



NORTHAMPTON
BOROUGH COUNCIL
CABINET REPORT

Report Title	Housing Revenue Account (HRA) Budget, Rent Setting 2017/18 and Budget Projections 2018/19 to 2021/22
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	14 December 2016
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1. Purpose

- 1.1 The purpose of this report is to present for consultation the Cabinet's draft budget proposals for 2017/18, including Rent setting for 2017/18, and forecast budgets for 2018/2022 for the draft Housing Revenue Account (HRA) and the draft HRA Capital Programme and financing proposals.
- 1.2 The report also outlines the draft Total Fees for Northampton Partnership Homes (NPH) based on the draft 2017/18 budgets.

2. Recommendations

- 2.1 That Cabinet approve the draft Housing Revenue Account (HRA) budget including charges and rents as detailed in Appendices 1 and 5 for public consultation.
 - 2.2 That Cabinet approve the draft HRA Capital Programme and financing, including bringing the housing stock up to the Northampton Standard, as detailed in Appendix 2 for public consultation.
 - 2.3 That Cabinet note the draft Total Fees proposed for NPH to deliver the services in scope.
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3. Issues and Choices

3.1 Report Background

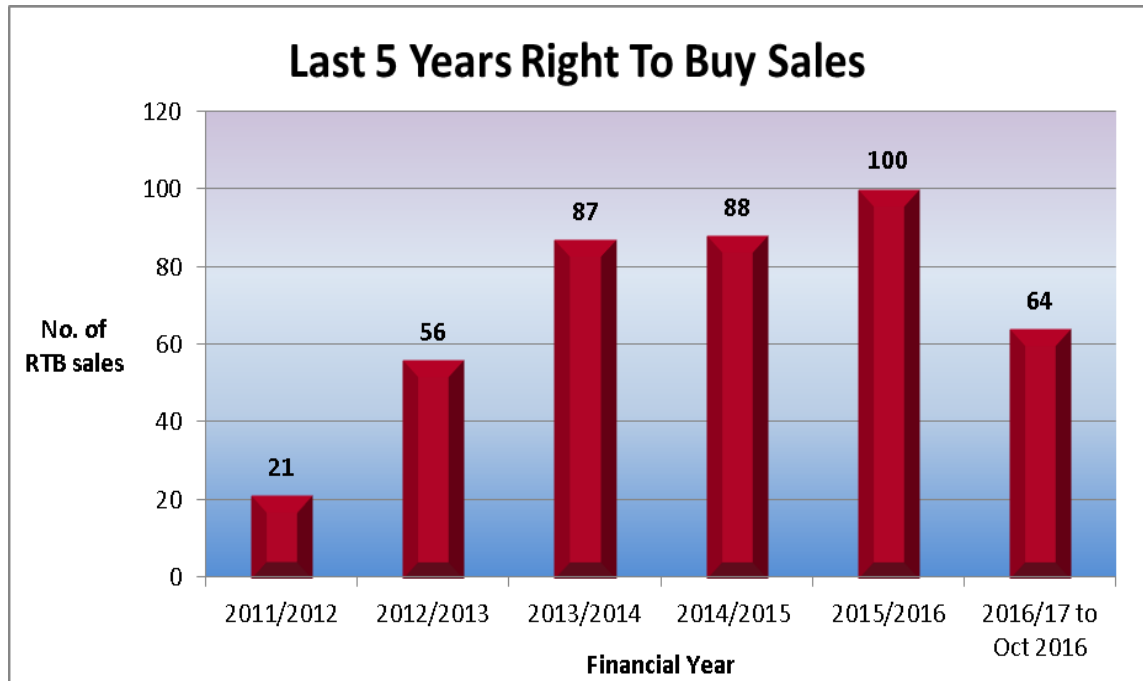
- 3.1.1 Local housing authorities are required by Section 754 of the Local Government and Housing Act 1989 (the 1989 Act) to keep a HRA. The HRA reflects a statutory obligation to account separately for local authority housing provision. It identifies the major elements of the HRA expenditure and how these are funded, mainly from rents. The HRA budget process incorporates the calculation for the continuation of delivery of the HRA services by NPH. The details of the arrangements and indicative financial Total Fees were presented to Cabinet on the 12th November 2014. This report provides the updated financial position and indicative Total Fee for NPH for 2017/18 to provide the services in scope. It should be noted that the Total Fee for NPH in 2017/18 will be subject to approval of the HRA and General Fund Budgets by Council at its meeting in February 2017.
- 3.1.2 The Council has statutory responsibility for the HRA and will therefore retain management of the HRA. NPH, as part of their responsibilities, will provide the Council with information on its activities and advice on how best to make use of the resources within the HRA.

The Financial Position

- 3.1.3 The national and global economic outlook has shifted over the last 12 months, due to the outcome of the referendum on June 23rd leading to the UK's proposed withdrawal from the European Union, and more recently the outcome of the presidential election in the United States. The impact on the Borough Council's budget and HRA medium term financial plan are:
- Demand for housing currently remains strong and whilst this is of benefit to Northampton's wider growth strategy it puts increasing pressure on the HRA from the increase in number of instances of Homelessness and the managing of the HRA housing stock.
 - Inflation is expected to increase from current rates (CPI 0.9%, RPI 2%) over the next 12 months as the impact of the fall in the value of the pound feeds through into consumer prices. This will potentially lead to inflationary pressures within the Council's HRA budget.
 - Interest rates are forecast to stay low over the medium term. The Bank of England base rate was reduced to 0.25% in August 2016 and is not expected to rise in the short term. These reduced interest rate forecasts have a significant negative impact on the Council's income from interest on cash balances of which the HRA gets a share. On the positive side, PWLB borrowing rates are also low making longer-term borrowing to fund investments more attractive.
- 3.1.4 **HRA Debt Cap.** The HRA is subject to a debt cap whereby the Council cannot carry borrowing on the HRA above the level set by the Government. For Northampton, this level is £208.4m. The debt cap is to be increased by £8.6m via a special determination after the Council was successful in its Local

Growth Fund (LGF) Bid for Council House New Build, more detail of which is reported in paragraph 3.1.6 below. This will increase the Council's HRA debt cap to £217m. The Council has also set a prudent minimum level of working revenue balances for the HRA at £5m. Both these are key considerations taken into account when setting the HRA Revenue Budget and HRA capital programme for 2017/18 onwards.

3.1.5 **Right to Buy (RTB)** sales have increased compared to recent years following an increase in discount levels introduced from April 2012. The total RTB sales for the last 5 years, and the current year to date is shown in the graph below:



Assumptions based on these increased resources are included within the indicative HRA capital programme financing shown at Appendix 3. The level included in 2017/18 is £2.4m. There are two additional considerations arising from this change:

- a) Additional pressure is placed on the revenue budgets through reduced rental income; assumptions around this have been built into the HRA budgets being considered in this report; and
- b) The additional capital receipts, (retained "1 For 1" RTB receipt element 2017/18 £1.4m), must be used towards the provision of new social housing and can only be used to finance 30% of this cost; if the Council does not spend the capital receipts within a 3 year rolling timeframe, the receipts, plus an amount for interest, are payable to Government. Quarter 2 of this year resulted in a repayment of £26k to Government plus interest. The Council is working closely with NPH to ensure that a new approach is implemented that will achieve the replacement homes that was intended by the agreement reducing the risk of repayment to government. As a result of this the capital programme has been reprioritised and funding of £2m identified and vire to help cover the total expenditure i.e. the remaining 70% in year.

3.1.6 New Council House Build. The Council was successful in its bid, under the Governments LGF scheme, for an increase in its debt cap specifically to help fund the building of 100 new Council homes at Dallington. The increase in debt cap awarded was £8.6m, (£600k for the current year and £8m for 2016/17) which allowed the Council to borrow specifically for this project. The costs and borrowing for this project are forecast to be covered over the life of the project by the rental streams generated by affordable rents.

This project has slipped significantly behind plan and as a result the Council applied in May 2016 to get the LGF increase in debt cap re-phased into 2017/18. This request was granted to the Council in October 2016, (re-phasing the borrowing £1m 2016/17 and £7.6m in 2017/18) however recent discussions held with the developer have resulted in this revised deadline being unachievable. As a result of this NPH have been working with the Council to bring forward potential substitute schemes, (the principle of which has been agreed by the Government), which are currently being evaluated. Cabinet will be asked to approve the redirecting of funding to the substitute schemes at a future meeting.

NPH has developed a Business proposition in consultation with the Council to demonstrate the opportunity and viability of creating a delivery vehicle to provide new council housing for the Council. The proposal is a 10 year Housing development programme of new developments to deliver new housing to maintain stock numbers and address the shortage of affordable housing supply in the Borough. The Councils' officers are currently undertaking a full review of the proposals and due diligence checks.

3.1.7 Developments from Summer 2015 Budget and Housing and Planning Bill. The Governments summer Budget Statement of 2015 introduced three significant policy announcements which have significant impact for the HRA, one of which, social housing rent reduction was implemented in 2016/17. The other two are a requirement for local authorities to make payments to the government in respect of high value void sales and a requirement for high income tenants to pay higher rents (Pay to Stay). These two policies were expected to be introduced from 2017/18 onwards.

3.1.7.1 Extension of Right To Buy and Higher Value Void sales

This policy extends the RTB to housing association tenants and to compensate housing associations for the discount given under the scheme from the proceeds of selling "high value" council houses as they became available. This was due to commence from 2017/18. It is anticipated that housing associations would use the receipt to reinvest in new homes. To meet the cost of the discounts a determination will be issued requiring local authorities with a HRA to make a payment to the government for a financial year reflecting the market value of "high value" housing likely to become vacant during the year less costs, whether or not receipts are realised. The determining of the level of payment each HRA Local Authority will be expected to make will be entirely formula driven based on prior years termination and re-let figures. The last 5 years termination and re-let figures along with property Market values has been provided to the government. The recent Autumn Statement announced that this policy implementation is delayed until April 2018. The detailed formula behind this calculation is still anticipated to be consulted upon soon. Initial modelling has been carried out

based on the limited information available and the indicative impact based on Capita modelling estimates the annual levy from 2018/19 to be £10m with an indication that to pay this levy the HRA could have to sell on the open market an additional 85 dwellings each year. This is shown in the table below:

Higher Value Voids Levy – the Estimated figures

	Source	
	Shelter	Capita
Estimated Annual Levy	£22m	£10m
Number of Higher Value Void Sales required	152	85
	Stock Numbers	
Current HRA Stock Level	11,800	11,800
Stock Loss over 5 Years	760	425
Stock Loss over 10 Years	1,520	850
Stock Loss over 30 Year Business Plan	4,560	2,550

- Assumes that receipts will be realised from sales required

The HRA Business plan will be updated with more information as and when information is released and the financial position reported at a later Cabinet.

3.1.7.2 Pay To Stay

The Housing and Planning Bill 2016 makes provision for the charging “high income social tenants” with reference to the market rate or other factors based on income and housing area. Further details have been expected through regulations but never released. In the recent Autumn Statement the Government announced that it has decided not to proceed with the policy in its current compulsory form. Local authorities and housing associations will continue to have the discretion to implement the policy for tenants with incomes over £60k. This policy is currently not applied by the Council. This will be reviewed when details from the expected White paper are issued and an update brought back to Cabinet. In this announcement the Government stated it remains committed to delivering its objective of ensuring social housing is occupied by those who need it most, but recognise the need to do this in a way that supported ordinary working class families who can struggle to get by, and in a way that delivers real savings to the taxpayer.

3.2 Housing Revenue Account Budget 2017/2018

- 3.2.1 The HRA is a ring-fenced account that represents the costs of holding the Council housing stock. There are strict rules surrounding the costs and income that can be charged to this account. Much of the income and expenditure is dictated by legislation and regulation leaving the Council with direct control over a limited number of these budgets. The HRA Budget proposed for 2017/18 reflects the current service levels and the changes in service delivery from 5 January 2015,
- 3.2.2 The HRA budget estimates are attached at Appendix 1 to this report. The main areas to the HRA are reported below.

3.2.2.1 **Rental income**, by far the largest single budget within the HRA, has previously been calculated in accordance with national rent policy. For 2016/17 the Welfare Reform and Work Bill legislated that rents in the social sector should decrease by 1% for the next 4 years. This was a move away from the 10 year policy of increasing rents using Consumer Price Index (CPI) plus 1 percentage point annually (3% per annum).

- The proposal for rent decreases in 2017/18 is therefore -1% on average across the housing stock in line with the legislation. As previously reported this level of decrease reduces income over the 4 years by £20m which poses a real challenge to future sustainability of the HRA.

3.2.2.2 **Service Charges**. The schedule of draft Service Charges for 2017/18 is attached at Appendix 4. The level of Service Charges should be set to enable the full recovery of costs incurred. It is proposed that general Service Charges for 2017/18 are increased in line with RPI as at September 2016 (0.5%). It is also proposed that charges in relation to Communal Heating Systems are increased by 3% to reflect the current levels of expenditure. The Service Charges have been reflected in the budgeted income figures. It should be noted that further review of service charges is ongoing and any changes will be presented in the final budget report in February 2017.

3.2.2.3 **Welfare Reform**. Over the medium term planning period, more information and detail will be released about Universal Credit (UC) and other welfare reform initiatives which will have an impact upon the current service provision of the Council. UC is available to people who are on a low income or are out of work. It aims to make the welfare system simpler by replacing six benefits and tax credits with a single monthly payment. It includes support for the costs of housing, children and childcare, as well as support for disabled people and carers. The national expansion of UC commenced in February 2015 and Northampton Borough Council went live with the delivery of UC in November 2015. At this stage, the roll out of UC in Northampton is initially only for new claims from single working age people, who would otherwise have been eligible for Jobseeker's Allowance, including those with existing Housing Benefit and Working Tax Credit claims. DWP has recently announced that the full Digital Service for new UC cases will be rolled out to the Council in July 2018, at which point new claims to 'legacy' benefits, including HB, will cease. At this juncture, all new working age claimants will claim UC.

The current implementation timetable shows that UC will be established across Great Britain, with new claims to legacy benefits closed, from late 2018. Migration of exiting benefit claims will follow thereafter and is planned to be completed by March 2022.

There is concern within the government in respect of the current level of UC related rent arrears and the government has commissioned an urgent review into the high rate of rent arrears owed by Universal Credit claimants. This concern stems from both the fact that UC payments are made directly to the claimant and the inherent delays in UC payments appear to be the cause of increases to arrears. To start to address some of these concerns the government has also established a UC 'Trusted Partner' pilot. Under the Trusted Partner proposals, social landlords will be able to identify vulnerable

claimants and apply to have the rent directed to the landlord before the tenant falls into arrears.

The council and LGSS will closely monitor the outcomes of these and future UC reviews/pilots in the hope that they will deliver the necessary administrative easements and improvements which social landlords are calling for. This could have an impact on rent collection for the Council which will have an impact on the overall HRA position. The bad debt provision was decreased in the original 2016/17 budget to reflect the good performance managing arrears levels and to take into account the phased implementation of Welfare reform. The level of arrears and required level of bad debt provision will continue to be monitored closely throughout 2016/17 financial year and future years in light of the welfare reform roll out.

3.2.2.4 Repairs and Maintenance. The revenue repairs and maintenance budget represents the non-capital costs of responsive and cyclical maintenance programmes. These are determined both with current service levels and the latest stock condition survey information.

3.2.2.5 Capital Financing Costs. The interest fixed rate costs to the HRA are reflective of the move to a Self-financing HRA in 2012 where the Council under the Governments prescription took on the debt for its stock as calculated by the Self Financing Determinations. They reflect the preferential rates provided to Councils at that time from the PWLB. The debt is subject to close management with rigorous monitoring to ensure that the financial position for the HRA is optimised.

The Business Plan since Self-financing assumed a level of increasing balances available to repay debt in the future. The changes imposed by government through the rent decreases, Higher value void asset sales, increasing reductions in housing stock, and the current economic outlook have undermined this position and therefore these surpluses are forecast not to materialise until later in the life of the 30 year plan. It is proposed to start setting aside annually a sum to repay debt when it comes due. This is currently being examined by officers to as one measure prudent to protect the future sustainability of the HRA but currently has not been built into the 2017/18 budget. The draft budget also needs to be put through the 2017/2018 HRA Business Plan model which could see some changes to the financial envelope available over the medium term. This will be modelled through the HRA Business Plan in conjunction with NPH and reported back to Cabinet at a later meeting.

3.3 NPH Management Agreement / services being provided

3.3.1 The Council pays NPH a Total Fee to provide both the Housing Landlord services and those Housing General Fund Services in scope.

- 3.3.2 NPH receive what is defined in the Management Agreement as the “Total Fee” which will comprise of the majority of HRA budgets including the Capital Programme; Repairs and Maintenance and Operations Budgets. The Capital Programme (Improvement Programme) and the Repairs and Maintenance budgets are managed budgets, whilst the Operations budget is a devolved budget. NPH will receive some Housing General Fund (HGF) budgets in relation to relevant service attributable to these.
- 3.3.3 NPH operate using the management fee and manage the capital programme budget and revenue repairs and maintenance budget in accordance with what has been agreed by the Council.

3.4 NPH Total Fee

- 3.4.1 The Draft NPH Total Fee has been negotiated in partnership with NPH taking into account the current level of budgets, the detailed 30 year Draft HRA Business Plan and the changes in available funding services in scope. The Asset Management Plan has been updated for the purposes of setting the draft budget. It should be noted that the HRA Business Plan is to be updated between Draft budget and Final which could lead to changes. The Draft NPH fee will be formerly confirmed by the NPH Board at its meeting scheduled in February 2017. The table below shows a summary of the draft 2017/18 Total Fee proposed. Further breakdown and detail can be found at Appendix 5.

Summary Table of Total Fee to NPH for 2017/18

	NPH Management Fee £'000s
Management - HRA	10,985
Management - General Fund Housing	260
Maintenance - Responsive & Cyclical (Managed Budget)	14,721
Capital - Improvements to Homes (Managed Budget)	19,484
Capital - Improvements to Environment (Managed Budget)	4,503
Total Fee	49,953

- 3.4.2 The funding gap for 2017/18 created mainly by the 1% rent reduction has been managed jointly by NBC and NPH, working together to maximise resources out of current budgets and minimising where possible re-phasing of the capital programme. The future years identified pressures are summarised in Appendix 3. NPH developed savings in February 2016 to be made on the Management Fee equating to 25% of the reduction in income over 5 years, reductions in the repairs and maintenance managed revenue budget of 30% over the same period and a reworking / efficiency on the Capital Programme of 45%. The joint proposed growth areas and savings are summarised at Appendix 3 Housing revenue Account NBC and NPH Medium term planning.

Prior to the final HRA budget being approved in February 2017 the Council will continue to work closely with NPH in relation to these savings.

3.4.3 It is recognised that these budgeted figures are likely to change in light of the government settlement information being released.

3.4.4 A summary of the overall draft HRA budget for 2017/18 and 2018 to 2022 is contained in Appendix 1.

3.5 HRA Reserves

3.5.1 In previous years, Cabinet has approved the prudent set aside of funds into specific HRA Reserves to finance future HRA expenditure including capital financing, loss of Supporting People funding, ALMO implementation, risks of Leaseholder claims, Service Improvements, and an Insurance reserve. The use of the capital reserve is incorporated into the capital programme financing considerations included later in this report. The table below shows the forecast opening balance on the reserves as at 1 April 2017. Any variations in the current financial year that requires the use of reserves not currently known will reduce this forecast starting position and impact on the finances available.

Summary of HRA Earmarked Reserves and Working Balances

Summary	Balance B/f 1 Apr 2016 £	Reallocated £	Earmarked in Year £	Applied in Year £	Balance C/f 31 Mar 2017 £
HRA Reserves	(15,445,613)	(461,884)	0	9,272,976	(6,634,521)
HRA Supporting People Reserve	(558,487)	58,487	0	0	(500,000)
HRA Reform Reserve	(8,000)	8,000	0	0	0
HRA Leaseholder Reserve	(500,000)	0	0	0	(500,000)
HRA Service Improvement Reserve	(1,395,397)	395,397	0	0	(1,000,000)
HRA Insurance Reserve	(300,000)	0	0	0	(300,000)
Total HRA Reserves	(18,207,498)	0	0	9,272,976	(8,934,522)
Min Level of Working Balances	(5,000,000)	0	0	0	(5,000,000)
Total HRA Reserves	(23,207,498)	0	0	9,272,976	(13,934,522)

3.5.2 These reserves can be drawn down as required, to finance the future strategic requirements of the service, and will be subject to change as forecasts of funding are updated.

3.6 Adequacy of Working Balances

- 3.6.1 A prudent level of working balance, along with appropriate application of reserves, should be part of the overall budget. The Chief Finance Officer reviews the level of balances required to support the Housing Revenue Account spend annually as part of a robust risk assessment. This risk assessment suggests that the minimum level of balances, taking all known risks into account should be increased to a level of £7m for 2017/18, this is an increase on the current year of £2m. It is proposed that the prudent approach would be to move to this higher level of working balances over a period taking into account any further government announcements and White Papers. This increase is taking into account the current understanding of the risks around the introduction of higher value asset sales to pay for the government levy and the potential time lag in getting receipts in to pay the quarterly invoice. Another increased risk is the uncertainty around income levels with the central control exerted via legislation over rent levels year on year. This will be reviewed at least annually. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year. Under the Management Agreement with NPH to recognise the change in service delivery NPH will continue to have available to it £1m of this working balance to call upon to maintain cashflow if required. Further work is ongoing to assess the appropriate period to move to this higher level of working balances in conjunction with NPH and will be reported to Cabinet in February 2017.
- 3.6.2 This does not represent a medium to long term safe level of reserves. The level can only accommodate the impact of significant events up to the level set, and would need to be replenished if one or more such events actually occur.

3.7 Housing Revenue Account Capital Programme

HRA Capital Programme and Funding

- 3.7.1 Capital expenditure is essential for the Housing Revenue Account in order to maintain and improve the Council's housing stock. The HRA is an asset driven service and as such the capital programme plays a key part in the delivery of the HRA service.
- 3.7.2 The proposed HRA capital programme for 2017/18 to 2021/22 is attached at Appendix 2. The value of the total proposed HRA capital programme for 2017/18 is £35m.
- 3.7.3 The table below shows a summary of the proposed capital programme and funding for 2017/18.

Draft HRA Capital Programme Funding 2017-18

	HRA £000's
Capital Programme 2017/18	
External Improvements	6,042
Internal Works	4,300
Energy Works	0
Major Projects	6,792
Environmental Improvements	4,503
Structural Works and Compliance	550
Disabled Adaptations	1,300
IT Development	500
Buybacks / 141 Receipts	11,028
Total HRA Capital Programme	35,015
Funding Source	
Borrowing	8,600
Major Repairs Reserve/Depreciation	13,437
Capital Receipts	3,400
Section 106 - New Build	906
Revenue/Earmarked Reserve	8,672
Total Funding	35,015

- 3.7.4 The Asset Management Plan has been reviewed and updated by NPH with the latest information from the stock condition surveys. This has been included in the draft budget and will inform the refresh of the Council's HRA Business Plan for 2017/2018. The HRA Capital Programme has been developed within the context of the 30-year Business Plan and the existing Asset management plan. The capital programme has a direct impact on the revenue position of the HRA.
- 3.7.5 The main focus of the Capital Programme is the achievement and maintenance of the Northampton Standard. There is additionally a major scheme for the building of 100 new council houses.
- 3.7.6 The detail of the HRA capital programme for 2017/18 and beyond will be refined in line annual updates to the Business plan, Asset management plan, and any changes to government policy and legislation.

Capital Strategy

- 3.7.7 The aim of the Capital Strategy is to provide a clear framework for capital funding and expenditure decisions in the context of the Council's vision, values, objectives and priorities, financial resources and spending plans. The HRA element is closely aligned to the Council's Asset Management Plan and the NPH Delivery Plan. The overall strategy remains the same as that approved by Council in February 2016 and has not therefore been updated.

3.8 The Next Steps

- 3.8.1 The timetable for the 2017/18 budget process requires a meeting of the Council in February 2017, at which consideration will be given to the recommendations of this Cabinet in relation to the expenditure, income, and rent proposals that relate to HRA spending.

3.9 Consultation

- 3.9.1 Formal consultation with the public and local businesses will be launched in December 2016 and will continue until the budget is formally adopted in February 2017.
- 3.9.2 Budget reports and equality impact assessments for any budget proposals are published on the internet.

3.10 Choices (Options)

- 3.10.1 Cabinet can agree that the budget proposals for 2017/18 for the HRA and HRA Capital program and indicative budgets for 2018/19 to 2021/22 as summarised in the appendices to this report can be approved for consultation.
- 3.10.2 Cabinet can agree the proposed Rent decrease of 1% for 2017/18 and increases in service charges.
- 3.10.3 Cabinet can choose to make amendments to the proposed budgets and the proposed rent and service charge increases prior to agreeing the budget to consult on, subject to the advice of the Chief Finance Officer.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The revenue and capital budgets are set in support of the Council's priorities.
- 4.1.2 The HRA revenue budget is set in the overall context of the HRA 30 year business plan.
- 4.1.3 The Capital Programme for the HRA is set in the context of the Council's Capital Strategy and HRA 30 year Business Plan.

4.2 Resources and Risk

- 4.2.1 HRA budgets may be subject to further changes to reflect the Governments settlement and pending Housing White Paper.
- 4.2.2 The HRA 30 Year Business Plan for 2017/2018 is currently being built and will be subject to external review to assess for accuracy and robustness, the result of which could require revisions to the HRA Capital programme. This will be reported on and reflected in the final budget report.

4.2.3 The high level risks associated with the draft HRA budget setting for 2017/2018 are shown in the table below:

Risk	Likely	Impact	Blended risk	Remarks/Mitigation	Residual risk
Higher Value Voids Asset Levy is implemented from 2018/19.	High	Significant	RED	The Council has opportunity to lobby Government for change and also prepare for implementation by gearing up processes to facilitate sale of higher value assets to enable payment of the government levy in 2018/19 and future years. The introduction of a 10 year development programme will help to replace reduced stock, going towards protecting the future sustainability of the HRA. Minimum levels of working balances are being reviewed.	High
Right To Buy sales continue to increase.	MED	Significant	MED	Current Government policy is steered towards home ownership. Current rules and regulation surrounding RTB make the purchase of Council houses an appealing option for those tenants who can afford to. Impact of increases in sales will be subject to scenario planning via the HRA Business Plan to measure potential impact.	MED
Welfare reforms impact on arrears.	MED	Significant	MED	NPH's Rent accounting teams processes and procedures performing well managing arrears. Potential impact of higher arrears will be factored in to the assessment of minimum levels of working balances.	MED

4.3 Legal

- 4.3.1 The Council has a legal duty to set a balanced budget each year, bearing in mind its fiduciary duties to the taxpayer, and the HRA is not allowed to go into deficit by law. In exercising these duties the Council has to comply with various legislation and administrative duties.

4.4 Equality

- 4.4.1 The Public Sector Equality Duty (PSED) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out its activities. Failure to comply with this duty would be challengeable in the courts.
- 4.4.2 Equality and diversity were considered as part of each of the medium term planning options submitted. Equality impact assessments are 'living' documents and will be updated to take into account relevant feedback from the consultation process. Where these documents identify mitigating action, this will be undertaken in implementing the relevant option should it be taken forward and approved in February 2017.

4.5 Consultees (Internal and External)

- 4.5.1 Internally heads of service and budget managers have been consulted and Management Board has carried out a detailed challenge of the budget with Members.

4.6 How the Proposals Deliver Priority Outcomes

- 4.6.1 Consulting on the draft budget is a key ingredient of effective financial governance, which contributes to the priority of making every pound go further.

4.7 Appendices

The **Appendices** are set out as follows:

- 1 Housing Revenue Account Summary
- 2 Proposed Housing Revenue Account Capital Programme and Financing
- 3 Housing Revenue Account and NPH Medium Term Planning Options
- 4 HRA Fees and Charges
- 5 NPH Total Fee

5. Background Papers

- 5.1 None

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