

## **CABINET MEMBER FOR HOUSING AND PREVENTING HOMELESSNESS**

RECORD OF DECISIONS of the meeting of the Cabinet Member for Housing and Preventing Homelessness held on Monday, 24 January 2022 at 4.30 pm at the Guildhall, Portsmouth

### **Present**

Councillor Darren Sanders (in the Chair)

Councillors Cal Corkery  
Scott Payter-Harris

#### **1. Apologies for absence**

There were no apologies for absence.

#### **2. Declarations of interest**

Councillor Corkery declared an interest as he is a Portsmouth City Council (PCC) tenant. In the interests of transparency Councillor Sanders said that his mother is a PCC tenant.

#### **3. Council Housing Budget (including rents) 2022/2023**

Wayne Layton, Finance Manager, introduced the report, noting that an increase of 4.1% is the maximum allowable and would allow the Housing Revenue Account (HRA) budget to have an in-year surplus of £410,000. An increase of 3.5% would give a balanced budget and avoid a deficit.

In response to questions from the Residents' Consortium representatives, officers explained that if the HRA had a deficit the reserves (currently around £23m) would have to be used but as an organisation the council cannot continue to set budgets that are in deficit. It would deplete the reserves completely which is something officers try to avoid. The HRA's 30-year business plan also needs to accommodate the cost of replacing ageing housing stock.

Over the last three to four years the council has been losing about 70 to 90 properties annually under Right to Buy.

Improvements to blocks such as Wilmcote House had been made as they were clearly necessary but funding has been set aside for significant work to other blocks such as the Court properties. It is currently out to tender and officers are waiting to receive priced work. Work is planned to start later in 2022 and continue through to 2024. The project works will include communal entrance doors, decoration and lighting. Decisions about removing the walkways will be made after the other work is done. Officers are working closely with the Area Housing Office over anti-social behaviour and engagement with residents and young people. The March portfolio meeting

will consider the 2022/23 capital programme for all housing stock, including investment in decarbonisation of the stock.

Councillor Corkery was concerned about the effect of a "two-tier" rent regime with about 2% housing stock on affordable rents as these are often much more than social rents. Officers explained affordable rent is capped at the Local Housing Allowance (LHA) rate. 60% tenants on affordable rent are in receipt of Universal Credit, 11% are not in receipt of housing benefit or Universal Credit, about 50% are below the LHA rate and 50% are at the LHA rate. No-one pays more than the LHA rate, regardless of benefit status. Councillor Sanders acknowledged the concern and noted that other local authorities do not have the "two-tier" approach. Officers have been examining the approach and the "least worst" approach is a uniform increase with the LHA rate at the top so rents will not be more than housing benefit. The key point is that people can afford to pay their rent.

There is no allocation in the budget for a specific hardship fund though the General Service Charges include the Money Advice Service. Advisors help people maximise income, consolidate debts and support them with grant applications for energy schemes. The local authority has spent about £28,000 on energy grants with a third for tenants. Tenants have also been awarded about £60,000 in discretionary grants so far. Officers work with the Tackling Poverty Co-ordinator.

Maria Cole was very grateful for a Discretionary Housing Payment grant to help with the costs of moving home.

Although members acknowledged that some people need to drive, for example, because of work or a disability, they questioned if it was fair to increase parking charges by 3.1% when a rent increase of 4.1% was proposed. Officers explained parking charges had increased with inflation and competition for parking in the city centre means if charges were too high the HRA would decrease. The council does not own most of the city centre parking sites. There is also uncertainty because of changing commuting behaviour during Covid. However, if charges were the same as the Park & Ride at £14 per week for City based open air spaces for non-local residents it would generate £8,400 additional income per annum. Members suggested the Park & Ride should be encouraged rather than competing with it.

Councillor Sanders asked officers to table a model showing the potential of increased income from parking sites for the city based open air spaces for non-local residents to generate income for core services. They advised on the need to bear in mind the relationship to demand and that there has always been a preferential charge for tenants and leaseholders, which is preserved in the charging structure. Demand for sites, particularly for open-air spaces, has been sustained and there is a waiting list.

In response to questions from Councillor Payter-Harris on intervention in utility prices, officers explained there are new contracts with brokers who are experts in the energy field so they can buy in advance to get the best deal for residents. For example, there is a three-year fixed deal on charges for

Edgbaston House and Tipton House, which are electrically heated. Officers did not have the exact amount of the savings to hand but could find out.

As for concerns that the proposed HRA surplus of £410,000 does not provide much resilience, it is very difficult to predict what will happen. If a deficit looked likely officers would try to prevent it by using different supply chains or procurement strategies. Officers hold monthly deficit reduction meetings. Councillor Payter-Harris said the report laid out the issues clearly and there were difficult decisions to make. He recommended long-term ongoing efficiency savings rather than rent rises to maintain reserves.

#### Members' comments

Councillor Payter-Harris said making savings is ultimately down to the service and how it is delivered. The surplus will be used quickly and the world is changing so services have to be slicker. He thought officers had the talent to change the service.

Councillor Corkery made the following comments:

A cap on any increase on affordable rents should be strongly encouraged so they are the equivalent to the amount paid by tenants on social rents. It should be the same in the interests of fairness and because if affordable and social rents increased by the same percentage the gap will increase significantly because of compound interest.

Some of the budget should be allocated for a hardship fund for tenants in immediate need, for example, those moving into properties with no flooring or white goods. They might only need small amounts such as £100 or £150 for some carpet. Some other local authorities have hardship funds. Councillor Sanders and officers said they have been building links with the Hive and Moving On Project who can help people moving into properties.

Parking should be more expensive in the city centre, for example, £16 or £18 per week, to encourage behaviour change. It could be that the Park & Ride is too expensive.

A rent increase of 4.1% is too high bearing in mind that people are already paying too much for energy. He strongly encouraged a balanced budget with a 3.5% or even lower increase. Covid and the cost of living are exceptional circumstances. On the whole he is supportive of the report and the service is well-run.

Officers said they could legally set a budget in deficit but cannot continue to do so indefinitely as it would deplete the HRA. It would be illegal for it to go into deficit and it may have to be sold.

Summing up, Councillor Sanders noted rising energy prices and that a National Insurance rise may have to be budgeted for. However, the first principles are to be guided by the evidence. About a third of tenants are on housing benefit, about a third are not on benefit and about a third on benefit and in work; the last group are particularly hard hit. Setting an increase of

4.1% would be prudent but not right. Rent rises cannot be used to resolve a long-term deficit. Finances are still affected by the rent cuts of 2015 to 2018. Continued efficiencies and different ways of working are needed, for example, reducing the length of voids. He would like to freeze rents but this is not prudent.

Hardship funds are always under review but there are initiatives in place which avoid re-inventing the wheel. As far as is known, no other housing association or local authority has the "two-tier" approach on affordable rents.

Tenants who live near parking sites should not be penalised but it is right commuters should pay more as it may encourage less car usage. In order to address Councillor Payter-Harris' concerns that the public have not had the opportunity to see the information on increased parking charges that was presented at the meeting, Councillor Sanders approved recommendation no.8 but said that he is minded to accept the principle of increased parking charges for people who do not live in or near HRA properties, and a report outlining the practicalities will be brought back to the next meeting.

## DECISIONS

The Cabinet Member approved that:

- (i) The Forecast Revenue Outturn for 2021/22 arising from monitoring discussions with Managers, as set out at Appendix 3, be noted.
- (ii) All rents and charges to be effective from 28th March 2022 or such other date as determined by the Director of Housing, Neighbourhood and Building Services in consultation with the Director of Finance and Resources.
- (iii) Dwelling Rents for 2022/23 to be set with an average increase of 3.5%.
- (iv) General Service Charges for 2022/23 to be set at this meeting, as set out in this report, and in accordance with Appendix 5.
- (v) Sheltered Housing Service Charges for 2022/23 to be set at this meeting, as set out in this report, and in accordance with Appendix 6.
- (vi) Laundry Charges for 2022/23 to be set at this meeting, as set out in this report, and in accordance with Appendix 7.
- (vii) Heating Charges for 2022/23 to be set in accordance with Appendix 8.
- (viii) Garages and Parking Site Rents for 2022/23, as shown in Appendix 9, be approved and authority to let garages at reduced rents where demand is low be delegated to the Director of Housing, Neighbourhood and Building Services in consultation with the Director of Finance and Resources.
- (ix) The Revenue Budget for 2022/23, as set out in Appendix 3, be approved and authority given to the Director of Housing, Neighbourhood and Building Services in consultation with the Director of Finance and Resources to amend the budgets to reflect the latest available information prior to finalising budgets for 2022/23.
- (x) The relevant Managers be authorised to incur expenditure in 2022/23.
- (xi) The Forecast Revenue Budgets for 2023/24 and 2024/25 arising from the proposals contained in this report, as set out in Appendix 3, be noted.

#### **4. Update on Full Fibre to the Home - City Fibre**

Meredydd Hughes, Assistant Director, Buildings, introduced the report. He confirmed that the programme runs from 2021 to 2024 so blocks like Handsworth and Ladywood will eventually be covered. Some of the Court blocks are included in work planned for the first quarter of 2022.

Members commended the project as it bridges the digital divide and adds social value by using local labour.

The Cabinet Member noted the report which is for information only and is not subject to call-in.

The meeting concluded at 6.06 pm.

---

Councillor Darren Sanders  
Chair