APPENDIX 1

HOUSING AND REGENERATION SCRUTINY COMMITTEE – 15TH MARCH 2022

SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022/23

REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING

1. PURPOSE OF REPORT

For Members to consider and take a view on the Housing Revenue Account (HRA) Business Plan 2022/23 prior to approval at Cabinet on 23rd March 2022, and also recommend that Cabinet submit this report to Council to request an extension to the borrowing cap. The HRA Business Plan is an annual requirement from Welsh Government as part of the annual submission of the Major Repairs Allowance (MRA) grant application. The Business plan has not been presented for approval in recent years but there are now an increased number of objectives to be delivered within the business plan, on similar timeframes. It is therefore prudent that members are formally updated on the financial position of the HRA investment programme on an annual basis, to inform future decision making.

2. SUMMARY

2.1 Following the publication by Welsh Government (WG) in its National Housing Strategy, 2001, which enforced all social landlords to meet the Welsh Housing Quality Standard (WHQS) on all its tenanted stock, WG introduced in 2002, a requirement for all Welsh authorities to develop and produce a Housing Business Plan which would be scrutinised by WG on an annual basis. The Housing White Paper published in May 2012 reaffirmed the WG commitment to the WHQS and set the revised target for all social landlords to meet it by 31st December 2020, which was extended to 31st December 2021 due to the impact of Covid-19.

2.2 The Business Plan is a long-term 30-year plan for managing an organisation's assets and financing the necessary investments. It is a key element in ensuring the effective long-term management and maintenance of the Councils housing stock. It is essentially a financial forecast reliant on key assumptions which identifies the resources and funding required to meet the WHQS and maintain it thereafter. In addition, more recently WG have requested a business plan narrative to accompany the financial business plan, and this is also a requisite for the annual application of the MRA funding.

2.3 Now that all the Local Housing Authorities have met the WHQS, there is a requirement for WG to develop an updated version of the standard so that LHA's can maintain its properties to the standard whilst incorporating new challenges. There has been an independent summative evaluation of WHQS in June 2021 and WG intend to launch WHQS 2 in 2023 following a period of consultation in Spring 2022. One of the biggest changes in the new standard will be around affordable warmth and decarbonisation, and WG are considering how they can support delivery alongside a new Optimised Retrofit Programme (ORP). In the 2022/23 Business Plan, however, WG acknowledge that LHA's will not have firm decarbonisation targets or measures to work with, and therefore do not expect comprehensive costed models for decarbonisation in this year's plan, other than some specific questions around the value of decarbonised related work already factored into our existing programmes.

2.4 Members may recall earlier reports regarding the HRA Business Plan as part of the ballot process together with commissioning stock condition surveys and determining borrowing levels. The borrowing level for WHQS was initially agreed by Council at £61m in 2011 and has been subsequently revised as the WHQS programme has been progressing. In 2014, the borrowing was revised to £55m, and in 2019, the borrowing profile was amended to include funding for the first draft of our ambitious new build programme. The borrowing level is currently £75m which was estimated to be £45m for WHQS and £30m for the initial investment for increasing housing supply. Further development programmes are likely to require additional borrowing.

2.5 As we have now achieved the target of meeting WHQS to all our eligible stock, it is thought an opportune time to report the HRA Business Plan annually to members going forward as we progress onto developing our own social housing stock. This has become more important as we have experienced such volatility within the market in terms of material costs, supply and labour resources as a result of the Covid-19 pandemic and Brexit, which could impact significantly on our new build commitments and the ambitious decarbonisation agenda that is ahead of us.

3. RECOMMENDATIONS

3.1 That members of this committee acknowledge and consider the 2022/23 Housing Business Plan prior to its approval by Cabinet on the 23rd of March, and its submission to WG by the 31st of March 2022, and annually on an ongoing basis.

3.2 Members recommend that Cabinet approve the submission of this report to Council to request an extension on the HRA borrowing cap to £90m to allow the new build programme to progress. A provisional date for Council has been set for the 7th June 2022

4. REASONS FOR THE RECOMMENDATIONS

4.1 The HRA Business Plan has to be submitted annually to Welsh Government as part of the Major Repair Allowance (MRA) funding grant submission. Failure to submit a Business Plan as part of the application would be interpreted as failure to comply with the MRA grant criteria, and the grant is likely to be withdrawn.

4.2 The Housing Business Plan relies on key assumptions to remain viable and in recent years has become increasingly volatile due to the Covid-19 pandemic and Brexit. It is therefore prudent that members are formally updated on the financial position of the HRA investment programme as part of the annual grant submission to WG and to be kept up to date on the performance of the HRA in relation to other new priorities to be delivered from the HRA.

4.3 Borrowing is necessary to be able to fund the new build programme and will be reviewed annually. The building of new affordable homes is a corporate commitment, and a Welsh Government directive.

5. THE REPORT

5.1 The Major Repairs Allowance (MRA) is a capital grant for HRA assets to support Local Authorities to meet and maintain the WHQS. It cannot be used to repay debt, support borrowing, fund demolition costs, fund the day-to-day maintenance of properties, fund any properties acquired after April 2015, or for any properties held outside of the HRA.

5.2 LHA's must submit an application to WG each year for the MRA. The value of MRA for Caerphilly Homes is in the region of £7.3m. The deadline for the submission is 31st March 2022 and WG request the following documents to be included with the application

- An application form
- A full 30 year financial Business Plan
- Business Plan financial data summary
- New Build spreadsheet
- Business Plan narrative.

5.3 The HRA Business Plan is subject to detailed scrutiny by WG to ensure it is acceptable which means it must demonstrate

1. Maintenance of the WHQS
2. The HRA does not show a debit balance
3. Through stress testing the impact of positive and negative changes to key assumptions has been considered
4. An analysis of items included in the HRA certified to show it is in accordance with relevant legislation.

5.4 A Local Authority must inform WG by 31st March each year if it is unable to submit an acceptable Business Plan. The Authority will then be required to work with the support offered by WG to develop an acceptable Business Plan. Failure to do so will be treated as failure to comply with the MRA grant criteria and the grant is likely to be withdrawn.

5.5 Business Plans are owned by local authorities and are not prescriptive by WG. However, Caerphilly Homes uses a model adopted by Capita Services which has been sanctioned by WG. Most of the retaining Local Housing Authorities use this same model. WG also request a summary of the business plan as part of the MRA application, which is in a standard format to allow for ease of comparison against the minority of Local Housing Authorities who do not use the Capita model.

5.6 Section 76 of the Local Government and Housing Act 1989 requires that the Housing Revenue Account (HRA) cannot be set into a deficit. The Housing Business Plan is a working document and is constantly updated to reflect any changes in its original assumptions to ensure the HRA remains viable.

5.7 Once the HRA budget is set, this is added to year 1 of the 30-year Housing Business Plan, combined with the capital projections and a number of key assumptions. The plan is tested for viability in terms of its operating (revenue) account, level of reserves, capital account and its level of borrowing. Further assumptions are then made to project this position for 30 years.

5.8 Key assumptions in the plan are

- Inflation rates
- Interest rates/Financing Costs
- Rent increases or decreases
- Level of bad debts and voids
- Stock count
- Pay awards
- Financing costs

5.9 WG also require a number of sensitivity tests against the base plan which models different stresses around key risks of the plan over the next 10 years. The sensitivities are not prescriptive but LHA's are expected to consider global and local challenges and how this will impact on the HRA remaining viable, if the WHQS can still be maintained, and if borrowing remains affordable. WG have also requested a specific sensitivity test in respect of decarbonisation.

5.10 A template is also required that captures LHA's development and acquisition plans.

5.11 The HRA Business Plan for 2022/23 has made the following assumptions. Note that this shows only 5 years which are more realistic than a 30-year period. However, the appendices attached will show the impact these assumptions make over a 30-year period.

5.12 Inflation rates
Every year, as part of the Business Planning Guidance, WG advise LHA's to use 2% as a typical inflation rate. This year however, this has not been included in the guidance and WG have advised they are no longer prescriptive on the assumptions in the Business Plans but now request that they are clearly explained and justified. This is probably as a result of the volatile increase in inflation experienced nationally. UK RPI forecasts for next 5 years are as follows (source: statista.com)

2022/23	5%
2023/24	3.4%
2024/25	2.8%
2025/26	2.8%
2026/27	2.9%

5.13 In addition to the above, an additional increase needs to be considered in respect of building materials which will affect the cost of our Planned programme, Response Repairs, and New Build programme. The increased global demand for construction combined with the complex impacts of the pandemic and Brexit, has resulted in unprecedented shortage delays and increased prices for materials and labour across the economy. Whilst the impact is hard to predict because it affects different material types, the industry suggests the pressure is expected to continue until the end of 2022, However, it is felt prudent to increase 2023/24 to 5% to allow for the impact of the energy price increases which is likely to affect the cost of materials further in the short term. Further testing for higher increases are factored into the sensitivity analysis on 5.29 below

5.14 Interest rates/Financing Costs
The debt profile for the authority includes a forecast for interest rates which are calculated by accounting for all estimated interest on the loan types the authority holds in any one year and dividing that into the total debt to arrive at a consolidated average interest rate each year. These rates will change depending on the debt profile and are updated regularly throughout the year. The interest rate charged to the HRA includes the borrowing requirement within the current Business Plan and is currently forecasted to be as follows

2022/23	4.27%
2023/24	4.25%
2024/25	4.15%
2025/26	3.95%
2026/27	3.87%

5.15 Rent Increase
The WG rent policy is determined every 5 years. We are currently under the 2020/2021 to 2024/2025 five-year rent policy which was set at CPI plus 1% (plus a further £2 to align rents if applicable). The Welsh Ministers can determine the appropriate change to the rent levels in any given year if CPI falls outside of the range 0% and 3%. The CPI rate used for the 2022/23 was the previous September's rate which was 3.1%, therefore WG decided to remove the "plus 1%" from the 2022/23 rent policy meaning the maximum rent increase could not be any

more than 3.1%.

5.16 Members agreed from a selection of options to increase the 2022/23 rent by 2%. This has been factored into the 2022/23 estimates. For the following years, the CPI rates have been forecasted to be within the 0% and 3% protection threshold, therefore the assumption is that these years will attract the CPI plus 1% as follows

2022/23	2% as agreed by members
2023/24	2.6% plus 1% = 3.6%
2024/25	2.1% plus 1% = 3.1%
2025/26	2% plus 1% = 3%
2026/27	2% plus 1% = 3%

5.17 This will be the maximum rent increase allowed under the rent policy and LHA's must also evidence affordability. Members recently agreed that the authority could review its rent policy to consider including an appropriate affordability model called the Joseph Rowntree Foundation (JRF) model. This will be reviewed mid 2022 in advance of the 2023/23 rent setting process. Early indications of this model suggest Caerphilly Homes rents are a favourable comparison. Other indications such as the All-Wales statistics also confirm Caerphilly rents are one of the lowest of the LHA's at about 4% lower than the average, yet earnings within the area are some 3.5% higher than the All-Wales average (2019/20 stats). As part of the sensitivity testing required by WG for the MRA submission, we will include scenarios for lower rents than above to test the viability of the HRA is maintained with additional borrowing. (See 5.31 & 5.32 below on sensitivity testing)

5.18 For future years (from 2027/28 onwards) within the plan, rent increases have assumed to be 3% but these will be reviewed as we progress through the next 5 years when inflation is confirmed and also how the JRF affordability model impacts on our rent structure.

5.19 <u>Level of bad debts and voids</u>
This figure is combined in the Business Plan. In previous years the average void loss was pretty static at just under 2% and arrears at around 2.5%. In recent years this has increased, particularly at the start of the pandemic when tenants were unable to pay their rent and landlords were unable to relet empty properties. LHA's have also started a rent and arrears working group with WG to compare and share best practise going forward as a consequence of the arrears position due to the pandemic and the impact on tenants. In December 2020 voids had increased to 2.8% and arrears to 4.24% but this level has started to improve for a number of reasons previously reported in the HRA budget monitoring reports. In December 2021, voids were 2.52% and arrears were 4.29%. However, the plan has assumed 7% in total for 2022/23 which is an increase on the bad debt due to the increase in energy and food prices that is likely to impact tenants. The 7% will remain in 2023/24 and reduce to 6.5% in 2024/25, showing a slight reduction to 5.5% 2 years later for the rest of the plan. This assumption is clearly volatile and is therefore included in the sensitivity testing shown in 5.34.

5.20 <u>Stock Count</u>
The current stock count is 10,660. This includes 10,649 of tenanted stock and 11 units that are out of debit within a scheme that is proposed for demolition. However, as the 11 units are under one scheme, they are included within our total stock count as we are still responsible for managing and maintaining the scheme, and these costs are still factored into the Housing Business Plan until 2023/24 when they are proposed to be demolished.

5.21 The plan would normally make an assumption of any council house sales that would reduce the level of stock, until the Right To Buy (RTB) process ended in Wales in January 2019. Therefore, we do not anticipate any further RTB sales in the plan. However, we are now underway with our ambitious new build programme and have also acquired stock via a buy back process which assists us in meeting the increasing housing supply agenda from WG.

5.22 The increase in stock is detailed in 5.24 below, and has been assumed based on the most recent Programme Delivery Plan (PDP) for affordable housing which drives the Social Housing Grant (SHG) programme, together with other schemes identified as part of the LDP process where areas have been identified for suitable development upon further investigation and viability checks. We have been awarded £10.7m of SHG for the period April 2021 to March 2026.

5.23 Pay Awards
The assumptions factored into the 2022/23 Draft Budget Proposals report (Cabinet 19/1/22) for the Council have been considered against the HRA Business Plan. The forecasted increases in terms of Pay Award, National Insurance and Employers Pension Contributions for 2023/24 and 2024/25 have been applied and show that the initial inflation rates in 5.12 account for the increases over the next 3 years.

5.24 New Build proposals and grants
The current proposals allow for 405 units (social rented and blended tenure schemes) over the period 2022/23 to 2025/26 at a cost of some £100m. Funding assumptions include the Social Housing Grant of £10.7m recently awarded by WG up to 2024/25. Further funding options need to be explored and include the Land and Buildings Development Fund, The Health and Care Fund, and the Cardiff City Region Deal. It is worth noting that the previous year's Housing Business Plan allowed for 230 units, so there is momentum in terms of increasing housing supply.

5.25 The value of the HRA in 2022/23 with the rent increase of 2% is £52m. The cost of managing and maintaining the service is essentially funded from this, and these costs are entered into the plan which includes a £15.9m commitment towards the capital programme. The capital programme is £27.9m and this includes £20.4m to maintain the WHQS programme (PAMS programme), £0.7k for increasing housing supply and £6.6m for adaptations, other large scale void work, and one-off committed projects (Note the level of spend for increasing housing supply appears low in this year, as this relates to retentions and finalising 2 schemes that will release 18 units in 2022/23. The volume of expenditure will increase in 2023/24 where several schemes have been identified to supply some 211 units at £52m.). It is however worth noting that the current proposals can change quickly as more schemes are identified and some existing proposals may not come to fruition.

5.26 The assumptions shown above are run through the plan over the 30 years and this typically results in a shortfall that would require some level of external borrowing. The base plan has a shortfall of £43.5m and this requires a borrowing commitment of some £45.6m (£17.1m in 2023/24 and £28.5m in 2024/25). The total borrowing commitment, when factoring in the amount already borrowed for the WHQS programme is not within the current borrowing cap approved by Council. Total borrowing would currently stand at some £86.5m which would be £11.5m over the £75m agreed level. However, it is important to note that the initial level agreed was always expected to change as we progressed with the new build programme. The number of proposed units have increased by 175 compared to the previous plan, which will increase costs significantly and result in further borrowing. It is also worth noting that there may be other funding streams available, as schemes are investigated further, which would reduce costs, thus reducing the borrowing requirement. Officers recommend the borrowing level be increased to £90m at this stage to ensure adequate funding is available for the current new build proposals within the 2022/23 Housing Business Plan. Borrowing is not required until year 2 of the plan (2023/24).

5.27 To date the HRA has borrowed £40.9m towards achieving WHQS therefore any further borrowing is now committed principally towards increasing our housing supply. The maintenance of the WHQS programme is now under our Post Asset Management Strategy (PAMS) programme and is currently funded from our existing HRA resources and MRA grant from WG, although we await the new version of the WHQS 2 which will undoubtedly affect this profile.

5.28 The Housing Business Plan for 2022/23 confirms that the HRA remains viable with the

£45.6m borrowing, as it demonstrates a surplus in the operating account (see appendix A) and the capital account is fully financed (see appendix B)

5.29 Sensitivity Analysis

5.30 A number of sensitivities have also been tested against the base plan which include the following (*all must demonstrate HRA remains in surplus. WHQS still maintained and borrowing affordable)

5.31 ***S1 - A decrease in rent levels to CPI only (2.6%) in year 1***

DESCRIPTION: if CPI falls below 0% or higher than 3% then the policy would revert to CPI only (As in 2022/23). Although forecasts suggest CPI will be within this threshold, the market is very volatile so a variation in rent levels needs to be tested. Year 1 of the Housing Business Plan assumes 3.6% (CPI + 1%). The sensitivity reduces this to 2.6% (CPI only)

IMPACT: Less income to achieve what is already committed in the base plan by £950k and a reduction of surpluses over 10 years of some £16.3m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 487 doors or 158 roofs or 146 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £992k over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £16.3m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply.

5.32 ***S2 - A decrease in rent levels to 2% in year 1***

DESCRIPTION: if CPI falls to 1% then applying the policy means a maximum of 2% rent increase in year

IMPACT: Less income to achieve what is already committed in the base plan by £1.5m and a reduction of surpluses over 10 years of some £28.9m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 789 doors or 256 roofs or 237 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.7m over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £28.9m capacity over 10 years meaning less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply

5.33 **S3** - ***An increase of material costs to 10% in year*** 1

DESCRIPTION: The volatility of the construction sector due to the pandemic and Brexit has seen unprecedented increases in material costs. The base plan allows for a further 5% increase in year 1 but due to the volatility a further sensitivity is tested with a 10% increase

IMPACT: Less income to achieve what is already committed in the base plan by £1.1m and a reduction of surpluses over 10 years of some £16.1m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 641 doors or 208 roofs or 192 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.25m over years 1 & 2 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a reduction of £16.1m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply.

5.34 ***S4 - An increase in bad debts to 8% in years 1 & 2***

DESCRIPTION: The base plan assumes 7% for void and bad debts made up of 2.5% voids and 4.5% bad debts. The level of bad debts has increased due to the pandemic and an allowance has been made in the base plan for a further increase due to expected increases in energy and food prices. It is worth testing this further by increasing the bad debt to 5.5% over a two-year period (total combined bad debt and voids would therefore be 8%)

IMPACT: Less income to achieve what is already committed in the base plan by £1.1m and a reduction of surpluses over 10 years of some £2.8m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 641 doors or 208 roofs or 192 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £1.14m in year 1 would fund the shortfall. The increased borrowing would remain within the current recommended borrowing level of £90m. WHQS and the New Build programme would remain on track if all other assumptions remained The HRA would remain viable but with a reduction of £2.8m capacity over 10 years meaning less funding capacity for future challenges e.g., WHQS 2, Decarbonisation and further increasing housing supply. Also, more resource would be needed to support tenants with increased debt.

5.35 ***S5 – Combination of S1 & S3 – Reduce rent to CPI only and increase material costs to 10%***

DESCRIPTION: Sensitivity testing needs to include a combination of potential issues as in reality more than one can arise at the same time. Therefore, this tests the possibility of rent reducing to 2.6% in year 1 and materials increasing to 10% in year 1.

IMPACT: Less income to achieve what is already committed in the base plan by £2.9m and a reduction of surpluses over 10 years of some £27.9m.

MITIGATION: Cannot reduce the New Build Programme in Year 1 as it is a continuation of the previous year's schemes. The PAMS programme could be reduced but this would mean the timescales for properties maintaining their lifecycles would not be met. It would be equivalent to 1487 doors or 483 roofs or 446 windows not being maintained and having to be pushed further into the programme, having a knock-on effect on the remainder of the programme. Additional borrowing of £3.4m in year 2, 3 & 5 would fund the shortfall. The increased borrowing would total £94.6m and would not be within the current recommended borrowing level of £90m. A further report to Council would be needed to increase the limit with no further productivity. WHQS and the New Build programme would remain on track if all other assumptions remained. The HRA would remain viable but with a considerable reduction of £27.9m capacity over 10 years meaning less funding capacity for future challenges e.g. WHQS 2, Decarbonisation and further increasing housing supply.

5.36 ***S6 – Maximum costs for Decarbonisation before breaching reserve and borrowing limits***

DESCRIPTION: WG has specifically asked for this sensitivity to be tested. Whilst they acknowledge that LHA's will not have robust models costed for decarbonisation, they still require to show what is the maximum allowance in the Housing Business Plan for decarbonisation costs before the internal borrowing limit and/or the HRA reserve is breached. All of the current HRA reserves are factored into the current business plan therefore there is no further manoeuvre to be considered, so the test is run against the internal borrowing limit of the recommended £90m.

IMPACT: Maximum of £3.2m additional spend in year 2 of the plan could be used for decarbonisation works before the internal borrowing limit is breached. Further borrowing would be required of £3.5m in years 2 & 3.

MITIGATION: This would not be sufficient funding for an effective decarbonisation programme, and the £3.2m flexibility is really only useful for contingencies within our current programmes or in the event of some of the sensitivities above.

To meet the decarbonisation agenda., costs of about £30k per property have been suggested in network meetings with other LA's. To factor this cost into the Housing Business Plan would mean an additional cost of some £319.7m. This would be equivalent to nearly £40m additional cost over the next 8 years until 2030, with a further borrowing requirement of £470.6m over the next 15 years, which is significantly higher than the cost of achieving the WHQS to all our properties. The CFR debt charges would increase to £217m over the next 10 years, an increase of £125m of what is in the current plan. The level of borrowing would be higher than the Councils overall CFR level for the whole of the Councils General Fund, and whilst it may appear affordable in the plan, the risk is significantly high for the Council when relying on the level of assumptions within the plan. The HRA surpluses generated over this period would be limited to the minimum level of £100 per property which would not be sufficient contingency for a programme of this magnitude.

5.37 All the sensitivities tested prove how changes in one area of the Business Plan can affect the whole outcome, and that the Business Plan is reliant on a number of key assumptions that could change quickly and impact on our service delivery. However, the base plan is set using current knowledge within the service and at this point evidence it is viable.

6. ASSUMPTIONS

6.1 Assumptions are prevalent within the Housing Business Plan and are necessary to create a 30-year projection as requested by Welsh Government. Assumptions are included on key drivers such as (i) Interest rates (ii) Inflation (iii) Rental Increases (iv) Staffing levels (v) stock movement (vi) capital programme expenditure (vi) level of rent arrears/bad debts, and (vii) level of voids and are taken from projections, local knowledge and Welsh Government guidance. The key assumptions are detailed in this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

7.1 An Integrated Impact Assessment was carried out as part of the HRA rent charges 2022/23 report which fundamentally drives the Housing Business Plan, therefore a further IIA is not necessary.

8. FINANCIAL IMPLICATIONS

8.1 This report deals with the financial implications

9. PERSONNEL IMPLICATIONS

9.1 The proposals contained in this report will not alter the current arrangements of HRA personnel.

10. CONSULTATIONS

10.1 All consultation responses have been reflected in this report

11. STATUTORY POWER

11.1 Local Government Act 1972.

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Consultees:	Cllr J Ridgewell	- Chair Housing & Regeneration Scrutiny Committee
	Cllr M Adams	- Vice Chair Housing & Regeneration Scrutiny Committee
	Cllr Shayne Cook	- Cabinet Member for Social Care and Housing
	Christina Harrhy	- Chief Executive
	Dave Street	- Corporate Director Social Services & Housing
	Nick Taylor-Williams	- Head of Housing
	Robert Tranter	- Head of Legal Services/Monitoring Officer
	Stephen R Harris	- Head of Corporate Finance & S151 Officer
	Fiona Wilkins	- Housing Services Manager
	Jane Roberts-Waite	- Strategy & Co-ordination Manager
	Alan Edmunds	- WHQS Project Manager
	Jason Fellows	- HRO Manager
	Kerry Denman	- Housing Solutions Manager

Appendices Appendix A – HRA Business Plan (Capital)
Appendix B – HRA Business Plan (Revenue)