

Subject: Housing Revenue Account Budget & Capital Investment Programme 2020/21 and Medium Term Financial Strategy

Date of Meeting: 15 January 2020

Report of: Interim Executive Director for Housing, Neighbourhoods & Communities

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Wards Affected: All

FOR GENERAL RELEASE

Action Required of the Policy & Resources Committee:

The Housing Committee approves and recommends to Policy & Resources Committee:

- 2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;
- 2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and
- 2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

BRIGHTON & HOVE CITY COUNCIL**HOUSING COMMITTEE****15 JANUARY 2020****COUNCIL CHAMBER, HOVE TOWN HALL**

Present: Councillor Williams (Chair) Brennan (Deputy Chair), Gibson (Opposition Spokesperson), Mears (Group Spokesperson), Atkinson, Barnett, Fowler, Heley, Hugh-Jones and Osborne.

MINUTE EXTRACT**PART ONE**

- 45.1 The Committee considered the report presented by Jill Fisher (Head of Finance), Monica Brooks (Principal Accountant) and Glyn Huelin (Head of Housing – Repairs & Improvement).
- 45.2 The report presented the proposed Housing Revenue Account (HRA) revenue and capital budget for 2020/21 as required by the Local Government & Housing Act 1989. Members are required to consider the revenue budget proposals including re-investments (service pressures) and changes to rents, fees and charges along with the capital programme. The report also set out the Medium Term Financial Strategy and a 30-year financial forecast.
- 45.3 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,500 rented properties and 2,900 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.
- 45.4 Councillor Peter Atkinson considered that the rent increase of 2.7% seemed reasonable. It was noted that Brighton and Hove City Council temporary accommodation is generally good, and the increase in photovoltaic panels is good news. The increase in arrears from Universal Credit, is not good news. Councillor Atkinson was informed that there is an energy review in the Housing delivery plan, housing associations are included in early engagement programmes on downsizing, 50 homes will benefit from solar panels, and senior resident's laundry charge covers all costs will include energy supply at £2 per week. It was noted that lightning protection for blocks of flats is being looking into.
- 45.5 Councillor Mary Mears felt that inflation should not be included in the HRA budget. Councillor Mears was informed that as a result of the Grenfell fire enquiry, sprinklers have been installed in new builds and the Committee will be informed in the future of other installations. It

was noted that the development of a new solar energy efficiency strategy for council homes with a detailed report is being brought to Housing Committee in June 2020. Ventilation and heating repairs and maintenance will be covered by Mears Group PLC.

- 45.6 Councillor Gill Williams stated that they had been working closely with those affected by the recent fire in a block of flats and will make sure that action will be taken to ensure the safety of residents who live in the city.
- 45.7 Councillor David Gibson approved of the consultation approach to the strategy, the increase of the Photovoltaic panels and the pre-engagement aspects. It was noted that the additional £3.5m would achieve approximately 14/15 homes. Councillor Gibson was informed that the burrowing cap had not yet been reached. Approximately 40 homes are being brought under the right-to-scheme each year. A further member of staff is to be added to the income team to assist with the transition to Universal Credit. Councillor Gibson supported the creation of reserves for future spending.
- 45.8 Councillor Siriol Hugh-Jones was informed that at the end of the current contract for repairs and maintenance in March 2020, a number of significant projects will complete this financial year with the associated service charges being billed to leaseholders later this year. The stock condition survey is ongoing and regular. The survey will influence HRA Capital programme and include empty properties. It was noted that not all rents were received from tenants and this added to the rental income overspend for 2019/20. New build properties have helped to increase income. Downsizing is being encouraged to free up properties across the city and is always under review. Councillor Hugh-Jones was informed that the cost of senior housing guest rooms would be investigated, and the committee informed of the findings.

Resolved:

That the Housing Committee approves:

- 2.1 That a rent increase of up to 2.7% in line with government legislation as detailed in paragraph 4.11 of the report be approved;
- 2.2 That service charges and fees as detailed in Appendix 3 to the report be approved;
- 2.3 That the contribution to Youth Services from the HRA will continue with the addition of inflation at a total cost of £0.255m in 2020/21 be noted;
- 2.4 That the proposal to set up a capital reserve of £2.900m for use in 2021/22 as discussed in paragraph 4.9 of the report be noted;

- 2.5 That the proposal to set up a new Rent Reduction Reserve for £1.010m (see paragraph 4.10 of the report) be noted;
- 2.6 That the current HRA forecast outturn for 2019/20 in Appendix 1 to the report of £0.200m underspend be noted; and
- 2.7 That the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 5 to the report be noted; and

That Housing Committee approves and recommends to Policy & Resources Committee:

- 2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;
- 2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and
- 2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

That Full Council:

- 2.11 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be approved;
- 2.12 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and the 3-year programme as set out in Appendix 4 to the report be noted; and
- 2.13 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.