

NOTICE OF MOTION
CONSERVATIVE GROUP
HRA HOUSING CAP

This council resolves:

To call upon the Chair of Housing to bring a report to the next meeting of the Housing & New Homes Committee, on 16th January 2019, that details a revised policy in the light of changes to HRA Borrowing Cap.

Proposed by: Cllr. Mary Mears

Seconded by: Cllr. Steve Bell

Supporting Information

This revised plan is required following the Chair of Housing agreeing to all General Fund sites coming forward for the joint venture, being offered to the HRA first.

At the last meeting of Full Council, on 18th October 2018, The Chair of Housing was asked "Will the Council be looking at all general fund sites coming forward for the joint venture to be offered to the HRA first?" The clear and concise response was "I'd be happy to agree to that." In light of this the housing policy must be under review.

The Government removing the HRA debt cap is a positive step. With the current uncertainties in housing finance, anything that removes artificial barriers, allows experienced professionals to make investment decisions, and gives added flexibility and control must be welcomed. The Government removing this cap could and should drive a new era of council house building.

The removal of HRA borrowing caps became effective from 29 October 2018 in England.

Kit Malthouse MP (Conservative Minister of State for Housing, Communities and Local Government) explained "I can't sit and give a Whitehall directive target for the nation's homes, and that is why we [the Conservative Government] have removed the HRA cap... we [the Conservative Government] hope that this will kickstart a new generation of council houses in particular that are at social rent."

"We [the Conservative Government] are now giving councils no restrictions to get back into the business of building homes, the initial number that people believe they can build over the next couple of years is 10,000, but I hope and believe that local councils will be really keen on this and can be more ambitious."

<http://www.arch-housing.org.uk/news/latest-news/budget-2018-borrowing-cap-removed-and-money-for-universal-credit.aspx>

<http://www.room151.co.uk/blogs/cap-and-trade-unlocking-the-benefits-of-scrapping-the-hra-debt-cap/>

