

**Council**

28 March 2019

**Agenda Item 101**

Brighton &amp; Hove City Council

**Subject:** HRA Borrowing Cap  
Extract from the proceedings of the Housing & New Homes Committee, 13 March 2019

**Date of Meeting:** 28 March 2019

**Report of:** Executive Lead Officer for Strategy, Governance & Law

**Contact Officer:** Name: **Caroline De Marco** Tel: **01273 291063**  
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**Wards Affected:** All

**FOR GENERAL RELEASE*****Action Required of the Full Council:***

To receive the item referred from the Housing & New Homes Committee for information:

**Recommendation:** That the report be noted.

**Committee Resolution:** That the Committee note the contents of this report.

**BRIGHTON & HOVE CITY COUNCIL**  
**HOUSING & NEW HOMES COMMITTEE**  
**4.00pm 13 MARCH 2019**  
**COUNCIL CHAMBER - HOVE TOWN HALL**  
**MINUTES**

**Present:** Councillor Hill (Chair); Councillor Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Cattell, Meadows, Moonan, Page and Wealls

**PART ONE**

**74 HRA BORROWING CAP**

- 74.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing which updated on progress on removing barriers to accelerate delivery of new homes. In response to the Notice of Motion to full council in December 2018 the current report provided information on capacity and resources to expand delivery of housing following the lifting of the HRA cap. The Government launched a consultation regarding the options for reforming the rules governing the use of RTB receipts. The council responded to the consultation, welcoming both an increased flexibility on the amount of RTB receipts that can be used and also an extension of the deadlines for when existing receipts must be spent. The Government had not yet announced the outcome of this consultation or any changes to the current rules. The report was presented by the Lead Regeneration Programme Manager and the Housing Strategy & Enabling Manager.
- 74.2 Councillor Cattell stated that she was pleased to see the report which was an example of two lead officers working well together. Councillor Cattell was pleased to see the chart on page 82, paragraph 3.12 which confirmed that there would be additional resources. This was a good example of one council working.
- 74.3 Councillor Mears expressed concerns about the report. She referred to paragraph 3.24 on page 86. This stated that "Part of this capital strategy update would need to factor in a full stock condition survey to assess what work is required to existing homes to keep them maintained to the required decent homes standard." Councillor Mears referred to Budget Council where a decision was made to take over £7m from the HRA. By taking that money away from the HRA the council were potentially depriving the housing stock of investment. Councillor Mears stressed that at this moment in time there were no changes to the Right to Buy receipts. Paragraph 7.2 highlighted that the council needed to be mindful about reserves. Paragraph 7.3 stated that "the expectation is that there would still need to be a 10% margin maintained between actual borrowing and the cap to ensure that is a contingency of funding in place to use in case of emergencies." It

was stressed that the committee was the freeholder of the council's housing stock and had a duty as landlord to maintain the property. Taking money from the HRA would have consequences.

- 74.4 The Assistant Director, Housing confirmed that with regard to the HRA budget, there had been investment in the existing stock. Investment had been increased to reassure members with regard to fire health and safety. Any scheme coming forward in terms of new homes would need to be submitted to Housing & New Committee and Policy, Resources & Growth Committee to see if the schemes were viable and to consider the impact of the scheme on the HRA budget before any approval was given.
- 74.5 Councillor Gibson stated that it was not right to suggest tenant's rents were being raided. Budget Council had restored the budget to its previous level. Councillor Gibson welcomed the paper as the council moved towards greater ambition. There was a need to be building more homes and a need to get ahead of the game in terms of using Right to Buy receipts. Meanwhile Right To Buy receipts were already being used for temporary accommodation with no resulting problems. Councillor Gibson hoped that the council could double or treble its council housing accommodation.
- 74.6 Councillor Page stated that he had hoped that all parties would welcome the wider opportunity to invest and provide homes for all residents of the city.
- 74.8 The Chair commented that the report was excellent.
- 74.8 **RESOLVED:** That the committee note the contents of this report.

