

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL
RECORD OF EXECUTIVE / CHIEF OFFICER DECISION**

This form should be used to record key and other decisions made by individual Portfolio Holders and key decisions made by Chief Officers. The contact officer will ensure that the signed and completed form is given to Democratic Services as soon as reasonably practicable after the decision has been taken.

Unless permission has been obtained from the Chairman of Council and the Chairman of the Scrutiny and Overview Committee that this decision be treated as a matter of urgency under Rule 12.19 of the Scrutiny and Overview Committee Procedure Rules, this decision will come into force, and may then be implemented, on the expiry of five working days after the publication of the decision, unless called in under Rule 7 of the Budget and Policy Framework Procedure Rules or Rule 12 of the Scrutiny and Overview Committee Procedure Rules.

Portfolio	Housing Portfolio Holder
Subject Matter	Government Review of Council Housing Finance: Proposals to Replace Housing Revenue Account (HRA) Subsidy System
Ward(s) Affected	All Wards;
Date Taken	Monday, 5 July 2010
Contact Officer	Stephen Hills, Corporate Manager, Affordable Homes (stephen.hills@scamb.gov.uk)
Date Published	Monday, 5 July 2010
Call-In Expiry	Monday, 12 July 2010
Key Decision?	Yes, if the Council is required to accept the settlement, the matter: <ul style="list-style-type: none"> • is likely to result in the Council incurring expenditures which is significant having regard to the Council's budget for the service or function to which the decision relates; • is likely to be significant in terms of its effects on communities living or working in an area of the District comprising two or more wards; • increases financial commitments (revenue and / or capital) in future years above existing budgetary approvals; and • is of such significance to a locality, the Council or the services which it provides that the decision-taker is of the opinion that it should be treated as a key decision.
In Forward Plan?	Yes
Urgent?	No
Reason(s) decision taken outside meeting	The majority of the consultation response already was agreed by Housing Portfolio Holder at his 19 May 2010 meeting, but, following the change in government and publication of the coalition government's "Programme for Government" on 20 May 2010, the full Council on 27 May 2010 adjourned further debate and deferred a decision on responding to the consultation to enable a review of the proposed consultation response. The Housing Minister has since announced that he still expects consultation responses by the July deadline but will be take a fresh look at the proposals set out by the previous Government in light of these responses.

Purpose / Background
The purpose of this decision is to respond to the consultation prospectus on the government's proposal to replace the Housing Revenue Account (HRA) Subsidy System, which offered this authority to take on £197 million of debt incurred by other councils, in return for which the authority would be able to retain 100% of housing rent collected locally.

Declaration(s) of Interest
Record below any relevant interest declared by any executive Member consulted or by an officer present in relation to the decision.

None

Dispensation(s)
In respect of any conflict(s) of interest declared above, record below any dispensation(s) granted by the Council's Standards Committee.

None

Consultation
Record below all parties consulted in relation to the decision.

All Elected District Councillors both before and at the Housing Portfolio Holder's 19 May 2010 meeting and full Council on 27 May 2010, including, specifically, the Leader, Councillor Ray Manning; Major Opposition Group Leader, Councillor Sebastian Kindersley; Councillor Alex Riley, Independent Group Convenor; Scrutiny and Overview Committee Chairman, Councillor James Hockney; Scrutiny and Overview Committee Housing Portfolio Holder Monitors Councillors Liz Hezell and Ben Shelton; Opposition Spokesmen for Housing Councillors Frances Amrani and Liz Hezell

The Tenant Participation Group on 10 May 2010. Their key concerns are:

- (a) The proposal to allocate such a large debt to the Council is fundamentally unfair.
- (b) There may be further changes in the future, which would end up penalising the Council.
- (c) Due regard has not been given in the proposal to how disabled adaptations will be funded.

Other Options Considered and Reasons for Rejection

Option 1: The Council has the option to respond negatively to the self-financing proposals.
Reason for Rejection: The principle of moving to a self-funding regime is accepted.

Option 2: To support the move to self-financing without qualification.
Reason for Rejection: The Council requires the scale of the opening debt proposed for South Cambs to be reconsidered and further assurances provided in relation to interest rates.

Final decision	Reason(s)
The Council recognises that the self-financing proposal is preferable in the long term to the current HRA subsidy regime. It is, however, reluctant to proceed to an early voluntary implementation.	For the reasons given in the full consultation response, the Council is concerned that the opening level of debt proposed has not fully taken into account all of the spending needs of the Council.

Signed	Name (CAPITALS)	Signature	Date
Portfolio Holder	Signed copy available upon request from Democratic Services (democratic.services@scambs.gov.uk)		
Chief Officer			

Further Information
 See report to Housing Portfolio Holder's 19 May 2010 meeting.