



Meeting(s):	Development Committee Policy and Resources Committee Shetland Islands Council	8 February 2017 13 February 2017 15 February 2017
Report Title:	Housing Revenue Account (HRA) Business Plan 2017-2022	
Reference Number:	DV-16-17-F	
Author / Job Title:	Anita Jamieson / Executive Manager - Housing	

1.0 Decisions / Action Required:

- 1.1 That the Development Committee RECOMMEND that the Policy and Resources Committee RECOMMEND that the Council approves the Housing Revenue Account (HRA) Business Plan 2017-2022 (Appendix A), as part of the Council's Policy Framework, to be managed by the Development Committee.

2.0 High Level Summary:

- 2.1 The HRA Business Plan draws together the financial, property and customer aspects of the Housing Service to demonstrate a sustainable and affordable service to tenants. The Business Plan is supported by 30 year financial modelling and projections, an Asset Management Strategy (Appendix B) and a refreshed Tenant Participation Strategy (Appendix C). The Business Plan looks at a five year window of operation but will be refreshed annually in line with the Medium Term Financial Plan and will be used to form the basis of the HRA budget process.

3.0 Corporate Priorities and Joint Working:

- 3.1 'By the end of this Plan (2020), we want to be known as an excellent organisation that works well with our partners to deliver sustainable services for the people of Shetland.'
- 3.2 The proposed Business Plan aligns with the vision set out in the Corporate Plan, in seeking to demonstrate to our tenants, applicants, the public and those we are accountable to, that the HRA is financially sustainable and that it seeks to provide a quality service to its customers.

4.0 Key Issues:

- 4.1 This is the first time that there has been a holistic plan for the Housing Revenue Account (HRA). The HRA was for many years driven by the high level of historic debt and the resolution of the outstanding debt has provided a clear opportunity to think and plan differently for the future to ensure the sustainability of the service. Over the initial five year period of the Plan, the priority will be to ensure that sufficient investment is made in the existing housing stock to ensure that it meets the appropriate national standards, that rents are maintained at an affordable level and that tenants continue to be included in shaping the service provided by their landlord.

5.0 Exempt and/or Confidential Information:	
5.1	None.
6.0 Implications :	
6.1 Service Users, Patients and Communities:	Existing tenants will benefit from the reassurance that the service is sustainable and that a degree of certainty can be provided on future investment and rent levels.
6.2 Human Resources and Organisational Development:	The Business Plan identifies priority areas for service review to ensure that we meet the service needs.
6.3 Equality, Diversity and Human Rights:	No specific implications.
6.4 Legal:	The operation of the Housing Revenue Account is set out in the Housing (Scotland) Act 1987 and subsequent amendments. The statutory provision of tenant participation is contained in the Housing (Scotland) Act 2001.
6.5 Finance:	The financial modelling is key to the demonstration of a sustainable and affordable service over time. The work done has demonstrated that the account is sustainable over the long term view. The modelling will form the basis of the annual business plan and budget reviews and will assist greatly in providing certainty on expenditure and income to the account including rent levels.
6.6 Assets and Property:	The development of an Asset Management Strategy provides a clear future plan of investment based on robust survey data. This will shift spending patterns away from reactive repairs and move to a planned, component –based system. Information on assets and their condition will also be improved.
6.7 ICT and New Technologies:	The current Housing Management system is designed to be integrated across the service and there are no additional implications as a result of the HRA Business Plan.
6.8 Environmental:	Through the Asset Management Strategy we will be looking at ensuring we have efficient procurement procedures and practices that meet the Council’s environmental obligations.

6.9 Risk Management:	<p>The greatest risk of not having an HRA Business Plan in place is the need to plan holistically around the parts of the service and to ensure that investment decisions are taken in a balanced way, which can weigh up the relevant risks. The financial modelling is able provide ‘what-if’ scenarios to assist with appropriate decision making.</p>	
6.10 Policy and Delegated Authority:	<p>In accordance with Section 2.3.1 of the Council’s Scheme of Administration and Delegations, the Development Committee has delegated authority to take decisions in relation to those functions within its remit which includes Housing. It is appropriate therefore that the Development Committee consider and decide on the HRA Business Plan and its associated appendices.</p> <p>In accordance with Section 2.2.1 of the Council’s Scheme of Delegations, Policy and Resources Committee has referred authority to recommend the inclusion of strategies contained in the Policy Framework, for final determination and approval by the Council (Section 2.1.3.2).</p>	
Previously considered by:	n/a	n/a

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02 February 2017

Appendices:

Appendix A - Housing Revenue Account Business Plan 2017-2022
Appendix B - Asset Management Strategy
Appendix C - Tenant Participation Strategy

Background Documents: None