

COMMITTEE:	TENANTS ADVISORY GROUP
DATE:	23 JULY 2002
SUBJECT:	HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN – JULY 2002
REPORT OF:	JANET CANNY, HEAD OF HOUSING MANAGEMENT
Ward(s):	All
Purpose:	To give Tenants Advisory Group Members the opportunity to discuss the key matters arising out of this year's HRA Business Plan.
Contact:	Janet Canny, Head of Housing Management Telephone 01323 415306 or internally on extension 5306.
Recommendations:	Tenants Advisory Group Members are asked to comment on the information provided in this report and to note the actions required in the next year.
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	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.
1.4	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.
2.0	<u>Business Plan 2002 / 2003</u>
2.1	Copies of the full HRA Business Plan will be available shortly.
2.2	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.
2.3	The plan details and explores a variety of issues including: <ul style="list-style-type: none"> · The links between the Council's housing stock and other wider housing and community strategies. For example the role of the Housing Management Division in the delivery of the Housing Strategy, the Crime Reduction Strategy and also the contributions made to the delivery of key corporate aims · The importance of the housing stock in assisting to meet the housing needs of residents and the impact of the Right to Buy on the level of stock available in the future · The importance of involving tenants in service delivery and how we should maximise future opportunities to strengthen these areas.

2.4	The plan also highlights the key priorities for service improvements and increasingly the Business Plan will become the primary mechanism for monitoring and determining the future priorities for action.	
2.5	The plan offers analysis in terms of the future investment requirements in terms of maintaining the properties and the approaches required to meet the Decent Home Standard. It also offers an overall financial analysis of the HRA as a whole.	
3.0	<u>Decent Home Standard</u>	
3.1	<p>The Decent Homes Standard was originally developed as part of the April 2000 Housing Policy Document “Quality and Choice: a Decent Home for All”. It was finalised in March 2002 and a brief overview of these standards is detailed in appendix 1. The Government has indicated that it expects Council’s to have bought its stock up to these standards by 2010.</p> <p>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.</p>	
3.2	Officers have been undertaking an initial stock condition survey, based upon specific beacon properties. The preliminary results of which are included in the Plan.	
3.3	Initial outcomes suggest that approximately 70% of the stock will fail the Decent Homes Standards, and that assuming the levels of investment remain the same, though with a refocus on the works undertaken, the Standard may not be met until 2022.	
3.4	It is clear that there needs to be further work undertaken to refine and extend the quantity and quality of data available concerning the stock and to ensure that robust capital and investment plans are developed.	
4.0	<u>The Housing Revenue Account as a whole</u>	

4.1	The impact of rent restructuring and the real reduction in rents anticipated to occur over the next 10 years, has largely been offset by an increase in subsidy. It is also anticipated that the Management and Maintenance allowances could increase following the Governments forthcoming spending review. Therefore the HRA is a position to sustain basic services over the next 10 years, though not to allow sufficient investment to undertake appropriate works to the stock to meet the Decent Homes Standards.	
5.0	<u>Priorities for Action</u>	
5.1	The plan contains a number of key objectives and priorities. It is also clear that a number of additional actions are required over the forthcoming months.	
5.2	Briefly these are: <ul style="list-style-type: none"> · Work relating to stock condition information · Finalise 10 year capital and investment programme · Ensure that the outcomes of the Best Value Review of Housing Management Part II are included into the future priorities for service delivery · That additional consultation with Tenants is undertaken · That the Plan contributes to the final decisions in respect of Part I, Best Value Review of Housing Management 	
5.3	It is also critically important, that if the Housing Management Division is to continue to be successful in delivering an efficient and effective service, then there needs to be adequate resourcing available to deliver. This may include issues over staffing levels, prioritisation of objectives, clear performance management systems and robust project and programme management.	
6.0	<u>Consultations</u>	

6.1	A wide range of information contained in the Plan reflects tenants' views, expressed both via Tenants Advisory Group and particular consultation events, e.g. <ul style="list-style-type: none"> · Investment priorities for housing stock · Housing Best Value Reviews · Housing Service Plans 	
6.2	There will be regular reports made in future to the Tenants Advisory Group as the Plan is implemented and additional actions are undertaken.	
6.3	Tenant will be consulted on those priorities also detailed within section 5 of this report.	
7.0	<u>Human Resource Implications</u>	
7.1.	There are no human resource implications as a result of this report, at this time.	
8.0	<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. This is due to be considered by Members shortly.	
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	Tenants Advisory Group Members are asked to comment on the information provided in this report and to note the actions required in the next year.	
<p>Janet Canny</p> <p>Head of Housing Management</p>		
<p>Background Papers:</p> <p>The Background Papers used in compiling this report were as follows:</p> <ul style="list-style-type: none"> · 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) 		