
REPORT TO:	Finance and Management Committee	AGENDA ITEM: 13
DATE OF MEETING:	4th December 2014	CATEGORY: DELEGATED
REPORT FROM:	Director of Housing and Environmental Services	OPEN
MEMBERS' CONTACT POINT:	Bob Ledger (01283 595775)	DOC:
SUBJECT:	Housing Revenue Account Business Plan	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE: HCS01, FM01

1. Recommendations

- 1.1 Members approve the updated and refreshed Housing Revenue Account (HRA) Business Plan attached at appendix 1.

2. Purpose of Report

- 2.1 To bring before Committee the update and refreshed HRA Business Plan which has been subject to work of a sub group of members and tenants following a Committee resolution of 17th April 2014.
- 2.2 A fundamental part of the working group's process was in identifying resources for any subsequent phases of the New Build programme. Implicit within that is the need to agree the likely income into the service i.e. agreeing the principles of a rent strategy.

3. Council New Build, rent policy and other recommendations

- 3.1 The draft business plan contains an executive summary of the key action pints to be progressed at page 5, appendix 1.
- 3.2 The plan highlights that upto a further 110 additional new build and acquisition properties can be afforded within the next 5 years in addition to the 50 already agreed and progressing.
- 3.3 This level of investment is dependent on rent policy remaining broadly in line with that of the last three years in terms of empty (or void) properties being let at their full 'formula' social rent with annual increases for on-going tenancies at the government guidance level – to be Consumer Prices Index (CPI) plus 1% from April 2015. In addition it is proposed to let all new build properties at the higher rent level known as Affordable rents – these are higher than social rents (our norm) and are upto 80% of the value of market rents in the local area.

- 3.4 There are a number of other significant recommendations in the plan including the commissioning of a further piece of work to members on the capacity to build affordable housing for rent outside of the Housing Revenue Account. This project would specifically need to include the Director of Finance and Corporate Services as the lead financial officer for the Council, working with the five members of Council involved in preparing the Business Plan.

4. Financial Implications

- 4.1 Adoption of the plan includes for borrowing fully up to the Council's government imposed debt cap. The plan evidences that such debt is affordable in terms of interest and repayment.
- 4.2 Modest assumptions have been made in the plan for rising costs and some slippage in performance but the plan is essentially predicated on rent arrears remaining under control, void properties being relet efficiently and repair and other investment costs being closely monitored.
- 4.3 The investment profile within the plan is also dependant on the rent policy outlined at 3.3.

5. Corporate Implications

- 5.1 The report contributes towards the key strategic objective of the Council to deliver and range of affordable decent housing.