

<b>CABINET</b>	<b>AGENDA ITEM No. 5</b>
<b>21 JUNE 2021</b>	<b>PUBLIC REPORT</b>

Report of:	<b>Steve Cox, Executive Director Place and Economy</b>	
Cabinet Member(s) responsible:	<b>Cllr Steve Allen, Cabinet Member for Housing, Culture and Recreation</b>	
Contact Officer(s):	Michael Kelleher, Assistant Director - Housing	Tel. 01733 864064

## **PETERBOROUGH HOUSING REVENUE ACCOUNT**

<b>RECOMMENDATIONS</b>	
<b>FROM: Michael Kelleher, Assistant Director - Housing</b>	<b>Deadline date: 4 JUNE 2021</b>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1. Agrees to set up a Housing Revenue Account (HRA) subject to approval of the HRA Business Plan to be presented to Cabinet in October 2021</li> <li>2. Agrees a minimum stock portfolio target of 1,200 properties by 31 March 2032 (10 Years) with an ambition to supply 2,000 properties by the same date.</li> <li>3. Approves and adopts the HRA Business Model attached at Appendix A</li> <li>4. Approves and adopts the following key documents, which are attached as Appendix B to D: <ol style="list-style-type: none"> <li>a. Secure Tenancy Agreement (Appendix B)</li> <li>b. Rent Setting Policy (Appendix C)</li> <li>c. Asset Management Plan (Appendix D)</li> </ol> </li> <li>5. Delegates authority to approve operational policy documents related to the HRA to the Assistant Director of Housing in consultation with the lead Cabinet Member for Housing.</li> <li>6. Approves the allocation of funding from reserves to cover the setup costs to a total of £556k in 2021/22 subject to internal governance and approval by Council's s151 officer.</li> </ol>	

### **1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following the decision taken by Cabinet in September 2019 to approve the Council applying to Government to set up a Housing Revenue Account. The report gives a progress update and seeks approval for the next steps in progressing towards setting up an operational HRA.

### **2. PURPOSE AND REASON FOR REPORT**

- 2.1 This report sets out the rationale for re-establishing a Housing Revenue Account (HRA).
- 2.2 It includes a brief account of why the Council transferred its housing stock to Cross Keys Homes in 2004, what has changed since then to make re-establishing an HRA a reality and an assessment of the potential viability of an HRA, including a review and consideration of the risks involved and other options available.
- 2.3 The report sets out the financial business case for an HRA, includes the key policy documents and secure tenancy agreement needed to own and manage council housing and sets out the next steps needed for the formal establishment of the HRA from 1 April 2022.

- 2.4 This report is for Cabinet to consider under its Terms of Reference No. 3.2.4, *“To promote the Council’s corporate and key strategies and Peterborough’s Community Strategy and approve strategies and cross-cutting programmes not included within the Council’s major policy and budget framework.”*

### 3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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### 4. **BACKGROUND AND KEY ISSUES**

#### 4.1 **Background**

- 4.1.1 At a meeting on 17 March 2003, Cabinet agreed to recommend to Council the Large-Scale Voluntary Transfer (LSVT) of its housing stock to Cross Keys Homes. Full Council approved the LSVT on 16 April 2003 and the transfer took place on 4 October 2004.
- 4.1.2 At that time, all stock owning councils had to meet the then Government’s Decent Homes Standard from within existing resources. Failure to do so would have resulted in government intervention and adversely affected the Council’s Comprehensive Performance Assessment. Under the Housing Subsidy system at the time, the council was not able to keep the full rental stream from its housing stock nor could it borrow against the value of its housing stock for investment purposes because of the nationally imposed ‘debt cap.’ The only way it could have generated the capital investment needed to meet the decent homes standard was to transfer its stock to a housing association, as these organisations were not constrained by the same subsidy system. The Government also provided limited incentives to Council’s that chose to transfer their stock by covering some of the cost associated with the process.
- 4.1.3 Since that time, the environment in which council housing operates has changed significantly. In 2012 the subsidy system was replaced by self-financing, with stock owning councils able to keep 100% of their rental income to invest in their homes and services, and in 2018 the debt cap was abolished. This enabled councils to freely borrow against the value of their stock for investment purposes with borrowing levels determined by the section 151 officer in accordance with the Prudential Code. This puts councils on a more equal footing with housing associations.
- 4.1.4 In addition, since 2018, national government has recognised the vital role that council housing has to play in meeting the housing needs of local people and tackling rising levels of homelessness. Over this time several councils have signalled their intention to open an HRA to tackle homelessness and provide choice, including Bromley, Reigate & Banstead and North Northamptonshire.
- 4.1.5 In September 2019 Cabinet approved applying to Government to set up a Housing Revenue Account (HRA). This was in response to a report from the Corporate Director of Resources citing the pressures around homelessness, and the associated financial impact for the council. The report recommended a review of the council’s strategic approach to meeting housing need, which should consider different and innovative models of housing delivery including the reformation of an HRA which would enable the council to become a direct provider of affordable housing.
- 4.1.6 Any local authority which intends to supply council housing must be a registered provider with the Regulator of Social Housing (RSH). The Council achieved Registered Provider status on 4 November 2020. The Council has also been granted Investment Partner status with Homes England. This will allow the council to apply for grant to help fund the delivery of new council housing for Peterborough.

- 4.1.7 The key policy framework documents required to set up an operational HRA have now been prepared. These documents include a Secure Tenancy Agreement, a Rent Setting Policy and an Asset Management Plan (see Appendices B, C & D).
- 4.1.8 In addition to the Key policy documents there will be a number of operational policies needed for the effective management of the service. Legislation, national protocols and recognised best practice will form the basis for these operational policies, which often require prompt amending to reflect changes to legislation and guidance. Such policies include Income collection, neighbourhood management, Anti-Social Behaviour and will define how the Council will operate the HRA whilst setting out the core ethical values and priorities.
- 4.1.9 It is proposed that the approval of these operational policy documents is delegated to the Assistant Director of Housing in consultation with the Lead Cabinet Member for Housing. This will allow effective implementation of the service and flexibility to adapt to legislative change as the need arises.
- 4.2 **The Business Case for setting up a Housing Revenue Account**
- 4.2.1 There are three key questions to be answered when making the business case for setting up an HRA for Peterborough:
1. Why open an HRA?
  2. Is this option financially viable?
  3. What are the risks?
- 4.2.2 Why open an HRA?
- 4.2.3 The Council faces increased financial and social pressures from the number of households presenting as homeless and the high levels of demand from households on the Housing Register. Despite all efforts from our housing association partners to increase the delivery of affordable homes, and the Council's efforts to maximise the availability of private sector options, supply has failed to meet housing need and is expected to continue to fall below the levels needed to meet housing need in future.
- 4.2.4 There are concerns that homelessness, both at a local and national level, is likely to rise as restrictions are lifted and the economic impact of the pandemic continues to be felt.
- 4.2.5 We have already seen a slight increase in the number of households in temporary accommodation since the stay-at-home order was lifted and family and friends are no longer willing to allow people to stay with them. Extrapolated over the next 12 months, this could result in around 60 more households in temporary accommodation by the end of 2020/21.
- 4.2.6 We estimate that the eviction ban prevented around 300 households facing eviction in 2020/21. These families are at risk of becoming homeless when the ban is lifted and, although not all will end up in temporary accommodation, many will.
- 4.2.7 The level of unemployment could increase when the Furlough Scheme ends (September 2021) as employers are unable to meet their wage bill. This could result in household finances struggling which could result in a spike in people losing their homes. If this happens, we estimate that the impact on the rented sector will be felt in the last quarter of 2021 and on the mortgage sector in the first quarter of 2022.
- 4.2.8 If each of these happen, the number of people presenting to the council as homeless could increase significantly, with the number of households in temporary accommodation also increasing. This will put substantial additional pressure on the General Fund.
- 4.2.9 Many housing associations now have their own developed lettings policies with restrictive eligibility criteria. These do not mirror the Council's allocations policy and, in some cases, are not supportive of the Council's duties towards homeless households. Being unable to discharge

our homelessness duties by making an offer of accommodation with a housing association often means extended stays in temporary accommodation, which in turn means greater cost to the Council. Having our own stock can help overcome these problems.

- 4.2.11 Establishing an HRA will unlock new funding and investment to supply more homes that would otherwise not be available. As a ring-fenced account, supported exclusively by the rental income generated from the housing stock, the Council can borrow to invest in a way not available to it through the General Fund.
- 4.2.12 The HRA can support the General Fund by making contributions to the Council's central overheads and 'purchasing' services from other service areas of the Council.
- 4.2.13 For example, the HRA will access the Council's Allocations service and will, therefore, contribute towards the cost of running it. All such contributions are governed by strict rules applied by CIPFA.
- 4.2.14 The main outcome for the Council of setting up an HRA is to reduce homelessness and the use of Temporary Accommodation. As well as supplying more permanent housing for people in housing need, section 9 of the Housing Act 1985 allows the HRA to supply hostel and other forms of temporary accommodation. Consequently, it is expected that the HRA will help reduce the cost to the General Fund significantly in these areas.
- 4.2.15 In addition to the direct financial benefits of setting up an HRA and contributing towards meeting the housing needs of local people, being a provider of housing can help the Council fulfil other corporate responsibilities. For example, having our own stock will help in our corporate parenting role, providing extra flexibility to house families who look to foster and adopt and can ease the transition for children leaving care moving into long term sustainable tenancies. It will also give us more options to help people stay independent in their homes through an integrated approach with Adult Social Care.

#### Is this option financially viable?

- 4.2.16 The viability of the HRA depends on a sound financial base. To this end the Council has appointed a specialist HRA Accountant to develop its modelling. We have undertaken extensive research, including liaison with specialist professionals, HRA accountants from other authorities and commissioned global property experts Savills (recognised UK experts in council housing finance and advisors to government on housing revenue accounts) to inform and test our assumptions. We have also worked closely with Homes England and MHCLG to gain an understanding of grant levels and regulatory requirements.
- 4.2.17 The HRA Model is shown at Appendix A. Income, expenditure and cash flow have been projected over a 30-year period. The model has undergone internal scrutiny and external verification and advice has been acted upon.
- 4.2.18 The model assumes that the HRA will start in 2022/23 (Year 1) and that the Council will build and/or buy around 1,200 properties in the first 10 years. A portfolio of this size is prudent yet sufficient to complement the work of our housing association partners in tackling homelessness. However, recognising the Council's ambitious growth agenda it has an ambition to go beyond this and deliver 2,000 new council homes in the first 10 years.
- 4.2.19 Concentrating our new build and acquisitions in the first 10 years means we have greater certainty over interest rates (one of the variables that has most impact on viability) in the early years of the HRA when the Council is borrowing most of the money it needs to deliver the new homes. Rents will be set at Local Housing Allowance levels.
- 4.2.20 All known costs have been researched, including probable staff costs, reactive maintenance, cyclical repairs as well as the capital requirement for development and house building. This data is combined with key assumptions on how costs and income might change in future to produce projections of what the Council can expect to happen. In all cases the assumptions applied are

prudent. This is to ensure that the model presents an assessment that leans heavily towards a more cautious range of likely outcomes.

- 4.2.21 Sensitivity analysis and stress testing has also been applied to the model to assess how a small change, or series of changes, in an assumption can affect the overall viability of the HRA. Changes to rates of inflation, interest, percentage of voids and right to buy take up have been evaluated and measured. We will review the business model every year to ensure that the assumptions remain valid and take corrective action where necessary.
- 4.2.22 Along with assurance that the model provides a viable basis on which to progress, Savills gave advice on all areas of HRA finances. It is a legal requirement for the HRA to stay in surplus and to have a minimum reserve. Savills recommend limiting recharges from the HRA to the General Fund in the early years (Years 1 to 4) to provide the HRA with the best platform to grow. This will allow greater contributions when recharges start from around Year 5.
- 4.2.23 However, the HRA will make a major contribution to reducing temporary accommodation costs from the outset as well as taking a material share of central corporate costs as it matures.
- 4.2.24 Based on the target of supplying 1,200 homes, the model shows a surplus of £65.79m over 30 years. If the Council achieved its ambitions of 2,000 homes the surplus would be £133.97m. The surplus can be used in several ways, including investing in new stock to strengthen the asset base and improve the long-term sustainability of the HRA. It can also fund improved services for council tenants. A summary of the income and expenditure is shown below in Table 1.

Table 1: Summary of HRA income & expenditure

<b><u>Summary of Income and Expenditure</u></b>	<b>1,200 Propertie s</b>	<b>2,000 Propertie s</b>
	<b>2022/23 to 2051/52</b>	<b>2022/23 to 2051/52</b>
<b><u>INCOME</u></b>	<b>£K</b>	
Dwelling Rents		
General Needs	294,458	488,738
Voids	(7,361)	(12,218)
Net Rental Income	287,097	476,519
Non-Dwelling Rents	0	0
Charges for Services and Facilities	0	0
Contributions Towards Expenditure	0	0
<b>Total Income</b>	<b>287,097</b>	<b>476,519</b>
<b><u>EXPENDITURE</u></b>	<b>£K</b>	<b>£K</b>
Supervision & Management	21,043	24,375
Supervision & Management (Recharged)	5,941	5,941
Repairs & Maintenance	42,740	71,253

Cyclical Repairs	53,072	88,262
HRA Share of Central Departments	11,081	12,816
Audit Costs	1,280	1,280
Rents, Rates, Taxes and Other Charges	0	0
Debt Management Costs (Interest Payments)	84,720	136,241
Increase in Bad Debt Provision	1,435	2,383
Revenue Expenditure Funded from Capital Under Statute	<u>0</u>	<u>0</u>
<b>Total Expenditure</b>	<b>221,312</b>	<b>342,549</b>
<b><u>Net HRA Surplus/Deficit</u></b>	<b>65,785</b>	<b>133,970</b>

4.2.25 The profile of these surpluses is illustrated at Chart 1 below. This shows modest growth in surpluses from 2025/26 (Year 4) before increasing more rapidly from 2028/29 (Year 7). This underlines the need to be prudent in the early years to secure the long-term sustainability of the HRA to make sustained contributions to the General Fund in future.

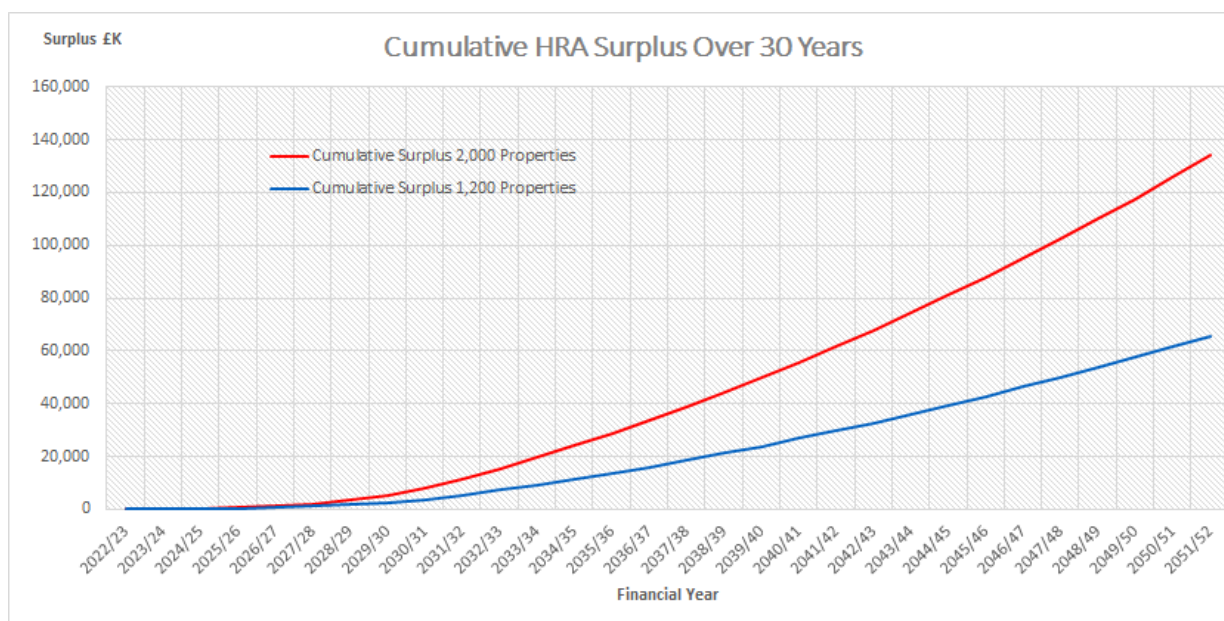


Chart 1: Profile of HRA Surplus

4.2.26 The variables that would have the greatest effect on the viability of the HRA are: -

- The rate of interest for borrowing. This has been set at 2.23% in the model, which reflects current rates. Most of the borrowing will be in the first 10 years at a fixed rate. The HRA can bear an interest rate on borrowing of up to 3.45% every year for 30 years and still maintain a surplus.
- Maintenance and repairs inflation. This traditionally runs at a higher rate than general inflation and is set at 2.75% in the model. This figure can rise to 5.00% every year for 30 years and still maintain a surplus.

4.2.27 As stated above, all assumptions in the model have been assessed for sensitivities. These are shown at Appendix A. In each case the movement required to cause the HRA to go into deficit is considerable. This is summarised in Tables 2a and 2b below, which shows the impact of a change of 0.5% in each of the variables.

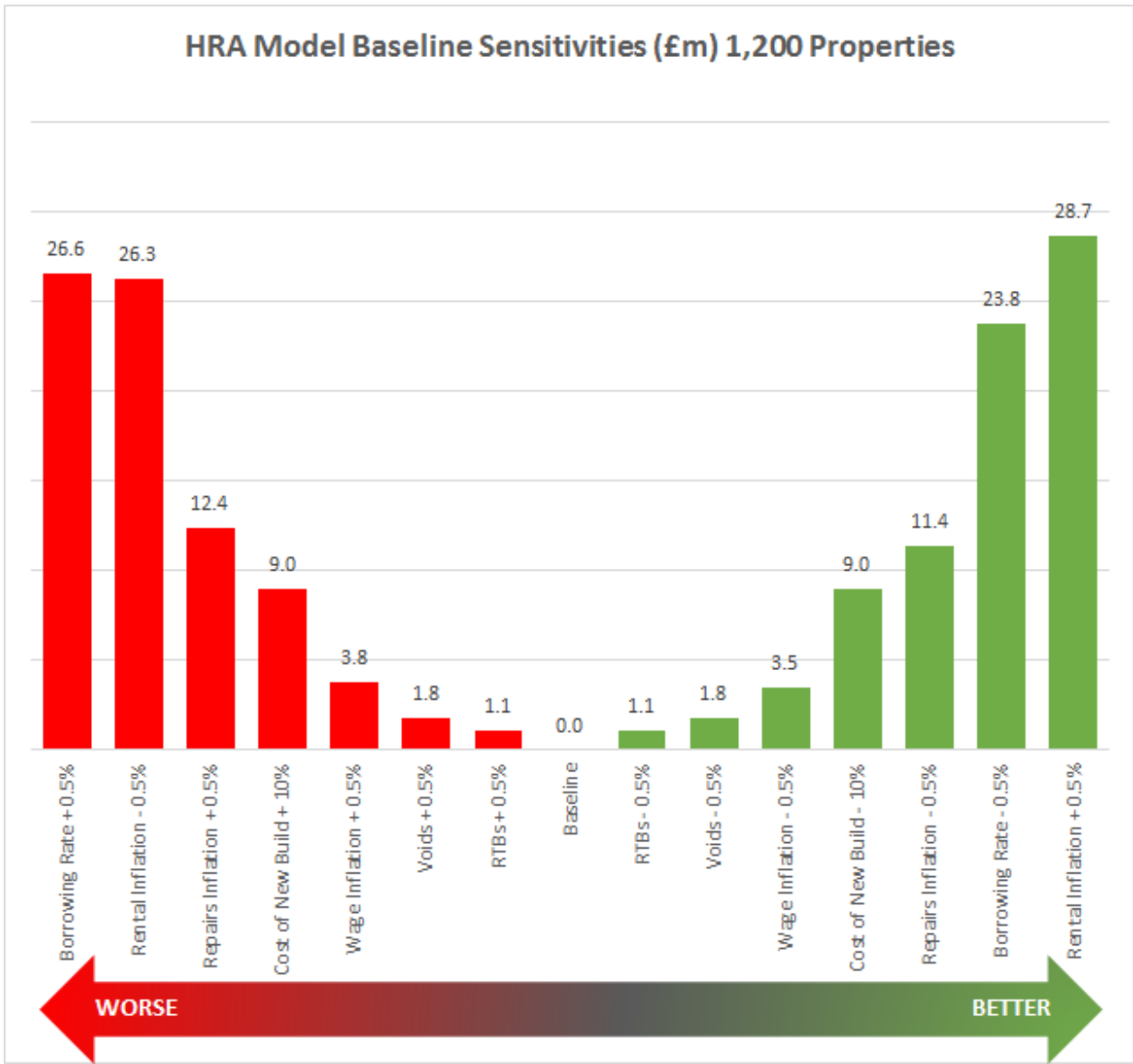


Table 2a: Sensitivity Analysis 1,200 Homes

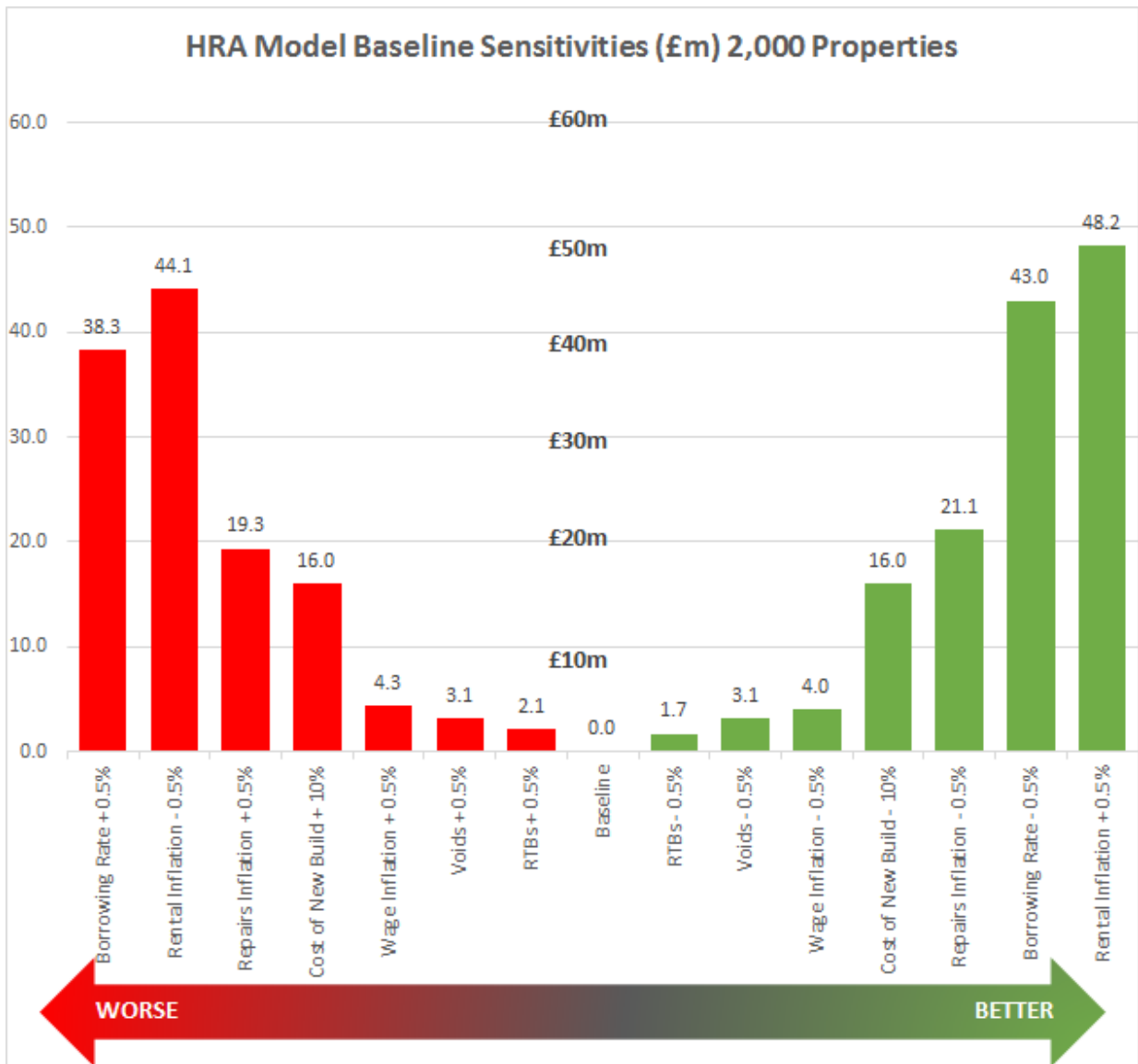


Table 2b: Sensitivity Analysis 2,000 Homes

4.2.28 These tables show the scale of the impact for every 0.5% increase or decrease in the baseline assumptions apart from new builds which is 10%. It is assumed that these happen in isolation and last for the life of the business plan (30 years). The likelihood of this happening and with no compensating effect in other variables is extremely low and the reality is that the variables will fluctuate up and down over time.

4.2.29 Many of the variables within the model are interconnected and movements in one variable will, to some extent, be offset by movements in others. For example, inflation affects both key income and expenditure variables, and whilst an increase in inflation will lead to higher costs it will also result in higher rents and rental income. In this instance, if inflation increased by 0.5% in the 1,200 properties model, we could assume the cost of repairs, new build and wages will increase by a total of £25.2m, however, rental income could be expected to rise by £28.7m.

### What are the risks?

4.2.30 Knowing the potential risks and having a strategy to manage them are important parts of the business case for the HRA. The table below shows the headline risks and their mitigations that have been identified and considered at this stage.

Risks	Mitigations
The baseline assumptions in the HRA business model are not an accurate reflection	Detailed review of best practice elsewhere in the sector.



<p>of what is likely to occur over the next 30 years.</p>	<p>Employment of dedicated Financial Accountant.</p> <p>Employment of specialist consultant (Savills) to advise on the approach to be taken.</p> <p>Adopted a prudent approach to the assumptions, which have been validated by Director of Finance.</p> <p>Regular review of assumptions</p> <p>Carry out sensitivity analysis &amp; stress testing on the model.</p>
<p>Failure to deliver the forecast number of homes agreed as a target for delivery for the HRA.</p>	<p>Set realistic growth targets for development based on the known availability of land and the required borrowing.</p> <p>Ensure the Council has the required resources and delivery vehicle in place achieve the commitments and timescales made to funding partners.</p>
<p>Inability to secure sufficient land opportunities to deliver a supply of new build social homes the agreed growth profile.</p>	<p>Work with a range of development and property agents to highlight opportunities as they become available.</p> <p>Consider the scope for land banking as part of the agreed funding provision.</p> <p>Work with development consortiums to bring forward schemes on a risk sharing basis.</p> <p>Monitor the local housing market with a view to buying new build dwellings from developers that were intended for market housing if a drop in demand makes this a viable option.</p>
<p>If access to grant for street property acquisitions for the HRA is limited due to the focus on funding for new build affordable homes in the Homes England funding Programme 2021-26</p>	<p>Consider utilising S.106 affordable housing commuted sums paid to the council by developers in lieu of on-site affordable housing provision to fill any potential gap in funding this type of provision.</p> <p>Build strong relationship with HE (Homes England)</p>
<p>The new council homes will put additional pressure on the Council's education budget.</p>	<p>The purpose of setting up an HRA and provide council housing is to supply homes that local people can afford. As the families the HRA is trying to help already live in Peterborough it will not increase the pressure on the Council's education budget.</p> <p>The number of new council homes will help meet housing need in the city, but the overall number of affordable homes is anticipated to be within the objectively assessed target in the Strategic Housing Market Assessment (SHMA) and the total number of new homes delivered (affordable &amp; market) will be in line with the Local Plan target and so no additional</p>

	pressure is anticipated over what is already projected and planned for.
Changes in Government policy or legislation have an unforeseen impact on costs.	Continuously check the introduction of new government legislation and regulatory changes and adapt development assessment criteria accordingly.  Ensure scheme viability assumptions include flexibility for policy changes without having a fundamental impact on surpluses and Net Present Value (NPV).
Relaxation of Right to Buy rules leads to loss of properties.	Current policy does not raise this risk for approximately 15 years, but the long term HRA model should cater for RTB's and how the receipts will be accounted for.

## Next Steps

4.2.31 Subject to approval of the business case, the next key steps in setting up the HRA are:

1. Develop an HRA Business Plan for approval by Cabinet in September 2021. This will have more detail about delivery and funding proposals, repairs & maintenance, including planned maintenance cycles and service levels and standards. It will also set out the annual budget required for 2022/23 (Year 1) and the estimated budgets for 2023/24 to 2027/28 (Years 2 to 5)
2. Develop a Housing Delivery Strategy that will set key delivery targets, the standard requirements for all new council homes and scheme proposals – this will be approved as part of the HRA Business Plan.
3. Consider formal mechanism for Medesham Homes, the Council's JV with Cross Keys Homes, to deliver the Council's new build council homes – the approach to housing delivery will be included in the HRA Business Plan.
4. Agree the Management Plan for the stock, which will consider whether the council should appoint its own internal staff, set up an ALMO (Arm's Length Management Organisation), enter into an agreement with a neighbouring council to supply the management functions or outsource the management to a housing association – the Management Plan will be considered by Cabinet in September 2021.
5. Develop a Building Safety Strategy for approval by Cabinet in January 2022. This will set out how the council will comply with the Building Safety Act 2021.
6. Appoint a Head of Landlord Services – this post will formally lead the establishment of the landlord service, ensuring that all aspects of owning and managing council homes are implemented effectively and safely. This post will be required regardless of the council's preferred approach set out in its Management Plan. If the plan is to outsource the management or work with another council this post will be the Council's lead client officer. Approval for this will be sought via Cabinet Member Delegated Decision over the summer of 2021.

## 5. CONSULTATION

5.1 Discussions have taken place with the Lead Member for Housing and Cabinet colleagues. They expressed the need for the business case to be clear about what scale of housing can realistically be achieved when setting up an HRA, the financial implications for the Council, particularly in the early years, and the impact on school places and education budgets of providing more family affordable housing.

5.2 A presentation on the proposal to set up an HRA for Peterborough was made to our Housing Association Partners at the Affordable Housing Providers' Forum meeting held on 14 April. The general response was positive, and partners were reassured by the clearly stated aim to avoid competition between the Council and housing associations for land and to maximise opportunities alongside the affordable housing that housing associations deliver for

Peterborough. It was agreed that discussions would take place with all our housing association partners to explore opportunities for joint working that would be beneficial to both parties as part of developing an operational HRA. This work will begin in detail subject to Cabinet approval to move ahead with the HRA.

Meetings have taken place with CKH (Cross Keys Homes) to discuss the potential role for Medesham Homes in supporting the delivery of new council housing.

## **6. ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 Approval to establish an HRA with effect from 1 April 2022 and move on to the next steps of developing a detailed HRA Business Plan for consideration at Cabinet in October.

## **7. REASON FOR THE RECOMMENDATION**

- 7.1 Establishing a HRA for Peterborough is recommended because:

- It will support the strategic aims of the Council and enable its ambition to return to directly delivering social housing.
- It will help to manage the cost pressures imposed on the Council by reducing the demand and length of time spent in temporary accommodation.
- It will help meet the housing needs of local people and reduce homelessness.
- It is financially viable, and the business model is fit for purpose.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Option 1 – the Council should not become involved in the direct provision of social housing for Peterborough (Do Nothing).

This option is not recommended because of the financial and social impact that the high levels of housing need and homelessness is having on local authority services and the residents of Peterborough, and the fact that the delivery of social and affordable rented housing in the City is not keeping pace with demand. By not setting up an HRA, the Council will be unable to generate new investment potential to help reduce homelessness and cost pressures.

- 8.2 Option 2 – the Council should set up a Local Housing Company (LHC) either 100% owned by the Council, or as part of a Joint Venture (JV).

This option is not recommended because any council funding for such a venture would come from borrowing within the General Fund rather than a ring-fenced HRA, which would place additional financial burden and risk on the Council's General Fund budget. There is the additional risk that the Government could issue a direction requiring the affordable and social rented properties owned by the LHC be placed into a Housing Revenue Account.

- 8.3 Option 3 – the council could provide its own social housing grant to housing associations to enable them to build more homes.

This option is not recommended because the funding would have to come from the General Fund and there is no guarantee that the additional new homes could be used to house homeless households as this would be determined by the associations own lettings policy.

## **9. IMPLICATIONS**

### **9.1 Financial Implications**

- 9.1.2 The set-up costs for the HRA from the start of April 2021 to the end of March 2022 have been estimated at around £556k. £102k was budgeted for the first quarter during which it is estimated that £84.4k of expenditure has or will have taken place. The resulting estimation of resource requirement for the following 3 quarters of HRA set-up activity is therefore £471.6k.

- 9.1.3 The report sets out that there will be reductions in general fund expenditure, on Temporary Accommodation costs, and through taking a share of central corporate costs. There is not

expected to be any significant general fund budget savings derived from taking a share of corporate costs until 2027/2028.

## 9.2 **Legal Implications**

9.2.1 Section 9 of the Housing Act 1985 is the key power for local authorities to supply housing accommodation.

9.2.2 The government issued a Direction on 14 March 2019 with regards to HRA. This says that any local authority that owns fewer than 200 social dwellings does not need to account for them in an HRA, however conditions do apply. Any local housing authority that owns 200 or more social dwellings must account for them within their HRA.

9.2.3 Under section 74 of the Local Government and Housing Act 1989 (the 1989 Act) a local housing authority must keep a housing review account in accordance with proper practices. The keeping of the HRA is governed by Schedule 4 of the 1989 Act. If an HRA is opened then the Council must follow "proper practices", as defined in Section 21 of the Local Government Act 2003, including Regulations and Guidance.

## 9.3 **Equalities Implications**

9.3.1 An HRA will enable the council to supply council housing to supplement the supply of affordable homes delivered through Housing Associations. This will supply suitable, safe accommodation to meet housing need enabling the Council to meet its statutory housing obligations and to safeguard vulnerable adults and children. Setting up an HRA will have a positive or neutral impact on individuals or groups with protected characteristics living in Peterborough.

## 9.4 **Carbon Impact Assessment**

9.4.1 Implementing a Housing Revenue Account and setting up a team to administer this will have minor impact on the carbon emissions of the Council. An increase in energy usage and staff travel is expected, however this is likely to be low due to the small size of the team. Further carbon impact assessments will be developed to consider the purchase or development of new properties. It is the intention to ensure that all properties are as carbon efficient as possible.

## 10. **APPENDICES**

- 10.1
1. HRA Business Model (Appendix A)
  2. Secure Tenancy Agreement (Appendix B)
  3. Rent Setting Policy (Appendix C)
  4. Asset Management Plan (Appendix D)