COUNCIL

Report of: Chief Finance Officer and Director of Transportation, Housing and Environment

Date: 11 December 2014

APPROVAL TO ENTER INTO A VOLUNTARY AGREEMENT FOR THE PURPOSE OF EXITING THE HOUSING REVENUE ACCOUNT SUBSIDY SYSTEM

Council will have had sight of previous Cabinet reports which have reported in detail the forthcoming changes to the Housing Revenue Account (HRA) Subsidy System which will see the HRA become “self financing”.

Whilst there are provisions within the Housing (Wales) Act 2014 to enable this change, in May 2014 it was agreed by the eleven stock retaining Local Authorities (LAs) to voluntarily exit from the HRA Subsidy system on 31 March 2015.

The arrangements are such that all eleven LAs must exit together; the failure of one Authority to agree to exit or to sign the voluntary agreement will have the impact of the exit not taking place next year.

The timetable for the implementation has a number of critical milestones leading up to the exit date of 31 March 2015 and it is expected that the Voluntary Agreement is signed by a duly authorised Officer and returned to the Welsh Government by 19 January 2015.

A copy of the draft agreement is attached as an Appendix. It should be noted that the document has been in development for a number of months and following a number of amendments is in the process of being finalised. Whilst it may be subject to further minor amendments, it is not anticipated that the substantive principles of the agreement will change.

The Council’s Treasury Management Strategy will be revised to incorporate the exit from the Housing Revenue Account Subsidy system, and this will be reported to Council on 5 March 2015.

RECOMMENDATION

That the report be received and the signing of the voluntary agreement by the Chief Finance Officer be approved at the appropriate time to ensure that it is received by the Welsh Government by 19 January 2015.

Background Documents: None