

## **CABINET**

**12 February 2026**

### **Draft Minute Extract**

#### **HOUSING REVENUE ACCOUNT (HRA) BUDGET 26/27 (PAGES 43 - 78) (CAB3540)**

Councillor Reach introduced the report which had been produced following consultation with tenants, including the TACT board on 4 February. The report had also been considered at Scrutiny Committee on 10 February, the draft minutes of which had been circulated to Cabinet and other members present. Councillor Reach provided further response to a number of the corrections and clarifications sought at Scrutiny Committee and it was noted that an amended report would be submitted to Council.

Ian Tait spoke in public participation as summarised briefly below.

Mr Tait referenced the council's previous acquisition of the Corner House, Winchester and subsequent decision to dispose of the asset. He estimated that the pending sale would result in a loss of approximately £500,000 and emphasised that this was HRA monies. Consequently, he queried the report's description of the sale as providing a "valuable capital receipt", highlighting that he had raised concerns on this matter at several previous meetings.

At the invitation of the Leader, Councillor Horrill addressed Cabinet as summarised briefly below.

Councillor Horrill welcomed the additional budget savings identified since the November budget options report, but expressed disappointment that the lack of a timely government decision on rent convergence would defer its implementation until the following financial year. She raised concerns regarding the fairness of cost recovery from leaseholders via the section 20 process and also the imbalance in fees for sewage treatment works. She queried why the new maintenance and repairs contract was omitted from the risk register and queried whether there were sufficient skilled resources to complete the energy enhancement works. Finally she expressed concern that the long-standing commitment to building new affordable homes appeared to end in 2032.

Councillors Reach, Cutler and Tod, together with the Director (Finance) responded to the comments made. Councillor Reach highlighted that the future of the HRA policy including the new homes programme was scheduled for discussion at Economy and Housing Policy Committee on 23 February 2026.

Councillor Tod also made reference to a question received from Councillor Lee who was unable to attend the meeting.

Councillor Reach proposed that Appendix 7 of the report would be amended to reflect feedback from the TACT Board that the £52,000 neighbourhood budgets saving be replaced with the £50,000 frequency of external decoration saving. This was agreed and it was noted that an amended Appendix 7 would be prepared for submission to Council.

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

**RECOMMENDED (TO COUNCIL):**

- 1. That the HRA Financial Plan operating account, including annual working balances be noted, as detailed in Appendix 6 of the report.**
- 2. That the 2026/27 Housing Revenue Account budget be approved, as detailed in Appendices 1 and 2 to the report.**
- 3. That the proposed capital programme for maintenance, improvements and renewals totalling £162.7m be approved.**
- 4. That capital expenditure be approved and authority be delegated to the Strategic Director with responsibility for housing to enter into necessary contracts for the 2026/27 capital programme of £22.8m, as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4.**
- 5. That a change in approach to delivery of retrofit installation of solar panels and batteries to achieve best value for money following the decision by the Department for Energy Security and Net Zero to withhold Social Housing Decarbonisation Fund grant on battery installations be approved, as outlined at paragraphs 11.56 to 11.63 of the report.**
- 6. That the proposed 10 year capital programme for new homes totalling £202.8m, and expenditure of £21.8m in 2026/27 be approved, as detailed in Appendix 4 of the report in accordance with Financial Procedure Rule 7.4.**
- 7. That the financing of the HRA Capital Programme be approved as detailed in Appendix 5 of the report, (noting the planned repayment of borrowing following the 1000 homes programme).**
- 8. That the revenue savings target of £1.13m at Appendix 7 of the report as amended be approved, which was outlined to Cabinet in November 2025 (CAB3523) and includes additional savings as outlined at paragraphs 11.32-11.38 of the report.**
- 9. That the Section 151 Officer be authorised, in consultation with the Strategic Director with responsibility for Housing to approve**

**buybacks of individual former HRA properties sold under the Right to Buy during 2026/27, following positive financial appraisal, utilising the unallocated New Homes budget (see paragraph 11.26 of the report).**

**10. That subject to the acceptance of the expression of interest to the Local Authority Housing Fund (LAHF) round 4:**

**a. the Strategic Director with responsibility for Housing be authorised to enter into a revised Memorandum of Understanding with Ministry of Housing, Communities & Local Government to secure additional LAHF funding.**

**b. Authority be delegated to the Section 151 Officer to approve capital expenditure (subject to financial appraisal, in accordance with Financial Procedure Rule 7.4) of up to £12m to purchase up to 30 properties between 2026/27 and 2029/30 using the approved HRA unallocated new build budget, to be part-financed by LAHF grant with any balance via prudential borrowing.**

**c. The Corporate Head – Asset Management and the Strategic Director with responsibility for Housing be authorised to purchase up to 30 properties. (Paragraphs 11.74-11.78 of the report).**

**11. That the average rent increase for 2026/27 for all affordable, Shared Ownership and social housing of 4.8% be approved, based on the September 2024 CPI figure of 3.8% +1% (Paragraphs 11.6-11.8 of the report).**

**12. That amendments to HRA tenant service charges in 2026/27 be approved to reflect cost recovery based on 2024/25 actual costs (see paragraphs 11.41 to 11.45 of the report).**

**13. That it be noted 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.**