

Report to Housing Scrutiny Panel

Date of meeting: 23rd October 2012

Portfolio: Housing – Cllr D. Stallan

Subject: HRA Financial Plan – Half-Yearly Update

Officer contact for further information:

Alan Hall – Director of Housing (01992 564004)

Committee Secretary: Mark Jenkins (01992 56 4607)



Recommendations Required:

- (1) That the updated HRA Financial Plan and accompanying report from CIH Consulting, the Council's HRA Business Planning Consultants, attached as an Appendix be considered; and**
- (2) That the Scrutiny Panel provides any comments or concerns to the Housing Portfolio Holder and Director of Housing accordingly.**

Report:

1. At its meeting in March 2012, the Housing Scrutiny Panel considered the draft HRA Business Plan for 2012/13 and recommended its adoption to the Housing Portfolio Holder, which was subsequently approved. An important part of the HRA Business Plan is the HRA Financial Plan, which sets out the anticipated HRA income and expenditure over the next 30 years.

2. The Financial Plan now has a much higher profile than previously, following the introduction of HRA self-financing from March 2013, whereby the Council has had to make a £185million payment to the CLG, funded with loans from the Public Works Loan Board (PWLB), as a replacement regime to the former (discredited) Housing Subsidy System.

3. The HRA Financial Plan within the HRA Business Plan was approved by the Cabinet at its meeting on 12th March 2012. When approving the Financial Plan, the Cabinet agreed to ask the Housing Scrutiny Panel to review updates to the HRA Financial Plan twice each year, at its scheduled meetings in October and March.

4. CIH Consulting has acted as the Council's HRA Business Planning Consultants for the last few years and, at its March 2012 meeting, the Cabinet agreed that the Council should contract with CIH Consulting to act as the Council's HRA Business Planning Consultants for a further three years until 2015, subject to satisfactory price and performance. This was in view of:

- the knowledge and experience that they have amassed about the Council's housing finances and operational workings over past years;
- the need to ensure a continuity of service and knowledge; and

- the fact that officers and members have been impressed with the quality of advice and service provided by CIH Consulting at a competitive fee;
5. Accordingly, a three-year agreement with CIH Consulting has been signed.
 6. CIH Consulting has met with officers from the Housing and Finance/ICT Directorates and, as a result, has updated the Council's HRA Financial Plan to take account of the Council's current financial position and national and local policies.
 7. The updated HRA Financial Plan and covering report from CIH Consulting, setting out the changes and current financial position is attached as an Appendix. The Scrutiny Panel is asked to consider the report and updated Financial Plan, and to provide any comments or concerns to the Housing Portfolio Holder and Director of Housing accordingly.