

**REPORT OF CABINET  
2019/20/02**

**FULL COUNCIL 26 November 2019**

**Cabinet Member Finance and Strategic Regeneration**

**INTRODUCTION**

- 1.1. The Cabinet considered the attached report, on additional Housing Revenue Account budget for new build properties and acquisitions of existing properties to house homeless households.

**SUMMARY OF CONSIDERATIONS**

- 2.1 We considered a report which proposed increasing the Housing Revenue Account's (HRA) Capital Programme funding envelope to finance the construction of new build properties; the acquisition of new build properties for affordable housing and the acquisition of existing properties to house homeless households.
- 2.2 We considered that this was an essential step in ensuring that the Council can deliver on key housing commitments. The additional funding would also allow the Council to acquire properties to house homeless households – and re-municipalise former Council homes lost under the right to buy over the past few years.
- 2.3 We referred to paragraph 4, of the attached report at Appendix 1 on the options that were considered when considering these proposals and noted the statutory officer comments contained in the report at section 8, including equalities comments.
- 2.4 In response to questions from Councillors, we also noted the following information:
- Section 8.13 contained a financial table with a breakdown of the proposed allocations of HRA capital funding. The report recommendations would allow the Council to take advantage of certain new acquisitions that come to the Council's attention as well as potential sites, and also enable the acquisition of street properties to increase Council housing stock. We were confident that the Council would be embarking on a course that was of benefit to people in the borough seeking housing and tackling homelessness.
  - That the additional £12.8m funding was for construction of new build properties and the acquisition of new build properties for affordable housing. There was supporting analysis in the attached report regarding the two primary components for acquisitions and development.

- In relation to the question on the precise figure for Right to Buy projections and the precise projection on the available funding, the report referred to the sum being adequate but did not reference how much was available. The Director for Finance agreed provide this information in writing to the Chair of Overview and Scrutiny.
- With regard to impact on rents for tenants, the change to the HRA capital programme for new homes built and acquisitions was in effect bringing forward what the Council would have spent in later years on housing. The report provided understanding on how the business plan accommodates this by the time the financial year of 2020/21 is reached. With regards to TA accommodation there was a business plan focused on affordability without impacting on tenants.

### **3. WE RECOMMEND TO FULL COUNCIL:**

Approval of the additions to the 2019/20 HRA capital programme of £70.4m to finance: the construction of new build properties (£4.1m); the acquisition of new build properties for affordable housing (£8.7m) and the acquisition of existing properties to house homeless households (£57.6m) as set out in Appendix 1.

#### **Reasons for decision**

As set out at Appendix 1

#### **Alternative options considered**

As set out in Appendix 1