
REPORT TO:	HOUSING AND COMMUNITY SERVICES	AGENDA ITEM:	12
DATE OF MEETING:	6 th OCTOBER 2005	CATEGORY:	RECOMMENDED
REPORT FROM:	DIRECTOR OF COMMUNITY SERVICES	OPEN PARAGRAPH NO:	N/A
MEMBERS' CONTACT POINT:	BOB LEDGER (EXTN. 5775)	DOC:	
SUBJECT:	DRAFT HRA BUSINESS PLAN	REF:	RL
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:	HCSO1

1. Purpose of Report and Recommendation

- 1.1 That Members consider, comment and refer for wider consultation the draft Housing Revenue Account (HRA) Business Plan as attached at appendix 1.
- 1.2 That following the wider consultation, primarily in summary form through the next edition of the Tenant newsletter, Tenants' Extra, if there are no material changes to the report as verified by the Chairman and Vice-Chairman of this Committee that the final designed report by submitted to the Government Office in the East Midlands for approval.

2. Detail

- 2.1 All Councils with retained stock are required by Government to produce a separate business plan for their Housing Service. However given the separate funding and ring fenced nature of the HRA it in itself makes good business sense to have a plan that projects that business into the future.
- 2.2 The attached draft plan has been prepared by a working group comprising of three members (Cllrs Southern, Richards and Bale) and three TACT members, supported by officers of the Council and an external consultant. A representative from the Government Office in the East Midlands (GOEM) was also present at the majority of the meetings which were held in the period May to September 2005.
- 2.3 The Council's last HRA Business Plan was published in the summer of 2002. In accepting that plan GOEM also gave feedback on its content and style which can be summarised as the report not being clear enough and the unnecessary inclusion of too much of the business financial modelling tool i.e. report the output of the model not the model itself.
- 2.4 Government has issued guidance on the content of plans and a summary of that is retained for information in the draft attached as italics at the start of each section.

2.5 The attached plan has not yet been designed into a suitable layout in terms of improving accessibility for the lay reader i.e. members are being asked to approve the content before the expense of design is incurred.

2.6 As with Housing Strategies Government has set a target that HRA Business plans should achieve and this is referred to as becoming "fit for purpose". It was indicated to the Council at the start of its Business Plan process that our plan would automatically fail to achieve that target because the HRA business cannot be viably projected over the 30 year planning period. Although this may well still be the case at a recent meeting the GOEM representative did indicate that this position is under review.

3. Financial Implications

3.1 The HRA Business Plan is centred on projecting the financial future of the housing business. Although it states that the business is viable over the forthcoming 10 years it makes the point that there is very little scope for improved services and extending the level of improvement works given the constraints of limited available finance. The negative subsidy or contribution to the national pot that this Council is projected to make accounts for £30m of lost investment to the area over the next 10 years.

3.2 There are no additional financial implications regarding the production of the report as budgets have already been approved for this process.

4. Corporate Implications

4.1 The draft HRA Business Plan attached incorporates targets and actions from both the Corporate plan and the Housing Strategy.

5. Community Implications

5.1 Consultation with the wider tenant body on the draft plan will take place in the next issue of Tenants' Extra. TACT representatives have had equal membership with members on the group that prepared the plan.