



**Executive**  
15 February 2010

**Report from the Director of  
Housing and Community Care**

Wards Affected:  
ALL

**Housing Revenue Account (HRA) Budget 2010-11 and Rent  
Increase Proposals for Council Dwellings for 2010-11**

Forward Plan Ref: H&CC-09/10-23

**1.0 Summary**

- 1.1 This report presents to Members the Revised (Probable) HRA Budget for 2009-10 and the Draft HRA Budget for 2010/2011 as required by the Local Government and Housing Act 1989. Members are required to consider these budget estimates and the associated options, taking account of the requirement to set a Housing Revenue Account (HRA) budget that does not show a deficit and in particular Members need to consider and agree the level of HRA dwelling rents and service charges for 2010-11.
- 1.2 The report also includes proposals for setting the rent and service charge levels for 2010-11 for the non HRA Brent Stonebridge dwellings.

**2.0 Recommendations**

- 2.1 Members are requested to approve the Revised (Probable) Budget for 2009/2010 (Appendix 1 Table 1).
- 2.2 Members are requested to consider the draft Budget for 2010-11 (Appendix 1 Table 1) in the light of Officers' advice contained in this report.
- 2.3 That Members consider and agree the growth of £150k in 2010-11 and a further £150k in 2011-12, and the proposal for funding that growth, as set out in paragraph 3.39.
- 2.4 That members consider and agree the savings/budget reductions as set out in paragraph 3.44.

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- 2.5 Members are requested to approve an average overall rent increase (excluding service charges) of £0.87 per week, which is an average overall increase of 1.09%. This to be applied on an individual basis to each property based on the Government's rent convergence guidelines as detailed in paragraphs 3.22 to 3.26. This will raise an additional £419k rent income.
- 2.6 Members agree to increase HRA Council Dwelling service charges by 1.23% raising an additional £35k.
- 2.7 Members agree to an average overall rent decrease of £0.54p per dwelling per week on the Brent Stonebridge Dwellings, which is an average overall rent decrease of 0.5% as set out in paragraph 3.58. This will reduce the annual rent income by £9k.
- 2.8 Members agree to decrease the service charges on the Brent Stonebridge Dwellings by an average of 37.8% or an average of £3.21 per dwelling per week as set out in paragraph 3.61. This will reduce the annual service charge income by £55k.
- 2.9 That the Director of Housing and Community Care is delegated to agree the ALMO management fee after negotiations with that organisation on the basis it is funded from agreed overall financial resources for the financial year 2010/11.
- 3.0 **Detail**
- 3.1 This report addresses the budgets associated with the Council's Housing Revenue Account (HRA). It contains the income and expenditure relating to the Council's Landlord duties in respect of approximately 9,220 dwellings. These dwellings are accounted for separately from the Council's other services / activities which generally form part of the Council's General Revenue Fund. The HRA has a particular set of regulations that differentiates it from the General Revenue Fund and receives central Government financial support through the Housing Revenue Account Subsidy (HRAS) regime. The current basis of regulations and subsidy was introduced in April 1990 (as a result of the Local Government and Housing Act 1989). The system relies on the Secretary of State publishing annual 'Determinations' which set out the basis of HRA Subsidy. It also determines the way debt charges are calculated.
- 3.2 The account should receive no subsidy from the Council's General Fund nor subsidise the General Fund – it is what is commonly referred to as a 'ring-fenced account'. Whilst the subsidy position is clear, this does not mean that there are no financial transactions between the HRA and General Fund (or vice versa). Transactions between the accounts include for example:
- Debt Charges (associated with historic capital expenditure)
  - Central Costs (representing the proportion of activities undertaken by non-HRA staff that can be attributed to the HRA).

- 3.3 The Council's average rent for 2009-10 is approximately £88.63 (excluding service charges). This takes account of the 2.66% average increase that was agreed in setting the 2009-10 rent levels. The Council's rent setting policy has been to follow and comply with the Government's rent restructuring policy (that is the government's policy of influencing rent setting principles so that rents both in the council and 'Registered Social Landlords' (RSLs) sectors converge).
- 3.4 In considering the rent policy for 2010-11, Members need to take into account the impact of the Government's Rent Restructuring Regime and the rent convergence date. In recent years, the Government has moved the convergence date within the rent restructuring regime forward and backwards in order to influence rent levels, and for 2010-11 convergence has been brought forward to 2012-13 (for 2009-10 it was set at 2023/24). Bringing convergence forward (to 2012-13) has the effect of further increasing guideline rent levels which in turn reduces the amount of Housing Subsidy that the Council receives.
- 3.5 The Council's housing stock continues to reduce and in 2010-11 it is estimated that it will reduce by 94 dwellings, comprising 4 'Right to Buy (RTB) Sales', 64 dwellings as part of the South Kilburn redevelopment and Barham Park proposed demolition, and 26 dwellings are due to transfer to Brent Housing Partnership as part of the Granville New Homes Sale.
- 3.6 The council published its Housing Strategy 2009-14 earlier this year, setting out priorities across the range of housing and related services and, in particular, how the council and BHP will work to deliver these. The strategy also takes account of the establishment of two new agencies, both of which will be key partners for the council in the future. The Homes and Communities Agency (HCA) takes on the funding and enabling role formerly undertaken by the Housing Corporation, together with the regeneration functions of the former English partnerships and some functions previously undertaken by the CLG. The HCA is now has primary responsibility for funding the development of new affordable homes and is also responsible for distributing resources to local authorities for private sector and decent homes programmes. The HCA is organised on a regional basis and, in London, will work closely with the Mayor, who chairs the London Board.
- 3.7 Distribution of resources will tie in with the priorities identified in the Mayor's Housing Strategy, the final consultation version of which was published in summer 2009. In terms of partnership with the council, the most important activity over the final part of 2009/10 and into 2010/11 will be the development of a Local Investment Plan through the HCA's Single Conversation process. The plan will set out how the council, the HCA and other partners will work together to deliver agreed priorities in line with the local and regional strategies.
- 3.8 BHP, along with other high-performing ALMOs, is now able to bid for National Affordable Housing Programme funding from the HCA and has been successful in obtaining an allocation in the 2008-11 programme. BHP has

also taken on the Granville New Homes Development, with formal handover taking place in November 2009. Discussions with the HCA over the Local Investment Plan will include identifying the future role of BHP in terms of development and management.

- 3.9 In parallel with the establishment of the HCA, the Tenant Services Authority has been set up to take on the regulatory role formerly carried out by the Housing Corporation. While the Corporation was solely concerned with housing associations, the TSA will become the regulator for all social housing providers, including ALMOs and councils with retained stock, from April 2010. While it is important to note that the TSA's powers in relation to local authorities will be limited in some respects - for example, they will not have the same power to oversee issues of governance or finance as they have with housing associations – the TSA will be a key partner in the future. As well as a direct regulatory relationship with BHP, the TSA will also work with the council in its strategic role to consider the performance of partner organisations in the borough. The TSA is currently consulting on its proposals for regulation and the establishment of national and local standards for housing providers, with the new regime due to come into force on 1<sup>st</sup> April 2010.

#### Reform of Council Housing Finance

- 3.10 The review of Council Housing Finance was launched by the Minister for Housing in March 2008. The current (and now discredited) national Housing Finance system is a major factor leading to the negative position on the Council's HRA business plan. The problems with the current system include:-
- 3.10.1 The requirement for authorities to contribute their rent income (and annual rent increases) back to the Government for distribution to other areas;
- 3.10.2 Local responsibility and accountability is weak;
- 3.10.3 The fairness of the system depends on the accuracy of assumptions made about spending in over 200 councils, which is difficult to manage nationally;
- 3.10.4 The system is broadly in balance nationally (some say it is positive), with around two-thirds of Councils paying notional surpluses into the system, with only a third (including Brent) receiving subsidy. Furthermore, the system is predicted in the medium/long term to go significantly positive nationally;
- 3.10.5 The annual nature of the process, with the volatility that it brings, makes it difficult for Councils to plan long term. There are currently annual changes in the system at short notice; and
- 3.10.6 The system is not transparent and is complex. It is hard to understand and often its outcomes are difficult to predict.
- 3.11 The Government published its long awaited consultation on the reform of Council Housing Finance in July 2009. The main proposals were:-
- 3.11.1 That the HRA ringfence should continue and be strengthened, and should include capital;

- 3.11.2 Additional funding for Management and Maintenance Allowances (5% nationally), Major Repairs Allowances (54% nationally), and lifts and common parts;
- 3.11.3 To allow local authorities to set up sinking funds for works to leaseholders stock;
- 3.11.4 Two options were set out for the fundamental reform of the system. These were:-
  - 3.11.4a Improvements to a national system for funding council housing – in which revenues continue to flow between local and central government as a result of ongoing assumptions made by Government about landlord costs; and
  - 3.11.4b A devolved system (self financing) in which rents are retained by councils to spend on their own services, in exchange for a one off reallocation of debt.
- 3.11.5 To allow local authorities to keep 100 per cent of their right to buy receipts, with a requirement that at least 75% is re-invested in housing.
- 3.12 Generally, the consultation proposals have been widely welcomed by Housing and Finance professionals alike. The option to introduce a devolved system of Housing Finance with local authorities being allowed to keep future revenue and capital receipts is encouraging. However there are some authorities (some of those who currently pay into the system) that find the proposal for the reallocation of debt difficult to accept. Broadly speaking, the two-thirds of authorities that pay into the system at the moment would swap negative subsidy for additional debt, while the third that receive subsidy (like Brent) will have their debt reduced so that they can manage their affairs without the need for subsidy. The Government has indicated that if legislation is required to effect the proposed changes, then the self financing option would not be in place before 2012-13. However this could be accelerated if agreement could be achieved by Councils for a national debt settlement.
- 3.13 At a local level, if and when the proposals are confirmed, it would be necessary to update the council's HRA business plan in order to model the impact of the changes. An initial assessment on the financial aspects of the proposals shows that in particular the adoption of a devolved self financing system would bring about considerable additional resources in future years, building up over time (arising out of the ability to keep annual rent income and relaxation of the capital receipts pooling requirements). This is however subject to the technical detail of the redistribution of HRA debt, and assumes that this would be neutral at a local level (to include being neutral on the General Fund).
- 3.14 The consultation has now ended, and a Government response to the outcome of the consultation is currently expected in February 2010. It is not clear at this stage whether a change of Government in the 2010 General Elections would continue with these Council Housing Finance reforms.

- 3.15 This report also contains rent increase proposals for the approximate 330 dwellings that transferred, following a ballot, from the Stonebridge Housing Action Trust (HRA) to Brent Council in August 2007. The dwellings are maintained outside the HRA, in the General Fund, and the rent increase proposals for these dwelling are being kept separate from the consideration of the main HRA budget, and are set out from paragraph 3.50 below.

### **HRA Business Plan**

- 3.16 The Council's HRA Business plan 2002 received an excellent 4\* rating, was deemed "fit for purpose" by the Government and led to the establishment of Brent Housing Partnership (BHP) Ltd, the council's Arms Length Management Organisation. BHP was given the responsibility for the management and maintenance of the Council's housing stock, including the delivery of the housing stock investment programme to meet the Government's decent homes standard. BHP completed its decent homes standard investment programme in 2006, well ahead of the Government's target date of 2010, using £68m of capital resources provided through the Government's ALMO programme.
- 3.17 A report to the Council's Executive on 16 February 2009 briefed members on the key issues arising out of the updated 30 year HRA Business Plan 2009. The key issues identified were:-
- 3.17.1 The initial projection of the investment needs of the housing stock over a 30 year period, will be a net shortfall of the region of £518m including south Kilburn stock and £414m excluding South Kilburn Stock; and
- 3.17.2 The initial projection for the Operational HRA (both including and excluding South Kilburn housing stock) is that the account is likely to be running into a net deficit from year 5. Remedial actions will be required to prevent this happening, as Local Authorities are legally required to set a balanced HRA budget each financial year.
- 3.18 The report discussed the following key options for addressing the HRA business plan:-
- Stock retention (PFI and/or self-financing (dependent upon Housing Finance Reform);
  - Stock transfer; and
  - Future role of BHP (again dependent upon Housing Finance reform).
- 3.19 The Executive noted the report and agreed that a further report be submitted to members once certain stock condition data had been updated and the outcome of the Government's review of Council Housing Finance is known.

## Housing Revenue Account Subsidy (HRAS)

- 3.20 A key element in budgeting for the HRA is Housing Revenue Account Subsidy (HRAS) which is forecast to be £6.660m in 2010-11. If the effect of the £5.400m Major Repairs Allowance brought forward to 2009-10 is not included, then the HRA subsidy in 2010-11 will be £12.060m. HRAS is updated each year through the HRA Subsidy Determinations. These determinations set out the changes to, and level of Government support for Councils' HRA's. At the time of writing this report, the Final Determinations for 2010-11 have not been issued. This report is therefore based upon the draft determinations and a verbal update will be provided at the Executive if the final determinations are issued and contain significant differences.
- 3.21 In 2010-11, arising out of the subsidy determinations, Brent's HRA will receive nearly £1.5m less net subsidy when compared to 2009-10. This withdrawal of the net subsidy comprises the following items:-

Item	Subsidy Changes £'000
Management Allowances	-37
Maintenance Allowances	-11
Notional Income	1,546
<b>Total</b>	<b>1,498</b>

- 3.21.1 Brent's management allowances target for 2010-11 is below our actual management allowance for 2009-10, and due to a transitional protection scheme, our management allowance is therefore frozen at 2009-10 levels. A separate allocation of £37k, to fund the production of energy performance certificates for local authority stock, means that our overall management allowance for 2010-11 will increase by £37k.
- 3.21.2 Brent's maintenance allowance target for 2010-11 is marginally greater than our actual maintenance allowance for 2009-10, and under the transitional measures, our maintenance allowance for 2010-11 is increased, by £11k in 2010-11.
- 3.21.3 Notional income (also known as guideline rents), representing a withdrawal of subsidy, has been increased by 3.9%, which means a reduction in subsidy for 2010-11 of £1.546m.

### Rent Restructuring

- 3.22 The Communities and Local Government Department (CLG) continues to implement rent restructuring which, as in previous years, has a substantial impact on the overall income attributable to the HRA. Whilst it remains the responsibility of the Council to set rents, there is strong encouragement to set these in accordance with the 'national formula' through the operation of the HRAS system and the performance regime applicable to 'Housing'. For 2010-11 rent setting purposes, the date for convergence under rent restructuring has been brought forward to 2012-13 (in 2009-10 it was 2023-24). Otherwise,

the methodology is the same as used in 2009-10 but with factors rolled forward one further year.

- 3.23 For 2010-11, under the national formula, rents will increase at an individual level by “-1.4% RPI plus 0.5% real increase plus+ 1/3rd towards the target rent”. At an individual level, rent increases will be limited to an increase of no greater than -0.9% + £2, and will also be subject to the following rent level caps by bed size:

**Bed Size Caps 2010-11**

Size	Cap £
Bedsits	113.77
1 Bed	113.77
2 Bed	120.46
3 Bed	127.16
4 Bed	133.85
5 Bed	140.53
6 Bed	147.23

- 3.24 By following the Rent Restructuring formula at individual dwelling level, Brent’s overall average rent for 2010-11 should increase by 1.09%.

The following table analyses the amount of rent increase in £1 bands, and shows the number of tenants effected within each of those bands:-

Banding	No
Between £-0.50 and £0	2,521
Between £0 and £0.50	305
Between £0.50 and £1	324
Between £1 and £1.50	6,071
Between £1.50 and £2	18

- 3.25 Rents can also be expressed in terms of increases in rents by property size as demonstrated in the table below:-

No of Beds	Average % increase
0	1.95%
1	1.48%
2	1.05%
3	0.46%
4	0.13%
5	0.04%
6	0.18%

- 3.26 The table below is an analysis of the rents, (using rent restructuring policy) by percentage band, showing the number of properties and the average weekly increase/(decrease) in cash terms. The average overall rent rise is 1.09%.



Band	No of Properties	Ave increase in £ per property	Rental Increase £
-1.5% to 0%	2521	0.00	0
0% to 1%	510	0.43	11,350
1% to 2%	5820	1.25	378,908
2% to 2.5%	364	1.41	26,659
2.5% to 3%	24	1.52	1,892
<b>Total</b>	9,239	0.87	418,808

### **Brent Housing Partnership (BHP) Management Fee**

3.27 The agreement between the Council and BHP require each year that a management fee is negotiated and agreed that is consistent with the delivery plan. Where the parties are unable to agree, the Management Agreement provides for arbitration.

3.28 BHP, a subsidiary of Brent Council, is governed in the main by the Companies Act and accounting standards applicable to the private sector (as opposed to the legislative regime applicable to Local Government). The BHP Board is ultimately responsible for satisfying themselves that overall governance, including financial information is compliant. As reported in previous years BHP has built up surpluses, achieved through efficiency savings that enables it to satisfy a number of accounting requirements, in particular those arising from future estimated pension liabilities. BHP is acutely conscious that the management fee is ultimately funded from tenants' rents and hence it is committed to using its surpluses in a responsible manner and wherever possible in support of Brent's housing strategy. Accumulated surpluses enable BHP to consider a number of initiatives that in the absence of those surpluses would be unable to be considered e.g. the purchase of Granville New Homes. Moreover, balance sheet strength enables BHP to demonstrate to its external auditors that it is a 'going concern' and thus negates any need to seek guarantees/assurances from Brent Council.

3.29 BHP Projected Surpluses and Proposed Use – Brent Housing Partnership continues to have a financial target of achieving a surplus within a range of 7% - 10%. These surpluses have been achieved through efficiency measures. Essentially this surplus may be broken down over the following elements:

	%
'Normal' Business Target to cover 'day to day' business risks	3
Contribution towards FRS17 Obligations/Risks	4
<b>Total</b>	<b>7</b>

As at 31<sup>st</sup> March 2009, BHP's reserves were a negative £5.077m. This is a substantial adverse change from the previous year and is due to accounting adjustments associated with the pension deficit.

- 3.30 It is recommended that the Director of Housing and Community Care is delegated authority to agree the management fee (subject to Member instructions/directions) for 2010-11. These negotiations are important not only for establishing the appropriate fee but also in establishing the Arms Length nature of BHP within a partnering framework. The BHP board will also consider the fee arrangements.

### **Risks**

- 3.31 As part of the development of the budget, officers have sought to consider the main associated risks. These risks are set out below:-
- 3.31.1 Performance on Rent Collection remains generally good, but not currently at last year's levels. With rent income generating over £44m per annum for the HRA, even a small reduction in collection performance can have a significant impact. It is therefore important that a close watch needs to be held on rent collection to ensure constantly high performance. Currently BHP is experiencing a challenging environment on rent collection which may reflect the current economic climate. Additional measures continue to be instigated to ensure rent collection is maximised.
- 3.31.2 Leaseholder Service Charges (Major Works) - The recovery of major works from leaseholders remains not only a problem to Brent but for all London boroughs that have undertaken major works programmes. In essence the receipt of an often substantial bill for works undertaken has brought about a high degree of resistance from the leaseholder meeting the bill. It is apparent that the complaints fall into the following: A) quality of work B) work is more expensive due to Council not historically undertaking work in accordance with the lease C) work undertaken was not in accordance with the lease i.e. the work undertaken was not strictly required at that time. Until these matters are resolved, in the main through decisions from tribunals, this risk cannot be wholly quantified. If work was found not to be recoverable on a number of contracts then this would fall to be borne by the HRA.
- 3.31.3 The major risk for the HRA is its medium and long term viability, due to the insufficient resources to maintain service standards, which is mainly due to the current Housing Finance Regime under which the government reduces subsidy to Brent annually (and indeed many other London boroughs). The Council's updated Business Plan 2009 sets out that there are insufficient capital resources to maintain the stock post decent homes, and also that the Operational HRA is likely to be in deficit from year 5. Under the current regime, the Council will not be able to keep stock up to standards in regard to obligations implied in tenancy agreements and those in respect of leaseholders. This will increase tenant/leaseholder dissatisfaction with services, increased complaints/ Ombudsman activity and a general increase in day to day management and maintenance costs. This will have serious consequences for reputations of BHP and the Council. The Government recognises the issues that Council's with Housing stock are facing and has recently consulted on plans for a new system of Council Housing Finance.

The Government are currently expected to announce their response to the outcome of the consultation in February 2010.

- 3.32 It is not considered necessary at this stage to provide additional resources for these risks areas. However, close monitoring will need to take place during 2010-11 as applicable, and these areas will need to be managed within the overall existing HRA budget.

### **Revised Budget 2009/2010**

- 3.33 A summary for the forecast outturn for the HRA for 2009-10 is contained on Table 1 on Appendix 1. The column headed Probable Budget 2009-10 sets out the forecast outturn for 2009-10. It can be seen that the HRA is anticipating a 'Surplus carried forward' of £1,966K which exceeds the original budget of £400k by £1,566k. Care need to be taken when considering this surplus, as part of it is related to communal electricity billing problems which have yet to be resolved – further details are contained below.

- 3.34 Table 2 on Appendix 1 sets out the detailed virements associated with this forecast outturn. The major adjustments that affect the overall net expenditure are included in column 3, and are as follows:-

- Rental Income - Following a detailed review of income from Council tenanted dwellings, officers now forecast that rent income in 2009-10 will be £397k less than than budgeted. This reduction is mainly due to loss of rental income from the properties being decanted and prepared for demolition as part of regeneration programme work in the South Kilburn and Barham Park areas. This projection also include the sale of dwellings to BHP as part of the Granville New Homes sale agreement.
- General Management – Officers currently forecast an under-spend of £180k relating to various service units operational cost within the HRA. These service units are forecasting an under-spend of £180k due to unfilled vacant posts and the pay award (which was under budget).
- HRA surplus brought forward £1,784k – The Housing Revenue Account for 2008-09 has now been audited. The final audited account showed a surplus of £4,430k, which exceeded the budget by £1,784k. The main reasons for this were favourable variances on repairs and maintenance, provision for bad and doubtful debts, HRA Internal interest income, HRA communal services cost rechargeable to the General Fund, income from commercial rents, and management costs.

- 3.35 A detailed review is being undertaken on HRA communal electricity costs. This follows changes to the Council's electricity provider, issues with meter readings, and the general increase in utility charges. There are financial pressures in this area, but at this stage Officers consider that the cost of providing the service can be contained within the existing budget envelope.

## Draft Budget 2010/2011

- 3.36 In considering the budget estimates for 2010-11, Members need to consider the policy and legislative framework within which the estimates have been formulated.
- 3.37 For a number of years the estimates have been compiled on the basis of current guidance for budget preparation (as agreed by Members and issued by the Director of Finance and Corporate Resources) and the 'budget envelope' as agreed by the former Housing Committee – that is the spending budgets should be adjusted in relation to the stock numbers. The advantage of this approach (which basically ignores the possibility of 'so-called' fixed costs) is that managers are able to reduce their expenditure on a planned basis. The budget as set out on table 1 on appendix 1 has specifically been prepared on the following basis:-
- 3.37.1 Growth – The only growth included in the draft budget is the ALMO Round 2 Interest Rate Adjustment of £596k. This was set out in the 2009-10 budget report and relates to Brent Council's inclusion on the Government's Round 2 ALMO Decent Homes funding allocation. Under this scheme, Brent was given authority to borrow £54m to fund Decent Homes Work with the Government meeting the interest on this borrowing through subsidy at an assumed "generous" interest rate of 8%. This means that the HRA attracts £4.32m subsidy (Almo allowance) in this regard each year. The Government has indicated however, that this interest rate is likely to revert to the Council's Consolidated Rate of Interest from 2011-12. This would mean that instead of getting interest at 8% on the amount borrowed, we would only receive 5% (based on the current CRI). This would reduce the subsidy that we receive for our ALMO allowance in 2011-12 from £4.32m to approximately £2.7m, a reduction of around £1.6m.  
Last year's budget report set out that it would be difficult to absorb a loss of income in one year of £1.6m and therefore set out proposals for using balances and building up a suitable budget across a number of years. This plan included growth of £596k in the 2010-11 budget.
- 3.37.2 Allowance for inflation – Budgets have been prepared on an outturn basis and include an allowance of 0.75% for pay and for price rises (general 0% and 1.23% for repairs). The Employer's Superannuation Contributions for BHP staff and Council Staff remains at 14.1% and 23.1% respectively.
- 3.37.3 Stock Loss/Efficiency Savings – Applicable budgets have been reduced by 0.75% to reflect the estimated stock loss in 2010-11, plus a further 2.25% for further efficiency savings, making a total reduction of 3%. Expenditure has been decreased by a net £992k to reflect these savings.
- 3.37.4 Subsidy – See paragraph 3.20 above.
- 3.37.5 No rent increase has been assumed within the draft budget.

3.38 The draft budget for 2010-11 is set out on table 1 on appendix 1. The draft budget (excluding balances) shows a deficit of £1,829K. The table below shows how this deficit has been compiled:-

Description	£000
Housing Subsidy	1,498
Inflation	321
Technical	-117
Stock Loss/Efficiency Savings (net)	-992
Deficit B/Fwd	218
Growth	596
One off savings in 2009-10	305
<b>Total</b>	<b>1,829</b>

### **Growth 2010-11**

3.39 Officers are proposing growth of £150k in 2010-11 and a further £150k in 2011-12 in order to fund the revenue costs of a £6m HRA Capital Programme in 2010-11. An option to fund this growth is also proposed, which means that the overall impact on the HRA budget will be neutral. Members are asked to consider and agree the following specific growth item and the basis of funding:-

3.39.1 Revenue Costs (Capital Financing) of a £6m HRA Capital Programme for 2010-11 – BHP and Council Officers have identified urgent requirement for HRA capital spend in 2010-11. These are as follows:-

- £3 million is required for essential Health and Safety works This includes emergency lighting to comply with fire regulations, asbestos testing and removal and lift modernisation; and
- £3 million is for Council dwelling window replacement and building envelope and decorations works.

The growth of £150k in 2010-11 and a further £150k in 2011-12 would fund a £6m capital programme in 2010-11 under the Prudential Borrowing Regime.

3.39.2 In order that the cost of the proposed HRA capital programme in 2010-11 is neutral upon the HRA budget, BHP and Council Officers are proposing to reduce the HRA Direct Revenue Finance Budget by £150k in 2010-11 and a further £150k in 2011-12. It is considered that this budget adjustment can be accommodated without any impact of service delivery and indeed this will enable essential capital works to be accelerated.

### **Budget Strategy**

3.40 Clearly Members need to be mindful of their obligations to approve a budget that is balanced and is based upon reasonable estimates. It is for Members to consider whether they agree the items below and/or to put forward other options.

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- 3.41 It is officer's advice that the Council should continue to comply with the Government's Rent Restructuring Regime. However the report clearly demonstrates below other rent options including the indication of what level of rents activates rent limitation whereby HRAS is withdrawn from the Council (thus the HRA would not receive the full product of rises above limitation levels).
- 3.42 If Members agree to adopt officers' advice regarding rent restructuring (that is agreeing to the Government's rent restructuring formula on the basis that it maximises subsidy) then the focus can be upon how to fund the gap between anticipated resources (including the additional income arising from an overall average rent rise).
- 3.43 By taking account of rent restructuring, the following budget position emerges (this assumes convergence increase and increases in service charges).

Description	£000's
Deficit (per appendix 1, table 1)	1,829
Growth	150
Growth Funding Proposal	-150
<b>Subtotal</b>	<b>1,829</b>
Product of Service Charge Increase	-35
Product of Rent Increase	-419
<b>Revised Deficit</b>	<b>1,375</b>

- 3.44 This revised deficit could be mitigated through the following measures:-

Description	£000's
Revised Deficit above	1,375
Capital Financing Costs	-100
Further savings	-179
Use of balances (caps and limits in arrears)	-500
Review ALMO Round 2 Interest Rate adj	-596
<b>Revised Deficit</b>	<b>0</b>

Each of these items is explained below:-

- 3.44.1 Capital Finance Costs – £100k - The HRA interest budget includes a contingency of £100k to offset the impact of reductions in the Council's consolidated rate of interest. It is considered that this contingency can be reduced by £50k to £50k without any impact of the HRA but still providing sufficient resources to cushion ongoing interest rate reductions. Furthermore, officer are now confident that the HRA budget for actual debt management expenses for 2010-11 can be reduced by £50k to £166k without any detrimental impact on the HRA.
- 3.44.2 Further savings – £179k - BHP and Council officers continue to review HRA detailed budgets for efficiency savings and other budget reductions. The draft HRA budget already includes a net saving of £992k relating to efficiency and stock loss savings. Officers consider that there is scope to identify a further £179k of savings and budget reduction across budget lines. This will come from General management budget heads and BHP and Council Officers consider that this is achievable.

- 3.44.3 Use of balances for the caps and limits in arrears – £500k - the current subsidy system provides “caps and limits subsidy in arrears” for authorities that follows rent restructuring. Brent has implemented the limit of RPI + 0.5% + £2 at an individual level on actual rents in line with rent restructuring policy. In 2010-11, this limit has significantly restricted the level of actual rent increase and is one of the key reasons behind the difference in the guideline rent increase of 3.9% and the actual rent increase of 1.09%. Without the limit, Brent’s actual rent increase would be significantly higher in 2010-11 than the 1.09% proposed. The subsidy system provides compensation to authorities that apply the rent limit, although it is paid one year in arrears, and therefore the compensation for applying the limit in 2010-11 will be paid with the 2011-12 subsidy. It is difficult to calculate the precise compensation level, but officers estimate that £500k additional subsidy will be paid in 2011-12 relating to the 2010-11 caps and limits, and officers are proposing to use HRA balances to fund this shortfall in the HRA budget for 2010-11. This means that balances of £500k would be used in 2010-11, but would be reinstated in the 2011-12 via the additional subsidy that will be paid in 2011-12. Normally, this approach would have minimal risks, except for the estimation of the compensation level. However this year, an additional factor is the review of Council Housing Finance, and the uncertainty around potential changes to, or even removal of the subsidy system in future years. Officers consider that this is a risk that can be managed within the resource envelope of the HRA.
- 3.44.4 Review of ALMO Round 2 Interest Rate Adjustment - £596k (see paragraph 3.37.1 for details of this adjustment) – last year’s budget report set out the difficulty of establishing a £1.608m budget for this interest rate adjustment by 2011-12, and Members agreed an approach for establishing an annual HRA capital financing budget of £1.6m over a number of years. This approach included £596k growth in 2010-11 and this sum is included in the draft budget.

This approach has been reviewed in order to provide a more manageable solution to building up this HRA capital financing budget over the coming years, and Officers now propose the following updated profile for establishing this budget:-

2010-11 – to earmark £1m from HRA balances  
2011-12 – HRA Growth £314k  
2012-13 – HRA Growth £314k  
2013-14 – HRA Growth £314k  
2014-15 – HRA Growth £314k  
2015-16 – HRA Growth £172k

HRA balances are forecast to be £1.966m at March 10, and £1.566m of these balances are considered to be useable. Officer’s proposal is to use £1m of these balances in order to help fund, and smooth out the establishment of a budget to pay for the impact of the ALMO round 2 interest rate adjustment. In addition to this, growth of £314k would need to be set a side in the HRA budget in each of the years 2011-12 to 2014-15, and then £172k in 2015-16. Taking account of the sums agreed in the 2009-10 budget, this profile, will enable the £1.608m increased Capital Financing Charges to be paid from

2011-12. Adopting this approach will also release £596k included in the draft budget 2010-11.

### Other Budget Strategy Options

- 3.45 Clearly, it is open to Members to consider other options. Officers have produced a strategy that in their view is prudent, realistic and in line with Council policy. The basis of the report is structured as in previous years, that is officers give advice as to the resources available for next year based upon current policies and give indications as to the income required for a 'balanced budget' based on those policies. It is for Members to determine the appropriate level of rents/growth/reductions within the law. Any budget proposals must be achievable in both financial and housing operational terms.
- 3.46 Members could consider raising rents above convergence levels however account will need to be taken of the impact of rent rebate subsidy limitation, whereby increasing actual rents above the rent limit would trigger the 'rent limitation rule' whereby only approximately 40% of the product of a rent rise above this threshold would be available to fund HRA expenditure. The rent rebate limit for 2010-11 has been increased by 1.6%.
- 3.47 Alternatively, Members could raise rents at a rate below convergence levels (i.e. less than 1.09% on average), or indeed freeze or reduce average rents. It should be noted that this would not be subsidy efficient, as the Council would forego caps and limits in arrears subsidy in addition to the reduction in rent income.

The following table sets out the income generated by various percentage rent increases ranging from 0% to 3%, together with the additional savings that would need to be identified in order to achieve a balanced budget:-

Percentage Increase	0%	1.09%	*2.00%	*3.00%
Income Generated	£0	£419k	£740k	£909k
Additional Savings to be Identified	£419k	£0k	£0k	£0k

\*Note that the additional income generated for the options 2% and 3% in the above table take account of the rent rebate subsidy limitation rule (see paragraph above). Increases at these levels (and above) will trigger the limitation rule and would not be subsidy efficient, with the subsidy loss estimated at £118k for a 2% increase, and £372k at 3%. Additionally, the amount of compensation paid to Brent through the cap and limits in arrears subsidy will be reduced.

### Brent Housing Partnership (BHP) and the Consultation Process

- 3.48 Senior Council and BHP Officers have discussed the draft HRA budget 2010-11 in detail. BHP Senior Officers have also commented as follows:-
- BHP and the Council are agreed that the financial outlook for the HRA and indeed the wider public sector will be challenging due to the economy and the anticipated reduction in overall government expenditure. The Council and BHP have, over a number of years, agreed a budgetary framework



that has entailed year by year reductions both for stock loss and general efficiency savings. BHP considers that this budgetary discipline has enabled both the Council and BHP to manage in a planned and coherent manner despite external financial challenges.

- The BHP board on the 28<sup>th</sup> January 2010 will be considering a radical review of the organisation's structure to ensure that it is able to provide quality services within resources available in coming years.

3.49 BHP held an 'informal' meeting of its board on the 28<sup>th</sup> January 2010 to consider the Council's HRA budget proposals. This meeting was also attended by the Council's Director of Housing and Community Care and the Assistant Director – Finance and Resources (Housing and Community Care). The BHP board welcomed the proposals for the 2010-11 rent increase, and noted that this was the lowest rent increase since the ALMO had been established.

### **Non HRA Stonebridge Dwellings**

3.50 In addition to the Council's dwellings contained within the HRA, the Council also continues to hold dwellings outside the HRA i.e. in the General Fund. These dwellings were formerly held by the Stonebridge Housing Action Trust (HAT) and they were transferred to Brent Council in August 2007 when the HAT was wound up.

3.51 The Council currently owns 343 properties under this scheme. There are 323 tenanted properties, 7 properties that are currently void, and 13 properties that have leaseholders. One property was purchased by its tenant under right to buy during the year and its purchaser is now one of the leaseholders. There are three more properties that are due to be transferred to the Council shortly, provided that the prospective tenants, who are being transferred from the remaining old Stonebridge block due for demolition, accept the tenancies being offered to them.

3.52 Hillside Housing Trust manages these properties on the Council's behalf through a PFI contract.

3.53 Council dwellings are normally held in the HRA. However in order to avoid any negative impact of these dwellings on the Council's HRA, the Secretary of State issued a direction under section 74(3)(d) of the 1985 Housing Act, for the properties in this scheme to be held outside the HRA i.e. in the General Fund.

3.54 The income and expenditure associated with these Stonebridge dwellings (which will be broadly neutral in 2010-11) will be included in the Council's General Fund budget.

3.55 Last year, for 2009-10, the Council agreed an average rent increase of 6.2%. The dwellings in this scheme were not affected by the Governments late decision to issue revised guideline rents for 2009-10, as these dwellings are held outside the HRA.

- 3.56 The Council has the responsibility for setting rents and service charges for these Brent Stonebridge Dwellings (in consultation with Hillside Housing Trust, and in line with the terms of the PFI contract).
- 3.57 The framework for the annual rent setting for the Brent Stonebridge dwellings is contained in the 30 year PFI contract between Hyde Housing (Hillside Housing Trust) and the Council. The PFI contract sets out that rent increase/decrease for next year should be based on the following formula (note that for 2010-11, the RPI is the Retail Price Index at September 2009, which was -1.4%):-
- Where rents are below target rent level – they should be increased by RPI (which is -1.4%) + 2%. This means that they should increase by 0.6%. However, this is subject to a limit on the lower of:-
    - the target rent at an individual level; or
    - RPI (which is -1.4%) + 0.5% + £2;
  - Where rents are at target level – they should be increased by RPI (which is -1.4%) plus 0.5%. This means that they should decrease by -0.9%.
- 3.58 Taking account of the framework set out in the PFI contract, the following table sets out the 2009-10 actual rent and the proposed rent levels for 2010-11.

	Rent 2009-10 £	Proposed Rent 2010-11 £	Increase/ (Decrease) £'s	Increase/ (Decrease) %	No	Total Increase/ (Decrease) £
1 Bed Flat	85.64	84.87	-0.77	-0.9%	84	-3,363
2 Bed Flat	97.20	97.78	0.58	0.6%	44	1,327
1 S/croft Elders	85.64	84.87	-0.77	-0.9%	15	-601
2 S/croft Elders	97.20	97.78	0.58	0.6%	3	90
2 Bed House	110.13	109.14	-0.99	-0.9%	36	-1,853
3 Bed House	119.77	119.61	-0.16	-0.1%	77	-641
4+ Bed House	127.06	125.92	-1.14	-0.9%	71	-4,209
<b>Total</b>	<b>1,833,259</b>	<b>1,824,010</b>	<b>-0.54</b>	<b>-0.5%</b>	<b>330</b>	<b>-9,249</b>

This table shows that the range of the rent change is from a decrease of £1.14 per week to an increase of £0.58p per week, and that the average overall rent change (excluding Service Charges) for 2010-11 will be reduction of £0.54 per week, which is an average decrease of 0.5%. Members are asked to agree this.

This will decrease the average rent (excluding service charges) from £106.83 to £106.29 and will result in a reduction of £9k rent income per annum (when comparing the full year effect of 330 dwellings), which will, in line with the PFI contract, be offset by a reduction in the unitary charge in 2010-11. The overall impact of this will therefore be broadly neutral on the council's budget.

It is noted that those properties with a proposed rent increase in 2010-11 are those properties that have not yet reached their target rents.

- 3.59 For service charges, the service contracts were tendered out last year. The new contracts contain annual price uplifts linked to the Building Costs Indices (BCI). As the BCI for the relevant period for calculating the service contract fee for 2010-11 was negative, this has led to a reduction in costs. The costs at Southcroft, an Elders block, remain high in comparison with other homes because they receive additional services.
- 3.60 Although the Service charges are directly worked out by the costs of providing the services that every unit receives, Hillside does not divide the service Charges up according to bed size of the units. This means that every property in a block will be charged the same amount regardless of the bed size of the unit. All houses of Hillside (and a few of the flats with their own entrance but no entryphone) will be charged a service charge of £0.29p to cover the maintenance of the outdoor communal areas of the estate.
- 3.61 As a result of this process, Hillside Housing Trust have notified us that they propose to reduce service charges in 2010-11. The following table sets out the average Service charges in 2009-10 and the compares this to the proposed Service Charges for 2010-11:-

	<b>Average Service Charges 2009-10 £</b>	<b>Average Service Charges 2010-11 £</b>	<b>Decrease £'s</b>	<b>Decrease %</b>	<b>No</b>	<b>Total Decrease £</b>
1 Bed Flat	14.68	8.82	-5.86	-39.9%	84	-25,596
2 Bed Flat	14.68	8.69	-5.99	-40.8%	44	-13,705
1 S/croft Elders	33.13	31.32	-1.81	-5.5%	15	-1,412
2 S/croft Elders	33.13	31.32	-1.81	-5.5%	3	-282
2 Bed House	1.76	0.29	-1.47	-83.5%	36	-2,752
3 Bed House	1.76	0.29	-1.47	-83.5%	77	-5,886
4+ Bed House	1.76	0.29	-1.47	-83.5%	71	-5,427
<b>Total</b>	<b>145,559</b>	<b>90,499</b>	<b>-3.21</b>	<b>-37.8%</b>	<b>330</b>	<b>-55,061</b>

This table shows that the overall proposed average Service Charge decrease for 2010-11 will be £3.21 per week, being an average decrease of 37.8% and Members are asked to agree this. The impact at individual level will depend upon the specific dwelling type and the service charges allocated to that dwelling. This proposal will decrease the average service charge from £8.48 to £5.27 and will result in £55k less service charges income per annum (when comparing the full year effect of 330 dwellings), which will, in line with the PFI contract, be used to pay a reduced unitary charge in 2010-11. The overall impact of this will therefore be broadly neutral on the council's budget.

- 3.62 The combined effect of the proposals for rents and service charges changes at Stonebridge for 2010-11 are set out in the following table:-

	<b>Average Rents &amp; Svce Chge 2009-10 £</b>	<b>Average Rents &amp; Svce Chge 2010-11 £</b>	<b>(Decrease) £'s</b>	<b>(Decrease) %</b>	<b>No</b>	<b>Total Decrease £</b>
1 Bed Flat	100.32	93.69	-6.63	-6.6%	84	-28,960
2 Bed Flat	111.88	106.47	-5.41	-4.8%	44	-12,378
1 S/croft Elders	118.77	116.19	-2.58	-2.2%	15	-2,012
2 S/croft Elders	130.33	129.10	-1.23	-0.9%	3	-192
2 Bed House	111.89	109.43	-2.46	-2.2%	36	-4,605
3 Bed House	121.53	119.90	-1.63	-1.3%	77	-6,527
4+ Bed House	128.82	126.21	-2.61	-2.0%	71	-9,636
<b>Total</b>	<b>1,978,819</b>	<b>1,914,509</b>	<b>-3.75</b>	<b>-3.2%</b>	<b>330</b>	<b>-64,310</b>

This table shows the combined impact of the proposed average rent and Service Charge decrease at Stonebridge for 2010-11. The net impact on tenants will on average be a decrease of £3.75 or 3.2%, although the actual impact will depend upon the dwelling and the specific service charges that are allocated to that dwelling.

## Conclusion

- 3.63 Officers advice for a balanced budget is prudent and in line with the Housing Service's standard approach to budget setting which is both realistic and transparent. Officers consider that the current process ensures that whilst overall resources are inadequate, all HRA service areas equally bear the consequences of stock reduction.
- 3.64 As in previous years, officers cannot be confident that problems will not occur in particular areas, e.g. repairs. The reporting process during the year is well developed and ensures that budget problems are addressed and managed accordingly.
- 3.65 Officers consider their role to produce a realistic and prudent budget within the policy guidelines and dealing with solutions to problems within the internal Housing Service budget process. All these budget adjustments are clearly outlined in Appendix 1. Therefore, officers consider the advice contained in this report forms a reasonable basis for setting next year's rents and budgets.

## 4.0 Financial Implications

- 4.1 This report is wholly concerned with financial issues associated with setting the HRA budget for 2010-11 and the level of rents for Council dwellings in 2010-11. Members are advised of their duty to approve a budget that meets the statutory requirements as contained in Part VI of the Local Government and Housing Act 1989. Sections 76 (2) and (3) of that Act essentially require Members to ensure that their proposals are realistic and that the Council's Housing Revenue Account does not show a debit balance.

## 5.0 Legal Implications

- 5.1 Under section 74 of the Local Government and Housing Act 1989 (“the 1989 Act”), the Council is required to keep a separate Housing Revenue Account of sums falling to be credited or debited in respect of its housing stock. Sections 75 and 76 of the 1989 Act set out the rules for establishing and maintaining that account. Under section 76 of the 1989 Act, the Council is required to formulate in January and February of each year proposals for the HRA for the following year which satisfy the requirements of that section and which relate to income, expenditure and any other matters which the Secretary of state has directed shall be included.
- 5.2 In formulating these proposals the Council must secure that upon their implementation the HRA will not show a debit balance assuming that the best assumptions and best estimates it can make at the time prove to be correct. Put simply, the legislation requires the Council to prevent a debit balance, to act reasonable in making assumptions and estimates and to act prudently.
- 5.3 The Act also requires the authority to review the proposals from time to time and make such adjustments as are necessary to ensure that the requirements, as set out above, continue to be met. This report sets out the revised estimates for the current financial year and also the proposals for the coming year.
- 5.4 The Council may make such *reasonable* charges as it so determines for the tenancy or occupation of their dwellings and shall review those rents and charges from time to time. In so doing the Council shall have regard to the principle that the rents for different types of houses should bear broadly the same proportion to private sector rents for those different types of houses. This means that the difference between the Local Authority rent for, say, a bedsit and a two bed house with a garden should be broadly comparable to the difference between the rents for those types of dwellings in the private sector. In making such reasonable charges officers have given consideration to the Government’s policy aims of introducing social housing rents that will ultimately produce rents being set (both in the council and RSL sectors) on a nationally determined basis (whilst taking into account local factors such as the value of dwellings). This aim is not prescriptive in so much it remains the responsibility of the local housing authority to set rents.
- 5.5 The rent income estimates included for 2010/11 are based upon the Governments Rent Restructuring formula and adjusted for RTB etc.
- 5.6 The decisions recommended in this report are an exercise of the Executive’s rent-setting function and must take into account the implications of the Council’s overall budget.
- 5.7 The Council is required to prepare a statement of the revised estimates and new proposals within one month of the proposals and this requirement will be

satisfied by Council approval of the overall budgets for 2010/2011 on 1st March 2010.

- 5.8 The Secretary of State issued a Direction (under section 74(3)(d) of the Local Government and Housing Act 1989) in March 2008 which allows the Council to hold outside the Housing Revenue Account the rent accounts of the Council owned properties on the Stonebridge estate that were transferred from the Stonebridge HAT to the Council in 2007.
- 5.9 Section 313 of the Housing and Regeneration Act 2008, which adds section 80B to the Local Government and Housing Act 1989, makes it possible for councils and specified properties belonging to Councils to be excluded from the subsidy system subject to agreement with the Secretary of State and it allows the Secretary of State to make directions in relation to such agreements. As stated above in paragraph 3.14, following the consultation exercise regarding Council Housing Finance, the Government is expected to announce its response to the consultation in February 2010. The Government's response may have important implications for the Council's HRA and the future role of BHP.
- 5.10 The Housing and Regeneration Act 2008 ("the 2008 Act") enabled the creation of the Homes and Communities Agency (HCA), which has the power to provide funding to ALMOs and local authorities, and the Tenant Services Authority (TSA). At present, the TSA regulates registered social landlords (now known as "Registered Providers") but at present, the TSA does not regulate ALMOs or Councils as they are excluded from being classed as Registered Providers under section 113 of the 2008 Act. However, under section 114 of the 2008 Act, there is provision in the 2008 Act which allows the Secretary of State to lay regulations by way of Statutory Instrument in Parliament to repeal section 113 of the 2008 Act and require the TSA to regulate ALMOs (under section 113(5) of the 2008 Act) and Councils' housing management departments.

## **6.0 Diversity Implications**

- 6.1 This report, in the main deals with the rent setting and budget proposals for the Council's HRA. Officers are not proposing any major changes to the operation of this account. In particular this report deals with a number of strategic issues and does not in itself deal with specific operational ones. Operational housing management issues are, in the main, the responsibility of Brent Housing Partnership (BHP) and this service is monitored by the Housing Service by reference to the agreements between Brent Council and its wholly owned subsidiary – BHP.
- 6.2 Compliance with equalities objectives is monitored by BHP's Service Delivery Sub-Committee. This sub-committee meets quarterly. Equalities and Diversity initiatives during 2009-10 included the following:-
- 6.2.1 Due to the loss (June 2009) of the Supporting People Grant for the delivery of Housing Related Support to Older Residents of Brent, the Trusted Assessor scheme has discontinued. BHP has since sent a number of staff on the accredited training course to re-establish the scheme.

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Meeting  
Date

Version no.  
Date

- 6.2.2 A programme of review of BHP Diversity & Equality strategy is underway. Following a short notice inspection by the audit commission earlier in the year and the new diversity bill, some new initiatives were introduced. These included:
- Further development of current equality and diversity projects including their disability scheme:
    - BHP have developed a new strategy and SMART action plan on equality & diversity
    - BHP have conducted equality impact assessments for the income management, tenancy management and anti-social behaviour team services. The outcomes have been very positive and the gaps have formed part of the strategy action plan.
  - A programme of equality awareness training has begun, employing an external consultant to deliver this to all BHP staff and contractors. This is to raise awareness of a range of diversity needs recommended by the new diversity bill
  - Continue to improve confidence of front line staff from BHP and contractor organisations in dealing with equalities & diversity issues through discussion & case studies. To help them gain an understanding of applying concepts in everyday situations when dealing with BHP residents face to face and by telephone
- 6.2.3 Continued involvement of Disabled Forum members in the quarterly Mystery Shopping programme, including visits to reception points to assess accessibility for customers with a range of disabilities.
- 6.2.4 Ongoing consultation with Disabled Forum members to agree service priorities for the Equalities action plan.
- 6.2.5 The Gardening Scheme for vulnerable residents has been fully reviewed and the access and eligibility criteria have been revised to ensure that we are able to assist vulnerable residents who meet the eligibility criteria. The primary objective of the scheme was to offer a one-off crisis support for garden and environmental clearance for vulnerable residents that meet eligibility criteria. There are considerations to offer routine maintenance to qualifying residents subject to needs and risk assessment. To date, BHP have assisted about 297 vulnerable residents with a range of gardening clearance works. The service also helps with resolving complaints from neighbours resulting from unkept gardens which often pose significant health and safety risks to the residents and the general public.
- 6.2.6 Following the review of the Equalities Action Plan, an exercise was undertaken to consolidate all disability and vulnerable data in one place on the Northgate v5 database. This short-term project is phased in two parts: The initial phase involved a questionnaire survey to obtain diversity data from tenants and leaseholders. About 15% returns were achieved and relevant data has been uploaded onto the Northgate. In a bid to improve the response rate, an external consultant is being used to conduct a telephone survey to

obtain the relevant data. The target for completion of this is the end of January 2010.

## **7.0 Staffing/Accommodation Implications**

7.1 The main purpose of the report is to set the HRA Budget for 2010/2011. Clearly decisions made by this Committee on expenditure and rent levels can materially affect staffing numbers. There are no major staffing implications arising from this report unless, as a matter of policy, Members determine significant additional savings.

## **8.0 Background Information**

2010/11 Housing Revenue Account Subsidy Determination  
2010/11 Housing Revenue Account Determinations  
2010/11 Housing Revenue Account Budget Working Papers

### **Any person wishing to inspect the above papers should contact:**

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