

<b>Committee(s):</b> Housing Management Sub Committee	<b>Date(s):</b> 22 November 2012
<b>Subject:</b> Housing Revenue Account (HRA) Quarterly Business report	<b>Public</b>
<b>Report of:</b> Director of Community & Children’s Services	<b>For Information</b>
<b>Ward (if appropriate):</b>	
<p style="text-align: center;"><b><u>Summary</u></b></p> <p>This report presents to members the first HRA business report which provides members with an overview of the key business performance as linked to the HRA Business Plan, which was approved by Members March 2012.</p> <p>The report will become a quarterly report to ensure Members are kept briefed on the high level business factors affecting the HRA. As this is the first one, it covers a six month period: April-September 2012.</p> <p>The full HRA business report is attached as Appendix 1 and is divided into 5 sections:</p> <ul style="list-style-type: none"> <li>• Progress against vision and strategic objectives</li> <li>• Risk Management</li> <li>• Financial profile</li> <li>• Performance</li> <li>• Customer feedback/satisfaction</li> </ul> <p><b>Recommendations</b></p> <p>Members are asked to</p> <ul style="list-style-type: none"> <li>• Note the content of this report and continue to receive updates.</li> </ul>	

## **Main Report**

### **Background**

1. The City of London Corporation (CoLC) owns and manages a portfolio of socially rented properties through its Housing Revenue Account (HRA). The HRA became self-financing in April 2012 with the commencement of a new HRA business plan, as was a requirement by Government. The HRA business plan is based upon a 30 year financial profile of the HRA services which allows greater long-term planning of HRA services.
2. The HRA is still legally ring-fenced from the City Fund and because it is self-financing it is essential that Members are able to monitor the performance and delivery of the HRA business plan. This new report aims to provide Members with the essential information in order to carry out this role effectively.

### **Current Position**

3. The full business report is attached as Appendix 1 and sets out for Members the critical factors that govern and influence the HRA. Within this it includes the headline budgetary position as compared to the 30 year profiled financial position contained within the HRA business plan that members approved in March 2012, and key performance results for business critical services.
4. This new report allows for previously separate reports relating to customer feedback and performance to be brought together in one place for Members to gain the overall picture of the HRA, along with key financial and risk information.
5. The Housing Services Director and senior managers now meet regularly to oversee the HRA business plan to ensure delivery and that risk management is carried out effectively.

## **Financial and Risk Implications**

6. The HRA business report attached as Appendix 1 has a financial section and a risk management section which set out the business critical factors for Member. The report sets out the headline budgetary position for the HRA, as compared to the 30 year financial profile position. This does not replace the usual detailed HRA budgetary report. It also sets out the financial modelling that has been carried out as a result of the Government's welfare reforms which pose the greatest single risk to the delivery of the HRA services.

## **Strategic Implications**

7. By providing Members with the key business critical factors impacting upon the HRA, this report is designed to become a foundation for future strategic decision making in relation to the HRA. The report will become the main business tool for senior officers and Members to manage the HRA and make future strategic decisions affecting major expenditure, along with managing risks and resources.
8. It is also the intention to produce the quarterly reports on-line for the benefit of residents and other stakeholders. This ensures transparency in the running of the HRA service and a framework to report back to tenants on delivery of the HRA business plan (all tenants received a summary copy in May 2012).
9. The report may also provide an ideal foundation to develop new forms of resident engagement in the monitoring of the HRA business plan, as is required by the national standards for social housing. These mechanisms will be explored and developed as appropriate over the next 6 months in conjunction with tenants, and resident associations.

## **Consultees**

10. Town Clerk, Chamberlain, Solicitor

## **Conclusion**

11. This report presents the first of the new HRA Business reports which is designed to ensure Members have all information in one place to monitor the overall performance of the HRA service according to the HRA business plan and 30 year financial profile. The full report is attached as Appendix 1 and will be published on-line on the Housing Services web pages and given to Resident Associations to ensure transparency in the running of the HRA.

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