

<p style="text-align: center;">RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR HOUSING – COUNCILLOR SMART)</p>

Housing Revenue Account Budget Setting Report

The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2013/14 revised and 2014/15 budgets.

The HRA Budget Setting Report was presented to a meeting of Community Services Scrutiny Committee on 16th January 2014, where the Housing Capital Investment Plan, including capital bids and associated funding proposals was considered.

At a special meeting also on 16th January 2014, Housing Management Board considered the HRA Budget Setting Report, scrutinising proposals for both the review of rents and service charges and revenue bids and savings, which form part of the HRA budget, both revised for 2013/14 and for 2014/15 and beyond. Following deliberation the Executive Councillor for Housing took a view (in respect of both rents and service charges and the revenue budget) which materially differed to that of the Housing Management Board. Under 2.5 of Part 4D Executive Procedure Rules of the Council's Constitution, the matter was referred to the Leader of the Council for Decision.

The Community Services Scrutiny Committee considered and approved the recommendations regarding the Housing Capital Investment Plan, including capital bids and associated funding proposals by 4 votes to 0.

Accordingly, Council is recommended to:

Treasury Management

- i. Approve the revised approach to treasury management, setting-aside a proportion of the surpluses generated over the life of the Business Plan to allow for potential debt redemption, but re-investing up to 75% of the surplus generated in the acquisition or development of new affordable housing, as outlined in Section 7 of the HRA Budget Setting Report.

Housing Capital

- ii. Approve the capital bids, shown in Appendix H of the HRA Budget Setting Report, to include resource to implement the Cambridge Public Sector Network across housing offices, to purchase an additional module for the Housing Management Information System, to undertake emergency water mains replacement at Kingsway and to carry out remedial works to a specific HRA dwelling and the surrounding block.
- iii. Approve the re-phasing of £15,000 of resource between 2014/15 and 2013/14 to complete communal floor covering works to an entire block whilst the relevant equipment is on site.
- iv. Approve the re-phasing of funding for UPVC window replacements of £500,000 from 2014/15 and £850,000 from 2015/16 into later years in the Housing Capital Investment Plan, recognising that it was too early to move to a full investment standard.
- v. Approve the re-phasing of £250,000 from 2014/15 to 2015/16 in respect of the communal areas uplift, recognising that the full programme of works had not yet been finalised.
- vi. Approve the gross funding of £16,210,000 for the development of the affordable housing project at Clay Farm, in line with the scheme specific report being presented to Community Services in January 2014, which assumes 75% affordable rented and 25% shared ownership housing.
- vii. Approve the funding of £2,875,000 for the provisional purchase of 13 market housing units on the garage re-development sites (or other units of existing market housing), recognising this as an appropriate use of retained right to buy receipts.
- viii. Approve the earmarking of the required level of additional funding for new build investment in 2016/17 and 2017/18 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised.
- ix. Approve the revised Housing Capital Investment Plan as shown in Appendix M of the HRA Budget Setting Report.
- x. Approve a provisional addition to the Housing Capital Allowance of £30,591,000 in respect of anticipated qualifying expenditure in 2014/15.