

REPORT TO:	CABINET 21 March 2022
SUBJECT:	Housing Revenue Account (HRA) 30 Year Business Plan 2021- 2051 and HRA Capital Programme 22/23
LEAD OFFICER:	David Padfield – Interim Corporate Directors of Housing Stephen Tate - Director of Housing Estates and Improvements
CABINET MEMBER:	Councilor Patricia Hay-Justice Cabinet Member for Homes
WARDS:	All
SUMMARY OF REPORT:	
<p>The report presents a new 30 year Business Plan for the Housing Revenue Account (HRA) with consideration to both capital and revenue investments required for the management and maintenance of Croydon Council's housing stock.</p>	
COUNCIL PRIORITIES 2020-2024	
<p><i>Include here a brief statement on how the recommendations address one or more of the Council's priorities:</i></p> <ul style="list-style-type: none"> • <i>We will live within our means, balance the books and provide value for money for our residents.</i> • <i>We will focus on tackling ingrained inequality and poverty in the borough. We will follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic injustice.</i> • <i>We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.</i> 	
FINANCIAL IMPACT	
<p>The Business Plan demonstrates that the investment proposals are fundable, subject to the assumptions within the Plan, and that the HRA remains sustainable and viable over the 30 year period.</p>	

FORWARD PLAN KEY DECISION REFERENCE NO.: 2422CAB

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out below:

1. RECOMMENDATIONS

Cabinet are asked to:

- 1.1 Agree the HRA 30 year Business Plan 2021-2051 as set out at Appendix 1 and detailed in this report, which is based on the HRA revenue budget for 2022-23 agreed by Full Council on 8 March 2022;
- 1.2 Consider the HRA Capital Programme for 22/23 as set out in Appendix 6 and recommend to Full Council that it approve the HRA Capital Programme for 22/23.
- 1.3 Note the assumptions the Plan is based upon and the risks associated with these assumptions;
- 1.4 Note the proposals for the ongoing development of the HRA Business Plan and agreed that the Plan will be updated annually with a full review every third year.

2. EXECUTIVE SUMMARY

- 2.1 The Housing Revenue Account (HRA) 30 year Business Plan sets out the long term financial position of this ring-fenced account. Whilst the HRA Business Plan is for a period of 30 years, the key focus is on the medium-term (first five years) as there is more certainty on costs, demands, resources and pressures, to enable the prioritisation of housing investment.
- 2.2 The medium term also considers the strategic objectives of the Council and the impact of Government policies on rents, disposals and regeneration. The Plan is constantly evolving and the impact of the updated Decent Homes Standard and implications of the Government's Social Housing White Paper will be factored into the next iteration of the Plan.
- 2.3 The key elements of the HRA financial operations are set out below and are brought together within the Plan. The Plan will be used as a tool to assess the impact of decision making around stock acquisition and maintenance, long-term Treasury Management Strategy and wider strategic options of the Council.
- 2.4 The borrowing within the Plan in the short term is to finance acquisitions of new stock. No other borrowing is modelled at this point and will be carried out in accordance with the Council's Treasury Management Strategy.
- 2.5 The Plan has had a full refresh and a change of approach in some aspects, notably a review of inflationary assumptions, it will be updated on a regular basis incorporating changes in stock conditions and other factors and Members

will receive an annual update with recommendations as to any amendments to the Plan that may be required.

- 2.6 The Business Plan is limited in scope to those assets that sit within the HRA or on HRA owned land as detailed [Appendix 2](#) and in summary in Table 1.

Table 1 Rent and Tenure Type

Asset Type	Rent/Tenure Type					Grand Total
	General Rent	Leased & Managed Properties	Leaseholders	Serviced Tenancies	Vacant Pending Demolition	
Dwelling Stock	14,572	342	2,507	12	0	17,433
Non dwellings (inc. garages)	2,765	0	0	0	94	2,859
Grand Total	17,337	342	2,507	12	94	20,292

3. HRA BACKGROUND

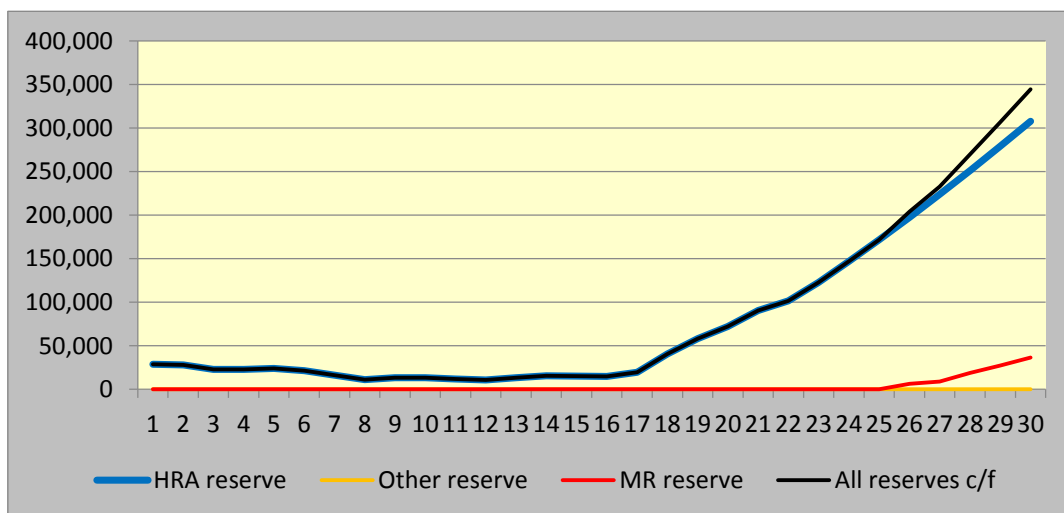
- 3.1 The HRA specifically accounts for revenue expenditure and income relating to the Council's own housing stock and is ring fenced from the Council's General Fund as required by the Local Government and Housing Act 1989, which specifies the items that can be charged and credited to it. The account must include all costs and income relating to the Council's landlord role (except in respect of leased accommodation, for households owed a homeless duty, and in respect of accommodation provided other than under Housing Act powers). The Council has a legal duty to budget to ensure the account remains solvent and to review the account throughout the year.
- 3.2 The Housing self-financing system was implemented on 1 April 2012 when the HRA subsidy scheme was abolished. At that point Croydon took on £223million of debt. In the interim, acquisitions within the HRA have been made and the opening debt in the Plan in 2021-22 is £322.5million.
- 3.3 Maintaining a residential property portfolio of this magnitude is a major financial commitment. Furthermore, the primary source of funding to meet this commitment is rent paid by tenants and the Council is strictly limited as to the extent it can raise these rents. It is therefore of the utmost importance that the Council is clear as to how it intends to balance income and expenditure over time to ensure the property portfolio receives the level of investment it requires and borrowing stays within the necessary prudential limits.
- 3.4 As well as investing in our housing stock to ensure all residents' homes are safe, warm and dry, the Council will also wish to improve its housing stock and invest in significantly reducing its carbon footprint over the life of the Plan. Further property acquisitions and regeneration projects are also likely to require funding during this period.

- 3.5 The HRA Business Plan is therefore a vital document in the proper management of our homes and will form the basis of a new Asset Management Strategy to be prepared later this year and submitted to Full Council.
- 3.6 This report sets out the latest 30-year HRA Business Plan. The report includes financial analysis to demonstrate the viability and sustainability of the Plan.
- 3.7 Each year the Council will review, update and approve the Plan in line with best practice and the wider Housing Improvement Plan also considered on this Cabinet agenda. A re-profiling of capital expenditure proposals and updates on how the Council plans to finance the capital programme including use of surplus capital receipts, grants and HRA borrowing, will also be carried out annually. It is envisaged that a complete review of the Plan will take place at least every third year.

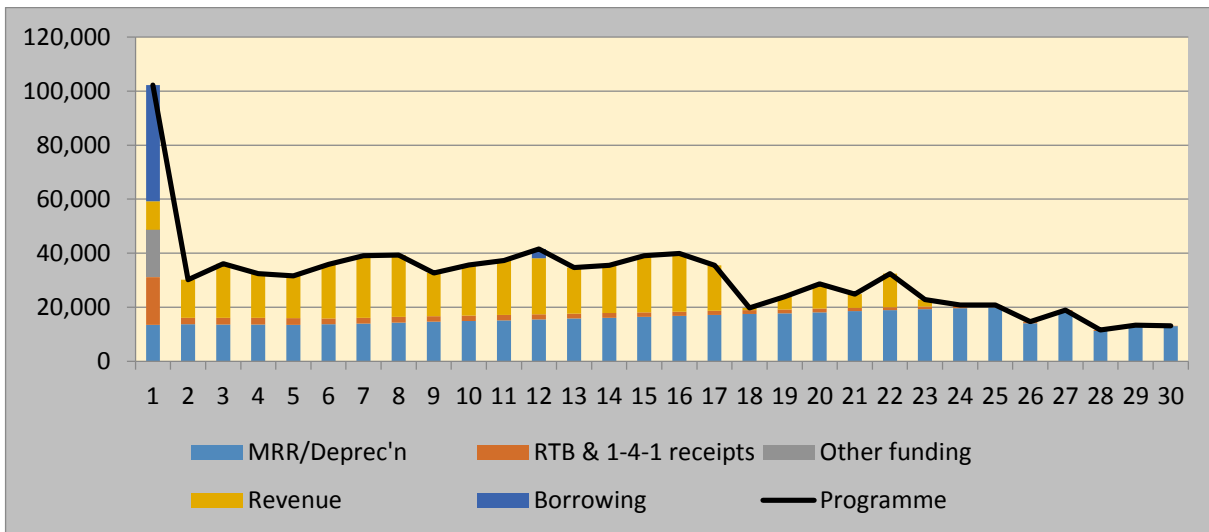
4. BUSINESS PLAN KEY HEADLINES

- 4.1 The HRA Business Plan in its current format presents a sustainable plan - see Appendix 1. With the current HRA reserves used to meet the investment required for the capital repairs programme. Figure 1 shows the projection of the reserves position over the plan period demonstrating a healthy outturn, risks to this outturn are highlighted in section 5.

Figure 1 Revenue Projection shows the years of the plan and the growth in reserves.



- 4.2 The plan is based on the assumptions and risks as set out in section 5 with expenditure based on CPI and rents of CPI +1% in the years 2022 to 2024 and thereafter CPI only.
- 4.3 The HRA capital programme in Year 1 (2021-2022) is based on the current budgeted plan of £26.7m any slippage from this will be carried forward into 2022-23. The capital programme for Year 2 of £22m is set out in section 5.7 below.
- 4.4 Borrowing in Year 1 only is assumed. Figure 2 provides an overview of the use of borrowing in Year 1 only and thereafter the projected ability of the programme to be met from within the HRA's own resources.



4.5 The opening HRA reserves are £27.6m and a minimum HRA reserve threshold level of £8.6m is set based on generally accepted the assumption best practice in the market of 10.5% of annual turnover.

4.6 Croydon benchmark to the outer London average costs and other key metrics are measured and shown in [Appendix 3](#)

5. BUSINESS PLAN KEY BASELINE ASSUMPTIONS

5.1 Key rate assumptions and comparatives to outer London averages used are set out in [Appendix 3](#)

5.2 HRA Revenue

The Council has assumed as per [Appendix 3](#) that rents will increase by CPI plus 1% and based on the assumption of RTB losses [Appendix 5](#) will provide rental income of £79m in Year 1 (2021-22) [Appendix 4](#).

Revenue expenditure is anticipated to increase largely due to inflationary factors. These key assumptions are used to set the below (Table 2) HRA Business Plan 5 Year Summary. All years Business Plan is shown in Appendix 1 HRA Business Plan

Table 2 5 Year Summary HRA Income and Expenditure Account

	2021-22	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000	£'000
Dwelling rents	77,626	82,438	84,852	87,032	88,399
Non-dwelling rents	1,781	1,852	1,889	1,927	1,966
Service charge income	6,026	6,064	6,185	6,309	6,435
Other income and contributions	3,690	3,763	3,839	3,915	3,994
Total income	89,123	94,117	96,765	99,183	100,794
Repairs & maintenance	13,437	13,799	14,044	14,293	14,547
Management (incl RRT)	40,404	39,453	40,242	41,047	41,868
Bad debts	750	765	860	882	896
Dwelling Depreciation	13,488	13,659	13,599	13,538	13,478
Debt management	149	149	149	149	149
Total costs	68,228	67,825	68,894	69,910	70,937
Net income from services	20,895	26,292	27,871	29,274	29,856
Interest payable	- 12,119	- 13,076	- 13,016	- 12,973	- 12,948
Interest income	-	-	-	-	-
Net income/expenditure before appropriations	8,776	13,216	14,855	16,300	16,908
Set aside for debt repayment	-	-	-	-	-
Revenue contributions to capital	- 10,501	- 14,059	- 20,003	- 16,410	- 15,568
Allocation to/from other reserves	-	-	-	-	-
Other appropriations	-	-	-	-	-
Net HRA Surplus/Deficit	- 1,725	- 844	- 5,148	- 110	1,340
HRA Balance brought forward	27,629	25,904	25,060	19,913	19,802
HRA surplus/(deficit)	- 1,725	- 844	- 5,148	- 110	1,340
HRA Balance carried forward	25,904	25,060	19,913	19,802	21,143

- 5.3 The Repairs and Maintenance budget of £13.4m is made up of responsive and cyclical repairs.
- 5.4 In response to the emphasis on compliance and fire safety an increase in the budgeted spend within the management costs for staffing with this expertise has been included.
- 5.5 Bad debt and voids are provided for within the plan on the basis of 1% and 1.5% respectively, see [Appendix 3](#) for the basis of the assumptions used. They are based on a percentage of rental income and at a prudent level.
- 5.6 The interest payable of £12m is based on the existing debt of £322.5million at interest rate of 2.65% (actual of 2.5%) and assumes an additional £43m in 2021-22. Thereafter debt remains constant. Section 6 Future Considerations, recognises the need to set prudential indicators for financing as well as debt and acquisitions policies.

5.7 HRA Capital and 22/23 Capital Programme

- 5.7.1 The long-term 30 year capital forecasts are based on the current status of the asset management database, which includes a significant provision for backlog expenditure which has been allocated over the next 15 years. Work is ongoing to ensure the accuracy of the database and will be backed up by commissioning an external stock condition sample survey to be uploaded to the new IT system. Coupled with the likely introduction later this year of the updated Decent Homes Standard the expenditure profile will change from that modelled in the plan.
- 5.7.2 Whilst, in overall terms, the expenditure over 30 years is in line with sector benchmarks it is possible that expenditure may be brought forward or delayed in conjunction with accessing delivery capacity. In addition further work is required to establish the costs for improving the energy efficiency of the stock to assist in meeting the Council's targets for carbon neutrality. The next iteration of the HRA business plan will incorporate the results of this work, the impact in terms of future borrowing requirements and the approach to defining HRA prudential borrowing limits.
- 5.7.3 It will align with the Asset Management strategy (due for release at the end of 2022) and will reflect the longer term direction for the management and maintenance of our assets.
- 5.7.4 The Council will deliver a capital programme that ensures that residents' homes are warm, dry, safe and hazard free. We will work with residents to consult on the work that we intend to carry out and include them in determining our future investment. Details of our Resident Engagement Strategy will be published in 2022.

The 2022-23 plan for capital investment is included in [Appendix 6](#). This sets out plans for £22,083,060 in stock investment plus an additional £1,624,700 in capitalisable cyclical expenditure. Cabinet is asked to recommend to Full Council that it approve this as an amendment to the Budget agreed on 8 March 2022 in respect of the HRA.

The programme will be geared to deliver for Croydon residents, stock that meets and reflects the current Decent Homes requirements and keeps pace with regulation and legislative updates.

5.8 HRA Reserves

Croydon has a healthy opening reserves position sets an opening balance at the start of the Business Plan at £27.6m. This reserve balance contributes towards funding any in-year risks and is set aside to support any one-off projects and investment that leads to efficiencies and/or delivery of a better service to residents of the Council

The year on year projected use of the HRA reserve over the next 5 years along with contributions towards the reserves balance is maintained.

- 5.9 The Planned Capital Programme will draw down from the Major Repairs Reserve within the HRA reserves to fund the works. The HRA is expected to maintain a minimum level of reserves £8.6m the basis for this is set out in [Appendix 3](#)
- 5.10 A development and acquisition policy is required. The current iteration of the business plan has no such programme assumed, however there are proposals for future activity included in [Appendix 7](#)
- 5.11 An opening debt balance of £322.5million, largely as a result of the 2012 legislation to make HRA self-financing. A debt repayment plan will also be modelled for future plans, [Appendix 7](#)
- 5.12 There is an assumed level of Right to Buy and stock loss of 13% over the 30 years of the plan. The details are set out in [Appendix 5](#). Use of RTB receipts are accounted for within capital. It is open to a Council to use those RTB receipts for HRA purposes, which is the assumption within this plan, but there is no obligation to do so.

6. FUTURE CONSIDERATIONS

- 6.1 The Housing Improvement Plan presented to Cabinet elsewhere on this agenda relies on a robust HRA business plan in order to identify that it can be resourced. There are a number of key considerations as follows:

6.2 Stock Condition Data

A detailed Stock Condition Database is a key element and driver for the expenditure within the plan. The Council is investing in a new IT system to make the data on which the stock condition assessments are based more comprehensive and reliable.

In addition to commissioning new stock condition surveys, improvements to the way in which we collect and analyse data from stock condition surveys will be implemented. Repair requests will be interfaced between the Council's housing system and repairs contractor. Planned works will be instructed through a planned works module and directly linked to the Council's financial system.

A number of condition surveys and reports have already been commissioned for our high rise blocks. These have been shared with residents and followed with a short and medium term investment programme.

6.3 An Asset Management Strategy

The HRA Business Plan will form the foundation of a new Asset Management Strategy that sets out the Council's overall approach to maintaining its housing stock over the next few years. This will set out how capital investment will be prioritised and directed, as well as addressing how use can be made of the borrowing headroom identified within the Business Plan – if the Council should choose to do so.

6.4 Future Provision & Regeneration

The Council needs to determine if and how it will acquire properties in the short, medium and long term. Finances, policies and procedures need to be put in place to ensure that any acquisitions are properly resourced both financially and in terms of staffing capacity/qualifications. Properties should be acquired in conjunction with specific housing needs and demand - both current and projected

Currently, new build properties are acquired via the Council's shared ownership of Brick by Brick. The remaining contracted sites are scheduled for completion in 2024. After this time, there is no arrangement or financial provision to build or acquire properties inside or outside the HRA

With an ageing stock and continual change in housing standards and needs, it is inevitable that some of the housing stock at some point will be unviable to repair. Where large proportions of this stock is situated on existing housing estates, the Council may decide that estate regeneration should be considered. In order to facilitate this, the Council needs to formally agree the strategy, processes, gateways and governance procedures in conjunction with a suitable resident offer.

6.5 Carbon Neutrality

The Council has a stated ambition to achieve carbon-neutrality by 2030. Residential housing stock currently accounts for a significant proportion of carbon emissions within the Borough. Accordingly, the investment set out in the Business Plan will have a key role to play in de-carbonising Council-owned housing. This can be achieved through retrofitting to deliver more energy-efficient buildings, low carbon heating solutions (such as ground source heat pumps) and other methods.

However, the full-cost of de-carbonising the Council's housing stock is likely to far exceed the investment set out in the Plan. Accordingly, the Council will need to access available grant funding and/or make use of HRA borrowing capacity in order to realise this ambition.

6.6 Changes to Legislation

There are a number of fundamental Government Policy decisions and potential legislative changes in process which will have a significant impact upon the HRA and future HRA Business Plan updates. This includes the review of Decent Homes standards and the social housing white paper. While the impact of the changes are not yet fully known there is within the capital investment programme spend a budget provision for the Council's best current assessment of what actions will be required

7. BUSINESS PLAN KEY RISKS

- 7.1 Long term future rent uncertainty – we have seen the impact of the 4 year rent freeze and any rent reductions will have an impact on the Business Plan.
- 7.2 Increase costs of repairs and major works. Overspends to budget occur which place an increased burden on the HRA. Although it should be noted that the plan is not wholly and contractually committed therefore the Council can control the level of spend within the plan.
- 7.3 Management options that are used to mitigate additional risks include annual updates to the business plan.
- 7.4 Further changes in government legislation are expected. The Hackitt review of building and fire safety has been published however the new legislation and statutory guidance it requires has been delayed and will need to be reflected in future revisions to the Business Plan.
- 7.5 Borrowing and interest rates. The Business Plan does not have a repayment of debt instead an assumption of refinancing of loans as they become due. While interest rates for borrowing remain at low levels this results in a lower cost to service the debt however this will require prudent management.
- 7.6 Prudential borrowing indicators are required as a result of the removal of the debt cap from the HRA. The Business Plan has a prudent position with 3 metrics showing there is future borrowing capacity however prior to any borrowing the indicators will be set
- 7.7 Sensitivity analysis has been carried out on the plan at mid-point Year 15 and final Year 30 see table 3.

A number of variations on inflation and other baseline assumptions have been flexed to predict the impact on the HRA reserves balance by the movement and the impact on the HRA debt levels.

For example the HRA reserves would drop to £11.35m with a repairs inflation of CPI +5% in years 2-5 and the HRA debt would increase to £422.84m in order to sustain the levels of repairs required.

Table 3 Sensitivity Table

Sensitivity	HRA Bal Yr 15	HRA Debt Yr 15	HRA Bal Yr 30	HRA Debt Yr 30
	£'m	£'m	£'m	£'m
Base	15.29	369.05	304.86	369.05
Repairs Inflation yrs 2-5 CPI+5%	11.35	422.84	236.71	432.59
Capital Inflation yrs 2-5 CPI+5%	11.35	502.48	195.14	528.64
Rents CPI Only yrs 3 & 4	11.35	391.10	296.08	394.60
Rent freeze from 2022-23	8.95	402.06	95.98	409.97
Voids & Bad Debts +1%	11.35	392.95	294.24	396.57
Long-term Loans +1%	14.69	369.82	319.70	369.82
Capital Expenditure +10%	11.35	419.59	285.53	426.93
Right to Buys +10%	14.87	368.47	336.07	368.47
Acquisitions of 50 per year, yrs 3-8 £300k per unit, 40% Subsidy at LAR	18.02	410.39	364.79	410.39
L/H Recharges 50%	14.09	371.79	336.34	371.79

8. FINANCIAL IMPLICATIONS

8.1 Finance comments have been provided throughout this report.

9. LEGAL CONSIDERATIONS

9.1 The Head of Litigation and Corporate Law comments on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer that the HRA consists of expenditure on Council-owned housing and there is a statutory requirement whereby the Council is obliged to keep its Housing Revenue Account ("HRA") separate from other housing activities in accordance with the Local Government and Housing Act 1989 (as amended) ("the 1989 Act"). In addition, there is a requirement not to allow cross-subsidy to or from, the Council's General Fund Resources.

9.2 The Council has a duty to disclose specified information pertaining to the HRA and its operation as set out The Housing Revenue Account (Accounting Practices) Directions 2016. The Directions provide that an authority shall disclose the information set out below in notes to its HRA:

9.2.1 the total balance sheet value of the land calculated in accordance with proper practices, houses and other property within the authority's HRA as at 1 April in the financial year, and the closing balance sheet value as at 31 March in the financial year of:

- Council dwellings
- Other land and buildings; and
- Vehicles, plant, furniture and equipment
- Infrastructure and community assets
- Assets under construction

- f) Surplus assets not held for sale
 - g) Investment Properties
 - h) Assets held for Sale
- 9.1.2 The vacant possession value of dwellings, calculated in accordance with proper practices, within the authority's HRA as at 1 April in the financial year.
- 9.1.3 An explanation that the vacant possession value and balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than market rents
- 9.1.4 The value of, and an explanation of, any charge calculated in accordance with proper practices in respect of revenue expenditure funded from capital under statute (RECS) attributable to the HRA
- 9.1.5 The value of, and an explanation of, any impairment charges for the financial year in respect of land, houses and other property within the authority's HRA, calculated in accordance with proper practices.
- 9.1.5 A summary of total capital expenditure on land, houses and other property within the authority's HRA during the financial year, broken down according to the following sources of funding:
- (i) borrowing;
 - (ii) credit arrangements;
 - (iii) capital receipts;
 - (iv) revenue contributions;
 - (v) the Major Repairs Reserve;
- 9.1.6 A summary of total capital receipts from disposals of land, houses and other property within the authority's HRA during the financial year;
- 9.1.7 The total charge for depreciation, calculated in accordance with proper practices, for the land, houses or other property within the authority's HRA, and the charges for depreciation for:
- a) Council dwellings
 - b) Other land and buildings
 - c) Vehicles, plant, furniture and equipment
 - d) Infrastructure and community assets
 - e) Surplus assets not held for sale
- 9.2 The provision of housing accommodation is set out in Part II of the Housing Act 1985. Statutory requirements regarding keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ("Act"). The provisions include a duty, under Section 76 of the Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The Act places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.
- 9.3 On 10 November 2020 MHCLG published guidance on the operation of the

Housing Revenue Account ring-fence. This guidance updated and replaced the earlier Circular 8/95 published by the former Department of the Environment (DoE). It gives advice to local housing authorities in England on certain aspects of the HRA. This guidance highlights the need to be fair to both tenants and council taxpayers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund.

- 9.4 The Localism Act 2011 contains provisions relating to housing finance in Sections 167 to 175. These provisions introduced a system of Council housing finance which ended the Housing Revenue Account subsidy system in England and replaced it with self-financing arrangements. Section 171 of the Localism Act 2011 empowered the Secretary of State to make provision relating to the level of indebtedness in relation to local housing authorities in England which keep a Housing Revenue Account.
- 9.5 Under Regulation 12 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) local authorities are required to use Right To Buy capital receipts to pay the "poolable amount" to the Secretary of State, on a quarterly basis.
- 9.6 On 29th October 2018, HRA borrowing cap was abolished with immediate effect. As a result, local authorities with an HRA are able to borrow against their expected rental income, however this must be in line with the CIPFA Prudential Code. The latest version of the CIPFA Prudential Code is the 2021 edition.
- 9.7 It should be noted that if the Council wishes to dispose of land or property, or provide financial assistance in connection with housing (which includes disposal to any Council owned company) consent of the Secretary of State maybe required unless such disposals fall within the General Disposal Consents of Section 32 of the Housing Act 1985. Specific legal advice may be required in relation to any such proposals.
- 9.8 No specific legal advice has been sought or provided in relation to implementation of the proposals in either the 30 Year Business Plan or the Capital Programme. In seeking to implement and progress the proposals that form a part of the short, medium and long term arrangements pertaining to the 30 year HRA business plan and implementing the Capital programme 22/23 and associated matters, officers may need to seek separate legal advice regarding the nature and manner of that implementation and the implications arising from the chosen approach.
- 9.9 In respect of the Council's public sector equalities duties as detailed more fully in section 11 below, where approval of the 30 year business plan and HRA capital programme result in new policies or policy change the relevant service department will carry out and keep updated equality impact assessments to secure delivery of that duty and including such consultation as may be required.

Approved By: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer.

10. HUMAN RESOURCES IMPACT

10.1 There are no immediate HR impacts or implications arising from this report

Approved by: Dean Shoesmith, Chief People Officer

11. EQUALITIES IMPACT

11.1 Under the Public Sector Equality Duty of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

11.2 Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

11.3 Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief and marriage and Civil Partnership. The law now recognises gender identity along with gender reassignment.

11.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid 'due regard' to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively.

11.5 As a result, an overarching equality impact analysis has been undertaken in relation to the HRA 30 year business plan. Overall, given this plan is about investment in housing stock, there will likely be positive impacts for residents. However, the impact analysis has confirmed that the service does not have sufficient data on protected characteristics of Council tenants. This needs to be addressed in order for the service to understand what needs specific groups of tenants may have and to plan accordingly.

11.6 This has been recognised by the service and equalities data collection is a key workstream within the Housing Improvement Plan, and within the impact assessment mitigating actions as a result. This work will be a priority for the newly created Head of Policy & Performance role within the Housing directorate. This work is essential to ensure that the Council has a clearer understanding of our tenants and their individual needs and impacts. Further work is required on the detailed elements of the Housing Improvement Plan to ensure that activities and actions are inclusive to all residents. The Equality

Programme Manager is supporting the service in this regard.

- 11.7 As the Housing Improvement Plan is developed and the HRA Business Plan is delivered, further equality impact assessments will be required for specific projects and actions. For example, new policies or policy or service changes are anticipated, and each proposal will be accompanied by an equality analysis which will inform the final proposal and its implementation, on a case by case basis made available at the time of decision.

Approved by Gavin Handford, Director of Policy, Programmes & Performance, on behalf of Denise McCausland, Equality Programme Manager

12. ENVIRONMENTAL IMPACT

- 12.1 The scope for this work impacting on carbon neutrality is set out at Paragraph 6.5 above.

13. CRIME AND DISORDER REDUCTION IMPACT

- 13.1 There are no crime and disorder implications arising from this report.

14. DATA PROTECTION IMPLICATIONS

a. WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

No

b. HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

No

CONTACT OFFICER:

Guarnori, Orlagh, Head of Finance, Resources.

APPENDICES TO THIS REPORT

Appendix 1 HRA Business Plan – All Years (Excel document)
Appendix 2 Details of HRA Tenant type
Appendix 3 Business Plan – Key assumptions
Appendix 4 HRA Rental Income Budget
Appendix 5 Right to Buy
Appendix 6 Programme of Repairs of Existing Stock
Appendix 7 Acquisitions & Debt repayment and modelling

BACKGROUND PAPERS

None.