

Report to Housing Scrutiny Panel

Date of meeting: 23 April 2014

Portfolio: Housing – Cllr D. Stallan

**Subject: Housing Revenue Account (HRA)
Business Plan 2014-15**

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Committee Secretary: Mark Jenkins (01992 56 4607)



Recommendations:

That the Housing Revenue Account (HRA) Business Plan 2014/15, incorporating the Repairs and Maintenance Business Plan and HRA Financial Plan 2014/15 (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) expects 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 should 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.

HRA Business Plan 2014/15

2. 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 - although, due to the implementation of the Council's new Management Structure, this deadline has been extended for this year only to 30th April 2014. 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 2012/13, which is the last year that full year statistics are available.

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

- Updated Plain English Summary
- Updated statistics for 2012/13
- General updated information throughout the Business Plan to ensure that it remains current
- Updated comments of the Tenants and Leaseholders Federation on the latest Business Plan (Section 1.6)
- Introduction of a new Corporate Housing Objective related to Housing Development (Sections 3.3 and 3.4)

- Updated Summary of Key Activities and Achievements in 2013/14 (Section 3.5)
- Updated section on Key Housing Priorities and Action Plan to Meet the Objectives (Section 3.6)
- Updated section on the Housing Improvements and Service Enhancements Fund, with the latest information on likely funds available in future years (Section 4.13)
- New section on the Council's new Corporate Values and Behaviours (Section 4.15)
- New section on Safeguarding (Section 4.16)
- New section on the Diversity Profile of the Council's Tenants (Section 7.4)
- Updated chapter on the Council's Rents Strategy (Chapter 8), in response to the Government's cessation of its Rent Convergence Policy and to include the Council's new Affordable Rent Policy
- Updated chapter on the HRA Financial Plan and cash flows (Chapter 10 and Appendices 5(a) and 5(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 4)

Repairs and Maintenance Business Plan 2014/15

4. 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 to seek to maintain the Council's housing stock in the longer term to the Council's new Modern Home Standard, as a result of the additional resources that have been made available as a result of HRA Self Financing. It should be noted though, that it will be a number of years before all of the Council's properties will meet the new Modern Home Standard, due to the amount of "catch-up" work that needs to be undertaken.

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

HRA Financial Plan 2014/15

6. Chapter 10 and Appendices 5(a) and 5(b) of the Business Plan set out the Council's updated HRA Financial Plan, which has again been produced by the Council's HRA Business Planning Consultants, CIH Consultancy, based on the information currently available.

7. In accordance with the Cabinet's instructions, the previous HRA Financial Plan has been formally reviewed by officers on a quarterly basis over the past year. The Cabinet also asked the Housing Scrutiny Panel to formally review the Financial Plan bi-annually. The Scrutiny Panel undertook its first bi-annual review in October 2013, and its second review will be undertaken at this meeting, through the consideration and recommendation of the proposed Financial Plan (within the draft HRA Business Plan) to the Housing Portfolio Holder.

8. It should be noted that it is too soon to take account of the Final Out-Turn figures for 2013/14 in the production of the HRA Financial Plan. Furthermore, at its meeting on 17th April 2014, the Council Housebuilding Cabinet is due to consider a report from the Director of Communities on options for accelerating and extending the Council Housebuilding Programme, to potentially provide over 300 new affordable homes over a 10-year period, compared to the current Programme to provide 123 affordable homes over a 6-year period. If this is agreed, it will have a significant effect on the HRA Financial Plan.

9. Although the outcome of the Cabinet Committee's deliberations on this issue will be reported orally, it has clearly not been possible to include any changes to the Housebuilding Programme within the HRA Financial Plan. However, both the 2013/14 Out-Turn figures and any changes as a result of the decision of the Council Housebuilding Cabinet Committee, will be included within the Quarter 1 Review of the HRA Financial Plan and reviewed by officers.

Scrutiny Panel

10. The Scrutiny Panel is asked to consider and recommend the HRA Business Plan 2014/15, incorporating the updated Repairs and Maintenance Business Plan and Financial Plan, to the Housing Portfolio Holder for adoption.

11. The draft HRA Business Plan is also due to be discussed by the Tenants and Leaseholders Federation at their meeting on 24 April 2014. The Housing Portfolio Holder will therefore be advised, and take account, of their comments before he adopts the final version of the Business Plan prior to the deadline of 30th April 2014.