Rotherham Metropolitan Borough Council

Public Report
Cabinet

Summary Sheet

Name of Committee and Date of Committee Meeting
Cabinet Meeting – 21 January 2019

Report Title
Housing Revenue Account Business Plan 2019-20

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author(s)
Paul Elliott, Business and Commercial Programme Manager
01709 822494 or paul.elliott@rotherham.gov.uk

Kath Andrews, Principal Finance Officer
01709 255987 or kathleen.andrews@rotherham.gov.uk

Ward(s) Affected
All

Executive summary

The Housing Revenue Account (HRA) records all expenditure and income relating to the provision of council housing and related services, and the Council is required to produce a HRA Business Plan setting out its investment priorities over a 30 year period.

Following the introduction in 2012 of HRA self-financing, whereby the Council was awarded control over its HRA in return for taking on a proportion of national housing debt, Rotherham's HRA is in a strong position with a healthy level of reserves. A number of policies were introduced by central government that resulted in a reduction to HRA resources, namely:

- 1% per annum reduction in Council rents over four years. 2019-20 is the final year of this policy.
- Reinvigoration of the Right to Buy (RTB) (reduction of qualifying period to three years): Reducing stock
- Welfare reform - bedroom tax, universal credit and benefits cap: Impacting on tenants' ability to pay their rent, and increasing the resources required by the Council to collect rent from tenants in receipt of benefits

At the time this resulted in the need for significant savings to be made over the life of the business plan. Over the past 12 months however, there has been a shift in government policy towards increasing the availability of housing across all tenure types. This has reduced pressures on the business plan, the most significant policy announcement being the return of the previous rent formula from 2020-21 onwards i.e. Consumer Price Index (CPI) + 1% for five years.

The subsequent review of the HRA Business Plan for 2019-20 is now focused on achieving the following:

- Contributing to the borough's housing growth target of 900 homes per annum through building and/ or purchasing new properties
- Maintaining and continuing to improve our 20,500 Council homes
- Contributing to the development of low cost home ownership products that are needed locally and will play a critical role in Rotherham's overall economic growth
- Continued investment to support the General Fund budget position

This report provides a detailed technical overview of the current position and the reason for changes to the Plan. This report is to be considered alongside proposed 2019-20 rents, service charges and budgets.

Recommendations

1. That Cabinet recommends to the Council to:

    (a) That the proposed 2019-20 Base Case Option 2 for the HRA Business Plan be approved.
    (b) That the plan be reviewed annually to provide an updated financial position.

List of Appendices Included
Appendix 1 HRA Operating Statement- Base Case
Appendix 2 Summary of modelled Business Plan Scenarios
Appendix 3 HRA Business Plan Risk Register

Background Papers
HRA Business Plan 2018-19
DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Improving Places Select Commission
Overview and Scrutiny Management Board
Council

Council Approval Required
Yes

Exempt from the Press and Public
No

Housing Revenue Account Business Plan and Rent Setting 2019-20

1. Background

1.1 This report sets out the proposals for the HRA Business Plan for 2019-20 onwards and provides information on the positioning of the HRA Business Plan as a driver of Housing Growth to assist in meeting the Council's housing objectives. In essence the overall approach is to make savings where it is feasible to do so these can be invested in future housing growth and to position the housing service so it is best placed to respond to future challenges that arise.

1.2 It was originally envisaged there would be a profoundly different position for the HRA finances following the 2015 Summer Budget. However, over the last 12 months there have been some significant shifts in government policy, which whilst resources are still significantly lower than anticipated at the onset of self-financing in 2012, they are far healthier than the Council had been planning for.

1.3 The key shift in policies that has resulted in changes to underlying assumptions are:

- Agreed rent formula of CPI + 1% from 2020-21 onward for five years.
- Removal of the HRA Debt Cap
- Removal of pay to stay which would have meant any household earning over £31,000 would have been required to pay at or near market rent.
- Removing the proposed restriction of Housing Benefit to Local Housing Allowance rate for new tenants from April 2019.
- Removal of the proposed enforced sale of higher value Council Properties.
- Removing the planned restriction of Universal Credit Housing costs to the majority of 18-21 year olds.

1.4 Whilst there have been a number of welcomed policy changes, there are still multiple policies which will continue to impact directly or indirectly on the amount of resources available with the HRA Business Plan. These are summarised as:

- Roll out of full service Universal Credit to all remaining working age tenants in Rotherham since July 2018 onwards
- Ongoing Right to Buy eligibility

1.5 The combined effect of these changes is likely to have a significant impact on the nature of housing provision in Rotherham, not just in terms of Council Housing.

1.6 Within this context, deriving a sustainable business plan has been problematic, in terms of estimations as to how the underlying business will change and how to address the potential reductions in income that will result from these changes, not least the requirement to reduce rents by 1% for a further year at a time when costs are increasing.

1.7 The overall position remains challenging, but given the level of reserves and the previous decision to defer some investment in stock until later in the plan there is the ability to divert resources to fund housing growth and contribute to the Council's Corporate Plan.

1.8 Over the short to medium term, the business plan shows healthy cash flow and balances; however over the longer term there is a significant squeeze on income due to ongoing right to buy assumptions. The policy of Right to Buy and lifting the debt cap are somewhat contradictory as it means there is the potential for an ongoing reduction in cash flow to fund a potential increase in debt. This means the underlying business has to continue to become more efficient over the long term and new build housing schemes have to at least break even over the long term. This will ensure there are sufficient resources to service the service the debt to ensure long term viability of the business plan.

2. Key Issues

2.1 The Council currently owns circa 20,400 homes, 544 leasehold homes and 3,375 garages with a turnover from rents and other sources approaching £82m per annum (excluding the sale of new properties).

2.2 The overall financial strategy for the HRA is focused on:

- Supporting housing growth (circa £105m including grant income will be available over the next five years, subject to Cabinet approval of remaining projects)
- Supporting delivery of the Council's Corporate Plan
- Maintaining a sufficient level of balances, both as a contingency against risks and to ensure that investment can be sustained over the period of the business plan
- Achieving and maintaining the decent homes standard
- Providing a customer focused and effective repairs service
- Supporting housing and neighbourhood management

2.3 The proposed changes means there is a need to restructure the budget. With this in mind proposals are designed to ensure:

- There is a significant contribution to housing growth and support to the Council's Corporate Plan
- Whilst savings are made no action is taken that will undermine the Council's longer term ability to react to changes
- Provision is made to ensure there are sufficient resources available to invest in services where there is an identified need

- The longer term viability of the HRA business plan is maintained

- Budgets remain flexible to react to any significant changes in property numbers currently expected or further government policy changes

- No early repayment of debt is made

Financial Position of the HRA

2.4 The HRA currently has a healthy financial position with a general reserve balance forecast to be £32.98m, a forecast Major Repair Reserve of £19.072m and a One for One receipt balance of £2.570m as at 1 April 2019. A summary of the proposed Income and Expenditure for 2019-20 is as follows:

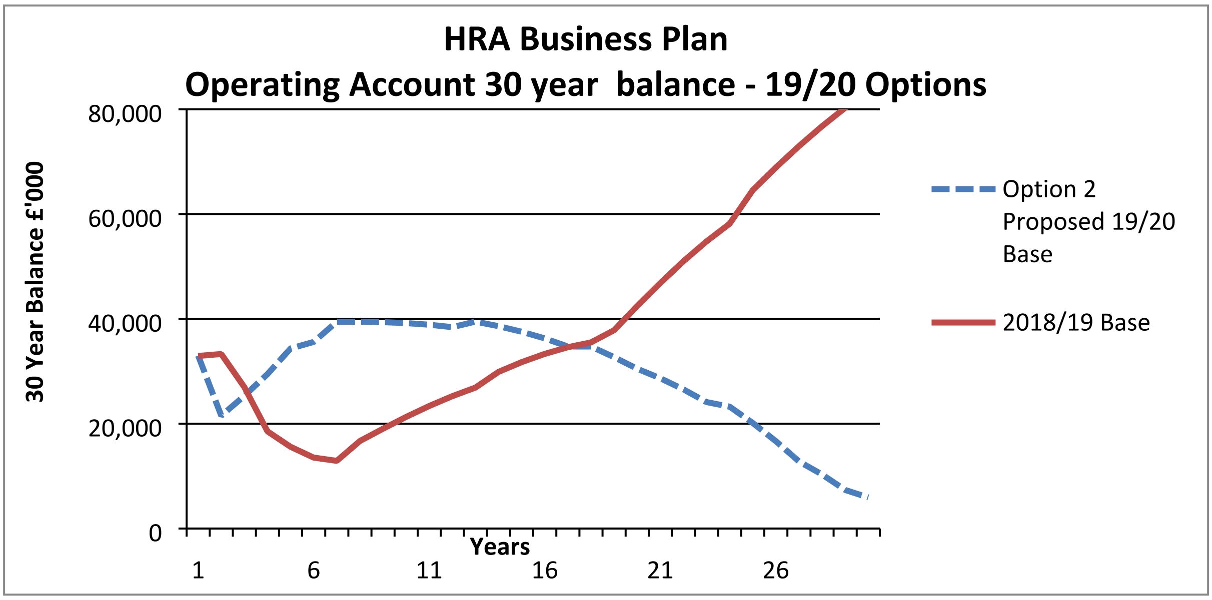
Housing Revenue Account	Proposed Budget 2019/20 £'000
Expenditure	80,489
Income (including service charges)	-82,939
Net Cost of Service	-2,450
Interest Received	-100
Net Operating Expenditure	-2,550
Revenue Contribution to Capital Outlay	14,692
Transfer from Reserves	-12,142
Surplus/Deficit for the Year	0

2.5 The £2.550m operating surplus is being used to fund part of the Housing Capital Programme via a Revenue Contribution to Capital Outlay (RCCO) together with a transfer from reserves of £12.142m.

Supporting Housing Growth

2.6 Going forward, whilst the financial position of the HRA deteriorates over the next year due to the ongoing 1% per annum rent reduction this is against a backdrop of a healthy reserves position. These levels of reserves represent a significant opportunity to support housing growth throughout the borough over the next five years. Consequently it is proposed that the housing growth programme continues to expand and £51m of HRA resources will be invested in building new homes over the next three years. There is the potential for the Business Plan to be able to support a total development programme of £105m without further borrowing, subject to Cabinet approval of pipeline schemes. This includes grant from the Home and Communities Agency (HCA) of £6.8m. Assuming all properties developed for private sale are sold at forecast values, this will result in sales income of circa £19m.

2.7 The following graph shows the 2018/19 Base and the positive impact that government social housing policy changes to have had on the Operating Account. Option 2 Proposed Base shows the impact of the Council increasing the gearing of the business plan towards supporting further housing growth and increased resources to fund ongoing investment of £1.6m per annum to enhance housing support services contained in the General Fund.



2.8 The 2019-20 Base Option 2 is the recommended option. A series of assumptions have been modelled which give a variety of different scenarios over the life of the business plan. A summary of these scenarios are detailed at Appendix 2.

Option 1 of the modelled scenarios is not recommended. Whilst it incorporates all approved housing growth projects and maintains sufficient operating balances there are insufficient capital financing available from year 12 of the plan.

Option 3 of the modelled scenarios demonstrate that further investment in housing growth based on the assumptions below is affordable over the life of the plan. However this is not the recommended option as the housing growth projects have not been approved. On this basis further reports supporting continued Housing Growth will be submitted to Cabinet and the implications on the HRA Business Plan operating statement will be set out and adjusted subject to approval of projects.

2.9 The key changes to assumptions modelled from the 2018-19 Base to 2019-20 Base Option 2 have been:

- **2019-20 Base Option 2**

This assumes

- rent will decrease by 1% for 2019-20 and then increase by CPI + 1% for five years (in line with government rent formula) then CPI only for the remainder of the plan.
- Service charges will increase by 2.4% (CPI) in 2019-20 and then CPI for rest of the plan.
- CPI has been refreshed to the latest forecasts by the Office for Budgetary Responsibility.
- Right to Buy sales remain at 200 per year from Year 3 of the plan. To accommodate the reduction in income as a result of RTB forecasts 50% of Supervision and Management expenditure has been flexed along with 75% percent of Repairs and Maintenance expenditure (excluding disabled adaptations and garages) in proportion to RTB sales.
- Repairs and maintenance revenue expenditure will reduce by 10% for a period of five years from 2020-21 onwards.
- Investment in Capital works has increased from £577m to £734m. An increase of £157m over the life of the plan.
- Invest a further £1m per year in Supervision and Management as explained further at 3.23 of the report.
- Ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund.
- The High Value Property Levy of £2m per year has been removed.
- Reduced bad debt provision from 1.73% to 1.4% per annum.

This results in an Operating Surplus at Year 30 of £5.928m.

2.10 In developing the 2019-20 Base Case Option 2, Capita Housing and Consultancy have provided advice on completion of the HRA Business Plan.

2.11 The Proposed 2019-20 Base Case Option 2 results in a significant decrease in forecast surpluses of circa £77.5m when compared to the previous approved plan. The assumptions detailed ensure expenditure is kept in line with forecast income throughout the life of the business plan.

2.12 This scenario has been chosen because:

- It provides opportunities to contribute to the housing growth agenda through deferring stock investment and reducing repairs and maintenance expenditure where it is sensible to do so.
- It enables investment of £1m per annum to develop capacity to deliver on the Council's service priorities to meet the increasingly complex needs of our tenants.
- Ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund.
- Expenditure is reduced proportionately to stock size, so mitigating the effect of increasing Right to Buys.
- RPI is set at 0.25% higher than CPI so provides a more prudent assessment of potential cost inflation compared to some other scenarios from Year 5.
- Rent increases are kept in line with CPI following expiry of the government's new social rent formula for five years from 2020-21 to increase rents by CPI + 1%.

- Repairs and maintenance costs reflect the current fixed overhead charge of circa 25% until 2019-20.
- Although debt is not repaid, there is no additional borrowing requirement. Although this may become necessary to continue funding housing growth and will be subject to a further report in Spring 2019.

Impact on the Housing Growth agenda

2.13 The 2019-20 review of the Business Plan continues to focus on the housing growth agenda. Resources are focused on construction and acquisition of new council homes for the next three years. The business plan supports delivery of multiple housing schemes throughout the borough across a variety of tenures as detailed below:

Year	Budget £	Units
2018-19	19,953,000	60
2019-20	24,614,000	199
2020-21	6,410,000	135
2021-22	0	23
Total	**50,977,000**	**417**

2.14 Continuing investment in new housing will contribute to the Council’s housing growth target of 900 new homes per year. The benefits of the Council developing and enabling new housing include:

- Generation of income to the General Fund via New Homes Bonus and Council tax
- Ensuring new homes meet changing local needs, particularly the needs of older people, people with support needs and single person households
- Regenerating neighbourhoods
- Wider economic benefits including employment and training opportunities
- Access to grant funding from Homes England and the Sheffield City Region
- Replacement of Council homes sold through the Right to Buy
- Improved quality and energy efficiency of housing stock, which improves health and wellbeing and reduces fuel poverty

The priorities in the housing growth programme over the next five years are:

- Developing 182 new homes in the town centre
- Piloting modern methods of construction in order to ascertain the potential to build homes at an increased pace and lower cost
- Delivering more shared ownership homes to enable first time buyers and older people wishing to downsize, to own an affordable home
- Continuing to build bungalows and other accessible accommodation to enable older people and people with support needs to live independently
- Releasing HRA owned sites for development by the private sector and housing associations

2.15 The government announced in the autumn of 2018 Budget that the HRA Borrowing Cap would be removed with immediate effect. This offers further potential to support Housing Growth into the future. Given the significance of this policy announcement a further paper will be brought to Cabinet in Spring 2019 detailing the Council's proposals.

Impact on Repairs and Maintenance

2.16 Given the level of historic investment in existing stock, circa £115m over the past five years, that the stock is overwhelmingly traditional build and its condition is at or beyond the decent homes standard, a decision was taken in 2018-19 to reallocate investment from this area to further increase the Council new build programme. This meant that additional housing assets could be created, generate greater rental income and meet housing need in the borough. Given the Business Plan has now been refreshed based on revised assumptions and new government policies mean more properties will be built and fewer sold through RTB there is a slight increase in savings required to Repairs and Maintenance budgets as detailed in the table below when compared to 2018-19 proposals:

Year	Repairs and Maintenance Budget £'000s (savings included)	2018-19 Proposed savings £'000s	2019-20 Proposed savings £'000s	Additional savings required £'000s
2019-20	20,543	0	23	23
2020-21	19,003	2,095	2,114	19
2021-22	19,436	2,131	2,204	73
2022-23	19,724	2,167	2,229	62
2023-24	20,015	2,204	2,262	58
2024-25	20,308	2,241	2,293	62
Total	**119,029**	**10,838**	**11,125**	**297**

2.17 Whilst significant; in the context of the overall property based budgets, the repairs and maintenance savings still equate to a 10% reduction in spend from 2020-21 for five years. This timeline continues to allow for consultation with tenants and Councillors on what the new service offer will look like prior to commencement of the new repairs and maintenance contracts in 2020-21. Housing Services will look to reduce demand for those repairs, having minimal impact on residents and being low risk and in line with best practice across the industry. It is also envisaged the re-tendering exercise, will also deliver organic savings and provide the opportunity to deliver the same or improved services in a different and more innovative way, at a lower cost to the Council.

Impact on Capital Investment

2.18 During 2018-19 there has been a review of the capital investment needed in our stock over the next 30 years. This resulted in an increasing Capital investment from £577m to £734m over the life of the plan. Once modelled within the Business Plan this level of investment, whilst affordable, had a number of years when there was insufficient cash flow to fund the required level of investment. The decision has therefore been taken to smooth out peaks in demand by delaying some stock investment and replacements to later years as necessary. This will not affect the ability to meet the Decent Homes standard.

Supporting tenants with Financial Pressures

2.19 A key priority is the ongoing work mitigating the impact of welfare reform and general financial pressures tenants face. The Council is committed to minimising any effects of welfare reform on tenants and to do this through continuing early intervention and arrears prevention. Our efforts will continue to be in supporting tenants to continue to pay their rent; by offering additional support to vulnerable tenants to help with money, benefits and debt advice; this is being done through our Financial Inclusion team. The HRA also supports the Advocacy and Appeals service through funding for Money Advice Officers to support tenants in rent arrears manage priority debts.

2.20 Following a restructure of the Housing Income Service in 2017-18 which saw staffing levels more than double, following an investment of over £600k per annum. A key driver for this change has been the ongoing squeeze on tenants' incomes so the service now has a dedicated Financial Inclusion Team that supports tenants facing financial exclusion.

2.21 On the 11 July 2018 Universal Credit Full Service was rolled out throughout Rotherham, this to date as seen over 1,400 tenants move onto Universal Credit. The impact on rent arrears is now starting to become evident at individual account level, with the average arrears for a tenant on Universal Credit being £726.92 compared to £395.12 for other tenants i.e. the average arrears for a tenant on Universal Credit is 84% higher than other tenants. This presents a significant risk to income collection and manifests itself through increased bad debt provision. The forecast arrears balance for new Universal Credit claims is £625k for 2018-19. To mitigate this risk all new tenants who are eligible for Universal Credit have to make a claim and set up either a Direct Debit or a Recurring Card payment for rent prior to being issued with the keys for their new home.

2.22 The Housing service also has active partnerships with a number of other partners and Directorates all aimed at supporting tenants maximise income and promote independence thereby increasing their ability to pay rent:

1. Age UK, Rotherham
2. Children's and Young Persons Service
3. Employability Support Officer

Investment in other Council Housing Services

2.23 In reviewing the business plan, it is assumed there will be growth in the management and administration costs to the HRA of circa £1m per annum for the remainder of the plan. This continues to assume that cost savings previously identified within the plan following a review of average underspends within the HRA Management and Administration budgets over the last five years will be spent on:

- Investment in the Strategic Housing and Development Service to provide capacity to deliver the housing growth agenda detailed earlier in the report.
- Increasing capacity in the Housing Options Service to provide support to prevent homelessness following introduction of the Homelessness Reduction Act
- Establishing a Business Planning Unit
- Expanding the Tenancy Involvement team
- Changes to the management of compliance functions through the creation of a small Mechanical and Electrical team.
- Increasing capacity within the Housing management team to support vulnerable customers with high need on their journey to a more independent future.

2.24 An ongoing investment of £1.6m per year will be made enhancing Housing support services contained in the General Fund over the period. In addition it is proposed to work in partnership with Adult Care to complete a review of Rothercare so it is transformed into a service which promotes customers to maintain independence within their own home for as long as possible.

Impact of the proposed scenario

2.25 The impact of the changes to the business plan are summarised below:

- There will be £51m spent on housing growth over the next three years. This will result in 417 new properties being built or acquired
- The General Fund will receive additional funding for HRA support services of £1.6m per year for the life of the plan.
- There will be £10.8m less spent on day to day repairs over the next five years.
- There will be £1m more invested per year into developing capacity in the Housing Service to deliver Council priorities.
- By Year 30 the plan forecasts the housing stock size will have reduced to circa units 14,800. ie a reduction of around 5,600 units.
- There will be surpluses of £5.9m by year 30.

2.26 These savings have already been factored into the proposed HRA budgets within the HRA Business Plan Base 2019-20 Option 2. The challenge is to ensure that the savings to repairs and maintenance budgets are delivered and tenants are consulted on their priorities for the future of Council housing in Rotherham.

3. Options considered and recommended proposals

3.1 A series of options were considered as part of scenario modelling, these are detailed at Appendix 2 of the report. Details of the preferred HRA Business Plan Base Case Option 2 are set out in the main body of the report. This will result in the HRA having an Operating Surplus of £5.9m by Year 30 and provide support to the housing growth agenda and the Council's General Fund position.

4. Consultation on proposal

4.1 The Cabinet Member for Housing has been consulted over these proposals. The Tenants' Quality and Standards Group will be consulted and their comments will be incorporated into future revisions of the plan.

4.2 The Housing Service undertake an annual survey of tenants' views, referred to as the Star (Standard Tenant Assessment Response) Survey which supports how resources are targeted and allows the Council to benchmark satisfaction with other social housing providers. The most recent survey found:

- 80% of tenants are satisfied with the overall service provided
- 80% of tenants are satisfied with the quality of their home
- 78% of tenants believe their rent provides value for money
- 48% of tenants were satisfied that their views were listened to and acted upon
- Satisfaction with grounds maintenance and estate services were varied across the borough

4.3 The HRA Business Plan responds to some of the above concerns by increasing investment in Tenant Involvement Services and increasing capacity in the housing management teams.

Members have been consulted on various aspects of the Housing Revenue Account Business Plan. Seminars and Workshops have been held on Housing Growth, Repairs and Maintenance, Universal Credit and Housing Policy updates. This has helped inform the proposed Business Plan.

4.4 The HRA Business Plan also supports housing growth, the targets which were set following The Rotherham Strategic Housing Market Assessment (SHMA) which was completed in 2015; and consisted of a large scale resident survey, targeted focus groups and detailed analysis of housing market, population and demographic data. The study contains a calculation which takes into account delivery of new housing against newly forming households to highlight any shortfall. The Rotherham SHMA concluded that 900 new homes are required per year to meet housing needs in the borough, a quarter of which should be 'affordable'. The data from the study has been used to develop Housing Profiles for each ward which considers specific housing needs, and sets out opportunities for housing growth at a local level.

5. Timetable and Accountability for Implementing this Decision

5.1 The table below shows the approval timeline:

Date	Meeting
16/01/19	Overview and Scrutiny Management Board Meeting
21/01/19	Cabinet decision making meeting
23/01/19	Council

6. Financial and Procurement Advice Implications

6.1 In developing the HRA Business Plan the Chartered Institute of Public Finance and Accountancy/ Chartered Institute of Housing, CIPFA / CIH, code of practice for a self-financed housing revenue account; the Financial Viability principle has been taken into account which states that:

The housing authority has arrangements in place to monitor the viability of the housing business and take appropriate actions to maintain viability.

6.2 A reduction of 1% on rental values as required by legislation continues for one final year in 2019-20. Thereafter rent increases have been assumed at CPI + 1% for five years, thereafter reducing to CPI for the remainder of the plan. This change in policy, alongside the removal of the High Value Property Levy previously proposed by central Government as had a significant impact on income and capital funding available to fund investment in housing growth and capital works.

6.3 Significant cuts to capital investment built into the plan in 2018/19 have been removed and capital funding available for investment in existing housing stock as increased by £157m over the life of the plan.

6.4 Reductions to revenue repairs & maintenance costs of £10.8m have been incorporated into the HRA Business Plan from 2020/21 to 2024/25 (detailed at 3.16 above). It is anticipated that these savings can be made from 2020, when the existing repairs & maintenance contracts end and contracts based on revised service standards are negotiated.

6.5 Significant investment in property developments and acquisitions of £51m has been built into the plan over the next three years. On current assumptions the Business Plan indicates that this is fundable within available resources. Affordability is reliant upon £31.8m of funding which has been built into the plan: £6.8m of HCA grant funding, £6m of unallocated capital receipts and sales income of £19m from properties built for sale and shared ownership.

7. Legal Advice and Implications

7.1 There are no procurement implications.

7.2 The Legal Implications, where known, are covered in the main body of this report. Further detail is awaited from central government on legislative changes under the Housing and Planning Act 2016, such as the higher value property sales provisions, which may alter some of the estimates made in this report.

8. Human Resources Advice and Implications

8.1 There are no immediate human resource implications although the proposal for expanding existing and developing new business units will result in a requirement for additional staffing resource.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no implications for CYPS or Vulnerable Adults.

10. Equalities and Human Rights Implications

10.1 The local authority is aware of its duties under the Equality Act 2010 to promote equality, diversity, cohesion and integration and has ensured that the HRA Business Plan is compliant with that duty. An initial equalities screening has been carried out to assess the impact of these proposals and due to the scale of investment and nature of households affected the Council will need put in place an Equality Impact Assessment for this plan. This will ensure the Council continues to promote positive impact and reduce or remove negative impact as a result of the proposed investments. An Equality Impact Assessment will take place within the next month to ensure the correct policies and strategies are in place.

11. Implications for Partners and Other Directorates

11.1 This proposal is about making effective use of Council assets and managing them to best effect. It contributes to the sustainable neighbourhoods agenda by addressing future investment needs and will help deliver a better quality of affordable housing to the community.

12. Risks and Mitigation

12.1 Self-financing involved a significant transfer of risk from Central Government to the Council. Variables such as interest rates, cost inflation, number of homes owned etc. are all risks managed by the Council.

12.2 Any adverse changes in rental income (for example as a result of welfare reform or changes in the number of Right to Buy sales) must be managed locally.

12.3 The risks associated with the HRA Business Plan demand a smarter approach to risk management. The Council will closely monitor the viability of the HRA Business Plan; by building a HRA Business Plan monitoring report to monitor key variables such as:

- Number of homes

- Rental income
- Rent arrears and bad debts
- Voids and void rent loss
- Debt levels and repayment
- Reserve levels, and
- Maintenance backlog

12.4 The risk management plan for the HRA Business Plan is contained in the HRA Business Plan at Appendix 3. The plan follows the Council's risk management methodology and approach. It includes a clear description of the risk, an assessment of probability and impact of the risk, a summary of controls and information on when the risk will be reviewed. Risks are monitored monthly at Housing Senior Management Team (SMT) meetings.

12.5 Significant risks will be placed on the Corporate Risk Register and risk issues will be escalated through the Council to Directorate Leadership Team and Senior Leadership Team as necessary.

12.6 The Council has risk based reserves to ensure that HRA reserves are maintained at the appropriate level. The reserves will be maintained at the appropriate level to fund potential future financial pressures from risks such as welfare reform and investment requirements.

13. Accountable Officer(s)

Anne Marie Lubanski, Strategic Director for Adult Care and Housing
Tom Bell, Assistant Director of Housing

Approvals obtained from:-

	Named Officer	**Date**
Chief Executive	Sharon Kemp	07/01/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Graham Saxton	21/12/18
Assistant Director of Legal Services (Monitoring Officer)	Stuart Fletcher	13/12/18
Assistant Director of Human Resources (if appropriate)	Kay Wileman	04/12/18
Head of Human Procurement (if appropriate)	N/A	N/A

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