



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Director of Customer & Community Services  
Relevant scrutiny committee: Community Services and Housing Management Board 16/1/2014  
Wards affected: All Wards

## LABOUR GROUP AMENDMENT TO:

### HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING REPORT (BSR) 2014/15

#### Key Decision

#### 1. Executive Summary

1.1 This report sets out amendments proposed by the Labour Group to the Housing Revenue Account Budget Setting Report 2013/14 to 2017/18, presented to both Community Services Scrutiny Committee and Housing Management Board on 16 January 2014, 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 27 February 2014.

1.2 The appendices to this report incorporate the Labour Group budget proposals in relation to specific budget items for both HRA revenue and capital as follows:

- a) To add new items
- b) To amend existing specific proposals

The proposals are presented as amendments to the published HRA Budget Setting Report, with the changes identified in ***bold italics***. In most cases the entire section or appendix has been re-stated for ease of reference.

1.3 The Labour Group states that its budget amendment focuses on some key areas, including:

- Implementing a lower level of rent increase in 2014/15 than government guideline would indicate should be applied.

- Increasing training and employment opportunities for young people.
- A focus on spending on the external and communal areas of the housing stock, with boundary fencing and fencing of communal space a key priority.
- A fundamental review of both housing services and asset management, with a target to achieve a higher level of savings of 4% from 2015/16.
- A reduction in the target level of reserves held in the HRA.

1.4 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.

## 2.Recommendations (Labour Group Amendments are in Italics)

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

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

### Review of Rents and Charges

- Approve that council dwellings rents be increased, departing from government guidelines, assuming that 2014/15 is the last year that a move towards convergence with formula rent is possible, but introducing a local maximum in individual increases of inflation (RPI at September 2013 of 3.2%) plus half percent (0.5%) plus £1.00 per week with effect from 7<sup>th</sup> April 2014.***
- Approve inflationary increases of up to a maximum of 2.5% in garage and parking space rents for 2014/15, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report.
- Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- Approve revised leasehold administration charges for 2014/15 as detailed in Appendix B of the HRA Budget Setting Report.
- Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are

increased by a maximum of inflation at 3.2% plus 0.5%, if required, to continue to recover full estimated costs as detailed in Appendix B of the HRA Budget Setting Report.

- f) 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 HRA Budget Setting Report.

## Revenue – HRA

### Revised Budget 2013/14:

- g) Approve with any amendments, the Revised Budget items shown in Appendix D of the HRA Budget Setting Report.

### Budget 2014/15:

- h) ***Approve the Non-Cash Limit items originally shown in Appendix E of the HRA Budget Setting Report, as amended in line with Appendix E to this report.***
- i) Approve with any amendments, the Unavoidable Revenue Bids and Savings shown in Appendix F of the HRA Budget Setting Report.
- j) ***Approve the Priority Policy Fund (PPF) Bids originally shown in Appendix G of the HRA Budget Setting Report, as amended at Appendix G to this report.***
- k) ***Approve the resulting Housing Revenue Account Summary Forecast 2013/14 to 2017/18, shown originally in Appendix L of the HRA Budget Setting Report, as subsequently amended and re-stated in full at Appendix L to this report.***

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

## Treasury Management

- l) Approve the revised approach to treasury management, setting-aside a proportion of the surpluses generated over the life of the Business Plan to allow for potential debt redemption, but re-investing up to 75% of the surplus generated in the acquisition or

development of new affordable housing, as outlined in Section 7 of the HRA Budget Setting Report.

## Housing Capital

- m) **Approval of capital bids, shown in Appendix H of the HRA Budget Setting Report, to include** resource to implement the Cambridge Public Sector Network across housing offices, to purchase an additional module for the Housing Management Information System, to undertake emergency water mains replacement at Kingsway, to carry out remedial works to a specific HRA dwelling and the surrounding block **and to increase investment in boundary fencing and fencing to communal space.**
- n) Approval of re-phasing of £15,000 of resource between 2014/15 and 2013/14 to complete communal floor covering works to an entire block whilst the relevant equipment is on site.
- o) Approval of re-phasing of funding for UPVC window replacements of £500,000 from 2014/15 and £850,000 from 2015/16 into later years in the Housing Capital Investment Plan, recognising that it is too early to move to a full investment standard.
- p) Approval of re-phasing of £250,000 from 2014/15 to 2015/16 in respect of the communal areas uplift, recognising that the full programme of works has not yet been finalised.
- q) Approval of gross funding of £16,210,000 for the development of the affordable housing project at Clay Farm, in line with the scheme specific report being presented to Community Services in January 2014, which assumes 75% affordable rented and 25% shared ownership housing.
- r) Approval of funding of £2,875,000 for the provisional purchase of 13 market housing units on the garage re-development sites (or other units of existing market housing), recognising this as an appropriate use of retained right to buy receipts.
- s) Approval to earmark the required level of additional funding for new build investment in 2016/17 and 2017/18 to ensure that the anticipated level of future retained right to buy receipts can be appropriately utilised.
- t) **Approval of the revised Housing Capital Investment Plan, shown originally in Appendix M of the HRA Budget Setting**

***Report, as subsequently amended and re-stated in full at Appendix M to this report.***

- u) Approve a provisional addition to the Housing Capital Allowance of £30,702,000 in respect of anticipated qualifying expenditure in 2014/15.**

### **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 associated with decisions are outlined in the HRA Budget Setting Report 2014/15, presented to both Community Services Scrutiny Committee and HMB on 16<sup>h</sup> January 2014, as amended by this Labour Amendment,

#### **(b) Staffing Implications**

3.3 Any direct staffing implications are outlined in the HRA Budget Setting Report 2014/15, as presented to both Community Services Scrutiny Committee and HMB on 16<sup>h</sup> January 2014, as amended by this Labour Amendment.

#### **(c) Equal Opportunities Implications**

3.4 An Equality Impact Assessment is included at Appendix N of the HRA Budget Setting Report 2014/15, as presented to both Community Services Scrutiny Committee and HMB on 16<sup>h</sup> January 2014.

#### **(d) Environmental Implications**

3.5 Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2014/15, as presented to both Community Services Scrutiny Committee and HMB on 16<sup>h</sup> January 2014, as amended by this Labour Amendment.

#### **(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, and will be repeated in 2014.

**(g) Community Safety**

3.8 Any community safety implications are outlined in the HRA Budget Setting Report 2014/15, as presented to both Community Services Scrutiny Committee and HMB on 16<sup>h</sup> January 2014, as amended by this Labour Amendment.

## **4. Background Papers**

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

Housing Revenue Account Mid-Year Financial Review 2013/14  
Housing Revenue Account Budget Setting Report 2013/14 to 2017/18.

## **5. Appendices**

- Amended Sections and Extracts of the HRA BSR 2014/15
- Appendix A - Re-Stated Business Planning Assumptions
- Appendix E - Amended HRA Non-Cash Limit Items
- Appendix G - Amended HRA PPF Funding and Bids
- Appendix H - Amended Capital Bids
- Appendix L - Amended HRA Summary Forecast 2013/14 to 2017/18
- Appendix M - Amended Housing Capital Investment Plan

## **6. Inspection of Papers**

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

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