

To: Cabinet

Date: 7 February 2024

Report/Comments of: Scrutiny Committee

Title: Scrutiny feedback to Cabinet – Revenue Budget Proposals 2024/25 – Housing Revenue Account (HRA)

SUMMARY OF REPORT CONSIDERED	
Report Title:	Revenue Budget Proposals 2024/25 – Housing Revenue Account (HRA)
Purpose/Description of Report:	To update Members on the financial position of the Housing Revenue Account (HRA) and, in line with the parameters set by government, to set the rents of the Council dwellings with an increase of 7.70%, approve the budget estimates for 2024/25 and set the working balance at £1m.
Key Decision:	No
Scrutiny Lead Member:	Cllr M Brown, Scrutiny Committee Chairman
Relevant Portfolio Holder:	Cllr P Allnatt, Portfolio Holder for Housing and Landlord Services Cllr S Cox, Portfolio Holder for Corporate Finance, Property and Resources

1. Introduction and Overview

The Scrutiny Committee met on 25 January 2024 to consider a report on the Revenue Budget Proposals 2024/25 for the HRA.

The report updated Members on the following: the financial position of the HRA; the proposed rent increase of 7.70% for Council dwellings; the budget estimates for 2024/25 and outlined the proposed working balance of £1m.

2. Summary of Feedback/Recommendations for Cabinet Consideration

- The comment was made that it is good to see current tenant rent arrears coming down but at what cost, e.g. staffing cost and legal

capacity. It was explained that the expertise is employed on a temporary basis in order to work through the backlog but that the expertise is the correct expertise. It was confirmed that there is an exit plan and that there will be a continued resource of 1 full time officer. The issue of rent arrears does remain a high-risk area for the Council and remains under review.

- A concern was raised on No win, no fee claims. In response it was explained that it is important for the Council to know the stock and its condition, and be able to evidence proactive action to any issues or repairs, so that claims can be defended and the work can be evidenced. The Council has a solicitor responsible for defending those claims.
- Members were surprised at the £340k overspend on gas. It was explained that this was an administrative error which has had to be corrected. Colleagues across the Council are looking at understanding some of these increases with expectation of meeting the relevant account manager.
- Concern was raised that there had been a lot of fires. It was explained that the Council had worked with its insurer and it was established that none of the fires have been the result of the Council. They have either been accidental or a result of a failure of technology. It was recommended, by the insurer, that the Council should continue educating their residents in order to minimise the fire risk.
- The rent increase was discussed and it was commented that this could add to the pressure of arrears. It was explained that as the Council's costs had increased the rise has become a necessity but that the council will continue to support tenants and identify quickly if tenants are struggling to pay their rent so that they can be supported. Examples of support were provided.
- The services cost pressures were raised as a concern. It was explained that running a housing service is expensive and that the biggest costs are staffing and repairs. The Council had previously had challenges around void properties but that situation has improved through good work within the team. It was explained that costs and value for money remain a focus, particularly on repairs. The importance of a planned programme of work through the capital programme was an important part of managing costs.
- Members queried whether expenses per property are logged and whether trends are assessed and acted upon. It was explained that capital improvements and revenue repairs per property are logged. It was explained that the Council are due to implement a recharge policy whereby it will charge tenants where they have intentionally caused damage. It was also explained that sometimes works for specific

property types are undertaken in response to particular issues (for example, non-traditional homes).

- It was noted that the replacement of kitchens and bathrooms will peak in 2025/26. In response it was stated that this would have been profiled on age and condition of stock.

Written by: Scrutiny Committee Chairman in consultation with Members of the Scrutiny Committee