

## Preparing for the introduction of self financing for the HRA

Although identified separately, many of the tasks are interdependent and will require working on concurrently.

Action	Timescale	Responsibility	Risks
<b>Project Management</b>			
<b>Identify project team</b> The project team should be led by an appropriately senior officer and be responsible for the coordination of tasks and reporting to project sponsors	In place	Clare Budden	Uncoordinated approach to this complex project resulting in not meeting externally imposed deadlines or maximising benefits of self financing within individual Authorities
<b>Develop project plan</b> The plan will need to be clear regarding timescales and who will be responsible for delivery	In place	Clare Budden	As above.
<b>Strategic Direction</b>			
<b>Approval of HRA Asset Investment Plan</b>	Completed	Nik Evans	Failure to meet WHQS by 2020
<b>Agree priorities for investment</b> – Refurbishment / Regeneration / Service Investment / New Build / Acquisition to enable the development of a realistic and achievable 30 year capital programme	Completed at high level sufficient for introduction self Financing	Nik Evans	Lack of focus of resources to meet strategic aims. Maximisation of investment not achieved Available investment not realised
<b>Undertake a detailed review of</b>	Draft submitted end September,	Rachael	Lack of clarity as to whether strategic

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<b>the existing 30 year Business Plan</b> to reflect the new strategic priorities and to ensure that information regarding existing stock is robust.	Phase 2 plan in development for December 2014	Corbelli	priorities can be achieved
<b>Agree an Authority position on RTB suspension to</b>	Cabinet report March 2015 to fit procurement timeframe	Clare Budden	Loss of new build stock
<b>Agree a strategy for new provision</b> by assessing the relative costs associated with new build or acquisition, undertaking an assessment of housing need, identifying land, and determining the number and types of property to be built or acquired, timescales and barriers.	SHARP procurement commenced – number of work streams re design, and assembly underway	Melville Evans	New provision is not cost effective Strategic priorities
<b>Set corporate and community priorities</b> that will be expected to benefit from the self financing HRA. Utilise 12i and Value Wales Tool Kits Deliver Choices document promises and new Asset investment plan	Ongoing	Clare Budden	Contribution that the HRA can make to corporate and community priorities not maximised
<b>Submit final HRA BP</b>	7 <sup>th</sup> January 2015	Rachael Corbelli	
<b>Financial Management</b>			
<b>Revise the existing Treasury</b>	December 2014	Liz Thomas	Inability to raise debt to cover the

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<b>Management Strategy</b> to reflect the impact of self financing and the increased levels of risk	(This will be ahead of traditional budget time scales and Treasury Management strategy approval)		settlement cost. (Ensure borrowing limits set to include maximum requirements based on a range of potential interest ratios).
<b>Forecast the Capital Financing Requirement for the HRA</b> over a 30 year period	Completed	Rachael Corbelli	Ensure business plan is affordable i.e. an meet all expenditure and requirements
<b>Consider options for future prudential borrowing</b> e.g.: <ul style="list-style-type: none"> <li>• PWLB</li> <li>• Market loans</li> <li>• Local Authority Bonds</li> <li>• Internal borrowing from GF Including “innovative finance” options</li> </ul>	December 2014	Liz Thomas	Future delivery of Business Plans may be adversely affected. Should borrowing not be fully researched and various options and scenarios modelled ahead of making firm commitments.
<b>Review charging between the HRA and the General Fund</b> to ensure that all charges have a transparent method of calculation	Completed	Rachael Corbelli	Ensuring transparency and value for money of charging.
<b>Review the Debt Management Strategy</b> to maximise future flexibility for the Authority	December 2014	Liz Thomas	Lack of flexibility Ability to deliver on strategic priorities restricted
<b>Review impact of policies for us of receipts, debt pooling and depreciation</b>	March 2015	Rachael Corbelli/Liz Thomas	Future financial implications not fully understood before HRAS exit on 1 April 2015. Exact financial position at the time of settlement not yet known.

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<b>Accounting Processes</b>			
<b>Review existing budgets</b>	Complete	Rachael Corbelli	Estimates inaccurate Budgets do not align with strategic priorities
<b>Prepare the MRA application</b>	December 2014	Rachael Corbelli	Income not maximised and adversely affects delivery of Business Plan Unable to maintain WHQS.
<b>Prepare for the submission of final Housing Subsidy Claims</b>	28 <sup>th</sup> November 2014	Rachael Corbelli	Incorrect subsidy received by the Authority
<b>Borrowing transactions completed</b>	2 <sup>nd</sup> April 2015	Liz Thomas	Self financing can't be implemented
<b>Rent Reform / De-pooling</b>			
<b>Revise the existing rent policy to reflect the new national social housing rent policy to be introduced in April 2015</b>	Complete	Rachael Corbelli	No transparency of approach to rent setting; potential legal challenge
<b>Model rent reform impact to inform revision of Business Plan</b>	Complete	Rachael Corbelli	Inability to accurately model the business plan
<b>Agree service charge depooling arrangements</b> as required and devise implementation plan	Complete	Helen Grant	Lack of transparency as to which services are to be charged and how
<b>Review service charge arrangements for leaseholders</b> and assess the impact of general depooling	April 2016	Helen Grant	Lack of transparency as to which services are to be charged and how Income not maximised

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<b>Legal</b>			
<b>Consider draft voluntary agreement</b>	Mid November to 30 <sup>th</sup> November 2014	Gareth Owen	
<b>Sign off of Voluntary Agreement to exit HRAS</b> (issued 19.12.14).	19 <sup>th</sup> January 2015 (will need delegated Cabinet approval)	Leader/CEO	Voluntary exit not achieved by set date.
<b>Governance</b>			
<b>Review existing governance and consultation arrangements for the HRA – are they fit for purpose for self financing?</b>	Members/Tenants workshop December 2014	Clare Budden	Arrangements not legally compliant
<b>Stakeholder Engagement</b>			
<b>Produce information for:</b> <ul style="list-style-type: none"> <li>• Tenants</li> <li>• Staff</li> <li>• Members</li> <li>• Other Stakeholders</li> </ul>	To be circulated ahead of workshop	Clare Budden	Tenants and other stakeholders are unlikely to understand in full the implications of self financing