

Cabinet

Meeting Date: 21/03/2022

Item 6: Housing Revenue Account Business Plan

Recommendations from the Streets, Environment & Homes Sub-Committee

Key Conclusions: The Sub-Committee was positive that there was a clear financial model in place and felt that this was a positive outcome of the different services related to housing being brought back together under one directorate.

Key Conclusions: The Sub-Committee was not confident that the service had the required staffing capacity to deliver the works detailed in the plan and was concerned that lack of capacity and necessary skills would impede its delivery. The Sub-Committee highlighted the example that while the Council had capacity challenges in ensuring that it maintained an effective stock register, it would be unlikely that there would be capacity to deliver the actions related to achieving carbon neutrality within eight years.

Key Conclusions: The Sub-Committee questioned the basis on which the £27m budget for cyclical repairs had been set. Members were concerned that as greater levels of staffing capacity became available, the service would identify greater levels of need for repair and improvement works [and that funds may be taken from the HRA reserves in the case of an over spend on the budgets allocated.](#)

Key Conclusions: The Sub-Committee noted that the HRA reserve levels were being reduced to a minimum level [of just over £8m](#) in the short term and expressed its concern at this approach.

Key Conclusions: The Sub-Committee noted that the Plan does not include any future projects and that this would remain the case until the Asset Management Strategy was developed.

Key Conclusions: That future iterations of the business plan need to be informed by a thorough understanding of what aspects of demand the council's housing stock will lead on meeting when considered in the broader context of all Croydon's social housing providers. As such, the Sub-Committee would welcome the development of a clearer housing supply strategy that involved tenants in choosing which capital investments should be prioritised.

Recommendation: The Sub-Committee noted that the housing department still had work to do in meeting some good practice principles, such as having an Asset Management Strategy, Treasury Management and that some elements of governance were being established and recommends that Cabinet acknowledges these shortcomings to the plan and asks the Housing Improvement Board to help it set an appropriate timetable for delivering these outstanding actions.

Recommendation: That, given the current healthy level of reserves available to the HRA, Cabinet gives consideration to seeking external capacity and resources in order to expedite the stock condition work and to accelerate the development of the asset management strategy.

Recommendation: That given the significant rise in energy costs, consideration be given to prioritising insulation works in the cyclical repair programme in advance of future Homes Improvement Grant funding becoming available through the Social Housing Decarbonisation Fund, [priority for this must be met through having sufficient staff allocation and resources.](#)

Recommendation: That Cabinet states more clearly in the HRA business plan the costs, budget and overall relationship with the delivery of the Housing Improvement Plan [in cooperation with the members of the Housing Improvement Board,](#)

DRAFT