



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Director of Customer & Community Services
Relevant scrutiny committee: Housing Management Board 8/1/2013
Community Services Scrutiny Committee 17/1/2013
Wards affected: All Wards

**HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING REPORT (BSR) 2013/14 to 2016/17 – REVENUE AND CAPITAL
Key Decision**

1. Executive Summary

- 1.1 At this stage in the 2013/14 budget process the range of assumptions on which the HRA Business Plan Mid-Year Update was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This will then provide the basis for the finalisation of the 2012/13 revised and 2013/14 budgets.
- 1.2 The HRA Budget-Setting Report, which is attached, provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, which, following scrutiny at Housing Management Board and Community Services will be presented to Council for approval on 21 February 2013.
- 1.3 The recommendations that follow refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 The HRA BSR confirms that the key parameters agreed as part of the HRA Business Plan of February 2012, and subsequent update of October 2012, can be achieved in setting the 2013/14 HRA Budget.
- 1.5 This report recommends the approval of capital bids and associated funding proposals.
- 1.6 Housing Management Board and Community Services will scrutinize the detailed

revenue bids and savings which have been proposed by Executive Councillor for Housing, with final recommendations being made to Council for approval.

2. Recommendations

The Executive Councillor is recommended, following scrutiny and debate at Housing Management Board, to:

Review of Rents and Charges

- a) Approve the proposed charges for Housing Revenue Account services and facilities, as shown in Appendix B of the attached HRA Budget Setting Report.
- b) Approve that council dwellings rents be increased in line with rent restructuring guidelines to seek to achieve convergence with formula rent by 2015/16, with a maximum in individual increases of inflation (RPI at September 2012 of 2.6%) plus half percent (0.5%) plus £2.00 per week with effect from 1 April 2013, in accordance with the latest government guidelines.
- c) Approve inflationary increases of 2.4% in garage rents for 2013/14, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report, pending future recommendations in respect of garage pricing structures following the findings of the Garage Working Group.
- d) Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased by a maximum of inflation at 2.6% plus 0.5%, if required, to continue to recover full estimated costs as detailed in Appendix B of the attached HRA Budget Setting Report.
- e) Approve that caretaking, communal cleaning, estate services, grounds maintenance, window cleaning, temporary housing premises and utilities, sheltered scheme premises, utilities, digital television aerial and catering charges continue to be recovered at full cost, as detailed in Appendix B of the attached HRA Budget Setting Report.
- f) Approve revised leasehold administration charges for 2013/14 as detailed in Appendix B of the attached HRA Budget Setting Report.
- g) Approve the revised Rent Write Off Policy, as detailed in Appendix A(1) of the HRA Budget Setting Report.

- h) Approve the revised Rent Policy, as detailed in Appendix A(2) of the HRA Budget Setting Report.

The Executive Councillor is asked to recommend to Council (following scrutiny and debate at Housing Management Board):

Revenue – HRA

Revised Budget 2012/13:

- i) Approval with any amendments, of the Revised Budget items shown in Appendix D of the attached HRA Budget Setting Report.

Budget 2013/14:

- j) Approval with any amendments, of the Non-Cash Limit items shown in Appendix E of the attached HRA Budget Setting Report.
- k) Approval with any amendments, of the Unavoidable Revenue Bids and Savings shown in Appendix F of the attached HRA Budget Setting Report.
- l) Approval with any amendments, of the Priority Policy Fund (PPF) Bids shown in Appendix G of the attached HRA Budget Setting Report.

Treasury Management

- m) To approve the continued approach to determining the most appropriate borrowing route in respect of any additional HRA borrowing requirement, as outlined in Section 6 of the HRA Budget Setting Report, delegating responsibility to the Director of Resources for the final decision, in consultation with the Executive Councillor, Chair, Vice Chair and Opposition Spokesperson for HMB.

The Executive Councillor is asked to recommend to Council (following scrutiny and debate at Community Services Scrutiny Committee):

Housing Capital

- n) Approval of capital bids, including resource to re-roof HRA commercial property in Campkin Road and funding to meet the relocation costs of existing residents in housing in Water Lane and Aylesborough Close (subject to approval that the schemes proceed, as shown in Appendix H of the HRA Budget Setting Report.
- o) Approve re-phasing of both the expenditure, and external funding, in respect of the new build affordable housing programme, in line with scheme specific approvals and anticipated cash flows.
- p) Approve the virement of £40,000 of resource from the communal area uplift allocation, where work is still being done to produce full stock condition data, to the budget for work to HRA commercial property, to facilitate the conversion of ECCHO House to a two-bedroom dwelling for social housing purposes at a total cost of £95,000, as detailed in the project appraisal at Appendix P, and the Housing Capital Investment Plan at Appendix N of the HRA Budget Setting Report.
- q) Approve a reduction of £80,000 in each of the Disabled Facilities Grant and Private Sector Housing Grants and Loans budgets in 2012/13 due to a combination of reduced demand, coupled with a temporary reduction in activity by the new Shared Home Improvement Agency whilst the service was set up. Permission is sought to re-profile this resource to 2017/18, the end of the current funding period, from which point future funding for this area of investment is at risk.
- r) Approve the revised Housing Capital Investment Plan as shown in Appendix N of the HRA Budget Setting Report.
- s) Approve a provisional addition to the Housing Capital Allowance of £25,358,000 in respect of anticipated qualifying expenditure in 2013/14.

3. Implications

- 3.1 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**

3.2 The financial implications are outlined in the attached HRA Budget Setting Report 2013/14.

(b) **Staffing Implications**

3.3 Any direct staffing implications are outlined in the attached HRA Budget Setting Report 2013/14.

(c) **Equal Opportunities Implications**

3.4 An Equality Impact Assessment is included at Appendix O of the attached HRA Budget Setting Report 2013/14

(d) **Environmental Implications**

3.5 Where relevant, officers have considered the environmental impact of budget proposals, which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(e) **Procurement**

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

(f) **Consultation and Communications**

3.7 Consultation with tenant and leaseholder representatives is carried out as part of the HMB scrutiny process. The view of a representative group of tenants and leaseholders, in respect of investment priorities, was sought as part of the 2012 STAR tenants and leaseholder survey.

(g) **Community Safety**

3.8 Any community safety implications are outlined in the attached HRA Budget Setting Report 2013/14.

4. Background Papers

These background papers were used in the preparation of this report:

HRA Business Plan 2012/13 to 2041/42 as approved in February 2012
HRA Business Plan Update 2012/13 to 2041/42

5. Appendices

HRA Budget Setting Report 2013/14

6. Inspection of Papers

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

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