

HOUSING SCRUTINY COMMITTEE

4 February 2025

5.30 – 8.19pm

Present: Councillors Griffin (Chair), Gawthrope Wood, Gardiner-Smith, Lee, Martinelli, Robertson, Swift, Thittala, Tong

Tenant/Leaseholder Representatives: Diana Minns (Vice Chair), Mandy Powell-Hardy (online), Diane Best, Harmony Birch

Executive Councillor for Housing: Councillor Bird

RECOMMENDATION TO EXECUTIVE (Executive Councillor for Housing)

2025/26 Housing Revenue Account Budget Setting Report

The HRA Budget Setting Report was presented to Housing Scrutiny Committee to allow consideration and scrutiny of proposals for the review of rents and service charges, revenue bids and savings, and the Housing Capital Investment Plan, which includes capital bids and all associated funding proposals.

The Committee made the following comments in response to the report:

- i. Tenant and Leasehold Representatives expressed concern that they were not able to vote on Housing Revenue Account (HRA) budget amendment recommendations, which they had been able to do so previously.
- ii. Noted the budget savings figure which was expected to be delivered following the redesign of the Housing Service but understood further detail about this would be provided in the third week of February. Separately another Member commented that the group design restructure for the service made it difficult to scrutinise the budget. It was not clear how the Council's restructure would impact the delivery of frontline services. More information and explanation should have been provided.
- iii. Was disappointed to see the proposed removal of the under-occupation incentive scheme in the report. Believed there should be some incentive available for tenants in under-occupied properties.
- iv. Asked if there was other funding available to support tenants who wanted to move due to the under occupation of their property. Asked if funding was available, whether this could be publicised more.

- v. Queried the reduced budget for ‘target hardening work’ for people suffering domestic violence.
- vi. Noted within the Executive Councillor’s Foreword to the BSR that tenancy audits identified cases of domestic abuse and that further tenancy audits may identify further instances of domestic abuse so queried whether from a budget point of view, the Council may need to spend more in this particular area than it currently did.
- vii. Asked how the committee could be assured that adequate funding was within the HRA budget to deliver services particularly in the context of delivering tenancy audits and addressing condensation, damp and mould.
- viii. Asked if Central Government would consult with councils about financing for retrofit schemes.
- ix. Queried if ‘Right to Buy’ (RTB) funding could only be used for shared ownership schemes.
- x. Asked what work had been undertaken to assess the impact of the proposed rent increases on residents.
- xi. Asked if there was sufficient officer capacity to deliver resident engagement taking into consideration the requirements required by the Housing Regulator. Queried if there was sufficient resource available to pay for communication with tenants and leaseholders.
- xii. Referred to previous decisions discussed by the Committee in 2013 and 2019 which agreed that the Council would not process housing arrears action resulting from issues with Universal Credit and the Spare Room Subsidy payments. They would have liked to have proposed an amendment to the BSR to request that this approach be extended to include the two-child benefit cap and the benefit cap itself. Asked whether work had been undertaken to see whether a tenant in an affordable rented property may be disproportionately affected by the benefit cap than a tenant in a socially rented property.
- xiii. Referred to concerns which had been raised about value for money / deterioration in standards for services charges in blocks of flats and sheltered housing schemes in relation to building cleaning / window cleaning and grounds maintenance charges (detailed in appendix D on page 75 of the BSR).

The Chief Finance Officer, Assistant Director for Housing and Homelessness, Director of Communities said the following in response to Members’ questions:

- i. The decision for the Executive Councillor at this meeting was to recommend the HRA budget to the Executive. Comments from the Scrutiny Committee would be minuted and tabled at the Executive

meeting. The main reason for the change in the HRA budget process was to reflect best practice within the Local Government sector so that revenue and capital budget was approved by Full Council. The HRA budget process was therefore being brought in-line with the General Fund budget process. Tenant and Leaseholders were able to submit public questions (in accordance with the requirements set out in the Public Speaking Scheme) to the Executive and Full Council meetings.

- ii. The figures regarding the group redesign proposals had only recently been collated.
- iii. The council needed to set a balanced budget, unfortunately this meant that difficult decisions had to be made regarding what services were provided. This was why the under-occupation incentive scheme was proposed to be removed.
- iv. Funding was available for tenants who wanted to move due to the under occupation of their property. If a tenant was actively looking to move and they were in receipt of benefits, discretionary housing payments were available to top up rent to assist with moving fees etc. Advised that tenants could seek support from the Council's Financial Inclusion Officer to make sure that they were claiming all the funding that they were entitled to. Acknowledged that there could be a potential gap for tenants who wanted to move (due to under occupation of their property) but were not in receipt of some kind of benefit funding as they would not be able to access the discretionary housing payment to assist with moving fees.
- v. The 'target hardening works' domestic abuse funding was a specific budget set aside to fund works to a property where a victim of domestic abuse wished to stay in their property. Examples of target hardening works included new doors, fencing, or a ring doorbell. Often victims of domestic abuse did not want to stay in their property and were supported by the Council to move to alternative accommodation. This budget was therefore usually underspent so the reduction in the budget was to reflect current demand. There was alternative funding which could be used to support people if the revised budget was spent and assurance provided that should these works be required, they would be carried out.
- vi. The data from tenancy audits could be interrogated further; relevant referrals were made for victims of domestic abuse and support was provided. Additional security measures (provided through the target hardening funding) were only effective where the perpetrator was no longer in the household. As noted above, usually victims of domestic abuse did not want to stay in their property and were therefore supported to move to alternative accommodation,

therefore did not expect the reduction in budget for target hardening works to impact residents as the budget was for very specific circumstances.

- vii. Advised that the HRA BSR was prepared upon the budget approved within the HRA Medium Term Financial Strategy. Revenue and capital budgets were agreed with relevant budget holders. A balanced budget needed to be prepared. There had been additional pressures from damp, condensation and mould (DCM) cases which had been built into the budget. Hard decisions had to be made about the services which were provided and those that weren't.
- viii. The Council had ambitious plans for both delivering new homes and retrofitting existing homes which the Council could not fund on its own. Officers would continue dialogue with Central Government regarding financial support.
- ix. Advised that Officers were trying to highlight that Right to Buy (RTB) funding could now be used to fund shared ownership housing as previously it was not possible to do so. RTB receipts could continue to be used for other types of replacement housing.
- x. The Council was mindful of the impact on residents when rents were increased. An Equality Impact Assessment was undertaken as part of the HRA BSR drafting process. The Council was in a difficult economic position. Rent increases were capped on an annual basis. If rents were not increased there would be a lasting impact on the HRA, and this needed to be balanced against the ability of the Council to deliver services for tenants.
- xi. Under the current staffing structure there was sufficient capacity within the Team to fulfil the resident engagement requirements of the Housing Regulator. The Resident Engagement Strategy would be reviewed as part of the transformation programme. Moving forward the proposals to bring together certain Teams as part of the restructure would strengthen resident involvement.
- xii. In response to the question regarding previous Housing Scrutiny Committee decisions and the process for rent arrears action, noted that the 2019 report and decision statement was in relation to Universal Credit [Agenda for Housing Scrutiny Committee on Wednesday, 16th January, 2019, 5.30 pm - Cambridge Council.](#) This stated 'In light of issues surrounding Universal Credit and payment arrangements for housing costs, approvals for eviction will not be progressed for a tenant in rent arrears which relate solely to Universal Credit delays and missed payments which are beyond their control. Any delays that are deemed to be the result of the tenant's own delay in applying/supplying the correct information will be followed up through the usual processes.'

The report referred to in October 2013 was a report on Welfare Reform and the impact on tenants [Agenda for Housing Management Board on Tuesday, 1st October, 2013, 5.30 pm - Cambridge Council](#). The decision stated that 'Eviction will not be progressed for a tenant in rent arrears, which solely relate to the under occupation reduction in Housing Benefit, when all any of the following criteria are met:

- a. Where the tenant has applied for rehousing and is making active reasonable bids.
- b. Where the tenant has applied for DHP.
- c. Where other tenancy conditions (such as anti-social behaviour) have not been seriously breached.'

The issues raised in relation to enforcement action for rent arrears would be better considered within the Council's Rental Arrears and Income Collection Policy rather than as part of the BSR. The Rental Arrears and Income Collection Policy was due to be reviewed, and Tenant and Leaseholder Representatives would be involved with the review in due course. In response to the concerns raised regarding the two additional factors impacting rent arrears (two child benefit cap and benefit cap) it would not be prudent for the Council to pursue possession orders or eviction for rent arrears which occurred due to delays with payment of benefits.

- xiii. Noted concerns raised about service charges and the standard/level of service provided. Noted that building cleaning was tricky as areas could be cleaned and shortly afterwards for example following inclement weather areas become dirty quickly, so it appeared as though cleaning had not been undertaken. Requested that issues were raised with Officers and noted that Tenants and Leaseholders could raise concerns via the Council's complaint process.

The Executive Councillor for Housing noted that rents were increased by 5% in 2022/23, in 2023/24 rents were increased by 7.4%. The proposed rent increase for 2025/26 was 2.7% which was a lower percentage than in previous years. The impact of rent increases on tenants unfortunately had to be balanced against the delivery of a balanced budget.

The Committee resolved by 6 votes to 1 with 5 abstentions to endorse recommendations a to i.

The Committee resolved by 6 votes to 1 with 2 abstentions to endorse recommendations j to t.

Accordingly, the Executive is recommended to:

- a. Recommend that full Council approve that council dwellings rents for all social rented and social shared ownership properties be increased in line with government guidelines, with an increase of 2.7%, being inflation as measured by the Consumer Price Index (CPI) at September 2024 of 1.7%, plus 1%. Rent increases will take effect from 1 April 2025. This equates to an average rent increase of £3.37 per week.
- b. Recommend that full Council approve that affordable housing rents, inclusive of service charge, are also increased by 2.7% in line with the increase for social rents. This equates to an average rent increase of £5.06 per week.
- c. Recommend that full Council approve that rents for affordable shared ownership properties are increased by RPI as at September 2024, 2.7% plus 0.5%, as allowed for in the lease requirements for these properties.
- d. Recommend that full Council approve that garage and parking space charges for 2025/26 are increased by inflation at 2.7%, in line with dwelling rents, and approve changes in charges for parking permits, as set out at table 10 on page 28 of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- e. Recommend that full Council approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix D of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- f. Recommend that full Council approve the proposed leasehold administration charges for 2025/26, as detailed in Appendix D of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- g. Recommend that full Council approve that service charges continue to be recovered at full estimated cost, as detailed in

Appendix D of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26, recognising that local authorities should endeavour to limit increases to inflation as measured by CPI at September 2024 (1.7%) plus 1%, wherever possible.

- h. Recommend that full Council approve (with any amendments) the revenue savings, pressures and bids set out at Appendix F of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- i. Recommend that full Council approve the resulting Housing Revenue Account revenue budget as summarised at table 5 on page 20 of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- j. Recommend that full Council approve the capital bid set out at Appendix F of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- k. Recommend that full Council approve the updated Housing Capital Investment Plan as shown at Appendix E of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- l. Recommend that full Council approve the proposed approach to financing the Housing Capital Investment Plan as set out at table 11 on page 31 of the attached Housing Revenue Account Business Plan Update and Budget Setting Report 2025/26.
- m. Recommend that full Council approve the revised need to borrow over the life of the Business Plan, to sustain the proposed level of capital investment, which includes delivery of the 10 Year New Homes Programme.
- n. Recommend that full Council recognise that the constitution delegates Treasury Management to the Chief Finance Officer (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on

borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities'.

- o. Recommend that full Council recognise that the decision to borrow significantly to build new homes impacts the council's ability to set-aside resource to redeem the HRA Self-Financing debt at the point at which the loan portfolio matures, resulting in a need to re-finance debt at the point of maturity.
- p. Recommend that full Council approve inclusion of a capital budget for Disabled Facilities Grant expenditure and associated grant income from 2025/26 onwards, based upon 2024/25 net grant awarded, with delegation to the Chief Finance Officer to approve an in year increase or decrease in this budget in any year, in direct relation to any increase or decrease in the capital grant funding available for this purpose, as received from Cambridgeshire County Council through the Better Care Fund.
- q. Recommend that full Council approval of delegation to the Chief Finance Officer, 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.
- r. Recommend that full Council approve delegation to the Director of Communities 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.
- s. Recommend that full Council approve delegation to the relevant Director, in consultation with the Chief Finance Officer, to draw down resource from the ear-marked revenue reserve or capital reserve 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.

- t. Recommend that full Council approve delegation to the Chief Finance Officer to make any necessary technical amendments to detailed budgets in respect of recharges between the General Fund and the HRA.