

REPORT TO: CABINET

DATE: 26 JANUARY 2017

TITLE: HOUSING REVENUE ACCOUNT BUSINESS PLAN 2016-2046

PORTFOLIO HOLDER(S): COUNCILLOR MIKE DANVERS, PORTFOLIO HOLDER FOR RESOURCES
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This is a Key Decision

It is on the Forward Plan as Decision number I006017

The decision is not subject to Call-in procedures for the following reasons:

The decision stands as a recommendation 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.

REASON FOR DECISION

- A** The HRA Business Plan 2016-2046 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 is presented in response to changes made by the Government in its approach 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 change the principles. It has been prepared against the background of developing Government policy.
2. The HRA Business Plan attached at Appendix A complements and is influenced by other reports submitted to this meeting for approval including:
 - (a) HRA Budget 2017/18.
 - (b) Capital Programme 2016/17- 2021/22.
 - (c) Treasury Management Strategy 2017/18.

What are the Plan's key themes?

3. The key principles which underpin the HRA Business Plan are:
 - (a) To comply with the Government's legislation to reduce rents annually by 1% in each of the four years commencing 2016/17.
 - (b) Renew the Public Works Loan Board (PWLB) debt of £208.837million upon maturity of each loan, beginning 2026, keeping repayment under review.
 - (c) Maintain a minimum HRA working balance at 31 March 2017 of £4.327million, increasing the amount by CPI annually.
 - (d) Revise housing management asset plans.
 - (e) Assume annual increases of at least 5 percent per year for garages and increases/decreases in service charges related to changes in expenditure.

How has the Plan been changed?

4. The HRA 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 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 2016-2046

Background Papers

None

Glossary of terms/abbreviations used

HCA: Homes and Communities Agency

HRA: Housing Revenue Account