

Report to the Housing Scrutiny Panel

Date of meeting: 18 March 2008

Portfolio: Housing – Cllr D. Stallan

Subject: HRA Business Plan 2008/9

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Committee Secretary: A Hendry, ext. 4246



Recommendations/Decisions:

That the Housing Revenue Account (HRA) Business Plan 2008/9, incorporating the Repairs and Maintenance Business Plan 2008/9, attached as an Appendix to this report, be recommended to the Housing Portfolio Holder for adoption.

Background

1. The Department of Communities and Local Government (DCLG) requires all local authorities to produce annual Business Plans for their Housing Revenue Accounts (HRAs). The DCLG's intention is to ensure that local authority housing is used and maintained to maximum effect. HRA Business Plans deal with councils' plans and performance for the delivery and quality of its housing services to tenants. Detailed guidance was issued by the former ODPM (the predecessor to the DCLG), which prescribes the form in which business plans must be produced, and includes the requirement for clear repair and maintenance strategies to be set out and, ideally, for detailed financial forecasts to be produced for thirty years hence.

2. In 2003, the Council's Housing Revenue Account (HRA) Business Plan was assessed by the Government Office as fully "fit for purpose". For a Business Plan to be designated as "fit for purpose", it has to meet stringent "fit for purpose" criteria laid down by the ODPM/DCLG.

HRA Business Plan 2008/9

3. The latest draft HRA Business Plan 2008/9 is attached.

4. In past years, the Business Plan has been produced around April and has updated statistical information relating to the previous financial year. However, this has not been possible this year, since the Council's new Audit and Governance Committee has, understandably, required that all the Council's Business Plans are completed and published by 31 March - before the end of the financial year. Therefore, all the statistics and information relating to the "last financial year", and the most up to date information, relates to 2006/7, which is the last year that full year statistics are available.

5. Last year, a number of substantial changes were made to the Business Plan, including new chapters on the Provision of Quality Housing Services; Value for Money; and Diversity and Equality in the Provision of Housing Services. However, this year, little has changed apart from the general updating of information throughout. The main changes this year are:

- Revised Financial Plan (Chapter 11)
- New Action Plan (Chapter 13)
- An updated Repairs & Maintenance Business Plan (Appendix 1)

Repairs and Maintenance Business Plan 2007/8

6. An important part of the HRA Business Plan relates to the Council's objectives, strategies and plans relating to the repair and maintenance of the Council's housing stock over the next 30 years. This includes the Council's progress with meeting the Government's decent homes standard, which sets out a criteria against which local authorities must assess whether or not each of their homes are "decent". The Government has given local authorities a target of ensuring that all their homes are decent by 2010. As in previous years, the Repairs and Maintenance Business Plan forms Appendix 1 to the main HRA Business Plan.

30-Year Financial Plan

7. Another important part of the HRA Business Plan is the Financial Plan - which is provided at Chapter 11 and Appendices 6 and 7 - and considers projected income and expenditure for the HRA over a 30-year period. The Financial Plan shows that there is sufficient income to meet the necessary level of expenditure on management, repairs and maintenance for the foreseeable future. The HRA is in a less healthy state than last year, since the HRA is now estimated to fall into deficit in Year 20, compared to the forecast of Year 28 in last year's Financial Plan. In any event, before that time, any number of the financial assumptions could vary significantly.

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8. The Scrutiny Panel is asked to consider and recommend the HRA Business Plan 2008/9, incorporating the Repairs and Maintenance Business Plan, to the Housing Portfolio Holder for adoption.

9. The draft HRA Business Plan is due to be discussed by the Tenants and Leaseholders Federation at their meeting on 13 March. Their comments will be reported orally to the Scrutiny Panel.