

Housing Revenue Account Reform – Project Outline – Version 1.7

Aim of the Project

The Project Group was convened to lead on Taunton Deane Borough Council's response to Government's reform of Housing Revenue Account arrangements. These are set out in the CLG's document 'Implementing Self Financing for Council Housing', which includes plans to radically change Council Housing finance. The negative subsidy system is to be replaced by a self financing model. This Project Group is designed to guide Taunton Deane Borough Council's services through this process efficiently and to enable Full Council to reach a considered decision on a new HRA business plan.

The project is divided into three broad phases that will collectively deliver the associated outcomes by April 2012, as outlined below:-

1. Policy & Priority Review Including the Development of the Outline Business Case
 - Outline current position costs and performance
 - Agree new Asset Management Plan
 - Profile expected income position
 - Engage all appropriate stakeholder groups
 - Clarify Stakeholder aspirations for the service
 - Produce Business Plan based on current position
 - Identify key policy issues where decisions need to be made
2. Agreement of Business Plan
 - Confirm key housing related policies to be incorporated in modelling
 - Agree a robust and affordable 30 year business plan for housing
3. Finalising Financial Arrangements
 - Agree updated treasury and accounting policies to reflect self financing regime.
 - Agree and implement funding
 - Agree and design plans for monitoring financial performance and control.

Summary of Project Work Packages

Ref No.	Work Package	Lead	RAG Status
1	Treasury Management	Maggie Hammond	
2	Data Checking	Fiona Gudge	
3	Financial Controls/Accountancy Changes	Paul Fitzgerald	
4	Affordable Housing	Martin Daly	
5	Policies/Best Practice	Martin Price	

6	Income Management	Stephen Boland	
7	Business Plan	Stephen Boland	
8	Stakeholder Engagement	Martin Price	
9	Assets	Phil Webb	
10	Baselining/Benchmarking	Stephen Boland	

Workstream Quality

All Workstream Leads will be required to ensure their workstreams consider and incorporate the following:-

- Equalities Impact Assessments (where required)
- Impacts on partners and any engagement / communications required with them
- Risk Assessment and proposed mitigation
- Timetable/milestones for the project
- Member/Tenant Governance

Each Workstream Lead will be responsible for completing a work package and forwarding the work package to the Project Manager.

Work packages will be signed off as completed and having met specification by the Project Sponsor at a fortnightly Project Group Meeting.

Governance and Responsibilities (please refer to Appendix A)

The following governance and roles are proposed to ensure accountability of the project and its outcomes:-

Members Change Steering Group – cross-party representation to oversee project progress and take ownership of the end results. The Project Manager will provide monthly highlight reports on project progress and individual Workstream Leads will report on an ad-hoc basis, as and when required.

Project Sponsor – Accountable for the success of the project; authorises resources; provides direction; provides visible support to Project Manager; authorise work packages as fit for purpose. Key role includes ensuring project stays focussed on objectives, ensure value for money, ensure deliverables meet project needs and responsible for business case.

Project Lead - The Project Lead will have the following responsibilities:-

- Be directly accountable for the delivery of the project by producing agreed outputs to the required specification and quality within budget.
- Maintain close liaison and communication with key stakeholders.
- Provide day to day direction to the project, respond to project issues and take decisions to ensure project maintains momentum and that the timetable is achieved.

- Ensure that communications with internal and external stakeholders are effective.
- Manage the key strategic risks facing the project.
- Meet with the Project Manager frequently to review progress of the project.
- Commission and chair reviews during the project to ensure alignment with objectives, capability of delivery and measurable achievement of benefits.

Project Manager - The Project Manager will have the following responsibilities:-

- Design and agree work packages for each subgroup that have clearly defined outcomes, timescales, quality levels etc
- Liaise with Workstream Leads to monitor progress and help address any issues
- Report back to the Project Group on progress, issues, delays, completed work packages etc.
- Maintain a Risk Register
- Review lessons learnt from previous projects including the HRA Reform Project.
- Manage information flows between different levels of the project

Workstream Lead – Ensure delivery of different work packages assigned by the Project Manager on time and to required quality. Report back to the Project Manager on progress, issues and delays.

The Workstream Lead is expected to keep the Project Manager abreast of progress and on any issues arising that will lead to delays or changes to the required outputs.

Workstream Leads will also be requested to attend a fortnightly Project Group Meeting to share progress with the Project Sponsor, Project Manager and other Leads and to make links between the workstreams. The project will develop iteratively, with workstream results linking into each other and therefore these meetings will be critical to ensure shared communication.

On occasions, Workstream Leads will be required to report findings / progress to stakeholder groups including tenants and staff, which will be arranged through the ‘Stakeholder Engagement’ workstream as well as to CMT and a Members Change Steering Group.

Project Group Meetings – Fortnightly Project Group meetings will include the Project Sponsor, Project Manager and Workstream Leads. Workstream Leads will provide updates, share issues, make requests and ensure cross-working on workstreams.

Tenant Services Management Board – The TSMB will be briefed on the aim of the HRA Reform Project Group and will be kept updated on the progress of the project. The TSMB provide vital tenants’ input to the project.

CMT Steering Group – CMT will be used as a sounding board / steering group to challenge the findings of the project and add value. The Project Manager will circulate workstream dashboards to CMT and update them on key issues monthly.

Unison Change Forum – Progress will be reported periodically to the Unison Change Forum.

The proposed governance structure is shown as Appendix A.

Proposed Timetable:

Phase	Description	From	To
Project Start Up	Agree workstreams, aims of the project, governance etc.	March 2011	April 2011
1	Policy & Priority Review & Development of Outline Business Case	April 2011	October 2011
2	Agreement of Business Plan	November 2011	March 2012
3	Finalising Financial Arrangements	November 2011	March 2012

DRAFT

Project Work Packages

Title	1. Treasury Management
Lead Officer	Maggie Hammond
Description	Borrowing the current amount from the markets that meets the 30 year business plan.
Outcome	Funds borrowed in time to pay the CLG & best borrowing rates having been achieved.
Potential risks	Insufficient funds borrowed, The borrowing not matching the business plan, Events occurring within the HRA which means we can't meet borrowing costs, Risks around lenders options e.g. LOBO'S.

Ref	Outputs Required	Target Date	Dependencies
1.1	List of options for borrowing including rates and other borrowing terms & conditions.		
1.2	Funds in for paying CLG on the required date	28/3/12	CLG changing the date for payment and the value we need to borrow.
1.3	Borrowing that matches the business plan.		Business plan being drawn up as early as possible, so we know what we need to borrow.

Title	2. Data Checking
Lead Officer	Fiona Gudge
Description	To complete the annual returns forms and send them to the CLG.
Outcome	TDBC complete the requirements of the CLG.
Potential risks	Potential for TDBC to be fined by the CLG if forms are not returned.

Ref	Outputs Required	Target Date	Dependencies
2.1	Complete the first advance form	31.3.11 – CLG has extended this deadline until the 7/4/11	Receiving accurate data from other TDBC departments.
2.2	Complete the second advance form	Fiona to check	Receiving accurate data from other TDBC departments.
2.3	Complete bases date return	Issued 06/11 – return 08/11	Receiving accurate data from other TDBC departments.

Title	3. Accountancy Changes
Lead Officer	Paul Fitzgerald
Description	Define and implement new HRA accounting structure
Outcome	New accounting structures fully implemented for 2012/13 financial year onwards
Potential risks	Capacity within SW1 Finance, Need to change SAP, Delayed CIPFA guidance, Availability of Housing Stock Valuation Information

Ref	Outputs Required	Target Date	Dependencies
3.1	Update MTFP (Medium Term Financial Plan) -Draft 1 -Draft 2 -Final Version	July 2011 Nov 2011 Jan 2012	Government announcing TDBC exact debt settlement figure.
3.2	Set up arrangements to account for the debt and its repayment: -Existing Debt -New Debt	Sept 2011 Jan 2012	Arlingclose analysis of capital debt. Settlement figures confirmed
3.3	Produce separate balance sheet for the HRA -Restated 2010/11 Balance Sheet under new structure -2011/12 Balance Sheet under new structure	Sept 2011 June 2012	Availability of Accounting Regulations and CIPFA Guidance
3.4	Overhaul HRA Coding Structure	Sept 2011	Aim to deliver management reporting and statutory reporting with single structure
3.5	Prudential Indicators for need to be updated & formally approved (probably split between GF and HRA, whereas currently combined)	Sept 2011	Linked to Treasury Policy. Legislation being passed in July

3.6	Policy for debt repayment ("MRP" = Minimum Revenue Provision) needs to be revised & updated	Sept 2011	Needs to be updated at the same time as the Prudential Indicators
3.7	Update depreciation policy and practices, including componentisation, of housing stock assets	Oct 2011	CIPFA Guidance. Could have ongoing finance resource implications

DRAFT

Title	4. Affordable Housing
Lead Officer	Martin Daly
Description	To identify and codify plans for housing enabling, redevelopment and regeneration plans that could have an impact on the HRA
Outcome	A clear understanding of future housing plans and their impact on the HRA
Potential risks	Analysis not comprehensive enough. Information not available.

Ref	Outputs Required	Target Date	Dependencies
4.1	Identify and map in a structured way the location, scale and likelihood of future housing developments involving HRA assets	1 st July	Input from Growth and Strategy Team Staff
4.2	Present findings to Project Team to enable further analysis	19 th July	Project Team meeting
4.3	Evaluate extent of any conflicts between HRA and housing plans	1 st August	Input from Project Team
4.4	A clear steer on future affordable housing priorities and the HRA	31 st August	Input from the Project Team

Title	5. Policies/Best Practice
Lead Officer	Martin Price
Description	To identify and make recommendations on relevant HRA policies and best practice
Outcome	Clear information to aid challenges and decision making
Potential risks	Analysis not rigorous enough

Ref	Outputs Required	Target Date	Dependencies
5.1	Analysis of relevant good practice and HRA reform policies	27 th May	Availability of best practice
5.2	Identify operational areas to benefit from review of policies and best practice	31 st May	Agreement from housing management
5.3	Prioritise operational areas for review and timetable actions	31 st May	Agreement from housing management
5.4	Report initial findings and recommendations to project team	7 th June	Learning from research
5.5	Codify analysis in a clear, logical and accessible format	21st June	Input from Project Team
5.6	Integrate findings and recommendations with project plan	19th July	Work with Project Manager

Title	6. Income Management
Lead Officer	Stephen Boland
Description	
Outcome	
Potential risks	

Ref	Outputs Required	Target Date	Dependencies
6.1	Provide data on current levels of debt, including current rent arrears, FTA, Void Management.		
6.2	Provide 2011 projected income for the Housing Service.	May 2011	
6.3	Ensure effective income management arrangements are in place across the service.	Throughout 2011/12	Outcomes of Budget Review Programme & Outcomes of the HRA Settlement.

Title	7. Business Plan
Lead Officer	Stephen Boland
Description	Draft specification that will lead to commissioning of consultants who will help us produce a HRA Business Plan 2012-2042, which reflects TDBC Housing Services aspirations and objectives and understands the environment in which the service operates.
Outcome	HRA Business Plan 2012-2042 for the Housing Service.
Potential risks	Overrun on timescales for producing the business plan.

Ref	Outputs Required	Target Date	Dependencies
7.1	Produce a business plan specification brief and circulate to project group officers.	8/4/11	Asset Management Strategy
7.2	Approach several firms of consultants who have experience in delivering HRA Business Plans (i.e. strategic documents & action plans).	21/4/11	
7.3	Select preferred consultant.	End of April 2011	
7.4	Begin work with consultant on formulating business plan.	May 2011	
7.5	Complete business planning work.	?	

Title	8. Stakeholder Engagement
Lead Officer	Martin Price
Description	Provide opportunities for all stakeholders, including tenants, Councillors and staff, to be informed of the HRA Reform Project and its aims by using a variety of methods of communication.
Outcome	Fully informed Stakeholders who were provided with the opportunity to comment on the HRA Reform Project.
Potential risks	Capacity within Tenant Empowerment Team

Ref	Outputs Required	Target Date	Dependencies
8.1	Identify stakeholders to ensure all receive clear and accurate information. These include: <ul style="list-style-type: none"> ➤ Tenants ➤ Councillors ➤ Staff ➤ Community and voluntary groups ➤ Partners ➤ Other public service providers 	May 2011	
8.2	Identify stakeholders' respective information and consultation requirements	May 2011	
8.3	Ensure all information is up to date and accurate on Sharepoint site	Throughout 2011/12	
8.4	Identify key Project Group members who are accessible to stakeholders	May 2011	
8.5	Hold events in the JMR at key points during the project to inform staff of the project.	Throughout 2011/12	

8.6	Post articles in the Core Brief to inform staff of the project and key milestones.	Throughout 2011/12	
8.7	Set up FAQ'S to help anticipate difficult questions and ensure clear and consistent answers to them.	Throughout 2011/12	
8.8	Brief Councillors as part of their "Post Election Induction"	June 2011	
8.9	Brief all tenant groups including Tenant Services Management Board, Tenants' Forum, Sheltered Housing Forum and Tenant and Resident Association	Throughout 2011/12	
8.10	Brief a wider tenant audience by use of tenant newsletters and utilise websites and satellite offices.	Throughout 2011/12	
8.11	Record comments and feedback from consultation to update Project Group	Throughout 2011/12	

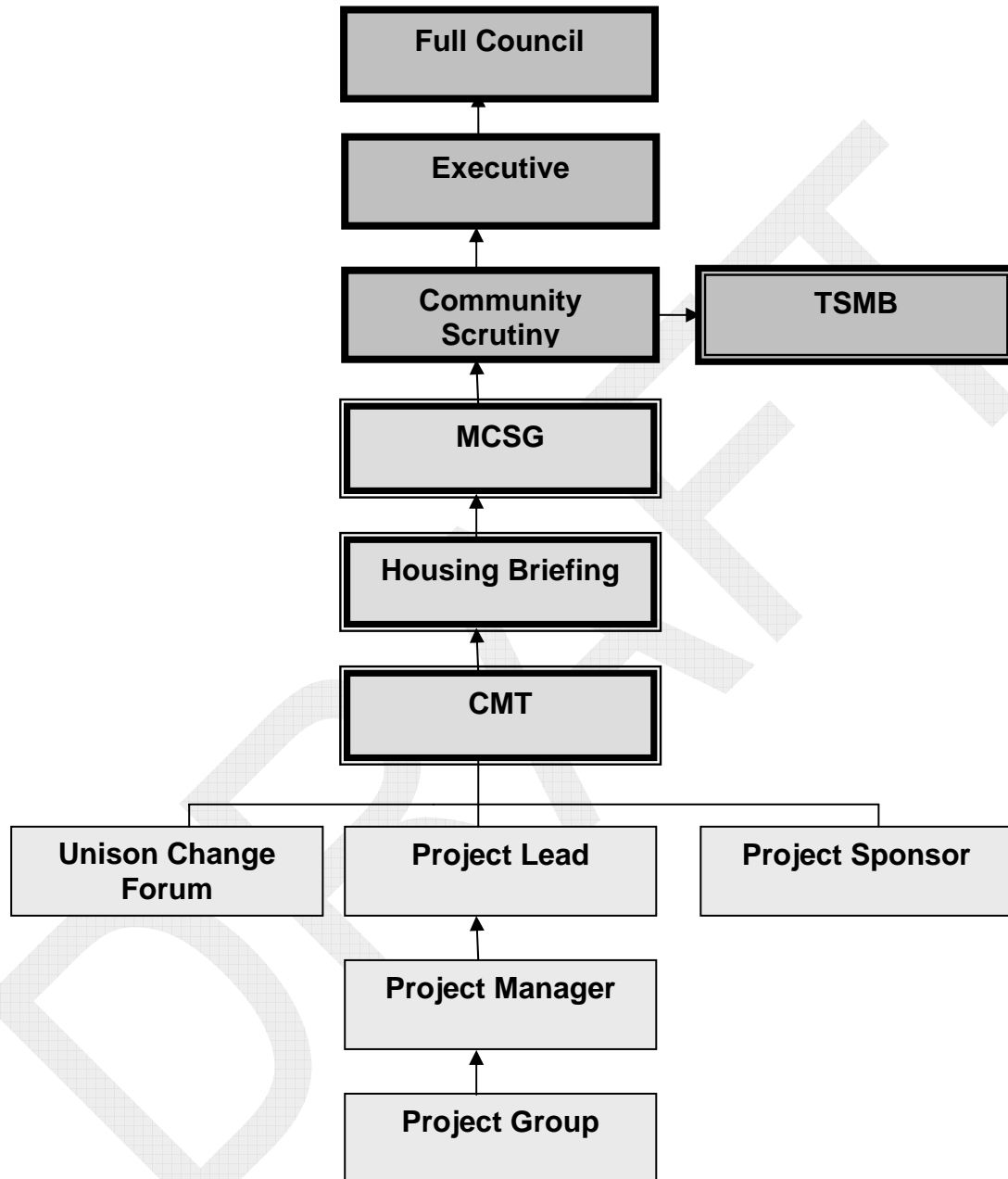
Title	9. Assets
Lead Officer	Phil Webb
Description	Housing Stock Assets including information and possible options for future use
Outcome	Full Picture of Housing Asset Condition and Robust and Affordable 30 Year Business Plan
Potential risks	

Ref	Outputs Required	Target Date	Dependencies
9.1	Work through draft HAMP from HQN to update and improve	27/05/11	Input from others in HA team
9.2	Finalise HAMP	27/05/11	Input from others in HA team
9.3	Assist HQN with preparation and delivery of 30 year Business Plan	Sept 2011	HAMP and input from others in team
9.4	Supply of information to enable the above	Ongoing	Access to relevant information

Title	10. Baselineing/Benchmarking
Lead Officer	Stephen Boland
Description	Performance measuring of core landlord services, against which standards can be set and performance monitored.
Outcome	Strong local approach to performance management, coupled with accountability to tenants.
Potential risks	Lack of staff time to complete Housemark DCF by target date.

Ref	Outputs Required	Target Date	Dependencies
10.1	TDBC's 2011 tenant STATUS survey report. TDBC's survey results to be compared with a selected peer group of social landlords that have undertaken the STATUS survey in recent years. TDBC's 2011 tenant STATUS survey results to be compared with TDBC previous survey results i.e. 2006 and 2008.	29 th April 2011	
10.2	Community Services Scorecard Performance Report 2011 / 2012 Key performance management information obtained on a quarterly basis throughout the year that is available to assist in the monitoring of key financial estimates.	Quarterly throughout year – 2011/12	
10.3	Completion of HouseMark Core Benchmarking System - Data Collection Form (DCF). This will lead to TDBC being able to make value for money assessments of service operations across the broad range of activities in terms of costs, resources and performance. This 'baseline' information can then be used internally and externally, within the HouseMark system, to assess performance.	DCF completed May 2011	Allocating sufficient staff time to complete the DCF. HouseMark Validator satisfied with the integrity of data submitted. Satisfactory upload of data outputs on to Housemark website.

Appendix A: Proposed Governance



Taunton Deane Borough Council

Tenant Services Management Board – 17th May 2011

Housing Revenue Account Reform Project

Report of Rosie Reed – Tenant Services Development Officer and Project Manager for Housing Revenue Account Reform Project

1.0 Executive Summary

The Project Group was convened to lead on Taunton Deane Borough Council's response to Government's reform of Housing Revenue Account (HRA) arrangements. These are set out in the CLG's document 'Implementing Self Financing for Council Housing', which includes plans to radically change Council Housing finance. The negative subsidy system is to be replaced by a self financing model. This Project Group is designed to guide Taunton Deane Borough Council's services through this process efficiently and to enable Full Council to reach a considered decision on a new HRA business plan.

The Community Services Manager will discuss in more detail the attached Housing Revenue Account Reform – Project Outline – Version 1.7 at the TSMB meeting on 17 May 2011. Please note that this document is in draft format until the Project Group meeting on 10 May 2011.

2.0 Background

The project is divided into three broad phases that will collectively deliver the associated outcomes by April 2012, as outlined below:-

1. Policy & Priority Review Including the Development of the Outline Business Case
 - Outline current position costs and performance
 - Agree new Asset Management Plan
 - Profile expected income position
 - Engage all appropriate stakeholder groups
 - Clarify Stakeholder aspirations for the service
 - Produce Business Plan based on current position
 - Identify key policy issues where decisions need to be made

2. Agreement of Business Plan

- Confirm key housing related policies to be incorporated in modelling
- Agree a robust and affordable 30 year business plan for housing

3. Finalising Financial Arrangements

- Agree updated treasury and accounting policies to reflect self financing regime.
- Agree and implement funding
- Agree and design plans for monitoring financial performance and control.

3.0 Financial Implications

The project has a large impact on future of HRA funding in TDBC.

4.0 Links to Corporate Aims (Please refer to the current edition of the Corporate Strategy)

Proposals have the potential to impact on the Corporate Aims: Tackling Deprivation and sustainable Community Development; Regeneration; and Affordable Housing

5.0 Recommendations

It is recommended the Tenant Services Management Board:

- Receive and note the attached Project Outline;
- Receive and note the presentation of the Community Services Manager at the TSMB meeting;
- Comment on the current and future work of the Project Group

Contact: Rosie Reed – Tenant Services Development Officer
Direct Dial No 01823 356327
e-mail address r.reed@tauntondeane.gov.uk