

RECOMMENDATION TO COUNCIL (Executive Councillor for Housing)

2020/21 Housing Revenue Account Budget Setting Report

As part of the 2020/21 budget process, the range of assumptions upon which the Housing Revenue Account (HRA) Business Plan and Medium Term Financial Strategy were based, had been reviewed in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.

The HRA Budget-Setting Report provided 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 2020/21 budgets.

The Housing Scrutiny Committee considered and approved the recommendations by 5 votes to 0 with 3 abstentions.

Accordingly, Council is recommended to:

Treasury Management

- l) 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 sustain the current level of investment, which includes £10,000,000 per annum for the delivery of new homes.
- m) Recognise that any decision to borrow further will impact the authority's ability to set-aside resource to redeem 25% of the value of the housing debt by the point at which the loan portfolio matures, with the approach to this to be reviewed before further borrowing commences.

Housing Capital

- n) Approval of capital bids and savings, shown in Appendix D (3) of the HRA Budget Setting Report, to include funding to begin to improve the energy efficiency of the existing housing stock.
- o) Approval of the latest Decent Homes Programme, to include an updated recharge of capitalised officer time and timing of decent

homes expenditure for new build dwellings, as detailed in Appendix E of the HRA Budget Setting Report.

- p) Approval of the latest budget sums, profiling and associated financing for all new build schemes, including revised scheme budgets for Akeman Street, Meadows and Buchan Street and Campkin Road, based upon the latest cost information from the Cambridge Investment Partnership (CIP) or direct procurements, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- q) Approval of re-phasing of budget for the Estate Improvement Scheme, to also include reallocation of the resource between capital and revenue based upon the projects identified to date, as detailed in Appendix E, and summarised in Appendix K, of the HRA Budget Setting Report.
- r) Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.

General

- s) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2020/21 onwards, based upon 2019/20 grant levels, with approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- t) Approval of delegation to the Strategic Director to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any decisions made by the Shared Home Improvement Agency Board.
- u) Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserve for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build housing development, should

the need arise, in order to meet quarterly deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.

- v) Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary technical amendments to detailed budgets in respect of the outcome of the review of recharges between the General Fund and the HRA and the outcome of the review of the pension fund deficit contribution, with any net impact for the HRA to be incorporated as part of the HRA Medium Term Financial Strategy in September 2020.