

Brighton & Hove City Council

Housing Committee

Agenda Item 60

Subject: Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy

Date of meeting: 18 January 2023 Housing Committee
9 February 2023 Policy & Resources Committee
23 February 2023 Budget Council

Report of: Chief Finance Officer Executive Director for Housing, Neighbourhoods & Communities

Contact Officer: Craig Garoghan
Martin Reid

Joint Labour / Green Amendment to item 60

- 1) Explore increasing commercial rents in HRA properties by 3% (with discretion to waive increases where social value may be at risk) raising up to 17K to add to the working balance
- 2) Cap 27.5% and 37.5% Living wage rent increases* at the amount equivalents of 7% on social rents for comparable property types (average proposed 7% social rent increase being £6.28 per week)

This will reduce the estimated revenue reducing the working balance by an estimated 56 K.

*as policy all HRA affordable rents are capped at LHA and so will not increase above that level

- 3) Increase the home purchases in the Capital programme by adding 15 purchases for TA use

The estimated total spend in 23/24 will be £3.75m more and will be provided by reducing the home purchase budget for 24/25 by £1m, for 25/26 by £1.1m and for 26/27 by 1.65m and bringing these expenditures forwards in the programme making them available to spend in 23/24.

Rec 2.6 and rec 2.8 to be changed to read “**Approve a capital programme of £57.791m**” and add “**as amended**” after capital programme.

It is estimated that each council owned TA home can save around 3K a year** from the general fund revenue costs.

2K of this saving should be set aside for storage facilities and ringfenced for care leavers in emergency and temporary accommodation.

The remaining saving should be ring fenced to support initially to support any additional costs needed to introduce landlord licensing schemes.

Note that whilst the amendment provides for 15 additional TA units through the home purchase budget that this should not be limited to 15 extra should the opportunities arise to achieve more.

- 4) Reduce the proposed increase in electricity service charge in appendix 2 from 22% to 15.5% a year until recovery of costs is achieved (estimated over 4 years- based on cost inflation estimates) This will temporarily lower the end of year working balance and the balance will be replenished in later years The recovery pf cost schedule being subject to revision if estimated of energy cost inflation on which the budget is based change significantly.
- 5) Reduce the proposed increase in gas service charge in appendix 2 from 22% to 16.7% a year until recovery of costs is achieved (estimated over 4 years- based on cost inflation estimates) This will temporarily lower the end of year working balance and the balance will be replenished in later years. The recovery pf cost schedule being subject to revision if estimated of energy cost inflation on which the budget is based change significantly.

In order to accommodate these changes recommendations, the words "as amended" should be added to recommendations 2.1, 2.2, 2.5 and 2.7

Proposed by David Gibson

Seconded by Gill Williams

Amended Recommendations would read as follows:

That the Housing Committee:

- 2.1 Approves a rent increase of up to 7% in line with government legislation as detailed in paragraph 4.6 of the report **as amended**.
- 2.2 Approves the service charges and fees as detailed in Appendix 2 to the report **as amended**.
- 2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.
- 2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

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

- 2.5 That the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval **as amended**.
- 2.6 **Approve a capital programme of £57.791m** ~~That the Capital Programme Budget of £54.041m~~ for 2023/24 be agreed and the 5-year programme as set out in Appendix 3 **as amended** to the report be noted, and recommended to Full Council for approval; and

That Full Council:

- 2.7 Approves the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report **as amended**.
- 2.8 **Approve a capital programme of £57.791m** ~~Approves the Capital Programme Budget of £54.041m~~ for 2023/24 and notes the 5-year programme as set out in Appendix 3 **as amended** to the report.

