Business Planning in the Housing Revenue Account

Briefing Paper

September 2020

The Briant Estate in Lambeth, London.

Introduction

This briefing paper looks at how local authorities can update their housing revenue account business plans.

Business Planning has been an important element of the management of council housing for some time. However, we are now operating in a very uncertain environment, not least because of Coronavirus and the implications of Britain leaving the European Union.

The public finances are weak; welfare reform is a 'work in progress'; government policy on housing and its integration with social care & health are unclear. Demographic change continues to put pressure on housing services.

This requires a new way of business planning including a robust approach to the development of strategy, financial forecasting, sensitivity analysis, risk management and contingency planning.

What are the Key Elements of a good quality Housing Revenue Account Business Plan?

It is often considered that a business plan has two important elements:

- An analysis of the business and its environment that leads to the identification of a strategy
- The production of a financial plan

It is important to set a business plan in its strategic context as it is part of the suite of strategic documents that a Council should possess. There should be a clear 'golden thread' that runs from the Council's corporate strategy through the Housing Strategy to the Housing Business Plan. The Housing Business Plan should address how the Council's housing business is to assist in the delivery of the Council's corporate objectives.

High-level objectives may therefore be taken from the Council's corporate documents but there will be a need to develop them further into the detailed objectives of the housing service. Having identified the objectives there is then a need to consider priorities, for without this, the objectives would form little more than a 'wish list'. There is then a need to consider what options exist for the achievement of these objectives and which of those options should be taken.

There are two important questions to ask in preparing a business plan strategy.

First, what environment are you operating in? This question is often answered by carrying out a 'PEST analysis that looks at the political, economic, social & technological factors that influence the organisation and how these are likely to change in the future. At the present moment, a 'PEST analysis' for a local authority housing service would be likely to include changes to government policy (political), the increasing lack of affordability of housing (economic), demographic change (social) and developments in information technology (technical).

Second, how prepared is your organisation? This question is often answered by carrying out a 'SWOT' analysis that looks at the strengths and weaknesses of the organisation and the opportunities & threats that it faces.

The business plan should demonstrate that the Council can balance income and expenditure in the long-run avoiding an illegal cumulative deficit while meeting capital financing costs and other obligations and achieving and maintaining the decent homes standard. Councils will therefore need to consider:

- Interest rates, inflation, level of service and investment
- Rents & service charges, stock numbers, voids and arrears including:
    - The effect of national rent policy, inflation, and options around social and affordable rents.
    - The effect on stock levels of 'right to buy'.
    - Whether service charges are fully recovered.
    - Control of voids and bad debts in the light of welfare reform.
- The scope for generating commercial income.
- Debt financing & repayment.
- Right to buy sales and capital receipts.
- Efficiencies in management and maintenance budgets, service reconfiguration, performance improvement.
- The need for balances going forward.
- Long term asset management investment proposals.
- Sensitivity Analysis.
- Whether zero based budgeting would be appropriate.
- Whether 'headroom' is needed in the housing revenue account to provide resources to support the capital programme.

A sustainable housing revenue account business plan will consider the following about capital expenditure:

- Expenditure
  - A Robust stock condition survey is required to identify what capital investment is required in the housing stock.
  - Consultation with tenants on a local standard is required to identify the standard to which homes will be improved and maintained.
  - New Build – what level of new build programme is to be carried out and what it will cost.
- Financing
  - The Major Repairs Reserve is now financed through depreciation and is available to finance major repairs
  - Support from the Revenue Account for prudential borrowing or revenue contributions may be required
  - The level of Capital Receipts needs to be estimated and decisions taken about their use. This may have an effect on other programmes
  - Government Grants and other contributions may be available especially if it is intended to build new homes or carry out regeneration schemes

One objective of the business plan should be to assess the extent to which ‘value for money’ is currently being achieved and what should be done to secure improved ‘value for money’.

Economy, Efficiency and Effectiveness are defined as follows:

- Economy - This relates to minimisation of the costs of inputs (For example, reducing the salary costs of a staff team working in a call centre or the cost of a new Information Technology system).
- Efficiency - This is concerned with maximising the outputs produced from these inputs (For example, increasing the number of repairs completed by each operative every week, or the number of calls answered by a Call Centre worker)
- Effectiveness - This relates to achieving the desired outcomes. In the housing context these should be the outcomes desired by customers (For example, are residents happy that a call centre dealt with their query at the first time of asking or are repairs done to the customers satisfaction).

Inputs, Outputs, Outcomes and Processes are defined as follows:

- Inputs – These are the resources used to produce the actions that produce the outputs. Input measures are not just about quantity as the quality is just as important.
- Outputs – These are the goods or services, their quality, quantity or level, produced by an organisation. Output measures support the daily management of services
- Outcomes – These are the impacts of the organisation’s actions. Outcome measures show how well the organisation is achieving its objectives and whether the underlying problems still exist or have changed. Outcomes can also refer to impacts of people’s behaviour or attitudes so qualitative measures are also relevant. Outcomes can be hard to measure, or data hard to collect, especially where the impact is in the future or it is hard to quantify the organisation’s contribution to changes in the environment.
- Processes – These are the actions that create or deliver outputs. Process measures can help to identify how well actions contribute to outputs; where problems are developing, targets are not being met and how resources could be targeted better.

Business plans should ideally be prepared in consultation with partners and residents. Consultation with partner organisations should help to establish the Strategic Context in which the service operates, and the opportunities that exist for joined-up working including the packaging of contracts.

Consultation with tenants and leaseholders should cover the following issues:

- Strategic Context – what strategic objectives are important to residents?
- Level of satisfaction with current performance.
- Views on relative priorities for action.
- Selection of Options.
- Monitoring progress.
- Accessibility of documentation – documents should be capable of being easily understood by a wide audience. Tenants and Leaseholders need to understand the process and the models.
- Active tenant and leaseholder representatives may wish to be closely involved in the process whereas other residents may wish to have limited involvement – for example through completing a questionnaire.

Business plans need to be under-pinned by a robust stock condition survey. This not only provides reliable information on which to base forecasts for revenue repairs budgets and capital programmes; but also provides the data that is needed to develop an effective asset management strategy.

The current level of performance of financial and non-financial aspects of the business should be identified and compared with targets, aspirations, and performance elsewhere. This will identify where improvements to performance need to be made so that these can be incorporated into the business plan.

What is the political, economic, social, and technological environment in which local authority housing services operate? What are the key uncertainties?

The environment in which local authority housing services currently operate is characterised by uncertainty.

The Conservative Party won an overall majority in the general election held on 12th December 2019. However, their manifesto was remarkably light on detail. The policies relevant to local authority housing finance include:

- Building a million new homes over five years. This is a reduction from the current policy of building 300,000 a year and does not include any target for affordable homes.
- Renewal of the Affordable Homes Programme in the Spring Statement (this is now delayed)
- A Social Housing White Paper, which was originally due in Spring 2019 that would set out further measures to empower tenants and supply social homes

The target of a million homes is a substantial downgrade on the previous target of reaching 300,000 homes a year by the mid-2020s that was set in 2017. It is also 41,000 fewer homes a year than the current rate of net supply that reached 241,000 in November 2019 suggesting a belief that this figure represents a peak. The party did not set a target for affordable housing but did pledge to renew the Affordable Homes Programme in the Spring Statement. The manifesto does not mention social housing so it may be assumed that any affordable housing that would be built would be housing with rents set at 80% of market levels. Many in the sector consider that government should set a target to build a significant number of affordable homes including a significant number of social homes.

The second Queen's Speech of 2019 was delivered on 19th December 2019. Specific measures include:

- To ensure residents are safe in their homes, the government will bring forward measures to implement the most urgent recommendations from the first phase of the Grenfell Tower Public Inquiry. They will also publish a draft Building Safety Bill to implement the recommendations of Dame Judith Hackitt's review of building regulations.
- Renewing the Affordable Homes Programme, building hundreds of thousands of new homes for a range of people in different places. This will help them to prevent people from falling into homelessness while also supporting further people into homeownership.
- For those in the social rented sector, they will bring forward a Social Housing White Paper that will set out further measures to empower tenants and support the continued supply of social homes. This will include measures to provide greater redress, better regulation and improve the quality of social housing.
- Committing to end rough sleeping by the end of this Parliament. The Government will continue to invest in key rough sleeping interventions, building on the progress that they made last year in reducing rough sleeping numbers. The Government will also continue to support those at risk of homelessness and rough sleeping through the continued enforcement of the Homelessness Reduction Act.

The Coronavirus pandemic is also likely to have a long-term impact, for example, it has prompted a major recession and is likely to accelerate the implementation of digital solutions.

The Implications of the vote for Britain to leave the European Union are still unclear and the potential impact on housing is unknown. The long-term effects depend on the form that 'Brexit' takes, the policies that will be pursued by the 'post-Brexit' government, and on which forecasters the reader chooses to believe!

A major issue is the effect that leaving the European Union will have on economic growth and the tax revenues of the United Kingdom government. Here, forecasts differ with some predicting short-term stagnation due to uncertainty followed by a return to rapid growth; and others forecasting lower growth or even contraction in the long-term. Which forecasts prove to be accurate will be critical but if economic growth and tax revenues fall that will have an implication for public budgets including those for housing.

Most commentators are agreed that house prices will increase less rapidly or may even decrease because of 'Brexit'. This will have implications especially for balance sheets, the level of impairment in revenue accounts and the potential to make a surplus on market housing. Most commentators are agreed that the value of sterling will continue to fall and that will increase the costs of imported materials including building materials. With the United Kingdom government facing reduced credit ratings, their ability to borrow despite low interest rates may become more constrained.

In the short-term the government is attempting to sustain demand in the economy through fiscal and monetary policies. It is planning to continue to borrow extensively to fund public expenditure until after 2020 and to reduce interest rates – perhaps even to a negative level. In my view this approach will prove not to be sustainable and will result at best in even more severe reductions in public expenditure than have been envisaged to date and at worst in a financial crisis of unprecedented severity. As 'Brexit' will force the United Kingdom to compete with developing countries such as China rather than with developed countries, reductions in public expenditure appear to be more likely than increases in taxation.

Increased restrictions on the freedom of movement of labour will adversely affect the ability of British businesses to recruit staff and this will be felt especially keenly in the construction industry. With increased raw materials prices and labour shortages the construction industry may be able to build fewer new homes in future than in the past rather than more.

Our briefing paper on ‘Brexit’ and its implications for housing can be viewed or downloaded from here: http://awics.co.uk/httrack/awics.co.uk/dynamicdata/data/docs/brexit%2520-%2520implications%2520for%2520housing%2520-%2520briefing%2520paper.pdf

It appears to me that the public finances are already quite weak.

The government is in the process of agreeing devolution deals with the major cities and conurbations. These deals often include housing powers and funds. Their implications for local authorities may be significant.

There is also a general recognition that there should be better integration of housing, social care and health services. However, in practice this is proving difficult to achieve. To date, the government has not proposed any new initiatives. Whether there will be any central initiative to produce a ‘break through’ ow whether a ‘break through’ could be achieved ‘on the ground’ by individual local authorities and health authorities remains to be seen.

And demographic change continues. As time goes on, the proportion of the population who are elderly and / or vulnerable increases and there is an increased need for appropriate housing. Extra care elderly housing appears to be the preferred solution but with the government’s initiatives on changing the funding of supported housing ‘stalled’ as outlined above it is likely that the problem of how to house vulnerable elderly people will intensify.

How can councils develop effective self-financed business plans that will address the new uncertain environment in a robust way? What assumptions should be made in the financial model? How can uncertainties be managed?

The new uncertain environment requires a different approach to business planning. In the past, it was usual to produce a single strategic plan and financial forecast that represented what the Council expected would happen. This is no longer sufficient. There is a need to treat this business plan as just one of a number of possible scenarios. There is a need to stress test this base business plan to establish how it would respond to changed assumptions; and then to develop contingency plans to address any issues that arise. To date, this approach has been developed further in housing associations than in local authorities with the Homes & Communities Agency promoting ‘stress testing’ through ‘Regulating the Standards’.

Rent policy is a critical area to ‘stress test’. A range of scenarios around future government rent policy should be modelled especially after 2024. There is also a need to consider options around changing the mix of tenures between social, affordable and market rents.

While most local authorities have now introduced service charges there is considerable evidence that they are often insufficient to recover the full costs of the services that are provided. Furthermore, many authorities do not have sufficiently robust financial systems to be able to identify the costs of providing services accurately or to calculate what an appropriate service charge should be. These matters need to be addressed as part of the business planning process.

Information about how AWICS can provide advice and assistance with service charges can be found on our website at: http://awics.co.uk/schsadvice

Income recovery rates can vary significantly due to changes in levels of voids and bad debts. Changes in the economic environment are likely to affect demand for different types of property and levels of rent collection in ways that are difficult to predict. For example, the roll-out of Universal Credit is likely to increase arrears and bad debts; while restrictions on eligibility for housing benefit could reduce demand for supported housing and increase demand for shared accommodation from young people. Different scenarios will need to be modelled.

Andrew Carlin of Procurement for Housing has suggested that local authorities should adopt a more commercial approach to business planning in the light of recent developments:

"Welfare reform, house building targets and the task of maintaining decent homes standards pose well-known threats. To cope, providers must accept that profit is not a dirty word. Their teams must become commercially astute, harvesting business value from every asset. This is key for communities to thrive, rents to be paid and homes to be built and maintained well."

There are differing views about the extent of the scope for further efficiencies in management and maintenance. It is often said that the scope for such efficiency gains has already been exhausted. However, others take the view that was famously taken by Sir Peter Gershon that efficiency gains of at least 2% a year should be achievable on a permanent basis. Still others argue that the scope for efficiency gains is greater than this. In practice, most authorities have ensured that their financial projections 'balance' by making whatever assumption is required about future efficiency gains. This may no longer be an appropriate approach moving forward.

Capital financing costs are significant especially following the increase in debt in 2012 at the time of the self-financing settlement. Currently, interest rates are at an 'all time low' with the Bank of England's base rate being set at 0.25%. Government policy is to maintain interest rates at a low level to boost demand by encouraging borrowing and discouraging saving. However, most commentators are predicting that interest rates will increase eventually and it can be expected that in the long-run interest rates will return to a rate somewhat above the inflation rate. Different authorities have different attitudes towards debt with some wishing to maximise debt so that they can maximise capital expenditure while others wish to repay debt so that they can reduce revenue expenditure. Treasury Management strategy is therefore an important part of business planning and changes in interest rates are certainly a variable against which stress testing is required.

Council housing is no longer a static service. Stock levels can reduce because of 'right to buy' and other disposals; but can also increase because of new build, buy-backs, and regeneration schemes. Variations in stock numbers affect both income and the need to spend on management, maintenance, and major repairs. Capital programmes are often underpinned by capital receipts from 'right to buy' sales. This needs to be factored into the business plan model, assumptions need to be made regarding which costs should be considered to be fixed or variable, and stress testing needs to be carried out around uncertainties such as the number of 'right to buy' sales and levels of maintenance expenditure.

Capital programmes are funded through a combination of borrowing, capital receipts, grants, the major repairs reserve and revenue contributions. The future availability of all these funding streams needs to be modelled. Capital receipts are dependent on the level of 'right to buy' sales and other asset sales and this in turn is dependent on government policy, the availability of land and property for the council to sell and the state of the property market. Many commentators are forecasting a downturn in the property market during 2021. The availability of government grants to fund new build and regeneration schemes is likely to reduce. The ability to support the capital programme through revenue contributions to capital outlay depends on the surpluses that can be generated in the housing revenue account. The major repairs reserve is also dependent on the housing revenue account. There is therefore a need to model all these sources of funding, to assess the minimum level of capital programme required and to carry out stress testing around the Council's ability to continue to fund its capital programme at the level required to meet statutory and other obligations including maintaining the decent homes standard.

What business planning techniques are now required including for strategy, financial forecasting, sensitivity analysis, risk management and contingency planning?

Business Planning should be a dynamic process that is systematic, open and flexible. It should also involve a number of linked plans and documents that cascade down from the strategic to the operational level.

At the Strategic level the business plan contains four elements:
- Mission – a summary of the over-riding purpose of the business
- Objectives – specific goals that must be achieved to realise the mission
- Strategy – states how the objectives are to be achieved, including policy directions and resource allocation
- Tactics – states what the business will do on a day to day basis and determines immediate actions.

The Business Plan should be closely integrated with the Asset Management Plan. The National Housing Federation has defined asset management as follows.

"Taking a comprehensive approach to managing a housing association's physical assets with the aim of achieving particular objectives, usually to make best use of the housing stock and achieve value for money. It covers the construction, operation, maintenance, modification, replacement and disposal of housing and other buildings"

The Asset Management Plan is often considered to be the foundation of the business plan. It should therefore be kept under review. In particular the:
- Identification and analysis of housing and non-housing assets including their condition and future maintenance needs.
- Achievement and Maintenance of the Decent Homes Standard and other agreed local standards including:
  - The Stock Condition Survey
  - The Replacement of components linked to Depreciation
- Appraisal of assets to inform consideration of Demolitions, Disposals and Renewals
- Potential for Regeneration schemes and New Build.

In the past Housing Associations have tended to have more dynamic asset management plans than local authorities but this is now changing. There is a need to manage the stock pro-actively, asking which stock should be retained or disposed of; what to invest in the retained stock and what new stock to acquire. Typically a housing association will look to divest themselves of low value, low demand, low density, high cost-in-use properties either through disposal or redevelopment; and to invest in or redevelop other properties to meet changing needs. Some landlords will have regeneration schemes where they will have to consider refurbishment, infill, partial redevelopment and full redevelopment options.

Many local authorities have ambitions to build new council homes. In its guide to self-financing, the Chartered Institute of Public Finance & Accountancy said:

"Reprovision, new development or regeneration are calls on monies within the business plan. They are only possible when debt is being serviced, need for investment in the homes is being satisfied and investment in services provides value for money and is agreed with tenants.

"To make most developments viable, active asset management, using land or garage sites as part of the funding, or accessing Homes & Communities Agency grants may be an option... It may be more effective to work with a partner… Consultation with tenants on any proposals would need to be the start of the process, and the authority will need to undertake a full investment appraisal analysing costs and incomes and the associated risks and rewards.

"Affordable rent schemes… will be available for new build… Other constraints on developments (include) the cap on borrowing."

Effective Business Plan financial models have:
- Consistent internal logic and arithmetical accuracy
- Inter-relation of different elements
- Neither too complex nor too simple – comprehensive but understandable
- Reliability – use integrity checks and perhaps external validation
- Flexibility – to test different assumptions and scenarios
- Owned by the organisation rather than consultants

Effective Models also demonstrate how the authority will
- Balance the Housing Revenue Account
- Finance the Capital Programme at the Decent Homes Standard at least

In the current uncertain environment, sensitivity analysis and stress testing has become of increasing importance.

The Chartered Institute of Public Finance & Accountancy has identified the following as the key sensitivities to address in a business plan:
- Inflation increase or decrease
- Cost inflation not synchronised with the Consumer Prices Index
- Right to Buy levels and receipts
- Rent arrears and the impact of benefit changes
- Interest rate increases
- Performance decline, such as void levels and increase in cost and volume of responsive repairs
- Local issues, such as tendering of Supporting People or other services and reduction in Supporting People Grant
- Alternative rent policies adopted by the authority

The Homes & Communities Agency has set out its requirements for 'stress testing' of housing association business plans in 'Regulating the Standards'. While these do not apply directly to local authorities they are worth considering as an example of good practice. The standards state that:

"We expect stress testing to be pivotal to, and integrated with, providers' overall approach to business planning, risk and performance management… We will seek evidence that providers go beyond simple sensitivity testing to include multivariate analysis, which tests against relevant serious economic and business risks and demonstrates the effects on cash, covenants and security."

The Audit Commission has defined risk and risk management as follows:

"Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and control3led".

In its guide to self-financing the Chartered Institute of Public Finance & Accountancy said:

"Risks are being transferred with the settlement from central government to authorities and the risk management arrangements need to be re-assessed to ensure that they are robust enough.

"The self-financing HRA will more closely resemble the finances of housing associations, with similar associated risks. It would therefore be appropriate to have the same type of risk management framework in place."

The Risk Management Strategy needs to be kept under review. Some authorities have concluded that housing revenue account reserves should be increased because of the greater uncertainty and risk created by self-financing.

The process should be ongoing, embedded in the culture of the organisation and have the potential to re-orient the whole organisation around performance improvement. It is not about eliminating risk but about understanding risk and managing it more effectively. It includes identifying, quantifying, managing and re-assessment of risks. Re-assessment should be carried out on the basis of new information, actions taken and changes in the environment.

Following assessment, risks should be mitigated and then the success of the mitigation strategy should be tested.

Financial risks can be managed by:

- An active Treasury Management Policy and procedures to manage interest rate risk.
- A suitable level of balances or reserves maintained as a contingency against risks on inflation and income, bad debt increases as well as investment risk factored into the business plan.
- Performance Management Frameworks, effectively enforced, to manage the risks of poor performance in voids, income collection and investment scheme delivery.
- Using the five-year transition period to evaluate and manage the impact of componentisation in the calculation of depreciation.

The key components of a risk management strategy include:

- Assurance Map / Plan
- Risk Assessments
- Risk Map / Register
- Audit Committee / Scrutiny arrangements / Board

There is a need to take a holistic approach to risk. Authorities should not just concentrate on: Insurance, Health & Safety and Asset Management.

Many authorities prioritise their risks using a matrix such as that which is shown below:

Catastrophic		**High Impact, Low Likelihood Consider Action and have a Contingency Plan**		**High Impact, High Likelihood Immediate Action is Needed**
Impact				
Minor Disturbance		**Low Impact, Low Likelihood Keep under Periodic Review**		**Low Impact, High Likelihood Consider Action**
		Very Unlikely		**Very Likely**
			Likelihood	

This approach categorises risks according to how likely they are to occur and how catastrophic they would be. There are therefore four categories of risk:

- High Impact, high Likelihood – where immediate action is needed.
- High Impact, Low Likelihood – where there is a need to consider action and to have a contingency plan.
- Low Impact, High Likelihood – where there is a need to consider action.
- Low Impact, low Likelihood – where there is a need to keep under periodic review.

Particular concern should be given to the 'perfect storm' where a number of adverse risks are faced at the same time producing a serious threat to the organisation. For example, what would happen if the following were all to occur at the same time?

- Reductions in benefits for the under-25s and the over 65s
- A gas explosion in a flat where the tenant has refused access
- Increased interest rates

There is a need for the integration of Asset Management and Risk Management into Business Plans and Financial Forecasts;

There is a need to introduce effective performance management systems to ensure that planned improvements in performance are realised. The three elements of a performance management system are considered to be:

- System Design
- Data Collection
- Data Use

Performance Measures should be 'SMART' as follows:

- Specific – Simply and clearly stated so there is little risk of confusion about the measure.
- Measurable – Data is readily available ort can be collected easily.
- Achievable – Standards or targets based on the measure are realistic – not wishful thinking
- Relevant – What is measured is what is important to service designers, managers and users.
- Timely – Information is available soon enough, and often enough, to support decisions.

Measures should combine the quantitative, qualitative and intuitive; and should consider inputs, outputs, outcomes and processes.

Beneath the business plan that sets the strategic framework should sit the corporate plan that sets the current operational policies, departmental action plans for each division of service and staff development plans for individual members of staff. Each level of plan should contain relevant key tasks and performance against these should be monitored and reported appropriately. There should also be contingency plans covering how the local authority would react if any of the serious risks analysed in the stress testing were to materialise.

Conclusions

Business Planning is not just about 'crunching the numbers'. It is also about:

- ♦ Strategy
- ♦ Responding to external challenges including changing government policy
- ♦ Asset Management
- ♦ Risk Management

Now is not only a good time to revise and update business plans. It is essential that this be done so that local authorities can be responsive to changing government policy and other significant uncertainties in the environment in which housing services are provided.

This requires a new way of business planning including a robust approach to the development of strategy, financial forecasting, sensitivity analysis, risk management and contingency planning.

Adrian Waite
September 2020

Notes:

Further information about business planning is available on our website at: http://awics.co.uk/business-planning

Further information about housing revenue account 'health checks' is available on our website at: http://awics.co.uk/housing-revenue-account-health-checks

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Business Planning in the Housing Revenue Account Webinar

We are holding a webinar entitled 'Business Planning in the Housing Revenue Account' on 16th September 2020.

The webinar will last about an hour and costs £30 plus value added tax (a total of £36).

The webinar will look in depth at how local authorities can update their housing revenue account business plans. It is relevant to England, Scotland and Wales.

Business Planning has been an important element of the management of council housing for some time. However, we are now operating in a very uncertain environment. The long-term implications of coronavirus and of Britain leaving the European Union (Brexit) are not clear. Government policies on housing and welfare are yet to be developed. Economic conditions are likely to be difficult. Demographic change continues to put pressure on housing services. This requires a new way of business planning including a robust approach to the development of strategy, financial forecasting, sensitivity analysis, risk management and contingency planning.

The webinar will address the following questions:
- What are the key elements of a good quality housing revenue account business plan?
- What is the political, economic, social and technological environment in which local authority housing services operate? What are the key uncertainties?
- How can councils develop effective self-financed business plans that will address the new uncertain environment in a robust way? What assumptions should be made in the financial model? How can uncertainties be managed?
- What business planning techniques are now required including for strategy, financial forecasting, sensitivity analysis, risk management and contingency planning?

This webinar is suitable for housing accountants, housing managers, councillors and others who realise that an understanding of business planning in the housing revenue account could place them at an advantage!

The presenter will be Adrian Waite, who is well known for his ability to explain complex financial matters clearly.

It is possible to ask questions during and after the webinar. Participants will receive a copy of the slides and a continuing professional development (CPD) certificate. A recording of the webinar is also available after it is completed.

For further information or to make a booking, please click here: https://awics.co.uk/business-planning-iin-the-housing-revenue-account

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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk.

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- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars — http://www.awics.co.uk/Seminars2017.asp
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