

Please read the accompanying guidance before completing the form.

This **Impact Assessment (IA)** toolkit, incorporates a range of legislative requirements that support effective decision making and ensure compliance with all relevant legislation. **Draft versions of the assessment should be watermarked as “Draft” and retained for completeness. However, only the final version will be made publicly available. Draft versions may be provided to regulators if appropriate. In line with Council policy IAs should be retained for 7 years.**

Service Area	Housing Services	Head of Service	Nina Davies	Director	Nigel Brinn	Portfolio Holder	Cllr James Evans
Proposal	Housing Revenue Account Thirty Year Business Plan 2020-2021						
Outline Summary / Description of Proposal							
<p>The Housing Revenue Account (HRA) is the means by which all municipal landlords in Wales are expected to manage the financing of their landlord services. It is funded primarily by the income generated from rents. Additional one-off payments are available from the Welsh Government to support the building of new council-owned homes. These payments are designed to reduce the cost of providing additional homes so that the future rent charges can be set at genuinely affordable social rent levels. An annual sum of £3.68m is made available to the Council by the Welsh Government – this is the Major Repairs Allowance (MRA) to support the maintenance of municipal housing to the Welsh Housing Quality Standard (WHQS), which is set by the Welsh Government.</p> <p>All local authorities in Wales have the responsibility to plan for the housing needs of their population in their role as Strategic Housing Authority. However only 11 of the 22 authorities in Wales have, like Powys, retained their council housing stock and consequently play a role in the direct provision of affordable, good quality homes as a social housing landlord. The 11 stock remaining authorities in Wales are required to present an ‘acceptable’ HRA Business Plan (including a thirty year financial model) to the Welsh Government each year for the Welsh Government to assess the progress of local authorities towards meeting and/or maintaining the WHQS to be eligible for the Major Repairs Allowance (MRA) Grant (currently for Powys £3.68m). Powys achieved WHQS in December 2018. The HRA Business Plan must conform to a structure and Business Plan parameters as set out by the Welsh Government. However, the associated narrative can be in a format determined by each local authority.</p> <p>The Council cannot use its General Fund (GF) to subsidise the provision of municipal landlord services and the HRA cannot be used to fund services which are expected to be paid for out of the GF. The HRA is required by the Welsh Government to, at all times, be sustainable and self-financing. In short, it can – with the limited exceptions set out above – only spend what it collects in rental income. That expenditure must also cover the debts incurred to buy and build the housing stock. These are long term loans managed on behalf of the Housing Service by the Council’s Treasury Team.</p> <p>The HRA Thirty Year Business Plan 2020-2021 for Powys:</p> <ul style="list-style-type: none">  Sets out the Council’s vision as a social housing landlord, with the objectives and standards needed to make that vision a reality;  Plans investment against the availability of finance;  Communicates the Council’s housing plans to its tenants, members, the Welsh Government, other stakeholders, partners and the wider community. 							

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1. Version Control (services should consider the impact assessment early in the development process and continually evaluate)

Version	Author	Job Title	Date
V1	Andy Thompson	Tenancy Services Manager	January 2 nd , 2020

2. Profile of savings delivery (if applicable)

2020-21	2021-22	2022-23	2023-24	2024-2025	2025-26
£ N/A	£ N/A				

3. Consultation requirements

Consultation Requirement	Consultation deadline/or justification for no consultation
Public consultation required	<p>As a result of the General Election in December 2019, the Welsh Government was unable to issue its rent policy until late in December. This means that there has been a reduced amount of time to assess the possible impacts of the policy on the Powys HRA and make informed recommendations to Members about the HRA Thirty Year Business Plan.</p> <p>The Council will, in the interests of open governance, advise the following groups of its intentions for the HRA Thirty Year Business Plan:</p> <ul style="list-style-type: none"> • Strategic Housing Partnership • Tenant Scrutiny Panel

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4. Impact on Other Service Areas

**Does the proposal have potential to impact on another service area? (Have you considered the implications on Health & Safety, Corporate Parenting and Data Protection?)
PLEASE ENSURE YOU INFORM / ENGAGE ANY AFFECTED SERVICE AREAS AT THE EARLIEST OPPORTUNITY**

Financial Services – financial management of loans and revenue and capital financial income and expenditure

5. How does your proposal impact on the council's strategic vision?

Council Priority	How does the proposal impact on this priority?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
The Economy We will develop a vibrant economy	Social housing let at genuinely affordable rents allows households to keep more of their income for their own use rather than it going to private landlords.	Neutral	Maintaining a viable and sustainable HRA Thirty Year Business Plan, as set out in this proposal, will allow the Council to support the development of more affordable, social rented homes, supporting the economy by allowing people to have more money to spend in the wider economy. It will allow more homes to be let at rents that are genuinely affordable, below that expected by private rented accommodation providers. The Council will also be able to maintain its investment programme in municipal housing – which accounts for one in ten of all homes in Powys – providing employment and business opportunities for local and regional people and enterprises. This will help support the 'Powys Pound'.	Good
Health and Care We will lead the way in effective, integrated rural health and care	Social rented housing is required to meet the Welsh Housing Quality Standard. This includes making sure homes are thermally efficient, do not suffer from intrinsic damp and have decent facilities for such things as food preparation and personal hygiene. Such requirements do not apply to other tenures.	Neutral	The Council will with the investment programmes set out in this proposal be able to maintain its investment programme to keep municipal housing at the Welsh Housing Quality Standard, providing for 10% of all households in Powys safe, healthy homes in both urban and rural locations.	Good

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Council Priority	How does the proposal impact on this priority?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Learning and skills We will strengthen learning and skills	<p>Homelessness, which is currently rising across Powys, can significantly affect households with children having a detrimental effect on the children's education as they do not have a suitable environment to learn. Any reduction in the Council's ability to increase the provision of accessible, secure and affordable homes will adversely impact on the learning opportunities of many children.</p>	<p>Neutral</p>	<p>The investment programmes set out in this proposal will allow the Council to support the development of more affordable, social rented homes to help provide homes for families. An additional benefit of providing more homes in a way that can help stem the rise in homelessness is that the Council may not face such a steep increase in demands on its General Fund for services to help those at risk of or experiencing homelessness.</p>	<p>Good</p>
Residents and Communities We will support our residents and communities	<p>As landlord for one in ten of all Powys households, and responsible for the neighbourhoods of many owner occupiers living on estates developed by the Council, the Council needs to have the capacity and capability to maintain these areas to a high standard so that people can 'Love Where They Live'.</p> <p>The Housing Service supports active intelligence gathering about the way its services are received, experienced and perceived by the people of Powys, allowing improvements to be made that benefit people across the county.</p>	<p>Neutral</p>	<p>The HRA Business Plan sets out clear investment plans to support the 'Love Where You Live' tenancy sustainability strategy. This will allow the housing service to continue to positively support the well-being of neighbourhoods and communities through the in-house directly provided Estate Maintenance Service (which is dramatically improving the appearance of estates), developing the Caretaker Service and supporting the provision and improvements of play areas on municipal housing estates.</p>	<p>Good</p>

Source of Outline Evidence to support judgements

Welsh Government Rent Policy (December 2019); Powys HRA Business Plan (2019); STAR Survey of Tenant Satisfaction (June 2019); WHQS Compliance Policy for Powys (2019); Homeless Review and Strategy (2018); Compliance One Hundred Interim Report (December 2019); 'Love Where You Live' Tenancy Sustainability Strategy (2018); WHO 12¹ quarterly returns; 'Homes in Powys' housing waiting list data; Housing Service performance data.

6. How does your proposal impact on the Welsh Government's well-being goals?

Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<p>A prosperous Wales: An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>Social rents, which are provided by Council-owned homes, allow households to keep more of their income for their own use rather than it going to private landlords.</p> <p>Any reduction in the ability of the Council to fund new affordable homes will reduce the ability of Powys to attract and retain the employees needed to contribute towards prosperous Wales. This risk increases in the high housing cost areas of Powys.</p>	<p>Neutral</p>	<p>Providing the opportunity for the Council to support the development of more affordable, social rented homes by having in place a balanced and sustainable HRA Thirty Business Plan will support the economy by allowing people to have more money to spend in the wider economy. It will also keep rents at a genuinely affordable level, below that expected by private rented accommodation providers. The Council will also be able to maintain its investment programme in municipal housing – which accounts for one in ten of all homes in Powys – providing employment and business opportunities for local and regional people and enterprises. This will help support the 'Powys Pound'.</p>	<p>Good</p>
<p>A resilient Wales: A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>

¹ WHO 12: mandatory quarterly return to the Welsh Government, reporting the incidence of homelessness in Powys and the work undertaken by the Council to both prevent and deal with homelessness.

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Well-being Goal	How does proposal contribute to this goal?	<u>IMPACT</u> Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	<u>IMPACT AFTER MITIGATION</u> Please select from drop down box below
<p>A healthier Wales: A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p> <p>Public Health (Wales) Act, 2017: Part 6 of the Act requires for public bodies to undertake a health impact assessment to assess the likely effect of a proposed action or decision on the physical or mental health of the people of Wales.</p>	<p>Social rented housing is required to meet the Welsh Housing Quality Standard. This includes making sure homes are thermally efficient, do not suffer from intrinsic damp and have decent facilities for such things as food preparation and personal hygiene. Such requirements do not apply to other tenures.</p> <p>Insufficient social rented housing of the type provided by the Council means that many people are compelled to find accommodation in the private rented sector, which has higher rents, considerably less tenure security (most usually no more than six months) and a high likelihood of poor housing conditions. This type of accommodation is known to contribute to poor mental and physical health.</p> <p>Homelessness, which is currently rising across Powys, can significantly affect the health of affected households. One the main causes of homelessness is the lack of secure, affordable rented accommodation of the type provided by the Council.</p>	<p>Poor</p>	<p>Having in place a balanced and sustainable HRA Thirty Business Plan Judicious, as per this proposal, will allow the Council to support the development of more affordable, social rented homes to help provide and maintain a rising number of ‘healthier’ homes in Powys.</p>	<p>Good</p>

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Well-being Goal	How does proposal contribute to this goal?	<u>IMPACT</u> Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	<u>IMPACT AFTER MITIGATION</u> Please select from drop down box below
<p>A Wales of cohesive communities: Attractive, viable, safe and well-connected Communities.</p>	<p>The Council’s role as a social landlord is consistent with all relevant Powys County Council strategic plans, in particular the ‘Powys Housing Strategy’, ‘Vision 2025’ and ‘Love Where You Live’. All the partnerships and organisations responsible for these strategic plans believe and support the principle that communities can thrive and prosper if individuals, families and groups are treated fairly, with respect, and given access to rights and services – which includes a safe, secure and affordable home. Indeed, a decent home is for most people the foundation of being able to have and enjoy a decent life.</p> <p>Any reduction in the ability of the Council to fund new affordable homes, which may arise if the HRA Thirty Year Business Plan does not carefully manage the resources available to it, will reduce the ability of Powys to make sure that communities, especially those in rural areas, remain viable and sustainable by offering homes for people across the socio-economic spectrum.</p>	<p>Neutral</p>	<p>The Council will be better able by maintaining a balanced, sustainable and long term HRA Thirty year Business Plan to support the development of more affordable, secure, social rented homes and maintain those it already owns to a decent standard, providing the bedrock for ‘attractive, viable, safe and well connected communities’ by progressing the pragmatic changes to rents for social housing contained in this proposal.</p>	<p>Good</p>

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Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<p>A globally responsible Wales: A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p> <p>Human Rights - is about being proactive (see guidance)</p> <p>UN Convention on the Rights of the Child: The Convention gives rights to everyone under the age of 18, which include the right to be treated fairly and to be protected from discrimination; that organisations act for the best interest of the child; the right to life, survival and development; and the right to be heard.</p>	<p>With social housing in Powys not being able to meet growing demand for safe and secure homes that are affordable to people with modest incomes, the county will face the increased risks of more homelessness having detrimental impacts of social well-being, poor standards of accommodation affecting the quality of life and opportunities available to children and their parents and poorly maintained housing increasing fuel poverty and necessitating excessive use of fuels to keep homes warm.</p>	<p>Poor</p>	<p>The pragmatic investment proposals set out in this proposal will allow the Housing Service to continue to positively support the well-being of neighbourhoods and communities by increasing the availability of high quality, fuel efficient homes.</p>	<p>Poor</p>
<p>A Wales of vibrant culture and thriving Welsh language: A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>				
<p><i>Opportunities for persons to use the Welsh language, and treating the Welsh language no less favourable than the English language</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>Opportunities to promote the Welsh language</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>Welsh Language impact on staff</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>People are encouraged to do sport, art and recreation.</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p>A more equal Wales: A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>				
<p><i>Age</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>Disability</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>Gender reassignment</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p><i>Marriage or civil partnership</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>

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Well-being Goal	How does proposal contribute to this goal?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<i>Race</i>	No impact expected	Choose an item.		Choose an item.
<i>Religion or belief</i>	No impact expected	Choose an item.		Choose an item.
<i>Sex</i>	No impact expected	Choose an item.		Choose an item.
<i>Sexual Orientation</i>	No impact expected	Choose an item.		Choose an item.
<i>Pregnancy and Maternity</i>	No impact expected	Choose an item.		Choose an item.

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Source of Outline Evidence to support judgements

Welsh Government Rent Policy (December 2019); Powys HRA Business Plan (2019); STAR Survey of Tenant Satisfaction (June 2019); WHQS Compliance Policy for Powys (2019); Homeless Review and Strategy (2018); Compliance One Hundred Interim Report (December 2019); 'Love Where You Live' Tenancy Sustainability Strategy (2018); WHO 12² quarterly returns; 'Homes in Powys' housing waiting list data; Housing Service performance data.

7. How does your proposal impact on the council's other key guiding principles?

Principle	How does the proposal impact on this principle?	<u>IMPACT</u> Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	<u>IMPACT AFTER MITIGATION</u> Please select from drop down box below
Sustainable Development Principle (5 ways of working)				

² WHO 12: mandatory quarterly return to the Welsh Government, reporting the incidence of homelessness in Powys and the work undertaken by the Council to both prevent and deal with homelessness.

Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<p>Long Term: <i>Looking to the long term so that we do not compromise the ability of future generations to meet their own needs.</i></p>	<p>A housing service without the foundation of a sustainable, financially viable HRA Thirty Year Business Plan is unlikely to be able to progress its preventative agenda (preventing homelessness, housing market dysfunction, poor housing standards). It will become an increasingly reactive service which will ultimately cost the community and households more and will not meet the needs of future generations. For example, the impact of the lack of social house building since the mid nineteen eighties can now be seen in property values being beyond the mortgage capacity of people with modest and in many areas medium incomes. This, when combined with the after effects of the financial ‘crash’ of 2008 which has introduced a restricted mortgage market, has compelled people to find accommodation in the private rented sector, where tenancies are insecure. Moreover, it is in the private rented sector that poor property conditions are most prevalent, creating a potential risk of accommodation currently in use not being fit for purpose in for future generations.</p>	<p>Poor</p>	<p>The Council will be better able to support the development of more affordable, secure, social rented homes and maintain those it already owns to a decent standard, providing a solid foundation for future generations to have secure, affordable homes by following the HRA Thirty Year Business Plan set out in this proposal.</p>	<p>Good</p>
<p>Collaboration: <i>Working with others in a collaborative way to find shared sustainable solutions.</i></p>	<p>The service currently collaborates with a number of organisations and agencies. However with fewer resources and capacity there will be less collaboration and so an overall reduction in services.</p>	<p>Neutral</p>	<p>A sustainable and adequately resourced HRA Thirty Year Business Plan will help the Council to work more effectively with a range of businesses, investors and service agencies to provide together services needed and desired by the people of Powys.</p>	<p>Good</p>
<p>Involvement (including Communication and Engagement): <i>Involving a diversity of the population in the decisions that affect them.</i></p>	<p>The Housing Service supports active intelligence gathering about the way its services are received, experienced and perceived by the people of Powys, allowing improvements to be made that benefit people across the county.</p>	<p>Neutral</p>	<p>The Housing Service will be better able, with a solid and sustainable HRA Thirty Year Business Plan, to continue to engage with neighbourhoods and communities if the HRA remains sustainable and viable and able to finance the needs and desires, where practicable, of tenants.</p>	<p>Good</p>

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Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
<p>Prevention: <i>Understanding the root causes of issues to prevent them from occurring.</i></p>	<p>The Housing Service has adopted a preventative agenda with regard to its statutory duties, including maintaining homes to the WHQS and making sure homes are available, where possible, for those face with or experiencing homelessness. Unplanned and inadequately financed deployment of HRA resources and capacity will result in the service becoming more reactive and increases the risk of unpredicted expenditure falling on the Council to discharge statutory obligations and duties to those who are homeless and reducing the long term sustainability of its housing assets.</p>	<p>Neutral</p>	<p>A solid and sustainable HRA Thirty Year Business Plan, as per this proposal, will allow the Council to support the development of more affordable, social rented homes to help provide and maintain a rising number of high quality, affordable homes in Powys that will help prevent the social and economic problems associated with homelessness, insecure homes and poor quality accommodation.</p>	<p>Good</p>
<p>Integration: <i>Taking an integrated approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.</i></p>	<p>No impact expected</p>	<p>Choose an item.</p>		<p>Choose an item.</p>
<p>Preventing Poverty: Prevention, including helping people into work and mitigating the impact of poverty.</p>	<p>The lack of genuinely affordable homes, let at social rents, is directly linked to poverty. The more people have pay in rent for example to private landlords, the less they have for other expenditure, exacerbating poverty and poor quality of life. The same applies if people are compelled to live in thermally inefficient accommodation, where high heating costs can add to the problems of low incomes, causing practical poverty.</p>	<p>Neutral</p>	<p>Providing the opportunity for the Council to support the development of more affordable, social rented homes – and maintain those it currently owns to a high standard with reducing energy needs - by having place a sustainable and adequately resourced HRA Thirty Year Business Plan will support the economy by allowing people to have more money to spend in the wider economy. This will help reduce poverty.</p>	<p>Good</p>
<p>Unpaid Carers: Ensuring that unpaid carers views are sought and taken into account</p>	<p>No impact expected</p>	<p>Unknown</p>		<p>Unknown</p>

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Principle	How does the proposal impact on this principle?	IMPACT Please select from drop down box below	What will be done to better contribute to positive or mitigate any negative impacts?	IMPACT AFTER MITIGATION Please select from drop down box below
Safeguarding: Preventing and responding to abuse and neglect of children, young people and adults with health and social care needs who can't protect themselves.	The Council's landlord service provides secure housing opportunities to help support households with children and vulnerable adults. This benefits the welfare of those concerned and helps to protect children and vulnerable adults from harm. This may not be possible with reduced resources and capacity.	Poor	A sustainable and adequately resourced HRA Thirty Year Business Plan, as per this proposal, will allow the Council to support the development of more affordable, social rented homes to increase the overall capacity of the Council to help people needing safeguarding related support.	Good
Impact on Powys County Council Workforce	Unplanned and inadequately financed deployment of HRA resources and capacity in the Housing Service will mean increased pressures on Childrens and Adults Services particularly where lack of suitable, sustainable and secure accommodation is a contributory factor to the need for interventions by social services.	Neutral	A solid and sustainable HRA Thirty Year Business Plan, as per this proposal, will allow the Council to support the development of more affordable, social rented homes to increase the overall capacity of the Council to support the work of Childrens and Adults Services, where housing changes can contribute to an overall improvement is the quality of life for vulnerable clients.	Good
Source of Outline Evidence to support judgements				
Welsh Government Rent Policy (December 2019); Powys HRA Business Plan (2019); STAR Survey of Tenant Satisfaction (June 2019); WHQS Compliance Policy for Powys (2019); Homeless Review and Strategy (2018); Compliance One Hundred Interim Report (December 2019); 'Love Where You Live' Tenancy Sustainability Strategy (2018); WHO 12 ³ quarterly returns; 'Homes in Powys' housing waiting list data; Housing Service performance data.				

8. What is the impact of this proposal on our communities?

Severity of Impact on Communities	Scale of impact	Overall Impact
High	High	High
Mitigation		

³ WHO 12: mandatory quarterly return to the Welsh Government, reporting the incidence of homelessness in Powys and the work undertaken by the Council to both prevent and deal with homelessness.

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If the Council's Housing Service does not have a financially robust HRA Thirty Year Business Plan, set as part of this proposal it may not be able to:

- 🔊 Operate a viable and sustainable HRA. This will mean it may fail to maintain WHQS, reducing funding from the Welsh Government and in extremis leading to direct intervention by the Government in the management of the landlord service.
- 🔊 Maintain the current housing stock to a habitable standard, increasing health and well-being problems for residents.
- 🔊 Continue the development programme for new homes, reducing the choice and options open to people looking for a safe, secure and affordable place to live in Powys.
- 🔊 Provide tangible support to other Council services to help provide a balanced and coherent range of services to the people of Powys, with particular risks to the well-being of those who are vulnerable.

9. How likely are you to successfully implement the proposed change?

Impact on Service / Council	Risk to delivery of the proposal	Inherent Risk
High	Low	Medium

Mitigation

Current assumptions in the HRA Business Plan are prudent and allow for management if risks including income collection and inflation. However, the Council will in future, effective 2021-2022, need to provide evidence to the Welsh Government of efficient and cost effective management of housing services to be able to increase rents at the rate assumed in the HRA Thirty Year Business Plan. Rents are the main source income for the HRA; any shortfalls in rental income below that assumed in the Thirty Year Business Plan, will impact adversely the level of investment and services the Council may be able to make in its landlord service. It is as yet unclear how the Welsh Government will assess this evidence and what action it may take should it consider the Council's proposals to be inadequate or do not meet its criteria for allowing rent increases.

The Welsh Government is not yet clear on how it will beyond the current period provide direct support for the development of social and affordable housing. Should the Welsh Government adopt a similar approach to that taken by the English Government, then it is likely that grants in support of affordable housing construction will diminish over time. In addition, construction costs continue to rise, presenting an increasing threat to the viability of the Council's plans, included in this proposal, to build new council-owned homes for social rent. This can be mitigated by considering the development of open market homes for sale, to generate profits to cross subsidise the development of affordable homes. This will require careful financial and operational management, to make sure the Council operates within the rules governing the use of the HRA. However, a number of local authorities in England and Wales, including Birmingham and Swansea, have adopted this approach to bolster their social housing programmes.

The Welsh Government proposal to make existing housing more environmentally-friendly represents an as yet unquantifiable cost. Retrofitting the council's housing stock to reduce carbon emissions could cost the council circa £135 million.

Risk Identified	Inherent Risk Rating	Mitigation	Residual Risk Rating
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Rent and charges increases assumed in the Business Plan are not approved by the Welsh Government	Medium	Services and investment plans will be reviewed to identify those which can be reduced with the least risk to the integrity of the condition of the Council's housing assets, the development of new homes and the core management activities of letting homes promptly and collecting income due to the Council. Such programmes will be scaled back to bring overall expenditure in line with income.	Medium
Grants for new homes are reduced by the Welsh Government	High	This can be mitigated by considering the development of open market homes for sale, to generate profits to cross subsidise the development of affordable homes. Smarter procurement, with careful specification of homes, may also be able to contribute to reductions in costs without compromising user-experience and longevity of the homes to be built.	Medium
Construction costs continue to rise	High	This can be mitigated by considering the development of open market homes for sale, to generate profits to cross subsidise the development of affordable homes. Smarter procurement, with careful specification of homes, may also be able to contribute to reductions in costs without compromising user-experience and longevity of the homes to be built.	Medium
Welsh Government pursues with vigour its de-carbonisation proposals for existing homes.	High	Mitigation of this risk will require additional investment beyond that available to the HRA. Social landlords in Wales are discussing with the Welsh Government options for funding this national objective.	High
Overall judgement (to be included in project risk register)			
Very High Risk	High Risk	Medium Risk	Low Risk
		Medium Risk	

10. Overall Summary and Judgement of this Impact Assessment?

Outline Assessment (to be inserted in cabinet report)	Cabinet Report Reference:	Section 8
<p>The proposals for the HRA Thirty Year Business Plan 2020-2021 set out in this report contribute positively to maintaining and developing the Council's role as responsive and viable social landlord. A balanced approach has been taken between maintaining and improving existing homes and increasing the range of affordable housing options available for the people of Powys. Risks arising from changes by the Welsh Government to rent and affordable housing grant policy and inflationary construction costs are well mitigated. The Powys HRA Thirty Year Business Plan make a substantial contribution towards making Vision 2025 a reality, which now includes Affordable Housing as one of its top priorities. The impact on the Council of not approving the proposed HRA Thirty Year Business Plan, set out in this report, will be considerable. There will be a high risk of the Council not being to comply with the Welsh Government's requirement for the Council to have in place by April 1st, 2020 a sustainable and viable HRA Thirty Business Plan. This may result in the loss of MRA (£3.68m per annum) and direct intervention by the Welsh Government in the management of the landlord service.</p>		

11. Is there additional evidence to support the Impact Assessment (IA)?

What additional evidence and data has informed the development of your proposal?

N/A

12. On-going monitoring arrangements?

What arrangements will be put in place to monitor the impact over time?

All HRA budgets and investment programmes are reviewed on a monthly basis.

Please state when this Impact Assessment will be reviewed.

December 2020 (to help inform and shape the HRA Thirty Year Business Plan proposals for 2021-2022).

13. Sign Off

Position	Name	Signature	Date
Impact Assessment Lead:	Andy Thompson	<i>Andy Thompson</i>	06.02.20
Head of Service:	Nina Davies		
Director:	Nigel Brinn		
Portfolio Holder:	Cllr James Evans		

14. Governance

Decision to be made by	Date required
Cabinet	March 3 rd , 2020

FORM ENDS