



Cambridge City Council Housing Scrutiny Committee

Date: Tuesday, 24 January 2023

Time: 5.30 pm

Venue: Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ

Contact: democratic.services@cambridge.gov.uk, tel:01223 457000

Third Circulation Agenda

7 HRA Budget-Setting Report (BSR) 2023/24 (Pages 5 - 26)

- Green and Independent Group Budget Commentary
- Liberal Democrat Amendment to 2023/24 Housing Revenue Account (HRA) Budget Setting Report (BSR)

Housing Scrutiny Committee Members: Thittala Varkey (Chair), Robertson (Vice-Chair), S. Baigent, Gawthrope Wood, Holloway, Howard, Lee, Porrer and Pounds

Alternates: Bennett, Carling, Herbert, Levien and Page-Croft

Tenants and Leaseholders: Lulu Agate (Tenant Representative), Christabella Amiteye (Tenant Representative), Diane Best (Leaseholder Representative), Mandy Powell-Hardy (Tenant Representative), Diana Minns (Tenant Representative) and Colin Stevens (Tenant Representative)

Executive Councillors: Bird (Executive Councillor for Housing)

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Housing Scrutiny Committee

Terms of Reference

A. Overview and scrutiny of the strategic and other housing functions for which the Executive Councillor for Housing is responsible, including responsibility for the development of housing strategies and policies, tackling homelessness, the Council's housing responsibilities with regard to the private rented sector, bringing vacant homes back into use, the development of new homes and partnership working with other housing providers.

B. Overview and scrutiny of functions relating to the management of the Council's housing stock.
C. To be the main discussion forum between the Council, its tenants and its leaseholders for all matters relating to the landlord function of Cambridge City Council.
Membership
City Councillors (Such number as shall be decided by the Council from time to time)
Six elected tenants and leaseholders of Cambridge City Council of whom at least five shall be tenants of Cambridge City Council.
Appointment of tenant and leaseholder members
Tenant and leaseholder members shall be co-opted by the Scrutiny Committee following the procedure for election set out in the Overview and Scrutiny Procedure Rules in Part 4E.
Voting
Tenant and leaseholder members are voting members in respect of matters concerning the management of the Council's housing stock (Part 1 of the agenda.) Tenant and leaseholder members may contribute to discussion of other matters (Part 2 of the agenda) but shall not have a vote.
Appointment of Chair
The Chair of the Scrutiny Committee shall be appointed by the Council and be a councillor and shall chair Part 2. The Vice-chair shall be nominated by the elected tenants and leaseholders and shall chair Part 1 if present. If the Chair or Vice-chair is not present, a councillor shall be appointed as the Vice-chair for that meeting.
Other matters relating to elected tenants and leaseholders
These are set out in the Overview and Scrutiny Procedure Rules in Part 4E. They include information about the roles, responsibilities and training of tenant and leaseholder representatives, expenses and allowances, and the circumstances in which they may cease to be members of the Committee.

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Housing Scrutiny Committee

Tuesday 24 January 2023 5.30pm

Foreword for an alternative budget commentary

Green and Independent Group

Cllr Matthew Howard, Green and Independent Housing Spokes

Cllr Naomi Bennett Green and Independent Finance Spokes

1 INTRODUCTION

The Green and independent Group has chosen not to submit an alternative budget report but instead to provide a simplified commentary on the Housing Revenue Account.

The purpose of our commentary is to provide a simple clear report which sets out the Group's view.

Because of the nature of the comments and proposals in this report, we do not consider that a formal alternative budget report is required or would add any value.

Councillors and officers will be aware that the Council has already started modernising its budget processes. This group will continue to explore how to improve its financial communications and make them accessible to all.

The "virements" process by which budgets can be switched within and between cost centres has also been streamlined and allows the council to respond more appropriately to a fast changing world.

The increasing pace of change means that financial scrutiny has to change too. We expect less emphasis on setting budgets at the start of the year and greater emphasis on monitoring changes throughout the year.

Our commentary consists of this foreword and Cllr Howard's speech at the committee. The foreword is intended to be

included with the Agenda Reports Pack and set the scene for Cllr Howard's speech. Copies of Cllr Howard's speech will be released at the committee meeting.

We also wish to take this opportunity to thank the officers, councillors, community groups and residents whose views, experiences and knowledge have helped shape this report and particularly to thank Ms Julia Hovells and Ms Lynn Bradley for their input.

2 OUR AIMS

The Green and Independent Group describes ourselves itself as an independent group not an opposition group. We regard ourselves as equally free to praise or criticise the proposals of all groups to the extent that they support our aims for the Housing Revenue Account.

These are as follows:

Clarity

There were 7,155 council homes in this city at 1 April 2022. That's 7,155 households who rely upon us for shelter and services. It's not comfortable relying on an organisation for essential support when its workings are complex and opaque.

Every year the council has to decide how much to raise rents and service charges (within the limits set by central government). How can tenants judge whether those decisions are fair without clear information about finances?

We will continue to work for clearer, simpler information for those who rely upon us.

Climate

We are all aware that the council's resources to tackle climate change are limited. This makes it essential to ensure that any funds that the council can secure to tackle the climate

emergency are used in a way that gets maximum reduction of emissions from the funds available. Housing related emissions continue to form a substantial part of the city's emissions.

We have consistently argued that to get maximum reduction of emissions from a limited budget it is better to adopt low cost low technology partial retrofit techniques.

This also promotes social justice. It is fairer to have many households have some reduction in heating bills than for a few households to have a big reduction and the rest to have none at all.

Cllr Howard will cover the options and constraints in his speech.

We are very much aware that the council's past choices have been distorted by government grant conditions and that details of some expected grants have yet to be released.

Cost of living crisis

The impact of the cost of living crisis on the council's housing work is already very clear, particularly in those wards where much of the council's housing stock is based, such as Abbey.

Rent arrears

We note that 42% of the council tenants in our city are currently in arrears. Although we note that the level of arrears is comparatively small in a proportion of these, this is still cause for concern.

We are aware that income support advice is available to tenants on request. However, we would like to see a more proactive approach and in particular for an offer of advice to be made in cases where there are clear indicators of distress. For example, if a tenant requests condensation and mould help, financial distress is often present as well.

Condensation, damp and mould

Cllr Howard will discuss this area of work further in his speech. In particular, he expects to cover why he considers that cases are still under reported as well as other concerns.

Thermal window treatments and other low cost interventions

Cllr Howard will discuss this area of work further in his speech. In particular, he expects to explain why such a programme may reduce arrears

Other matters

Labour shortages and delays

We are concerned about reports that vulnerable tenants have been left without hot water and heating for up to 7 days due to labour shortages and other issues. We request that a small stock of heaters be made available to be issued by customer service staff to tenants awaiting contractor responses.

Doors

Cllr Howard wishes to request a review of our door replacement policy to address tenant concerns.

Funding options

Cllr Howard will comment on the extent to which funding is currently available under the current budget and what funding sources might be available.

Item

LIBERAL DEMOCRAT AMENDMENT TO: 2023/24 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

To:

Councillor Gerri Bird, Executive Councillor for Housing

Report by:

Julia Hovells, Assistant Head of Finance and Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

- 1.1 This report sets out amendments proposed by the Liberal Democrat Group to the Housing Revenue Account Budget Setting Report 2023/24, presented to Housing Scrutiny on 24 January 2023 for decision in respect of the revenue aspects of the report by the Executive Councillor for Housing, and consideration of the capital aspects, prior to recommendation to Council on 23 February 2023.
- 1.2 This report outlines the amendments proposed and the net impact on the HRA, assuming all of the amendments are carried. Following an external review of the Council's budget setting process, the Housing Revenue Account Budget Setting Report has not been re-stated in full at this stage, as in previous years, but will instead be re-stated for Council on 23 February 2023 with any amendments that may be approved at Housing Scrutiny Committee on 24 January 2023 following consideration of this report.

Foreword by the Liberal Democrat Housing Spokesperson

Over the course of this year, our group has maintained persistent scrutiny on three areas of the ruling group's administration of HRA budget:

- a continuing underspend on responsive repairs with no plans to catch up resulting in a two tier system – with existing tenants in older homes left behind;
- the refusal of access to around 1,405 dwellings (approx 20% of our housing stock), where entry has not been permitted to deliver planned works;
- the lack of a comprehensive plan to retrofit council properties, both to deal with the worsening climate emergency and to save tenants money on their monthly bills. This has been exacerbated by the current cost of living crisis, with national coverage of issues surrounding damp, mould and condensation providing more and more evidence of the effect on the quality of life and health of many rental tenants in older properties with poor insulation and damp.

Our budget bids address these issues directly as follows:

Responsive repairs backlog

Since 2019, over the three years to 2022, there has been an underspend of £1,668,878 in responsive repairs to tenanted properties. Even when offset against additional spends on void (empty) dwellings, the underspend still ran to £925,520 for the last three years. This cannot continue without worsening the quality of life for those residents in older properties. Yet without our amendment, the budget proposes no targeted additional resource to allow the staff to catch up on this, particularly as now, post-covid, it is very likely that more requests for repairs will be received with the lifting of lockdowns and restrictions.

It is our view that the limited hours offered by the council currently for response repairs deter tenants from reporting routine repairs, as they are not available in working hours to allow access for them, thus allowing the stock to de-grade over time.

In addition, at 31 March 2022 there were 1,405 dwellings (approx. 20% of the council's housing stock) where entry has not been permitted for access to deliver planned works, and there is therefore clear potential for these homes to also need response repair investment. Whilst for a proportion of these homes, some decent homes work may have been completed previously, we also know that 229 households have refused all decent homes works over a prolonged period and at least 100 have never allowed access even to complete a condition survey.

Our Bid (LD1) proposes two full time posts (or the equivalent in part time posts) to work on more flexible contracts, allowing for later afternoon and Saturday appointments for repairs. This will improve access to properties for those tenants who work full time hours and help address the lack of data of this stock.

We also note that current staff handling responsive repairs have no rights to flexible

working and urge the council to explore this with staff members, offering them the options to opt for planned non-standard working hours should they wish to do this on an occasional or more permanent basis as our software now allows for differing shift allocations if booked in advance. This would be on an entirely voluntary basis but could offer both more flexible options for staff and more options for tenants. Both our proposed flexible hours posts and more general flexible working options would also allow for a more diverse range of applicants to the team for whom the current working hours of 8 to 3.30 would not fit with anyone with care responsibilities.

In addition to the two Full Time Equivalent posts, we are also proposing an overtime fund (paid at the usual overtime rates) for any current staff who may wish to volunteer to work additional hours outside their contracted times, so that they can also benefit from this overtime in the short term as a trial. If this money is not spent, it will be returned to reserves for use elsewhere.

Proactive approach to Retrofit

We feel that the council does not currently hold enough data to be in a position to plan effectively or respond quickly to opportunities to secure external funding for retrofit and energy improvements. This is becoming critical now as government funds, such as the recent one for solid wall insulation, are becoming available, often with competitive bidding and short timescales.

This is why we have bid for up to £10,000 to complete the modelling of the council's stock, with an ICT tool successfully used in the recent, pending, solid wall insulation bid.

This will mean that information about all of our stock types will be available quickly for future bids and data is also provided about costs and benefits of standard retrofitting (for example solar panels or loft insulation) for each stock type allowing for proper assessment and planning for further work. If this does not happen, the council will miss out on important funds and be less able to support improvements in tenants' homes without this vital knowledge.

Damp, Mould and Condensation

As with our previous bids, this post is intended to take a proactive approach to existing older stock within the HRA portfolio. Whilst the Executive Councillor claims in her budget introduction that only 1% of stock is affected by damp, mould and condensation (DMC), we do not agree. We are aware of tenants with ongoing DMC issues and also, that with the cost-of-living crisis leading to lower levels of heating and the need to keep windows shut to preserve heat, this is likely to worsen. This will be much more acute for tenants in older properties, and investment must be made now to push this to the top of the agenda.

Our proposed post would take an overview of complaints around DMC and would be tasked with using this data to propose solutions to each stock type. This avoids the current reactive approach, fixing issues one by one, but not necessarily identifying the root cause, and acknowledging that if one house is suffering from DMC, others of the same age and type are likely to be similarly affected. It is anticipated that the post would work between Environmental Health and Housing and would improve the targeting of DMC solutions across the stock in similar blocks, streets and wards across the city. It would assist the city

in moving from short term fixes to longer term prevention. The officer would also work with Environmental Health to inform and educate tenants on how best to reduce DMC risks in individual properties.

How to fund this?

As a result of our balancing proposals, over the thirty-year loan term, our package will actually save the HRA around £4 million, and in the short term over five years costs just £18,590 in total when our income changes are taken into account from the changes to bids B5038 and B5083 and LDII5. Given the consistent underspends in the responsive repairs budget, which were moved over to pay for new builds when they were left unspent, we feel that this is well justified as an investment in the future of our existing stock, which houses thousands of tenants across the city and starts to rectify the worrying widening divide between new and older stock.

Our balancing proposals are as follows:

We propose to reduce two permanent posts to two year fixed term contracts (B5038 and B5083). For the post for Service Improvement, we feel strongly that benefits should still be achievable within this time period and that any future funding should be reviewed, in line with the City's transformation programme, and when the impact of our two additional posts for Multi-Skilled Operatives and for a Damp, Mould and Condensation officer can be fully assessed.

Similarly, whilst we support the IT development officer for Housing, this also needs to be reviewed in line with the more general ICT funding at the council that will form part of future budget reviews as discussed at the recent Executive budget consultation meeting. Again, this fits with the council's transformation plans and allows a break point in two years to reassess impact and whether or not there is an ongoing need for a separate Housing IT development post.

We also propose to move rents for council owned garages to 5% from the proposed 3% to partly offset the additional costs with a permanent saving of £16,060 per annum. In doing this, we have brought this rise into line with the BSR proposals for rental income (5%) which are argued be to reasonable and still considerably less than inflation at the current time.

Overall, our proposed amendments seek to ensure that the HRA is able to deal proactively with its older stock, ensuring that money is not wasted on short term repairs when longer term fixes would represent a bigger saving, actively protecting our tenants from the hazards of damp and mould, and providing a full up to date assessment of our stock, with the resulting improved chances to access government funding for retrofitting and insulation, saving energy in a climate emergency and reducing bills for tenants.

The additional resources proposed by the Liberal Democrats will support our hardworking and valued team of staff, allowing them the necessary funding to continue to support Cambridge City Council's tenants and to future proof our existing stock against climate change and increasing costs of living.

Cllr Katie Porrer
Liberal Democrat Spokesperson for Housing

Liberal Democrat Recommendations

1.3 The Liberal Democrat Group states its budget amendments, addressing the following key areas, for consideration and decision:

- a) A proposal to employ two full time equivalent additional Multi-Skilled Operatives for a fixed period of 2 years (£100,840 per annum), with a view to these posts working specifically to address any backlog in responsive repairs and to avoid future underspends in this budget by giving staff the additional resources required to catch up. These posts will be employed on contracts (full or part time) that support out of hours working to allow the backlog to be addressed in late afternoons, evenings and on Saturdays, thus reducing some of the persistent 'no access' issues that have been experienced by the service and which may often be caused by tenants being out at work and not able to allow access during standard working hours.**
- b) A proposal to pilot the potential for the existing workforce to volunteer to work additional hours as overtime in the late afternoons, evenings or on Saturdays to support catching up the backlog, should staff wish to undertake this work. This would supplement the work done by the two FTE additional posts above, and the opportunity to earn overtime pay would be entirely voluntary. A fund of £11,470 is set aside to allow this pilot to proceed. This is equivalent to 300 hours overtime including all on-costs.**
- c) A proposal to include a revenue bid of £51,840 per annum to employ a dedicated Damp, Mould and Condensation (DMC) Officer. The post would work proactively with data on existing repair requests from tenants and from void inspections to future proof the housing stock across the city against case of damp, mould and condensation. They would deploy mitigation measures to ensure that if one house experiences a problem, the knowledge is rolled out to all similar stock types before future problems arise and ensure that operatives are empowered to treat the root cause and not just the effects of DMC. They would also work with**

environmental health to educate residents to help reduce risk.

- d) A proposal to invest £10,000 in additional consultancy input to complete the energy modelling assessment exercise across the entire portfolio of council housing stock. This would build upon an earlier exercise that was completed for a small proportion of the housing stock as part of submitting a current bid for Social Housing Decarbonisation Grant Funding in the autumn of 2022. Importantly, it would ensure that the data is readily available for future government bids.***

1.4 To fund the initiatives outlined above, the Liberal Democrat Group recommends the following further amendments for consideration and decision:

- a) Amendment to revenue bid B5038 for increased staffing capacity for Housing IT Development, to make the post a two year fixed term post, as opposed to a permanent post. This would reduce costs by £50,930 per annum from 2025/26 onwards, whilst still allowing IT development, improvement and enhancement to take place over the next two years. This fits within the Corporate Transformation timescales and with the proposed review of ICT provision across the council and allows future HRA IT development to align with General Fund provision.***
- b) Amendment to revenue bid B5083 for increased staffing capacity for Service Improvement, to make the post a two year fixed term post, as opposed to a permanent post. This would reduce costs by £59,550 per annum from 2025/26 onwards, whilst still allowing service improvement to be delivered over the next two years. This then fits within the Corporate Transformation timescales and allows for review once the impact of the additional resources from Bids LDB1 and LDB2 has been assessed alongside this post in two years.***
- c) An increase in garage rents of 5%, as opposed to the 3% currently incorporated into Budget, recognising that this will still impose an increase at a rate far lower than inflation. This will generate additional income of £16,060 per annum and is***

in line with the current proposals to raise rental income to 5%.

2. Amended HRA BSR Recommendations

Changes to recommendations in the original report are highlighted in ***bold italics***. All of the recommendations have been re-stated in full for clarity.

Under Part 1 of the agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee, to:

Review of Rents and Charges

- a) Approve that council dwellings rents for all social rented and social shared ownership properties be increased by 5%, recognising that inflation measured by the Consumer Price Index (CPI) at September 2022, plus 1% would result in an increase of 11.1%, that the government has introduced a cap on rent increases at 7% from April 2023, but that a local decision is made to implement a lower rent increase to mitigate the impact on tenants. Rent increases will take effect from 3 April 2023. This equates to an average rent increase of £5.36 per week.
- b) Approve that affordable rents, inclusive of service charge, are also increased by 5% in line with the increase for social rents. This equates to an average rent increase of £7.81 per week.
- c) Approve that rents for affordable shared ownership properties are increased by 7% or RPI at January 2023 plus 0.5% whichever is the lower, from April 2023, recognising that although the government rent cap does not apply to this tenure, an increase of in excess of 7% may put undue financial pressure on these households.
- d) ***Approve that garage and parking space charges for 2023/24, are increased by inflation at 5%, recognising that although inflation is currently at a higher rate, there is a need to balance increases with the ability to let vacant garages,*** and that charges for parking permits are reviewed, with any resulting charges summarised in Section 3 of the HRA Budget Setting Report.
- e) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.

- f) Approve the proposed leasehold administration charges for 2023/24, as detailed in Appendix B of the HRA Budget Setting Report.
- g) Approve that caretaking, building cleaning, window cleaning, estate services, grounds maintenance, temporary housing premises and utilities, sheltered scheme premises and utilities, digital television aerial, gas maintenance, door entry systems, lifts, electrical and mechanical maintenance, flat cleaning, third party services, specialist equipment and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report, recognising that local authorities should endeavour to limit increases to inflation as measured by CPI at September 2022 (10.1%) plus 1%, wherever possible.

Revenue – HRA

Revised Budget 2022/23:

- h) Approve with any amendments, the Revised Budget identified in Section 4 and Appendix D (1) of the HRA Budget Setting Report, which reflects a net reduction in the use of HRA reserves for 2022/23 of £16,521,190.

Budget 2023/24:

- i) ***Approve with any amendments, any Non-Cash Limit items identified in Section 4 of the HRA Budget Setting Report or shown in Appendix D (2) of the HRA Budget Setting Report, as would be amended by the Liberal Democrat Amendments.***
- j) ***Approve with any amendments, any Savings, Increased Income, Unavoidable Revenue Bids, Reduced Income Proposals and Bids, as shown in Appendix D (2) of the HRA Budget Setting Report, as would be amended by the Liberal Democrat Amendments.***
- k) ***Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2022/23 to 2027/28 shown in Appendix J of the HRA Budget Setting Report, as would be amended by the Liberal Democrat Amendments.***

Under Part 2 of the agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

Treasury Management

- l) Approve the revised reduced need to borrow over the 30-year life of the business plan, with the first instance of this anticipated to be in 2023/24, to sustain the proposed level of investment, which includes ear-marking funding for delivery of the 10 Year New Homes Programme.***
- m) Recognise that the constitution delegates Treasury Management to the Head of Finance (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on borrowing, investment or financing shall be delegated to the Head of Finance, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- n) Recognise that the decision to borrow significantly to build new homes impacts the authority's ability to set-aside resource to redeem the HRA Self-Financing debt at the point at which the loan portfolio matures, with the need to re-finance debt in the latter stages of the business plan.

Housing Capital

- o) Approval of capital bids, as detailed in Appendix D (3) and Appendix E of the HRA Budget Setting Report.
- p) Approval of the latest Decent Homes and Other HRA Stock Investment Programme, to include re-phasing of elements of the programme into later years, as detailed in Appendix E of the HRA Budget Setting Report.
- q) Approval of the latest budget sums, profiling and associated financing for all new build schemes, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- r) Approval of allocation of £10,964,000 of funds from the budget ear-marked for the delivery of new homes into a scheme specific budget for East Road, in line with the scheme specific report presented as part of the committee cycle.

- s) ***Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report, as would be amended by the Liberal Democrat Amendments.***

General

- t) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2022/23 onwards, based upon 2022/23 net grant awarded, with approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants in any year, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund.
- u) Approval of delegation to the Head of Finance, as Section 151 Officer, to determine the most appropriate use of any additional Disabled Facilities Grant funding, for the wider benefit of the Shared Home Improvement Agency.
- v) Approval of delegation to the Strategic Director to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any recommendations made by the Shared Home Improvement Agency Board.
- w) Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserves for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build housing development, should the need arise, in order to meet deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.
- x) Approval of delegation to the Head of Finance, as Section 151 Officer, to make any necessary technical amendments to detailed budgets in respect of recharges between the General Fund and the HRA, with any change in impact for the HRA to be reported and incorporated as part of the HRA Medium Term Financial Strategy in September 2023.
- y) Note the result of the Homes England Compliance Audit in respect of rough sleeper property acquisitions at confidential Appendix M, recognising there is no corrective action to be taken.

3. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, environmental and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) Financial Implications

The financial implications associated with this amendment are outlined in the table below. The Liberal Democrat Amendment results in a marginal net increase in costs of £18,590 by the end of the 5 year budget period, but reduces costs over the longer-term, with a reduction in borrowing of just under £4 million over the 30 year life of the business plan. Officers are therefore able to confirm that the amendment is financially viable and is capable of being approved if supported.

Targets Set	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Efficiency Savings	0	(180,000)	(180,000)	(180,000)	(180,000)	(180,000)
Strategic Investment Fund	0	180,000	180,000	180,000	180,000	180,000
Net Change Required	0	0	0	0	0	0

Summary of Proposals	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
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Unavoidable Revenue Bids	0	357,600	257,830	255,990	55,990	55,990
Reduced Income Proposals	0	0	0	0	0	0
Unavoidable	0	357,600	257,830	255,990	55,990	55,990

Savings Proposals	(3,990)	(569,620)	(618,370)	(666,930)	(666,930)	(666,930)
Increased Income Proposals	(39,280)	(701,530)	(232,620)	(413,390)	(906,860)	(419,430)
Bids	0	524,620	503,150	291,830	291,830	291,830
Discretionary	(43,270)	(746,530)	(347,840)	(788,490)	(1,281,960)	(794,530)

Non-Cash Limit Adjustments	(15,977,920)	16,318,750	113,310	1,166,130	705,840	1,038,550
Revenue Re-phasing	(500,000)	500,000	0	0	0	0

Total Revenue Proposals	(16,521,190)	16,429,820	23,300	633,630	(520,130)	300,010
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Under / (Over) Achievement against Target	(16,521,190)	16,429,820	23,300	633,630	(520,130)	300,010
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Cumulative Under / (Over) Achievement against Target	(16,521,190)	(91,370)	(68,070)	565,560	45,430	345,440
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(b) Staffing Implications

Any direct staffing implications are summarised in the HRA Budget Setting Report 2022/23, which will be amended accordingly following consideration of this report.

(c) Equality and Poverty Implications

An Equalities Impact Assessment has been undertaken in respect of new budget proposals where any impact (positive or negative) is anticipated. The assessment will be amended accordingly following consideration of this report.

(d) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2022/23, which will be amended accordingly following consideration of this report.

(e) Procurement Implications

Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) Community Safety

Any community safety implications are outlined in the HRA Budget Setting Report 2022/23, which will be amended accordingly following consideration of this report.

4. Background papers

Background papers used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2023/24

Housing Revenue Account Medium Term Financial Strategy 2022/23

5. Appendices

Appendix 1 displays any new budget items incorporated as part of this Liberal Democrat Amendment and details any changes to items incorporated as part of the original HRA Budget Setting Report. It should be read in conjunction with the HRA Budget Setting Report 2023/24.

6. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Julia Hovells, Assistant Head of Finance and Business Manager

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2023/24 Budget – Changes in HRA Proposals – by Type

Appendix 1

Reference	Item Description	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	2027/28 Budget £	Climate Rating	Poverty Ratings & Contact
Revenue Bids								
LDB1	Increase in Multi-Skilled Operatives for 2 years	100,840	100,840	0	0	0	Nil	No Impact
It is proposed to increase the workforce by recruiting two full time equivalent additional Multi-Skilled Operatives for a 2 year period to work to address the backlog in response repairs, providing a flexible service that covers late afternoons, early evenings and Saturdays.								Lynn Bradley
Housing (HRA) Portfolio								
LDB2	Overtime pilot for existing DLO workforce	11,470	0	0	0	0	Nil	No Impact
A pilot is proposed to offer Multi-Skilled Operatives the potential to work additional hours in the late afternoons, evenings or on Saturdays to support catching up the repairs backlog.								Lynn Bradley
Housing (HRA) Portfolio								
LDB3	Employment of a Damp and Mould Officer	51,840	51,840	51,840	51,840	51,840	Low positive	Nil
It is proposed to recruit a dedicated Damp, Mould and Condensation (DMC) Officer to work proactively with repairs request data from tenants and void inspections to mitigate future DMC issues across the housing stock, to ensure that repairs are proactive and not reactive, and to oversee information provision for tenants around DMC prevention.								Lynn Bradley
Housing (HRA) Portfolio								
LDB4	Consultancy to undertake and energy modelling exercise	10,000	0	0	0	0	Nil	No Impact
It is proposed to invest in further energy modelling to complete the full portfolio of the council's housing stock. This would build upon an earlier exercise that was completed for a small proportion of the portfolio as part of submitting a bid for Social Housing Decarbonisation Grant funding. It will ensure that data is available for future government bids.								Lynn Bradley
Housing (HRA) Portfolio								
B5038 (Amended)	Increased Capacity for Housing IT Development	0	0	(50,930)	(50,930)	(50,930)	Nil	No Impact

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Reduce the current proposal to recruit a permanent Housing IT Development Officer to a two year fixed term post to consider and deliver improvements and developments to the housing IT offering, with a focus on digital solutions and customer self-service. This then fits within the Corporate Transformation timescales and with the proposed review of ICT provision across the council.

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Housing (HRA) Portfolio

B5083	Resource to deliver (Amended) Service Improvement	0	0	(59,550)	(59,550)	(59,550)	Nil	No Impact
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Reduce the current proposal to include a permanent resource, to instead deliver a two-year fixed term post, which will facilitate service improvement, manage and reduce complaints, improve data holding and manage the response to legislative change. This then fits within the Corporate Transformation timescales and allows for review once the additional resources from Bids LDB1 and LDB2 have been assessed.

Lynn
Bradley

Housing (HRA) Portfolio

Total Revenue Bids	174,150	152,680	(58,640)	(58,640)	(58,640)
Pressures & Bids Total:	174,150	152,680	(58,640)	(58,640)	(58,640)

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Increased Income

LDII5	Increased garage rental income	(16,060)	(16,060)	(16,060)	(16,060)	(16,060)	Nil	Low negative
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An increase in garage rental income is incorporated assuming that garage rents are increased by **5%** from April 2023. This is in line with the rental increases of 5% proposed for tenants.

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Housing (HRA) Portfolio

Total Increased Income	(16,060)	(16,060)	(16,060)	(16,060)	(16,060)
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Savings and Increased Income Total:	(16,060)	(16,060)	(16,060)	(16,060)	(16,060)
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Non-Cash Limit Items

NCL5053	Increased HRA investment income	(40)	(60)	(20)	10	10	Nil	No Impact
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The rate of interest that the HRA expects to be able to earn on balances has increased from 0.6% to 1.6%.

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Housing (HRA) Portfolio

NCL5135	Increase in Interest Payable on HRA Borrowing	3,750	10,330	12,060	9,620	7,050	Nil	No Impact
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Due to recent rises in the Bank of England base rate, the cost of HRA borrowing is expected to increase significantly for all new loans assumed to be taken out from 2023/24 in the business plan.

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Housing (HRA) Portfolio

NCL5141	Increase in Direct Revenue Financing (DRF) of Capital	(165,470)	(146,950)	70,380	71,380	76,200	Nil	No Impact
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DRF is maximised as a funding source before any further borrowing is taken out

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Housing (HRA) Portfolio

Total Non-Cash Limit Items	(161,760)	(136,680)	82,420	81,010	83,260			
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Non - Cash Limit Items Total:	(161,760)	(136,680)	82,420	81,010	83,260			
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