

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:** **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **FRIDAY, 23 JANUARY 2015**

**REPORT BY:** **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

**SUBJECT:** **BUDGET CONSULTATION FOR 2015/16- HOUSING REVENUE ACCOUNT (HRA)**

### **1.00 PURPOSE OF REPORT**

- 1.01 To present the draft HRA Budget for 2015/16, and HRA Business Plan developed for the introduction of self-financing in April 2015.

### **2.00 BACKGROUND**

- 2.01 The UK Government and the Welsh Government have reached an agreement to change the financing arrangements for council housing in Wales from April 2015. A new rent policy has also been introduced which Flintshire is required to implement from April 2015. This sets the context for the proposed rent increase and for the requirement to start introducing charging for services.
- 2.02 Welsh Government has also set a requirement for all providers of social housing to reach the Welsh Housing Quality Standard by 2020. This will require some prudential borrowing in Flintshire's case.
- 2.03 The council has an aspiration to build council housing to help meet unmet need for social housing and self- financing is providing the opportunity to take this forward in the next few years.

### **3.00 CONSIDERATIONS**

- 3.01 The HRA has to have both short and long term financial planning in place. The short term (more detailed) planning shows how the WHQS standard can be achieved, Choices document promises kept, and new council housing commissioned. The longer term plan shows a viable account with surplus income over expenditure needs. This presents opportunities to do more to improve service delivery; provides reassurance that once achieved the WHQS standard can be maintained, and could provide further capital funding for new build (subject to borrowing limits).
- 3.02 The strategic context for this year's HRA budget setting includes the following:
- The introduction of self- financing and the need to implement a

treasury management strategy to meet the councils new and ongoing borrowing requirements

- Delivering a prudent plan for income- ensuring that rents are affordable in a local context, and phasing in of value for money service charging
- Continued drive to ensure all service costs are efficient and that value for money can be achieved.
- Maximisation of revenue efficiencies to minimise the borrowing required to meet WHQS by 2020.
- Review of WHQS investment strategy to meet tenant and elected member expectation and the new achievable deadline of 2020
- Planning for the delivery of new build council housing in 2016

3.03 Attached to this report is:-

- the draft 3 year HRA business plan for scrutiny committee consideration
- 30 year revenue and capital account.
- WHQS programme to achieve the standard in 2020.

3.04 A presentation, including proposed rent levels, phasing of service charge implementation and efficiencies/investment proposals for the next three years will be presented at the committee.

#### **4.00 RECOMMENDATIONS**

4.01 Scrutiny Committee is asked to consider the draft HRA budget for 2015/16.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The HRA is a ring fenced budget. This HRA budget and business plan demonstrates that the council can achieve the WHQS by 2020, can meet service improvement plans and commitments and with prudential borrowing can commence a council house building programme in 2016.

#### **6.00 ANTI POVERTY IMPACT**

6.01 Self-financing in the HRA will provide additional revenue to improve property standards and to meet service improvement objectives. The council has agreed a Rent Policy which will see rents at benchmark levels, rather than taking the opportunity to set at 5% per cent above the benchmark. This decision was taken to safeguard affordability for tenants.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 Stock investment delivery plans will enhance the appearance of the

environment and will contribute toward the council's CO2 reduction targets.

## **8.00 EQUALITIES IMPACT**

- 8.01 All households will benefit from the Councils WHQS programme. The impact of the investment planning and efficiencies is being modelled for various customer groups to ensure that there is no disproportionate impact on any groups with protected characteristics.

## **9.00 PERSONNEL IMPLICATIONS**

Additional staff will be required to deliver an accelerated WHQS programme. The funding for these posts is provided for in the WHQS programme.

## **10.00 CONSULTATION REQUIRED**

- 10.01 The proposed rent increase will be discussed with the Tenants Federation at their February meeting.

## **11.00 CONSULTATION UNDERTAKEN**

- 11.01 Detailed consultation has been undertaken with tenants and elected members to inform the preparation of the revised WHQS investment programme.

## **12.00 APPENDICES**

- 12.01 HRA Business Plan  
12.02 30 year HRA Revenue and Capital Account  
12.03 WHQS programme

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS**

None.

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