

Committee: Housing Board

Title: Timetable for the development of the Housing Revenue Account Business Plan 2023-53

Report Author: Paul Kingston, Interim Deputy Director of Housing, Health and Communities

Date: 27
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Summary

1. This report sets out a 'first phase' timetable, in relation to the development of the Council's updated HRA Business Plan 2023-2053. The timetable sets out the actions which the Council, supported by Savills, will take between September and November 2022. A key element of the timetable is the consideration by Housing Board Members of spending priorities in relation to new housing provision and the maintenance of existing council homes.

Recommendations

2. Housing Board is asked to note this report and the attached 'first phase' timetable for the development of the HRA Business Plan 2023-53.
3. Housing Board is asked to agree an additional meeting to be held mid-November 2022, for the purpose of receiving a report and presentation on the various business planning scenarios, so that Members can make informed decisions on the priorities for the housing service in terms of the supply of new housing and maintenance of existing housing. This will inform the next 'second phase' of the development of the HRA Business Plan.

Financial Implications

4. There are no direct financial implications arising from this report.
5. Members may wish to note that the cost of the work to be carried out by Savills for modelling the business plan this financial year is £6450 plus VAT.

Background Papers

Uttlesford District Council Housing Revenue Account Business Plan 2016-2046.

6. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report. The report can also be accessed by clicking here: [HRA Business Plan 2016-2046](#)

Impact

7.

Communication/Consultation	A key element of the first phase of the business planning process is consultation with Members.
Community Safety	No direct impact arising from this report.
Equalities	No direct impact arising from this report.
Health and Safety	No direct impact arising from this report.
Human Rights/Legal Implications	No direct impact arising from this report
Sustainability	No direct impact arising from this report
Ward-specific impacts	No direct impact arising from this report
Workforce/Workplace	No direct impact arising from this report

Situation

8. The Council's HRA Business Plan 2016-2046 sets out the ambitions for council housing in Uttlesford and its scope for investment in new and improved homes for the benefit of local people. The Business Plan is a key document and is the foundation for other decisions made about how the housing service will be delivered and how capital investment in existing homes will be prioritised and funded. Importantly, it sets out the Council's plans for providing new homes. The Business Plan provides detailed financial modelling information, with a specific focus on the first five-years.
9. More than five years has elapsed since the current Business Plan was developed and it is now a priority that the plan is reviewed, so that the financial modelling is up to date it and reflects the current operating financial and policy environment. A review at this time will also provide Members with the opportunity to restate their priorities for housing in the district.
10. The external operating environment has changed since the last HRA Business Plan was published and the housing sector risk profile is significant. The government has recently published a consultation on capping rent increases, so that rents are affordable to tenants who are feeling the impact of inflationary increases. The consultation on the rent cap will end in the middle of October. At the same time, landlords are facing an increased regulatory burden, and in light of the Grenfell Tower tragedy, this unsurprisingly has placed increased demands onto the Council in relation to building safety. This is all in addition to the increased costs affecting all businesses. These factors will be reflected in the new HRA Business Plan.

11. The Council has appointed Savills consultancy services to provide technical expertise in the financial modelling for the business plan. Savills provided support in development of the current Business Plan 2016-46. The Council does not have the in-house capacity to deliver the technical elements of this work but will support Savills and ensure that the new HRA Business Plan reflects the Council's strategic priorities and the ambitions of its Members in relation to new housing supply. The financial modelling produced by Savills will generate a range of scenarios, considering the Council's current operating environment, including projected rent income and capital spend on council homes, which Members can consider as part of their decision making.
12. Cabinet will review the Business Plan on 9 February 2023 and will consider recommending its approval to Council, so that it can be included in the budget setting process for 2023-2024.
13. A 'first-phase' timetable has been agreed with Savills to accommodate this timeframe. The timetable, attached as Appendix 1 to this report, sets out the key activities which will take place by the end of November. It is important that Members can have input into this phase of business planning, so that their requirements are reflected in the final drafting of the Business Plan. Early in 2023 Housing Board will be asked to review and comment on the final draft and satisfy themselves that it reflects their views.

Risk Analysis

14.

Risk	Likelihood	Impact	Mitigating actions
Poor organisation of the business planning process may result in the council's strategic plans for its housing assets being unfulfilled. Member's aspirations for housing development will not be properly planned/budgeted for.	2	3	Ensure Members can contribute to the business planning process. Ensure that appropriate background work is carried out prior to the Housing Board Meeting in November 2022, so that Members can be presented with options on how housing will be delivered in the future.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.