
REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	16th June 2011	CATEGORY: RECOMMENDED
REPORT FROM:	Mark Alflat – Director of Operations	OPEN
MEMBERS' CONTACT POINT:	Bob Ledger	DOC:
SUBJECT:	Housing Revenue Account (HRA) Business Plan	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE: HCS01,

1. Recommendations

- 1.1 To recommend to the Finance and Management Committee the approval and adoption of the draft Housing Revenue Account (HRA) Business Plan.
- 1.2 To approve that further detailed reports are brought to Committee later in 2011/12 on specific aspects of the plan including treasury management/debt options and a medium term income strategy.

2. Purpose of report

- 2.1 To seek approval from members for the draft new Housing Revenue Account Business Plan.

3. Proposal

- 3.1 An HRA Business Plan is required to fully outline the opportunities and pressures on the service, to give strategic direction and to project the business into the future.
- 3.2 The proposed new Housing Revenue Account Business Plan is at appendix 1.
- 3.3 Although it may no longer be a government requirement that the Housing Revenue Account has it's own Business Plan it is good practice for the Council to have such a plan given that:
 - The HRA is a legally separate part of the Council operation with a current annual turnover of over £10m.
 - The reform of Housing Revenue Account finance is imminent and the new self-financing regime will be introduced from April 2012.
 - We have a recent stock condition survey (2009), and thereby housing stock, that requires significant investment funding over the next 30 years.
 - The need to reflect, in an auditable way, tenant aspirations in the term of the plan.

- 3.4 The last HRA Business Plan was adopted in 2006. A process was approved at the April 2010 Housing and Community Services Committee for the creation of a new plan. This entailed a joint stakeholder group made up of equal numbers of councillors, tenants and staff supported by the Head of Housing, the Performance and Business Manager and a specialist consultancy. A budget of £15,000 was approved for the process.
- 3.5 Details of the HRA reform proposal were slow in emerging during the summer and autumn of 2010. This was inevitable given the change of national government. Therefore the preparation of our business plan was also delayed pending a clearer national policy direction. The working group met for the first time in early November 2010 and for the last on the 18th April 2011. The process worked well and there was broad agreement on the key issues. There was also good constructive dialogue on a number of matters where members of the group did have differing views. What is represented in the final draft, for the most part, is the consensus of the group. The process was completed within budget.

4. Corporate implications

- 4.1 Having effective and up to date financial plans is clearly important to the Council in terms of its successful operation but also in how well we are regarded in external audits and reviews. As a key part of Council operations the Housing Revenue Account needs a detailed strategic plan that outlines its priorities over an initial five-year planning period but also looking further over a 30-year period.
- 4.2 Some of the proposed further detailed reports on specific parts of the plan, such as treasury management and income policy, will be brought by the Chief Finance Officer or jointly with the Head of Housing and Environmental services. The Chief Finance Officer has reviewed the proposed business plan at appendix 1 and supports the financial rationale and process utilised.

5. Community implications

- 5.1 Tenants were represented on the stakeholder working group and all tenants were consulted through workshops and newsletters in the plan's formation. A separate chapter in the plan details how tenants were consulted.
- 5.2 Current and future tenants have an expectation and right that their landlord will manage the resources available to it well and in the best interests of the HRA now and into the future. Adoption of an up to date HRA Business Plan would be a key part in meeting that need.

6. Financial implications

- 6.1 There are considerable financial details within the plan.
- 6.2 There will be further reports to Committee on other specific financial matters.