

## BABERGH DISTRICT COUNCIL

<b>TO:</b> Babergh – Cabinet	<b>REPORT NUMBER:</b> <b>BCa/23/53</b>
<b>FROM:</b> Cllr Jessie Carter – Cabinet Member for Housing	<b>DATE OF MEETING:</b> 07.05.24
<b>OFFICER:</b> Deborah Fenton – Director of Housing	<b>KEY DECISION REF NO.</b> CAB465

### HRA Business Plan

#### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to present the draft 30-year business plan for the HRA to Cabinet. The Business Plan is a document which contains our financial plan over the next 30 years and the priorities as decided upon through engagement with members, tenants and officers. The constitution states that the HRA business plan be presented to Cabinet and then to Full Council to be ratified.

#### 2. OPTIONS CONSIDERED

- 2.1 The HRA business plan is essential in achieving a balanced budget and sustainable medium-term financial position. Therefore, no other options are appropriate in respect of this.

#### 3. RECOMMENDATIONS

- 3.1 It is recommended that members agree on the contents of the business plan, which will, after the completion of the governance journey will be formatted to provide a document which will be available to Members, Tenants, and the General Public.

#### REASON FOR DECISION

The production of a business plan allows both members and tenants to view our aspirations. As part of the social housing regulations, tenants need to be able to hold us to account on the delivery of the priorities and evidence where tenant feedback has been used as part of the decision-making process around what the income from rent is spent on.

#### 4. KEY INFORMATION

- 4.1 There have been many changes in the housing landscape over the last 3 years, and this has impacted the aspirations of local authority landlords in general. Further changes in the sector are expected with the introduction of the Decent Homes Standard 2 and the Competence and Conduct standard which requires senior officers, who deliver services to our tenants to have a minimum level of housing qualification.
- 4.2 With the introduction of the new consumer standards from April 2024, we have had to review our priorities through the lens of the regulatory standards; further work will be undertaken with regard to governance and how we can demonstrate that we (members) and tenants have oversight over the Housing Directorate.

- 4.3 The Council has committed to producing an annual business plan which sets out our financial position for the next financial year. Our decision making around deciding on our priorities for the housing service have been informed using tenant feedback gained through the Tenant Satisfaction Measures, Complaints, and other tenant insight, as well as councillor and officer engagement through business plan workshops.
- 4.4 It was decided to align these priorities with our Homes and Housing Strategy, and combines actions from our Tenant Engagement Strategy delivery plan through the creation of a master Housing Service Plan.
- 4.5 This sits along side our financial business plan that sets out our legal obligations to carry out repairs, maintenance, capital works and spending on housing management over the next 30 years.
- 4.6 The financial plan is updated regularly throughout the year and gives us the information required to manage our budgets in real time and with current spending and income.
- 4.7 We have taken a responsive approach to developing our financial business plan this year and have contracted with Abovo Consult. This is positive as Abovo take a different approach to the provider used in the past and acts as an additional resource. This means that this year, we are much clearer on our financial position and can plan our capital and revenue spending accordingly. The plan will also help us to understand where the risks are over the next 30 years, thus allowing us to put in place mitigations.

## **5. LINKS TO OUR PLAN FOR BABERGH**

- 5.1 The business plan is aligned to the Our Plan for Babergh's approach to delivering our vision "To help create a resilient, more sustainable future, with and for, all the residents and communities of Babergh" by:
- Delivering good quality core council services;
  - Ensuring Babergh District Council is a financially viable organisation now and for the future;
  - Providing open & honest leadership;
  - Putting sustainability at the heart of everything we do;
  - Continuing to listen to you and work in partnership on the things that matter most to you;
  - Supporting and empowering you to design and deliver community-based solutions to local issues;
  - Working in partnership and cooperation with all our communities, the local voluntary sector, our partners across the public sector and our local businesses to tackle the challenges we all face; and
  - Influencing others to ensure you have local access to all the services and facilities that you need to be able to live well.

5.2 The priorities of the HRA Business Plan and the Homes and Housing Strategy have been aligned to our plan for Babergh approach and the master Housing Service Plan will be published alongside the written plan to enable our residents to hold us to account on its delivery.

## 6. FINANCIAL IMPLICATIONS

6.1 There are significant pressures on the HRA business plan due to several reasons that date back to 2012. The changes to the regulatory landscape add to the already increasing pressures on local authority landlords.

6.2 The business plan provides an overview of the financial position for the next 30 years, updated regularly, so we are working with an accurate plan and can make informed real time decisions. Further context and narrative can be found in the full plan, which is attached to this report.

## 7. LEGAL IMPLICATIONS

7.1 Producing a business plan is not a legal requirement. However, it is prudent that we understand the financial requirements of our business in the short, medium and long term.

## 8. RISK MANAGEMENT

8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference
HRA Babergh District Council may fail to be financially sustainable	2 – Unlikely	4 – Disaster	Continued monitoring and reporting of the Councils financial position including actuals and reserves. Cabinet briefings to review position and budget options and external value for money audits. Development of robust HRA Business Plan over 30 years.	SRR008BDC

## 9. CONSULTATIONS

9.1 Tenant feedback gained through the Tenant Satisfaction Measures, Complaints and other insight, as well as Councillor engagement have been used to develop the priorities for the Housing Service Plan as noted in the attached document. In addition, consultations have taken place with the Cabinet member for Housing, the Leader of the council, Director for Housing, Heads of Service and other Budget Managers as appropriate.

## 10. EQUALITY ANALYSIS

10.1 The initial EQIA screening has been completed and identified that a full impact assessment isn't required.

## **11. ENVIRONMENTAL IMPLICATIONS**

11.1 Actions and priorities across the Housing Service Plan funded by the HRA Business Plan have been aligned to Our Plan for Babergh priority of putting sustainability at the heart of everything we do where appropriate.

11.2 In support of the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken in relation to the housing and sheltered accommodation stock.

## **12. APPENDICES**

Title	Location
(a) Babergh Business Plan	Attached
(b) EQIA Initial Impact Assessment	Attached

## **13. BACKGROUND DOCUMENTS**

13.1 None