

HOUSING PERFORMANCE IMPROVEMENT COMMITTEE – 17 MARCH 2005

CABINET – 23 MARCH 2005

HOUSING REVENUE ACCOUNT BUSINESS PLAN 2004-34 – ANNUAL UPDATE

REPORT OF THE HEAD OF HOUSING LANDLORD SERVICES

Contact Officers: Richard Botham (Tel: 01962 848421)

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

This report seeks Cabinet's endorsement of the Council's Housing Revenue Account (HRA) Business Plan 2004-34 annual update for 2005/06. The Plan has been drafted in accordance with guidance from the Office of the Deputy Prime Minister. It has also been subject to review by the Government Office for the South East (GOSE) and last year was assessed as "Fit for Purpose". Because of this, there is no requirement for the Council to prepare and publish a full Business Plan for HRA services for the next three years. However, in line with good practice, this annual update has been prepared to ensure that key actions for 2005/06 as well as plans for the period 2007-11 are up to date and relevant taking into account progress made over the last year.

RECOMMENDATIONS:

- 1 That Cabinet approves the HRA Business Plan Annual Update included as an appendix to the report
- 2 That the Head of Housing Landlord Services be given authority to make minor editing amendments in consultation with the Portfolio Holder for Housing prior to final publication of the Plan.

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DETAIL:

1 Introduction

- 1.1 All councils who retain their stock are required to prepare a long term Business Plan for Housing Revenue Account (HRA) services in accordance with “Fit for Purpose” guidance from the Office of the Deputy Prime Minister (ODPM).
- 1.2 The Government Office for the South East (GOSE) is required to assess these documents against the “Fit for Purpose” criteria. Once they are assessed as meeting all criteria and classified as “Fit for Purpose”, the requirement for annual assessment is relaxed. With the 2004 HRA Business Plan meeting this criteria, no annual assessment is due this year. However, in line with good management practice, the annual update appended to this report has been prepared to support service delivery and monitoring over the next year.

2 Consistency with other Council Business Plans

- 2.1 The format of the HRA Business Plan complies with fairly strict ODPM guidance aimed at ensuring all key aspects of Housing Landlord services are included. As well as detailing corporate and service priorities, it includes long term financial projections, sensitivity analysis, asset management information as well as a detailed 5 year action plan with SMART objectives and service plans for all aspects of the Landlord Service. This differs from other Council “directorates” based business plans but does result in a comprehensive document which provides the focus to a key area of “business” activity reflecting the ring-fenced nature of the HRA. The main body of the 2004 Plan has been written with all stakeholders in mind, although the detailed action plans make it very much a working document for staff, members and tenant representatives.
- 2.2 However, to bring it in line with key sections of other Council business plans, two new areas have been added to the annual update. A section on “Workforce Planning” using the same format as directorate business plans has been added to the plan (see page 41). Also, information Risk Management has been amended to follow the same format as other plans (see page 43).
- 2.3 Progress of the 2004-34 Business Plan is detailed on page 2 of the update in the appendix. The proposed action plan and service summaries all take account of this progress and set ambitious but deliverable targets for 2005/06 and beyond.

3 Audit Commission – Improvement Planning Assessment

- 3.1 As part of the Council’s Improvement Planning work, the Audit Commission carried out a two day on site assessment on how the Council was performing in its obligation to meet the Decent Homes standard.

3.2 Whilst the assessment feedback did not set out any key recommendations, it did suggest actions to address certain areas and this Business Plan update takes account of them as detailed below:

- a) The need for longer term planned maintenance programmes – The previous approach of approving annual programmes would not help identify the resource requirements to achieve Decent Homes by 2010. The Repairs and Renewal Strategy included elsewhere on the agenda of this meeting addresses this point specifically and its delivery is a key action of the Business Plan update.
- b) Improved Budget Management – With increasing pressure on the HRA through reducing subsidy, the inspector raised concerns with variance levels. This update includes new targets for delivery of the maintenance programme (see appendix - LPI HM 05 page 14) and also the budget changes made as set out in section in the appendix on 2004 progress have been made to improve controls on HRA expenditure.
- c) Modernisation of Procurement Methods – Work on the development of partnering contracts has commenced in the last two years and the Renewal Strategy will continue to take opportunities to further develop this modernisation over the next five years. However, it is important that the benefits gained through traditional methods, particularly for a district authority are not ignored.
- d) Too Many Action Plans – The inspector commented that with various actions spread across a range of plans, from repairs programmes, the business plan itself, the housing strategy, the BME strategy, Best Value Action plan and Tenant Compact Action Plan, more clarity was needed to bring all of these together. This Business Plan update takes account of this and all key best value actions are now included throughout service plans, along with the main actions from other plans also.

#### 4 The HRA Business Plan Update for 2005/06

- 4.1 In order to ensure that the HRA Business Plan remains relevant, the update proposed does not suggest changes to the main text of the 2004 Business Plan. Whilst elements of the details contained in the text have changed, such as the corporate strategy and some of the progress with Housing Options, the information remains broadly relevant. The key areas for updating are the Action Plan and Service Plan so the update concentrates on these.
- 4.2 As stated above, new sections on Workforce Planning and Risk Management have been included to comply with corporate business planning requirements.
- 4.3 The budget information has also been updated to include the 2005/06 HRA which has now been approved.
- 4.4 The most significant changes are to the objectives. The detailed Action Plan has been updated for 2005/06 as have all service plans and performance targets and links to the revised corporate strategy. Key actions for 2005/06 include:
  - a) Completion of the Housing Options review and implementation of its findings
  - b) Implementation of the 5 year repairs and renewal strategy to address the Decent Homes targets
  - c) To implement changes to the sheltered housing provision in the district to take account of support funding and service demands from the Supporting People regime

- d) To review the approach to void management and work with TACT to develop new targets for service delivery
- e) To extend tenant surgeries
- f) To upgrade the Orchard Housing management system to address e-government requirements and link effectively with the Council's Customer Services Centre
- g) To work with other Council departments to ensure key estate services are properly co-ordinated and delivery effective services to all residents

#### OTHER CONSIDERATIONS:

None

#### 4 RELEVANCE TO THE CORPORATE STRATEGY

- 4.1 The "corporate context" of the Business Plan is clearly set out in the original 2004 Plan, which remains current. The document addresses the role of the strategic priorities in determining service priorities. The Action Plan in the appended update also has clear links to both strategic and service priorities.

#### 5 RESOURCE IMPLICATIONS:

- 5.1 The Plan clearly states where resources have been identified to support the delivery of the action plans. There are no additional resource implications arising immediately from the production of the Plan although work is ongoing to secure additional future funding to invest in the Council's own stock.

#### 6 TACT COMMENT

- 6.1 TACT thanks Richard Botham, Head of Landlord Services for presenting this very explicit report at the joint meeting of the Rents & Business Planning and Property & Contracts Forum held on the 2 March 2005, and welcomed the opportunity to be involved in its preparation and comment on its content.
- 6.2 TACT note the progress against the 2004/05 action plan detailed on pages 2 and 3 of the report and are particularly pleased with the 65% response to the Housing Options 'Test of Opinion' survey. We look forward to a breakdown of the results and our involvement in the final Options report through the Housing Options Appraisal Steering Group in April.
- 6.3 TACT also notes the key objectives contained in Appendix 1 of the report and the operational objectives contained in Appendix 2 and will be closely monitoring progress.
- 6.4 Finally TACT looks forward to continued consultation and involvement in the key and operation objectives contained within this report through its monthly meetings and its Forums.

#### BACKGROUND DOCUMENTS:

ODPM Guidance notes on the preparation of housing strategies and business plans

#### APPENDICES:

Appendix 1 – HRA Business Plan 2004-34 – Annual Update 2005/06 (draft)