

# Overview and Scrutiny Committee

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Tuesday, 14th February, 2012

## MINUTES

### Present:

Councillor Phil Mould (Chair), Councillor Mark Shurmer (Vice-Chair) and Councillors Peter Anderson, Andrew Brazier, Simon Chalk, Andrew Fry, Bill Hartnett, Gay Hopkins and Brenda Quinney

### Also present:

A Scarce

### Officers:

S Hanley, T Kristunas, S Morgan and S Skinner.

### Overview and Scrutiny Support Officers:

J Bayley and M Craggs

### **RELEVANT EXTRACT FROM THE MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE MEETING - MINUTE 169**

### **HOUSING REVENUE ACCOUNT REPORT - UPDATE ON FUTURE ARRANGEMENTS**

Members received a report on the Housing Revenue Account review for pre-scrutiny.

Officers advised that the previous Housing Revenue Account subsidy system was due to be replaced with a new Council housing finance process, called self-financing. As part of this process a valuation had been made of each local authority's Council housing stock and assumptions had been made by the government regarding each Council's income through rents and maintenance expenditure over the next 30 years.

The Council would need to pay the government £98.929 million for the local authority's housing stock by 28th March 2012, though money could be borrowed to cover these costs from the Public Works Loans Board. The local authority would be required to pay back the amount that had been borrowed over the next 30 years.

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Chair

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Members agreed that Officers' proposal to pay back the amount that had been borrowed every five years after year 15 of the process would help to minimise the risks of this borrowing to the Council.

A draft Capital Programme for the following 30 years had also been provided for Members' consideration. Funds had been transferred from the current Major Repairs Reserve (MRR) to this Capital Programme. Members were advised that until year 11 surplus funds would not be available from the Capital Programme to repay the borrowing. However, in subsequent years significant funding would be available from the programme to contribute to repayments.

## **RECOMMENDED that**

**subject to the Council's approval of the budgetary implications,**

- 1) the 5 year Housing Capital Programme, as set out at Appendix 1 to the report, be approved;**
- 2) the Director of Finance and Corporate Resources be authorised to acquire debt from the Public Works Loans Board up to the amount of the actual Debt Cap in line with the profile set out at Appendix 4 to the report;**
- 3) subject to Members' comments, the viability of the 30 year business case for the Housing Revenue Account, and the projected availability of resources within the Business Plan to undertake projects such as regeneration be noted;**
- 4) Officers be authorised to incur expenditure as detailed in Appendix 1 to the report, up to the limit approved by the Council and for the purposes detailed in the report;**
- 5) the Council approve the financial / budgetary implications, as detailed in the report; and**

## **RESOLVED that**

**the report be noted.**

The Meeting commenced at 7.00 pm  
and closed at 8.10 pm