

CABINET

21 FEBRUARY 2019

Record of decisions taken at the meeting held on Thursday 21 February 2019.

Present:

Chair: * Councillor Graham Henson

Councillors:

* Sue Anderson	† Varsha Parmar
* Simon Brown	* Christine Robson
* Keith Ferry	* Krishna Suresh
† Phillip O'Dell	* Adam Swersky

Non-Executive Cabinet Member: * Antonio Weiss

Non-Executive Voluntary Sector Representative: † John Higgins

In attendance:	Richard Almond	Minute 122
	Marilyn Ashton	Minute 122
	Paul Osborn	Minute 122
	Pritesh Patel	Minute 122

* Denotes Member present
† Denotes apologies received

RECOMMENDED ITEMS

130. HRA Budget 2019-20 and Medium Term Financial Strategy 2020-21 to 2021-22

Cabinet was advised that, in addition to the specific recommendations in the report, it was also being asked to recommend the 2019-20 Housing Revenue

Account (HRA) Budget and the HRA capital programme for approval by full Council.

Resolved to RECOMMEND: (to Council)

That

- (1) the Housing Revenue Account (HRA) Budget for 2019-20 be approved;
- (2) the Housing Revenue Account (HRA) Capital Programme, as detailed in appendix 7 to the report, be approved.

[Call-in does not apply to the decisions above as they are reserved to full Council.]

RESOLVED: That the following be approved -

- (1) the proposed average rent for non-sheltered accommodation of £113.09 per week for 2019-20 be approved, representing a decrease of 1% in average rent from the 2018-19 figure and for fifty three rent weeks to be charged in financial year 2019-20;
- (2) the proposed average rent for sheltered accommodation of £93.66 per week for 2019-20 be approved, representing a decrease of 1% in average rent from the 2018-19 figure and for fifty three rent weeks to be charged in financial year 2019-20;
- (3) an average tenant service charge of £3.22 per week be approved, an increase of 2.4% in line with CPI as detailed in appendix 2. Should review of tenant service charges support a further increase with appropriate consultation, approval from Cabinet will be sought for an in year increase;
- (4) a proposed average rent for new build units at affordable rent of £197.29 be approved, reflecting the statutory 1% rent reduction and non-grant funding and for fifty three rent weeks to be charged in financial year 2019-20;
- (5) proposed average rent for shared ownership units of £150.03 per week be approved, reflecting 75% equity share held by Council following approval by Cabinet 6 December 2018 of the Shared Ownership Allocation and Affordability Policy;
- (6) proposed increases in Facility charges and Community Halls of 3% and 4% respectively (appendices 4 and 6) be approved, and charges for Garages and Water (appendices 3 and 5) remain unchanged be noted;
- (7) policy of repayment of HRA debt on new RTB disposals using a proportion of right to buy receipts as part of a policy to reduce interest exposure on the revenue account with due regard to borrowing requirements for new build be approved;

- (8) an increase in the planned investment programme of £8m over five years based on latest stock condition survey in line with affordability testing in the HRA Business Plan be approved;
- (9) an increase in Home-4-Harrow programme of £123.7m be approved for provision of 659 additional homes in accordance with Government's stated objective to provide 10,000 new Council homes in the capital by 2030, comprising £25.8m for Grange Farm phases 1 & 2; £2.8m for Infill phase 2; £7.7m Gayton Road and £87.4m other schemes;
- (10) phased increase in borrowing of up to £83.6m be approved to complete existing, and start new schemes for provision of new housing supply; additional borrowing to be raised in separate HRA loans pool and subject to ongoing affordability testing through Business Planning process as set out in the risks & mitigations section of this report;
- (11) set up of earmarked reserves assuming adequate resources becoming available to mitigate the risks identified in construction of budget and MTFs be approved.

Reason for Recommendation: To recommend the HRA budget and capital programme for 2019-20 and the MTFs for 2020-21 to 2021-22, increases in capital programme and increase in borrowing required to support new housing supply.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member/Dispensation Granted: None.