

# REPORT TO COUNCIL

REPORT OF: Director of Tenancy Services

REPORT NO.: TSE33

DATE: 22<sup>nd</sup> January 2009

<b>TITLE:</b>	Financial Issues facing the Housing Revenue Account
<b>FORWARD PLAN ITEM:</b>	No
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	n/a

<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	No	
<b>COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Cllr P. Carpenter, Portfolio Holder for Corporate Governance and Housing	
<b>CORPORATE PRIORITY:</b>	Quality Organisation.	
<b>INITIAL IMPACT ASSESSMENT:</b>	<b>Carried out and appended to the report:</b>	<b>Full impact assessment required:</b>
Equality and Diversity	n/a	-
Crime and Disorder	n/a	-
Risk	n/a	-
Climate Change	n/a	-
Health and Safety	n/a	-
Data Quality	n/a	-
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Local Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS:</b>	None	

## **1. INTRODUCTION**

- 1.1 The purpose of this report is to raise members' awareness of the key financial issues facing the Housing Revenue Account (HRA), prior to the budget setting report that will be presented to the Council meeting in March.
- 1.2 Further details of these issues will be given in a presentation to the council meeting on 22<sup>nd</sup> January 2009.

## **2. RECOMMENDATION**

- 2.1 That Council notes the position of the HRA and the financial issues it faces.

## **3. DETAILS OF REPORT**

- 3.1 The HRA records expenditure and income relating to our council properties and the provision of services to tenants. This includes management and the repair and maintenance of the stock and the rent and income from other sources such as garages. The HRA is 'ringfenced' account.
- 3.2 There are a number of financial pressures facing the HRA in the short term and medium term. These issues include:
  - Rising customer expectations
  - Increasing negative subsidy payments having to be paid to the government
  - Reducing expenditure levels
  - Limitations on rent increases
  - The potential implications of the results of the Stock Condition Survey.
- 3.3 These issues result in the HRA not being sustainable in the medium term.
- 3.4 The presentation which will be given at the Council meeting will provide more detail on these issues and suggest potential ways of addressing them.

#### **4. COMMENTS OF SECTION 151 OFFICER**

There are significant budget issues facing the Housing Revenue Account (HRA) in both the short and medium term which will need to be addressed in both the HRA business plan and reflected in the financial budgets. The budgets will be presented to Council at the meeting on 2 March 2009. The purpose of the presentation is to provide members with a summary of the main issues.

#### **5. COMMENTS OF MONITORING OFFICER**

It is important Council is informed of issues with budgetary implications prior to the budget setting meeting.

#### **6. CONTACT OFFICER**

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