

<b>Title of meeting:</b>	Cabinet Member for Housing and Preventing Homelessness
<b>Date of meeting:</b>	02 February 2023
<b>Subject:</b>	Council Housing Budget 2023/24 (including rent setting)
<b>Report by:</b>	James Hill, Director of Housing, Neighbourhood and Building Services Chris Ward, Director of Finance and Resources
<b>Report Author:</b>	Alan Denford, HRA Group Accountant
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	Yes
<b>Full Council decision:</b>	No

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**1. Purpose of report**

- 1.1 The law requires that all income and expenditure relating to Council Housing is accounted for separately in the Housing Revenue Account (HRA). All other Council income and expenditure is accounted for together in a separate account called the General Fund. This report deals solely with the HRA.
- 1.2 The City Council has delegated the function of setting rents, charges and revenue budgets for Council Housing to the Cabinet Member for Housing and Preventing Homelessness. Following consultation with residents and leaseholders, this report seeks to address all HRA budget issues.
- 1.3 The purpose of this report is to seek the Cabinet Member's decisions on the City Council Housing budgets, rents and other charges and to give authority for managers to incur expenditure in 2023/24.
- 1.4 The report also seeks to:
- Note the Forecast Revenue Outturn for 2022/23 and give authority to the Director of Housing, Neighbourhood and Building Services & the Director of Finance and Resources to amend the budgets to reflect the latest available information prior to finalising budgets for 2023/24.
  - Note the Forecast Revenue Budgets for 2024/25 to 2026/27 arising from the proposals set out in this report.



- Set rents with an average increase of 7%, which is in line with the maximum increase allowed by Central Government's Social Rent Setting Policy.

## **2. Recommendations**

It is recommended that the Cabinet Member for Housing and Preventing Homelessness approves the following:

- (i) The Forecast Revenue Outturn for 2022/23 arising from monitoring discussions with Managers, as set out at Appendix 3, be noted.
- (ii) All rents and charges to be effective from Monday 03 April 2023 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 2023/24 to be set with an average increase of 7%, which is in line with the maximum allowable under Central Government's Social Rent Setting Policy.
- (iv) General Service Charges for 2023/24 to be set at this meeting, as set out in this report, and in accordance with Appendix 5.
- (v) Sheltered Housing Service Charges for 2023/24 to be set at this meeting, as set out in this report, and in accordance with Appendix 6.
- (vi) Laundry Charges for 2023/24 to be set at this meeting, as set out in this report, and in accordance with Appendix 7.
- (vii) Heating Charges for 2023/24 to be set in accordance with Appendix 8.
- (viii) Garages and Parking Site Rents for 2023/24, 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 2023/24, 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 2023/24.
- (x) The relevant Managers be authorised to incur expenditure in 2023/24.
- (xi) The Forecast Revenue Budgets for 2024/25 to 2026/27 arising from the proposals contained in this report, as set out in Appendix 3, be noted.



### 3. Housing Policy 2023/24

#### HRA Dwelling Rents

3.1 From 2020/21 the decision to increase rents was passed back to Local Authorities that operate a Housing Revenue Account. Through the rent standard the City Council was given the option to increase rents by the increase in the Consumer Price Index (CPI) plus 1% until the financial year 2025/26. The CPI figure to be used is published in September of the preceding year. This option was recommended and approved for both 2020/21 and 2021/22. In 2022/23, the Cabinet Member approved that dwelling rents would be set with an average increase of 3.5%. This was lower than the maximum allowable under the Social Rent Setting Policy of 4.1%. For 2023/24, the Government's Autumn Statement announced the intention to introduce a 7% cap on rent increases that would otherwise have been permitted up to 11.1% (CPI 10.1% + 1%) under the existing rent standard.

3.1.1 The Housing Revenue Account (HRA) is reliant on the Rental Income from its tenants and leaseholders to provide Housing Management Services required. These services are wholly funded by the HRA.

3.1.2 Therefore, the HRA has to be financially viable on a long-term basis and decisions relating to increases to rent & service charges have a direct impact on the Housing Management Services that can be provided.

3.1.3 Given the current financial uncertainty for next year, it will be important that we can continue to provide services needed by our most vulnerable tenants, and therefore will need to ensure that the HRA is funded accordingly.

3.1.4 Changes to rents charged to social housing tenants is governed by the Rent Standard and Rent Standard Guidance, outlined by the Regulator, that relates specifically to rent and service charge setting. In addition, the Social Housing Rents (Exemptions and Miscellaneous Provisions) Regulations 2016 must also be applied.

3.1.5 Rents will be set on an annual basis and the City Council will limit the rent to the published applicable Local Authority Housing Allowance (LHA) Rate to ensure that they remain affordable to its tenants.

3.1.6 **For all Tenants**, Service Charges will be managed as Fixed Service Charges with no under or over collections at the end of each financial year, so may not achieve full cost recovery.



3.1.7 **For Leaseholders**, Service Charges will be managed as Variable Service Charges with under and over collections at the end of each financial year resulting in full cost recovery.

3.1.8 The next rent year for tenants will be a standard 52-week year, as the effective start date will be 3rd April 2023 and ending on 31st March 2024.

### **HRA Borrowing Cap**

3.2 In the 2018 Autumn Budget the Government announced that the limit of indebtedness would be lifted with immediate effect from all Local Authorities who operate a Housing Revenue Account. Previously the City Council was limited on the amount of borrowing that it could incur in the Housing Revenue Account. This presented a problem for the City Council as it was unable to invest in larger scale developments and instead had to rely on bidding for additional borrowing and/or grant funding.

3.3 Whilst the City Council welcomed this additional flexibility, it has to ensure that any borrowing it undertakes is not taken at the detriment of the Housing Revenue Account. The City Council will seek to identify developments where rental income can meet the cost of any additional borrowing and maintenance of the asset, acting prudently and ensuring the sustainability of the HRA over the medium to longer term.

3.4 Since the cap has been removed the City Council has now committed to a programme of buying back City Council Housing Stock previously purchased under right to buy and expanding acquisitions to all residential units. This programme is for £20m each and every year for 5 years and started in 2020/21.

3.5 As well as acquiring property, the City Council have also recently completed construction of some 40 units at Doyle Avenue and Patey Court. Additionally, the Council have approval to deliver over 200 units at the sites at Highgrove, Strouden Court and Cabbagefield Row. All these developments will have a positive impact on the HRA's 30-year business plan.

3.6 Additionally work continues on ideas to develop the site where the former Horatia and Leamington Houses stood, with development proposals being considered that should deliver in the region of 272 Social Housing units.

## **4. Proposed Rents and Charges for 2023/24**

### **Dwelling Rent**

4.1 The September 2022 CPI was 10.1% and, therefore, the maximum average rent increase in 2023/24, under the existing rent standard, would have been 11.1%. However, the Government's 2022 Autumn Statement announced the imposition of a 7% cap on Social Housing rents for next year. The Government's 'Direction on the Rent Standard 2023', issued in December 2022, states that the weekly



rent of an existing tenant may not be increased by more than 7%. This applies to all low-cost rental accommodation that is not supported housing. There are a number of factors relating to the financial environment for the HRA that have been taken into consideration when considering an increase in dwelling rents, prior to making the recommendation in this report.

4.1.1 The depreciation charge for the Housing Revenue Account is calculated based on the assets remaining useful life and the market value. As the HRA's stock ages there is an increasing depreciation charge. This is the portion of the revenue budget that must be set aside in a specific ring-fenced reserve that is reinvested in capital works to City Council housing.

4.1.2 The HRA has been losing on average 70 units per year through the Right to Buy initiative, along with the associated rental income which means the amount of rent which can be collected reduces. The number of sales was reduced to only 28 in 2020/21, due to the first Covid-19 wave, and may only be circa 50 in the current year, due to the impact of inflationary pressures on the housing market.

4.1.3 There have been increased costs during 2022/23 that have created in year revenue pressures. Utility costs (gas and electricity), where we had budgeted for inflation of over 50%, have more than doubled in recent months. Our energy costs are expected to rise by £1.8m next year and could rise further. Costs of materials to undertake repairs, budgeted with 2% inflation, have seen rises between 10% and 15%. In addition, the current year staff pay award of £1,925 per person exceeds a budgeted 2% inflationary allowance. There remains a level of uncertainty about future staff costs. General inflation, which had been assumed as 2%, was 10.1% in September 2022 and is still rising.

4.1.4 Following the setting of a deficit budget for 2021/22 and the forecast of a deficit against the approved 'break-even' budget in 2022/23, a significant amount of deficit reduction work has been carried out. This includes an efficiency drive for anti-social behaviour work and income generation initiatives (e.g. Energy Service fees and Service Level Agreements). The various services which support the HRA, regardless of the financial position, will continue to look for opportunities to reduce cost through efficiencies and maximise the opportunity to generate income to protect landlord service functions

4.1.5 The building and acquisition of new property has a positive impact on the HRA Accounts. In 2022/23, as of 16 January 2023, 88 properties have been repurchased with approximately 100 properties in the pipeline. The City Council have also recently completed construction of some 40 units at Doyle Avenue and Patey Court. Additionally, there are circa 1,000 units in the HRA development pipeline, including proposals at Somerstown, Cabbagefield Row, Strouden Court and Highgrove.



4.2 In the light of the amount of uncertainty in the current financial environment, it is proposed to increase Dwelling Rents from an average of £93.36 per week to £99.57 per week, as summarised in Appendix 4. This is an increase of 7%, which is the maximum increase allowed following the Government's imposition of a rent cap of 7%. It is anticipated that other Registered Providers of social housing in the city will follow this maximum increase. If other Registered Providers in Portsmouth increase their rents by 7% and the City Council does not, there is a risk that we may see a reduction in applicants on the Housing Register accepting offers for properties in non-city Council Registered Provider properties, increased applications for exchanges into our stock and higher demand for our stock overall. This would be a direct conflict to the rent convergence policy introduced by Central Government in 2011.

4.3 This 7% increase is more than the 2.5% that was anticipated in the forecast budget. However, all of the budget assumptions were undermined by the unprecedented changes that occurred in year, as highlighted above in para 4.1.3. The implications for the budgets for 2023/24 and subsequent years are described in more detail in sections 5 and 6 respectively.

#### **General Service Charges**

4.4 General Service Charges are made to all tenants and relate to the provision of a number of different services, including the Estate Services Officers, Anti-Social Behaviour Team, the Green and Clean Service and Resident Engagement Team. In general, a lower rate is charged to tenants living in houses and bungalows and a higher rate to those who receive additional services in flats and maisonettes.

4.5 The charges made to tenants for these services will be based on the actual cost of provision of the service, but on the basis of Fixed Service Charges, so there is never any under or over recovery reconciliation. Instead, charges are based on previous year costs and an inflationary uplift. This does mean that the cost of services delivered may be higher than the income collected.

4.6 The proposed charges for 2023/24 are shown in Appendix 5 and summarised as follows:

<b>Category</b>	<b>2022/23 General Service Charge (Per week)</b>	<b>2023/24 General Service Charge (Per week)</b>
Low Rate	£6.72	£7.14
High Rate	£16.80	£18.20



Due to a recent marginal reduction in the cost of energy, the proposed increase in the High Rate Service Charge is lower than that included in the consultation with residents and leaseholders, including an article in Housetalk magazine. In the consultation material, the proposed High Rate weekly charge was £18.34.

**Sheltered Housing Charges**

4.7 Sheltered Housing is intended to meet the needs of residents who require support to live independently. There are three levels of service, each with increasing levels of need and support: Category 1, Category 2 and Category 2.5. Sheltered Housing was set up originally on the basis that the extra costs of providing the service, over and above those arising from normal City Council Housing provision, would be recovered from the tenants in Sheltered Housing via a “Combined Sheltered Housing Service Charge”. The Combined Sheltered Housing Service Charge is made up of a landlord related charge, which is eligible for Housing Benefits, and a care related charge, which is not eligible for Housing Benefits but is part funded through Supporting People Grant. As with the General Service Charge, these are Fixed Service Charges, with no under or over recovery reconciliation, and therefore carry the same risk that the cost of services may be greater than the income collected.

4.8 The proposals for 2023/24 are shown below, with a more detailed breakdown of these charges in Appendix 6.

<b>Category</b>	<b>2022/23 Combined Sheltered Housing Charges (Per week)</b>	<b>2023/2024 Combined Sheltered Housing Charges (Per week)</b>
Cat 1	£17.08	£18.34
Cat 2	£55.16	£60.76
Cat 2.5	£96.46	£107.80

**Laundry Charges**

4.9 City Council Housing provides a number of laundry facilities that operate from within blocks and sheltered housing schemes. Although the charges for both washing and drying facilities are reviewed each year, they remain much lower than the commercial market price. However, following the recent unprecedented increases in energy costs, the City Council are proposing to increase the charges, for the first time in five years, to ensure we recover the cost of running the service and no cross subsidy exists.

4.10 The proposals for 2023/24 are shown below and in Appendix 7.



<b>Token Type</b>	<b>2022/23 Laundry Token Charge</b>	<b>2023/24 Laundry Token Charge</b>
Wash	£2.00	£3.00
Dry	£1.50	£2.00

### **Heating Charges**

- 4.11 Heating charge calculations are based on average annual consumption data from previous years. This data is used to calculate the estimated future cost of heating the relevant dwellings. The City Council's Building Services team continue to undertake work to both reduce energy consumption and negotiate the best tariffs with our energy providers. In previous years this proactive approach has resulted in all heating charges being frozen in both 2020/21 and 2021/22. In an attempt to fully recover anticipated costs, there was an increase of 15% in charges for gas heating in 2022/23. However, following the utility cost pressures described in paragraph 4.1.3, this level of increase proved to be insufficient and heating charges will have been subsidised from rents in the current year. The proposals below will rectify this position and include forecasts for further movement.
- 4.12 In addition to the two-year freeze in all heating charges, the City Council's energy team negotiated a fixed price for electricity, which meant that the City Council were able to freeze electric heating charges in 2022/23 for a third year. However, the current fixed tariff charges for electricity supply will end in September 2023 and a new fixed tariff will need to be secured.
- 4.13 We have 15 blocks where we provide heating and, in some cases, hot water. Charges vary according to the type of heating provided, as follows:
- Dickens blocks (8 of them) – Combined Heat & Power (CHP),
  - Sheltered blocks (5 of them) - Gas,
  - Edgbaston and Tipton - Electricity.
- 4.14 As previously stated, there have been unprecedented increases in energy costs over the last 12 months. As the City Council policy is to set the heating charge so that the full cost of heating and hot water is paid by the tenants in those blocks, there will need to be substantial increases in charges for 2023/24. This means that, if you currently pay £10 per week, your weekly charge will increase to £19.70 in Edgbaston and Tipton, £16.70 in the Sheltered blocks and £20.00 in the Dickens blocks. Appendix 8 breaks down the proposed charges for each block type in more detail.





- 4.15 Due to a recent marginal reduction in the cost of energy, the proposed increases are lower than those included in the consultation with residents and leaseholders, including an article in Housetalk magazine. In the consultation material, the proposed weekly charges, for someone currently paying £10 per week, were £21.20 in Edgbaston and Tipton, £20.50 in the Sheltered blocks and £29.30 in the Dickens blocks.
- 4.16 The way that the HRA garages and parking sites are marketed and managed continues to evolve in response to changes in demand whilst maintaining the underlying Budget Principle to “get the best return possible from non-core activities”. The HRA parking charges remain competitive when compared to other parking providers on and off Island.
- 4.17 It is proposed that the 2023/24 budget continues to assist the marketing of the Park and Ride scheme, by offering 'local/non-local' parking rates. Whilst maintaining the ethos of charging more for high-demand areas, all parking spaces irrespective of location will be charged at two rates, a lower rate for those people who live near to where they park and a higher rate for those who do not. This aims to encourage those who drive into the city to consider using the Council’s Park and Ride facility.
- 4.18 The proposal is to increase the cost of all parking and garage permits by CPI of 10.1% in 2023/24. A summary of the proposed charges for next year can be found in Appendix 9. It is recommended that 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.

## **5. Budget for next year 2023/24**

- 5.1 The budget details attached at Appendix 3 show the forecast outturn position for 2022/23, as well as the proposed budget for 2023/24. Also shown are the forecast budgets through to 2026/27.
- 5.2 The 2023/24 Housing Revenue Account budget assumes an in-year deficit of £1.31m. This is a worse position than the original forecast surplus of £0.55m following last year's budget decision. This is despite the proposed rent increase of 7% being higher than the original forecast of 2.5% and the deficit reduction work described earlier in the report.
- 5.3 Allowance has had to be made for a higher than anticipated pay offer of £1,925 per person in 2022/23, which impacts the staffing budget of approximately £30m, representing over 30% of all costs. The original budget included funding for a 2% pay rise in 2022/23. Significant increases in utility budgets have also been included for the projected increases in gas and electricity costs. In addition, the

aging stock profile means that an increasingly significant depreciation charge provision needs to be made each year.

- 5.4 The report recommends that the City Council increases dwelling rents by 7%, the maximum permissible, in order to minimise the HRA deficit. A 7% increase will generate £5.05m to help keep local services running. However, there will still need to be a draw on reserves of £1.31m to balance the budget.

## 6. Future years budgets and the level of balances

- 6.1 The law requires that a budget be set to avoid a deficit on the HRA, although balances may be used to offset short term pressures. It is forecast that the level of balances will be approximately £20.9m on 31 March 2024, excluding earmarked capital reserves. As the Government rent cap is for one year only, the future year forecasts assume that a CPI plus 1% rent increase will be allowed and approved. The forecast level of balances in subsequent years is shown in the following table:

	<b>2022/23 Forecast outturn</b>	<b>2023/24 Proposed Budget</b>	<b>2024/25 Forecast Budget</b>	<b>2025/26 Forecast Budget</b>	<b>2026/27 Forecast Budget</b>
	£000	£000	£000	£000	£000
Reserve brought forward	24,606	22,224	20,917	20,817	20,671
In year (deficit)/surplus	(2,382)	(1,307)	(100)	(146)	(2,094)
Reserve carried forward	22,224	20,917	20,817	20,671	18,577

- 6.2 When setting a new budget, the City Council must consider the effect on the Housing Revenue Account's 30-year business plan. The current reserve is sufficient to meet the ongoing commitments in the short to medium term. However, the Director of Housing, Neighbourhood and Building Services has been working through ways to reduce the forecast deficits in 2022/23 and 2023/24. Further remedial measures will be sought to offset any ongoing impacts of increased utility, staff and materials costs. In the longer term, there are significant forecast deficits from 2026/27 onwards that will need further consideration and it is imperative that decisions taken in respect of Housing Rents and Charges in 2023/24 are taken in this context. The current forecast illustrates a draw on Reserves over the period of more than £6m which is unsustainable in the longer term and is inconsistent with prudent management of the HRA.



**7. Authority to incur revenue expenditure**

- 7.1 It is recommended that Directors and their service managers be authorised to incur expenditure in accordance with the City Council Constitution. The only exceptions would be those items Members consider should be the subject of a separate report before expenditure is incurred.

**8. Duty to involve - Resident involvement in the budget process**

- 8.1 This year's rent consultation started on the 29 September 2022 where residents were invited to attend an event whereby the City Council's finance team went through the Housing Revenue Account budget line by line.
- 8.2 In addition, an article was published in the Winter edition of Housetalk magazine, which invited all HRA residents and leaseholders to make comments on the article that set out the considerations for this year's charges. In this article they were encouraged to send feedback to the Resident Engagement team.
- 8.3 The City Council's Finance Team attended the Residents Consortium meeting on the 02 December 2022 to present the proposals mirroring the article in Housetalk, and asking for feedback from residents around the proposed new charges, and also attended the Residents Consortium Meeting on the 05 January 2023 to respond to the feedback already received and ask for any further feedback. The Cabinet Member reviewed the residents' responses, along with the feedback from the Housetalk article, in time to take them into account when proposing the recommendations at this meeting.
- 8.4 As well as getting feedback at these events, the City Council received direct responses by email and phone on the consultation. The majority of responses were in support of a 7% increase in rents (7 tenants), with one tenant preferring a lower increase of 6% and two favouring 5%. One tenant suggested no increase at all, while another declined to suggest a rate but commented that they would struggle to pay the 7% increase. 12 direct responses were received in total, and these are summarised in Appendix 10.
- 8.5 Both the Director of Housing, Neighbourhood and Building Services and the Director of Finance and Resources would like to place on record their thanks for the continued support and contribution given by our resident representatives, tenants and leaseholders.

**9. Reasons for recommendations**

- 9.1 To set budgets, rents and charges for council housing for 2023/24 at levels that are sufficient to provide decent accommodation and good quality services whilst maintaining financial sustainability and resilience.



**10. Integrated impact assessment (IIA)**

- 10.1 An integrated impact assessment has been completed and is attached at Appendix 11.
- 10.2 The assessment identifies no negative impacts associated with any of the options outlined.

**11. Legal Implications**

- 11.1 The body of the report contains a discussion of the key legal issues, and the Council is empowered to approve the recommendations.

**12. Director of Finance comments**

- 12.1 The Director of Finance and Resources has been consulted and is in agreement with the recommendations contained within this report.

Signed by:

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**James Hill – Director of Housing, Neighbourhood and Building Services**

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**Chris Ward – Director of Finance and Resources**

**Appendices:**

- 1 Council Housing Accounts – The Law
- 2 Budget Principles 2022/23 to 2026/27
- 3 Revenue Budgets 2022/23 to 2026/27
- 4 Average Rents 2023/24
- 5 General Service Charges 2023/24
- 6 Sheltered Housing Charges 2023/24
- 7 Laundry Charges 2023/24
- 8 Heating Charges 2023/24
- 9 Garages and Parking Sites Rents 2023/24
- 10 Resident Feedback
- 11 Integrated Impact Assessment (IIA)

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Budget files	Property, Housing and Regeneration Finance
2 Rent standards for registered providers of social housing	<a href="http://www.gov.uk">Rent Standard and guidance - GOV.UK (www.gov.uk)</a>
3 Social Housing Rents Regulations 2016	<a href="http://legislation.gov.uk">The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 (legislation.gov.uk)</a>
4 CPI Figure for September 2022	<a href="http://national-statistics.gov.uk">Consumer price inflation, UK - Office for National Statistics</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:

## **COUNCIL HOUSING ACCOUNTS - THE LAW**

The Council Housing accounts are termed the "Housing Revenue Account" in the following notes. The rest of the City Council's accounts are termed the "General Fund".

### **LOCAL GOVERNMENT AND HOUSING ACT 1989**

This Act has provided the main framework for Housing Finance since 1 April 1990. In summary the Housing Revenue Account provisions are as follows:

- 1 Local Housing Authorities must keep a separate Housing Revenue Account (HRA).
- 2 Amounts to be credited or debited to the Housing Revenue Account can only be in respect of items detailed in the Act or covered by regulations issued by the Secretary of State.
- 3 Budgets must be prepared each year for the Housing Revenue Account which will avoid a debit balance on the account. Action must be taken if in any year it appears a debit balance may arise.
- 4 An authority should maintain a separate Housing Repairs Account.
- 5 A transfer must be made between the General Fund and the Housing Revenue Account in respect of amenities provided by the Housing Revenue Account but shared by the whole community.
- 6 With the exception of 5 above no contribution can be made by the General Fund to the Housing Revenue Account except for certain items detailed in regulations issued by the Secretary of State.

In addition, the Act provides the main framework for the Capital Finance of Local Authorities

### **LEASEHOLD REFORM, HOUSING & URBAN DEVELOPMENT ACT 1993**

The above Act came into force in 1993 and gave Housing Authorities the power to provide Welfare Services and to account for them within either the Housing Revenue Account or the General Fund at the Authorities discretion.

The Act also gave the Secretary of State wide powers to amend this provision and regulations have been made which prevent "personal services" such as regular feeding or bathing or cooking of meals from being accounted for within the Housing Revenue Account. Accordingly, the net costs relating to the element of personal services provided by staff in sheltered accommodation are funded by the General Fund.

## **BUDGET PRINCIPLES**

### **2022/23 to 2026/27**

Budgets to be driven by PCC Strategies to meet Corporate Priorities with particular emphasis on all forms of regeneration & creation of sustainable communities to achieve safe, secure, independent & healthy living for our residents, tenants & leaseholders with increased economic well-being, including the following:

- Offering access to respite care and other support for carers and service users
- Assessing individuals needs and developing care/support to those needs
- Contributing to effective rehabilitation for people leaving hospital
- Enabling and contributing to the provision of good quality low cost homes with well-planned infrastructure
- Delivering and promoting high quality house design combined with exceptional environmental performance.
- Tackling fuel poverty
- Working to reduce carbon emissions and to eliminate negative environmental impacts from all areas of work.

Budgets to be prepared in consultation with residents, tenants & leaseholders & reflect their views

Balanced budgets to be prepared for a minimum 3 years for revenue budgets & 5 years for capital budgets

Work with suppliers & partners, particularly the Health Service, to try & co-ordinate services in the best interests of residents, tenants & leaseholders.

Support effective preventive measures wherever possible.

Maintain & improve homes by:

- Tackling disrepair in private housing to ensure vulnerable people are housed in decent homes.
- Reducing the number of unfit and inaccessible private sector homes
- Maintaining the cycle of planned external inspection & repair of council dwellings.
- Improving the quality of council dwellings and maintaining decent homes.
- Working towards a “Decent Environment” for all council dwellings.
- Improving energy efficiency and opportunities for microgeneration.

- Encouraging the reduction, reuse and recycling of materials.

Maintain high management standards for council dwellings

To set rents, charges and Council Tax charges that avoid any unreasonable burden, and remain in accordance with Government Policy.

Get the best return possible from non-core activities i.e. provision of garages and parking

Achieve continuous improvement through systems thinking methods, designing services against customer demand

Comply with the law