

Report to Housing Scrutiny Panel

Date of meeting: 25th March 2010

Portfolio: Housing – Cllr D. Stallan

**Subject: Housing Revenue Account (HRA)
Business Plan 2010-2011**

Officer contact for further information:

Alan Hall – Director of Housing (01992 564004)

Committee Secretary: Mark Jenkins (01992 56 4607)



Recommendations/Decisions Required:

That the Housing Revenue Account (HRA) Business Plan 2010/11, incorporating the Repairs and Maintenance Business Plan 2009/10, attached as an Appendix to this report, be recommended to the Housing Portfolio Holder for adoption.

Background

1. The Government's Communities and Local Government (DCLG) requires all local authorities to produce annual Business Plans for their Housing Revenue Accounts (HRAs). The CLG'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 CLG), 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 2010/11

3. The latest draft HRA Business Plan 2010/11 is attached. The Council's Audit and Governance Committee requires that all of the Council's Business Plans are completed and published by 31 March each year. Therefore, all the statistics and information within the Business Plan relating to the "last financial year", and the most up to date information, relates to 2008/9, which is the last year that full year statistics are available.

4. The development of the Business Plan and the main changes this year include:

- Updated statistics for 2008/9
- General updated information throughout the Business Plan to ensure that it remains current
- Updated summary of key activities and achievements in 2009/10 (Section 3.5)
- Updated Key Housing Priorities (Section 3.6)

- New Section on Benchmarking Performance and Costs (including Housemark's Summary Benchmarking Report) (Section 6.5)
- Substantially updated Chapter on Diversity and Equality in the provision of Housing Services, including the Diversity Profile of the Council's Tenants and an Ethnicity Profile of the Council's Housing Applicants and Applicants Accommodated (Chapter 7)
- Updated Housing Risk Register (Section 10.4)
- Revised Financial Plan (Chapter 11)
- New Action Plan (Chapter 13)
- An updated Repairs & Maintenance Business Plan (Appendix 1)
- An updated Plain English Summary, incorporating the above changes

Repairs and Maintenance Business Plan 2010/11

5. 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 December 2010. As in previous years, the Repairs and Maintenance Business Plan forms Appendix 1 to the main HRA Business Plan.

6. It should be noted that the approach taken to the production of the Repairs and Maintenance Business Plan has changed this year. Instead of providing detailed information on the overall approach taken repairs and maintenance, the document has been reduced in size and now primarily reports on the previous year, proposals for next year and the Action Plan.

7. The other information, which rarely changes significantly, will be formulated into a Housing Service Strategy on Repairs and Maintenance, in a similar way to all the other ongoing housing services strategies, during 2010/11.

30-Year Financial Plan

8. Another important part of the HRA Business Plan is the Financial Plan - which is provided at Chapter 11 and Appendix 6 - 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 much healthier state than last year, since the HRA is now estimated to fall into deficit in Year 28, compared to the forecast of Year 20 in last year's Financial Plan. In any event, before that time, any number of the financial assumptions could vary significantly.

Scrutiny Panel

9. The Scrutiny Panel is asked to consider and recommend the HRA Business Plan 2010/11, incorporating the Repairs and Maintenance Business Plan, to the Housing Portfolio Holder for adoption.

10. The draft HRA Business Plan is also due to be discussed by the Tenants and Leaseholders Federation at their meeting on 22 March 2010. Their comments on the Business Plan will be reported orally at the meeting