

CABINET**8 February 2017****Minute Extract****HOUSING REVENUE ACCOUNT (HRA) BUDGET 2017/18 AND BUSINESS PLAN 2017-2047**

(Report CAB2893(HSG) refers)

The Chairman emphasised that a number of Member briefings had been held in autumn 2016 regarding various HRA topics and feedback from these had helped shape the proposed budget. She highlighted that Housing was a key element of the Council Strategy and thanked the Head of Housing Finance, together with the Assistant Director (Chief Housing Officer) and team for their work in preparing the Budget and Business Plan.

The Head of Housing Finance advised that the capital shortfalls previously reported had been addressed and the Report therefore contained a sustainable long term Business Plan. He highlighted that it was anticipated that work would be completed to ensure all Council properties would meet the Decent Home Standard by the end of March 2017.

The Head of Housing Finance drew Members' attention to Paragraph 2.3 of the Report which set out key adjustments to the proposed 2017/18 HRA budget. He also highlighted Government Changes summarised in the Risk Management table on Page 7 of the Report.

The Assistant Director (Chief Housing Officer) and Head of Housing Finance responded to detailed questions from Members on the contents of the Report, as summarised below.

- The Council were expected to follow the national formula for rent setting and to do otherwise could risk tenants being unable to claim sufficient housing benefit to cover the rent set (e.g. if the Council did not implement the required 1% rent reduction).
- Officers would investigate the implications if the Council opted to implement "Pay to Stay" rules and this would be the subject of a future Report to Committee.
- The possible receipt of additional HCA grants was welcomed by Members, however it was noted that these could not be used with right to buy receipts. However right to buy 1-4-1 receipts could be used to purchase properties on the open market if these were then used for affordable housing. The Council would be required to undertake a compliance audit if in receipt of HCA grants (as it had for the Chesil extra care scheme).
- A public meeting would be held shortly regarding the future use of Milford House and it was anticipated it would be used for temporary accommodation.

- 37 right to buy (RTB) sales were projected in 2016/17 which was higher than anticipated, possibly due to low interest rates and increased publicity regarding right to buy of housing association properties. Properties were generally a mix of flats and two-bedroomed houses and the Head of Housing Finance agreed to provide Committee Members with a detailed list of the types of properties involved. The Assistant Director confirmed that the Council was currently building more new homes than it was losing under RTB and there was a commitment for this to continue.
- The Assistant Director confirmed that work was ongoing to identify potential new sites for new Council houses.
- 13 loft conversions or extensions had been completed to date with a further 9 in phase 3. The Assistant Director confirmed that there was some flexibility for schemes to continue to be approved on a case by case basis.
- With regard to the conversion of communal rooms in schemes which were previously designated as sheltered housing, the Assistant Director confirmed that it was the intention to convert only when such rooms were not frequently used and it would be for Members to decide whether a room could be better utilised for housing.
- The Assistant Director emphasised that a decision had been made at a previous Committee meeting to discontinue the discretionary works programme. The programme cost approximately £400,000 per annum so, if any decision was made to reinstate, savings would have to be found from elsewhere.
- One Member expressed concern that the Section 106 monies for affordable housing provision as a result of the North Whiteley development should be used to provide new affordable homes and not absorbed into the overall housing budget.

On behalf of TACT, Mrs Gill thanked the Head of Housing Finance for attending their recent meeting and explaining the contents of the Report in more detail. She welcomed the proposals contained within. In response to questions from Mr Fawcitt (TACT), the Assistant Director advised that currently Government set a limit on the amount local authorities could borrow to fund new homes. However, the Council, along with other local authorities, were in discussion with the Government regarding the possible relaxing of these rules. In addition, the Council were investigating the potential for using prefabricated builds, provided they achieved the right standards.

At the invitation of the Chairman, Councillor Porter addressed the Committee as summarised below. She noted that funding for estates improvement works was fixed over the next few years and that tenants prioritised parking as a key issue. However, she highlighted the potential to make improvements to communal areas for flats to make them more suitable for families. This could include fencing communal gardens so children could play more safely and providing safe storage for bicycles, pushchairs etc. She also suggested garages could be increased in size to be large enough to accommodate modern cars. She sought assurances that the Council would not implement "Pay to Stay" as she had examples of residents who would not be able to afford. Finally, she agreed with proposals for Harwood Place providing the

guest bedroom was retained and asked that the decision on the Pound Road surgery conversion be delayed pending further discussions.

The Chairman stated that Councillor Porter's points could be fed into future discussions as appropriate.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE 2017/18 HOUSING REVENUE ACCOUNT BUDGET DETAILED IN APPENDICES 1 AND 2 TO THE REPORT BE APPROVED AND THAT THE FINAL FORECASTS FOR 2016/17 BE NOTED.

2. THAT THE HRA CAPITAL PROGRAMME FOR 2016/17 TO 2021/22 AS SET OUT IN APPENDICES 3 AND 4 TO THE REPORT BE APPROVED.

3. THAT THE PROPOSED FUNDING FOR THE HRA CAPITAL PROGRAMME AS DETAILED IN APPENDIX 5, INCLUDING THE BORROWING REQUIRED FOR 2016/17, BE APPROVED.

4. THAT GARAGE RENT INCREASES FOR TENANTS OF 2% (IN LINE WITH RPI AT SEPTEMBER 2016) AND INCREASES FOR PRIVATE GARAGE LICENSEES TO £15.00 PER WEEK IN WINCHESTER CITY CENTRE AREAS AND £13.00 PER WEEK ELSEWHERE BE APPROVED.

5. THAT AUTHORITY BE GIVEN TO INCUR CAPITAL EXPENDITURE OF £7.797M FOR THE MAINTENANCE, IMPROVEMENT AND RENEWAL PROGRAMME AS DETAILED IN THE REPORT AND APPENDIX 3 TO THE REPORT, IN ACCORDANCE WITH FINANCIAL PROCEDURE RULE 6.4 (NOTING THAT WITHIN THIS, FOR ANY SCHEMES IN EXCESS OF £100,000 A FINANCIAL APPRAISAL WILL BE APPROVED IN ACCORDANCE WITH THE SCHEME OF DELEGATIONS).

6. THAT THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER), IN CONSULTATION WITH THE HEAD OF FINANCE AND PORTFOLIO HOLDER FOR HOUSING SERVICES, BE GIVEN DELEGATED AUTHORITY TO MAKE ADJUSTMENTS WITHIN THE OVERALL MAINTENANCE, IMPROVEMENT AND RENEWAL PROGRAMME AS SET OUT IN APPENDIX 3 TO THE REPORT, INCLUDING THE FLEXIBILITY TO SUBSTITUTE PROJECTS AND RE-BALANCE EXPENDITURE WITHIN AND BETWEEN THE DIFFERENT ELEMENTS/SCHEMES IN ORDER TO MEET OPERATIONAL NEEDS, CHANGING PRIORITIES AND

COMMITMENT TARGETS, WITH ANY CHANGES BEING REPORTED TO COMMITTEE AT THE EARLIEST OPPORTUNITY.

7. THAT THE HRA BUSINESS PLAN OPERATING ACCOUNT EXTRACT AS DETAILED IN APPENDIX 6 BE NOTED AND THAT FORECAST WORKING BALANCES ARE APPROVED.