

# Housing Revenue Account (HRA) 30 year Business plan 2020 - 2050

## Introduction

This document sets out the framework that is the HRA business plan. As it is essentially a financial plan this document sets a broad context for financial planning and investment decisions. Readers can follow links to more detailed information on the elements that make up and inform this plan. The Asset Management Strategy gives more details on the investment and management of the assets within the HRA.

The plan must ensure that the Council's housing stock related priorities and programmes are supported and delivered whilst demonstrating sound financial management within existing budgets and through the use of additional debt headroom.

The main priorities and programmes aim to;

- Increase the stock of social housing owned by the HRA through an ambitious development programme
- Develop new homes that are built to passivhaus standard, contributing to the Council's effort to ensure a carbon neutral city by 2030
- Improve the quality of homes and communal areas and reduce the carbon footprint of existing council homes through investment in assets, community led regeneration and working with communities and individuals.
- Ensure that our homes, and the management of them, maintain and improve health and wellbeing outcomes for individuals, families and communities alongside other Council services and partners.

The HRA current debt level at 31<sup>st</sup> March 2019 is £139m and will increase through appropriation of land from the Council's general fund for development purposes. The majority of this debt, £122m, relates to the Government's introduction of self-financing for HRAs from April 2012. The objective of the 30 year business plan is to ensure that all debt is repaid over time utilising the additional debt headroom to help realise City of York Council's ambitions.

This plan should be read in conjunction with the Housing Asset Management Strategy (AMS) which gives details of HRA assets and how they will be managed now and in the future.

The AMS highlights:

- The approach to maintenance and retrofitting of the existing stock
- A capital programme that addresses historic under investment in the fabric of our homes identified through stock condition surveying
- Our approach to regeneration of areas where the council has homes

## Further information:

Information on [Housing Revenue Accounts](#)

Local Government Association [survey results](#) on removal of the HRA cap

## National Policy Context

Housing has moved up the political agenda over the last decade. Issues around the affordability of home ownership, private renting and the reduction in the number of genuinely affordable homes have driven this. Increases in the most visible aspect, rough sleeping and the Grenfell Tower fire have shaped the debate more recently.

Key themes currently influencing this plan include;

- The cumulative impact of Right to Buy and welfare reform including the roll out of Universal Credit, 1% social rent reduction over 4 years from April 2016 and initiatives such as the 'bedroom tax'.
- The wider financial position of local authorities, the NHS, the third sector and the changes in services they provide for people.
- A shift in the focus of government policy from home ownership to also increasing the supply of 'affordable' housing such as social rent, intermediate rent and low cost home ownership options, including self and community build. This includes additional funding announcements to support housing development.
- The declaration of a climate emergency with ambitions to reach carbon neutrality by Government (2050) and City of York Council (2030)

## Further information:

NPPF

[Localism Act 2011](#) and [overview](#)

[The Welfare Reform Act 2012](#) and [regulations](#)

[Housing and Planning Act 2016](#)

[Welfare Reform and Work Act 2016 – social rent reduction](#)

[Homelessness Reduction Act 2017](#)

[Housing White Paper 'Fixing our broken housing market' Feb 2017](#)

[Housing Green Paper 'A new deal for social housing'](#)

[Queen's Speech December 2019](#)

[Grenfell Tower Inquiry](#) Phase 1 report

## Local context and the Council Plan

City of York Council exists for one purpose – to support the best quality of life for our residents, now and in the future.

York has a great heritage and great communities. It's a fantastic place to live and work. Whilst relatively prosperous there are pockets of deprivation within the city which pose considerable challenges for the city. York, like the rest of the country, has an increasingly older population.

York's housing market is characterised by high demand and low supply, which pushes up house prices and rents above the regional average. Social housing (council and housing association) is around 15% of the city's housing stock.

The HRA currently has around 7500 homes and manages around 250 homes on behalf of another social housing provider, Thirteen Homes. There are 11 Independent Living Communities (ILCs) for people who are older or would benefit from this accommodation. Two of the ILCs provide extra care.

These homes are let using a choice based lettings approach in partnership with housing providers through North Yorkshire Home Choice. Extra Care homes have an additional process which helps us meet the care needs of people living there whilst maintaining balanced and thriving communities.

Delivery of the new Local Plan will provide the framework for land use including homes and employment sites in future. The supply of environmentally friendly and affordable homes is a key consideration in these plans.

This Business Plan is informed by and supports the wider Council Plan through a range of strategies.

The Council Plan has 8 key priorities the HRA business plan contributes directly to 'creating homes and world class infrastructure' as well as supporting the other key priorities.

Council staff '**work together, to improve and make a difference**' – these are the Council's values.

### **Further information**

The City of York [Council plan](#)

The existing and proposed Local Plan can be found [here](#)

[Strategic Housing Market Assessment](#)

[York Open data - a range of information including demographic and performance data](#)

[York, North Yorkshire and East Riding Housing Strategy](#)

[Safer York Partnership](#)

[Community Safety Strategy](#)

[Homelessness and Rough Sleeping Strategy](#)

[Homeless and rough sleeping statistics](#)

[Tenancy Strategy](#)

Adult Social Care [Future Focus](#) approach

[North Yorkshire Home Choice](#)

### Key investment decisions

- £20m set aside in 2012/13 to invest in new or improved housing provision has been utilised to provide 126 new dwellings, 65 shared ownership homes and a 57 bed hostel for homeless families
- Executive (17th January 2018) agreed to a New Home Building Programme on council owned sites totalling £153.9m. The programme is funded by utilising the lifting of the debt cap to appropriate land into the HRA, capital receipts from sales on the sites, equity sales from shared ownership properties and right to buy receipts
- £44m capital investment will be invested over the next 5 years to maintain and improve the council homes that we provide.
- £41.6m revenue funding in responsive repairs and cyclical maintenance over the same period.
- £2m will be invested in a new integrated IT system to radically improve service delivery

### Financial assumptions

Key Area	Assumption	Comment
General inflation	2.0%	
Rent increase inflation	2.00% to 4.00%	Rent increases assumed in line with proposed government guidelines of CPI plus 1%
External borrowing interest rate	3.25% to 3.98%	Portfolio of fixed rate maturity loans with PWLB
Minimum HRA balance	£20m	Recognise risk in self financing environment
Right to buy sales	60 p.a. reducing to 50 p.a. over time	In line with sales forecast
Void rate	0.9%	In line with current position, no significant increase/decrease forecast
Bad debts	1.5%	To allow for changes under welfare reform

**Further information:**

Information on RTB sales can be found [here](#)

Information on the Right To Buy scheme can be found [here](#).

Our [repairs policy](#) fact sheet

[Social Housing Asset Value](#)

**Housing Delivery programme and affordable housing supply**

The council has recognised that more needs to be done to expand the housing stock across all tenures and to accelerate the pace of housing delivery particularly by using surplus public sector land assets

The HRA will deliver over 600 homes, most to passivhaus standard over 8 sites in the next few years. On average 60% of these will be for market sale which will enable 40% of the homes to be affordable homes, including shared ownership and rented council housing. Over 240 affordable homes will be delivered in total.

The council will continue to work with housing partners in the city to maximise the supply of social and 'affordable' housing through planning gain and housing association development, fostering a collaborative approach across partners to maximise value for money.

The HRA will also offer individuals and community groups opportunities to self build as part of the programme. This is already in successful operation on the Lowfields development site.

We will also continue to review the mechanisms for delivering new council owned housing, considering all products and funding opportunities that deliver affordability for people.

Examples of this include, shared ownership, discount sale, older persons accommodation, specialist housing and 'key worker' designated housing.

Committed sums, Right to Buy receipts, grant funding and funds from the HRA are maximised to support this.

**Further information:**

[Housing delivery programme](#)

[Self build and custom build housing](#)

[Yospace community homes](#)

[Affordable home ownership / shared ownership](#)

## **Older Persons Accommodation Programme (OPAP)**

The Older person's Accommodation programme's function is to provide and enable the provision of appropriate accommodation to support older people to live well in later life with the support and care they need. Personal care provision and assistive digital technology is utilised to enhance independent living.

The programme is currently building Independent Living properties at Lincoln Court and extra care properties at Marjorie Waite Court. Work is ongoing to support the development of additional independent living accommodation across the city being provided by other affordable housing providers and developers.

Based on national demand data York has a shortage of independent living and extra care properties which is forecast to be over 1100 independent living properties and almost 500 extra care properties by 2039. Consultation for the Older Person's Accommodation Programme has indicated that the demand for small safe and manageable accommodation may well be higher than the national average so this under-provision may be greater than calculated.

As well as the work completed on Glen Lodge the programme is providing extra units and upgrades at:

- Lincoln Court – Full refurbishment and 15 new apartments on site now. £4.4m
- Marjorie Waite Court – 33 unit extension 29 apartments 4 bungalows. On site now. Due to complete Autumn 2020 £6.667M

### **Further information:**

[Be Independent](#)

[Independent Living Communities including those with extra care](#)

[Update on OPAP to Housing & Community Safety Scrutiny Committee July 2019](#)

[Adaptations](#)

[Yorwellbeing Handyperson Service](#)

## **Repairs, maintenance and regeneration**

The capital programme includes:

- Building new homes
- Adaptations
- Re-roofing programmes

- Standing water programme
- Replacement heating systems
- Structural and external works
- Asbestos removal
- Tenant’s Choice modernisation of homes ( bathrooms, kitchens, re-wiring)
- Energy efficiency retrofit programmes
- Housing Environmental Improvement Programme
- Decent homes work
- Major works on empty homes

The reactive and planned repairs spending includes

- External painting programmes
- Day to day repairs
- Minor works on empty homes
- Gas, electrical and other testing

Regeneration programmes are community led and will be done in partnership with the local community, councillors and partners. It will look at the housing, people, the community assets and how the whole environment supports health and wellbeing for all. Our Groves Community Plan is the first example of this and was possible following a successful bid for £265k enabling and commercial capacity building grant to develop the plan.

#### **Further information**

Housing Asset Management Strategy – link available once agreed by executive and published

Groves Community Plan – available Feb 2020

[Repairs policy](#)

[Building Services capital programme information](#)

Regeneration strategy – to be developed 2020

#### **Information technology**

Considerable investment in information technology is being made by the Housing Revenue Account and the wider Council has an innovative approach to the use of systems, networks and assistive technology to support the people of York.

A review of current housing systems was carried out during 2016 and a budget of £2m has been agreed to invest in replacing those systems in a programme that will take around two years to implement. A project team is currently working on implementation with a go live expected at the end of 2020.

The overriding strategic objectives are to transform service delivery and place people who

use our services at the centre of the service.

In doing so it will:

- Provide a wide range of self service options and communication channels
- Provide an integrated view of information and data across housing services
- Reduce administration costs and improve management information
- Help facilitate our person centred approach to the people we provide services to

These benefits will feed through to people as better informed decisions are taken, staff time is freed up to work with people who live in our homes and access our services.

**Further information:**

[Digital York](#)

Internet of things – connecting devices to work together in providing services and data – link to follow once developed by ICT

[Free Wi-Fi](#)

[Smart Places Evolution Programme](#)

**Our vision, ambitions and workforce**

Housing and Community Safety service vision – *‘The provision of high quality homes that are affordable in communities where people feel safe’*.

This is delivered through:

- The provision of well-maintained affordable homes
- Ensuring that residents and people visiting the city feel safe
- Maximising independence through housing related support and supported accommodation
- Empowering the workforce

The vision and supporting statements will be updated in 2020 through staff consultation as part of our change management programme.

As part of a stock retaining unitary authority the housing service is responsible for all strategic and practical housing functions funded via the HRA, housing and wider council general fund, income generation and grants. The housing service also includes regulation of the private rented sector, licensing of Houses of Multiple Occupation and the Council’s adaptations service.

The HRA part funds the Council’s Community Safety Hub which deals with the most complex and serious nuisance cases as well as identifying and tackling ASB and crime ‘hot spots’ across the city.

The service aims for tailored, proactive, holistic management of tenancies, dovetailing with and complementing council and other services for the benefit of people who live in our homes and their families. We will work on building real relationships with the people we provide services to. We will link in to the ward teams and local area teams to highlight and promote the wellbeing of residents and improve their environment. We will work to provide efficient, people focused services that are top performing whilst meeting the complex needs of individuals and families.

This approach will also achieve benefits for other services. By providing advice, early help and low-level preventative work in disciplines outside the ‘traditional’ housing boundaries, the Housing Management Service will help people maintain their tenancy, health and wellbeing and reduce their need for more costly interventions. Good relationships and prevention will also help with purely housing issues such as void loss and rent arrears.

The approach will also ensure that the service is efficient and able to deliver value for money in the current economic climate

The Housing and Community Safety Service Plan headlines:

Embed the principles around restructure of Housing/Building Services to provide locality working, individual and community resilience and volunteering.	Develop a Mental Health resettlement pathway	Publish the new Community Safety Plan	Develop a healthy homes approach including Introducing an intelligence based approach to enforcement (across all housing tenures)	Mitigate the effects of welfare reform for our customers and the council.
Accelerate the supply of new affordable homes to passivhaus standard and continue the Older Persons Accommodation Programme	Improve the supported housing offer in the city	Embed new ICT through change management across the Housing Service	Delivery of the Housing Capital programme to help meet carbon reduction targets	Reduce rough sleeping by 50%, implement the Homeless Reduction Act and Homelessness Strategy action plan successfully.

The Council has a strong commitment to developing the workforce with the core training delivered online, including mandatory elements at council and directorate level.

Housing recognise the value and potential of a well-motivated, skilled, knowledgeable and empowered workforce.

Housing Services have local, housing focused training resources and are utilising the opportunities presented by implementation of the new ICT system to further develop the approach and person focused culture across it workforce and activities as outlined above. Extra resources have been committed to the housing training budget from 2020/21 onwards.

**Further information:**

[Housing Service Standards](#)

[Tenant and leaseholder annual report](#)

[Adaptations](#)

Training / empowerment plan – to be added following change management programme 2020

‘Operational Strategy’ – to be added following change management programme 2020

**Governance and getting people involved**

York is a unitary authority with 47 councillors representing 21 wards.

The decision making structure is comprised of an executive committee made up of executive members. Housing is represented by the Executive Member of Housing and Safer Neighbourhoods.

York has a strong tradition of involving and engaging with people in shaping services and this is a constantly developing area. Housing have mature arrangements in place shaped by the regulatory frameworks over time and with an eye on the future. The housing engagement offer and strategy is regularly reviewed.

Highlights of the current arrangements include:

- an annual satisfaction survey with key data tracked over time and benchmarked
- a range of forums for people to get involved in, such as the combined Tenant Scrutiny panel, bespoke focus groups and drop in sessions for people to access in their local communities

More recently Housing are working with colleagues across the Council to develop and promote volunteering opportunities and have developed an apprenticeship programme within Housing Services.

We will also work with people to manage and use our communal areas to help create inclusive and vibrant environments which helps improve their health and wellbeing. We also intend to increase biodiversity through encouraging planting for pleasure, food and activity.

**Further information:**

[Getting involved](#)

[Housing Environmental Improvement Programme](#)

Communal areas policy - available mid 2020

**Performance and Benchmarking**

Rent arrears and management of empty homes performance have been challenging over the past decade due to the combined effects of austerity measures, welfare reform, increases in personal debt as well as historical under investment in the housing stock which is being addressed via the Housing Asset Management Strategy.

When Benchmarked, York's Housing Service is seen to be performing adequately when compared nationally and with comparator organisations. Our aim is to perform better whilst supporting the people we work with by developing genuine relationships with each of them to realise their potential.

Our HRA spending and performance is benchmarked using the Housemark Service. This data is used to help improve services and inform our annual report.

**Further information:**

[Housing performance data – open data platform](#)

[Housemark](#)