

**RECOMMENDATION TO COUNCIL  
(Executive Councillor for Housing)**

## **2022/23 Housing Revenue Account Budget Setting Report**

As part of the 2022/23 budget process, the range of assumptions upon which the HRA Business Plan and Medium Term Financial Strategy were based, have been reviewed in light of the latest information available, culminating in the preparation of the HRA 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 2022/23 budgets.

There were two amendments approved to the 2022/23 Housing Revenue Budget:

By 9 votes in favour, 1 against and 4 abstentions:

- i. A proposal for internal scoping work, including the Independent Living Service and Communities Service, alongside the assessment of external provision, to inform an analysis of the services provided to older residents (not just council tenants) experiencing isolation and to assess community needs. This analysis may include recommending a future revenue bid for a Community Inclusion Officer. They would work across the sheltered housing portfolio and with older tenants in our general needs housing, to support residents, to improve connectivity between sheltered schemes and other residents and to reduce loneliness and social isolation. The new post would supplement the existing Independent Living Service.

By 13 votes in favour, 0 against and 1 abstention:

- ii. A proposal to request officers to include in the Transformation Programme some workshops of councillors and stakeholders, such as tenant and leaseholder representatives, to work on a short, focussed overview of the HRA Medium Term Financial Strategy and Budget Setting Reports and the General Fund Medium Term Financial Strategy and Budget Setting Reports,

which could summarise and communicate information more effectively such as by:

- Use of key questions
- Graphical presentation
- Key performance indicators
- Benchmarking

This would facilitate more effective scrutiny by all councillors and clearer communication to city residents.

A cost figure is not provided for this recommendation because the HRA's accounting function already produces a very full range of high quality key performance indicator reports and benchmarking. The proposed new overview report would be an introductory guided tour that assists users to engage with the main report and put it in context.

The Housing Scrutiny Committee considered and approved recommendations m - z by 7 votes to 0 with 2 abstentions.

Accordingly, Council is recommended to:

- i. Approve the revised 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 proposed level of investment, which includes ear-marking funding for delivery of a net 1,000 new homes over a 10-year timeframe.
- ii. Recognise that the constitution delegates Treasury Management to the Head of Finance (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on borrowing, investment or financing shall be delegated to the Head of Finance, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- iii. 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.
- iv. Approve capital bids, as detailed in Appendix D (3 ) and Appendix E of the HRA Budget Setting Report.
- v. Approve the latest Decent Homes and Other HRA Stock Investment Programme, to include reduced expenditure for wall structure and fire safety works and re-phasing of other elements of the programme into later years, as detailed in Appendix E of the HRA Budget Setting Report.

- vi. Approve the latest budget sums, profiling and associated financing for all new build schemes, including revised scheme budgets for Colville III, Fen Road, Ditton Fields, Aragon Close, Sackville Close and Borrowdale based upon the latest cost information from the Cambridge Investment Partnership (CIP) and a reduction in unit numbers at Aylesborough Close, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- vii. Approve the allocation of funds from the budget ear-marked for the delivery of 1,000 net new homes to allow buy back of leasehold dwellings and relocation of tenants from Princess and Hanover Court over the next two years, in advance of a final recommendation for the future of the estate which will be presented once the options appraisal and consultation work has been concluded.
- viii. Approve the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.
- ix. Approve the inclusion of Disabled Facilities Grant expenditure and associated grant income from 2022/23 onwards, based upon 2021/22 net grant received, with 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 any year, 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.
- x. Approve delegation to the Head of Finance, as Section 151 Officer, to determine the most appropriate use of any additional Disabled Facilities Grant funding, for the wider benefit of the Shared Home Improvement Agency.
- xi. Approve 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.
- xii. Approve delegation to the Strategic Director to review, agree and enter into a revised Shared Home Improvement Agency Shared Service Agreement, in line with recommendations made by the Shared Home Improvement Agency Board.
- xiii. Approve delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserves 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 deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.

- xiv. Approve delegation to the Head of Finance, as Section 151 Officer, to make any necessary technical amendments to detailed budgets in respect of recharges between the General Fund and the HRA, with any change in impact for the HRA to be incorporated as part of the HRA Medium Term Financial Strategy in September 2022.