

CABINET

10 February 2016

COUNCIL

25 February 2016

EXTRACT FROM MINUTES OF THE CABINET (HOUSING) COMMITTEE HELD 3  
FEBRUARY 2016

REPORT OF HEAD OF LEGAL AND DEMOCRATIC SERVICES

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RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

This report sets out an extract from the minutes of the Cabinet (Housing) Committee held 3 February 2016 regarding the Housing Revenue Account Budget and Business Plan (Report CAB2761(HSG) refers) which has been referred to Cabinet and Council for its consideration.

RECOMMENDATION:

That Cabinet consider and determine the matters set out in the minute extract below.

CABINET10 February 2016COUNCIL25 February 2016EXTRACT FROM MINUTES OF THE CABINET (HOUSING) COMMITTEE HELD 3 FEBRUARY 2016REPORT OF HEAD OF LEGAL AND DEMOCRATIC SERVICES**1. HOUSING REVENUE ACCOUNT (HRA) DETAILED BUDGET/ BUSINESS PLAN**

(Report CAB2761(HSG) refers)

The Assistant Director (Chief Housing Officer) explained that the budget for 2016/17 had been produced on a “worst case” basis in relation to rents. There was still a great deal of uncertainty regarding future Government policy announcements, as summarised in Paragraph 4 of the Report. However, since the Report was produced, the Department of Communities and Local Government (DCLG) had confirmed that certain types of property, including sheltered and temporary accommodation, would be excluded from the 1% reduction rules. At the previous Committee meeting, it had been agreed that delegated authority be granted to the Assistant Director to approve final rents for such exception properties.

Mr D Chafe (TACT) confirmed that the Report had been considered at a TACT meeting where no objections had been raised to the proposals. The impact of further changes from Government was also raised.

Members asked a number of detailed questions on the proposals contained within the Report, including the new build programme outlined in Appendix 4.

The Assistant Director advised that Appendix 6 of the Report indicated a budget shortfall of £1.5 million in 2024/25 and further Reports would be submitted to future meetings of the Committee with proposals on how this could be addressed.

The Assistant Director explained that the increase in spending on void repairs was due to general increased costs in addition to a slight increase in the number of voids. The underspend in estate maintenance had resulted from an organisational change leading to funds not being fully spent in 2015/16, but this would be addressed in future years.

The Assistant Director advised that former tenants' arrears of approximately £85,000 had been forecast for write off in 2015/16. However, it was still possible for these debts to be collected if the opportunity arose in the future.

The Head of New Homes Delivery advised that the earliest estimated date for receipt of the Section 106 contributions expected from the North Whiteley development was November 2016, although it was likely not to be received until 2017/18. It was likely that the Council would work jointly with partner housing providers to deliver the 350 new homes stipulated.

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

**RESOLVED:**

**That it be recommended to Cabinet and to Council:**

- 1. That the HRA Revised Budget for 2015/16 and the Budget for 2016/17 as set out in Appendices 1 and 2 to the report be approved.**
- 2. That garage rents for tenants be increased by 4% and for non-tenants by 10% with effect from 4 April 2016.**
- 3. That the Housing Capital programme for 2015/16 to 2020/21 as set out in Appendices 3 and 4 to the report be approved.**
- 4. That the proposals for funding the Housing Capital programme as detailed in Appendix 5, including the borrowing required for 2015/16, be approved.**
- 5. That authority be given to incur capital expenditure of £9.257m 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, 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 self financing assumptions as detailed in Appendix 6 are noted and that forecast working balances are approved.**