

**HOUSING BOARD held at COUNCIL OFFICES LONDON ROAD  
SAFFRON WALDEN at 2.00pm on 31 JANUARY 2012**

Present:- Councillor V Ranger – Chairman.  
Councillors J Loughlin, K Mackman, J Menell, D Morson, D Perry and J Redfern.

Tenant Forum representatives: Mr D Parish and Mr S Sproul.

Officers in attendance: M Cox (Democratic Services Officer), M Donaldson (Accountancy Manager), R Harborough (Director of Public Services), S Joyce (Assistant Chief Executive – Finance), R Millership (Assistant Director: Housing and Environmental Services), J Snares (Housing Options/Homelessness Manager), S Robinson (Housing Enabling and Development Officer), M Tokley (Principal Accountant (Budgets)).

**HB40 APOLOGIES AND DECLARATIONS OF INTEREST**

An apology for absence was received from Councillor S Barker and D Sadler.

Councillor Ranger declared a personal interest as a council tenant.

**HB41 MINUTES**

The minutes of the meeting held on 10 January 2012 were signed by the Chairman as a correct record.

**HB42 BUSINESS ARISING**

**i) Minute HB37 – Eco House Wendens Ambo**

Members were advised that there was an open day at the eco house at Wendens Ambo on Thursday 2 February.

It was confirmed that officers would monitor the costs and benefits of the property in order to evaluate whether to pursue this type of scheme in the future.

**ii) Minute HB38 – Garden reductions**

Further to the last meeting members were given details of the location of the proposed garden sites. A capital and revenue sum for these developments had been set aside in the business plan. The sites would be evaluated for planning purposes and detailed plans would be brought before future meetings of the Board.

## **HOUSING REVENUE ACCOUNT 2012/13 BUDGET AND 30 YEAR BUSINESS PLAN**

The Board received a report which set out the proposed Housing Revenue Account budget for the year 2012/13, the proposed funding strategy for the self financing statement and the 30 Year Business Plan. The recommendations from this meeting would be forwarded to the Scrutiny Committee and then considered by Cabinet before a final decision was made at Full Council on 23 February.

The Assistant Chief Executive - Finance gave a presentation on the key points in the report. He explained that the proposals for HRA self financing reform were a significant change to housing finance. The Council was required to buy itself out of the Negative Housing Subsidy system by making a one off payment of £88.713 m on 28 March 2012.  
*(NB figure subsequently confirmed as £88.407m)*

The new arrangements would benefit the Council as the interest on the loan would be significantly less than the amount currently paid in negative housing subsidy (around £5.2m), this would create a substantial revenue head room to spend on new housing projects.

The report set out various options for repayment and highlighted the recommended option. This had been put forward by the Council's specialist advisers taking account of the principles laid down by the Board which were to pay off debt within 30 years, maximise money available to spend in the first 5 years and to have reasonable certainty and predictability of payments. It also took account of the points raised by members at previous meetings.

The funding strategy recommended £10m of variable rate loans repayable in years 6 -10 at £2m per year. The remaining amount would be paid at a fixed rate at an average estimated interest rate of 3.3%. There would be no debt repayments for the first 5 years. The graph in the report showed the projected difference between the capital expenditure needed and the finance available. It was estimated that in first year there around £2.7m surplus to spend on new projects and £16m in the first 5 years.

The Committee was asked to agree the HRA budget 2012/13 which took account of the figures used for year 1 of the business plan and included the rent and services charges agreed at previous meetings.

The 30 year Business Plan set out the Council's priorities for housing spending, these were:- to keep stock in good condition, service improvement, redevelopment of sites needing improvement and investment in new council build.

The Assistant Director Housing and Environmental Services drew attention to the detailed action plan which aimed to address the priorities in the business plan. This would be updated as necessary and brought back to the Board on a regular basis. She pointed out that the Council had an unprecedented opportunity to make use of the surplus funds so it was

important that it was spent in the most appropriate way. Further work was therefore required to develop the key strategies (asset management, older persons and tenancy strategy) to establish the main priorities.

The Assistant Chief Executive - Finance concluded that the proposed model confirmed the sustainability of the business plan to repay debt, meet the needs of existing tenants and invest in new projects. It did however include assumptions and he explained that there were risks that the plan could vary if the assumptions about interest rates, right to buy sales, and Government Policy were subject to change. He also said that the debt figure of £88.m was provisional and changes would be required to the business plan if the final figure was substantially different.  
*(NB figure subsequently confirmed as £88.407m)*

The Board agreed with the recommendations in the report. Under the new regime Members had hoped to maximise the provision of affordable housing but were concerned that the proposed change to the right to buy discount could lead to an increase in council house sales which could include new dwellings built by the council. The result of the consultation was not yet known but officers felt that this issue was not of immediate concern. The business plan had already made provision for 6 council house sales a year and officers were exploring various options to address this issue.

The Chairman suggested a few small changes to the text of the document. David Parish said that the Tenants Forum at its recent meeting had accepted the documents and the options proposed.

The Chairman on behalf of the Board thanked officers for their considerable efforts in preparing the Business Plan and the reports for this meeting.

It was RECOMMENDED to Cabinet on 16 February approval of the following, prior to final determination by Full Council on 23 February:

- 1 The Self Financing Funding Strategy as set out in paragraphs 13-19
- 2 The HRA Business Plan as summarised in paragraphs 20-29 and attached to the report
- 3 The HRA budget for 2012/13 as set out in paragraphs 30-32 and Appendix A
- 4 Increases in rents and service charges for 2012/13 as set out in paragraphs 33-40
- 5 With effect from 1 April 2012, the ringfencing of HRA capital receipts (such as Right to Buy receipts) for use by the HRA Business Plan.

HB44      **RIGHT TO BUY CONSULTATION**

The Government consultation on changes to the right to buy legislation would close on 3 February 2012. The Assistant Director Housing and Environmental Services had circulated a proposed response and the Board endorsed the comments made for submission to the Secretary of State.

HB45      **ALLOCATION OF ACCOMMODATION: GUIDANCE FOR LOCAL HOUSING AUTHORITIES IN ENGLAND - CONSULTATION TENANCY STRATEGY**

The Board was advised that the Government had published a consultation on a new draft statutory guidance on social housing allocations for local authorities in England. It intended to assist authorities to take advantage of the provisions in the Localism Act 2011. Alongside the guidance, the Government was also consulting on two sets of draft regulations relating to the Armed Forces.

<http://www.communities.gov.uk/publications/housing/allocationofaccommodation>

Members were asked to forward any comments to the Housing Options/Homelessness Manager by 19th March 2012.

HB46      **DATE OF NEXT MEETING**

The next meetings would be held on Tuesday 3 April and Wednesday 9 May at 2.00pm.

The meeting ended at 3.10pm.