

Report of the Head of Scrutiny and Member Development

Report to Scrutiny Board (Safer and Stronger Communities)

Date: 14th November 2011

Subject: Reform of Council Housing Finance – Comments from Scrutiny on the Draft new Housing Revenue Account (HRA) Business Plan

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| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. In anticipation of the Leeds HRA Business Plan being approved by the Executive Board in December 2011, the Safer and Stronger Communities Scrutiny Board was given the opportunity to consider and comment on the draft Plan to ensure that it reflects the Council's priorities in terms of housing investment needs. The Board agreed that this piece of work would be undertaken via working group meetings to which all Board Members would be invited to attend.
2. This work has now concluded and the attached draft report summarises the observations, conclusions and recommendations of the Safer and Stronger Communities Scrutiny Board in relation to the draft new HRA Business Plan. Members are asked to consider and formally agree the attached report. Once agreed, this report will be forwarded to the directorate in order to inform the report to Executive Board on this matter in December.

Recommendations

3. Members are asked to consider and agree the attached draft report summarising the observations, conclusions and recommendations of the Scrutiny Board in relation to the draft Leeds Housing Revenue Account (HRA) Business Plan.

1 Purpose of this report

- 1.1 To present the draft report summarising the observations, conclusions and recommendations of the Safer and Stronger Communities Scrutiny Board in relation to the draft Leeds Housing Revenue Account (HRA) Business Plan.

2 Background information

- 2.1 In August 2011, a working group of the Scrutiny Board met with senior officers within Environment and Neighbourhoods and the Executive Board Member for Neighbourhoods, Housing and Regeneration to discuss the role of Scrutiny in relation to the forthcoming Housing Revenue Account (HRA) reforms, as set out within the Localism Bill.
- 2.2 Such reforms will abolish the current HRA subsidy system from April 2012, putting Councils' in control of their housing assets. In doing so, it is recognised that the Council will need to adopt a new approach to HRA business planning that is influenced by investment need, underpinned by risk analysis and integrated with funding solutions that are prudent, robust and sustainable.
- 2.3 In anticipation of a new draft HRA Business Plan being approved by the Executive Board in December 2011, the Scrutiny Board was given the opportunity to consider the principles of the draft HRA Business Plan as it develops and also the content of the Plan nearing completion.

3 Main issues

- 3.1 The Leeds HRA Business Plan is intended to be a starting point in setting a clear strategy for Council housing in the City and how resources will be utilised and managed over a 30 year period to support the delivery of the Councils Strategic Housing plans for the City and its communities.
- 3.2 Following the Scrutiny Board's consideration of the draft Leeds HRA Business Plan, the attached draft report summarises the observations, conclusions and recommendations of the Scrutiny Board for Members' consideration and agreement at today's meeting.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 All Scrutiny Board Members were invited to attend working group meetings on 5th September and 4th November 2011 to consider the principles of the draft HRA Business Plan as it develops and also the content of the Plan nearing completion. During these meetings, discussions were held with the Director of Environment and Neighbourhoods, the Executive Board Member for Neighbourhoods, Housing and Regeneration, Chief officers within Environment and Neighbourhoods and Revenues and Benefits and also the 3 ALMO Chief Executives.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 In developing the Leeds HRA Business Plan, consideration is given to the impact on equality areas, as defined in the Council's Equality and Diversity Scheme.

4.3 Council Policies and City Priorities

- 4.3.1 To ensure the Council complies with Housing Revenue Account (HRA) Self Financing Reforms, the Leeds HRA Business Plan is intended to be a starting point in setting a clear strategy for Council housing in the City and how resources will be utilised and managed over a 30 year period to support the delivery of the Councils Strategic Housing plans for the City and its communities.

4.4 Resources and Value for Money

- 4.4.1 The Leeds HRA Business Plan is a medium to long term business plan that is required to take into account investment needs, underpinned by risk and sensitivity analysis and integrated with sustainable funding solutions.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report does not contain any exempt or confidential information.

4.6 Risk Management

- 4.6.1 The views of the Scrutiny Board will need to be agreed at today's meeting in order to inform the report to Executive Board in December.

5 Conclusions

- 5.1 In anticipation of the Leeds HRA Business Plan being approved by the Executive Board in December 2011, the Safer and Stronger Communities Scrutiny Board was given the opportunity to consider and comment on the draft Plan to ensure that it reflects the Council's priorities in terms of housing investment needs.
- 5.2 This work has now concluded and the attached draft report summarises the observations, conclusions and recommendations of the Safer and Stronger Communities Scrutiny Board in relation to the draft new HRA Business Plan. Members are asked to consider and formally agree the attached report. Once agreed, this report will be forwarded to the directorate in order to inform the report to Executive Board on this matter in December.

6 Recommendations

- 6.1 Members are asked to consider and agree the attached draft report summarising the observations, conclusions and recommendations of the Scrutiny Board in relation to the draft Leeds Housing Revenue Account (HRA) Business Plan.

7 Background documents

- 7.1 None used.