

CABINET
11 FEBRUARY 2014
HOUSING REVENUE ACCOUNT
CAPITAL AND REVENUE BUDGETS 2014/2015
ADDENDUM REPORT

Portfolio Holder: Councillor Howard Doe, Housing and Community Services

Report from: Mick Hayward, Chief Finance Officer
Marc Blowers, Head of Housing Management

Summary

This addendum report sets out details of the discussion on the Housing Revenue Account Capital and Revenue Budgets 2014/2015 item at the Business Support Committee on 4 February 2014.

1. Business Support Overview and Scrutiny Committee

- 1.1 The Business Support Overview and Scrutiny Committee considered a report on the Housing Revenue Account Capital and Revenue Budgets 2014/2015 on 4 February 2014.
- 1.2 The report provided details of proposed rent and service charges levels for 2014/15. Members were advised that Medway was now in the top quartile of performance for collection of arrears and that this had been achieved with less evictions than when compared to the same period last year. It was reported that the work of Welfare Reform Team had been significant in terms of generating extra income for tenants and it was also noted that the Government was consulting on a proposed new rent policy for social housing as set out in paragraph 3.6 of the report.
- 1.3 Member then raised a number of issues and questions including:
 - New service charges for some residents - with regard to service charges, concern was expressed that an additional 226 residents were to be charged and that some families might find this extra cost difficult to meet. The Committee was advised that the grass cutting specification had been revised to include new areas of land in response to tenant's requests and that a land mapping exercise had also been undertaken to ensure the contract covered all HRA land. 226 additional tenants would now have to pay the grass cutting charge many of whom are in receipt of full or partial housing benefit which

would cover the new charge, leaving approximately 100 tenants facing a new charge of, on average, 30 pence per week. .

- Direct payments of Housing Benefit - A question was raised about offering money management training to tenants. It was reported that the Welfare Reform Steering Group was working together with Housing Associations and other organisations such as the Citizens Advice Bureau, the Gillingham Job Club and Employ Medway were to plan for the shift to direct payments. A temporary Officer had been employed to work on policy and business development. A Money Matters special edition had been published signposting tenants to sources of advice and support.
- Housing Building Development Programme – this was welcomed and it was explained that a refresh of the Business Plan would be presented to the Committee in the Spring. It was confirmed that the headroom for future developments would gradually increase as a consequence of an annual and ongoing reduction in debt levels. Particular reference was made to the construction of bungalows in Gillingham which went some way to addressing a shortage of supply of this type of dwelling.
- Garage Sites - with regard to those garage sites that are not suitable for adaptation such as those under archways, a suggestion was made that they be converted into storage facilities similar to those run by Kent Space. Members were advised that the Asset Management Board would be looking at garage sites management overall and would take this suggestion into account.
- Decent Homes Standard -Members expressed some concern that there were still some properties not meeting this standard, particularly older properties. Members were encouraged to report concerns about any particular properties to the appropriate Officer.
- Engagement and Information – with reference to the proposed resident engagement strategy officers were asked if there had been any queries at a meeting with tenants on 31 January 2014 about the Council's decision to transfer £2m from the HRA to the General Fund. Officers confirmed there had been approximately 20 people present at that meeting and it had been explained the transfer of £2m to the General fund would have no impact on the HRA Capital and Planned Maintenance Programmes for 2014/15. The money transferred to the General Fund had been earmarked for the development of community hubs across Medway.
- It was noted that the comments of the Committee would be reported to the Cabinet on 11 February 2014.

1.4 The Committee recommended to Cabinet:

- (a) The proposed revenue and capital budgets for 2014/15, inclusive of an average rent increase of £3.13 per week (based on 50 collection weeks and equating to an average increase of 3.79%); and a rent increase of 3.2% for garages;

- (b) Service charges for 2014/15 reflect the full cost incurred in providing that service (excepting the Homes for Independent Living Service Charge as set out in paragraph 5.2 of the report), using above inflation increases to do so as per Appendix B of the report. The average decrease will be 2.6% or £0.32 per week.
- (c) To approve the repayment of debt based on a minimum revenue payment of 2% on outstanding debt; and
- (d) To increase the 2014/15 HRA capital programmes by the following amounts:
- House Building Programme £0.806 million
 - Planned Maintenance Programme £4.529 million
 - HRA Disabled Adaptations Programme £0.250 million

2. Tenant Consultation

- 2.1 As set out in paragraph 12.2 of the Cabinet report the council has developed a Resident Engagement Strategy detailing how we will consult and engage with it's housing tenants in partnership with tenant's forums. In order to support this commitment, the Council consulted with residents through a specific budget consultation meeting on 31 January 2014.
- 2.2 The meeting was advised that the Council follows the Government's rent restructuring formula for increasing rents and the decrease of average service charges was noted. Most tenants were very pleased with the service they received and it was hoped that this would continue to improve. They were also pleased to note that the £5m capital programme designed to improve homes and environment would continue and services would be sustained for the following year despite the budget not being increased. In response to questions, Tenants were assured that the recent £2m transfer to the General Fund would not impact on service delivery for the next year

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