

Agenda Item 5a – Opinion of the s151 Officer

Proposed amendment to HRA capital account motion:

Treasury management:

Approve the need to borrow over the 30 year life of the business plan, with the first instance of this anticipated to be in 2022/23, to

a. Undertake a significant investment in the existing housing stock, with a specific focus on those homes that do not meet the Decent Homes standard especially the dwellings that fail the category 1 hazards assessment with a clear goal to achieve a zero position in the short term (note: 799 houses failed to meet the Decent Homes Standard in March 2019)

b. Sustain the current level of investment of £10,000,000 per annum for the delivery of new homes

S151 officer's opinion on the proposed amendment:

Following the abolition of the HRA Borrowing Cap, there is now no constraint on the level of borrowing that the HRA can take out, but the authority must ensure that it is able to identify the revenue resource to support the borrowing and must give due regard to the need to repay or re-finance the debt at the end of any initial borrowing term.

As the proposed amendment does not identify amounts to be borrowed, or how these amounts would be allocated between the investment in existing housing stock and the delivery of new homes, it is not possible to assess whether the borrowing is affordable for the HRA or how it might be repaid or refinanced after the initial term of the borrowing. At this stage, further work is required to develop a costed and affordable proposal.

Therefore, I do not consider the proposal to be robust or deliverable as presented.

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