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Llywodraeth Cymru
Welsh Government

Welsh Government
Consultation Document

Housing Revenue Account Manual

Housing Revenue Account Manual – guidance for councils on the operation and management of a Housing Revenue Account

Date of issue: 23rd November 2020
Action required: Responses by 22nd February 2021

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview

Social housing is a priority for the Welsh Government. Council housing provides secure, well managed affordable homes for families across Wales. They are at the heart of our healthy communities.

Councils who still own and manage their stock invest significant sums into the local economy, not only in maintaining and repairing their existing stock, but more recently in the construction of new homes. Changes in legislation have created an opportunity for councils with a retained housing stock to commence the construction of new council homes, at a scale and pace unseen for a generation.

Councils who are managing their stock need to ensure they have robust arrangements in place to manage their Housing Revenue Account (HRA) to comply with their statutory housing duties.

This manual has been produced to bring together the various elements of legislation, regulation, guidance and codes of practice relating to the operation of a HRA. It sets out a common set of guidelines, and highlights what councils must and must not credit and debit to their HRA.

This manual has been developed to act as a tool, confirming the options councils have in the operation of their HRA and to ensure a consistent approach is taken across Wales.

The Manual has been co-produced with Council's and their representative body WLGA. We now welcome your views on this draft manual.

How to respond

Please respond by completing the consultation response form and returning it via e-mail to the contact details shown below.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

Email: HousingQualityStandards@gov.wales

**This document is
also available in
Welsh at:**

<https://llyw.cymru/llawlyfr-cyfrif-refeniw-tai>

General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

e-mail:

Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk/>

What are the issues?

In 2015, Welsh councils with a retained housing stock exited the Housing Revenue Account (HRA) subsidy regime and in 2019 the borrowing cap was lifted. The introduction of self-financing gave councils the resources, incentives and the opportunity to provide new homes. In addition, the abolition of the Right to Buy in Wales in January 2019 provides councils with greater control over their housing assets.

These changes in legislation have created an opportunity for councils with retained stock to start building new council homes.

Where are we now?

In order to exploit these opportunities councils will need to operate their HRA within the statutory framework.

The statutory framework consists of many elements of legislation, guidance and codes of practice and it is often a difficult task to fully understand the landscape of what can and cannot be done within the rules of operating a HRA.

Why are we producing this manual?

As the current landscape is confusing and not helpful to councils this manual has been produced to bring together the various elements of legislation, guidance and code of practice into one place.

It sets out a common set of guidelines, and highlights what councils must and must not credit and debit to their HRA.

This manual has been put together to act as a tool, confirming the options councils have in the operation of their HRA and to ensure a consistent approach is taken across Wales.

The feedback from the consultation will inform the final version of the manual to be published next year.

Questions about the Housing Revenue Account Manual

**Consultation
Response Form**

Your name:

Organisation (if applicable):

email / telephone number:

Your address:

Question 1: The manual seeks to eliminate unnecessary duplication and to bring together the various legislation, guidance and codes of practice documents into a single manual. Does the manual work as a coherent document and cover all the relevant aspects of operating a Housing Revenue Account? In answering this question, where you consider that the document does not cover all relevant aspects of operating a Housing Revenue Account, please state the aspect(s) that you consider have been omitted

Please answer here:

Question 2: Does the manual provide clarity about what is and isn't permissible within the HRA? In answering this question, if there are areas where you feel the manual does not provide clarity, please state what these are.

Please answer here:

Question 3: Are there any areas of the HRA not covered by the manual, which you consider should be included?

Please answer here:

Question 4: The 1997 Direction (Exclusion of Leases) is not referenced in the manual as this does not apply in Wales. The Direction prevents short term leases (defined as 10 years or less) for homelessness, being accounted for in the HRA. Do you consider that the introduction of a similar direction is required in Wales? If so please state why. Please answer here:

Question 5: Please highlight any other points you wish to make in relation to the manual. Please answer here:

Question 6: We are under a duty to consider the effects of our policy decisions on the Welsh language, under the requirements of the Welsh Language (Wales) Measure 2011. We would like to know your views on the effects that the HRA Manual would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How positive effects could be increased, or negative effects be mitigated? Please answer here:

Question 7: Please also explain how you believe the proposed HRA Manual could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Please answer here:

Question 8: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to share them: Please enter here:

Please note that responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: