

CABINET

9 February 2023

Minute Extract

1. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2023-24**
(CAB3387)

Councillor Ferguson introduced the report and drew members' attention to a number of key points therein. With regard to the proposal for a 7% rent increase, she advised that had been discussed with TACT and the indicated rent increase was in line with neighbouring authorities.

At the invitation of the Leader, David Light (TACT) confirmed that the majority of TACT members agreed with the 7% rent increase and also supported the proposal for a discretionary 7% cap on the annual rent increase for shared ownership properties. The continuation of the Welfare Support budget was also welcomed.

At the invitation of the Leader, Councillors Wallace and Horrill addressed Cabinet as summarised briefly below.

Councillor Wallace

He welcomed the well organised and presented format of the report and supported its contents.

Councillor Horrill

She also acknowledged the work of the Housing Finance team in producing the report and the involvement of TACT. She requested clarification of the spending plans for the 7% rent increase (as opposed to a 6% increase). She welcomed the proposals to offset the nitrate neutrality requirements but queried whether credits would be available in the future. She requested further clarification of the requirement for an additional 6.2 ftes in the Property Services team and also whether funding for the retrofit programme would be adequate to meet tenants' demands. Finally, she raised a query regarding the homelessness budget line that she had raised at the Scrutiny Committee.

Councillor Ferguson and the Corporate Head of Housing responded to comments made, including explaining that spending plans were set out in section 13.1 of the report and the work already underway and phased work plans on the retrofit programme. The proposed increase in the Property Services team was required to meet the demands of the new Building Safety requirements, together with the aim to take a more preventative approach to housing repairs and maintenance. The Housing Finance Manager answered the query in relation to the homelessness budget.

The Chief Executive provided an update of the matters discussed during consideration of this report at Scrutiny Committee on 7 February 2023 which were noted by Cabinet. The Committee did not forward any issues for the attention of Cabinet.

Cabinet noted an amendment required to recommendation 12 of the report to correct the reference to paragraph 19.5. There were a number of other minor corrections which would be made prior to the report being submitted to Council for approval.

Cabinet agreed to the following for the reasons set out above and outlined in the report.

RECOMMENDED (TO COUNCIL):

- 1. That the 2023/24 Housing Revenue Account budget be approved, as detailed in Appendices 1 and 2 to the report.**
- 2. That the 10-year indicative HRA capital programme be approved, as set out in Appendices 3 and 4 to the report.**
- 3. That capital expenditure in 2023/24 of £9.530m for the Maintenance, Improvement and Renewal programme be approved as detailed in Appendix 3 of the report, in accordance with Financial Procedure Rule 7.4.**
- 4. That the proposed budget in 2023-24 for new homes of £20.518m be approved as detailed in Appendix 4 of the report, subject to individual scheme approvals.**
- 5. That the proposed indicative funding for the HRA Capital Programme be approved as detailed in Appendix 5 of the report.**
- 6. That the HRA Financial Plan operating account extract, including annual working balances, be noted as detailed in Appendix 6 of the report.**
- 7. That the proposal to fund £0.400m for the new initiatives detailed in section 13.1 of the report be supported, which includes funding for additional staff resources to support the actions identified and the creation of a new disrepairs claims budget of £0.100m.**
- 8. That it be agreed to continue the provision of the Welfare Support budget of £0.215m and to refocus this on measures to support vulnerable tenants to maintain their tenancies during this period of unprecedented cost pressures.**

9. That a rent increase of 7% from April 2023 for Social and Affordable housing within the HRA for existing tenants be approved.

10. That a cap on the average overall increase for tenant service charges in 2023-24 of 7% be approved.

11. That in recognition of the Cost-of-Living crisis, a discretionary 7% cap on the annual rent increase for Shared Owners be approved, in line with the increase in social and affordable rents to existing tenants as opposed to 13.1% increase that would have been applied.

12. That in principle to the HRA funding approximately £3.5m from the unallocated New Homes budget be approved, in order to meet any grant requirements to acquire 17 properties in accordance with the Local Authority Housing Fund (LAHF) grant conditions, as detailed in Section 19.5 of the report.