

Report to Housing Scrutiny Panel

Date of meeting: 13th March 2012

Portfolio: Housing – Cllr M. McEwen

**Subject: Housing Revenue Account (HRA)
Business Plan 2012-13**

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Committee Secretary: Mark Jenkins (01992 56 4607)



Recommendations/Decisions Required:

That the Housing Revenue Account (HRA) Business Plan 2012/13, incorporating the HRA Financial Plan and the Repairs and Maintenance Business Plan 2012/13 (attached as an Appendix to this report), be recommended to the Housing Portfolio Holder for adoption.

Background

1. The Government's Department of 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/CLG.

HRA Business Plan 2012/13

3. The latest draft HRA Business Plan 2012/13 is attached. It should be noted that the following sections will be circulated separately prior to the meeting:

- Plain English Summary
- Key Action Plan (Chapter 12)
- Senior Staff Structure Chart (Appendix 3)

4. 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 2010/11, which is the last year that full year statistics are available.

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

- Updated statistics for 2010/11
- General updated information throughout the Business Plan to ensure that it remains current
- Updated Plain English Summary
- Updated comments of the Tenants and Leaseholders Federation on the latest Business Plan (Section 1.7)
- Updated Summary of Key Activities and Achievements in 2011/12 (Section 3.5)
- Updated section on Key Housing Priorities and Action Plan to Meet the Objectives (Section 3.6)
- New section on Workforce Development Planning (Section 4.13)
- New section on Housing Improvements and Service Enhancements (Section 4.15)
- New section on Council Housebuilding Programme (Section 4.16)
- Updated section of Benchmarking Housing Performance and Costs (Section 6.2)
- New section on the Council's Equality Report and new Equality Scheme (Section 7.2)
- New section on Rent levels and Rent Increases – based on the new HRA Financial Plan (Section 8.7)
- Deletion of the Chapter on Housing Stock Options Appraisals – since this is no longer relevant
- Completely new Chapter on the updated HRA Financial Plan and cash flows (based on the new self-financing system) (Chapter 10 and Appendices 6(a) and 6(b))
- New Key Action Plan (Chapter 12)
- Updated Repairs & Maintenance Business Plan (Appendix 1)
- Updated Appendix on Performance on Performance Indicators and Future Targets (Appendix 5)

HRA Financial Plan

6. Chapter 10 and Appendices 6(a) and 6(b) of the Business Plan set out the Council's new HRA Financial Plan, in preparation for the introduction of self-financing for the HRA by the Government later in March 2012.

7. The new Financial Plan has been produced by the Council's HRA Business Planning Consultants, CIHConsult, following the Cabinet's approval of the Council's strategic approach to the HRA Financial Plan in December 2011.

8. At the time of writing, the new HRA Financial Plan is due to be signed-off by the Cabinet at its meeting on 12th March 2012 (the day before this meeting of the Housing Scrutiny Panel). Therefore, any changes agreed by the Cabinet at the meeting will be reported orally and included in the final version of the HRA Business Plan.

9. Since the Cabinet will have approved the HRA Financial Plan prior to the Housing Scrutiny Panel meeting, there will be no scope for the Scrutiny Panel to amend Chapter 10 of Appendices 6(a) or 6(b) of the Business Plan. However, in the future, it is proposed that the Financial Plan will be formally reviewed quarterly by officers and bi-annually by the Housing Scrutiny Panel. Therefore, any comments that the Scrutiny Panel may have on the Financial Plan will be taken into account when reviewing and updating the Financial Plan at the first formal review.

Repairs and Maintenance Business Plan 2012/13

10. 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 plans to ensure that the Council continues to meet the Government's decent homes standard in the short term, and maintains

the Council's housing stock to a full modern standard in the longer term, following the additional resources that have been made available as a result of HRA Self Financing. As in previous years, the Repairs and Maintenance Business Plan forms Appendix 1 to the main HRA Business Plan.

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11. The Scrutiny Panel is asked to consider and recommend the HRA Business Plan 2012/13, incorporating the Repairs and Maintenance Business Plan, to the Housing Portfolio Holder for adoption.

12. The draft HRA Business Plan is also due to be discussed by the Tenants and Leaseholders Federation at their meeting on 28 March 2012, and the Housing Portfolio Holder will be advised, and take account, of their comments before she adopts the final version of the Business Plan.