



SPECIAL CABINET – 17TH DECEMBER 2014

SUBJECT: DECISION FOR THE AUTHORITY TO BUY OUT OF HOUSING REVENUE ACCOUNT (HRA) SUBSIDY ARRANGEMENTS

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S 151 OFFICER

1. PURPOSE OF REPORT

1.1 The attached report provides Cabinet with information to consider whether they wish to support the recommendations to Council in respect of the Buy Out of the HRA Subsidy arrangement.

2. SUMMARY

2.1 The attached report to Council is provided for Members' consideration.

3. RECOMMENDATIONS

3.1 Cabinet endorse the report and recommend to Council that:-

3.1.1 Council consider and agree that the Authority exits the HRA Subsidy arrangements prior to 2015/16 to enable the HRA to become self-financing from April 2015.

3.1.2 Council agree to borrow this Authority's share of the total settlement value currently estimated to be £84.8 m and notes that the final figure may be higher or lower.

3.1.3 Members endorse the Officer recommendation to use option 2 to calculate the HRA share of debt after 1 April 2015.

3.1.4 Members accept that a borrowing cap will be applied to the HRA after March 2015 as detailed in Appendix 2.

3.1.5 Members agree that this Authority enters into the Voluntary Legal Agreement in relation to the Buy Out subject to the Interim Head of Legal Services approving the terms of the Agreement to ensure the Buy Out is achieved.

4. REASONS FOR THE RECOMMENDATIONS

4.1 Cabinet are provided an opportunity to determine whether they wish to recommend to Council that the Authority exits the HRA Subsidy arrangements.

5. STATUTORY POWER

5.1 Local Government and Housing Act 1989, Housing (Wales) Act 2014.

Author: Nicole Scammell, Acting Director of Corporate Services & S 151 Officer
Consultees: Steve Harris, Interim Head of Corporate Finance
Gail Williams, Interim Head of Legal Services/Monitoring Officer
Lesley Allen, Principal Accountant (Housing)
Nadeem Akhtar, Group Accountant
Chris Burns, Interim Chief Executive
Phil Davy, Head of Programmes (WHQS)
Shaun Couzens, Chief Housing Officer
Cllr Keith Reynolds, Leader of the Council
Cllr Gerald Jones, Deputy Leader & Cabinet Member for Housing
Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services

Background Papers:
HRAS file

Appendices:
Appendix 1 Decision for the Authority To Buy Out Of Housing Revenue Account (HRA) Subsidy Arrangements