

Report to: Council

Date of Meeting 17 July 2024

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Exemption applied: None

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Housing Revenue Account (HRA): Financial Review, Revised Budget & Sustainability Plan

Report summary:

This report sets out the Cabinet recommendation to Council arising from their consideration of a report Housing Revenue Account (HRA): Financial Review, Revised Budget & Sustainability Plan presented to Cabinet on 10 July 2024.

Note: The references in this report to Paper A relate to the relevant report considered by the Cabinet with recommendations for Full Council to consider and are appended to this report for reference.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Council;

1. Approve £2.5m of additional borrowing to balance the HRA budget for the 2023/24 financial year.
2. Approve a revised HRA Budget for 2024/25 as set out in Appendix 3, and a revised Capital Programme Budget as set out in Appendix 4.

The approval to include:

- a) That up to £1.75m be allocated from the HRA Balance Reserve to fund the 2024/25 forecast revenue budget shortfall.
 - b) That a target annual revenue saving of £250k per annum be sought over 3 years to replenish the HRA Balance Reserve.
 - c) That £4.4m of Voluntary Revenue Provision be used to reduce the level of additional borrowing required within the HRA.
 - d) That £7.3m of new borrowing be agreed to fund the 2024/25 Capital Programme.
3. Note that £2.415m of savings and/or new additional revenue is required in 2025/26. This is needed to achieve a balanced budget, meet the increased cost arising from new borrowing in 2024/25, contribute toward the replenishment of

the HRA Balance Reserve and fund additional new borrowing for Capital Programme investment in 2025/26.

4. Note the work currently underway to investigate options and establish a longerterm strategic plan to ensure the sustainable and effective management and maintenance of the Councils Housing stock.
5. Approve a £35k budget within the HRA to increase provision to a Full-Time HRA accountant to support the service.

Reason for recommendation:

To balance the budget and provide the necessary investment for regulatory compliance and for the provision of good quality safe, affordable and warm homes for our residents.

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