

# **Report to the Housing Scrutiny Panel**

**Date of meeting: 30 April 2007**

**Portfolio:** Housing – Cllr D. Stallan

**Subject:** HRA Business Plan 2007/8

**Officer contact for further information:** Alan Hall, Head of Housing Services

**Committee Secretary:** Adrian Hendry

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## **Recommendations:**

**That the Housing Revenue Account (HRA) Business Plan 2007/8, incorporating the Repairs and Maintenance Business Plan 2007/8, 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 only the second in the country 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 2007/8**

3. The latest draft HRA Business Plan 2007/8 is attached. Apart from the usual updating of statistical and other information, the main changes from last year's Business Plan are:

- (a) Reference to the development of telecare services by the Council's Careline service to use technology to monitor the well-being of older people (Section 4.6 (I))
- (b) New chapter on the Provision of Quality Housing Services and including an updated section on tenant satisfaction (Chapter 5)
- (c) New chapter on Value for Money (Chapter 6)
- (d) New chapter on Diversity and Equality in the Provision of Housing Services (Chapter 7)
- (e) Updated chapter on Risk Management (Chapter 10)
- (f) Revised Financial Plan (Chapter 11)
- (g) New Action Plan (Chapter 13)
- (h) An updated Repairs & Maintenance Business Plan (Appendix 1 – see below)

## **Repairs and Maintenance Business Plan 2007/8**

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 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**

5. 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 an even a more healthy state than last year, since the HRA is now not estimated to fall into deficit until Year 28 (2033/34), compared to the forecast of Year 21 (2026/27) in last year's Financial Plan. In any event, before that time, any number of the financial assumptions could vary significantly.

### **Scrutiny Panel**

6. The Scrutiny Panel is asked to consider and recommend the HRA Business Plan 2007/8, incorporating the Repairs and Maintenance Business Plan, to the Housing Portfolio Holder for adoption.

7. The draft HRA Business Plan is due to be discussed by the Tenants and Leaseholders Federation at their meeting on 10 May 2007. Their comments will be reported to the Housing Portfolio Holder at the same time as the Scrutiny Panel's.