

## CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **SOCIAL CARE, HEALTH & HOUSING OVERVIEW & SCRUTINY COMMITTEE** held in Room 15, Priory House, Monks Walk, Shefford on Monday, 12 December 2011.

### Minutes

#### SCHH/11/65 Implementing Self-Financing of Council Housing

The Committee received a report that sought their comments on the Housing Revenue Account (HRA) within the new self-financing regime. The introduction of the new regime resulted in the Council taking on a debt of £165m but enabled the Council to retain its rental income in order to repay this.

In addition to the report the Committee heard that the Council would take a flexible approach to the debt so that some money from rental income could be reinvested elsewhere. The new regime presented the Council with an opportunity where there was also close monitoring within the financial management strategy. Due to the good standard of the housing stock the Council should retain approximately £11m in rental income that had previously been paid to the Government.

In response to the report and comments of Member the Committee raised and discussed the following issues in detail:-

- Further reports to the Executive should identify any changes in interest rates.
- The Council should consider if there was an opportunity to reinvest rental income by purchasing additional property. It was noted it would be important to discuss the use of any rental income with local tenants.

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- The Council was awaiting further guidance on the implications of 'right to buy' schemes, projections had been made in the HRA based on current information.

The Committee considered the future role they should undertake in order to examine opportunities, issues and risks related to the HRA under the self-financing regime. The Committee agreed that a further briefing by email on this would be welcome. Updates and further proposals should be provided to the Committee in a timely manner prior to the approval of a policy by the Executive.

### Resolved

**That a briefing be provided to Members in relation to the future financial model. A further report was also to be presented to the Committee to consider how it might examine opportunities, issues and risks related to the HRA under the self-financing regime.**

**Recommended to the Executive**

**That the comments of the Social Care, Health and Housing OSC be considered and that the draft budget report for the Housing Revenue Account within the new Self-Financing Regime be approved.**