

Report

Report to: **Executive Committee**
 Date of Meeting: **28 February 2018**
 Report by: **Chief Executive**

Subject: **Recommendations Referred by Housing and Technical Resources Committee (Special) - Housing Revenue and Capital Account Budget 2018/2019**

1. Purpose of Report

1.1. The purpose of the report is to:-

request approval of the following recommendations referred to this Committee by the Housing and Technical Resources Committee (Special) of 21 February 2018:-

- ◆ that the Revenue Estimate proposals for the Housing Revenue Account Budget 2018/2019, as detailed in the report, be endorsed subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-
 - ◆ removal of Greenhill Court night shift cover £0.087m
 - ◆ reduction in communal cleaning £0.021m
 - ◆ rationalisation of the laundry service £0.010m
- ◆ that the rent increase of 3.95% for Council houses be endorsed
- ◆ that the 3.95% increase also be applied to the rent of lockups, garage sites and travelling persons' sites
- ◆ that the Council's factoring fee be increased from £28.08 to £28.78 per quarter
- ◆ that the next stage of rent harmonisation be progressed as detailed in the report and that tenants paying below the level will pay up to an additional maximum of £2.00 per week
- ◆ that, based on the rent increase of 3.95%, the 2018/2019 Housing Capital Programme of £44.935 million, as detailed in Appendix 2 to the report, be endorsed
- ◆ that an indicative rent increase baseline of 3.95% for Council houses for financial years 2019/2020 and 2020/2021 be endorsed

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the recommendations of the Housing and Technical Resources Committee (Special) of 21 February 2018 in relation to the Housing Revenue Account Budget 2018/2019 and the Housing Capital Programme 2018/2019 be endorsed and referred to the Council for approval subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-
 - ◆ removal of Greenhill Court night shift cover £0.087m
 - ◆ reduction in communal cleaning £0.021m
 - ◆ rationalisation of the laundry service £0.010m

(2) that the resultant funding gap in the Housing Revenue Account Budget 2018/2019 totalling £0.118m be met from the HRA Reserve.

3. Recommendations Referred by Housing and Technical Resources Committee (Special) of 21 February 2018 – Housing Revenue and Capital Account Budget 2018/2019 – Extract of Minute

3.1 A joint report dated 6 February 2018 by the Executive Directors (Housing and Technical Resources) and (Finance and Corporate Resources) was submitted on:-

- ◆ the Revenue Estimate proposals for the Housing Revenue Account (HRA) for 2018/2019 which had been prepared in line with the 30 year Business Plan
- ◆ the Housing Capital Programme totalling £44.935 million

In order to achieve the level of investment to reflect the priorities of increasing the supply of Council houses, maintaining the Council's housing stock to meet the requirements of the Scottish Housing Quality Standard (SHQS) and to work towards the new Energy Efficiency Standard for Social Housing (EESH) and other necessary works, a rent increase of 3.95% required to be applied to all Council houses, travelling persons' sites, garage sites and lockups.

These proposals also took account of a requirement to increase the provision for bad debts to £5.658 million to meet the anticipated increased arrears caused by the rollout of Universal Credit "Full Service" from 4 October 2017.

In line with the Council's commitment to rent harmonisation, it was proposed that all tenants paying below the harmonised level would pay up to an additional maximum of £2.00 per week.

In line with the Housing Investment Business Plan, efficiency savings of £0.288 million had been included in the overall budget. This included a reduction in the following areas:-

Administration Savings	£0.116m
Enhanced Leave Income	£0.025m
Strategy and Support Service	£0.023m
Rationalisation of Services in Tower Blocks	£0.124m

Details of the budget reductions were provided in an appendix to the report.

The revised budget also proposed an increase in the charge for the Council's factoring service from £28.08 to £28.78 per quarter, which would meet the increased costs of providing the service.

Details of the proposed Housing Capital Programme totalling £44.935 million were provided in an appendix to the report and details of how the programme would be funded were summarised in the report. The programme would ensure that a key priority within the Housing Investment Programme to increase the supply of Council housing would be progressed.

A wide-ranging consultation had been carried out with tenants and other stakeholders and details of the consultation process and associated outcomes were provided. During the consultation process, tenants had expressed their support for setting the rent increases over a longer period than the current single year. In response, it was proposed that an indicative rent increase baseline of 3.95%, in line with the business

plan and subject to annual review, be implemented for financial years 2019/2020 and 2020/2021.

Councillor Wilson, seconded by Councillor Buchanan moved that the recommendations be approved as detailed in the report. Councillor Convery, seconded by Councillor Lennon moved as an amendment that the following be removed from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-

- | | |
|--|---------|
| ♦ removal of Greenhill Court night shift cover | £0.087m |
| ♦ reduction in communal cleaning | £0.021m |
| ♦ rationalisation of the laundry service | £0.010m |

On a vote being taken by a show of hands 9 members voted for the motion and 13 for the amendment which was declared carried.

The Committee recommended to the Executive Committee:

- (1) that the Revenue Estimate proposals for the Housing Revenue Account Budget 2018/2019, as detailed in the report, be endorsed subject to the removal of the following from the Housing Revenue Account savings proposals for 2018/2019 in relation to the rationalisation of services in tower blocks:-

- | | |
|--|---------|
| ♦ removal of Greenhill Court night shift cover | £0.087m |
| ♦ reduction in communal cleaning | £0.021m |
| ♦ rationalisation of the laundry service | £0.010m |

- (2) that the weekly rent increase of 3.95% for Council houses be endorsed;
- (3) that the 3.95% increase also be applied to the rent of lockups, garage sites and travelling persons' sites;
- (4) that the Council's factoring fee be increased from £28.08 to £28.88 per quarter;
- (5) that the next stage of rent harmonisation be progressed as detailed in the report;
- (6) that, based on the proposed rent increase, the 2018/2019 Housing Capital Programme of £44.935 million, as detailed in Appendix 2 to the report, be endorsed; and
- (7) that an indicative rent increase baseline of 3.95% for Council houses in 2019/2020 and 2020/2021 be endorsed.

Councillor Brown, as the mover of an amendment which failed to find a seconder, asked that his dissent be recorded

4. Employee Implications

- 4.1. Any employee implications were raised in the original report to the Housing and Technical Resources Committee.

5. Financial Implications

- 5.1. All financial implications have been highlighted as part of the original report to the Housing and Technical Resources Committee. Following the decision made at the special meeting of the Housing and Technical Resources Committee on 21 February 2018, it is proposed that the resultant funding gap in the Housing Revenue Account Budget 2018/2019 totalling £0.118m, be met from the HRA Reserve.

6. Other Implications

- 6.1. Any implications have been highlighted as part of the original report to the Housing and Technical Resources Committee.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. No equality impact assessment or consultation is required in terms of the proposals contained within this report.
- 7.2. Consultation with both tenants and members to agree the annual rent rises required to fund the Housing Business Plan had previously taken place in terms of the recommendations considered by the Housing and Technical Resources Committee.

Lindsay Freeland
Chief Executive

22 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Fair, open and sustainable
- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee (Special) of 21 February 2018

List of Background Papers

- ◆ Report submitted to Housing and Technical Resources Committee (Special) of 21 February 2018

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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