

## **Cabinet**

**12 February 2025**

### **Draft Minute Extract**

#### **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2025/26 (CAB3490)**

Councillor Westwood introduced the report and advised that the report had been considered by Scrutiny Committee on 4 February and the minutes of that meeting had been circulated to all present and published on the website [here](#). The Committee had asked a number of questions which had been responded to at the meeting. The Committee had also requested that the table concerning service charges (paragraph 11.42 of the report) be updated/annotated to provide further clarification and this had been done with a revised version of the table circulated to all members present at Cabinet.

Councillor Westwood also made reference to the consideration of the report at the TACT Board meeting of 27 January which had agreed the proposed rent increases. TACT Board has also discussed the proposals to address the funding gap, the risk assessment information contained in the report and the consultation undertaken with tenants more widely on the proposed rent increases.

At the invitation of the Leader, Councillors Lee and Horrill addressed Cabinet as summarised briefly below.

#### **Councillor Lee**

With reference to the council's declaration of a nature emergency he emphasised the importance of stronger environmental considerations within the HRA budget and adopting a holistic approach to nature, carbon reduction and tenant well-being for example by introduction of green infrastructure and nature improvements. He asked whether funding had been allocated for the replacement of boilers by heat pumps?

#### **Councillor Horrill**

She reiterated comments made at Scrutiny Committee regarding the report's risk assessment as considered that it did not adequately reflect all the risks facing the HRA. She welcomed the updated table on service charges. She asked whether the outcome of the application for Local Authority Housing Fund round 3 had been received and also whether there was adequate budget provision for training for officers, noting the recent changes in the Housing Team.

Councillor Westwood responded to the comments and questions raised, including explaining that specific detailed risk assessments were included within separate housing reports as appropriate.

Cabinet agreed to the following for the reasons set out in the report and outlined above.

**RECOMMENDED (TO COUNCIL):**

- 1. Note the HRA Financial Plan operating account, including annual working balances, as detailed in Appendix 6 of report CAB3490.**
- 2. Approve the 2025/26 Housing Revenue Account budget as detailed in Appendices 1 and 2 to the report.**
- 3. Approve the proposed capital programme for maintenance, improvements and renewals totalling £167.868m.**
- 4. Approve capital expenditure and delegate to the Strategic Director with responsibility for housing authority to enter into necessary contracts for the 2025/26 capital programme of £21.134m, as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4.**
- 5. To approve the award of a contract, by direct award, for technology-based retrofit works of £4.3m per year in 2025/26, 2026/27 and 2027/28 (totalling £12.8m), contingent on funding secured from the Department of Energy Security and NetZero Social Housing Fund Wave 3 Grant, equivalent to 190 properties over 3 years. (See Para 11.62 to 11.65 of the report).**
- 6. Approve the proposed 10 year capital programme for new homes totalling £237.7m, and expenditure of £5.255m in 2025/26, as detailed in appendix 4 of the report in accordance with Financial Procedure Rule 7.4,**
- 7. Approve the financing of the HRA Capital Programme as detailed in Appendix 5 of the report, (noting the planned repayment of borrowing following the 1000 homes programme).**
- 8. Approve the revenue savings target of £2m outlined to Cabinet in the November options paper and subsequently consulted upon and summarised at appendix 7 of the report.**
- 9. Authorise the Section 151 Officer, in consultation with the Strategic Director with responsibility for Housing to approve the buy-back, during 2025/26, of individual former HRA properties sold under the Right to Buy, following positive financial appraisal, utilising the unallocated New Homes budget (see para 11.26 of the report).**
- 10. Subject to the acceptance of the expression of interest to the Local Authority Housing Fund (LAHF) round 3:**
  - a. Authorise the Strategic Director with responsibility for Housing to enter into a revised Memorandum of Understanding with Ministry of Housing, Communities & Local Government to secure additional LAHF funding estimated at £2.841m**

**b. Delegate authority to the Section 151 Officer to approve capital expenditure (subject to financial appraisal, in accordance with Financial Procedure Rule 7.4) of up to £6.0m to purchase up to 12 properties using the approved HRA unallocated new build budget, to be part-financed by LAHF grant with any balance via prudential borrowing.**

**c. Authorise the Corporate Head – Asset Management and the Strategic Director with responsibility for Housing to purchase up to 12 properties. (Para 11.70-11.72 of the report)**

**11. Approve the average rent increase for 2025/26 for all affordable, Shared Ownership and social housing of 2.7% based on the September 2024 CPI figure of 1.7% +1% (see para 11.6-11.7 of the report).**

**12. Approve amendments to HRA tenant service charges in 2025/26 to reflect cost recovery based on 2023/24 actual costs, subject to capping at 5% or £5, whichever is greater, and noting that capped charges will be subject to gradual increases in future years (see para 11.41 to 11.45 of the report).**

**13. Note that the previously approved consultation on the move to full cost recovery for both private and tenant connections of the council's sewage treatment works will now take place in 2025/26 (see para 11.46-11.51 of the report).**

**14. Note that the draft HRA Business 30-year Plan is viable and sustainable and has the capacity to support the delivery of 1,000 new affordable homes.**