functions are managed within a ring-fenced Housing Revenue Account. Every year, each of the 11 stock retaining authorities are required to present an "acceptable" Housing Revenue Account (HRA) Business Plan (including a 30 year financial model) to the Welsh Government. This is to allow the Welsh Government to assess the progress of local authorities in meeting and/or maintaining the Welsh Housing Quality Standard (WHQS) in order to be eligible for the Major Repairs Allowance (MRA) Grant (currently £9.5m).

Rent Policy

5. Members are to note that whilst the responsibility for setting rents for dwellings rests with the council, it is necessary to operate within a policy framework set by the Welsh Government (WG). A new five year Social Housing Rent policy was introduced by the WG in 2020/21. This will run from 2020/21 to 2024/25 and allows for a maximum 1% rent increase above the rate of the consumer price index (CPI). The Consumer Price Index was identified in September 2020 as 0.5%.

6. In line with the above policy, and as detailed in the HRA Business Plan, it is proposed that rents increase by CPI + 1%. As such, the average rent for a council home in Cardiff will increase by £1.59 per week (£1.69 based on 49 week collection) exclusive of service charges for 2021/22. This results in an average weekly rent of £107.80 for standard housing stock.

The table below sets out the proposed average rent per property type for Cardiff for 2021/22:

<i>No. of Bedrooms</i>	<i>Estimated Average Rent 2021/22</i>
1	£96.76
2	£111.45
3	£128.15
4	£141.99

7. During consideration of the draft 2021/22 Budget Proposals at its February meeting, Committee Members were informed that the proposed rent level increase were below the Joseph Rowntree Foundation Living Rent Model; and the Joseph Rowntree report was subsequently circulated to Members for their information.

Overview

8. The Cabinet Report, attached at **Appendix A**, gives an overview of what is contained in the HRA Business Plan 2021/22. This includes:
 - The Welsh Government five year rent policy which provides a maximum annual uplift of Consumer Price Index (CPI) 0.5% +1% each year from 2020-21 to 2024-25.
 - New Build Housing Programme, including the Cardiff Living Partnership
 - Maintenance of the Welsh Housing Quality Standard (WHQS)
 - Delivering energy efficiency
 - Remodelling and Refurbishment of existing homes
 - Neighbourhood Regeneration
 - Capital Improvement & Fire Safety works
 - Support for tenants, including providing advice and information, managing antisocial behaviour and supporting vulnerable people.
 - Impact of Welfare Reform, Covid-19 and Brexit.

9. The HRA Business Plan 2021/22 attached as **Appendix B** 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.

10. 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 B.***

Section of HRA Business Plan	Pages in Appendix B
Building for the Future (<i>includes Council House Build Programme, Cardiff Living Partnership and Availability of Housing Stock</i>)	12-23
Improving Homes & Neighbourhoods (<i>includes Typology of Housing Stock, Welsh Housing Quality Standards, Planned Improvement of works 2021-22, Programme of Works Spend 2021-22, Neighbourhood and Asset Regeneration</i>)	26-39
Helping Residents Live Independently (<i>includes Community Living, Older Persons Housing Schemes and Developing Older Persons Housing</i>)	42-47
Listening to Tenants (<i>includes Tenant Participation</i>)	50-53
Helping Communities and Individuals (<i>includes Welfare Liaison Team, Community Safety Partnership, Tenancy Sustainment, Managing ASB, Addressing Homelessness</i>)	56-77
Covid-19 Heroes (<i>includes information on officer redeployment</i>)	80-83
Working Together Addressing Climate Change (<i>includes One Planet Cardiff, Zero Carbon Homes, Decarbonising and Retrofit</i>)	86-91
Finance (<i>includes Financial Resources & Planning</i>)	94-105

Previous Scrutiny

11. Each year the HRA Business Plan has to be presented to the Welsh Government. In March 2020, the Community & Adult Services Scrutiny considered the previous year's Plan¹. Some of the areas explored during the meeting included:
- a. Members noted the format of the Business Plan is prescribed by Welsh Government.
 - b. Members explored the challenges in meeting the Welsh Housing Quality Standards Objective that households are 'located in attractive and safe environments' for properties developed previously and heard it is the ambition that this standard is maximised in respect of current new build schemes.
 - c. Members raised concerns over quality of council houses given the Responsive Repairs Unit receives over 100,000 request for repairs each year and that the cost of repairing stock (*including void properties*) cost the

¹ [Letter from Cllr Jenkins, Chairman of CASSC, to Cllr Thorne, Cabinet Member, dated 13 March 2020.](#)

Council, on average, £18m per annum. Members were informed that repairs are managed through a 'Repair Finder' system with an operative attending the site to help determine if the request is a repair or improvement, helping to ensure costs and extent of work are at the appropriate amount. Members were further informed that a report is run each month to look at number of repairs raised across all properties in a rolling 12 month period

- d. Members raised concerns regarding the level of void properties and questions what measures were put in place to mitigate properties falling into a state of disrepair. Members heard that in an effort to mitigate properties falling into disrepair, Housing Management carry out over 2,000 proactive visits each year. They also carry out circa 250 tenancy audits.
- e. Concerns were also raised regarding the Wales Audit Office WHQS Review 2017-2018 which stipulated that 62% of respondents felt the Council listens to them and acts on their concerns. Members explored how complaints are managed and addressed by the Council and were informed that the Council operates a 'one stage' complaint policy where every effort is made to resolve complaints positively and at the earliest opportunity.

Way Forward

12. 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, Director Adults, Housing & Communities
- (iv) Colin Blackmore, Building Improvement & Safety Operational Manager

13. 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.

14. 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

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

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 18 March 2021; and
- ii. Decide the way forward with regard to any further scrutiny of this issue.

DAVINA FIORE

Director of Governance and Legal Services

4 March 2021