

Committee: Community and Housing

Agenda Item

Date: 15 March 2011

6

Title: Housing Revenue Account 30 Year Business
plan, 2012/13 – 2042/43

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Item for note

Summary

1. The Government issued on 1 February its proposals to reform the Housing Revenue Account with the withdrawal of the housing subsidy system which builds upon previous rounds of consultation for HRA reform. It forms part of the Localism Bill which should receive royal assent in the autumn securing the reform of the HRA from April 2012.
2. One of the major implications of this new legislation is that UDC Housing Revenue Account will be required to take on and service a debt of £86.2million.
3. CIH Consult has been appointed to work with council officers to ascertain the sustainability of the Housing Revenue Account under this new legislation.
4. The attached report seeks to identify the financial position under both the current and proposed scenarios for pure comparison though it should be acknowledged that self-financing will be introduced in April 2012.

Recommendations

5. The Committee is recommended to note the information, as set out in the report.

Financial Implications

6. Revenue implications as set out in the report. A further report will be presented once Treasury Management guidance details are confirmed.

Background Papers

7. DCLG 'Implementing self-financing for council housing' Feb 2011

Impact

8.

Communication/Consultation	Detailed in the report.
Community Safety	No specific implications.
Equalities	No specific implications.
Finance	Detailed in the report.
Health and Safety	No specific implications
Human Rights	No specific implications.
Legal implications	No specific implications.
Sustainability	No specific implications.
Ward-specific impacts	No specific implications.
Workforce/Workplace	No specific implications.

Risk Analysis

9.

Risk	Likelihood	Impact	Mitigating actions
Sustainability of the HRA	1 – officers are already applying sensitivity analysis to all key assumptions	4 – high due to the large amounts of borrowing and expenditure involved	Continue to work with specialist consultants over the long term business plan

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix A



Uttlesford District Council

**Housing Revenue Account
30 Year Business plan, 2012/13 – 2042/43**