

COMMITTEE:		Cabinet
DATE:		1 August 2002
SUBJECT:		Housing Revenue Account (HRA) Business Plan – July 2002
REPORT OF:		Director of Housing, Health & Community Finance
Ward(s):		All
Purpose:		To give Cabinet Members an opportunity to amend and / or endorse this year's HRA Business Plan.
Contact:		Neil Fuller, Director of Housing, Health & Community Finance. Telephone 01323 415301 or internally on extension 5301.
Recommendations:		That Cabinet endorses the content of our HRA Business Plan.
1.0	<u>Background / Introduction</u>	
1.1	The Government introduced Resource Accounting for the Housing Revenue Account in April 2001. As part of this new financial regime, all Authorities having ownership of Council housing stock are required to produce an annually updated Business Plan.	
1.2	Initially Business Plans were expected to focus upon a 5 year period, but they are ultimately required to address a period of 30 years.	

1.3	<p>Last year's Business Plan was considered by Cabinet on the 30 July 2001. It formed the basis of specific consultation with Tenants and Members and provided the basis for our subsequent Best Value Review of Housing Stock Options. As previously, our Business plan will be submitted to GOSE alongside the Council's Housing Strategy, Capital Strategy and Asset Management Plan. It will form part of the overall assessment towards the discretionary allocation of resources available to the Council.</p>
1.4	<p>Our Business Plan and Housing Strategy were assessed jointly as above average as part of the 2002 / 03 Single Capital Pot Allocation made by the Government Office for the South East (GOSE) in December 2001. As a result we received an additional £75,000 discretionary credit approval.</p>
1.5	<p>In reaching this assessment, detailed feedback was provided that we have been able to address in this year's plan.</p>
1.6	<p>A new set of `Fit for Purpose` assessment criteria have been introduced this year. Once a Business Plan has been assessed as fully meeting these criteria, the need for regular annual submissions has been reduced. We understand however, that, still in their early stages of development, very few Business Plans are expected to fully meet such criteria. Government Offices are instead keen to maintain a close scrutiny of their development, in order to ensure that Decent Homes targets are met.</p>
2.0	Business Plan 2002 / 2003
2.1	<p>It has been produced with the assistance of Housing Finance Training Associates and has been informed by an extensive appraisal exercise conducted in relation to last year's submission.</p>
2.2	<p>It should be noted that a range of information previously unavailable has now been included and is reflected in both the commentary and the financial appendices that are attached (e.g. stock condition analysis in relation to Decent Homes Standard).</p>
2.3	<p>The content of the Business Plan will form an important element in determining the feasibility of our current Best Value Review recommendation re: Large Scale Voluntary Transfer (LSVT). It will facilitate broader input and consultation with Tenants as well as staff and assist Cabinet in determining stock option decisions in November this year.</p>
3.0	<u>Decent Home Standard</u>

3.1	<p>In July 2000, following its Spending Review, the Government announced a significant increase in resources for social housing. As part of its desire to link increased spending to better outcomes it established a target to:</p> <p>“ensure that all social housing meets set standards of decency by 2010, by reducing the number of households living in social housing that does not meet these standards by a third between 2001 and 2004”</p>	
3.2	An important focus of our Business Plan and associated decisions concerning Housing Stock Options is our ability to meet such targets for the Council’s housing stock.	
4.0	<u>Consultations</u>	
4.1	Our Housing Revenue Account Business Plan has been produced following consultation with Tenants. It also formed part of a separate briefing seminar with Members concerning the Council’s overall Single Capital Pot submission.	
4.2	<p>In addition, a wide range of information contained reflects tenants’ views, expressed both via Tenants Advisory Group and particular consultation events, e.g.</p> <ul style="list-style-type: none"> · Investment priorities for housing stock · Housing Best Value Reviews · Housing Service Plans 	
4.3	We provided a presentation to Tenants Advisory Group on 23 rd July, regarding developments for this year’s Business Plan. More detailed consultation will be carried out in line with our Best Value Review of Housing Stock Options.	
5.0	<u>Human Resource Implications</u>	
5.1.	There are no human resource implications as a result of this report.	

6.0	<u>Financial Implications</u>	
6.1	Our proposed Capital Programme forms part of the Council's Capital Strategy. It has been developed in support of objectives identified in the Housing Strategy and HRA Business Plan. Each has been developed collaboratively, and is being considered by Members concurrently.	
7.0	<u>Environmental; Youth; Anti-Poverty; Community Safety Implications</u>	
7.1	The quality of housing and our housing management service plays a significant role in the overall quality of life both for our tenants and those who are in need of affordable housing. Our service seeks to underpin the Council's Corporate Plan objectives. It is recognised that poor housing affects the health, safety and wellbeing of individuals, and threatens the economic sustainability of the whole community. Our HRA Business Plan and associated Best Value Review of Stock Options has been developed in this context.	
8.0	<u>Summary</u>	
8.1	Our HRA Business Plan provides a framework for future investment in Council Housing Stock against a backdrop of projected resources and stock options available to us. In line with Housing Investment Programme guidance, it has been developed in the context of wider requirements, including Housing Strategy, Corporate Objectives and regional / national priorities for housing.	
8.2	Cabinet is invited to amend and/or endorse the content of our updated HRA Business Plan.	
Neil Fuller Director of Housing, Health & Community Finance		

Background Papers:

The Background Papers used in compiling this report were as follows:

- 2002 / 03 Single Capital Pot Allocations (GOSE)
- 'A New Financial Framework for Local Authority Housing – Guidance on Business Plans' (DETR)
- 'Quality & Choice – A decent home for all': Housing policy document (DETR)
- 'A Decent Home – definition and guidance (DTLR)
- Housing Services Resource Accounting Business Plan (2001 / 2002)

Document/jc.NAF/Cabinet/010802 – HRA Business Plan