

REPORT TO: CABINET

DATE: 28 JANUARY 2016

TITLE: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2015-2045

PORTFOLIO HOLDER(S): COUNCILLOR MIKE DANVERS
COUNCILLOR ROD TRUAN

LEAD OFFICER: CORPORATE MANAGEMENT TEAM (01279)
446099

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This is a Key Decision

It is on the Forward Plan as Decision number I004241

It is not subject to call in as it is a reference to Full Council.

This decision will affect no ward specifically.

RECOMMENDED that it is RECOMMENDED to Full Council that:

- A** The Housing Revenue Account (HRA) Business Plan, as set out in Appendix A to this report, be approved.
- B** Authority be delegated to the Chief Operating Officer, in consultation with the Portfolio Holder for Housing, to make minor amendments to the Plan, if necessary, following consultation.

REASON FOR DECISION

- A** The HRA Business Plan 2015-2045 is a formal update on the Council's landlord service over the next 30 years. Housing stock holding councils need to demonstrate that their business is sustainable over the long term.

BACKGROUND

1. This new Business Plan has been prepared against the background of developing government policy, especially in response to changes made by the Government to social housing, welfare reform and work. With mandatory reductions in rent levels over the next four years, the Council has needed to reprioritise and make changes to some of the Business Plan's principles.
2. The HRA Business Plan attached at Appendix A complements and is influenced by other reports submitted to this meeting for approval including :
 - HRA Budget 2016/17
 - Capital Programme 2015/16-2020/21
 - Treasury Management Strategy Statement 2016/17.

WHAT ARE THE PLAN'S KEY THEMES?

3. The key principles agreed in October 2015 which underpin the HRA Business Plan are:
 - (a) To implement government legislation to reduce rents annually.
 - (b) Renew the Public Works Loan Board (PWLB) debt of £208.837m upon maturity of each loan, beginning 2026, keeping repayment under review.
 - (c) Maintain a minimum HRA working balance at 31 March 2016 at £2.727m.
 - (d) Revise housing management asset plans.
 - (e) Assume annual increases of at least 5% per year for garages and increases / decreases in service charges related to changes in expenditure.

HOW HAS THE PLAN BEEN CHANGED?

4. The Business Plan incorporates the latest forecasted income and expenditure projections produced in consultation with tenant and leaseholder representatives. The Council is committed to resident involvement and believes that this is a way in which residents can be involved in the management of their homes.

TAKING THE PLAN FORWARD

5. The Plan is a working document subject to ongoing updates and reporting, and effectively establishes the HRA Medium Term Financial Strategy.
6. The HRA Business Plan will be reviewed together with the other landlord housing related policies and priorities with an updated plan to be reported to Cabinet in September 2016, following the Council's closure of accounts for

2015/16. In the event that developing government policy adversely threatens the viability of the plan, Officers will review and report back to Cabinet and Council at the earliest opportunity.

7. The Council's Housing Management Standards Board and Tenant and Leaseholder Panels will jointly monitor service delivery against the national housing standards regulated by the Homes and Communities Agency (HCA).

IMPLICATIONS

Place Services

Investment in the housing stock can have regenerative benefits for residential areas.

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

The financial implications are set out within the HRA Business Plan .

Author: **Simon Freeman, Head of Finance**

Housing

Service implications are contained in the report and accompanying Business Plan.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

The Business Plan has been developed in consultation with tenants and leaseholders, ensuring an inclusive approach to forward planning for the Council's Housing Services.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

None specific.

Author: **Brian Keane, Head of Governance**

Appendices

Appendix A – HRA Business Plan 2015-2045

Background Papers

None

Glossary of terms/abbreviations used

HCA: Homes and Communities Agency

HRA: Housing Revenue Account