

CABINET 18 JANUARY 2021

Report title: HRA Budget, Rent and Service Charge setting report

Wards: All

Portfolio: Deputy Leader of the Council (Housing and Homelessness): Councillor Jennifer Brathwaite

Report Authorised by: Strategic Director of Resident Services: Bayo Dosunmu

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REPORT SUMMARY

This report sets out the proposals for the Housing Revenue Account (HRA) budget, rents and tenants service charges for the 2021/22 financial year. These proposals have been developed in discussion with Housing Management and in consultation with the Cabinet Member for Housing and have been shared with the Tenant Assembly on 27 October 2020.

FINANCE SUMMARY

This report deals with rent, tenant service charges and other charges, therefore the financial implications are included in the main body of the report.

RECOMMENDATIONS

1. To agree the approach to setting tenant and leasehold service charges, garage, parking and supported housing charges.
2. To agree the increase in rents of 1.5%, this being composed of Consumer Price Index (CPI) at the applicable rate of 0.5% plus the allowable 1%.
3. To note the October 2020 financial forecast position as detailed in paragraph 2.2
4. To agree the proposed growth and savings for 2021/22 as set out in paragraphs 2.26 to 2.36 and Appendix 3.
5. To agree the HRA Budget for 2021/22 as set out in Appendix 4.

1. CONTEXT

- 1.1 Each year local authority housing landlords must set rents and budgets for the forthcoming financial year and provide each individual tenant with statutory notice of any proposed rent change. This report sets out proposals regarding the budget, rents, service charges and other charges to tenants for the 2021/22 rent year.
- 1.2 Following four years of enforced rent reductions between 2016/17 and 2019/20 which resulted in an estimated £28.5m cumulative loss to the HRA, since 2020/21 rents can be increased at Councils' discretion.
- 1.3 The HRA is the ring-fenced rent account that funds the Council's activity as a landlord. Tenant focused services arising from the Council's role as landlord are delivered through Housing Management.
- 1.4 The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government and Housing Act 1989, section 76). This means that the budget must be based on total HRA revenue reserves remaining at zero or above. In practice the Council is expected to maintain a reasonable balance of reserves; a minimum of between 5% and 10% of turnover is good practice and this provides a contingency against unforeseen events and known risks. The external auditor will review the level of reserves in forming a view on the overall standard of financial management across the Council.
- 1.5 The Localism Bill 2011 included plans to abolish the then subsidy system supporting the HRA and move to a model known as "self-financing". Managing debt for the current housing stock has moved from being held nationally and charged on a nominal basis, to the local HRA managed by the Council. This is based on a calculation of the level of debt that the landlord / Council can support based on a valuation of the housing stock at the time of the settlement, along with assumptions regarding total rental income to be generated and expenditure required to support this housing stock.
- 1.6 A key feature of the self-financing model is that landlords can borrow against the value of the housing stock in order to invest in improvements to that stock. This borrowing must be financed from HRA income and so introduces risks and opportunities for managing resources in this area. As local authority borrowing is included in the national Public Sector Borrowing Requirement, it must be affordable both nationally and locally. A total borrowing limit (cap) was therefore set for each landlord, which for Lambeth was £408m.
- 1.7 In the Government's Autumn Budget announcement in October 2018, the requirement for a borrowing cap was abolished. The public sector accountancy body Chartered Institute of Public Finance and Accountancy (CIPFA) has confirmed that the extant Prudential Code which governs the framework to ensure capital investment by Local Authorities are affordable, prudent and sustainable will not be changed as a direct consequence of the abolishment of the borrowing cap.
- 1.8 Prior to the abolishment of the borrowing cap, Lambeth had expected to borrow the full amount of funding available to deliver the Lambeth Housing Standard (LHS) across the borough over a period of time. The Welfare Reform and Work Act 2016 and more specifically the rent reduction of 1% each year for four years means that the utilisation of borrowing up to the limit was not sought due to affordability.

- 1.9 The self-financing arrangements have led to the development of a 30-year business plan supporting the delivery of the HRA under the new arrangements. This makes assumptions regarding the level of income available based on the expected levels of rent and the key risks facing housing service delivery within this timeframe. The main areas of this are the management and timing of debt use, affordability, fire risk work post Grenfell and the impact of changes as Government policies are enacted.
- 1.10 The 2021/22 financial proposals are set under the self-financing arrangements along with the initiatives set out in the Welfare Reform and Work Act 2016 and the key risks and opportunities arising from this are reflected in the plans along with local developments for driving forward change against local priorities.

2. PROPOSAL AND REASONS

Current HRA position

- 2.1 The HRA's current 2020/21 financial position is adequate following the changes made in the budget setting process to manage the ongoing impact of rent reduction. The 2019/20 outturn position was £11.506m in general reserves, which is an improved position compared to 2018/19.
- 2.2 The October 2020/21 budget monitor is forecasting a breakeven position at the year-end which incorporates a planned use of the HRA reserves at £6m. The summary position is as follows:

	Net budget to date £'000	Actuals to date £'000	Variance to date £'000	FY budget £'000	FY forecast £'000	FY variance £'000	FY variance %
Housing Services	37,721	32,662	(5,059)	64,665	69,019	4,354	7
Strategic Programmes	8,569	9,547	978	14,689	16,597	1,908	13
Central HRA	(46,290)	(75,850)	(29,560)	(79,354)	(85,616)	(6,262)	(8)
TOTAL HRA	-	(33,641)	(33,641)	-	-	-	-

- 2.3 There are several factors that are driving the forecast. Within Housing Services there are projected pressures within the responsive repairs service as a result of the necessity to eliminate the number of outstanding repairs jobs ahead of the new suite of repairs contracts which will commence in 2022. There are also pressures against the voids budget due to a targeted reduction in voids to bring them back into rental use. The HRA's operations are being adversely impacted by Covid-19 and this is reflected in rent losses due to lengthened void turnaround times as well as income losses from estate parking. The Council is forecasting a planned use of £6m of HRA reserves for the above whilst maintaining a grip on the future balances and reserves via the HRA Business Plan. There is likely to be value for money arising out of strategic shifts in the procurements for responsive repairs and planned maintenance which will repay this year's planned use of the HRA balance over the medium term.

HRA budget setting 2021/22

- 2.4 The approach to HRA budget setting focuses on three separate areas for 2021/22:
- expected income and proposals on rent and service charge levels;

- b. expenditure plans that reflect local priorities, the impact of the self-financing business model on service delivery and the end of enforced rent reductions; and,
- c. the reserves and provisions needed to ensure that the HRA is delivering strong financial performance over a longer period of time.

Each of these is discussed in turn with the proposed approach for each set out.

Income budget setting

- 2.5 The HRA receives income from tenant rents and service charges levied on tenants and leaseholders. The approach for each of these will be addressed separately.
- 2.6 The Council was able to increase rents from 2020/21 onwards at a maximum allowable rate of CPI plus 1%. It is proposed to increase rents at that maximum rate to cover inflationary uplifts in costs and to mitigate any further erosion of the baseline HRA budget due to the period of enforced rent reductions.
- 2.7 Income from rents is a key driver of the total income available to the HRA, making up approximately 79% of the total income budget in 2020/21. The approach and policy for rent therefore affects the resources available to re-invest in expenditure plans across the HRA to deliver the outcomes outlined in the HRA business plan for all tenants.
- 2.8 Expectations for income, and therefore the rent budget, are driven by three key elements:
 - a. Expected stock levels for 2021/22;
 - b. The CPI plus 1% increase on the 2020/21 actual rents charged; and,
 - c. The resourcing needs outlined in the HRA Business Plan.
- 2.9 For 2021/22, the average stock level across Lambeth is expected to be 23,637 tenanted properties. This is based on planned changes to the current stock profile including adjustments for projected Right to Buy sales and disposals and properties forming part of the Estate Regeneration buy-back programme.
- 2.10 HRA business planning has always been based on building up reserves to a level that will support the ongoing investment in stock beyond the current planned end of the Lambeth Housing Standard programme as well as protecting tenants from unexpected changes of circumstances in the future.

Hostel rents

- 2.11 Hostel rents will increase by CPI plus 1% in line with tenant rents.

Tenant service charges

- 2.12 Tenant service charges are not affected by the rent setting policy. Discussions with tenants and Members over recent years have highlighted the need for greater transparency in this area and a summary of changes to service charges is shown in Appendix 1.
- 2.13 There are some changes proposed to service charges for 2021/22. Service charges comprise the direct cost of service provision incurred by the Council plus the allowance paid to the TMO's to provide this service on their estates.
- 2.14 Overall, common service charges for tenants are reducing by £0.03 per week and heating & hot water is also reducing by £0.02 per week. Specific service charges are subject to an increase of £0.34 per week.

- 2.15 A review of garage and shed charges was undertaken in 2016/17 as part of a benchmarking exercise. No further changes have been proposed for 2021/22. Details of these charges are shown in Appendix 2.
- 2.16 Parking charges on Estates will remain the same for 2021/22. Details of these charges are shown in Appendix 2.
- 2.17 Cabinet approved Sheltered Housing charges per a report dated 8th June 2015 for a three-year period commencing in 2016/17. Since the increase to the Housing Management charge to £15 per week in 2020/21, no further change is planned for 2021/22.
- 2.18 The Careline service is seeing a proposed change to £4.10 from the current £4 weekly charge. The Council continues to subsidise the provision of Careline. For many individuals this service is part of a number of support services they receive to maintain their independence. Their contribution to the cost of these services is means tested to ensure affordability by individuals.
- 2.19 A new service charge was introduced in 2019/20 which relates to a small subset of tenants who have a learning disability and receive a specialist tenancy sustainment and housing management service helping them to live independently. This is run by KeyRing. The charge was set at £28 per week, based on a full cost recovery basis and is eligible for housing benefit and has remained unchanged since.

Leasehold service charges

- 2.20 In line with tenant service charges, leasehold service charges are required to be transparent and reflect the actual cost of the services incurred. It is recommended to set leaseholder service charges in line with actual expenditure plans as per the approach in previous years. This means that service charges will be based on 2020/21 expenditure levels, with estimates issued around April 2021 and final charges for 2021/22 being confirmed by September 2021.

Expenditure budget setting

- 2.21 The net result of rent increases and the more minor impact of stock losses means that the overall budget for the HRA is expected to increase in 2021/22. Set against this, the ongoing impact of Covid-19 is being worked through and continues to adversely impact voids, estate parking income and hostels income.
- 2.22 The former LHS programme has transitioned to a planned capital programme of stock maintenance; this is currently envisaged at approximately £35m annual capital investment required.
- 2.23 Since the Grenfell tragedy, Lambeth has undertaken a significant programme of fire safety measures on its council housing stock in order to ensure residents can be confident their homes are safe and secure. This has included cladding testing to the Borough's high-rise housing, raising and completing circa 30,000 remedial fire risk actions, with further works under consideration, ensuring that all works incorporate high standards of Fire Safety.
- 2.24 Maintaining Fire Safety is a shared obligation between residents and the Council and costs arising from enhanced Fire Safety have not been fully met by central Government funding.
- 2.25 Where service delivery plans have changed, the budget setting process must reflect the subsequent impact on resources and also recognise known risks for the HRA and ensure there are

adequate balances in place. The following risks and opportunities within the HRA are being considered, reflecting changes in service delivery and legislative changes as well as efficiency savings. A summary is available in Appendix 3. Any overall efficiencies and savings will be reinvested in reserves to maintain the HRA's financial health moving forwards.

Proposed growth - £6.560m

- 2.26 **Direct Labour Organisation (DLO)** - as part of the strategic shift in the way services are delivered, the Council is creating a Direct Labour Organisation, this being directly employed council staff especially for communal and minor repairs. Growth of circa £1.72m for the DLO staff, premises and materials is affordable from the savings that will arise from repairs jobs currently being undertaken by contractors and will be done in-house.
- 2.27 **Increase in bad debt provision** - the ongoing pandemic and economic implications has resulted in a prudent increase in the bad debt provision of £0.5m. Whilst arrears and write-offs have not to date seen a major increase, possible medium-term worklessness or changes to benefits will result in a deterioration of household finances with consequent effects on the HRA.
- 2.28 **Salary inflation and employee investment** - A provisional growth sum of £0.7m has been set aside from the headroom within the HRA for a potential salary inflation settlement and employee investment of 2%.
- 2.29 **Hostel Rents** - Due to the ongoing pandemic, there are likely to be social distancing measures and hence reduced occupation in hostels for a proportion of 2021/22. Therefore, the income achievable is being reduced by £0.3m
- 2.30 **Electrical Testing and repairs and Duct Cleansing** - There is a legal requirement for landlords to ensure electrical installations in homes are tested with a test certificate no older than five years. Duct cleansing is a new area of work which arose from fire risk testing. The repairs arising from the electrical testing programme represents a growth item of £0.927m.
- 2.31 **Service Costs and inflation** - There are interim contracts as well as contractual inflation to be borne within the HRA of £0.353m.
- 2.32 **Revenue contribution to capital / reserves** - As the HRA moves into a medium-term period of post-Grenfell capital investments as well as economic uncertainty, there is a £0.943m budgeted contribution to capital and reserves.
- 2.33 **Minimum Revenue Provision / debt charges** - As the HRA borrows to invest in needed capital projects, it must also provide to finance capital expenditure and repay debt and there is an increase of £1.117m budgeted.

Proposed savings - £6.560m

- 2.34 **Dwelling rents increase** - To reflect the increase in rent expected for 2021/22, the income budget can be increased by £2.427m.
- 2.35 **Reduction in works orders directed to contractors** - This relates to paragraph 2.26 above, regarding the DLO. As a consequence of a strategic shift in repairs services, circa £1.72m of communal works orders currently being undertaken by contractors will be done in-house, which represents a saving to the Council.

- 2.36 **Reduction in depreciation** - As a consequence of properties no longer a part of the HRA, there is a reduction in depreciation of £2.413m.

Capital budgets

- 2.37 As the LHS programme transforms into a planned capital programme of stock maintenance, it is mainly the post-Grenfell environment and fire safety measure that have put pressure on the overall HRA Business plan. Fire safety measures include block front entrances, sprinklers and fire emergency works. A comprehensive stock condition survey is being undertaken in order to create an overarching asset strategy for Lambeth housing stock. Lambeth also has a set of Liveability Commitments in respect of regeneration estates. This will inform the 30-year Business Plan and the future profile of required investment.

Future HRA Balance and Reserves

- 2.38 The Council aims to maintain General HRA reserves at a minimum balance of £10m and the HRA business plan reflects this where possible across the 30 years. Holding general reserves of between 5% and 10% of HRA turnover is considered prudent. This would mean balances of between £8.708m and £17.416m based on the proposed 2021/22 budget. As at 31 March 2020 the Balance was £11.506m and this is anticipated to not dip below this level over the medium term.

3. FINANCE

- 3.1 The calculation of the HRA budget is, in its simplest form, dependent on three main factors. These are:
- a. The structural HRA growth and savings;
 - b. The level of rents, services charges and related HRA income; and,
 - c. The level of HRA balances.
- 3.2 After the period of enforced rent reductions which ended on 31 March 2020, rent changes are now at the Council's discretion. The Director of Finance and Property's advice and preference is to have a minimum level of general balances within the HRA of £10m to be able to manage risks and pressures. Balances will always remain above the 5% de minimis level but there are risks around cladding costs and the level of central government support forthcoming.

4. LEGAL AND DEMOCRACY

- 4.1 Section 21 of the Housing Act 1985 provides the Council with powers for the general management, regulation and control of its dwelling stock.
- 4.2 Section 111 of the Local Government Act 1972 provides powers for a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.
- 4.3 Section 24 of the Housing Act 1985 states that the Council may make such reasonable charges as it determines for the tenancy or occupation of its dwellings and that it must review rents from time to time and make such changes as circumstances require. In exercising their functions under this section, the Council is required to have regard in particular to any relevant standards set for them under section 193 of the Housing and Regeneration Act 2008 [Standards relating to consumer matters set by the Housing Regulator i.e. maintenance, estate management etc.].

- 4.4 The apparent discretion available to the Council to determine rent levels is effectively controlled by Part VI of the Local Government and Housing Act 1989 which governs, inter alia, the Council's duties in relation to the HRA. In particular, Section 76 of the 1989 Act places a duty on the Council to secure that the HRA for any year does not show a debit balance. However, there is no absolute duty to prevent a debit balance as this may occur, for example, as a result of unforeseen circumstances. Any debit balance that does occur in any year must be carried forward within the ring-fenced HRA to the following year.
- 4.5 Section 76 of the 1989 Act requires the Council in the January or February preceding the relevant year to formulate proposals relating to (a) income from rents and other charges, and (b) the expenditure on repairs, maintenance, supervision and management of its houses. In formulating these proposals, the Council must secure that, on implementation, the HRA will not show a debit balance, assuming the following:
- a. that the best assumptions that they are able to make at that time as to all matters which may affect the amounts falling to be credited or debited to the HRA in the year prove to be correct; and,
 - b. that the best estimates that they are able to make at that time of the amounts which, on those assumptions, will fall to be so credited or debited, also proves to be correct.
- 4.6 The Council is further obliged to keep the proposals referred to in this report under review to see if the requirement to avoid a debit balance continues to be satisfied during the year. In the event that the Council, on review, determines that this requirement will not be satisfied then the Council is, by virtue of Section 76(6), required to "make such revisions of the proposals as are reasonably practical towards securing that the proposals (as so revised) satisfy those requirements". The duty in relation to "best assumptions and estimates" referred to in this report applies equally to such revised proposals.
- 4.7 Members are therefore required to satisfy themselves as to the "reasonable practicability" of adopting any particular proposals. Members should not reject any proposal without being able to demonstrate that they have fully considered it and are satisfied that the proposal in question would be inferior to the proposal they agree.
- 4.8 The provisions of Section 103 of the Housing Act 1985 require the Council to serve a notice of variation on its tenants if it wishes to vary the terms of tenancies, including any increase or decrease in rent and other charges. The notice of variation must be served at least four weeks before it is to take effect. Section 103(2) is concerned with the requirement to serve a preliminary notice on tenants which affords the opportunity for tenants to comment. However, this requirement does not apply to a variation (which includes both addition and diminution) of the rent, or of payments in respect of services or facilities provided by the landlord.
- 4.9 Similarly, the Council's duties in relation to the consultation of tenants on matters of housing management, as set out in Section 105 of the Act, do not apply to rent levels, nor to charges for services or facilities provided by the authority.
- 4.10 When Members of the Cabinet consider whether to adopt the recommendations of this report, they will be exercising discretion within the constraints of the duties referred to above and should therefore have in mind the following principles of administrative law:
- a. the decision must be within the Council's powers;

- b. all relevant information and consideration, including the Council's fiduciary duty to the council tax payer, must be taken into account; and,
- c. all irrelevant considerations, including unauthorised purposes, must be ignored.

4.11 Pursuant to Part II of the Equality Act 2010, public authorities must, in the exercise of their functions, have due regard to the need to:

- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and,
- c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

4.12 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment; pregnancy and maternity, race, religion and belief, sex and sexual orientation) and persons who do not share it involves having due regard, in particular, to the need to:

- a. remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- b. take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and,
- c. encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

4.13 The Council is permitted by section 93 of the Local Government Act 2003 to charge for discretionary services provided that taking one financial year with another the income from charges for discretionary services does not exceed the cost of provision.

4.14 This proposed key decision was entered in the Forward Plan on 5 October 2020 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

5.1 These proposals were discussed with relevant stakeholders at the Sheltered Housing Forum (25 October 2019) and Tenants' Assembly (29 October 2019), where the reasoning for the proposed rental increase was explained and it was confirmed that service charges are set with the principle of full cost recovery.

6. RISK MANAGEMENT

6.1 It is essential that rent, service charges and other charges match projected expenditure. This is a legal and operational requirement. Within this, there are options for achieving this objective. One legacy of the imposition of the enforced rent reductions upon the Council is an HRA Balance that is at the lower end of the prudent spectrum. The current re-procurement of the repairs contracts

should lead to better risk management operationally and financially. Further stock loss whether due to conversion to leasehold, enfranchisement or for regeneration requires careful management of risk. These will need to be monitored to ensure that they do not cause an in-year or ongoing pressure to the HRA budget. The annual rent setting process is a major undertaking which affects all Lambeth tenants.

6.2 There are no risks specifically arising as a result of this decision.

7. EQUALITIES IMPACT ASSESSMENT

7.1 There is a rent increase of CPI plus 1% for 2021/22 as consulted upon at the Tenants' Assembly on 27 October 2020. As such all tenants will see an increase in their rent for 2021/22.

7.2 The Borough Plan for 2016-21 sets out outcomes relating to the strategic objective of reducing inequality which includes building strong and sustainable neighbourhoods and inclusive growth.

7.3 A summary Equalities Impact Assessment (EIA) was presented to the Council's EIA panel. The analysis is attached in Appendix 5.

8. COMMUNITY SAFETY

8.1 Section 17 of the Crime and Disorder Act 1998 imposes a general duty on local authorities, as follows: "Without prejudice to any other obligations imposed upon it, it shall be the duty of each authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can to prevent crime, disorder and substance misuse in its area." The report sets out proposals on rent levels, service charges and other charges. The changes recommended are not in relation to front line expenditure reductions and there are no proposed changes to service levels for 2020/21 within this report. Therefore, there are no direct community safety implications arising from this report; however, any future changes to service levels, particularly if they relate to community safety sensitive services would require further evaluation pursuant to s17 of the Crime and Disorder Act 1998.

9. ORGANISATIONAL IMPLICATIONS

Environmental

9.1 None.

Health

9.2 None.

Corporate Parenting

9.3 None.

Staffing and accommodation

9.4 None.

Responsible Procurement

9.5 None.

10. TIMETABLE FOR IMPLEMENTATION

10.1 The table below details the stages and deadlines for implementing the recommendations:

Activity	Date
Tenants' Assembly	27 October 2020
Date published on Forward Plan	5 October 2020
Publication	8 January 2021
Cabinet	18 January 2021
Cabinet Decision	22 January 2021
End of Call-in Period (key decisions only)	29 January 2021

AUDIT TRAIL

Name/Position	Lambeth directorate/department or partner	Date Sent	Date Received	Comments in para:
Councillor Jennifer Brathwaite	Deputy Leader of the Council (Housing and Homelessness)	23/11/20	10/12/20	
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	23/11/20	10/12/20	
Bayo Dosunmu Strategic Director	Resident Services	20/11/20	09/12/20	
Neil Euesden Interim Director Housing Services	Resident Services	20/11/20	09/12/20	
Christina Thompson, Director of Finance and Property	Finance & Investment	20/11/20	23/11/20	Throughout
Andrew Ramsden, Assistant Director of Finance	Finance & Investment	20/11/20	23/11/20	Throughout
Greg Carson, Principal Lawyer, Legal Services	Legal and Governance	20/11/20	04/01/21	4.1 - 4.13
David Rose, Democratic Services	Legal and Governance	23/11/20	24/11/20	

REPORT HISTORY

Original discussion with Cabinet Member	29 September 2020
Report deadline	06 January 2020
Date final report sent	06 January 2020
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	05.10.20
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Implementing Self-financing for Council Housing (DCLG, February 2011) http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted/data.htm https://services.parliament.uk/bills/2010-11/localism.html Local Government and Housing Act 1989 Welfare Reform and Work Act 2016 Housing Act 1985 Local Government Act 1972 Equality Act 2010 Local Government Act 2003 Crime and Disorder Act 1998 Cabinet Report - Sheltered Housing - 08-06-2015

Appendices	Appendix 1 - Service Charges Appendix 2 - Parking, Garages & Sheds Proposals Appendix 3 - Proposed Growth and Savings Appendix 4 - HRA Budget Appendix 5 – Equalities Impact Assessment
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Appendix 1 – Service Charges

Charge	2020/21 (£ per week)	2021/22 (£ per week)	Movement (£)
Common service charges			
Caretaking	1.56	1.44	(0.12)
Grounds maintenance	1.35	1.40	0.05
Estate cleaning	6.74	7.10	0.36
Communal lighting	3.06	2.71	(0.35)
Disinfestation	0.71	0.74	£0.03
Subtotal	13.42	13.39	(0.03)
Specific service charges			
TV aerial	0.15	0.07	(0.08)
Concierge	17.25	17.66	0.41
CCTV	2.49	2.49	-
Door entry – audio	1.93	1.93	-
Door entry – video	2.96	2.97	0.01
Subtotal	24.78	25.12	0.34
Heating and hot water (average)	10.52	10.50	(0.02)
Grand total	48.72	49.01	0.29

Charge	2020/21 (£ per week)	2021/22 (£ per week)	Movement (£)
Sheltered Housing			
Emergency Careline Service	4.00	4.10	0.10
Enhanced Housing Management	15.00	15.00	-
Tenancy Sustainment & Support	28.00	28.00	-

Appendix 2 - Parking, Garages & Sheds Proposals

Charge	2020/21 (£ per week)	2021/22 (£ per week)	Movement (£)
Garages			
Category A - Tenants	19.00	19.00	0.00
Category B - Resident Leaseholders and Freeholders who pay service charges	22.50	22.50	0.00
Category C - Non-Residents and Freeholders who do not pay service charges	36.00	36.00	0.00
Category D - Blue Badge Holders	0.00	0.00	0.00
Category E - Council Interest Dispensations *	0.00 - 36.00 **	0.00 - 36.00 **	0.00
Sheds	3.00	3.00	0.00
Dedicated parking spaces – Tenants	5.13	5.13	0.00
Estate parking permit (per annum)	31.79 per annum	31.79 per annum	0.00
Visitors' parking (per day)	1.50 per day	1.50 per day	0.00

* Garages that are currently let for either community use or under special arrangements due to non-uniform size

** Level of charge to be agreed by Director of Housing Services

Estate based Freeholders who pay service charges are eligible for the discounted Leaseholder rates. All other Freeholders who do not pay a service charge will be liable for the full non-resident rate.

Appendix 3 - Proposed Growth and Savings

	Growth (£m)	Savings (£m)
Growth		
Direct Labour Organisation (DLO) - repairs	1.720	
Increase in bad debt provision	0.500	
Salaries Inflation and employee investment	0.700	
Covid-19 ongoing rental reduction in hostels	0.300	
Electrical testing and repairs programme	0.927	
Service costs and inflation	0.353	
Revenue financing of capital / contribution to reserves	0.943	
Increase in Minimum Revenue Provision / debt charges	1.117	
Savings		
Increase in net dwelling rents		(2.427)
Reduction in repairs costs currently undertaken by external contractors and to be done by the DLO		(1.720)
Reduction in depreciation		(2.413)
Totals	6.560	(6.560)

Appendix 4 - HRA Budget

	Revised budget 2020/21 £000	Proposed budget 2021/22 £000
Income		
Dwelling rents (net)	135,220	137,647
Tenant service charges (net)	13,845	13,747
Leaseholder service charges	12,547	12,547
Non-dwelling rents (Parking and garage charges)	2,850	2,864
Other income (incl. Hostels)	6,812	6,512
Interest on balances	66	150
TOTAL	171,340	173,467
Expenditure		
Management (Housing Management services, TMO allowances, recharges from General Fund)	66,430	68,850
Services (Cost of other provided services such as estates cleaning)	16,887	17,225
Revenue repairs costs (cost for reactive and planned revenue maintenance costs)	28,376	27,583
Other expenditure (PFI charges, Premises Insurance, Council Tax and Business Rates for void properties)	3,952	3,967
Bad debt provision	1,177	1,677
Depreciation	32,705	30,292
Revenue Financing of Capital / Contribution to Reserves	20	963
Debt charges (including MRP repayment)	21,793	22,910
TOTAL	171,340	173,467