



Executive
15 February 2011

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

Wards Affected:
ALL

**Housing Revenue Account (HRA) Budget 2011/12 and Rent
Increase Proposals for Council Dwellings for 2011/12**

1.0 Summary

- 1.1 This report presents to Members the revised (probable) HRA budget for 2010/11 and the draft HRA budget for 2011/12 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 2011/12.
- 1.2 The report also includes proposals for setting the rent and service charge levels for 2011/12 for the non HRA Brent Stonebridge dwellings.

2.0 Recommendations

It is recommended that members:-

- 2.1 Approve the revised (probable) budget for 2010/11 (Appendix 1 Table 1).
- 2.2 Approve the draft budget for 2011/12 (Appendix 1 Table 1).
- 2.3 Consider and agree the revised growth of £138k in 2011/12, and the proposal for funding that growth, as set out in paragraph 3.41.
- 2.4 Consider and agree the growth proposal of £977k for the ALMO Round 2 interest rate adjustment as set out in paragraph 3.42.

- 2.5 Consider and agree the savings/budget reductions as set out in paragraph 3.39.3.
- 2.6 Approve an average overall rent increase (excluding service charges) of £5.50 per week, which is an average overall increase of 6.14%, as set out in further detail in paragraphs 3.21 to 3.25.
- 2.7 Agree to increase HRA Council Dwelling service charges by 4.6%.
- 2.8 Agree an average overall rent increase of £5.63p per dwelling per week on the Brent Stonebridge Dwellings, which is an average overall rent increase of 5.3% as set out in paragraph 3.59.
- 2.9 Agree to increase the service charges on the Brent Stonebridge Dwellings by an average of 5.3% or an average of £2.66 per dwelling per week as set out in paragraph 3.64.
- 2.10 That the Director of Housing and Community Care is delegated to agree in consultation with the Director of Finance and Corporate Services the Brent Housing Partnership (BHP) management fee for the financial year 2011/12.
- 2.11 That, following the decision of the Executive, an electronic copy of the report be circulated to all Members.

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 9,113 dwellings. These dwellings are statutorily accounted for separately from the Council's other services / activities which generally form part of the Council's General Revenue Fund. The HRA has regulations that differentiate 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 2010/11 is approximately £89.52 (excluding service charges). This takes account of the 1.09% average increase that was previously agreed in setting the 2010/11 rent levels. The Council's rent setting policy has been to adopt 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 2011/12, 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 in order to influence rent levels, and for 2011/12 the convergence target date has been moved back to 2015/16 (for 2010/11 it was set at 2012/13). A consequence of moving convergence back from 2012/13 to 2015/16 is that guideline actual rent increases in 2011/12 will increase at a lower rate than if the convergence date had not been moved.
- 3.5 The Council's housing stock continues to reduce and in 2011/12 it is estimated that it will reduce by 31 dwellings, comprising 5 'Right to Buy (RTB) Sales' and 26 dwellings as part of the Barham Park proposed demolition. The Council's total housing stock is expected to be 9,082 by March 2012.
- 3.6 The council's Housing Strategy 2009-14 will be reviewed in early 2011 to take account of a range of changes either proposed or already put in place by the government, which will impact significantly on the way housing and housing services are delivered in the future. The abolition of the Tenant Services Authority (TSA) and the transfer of its regulatory functions to the Homes and Communities Agency (HCA) has already been announced and confirmed in the recent Localism Bill. The HCA will itself be a smaller organisation and in London most of its functions will be controlled effectively by the Mayor. Last year, this report noted that distribution of resources will tie in with the priorities identified in the Mayor's Housing Strategy and that a key priority would be the agreement of a Local Investment Plan with the Mayor and the HCA, which 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. Work in this area is now close to completion.
- 3.7 In November, the government published *Local Decisions: a fairer future for social housing*. This consultation paper sets out the most significant proposals for change in social housing for many years. In particular, it proposes the introduction of a flexible tenancy regime, through which local authorities would be able to offer fixed-term tenancies rather than secure tenancies to new tenants, with a similar model available to housing associations, who will also be able to provide homes at up to 80% of private sector rents through a new funding model for new housing delivery. In addition, there are proposals for changes to the allocations regime and

homelessness, with council's given the option to discharge a homelessness duty through an offer in the private rented sector without the consent of the household that is required under current legislation. Local authorities will also be required to publish a strategic tenancy policy, setting out how they intend to use the proposed flexibilities. The council's approach to this will be the subject of a future report or reports to the Executive, which will need to agree the policy. These proposals are set out in the Localism Bill which was published and passed its First Reading Stage in the House of Commons in December 2010.

- 3.8 This report also contains rent increase proposals for the 332 dwellings that transferred, following a ballot, from the Stonebridge Housing Action Trust (HRA) to Brent Council in August 2007. These dwellings are maintained outside the HRA, in the General Fund, and the rent increase proposals for these dwelling are separate from the consideration of the main HRA budget, and are set out from paragraph 3.51 below.

Reform of Council Housing Finance

- 3.9 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 perceived problems with the current system include:-

3.9.1 The requirement for authorities to contribute their rent income (and annual rent increases) back to the Government for distribution to other areas;

3.9.2 Local responsibility and accountability is weak;

3.9.3 The fairness of the system depends on the accuracy of assumptions made about spending in over 200 councils, which is difficult to manage nationally;

3.9.4 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;

3.9.5 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

3.9.6 The system is not transparent and is complex. It is hard to understand and often its outcomes are difficult to predict.

- 3.10 The then Government published a consultation on the reform of Council Housing Finance in July 2009. The Coalition Government has since confirmed

the proposal to implement reform of the HRA subsidy System and this is now included in the Localism Bill, which was published in December 2010. It is now anticipated that the new system will be implemented for April 2012, and a policy paper from CLG is expected in January/February 2011 setting out the detailed proposals.

- 3.11 The HRA subsidy reform will include a new self financing system, in which rents are retained by Councils to spend on their own stock, in exchange for a one-off reallocation of debt. This change will have significant implications for the 2012/13 HRA budget and beyond - see also "HRA Business Plan" below.

HRA Business Plan

- 3.12 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 (ALMO). 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.

- 3.13 A report to the Council's Executive on 16 February 2009 briefed members on the key issues arising out of an updated 30 year HRA Business Plan 2009. The key issues identified were:-

3.13.1 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

3.13.2 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.

- 3.14 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).

- 3.15 The Executive noted the report and agreed that a further report be submitted to members once the stock condition data had been updated and the outcome of the Government's review of council housing finance is known.
- 3.16 The stock condition survey has now been completed, and the HRA business plan is currently being updated to reflect this. It will also be necessary to update the HRA Business Plan to reflect:-
- The agreed HRA Budget 2011/12
 - The final HRA subsidy Determinations 2011/12
 - HRA Reform proposals (likely to be issued January/February 2011).
- 3.17 Once this work is complete, the updated HRA Business Plan will be reported to the Executive. Officers anticipate that the overall position on the 30 year HRA Business Plan, both for revenue and capital, to have improved significantly when compared to the position as reported to the Executive in 2009. This is because an initial assessment on the financial aspects of the HRA reform proposals show that 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).

Review of the Management of the Council's Housing Stock

- 3.18 The Council's Housing stock is currently managed by Brent Housing Partnership (BHP), which is an Arms length management Organisation and was established in 2002. The current management agreement between the Council and BHP is due to expire in September 2012, and the Council has engaged consultants to conduct a review of future options for the management of the stock. The review, will:
- Include an assessment of the strengths and weaknesses of the current Housing Management arrangements; and
 - Set out a full range of options for the ongoing delivery of housing management across the borough.

The outcome of the review will be reported to the Executive for a decision in Spring 2011.

Housing Revenue Account Subsidy (HRAS)

- 3.19 A key element in budgeting for the HRA is Housing Revenue Account Subsidy (HRAS) which is forecast to be £8.553m in 2011/12. HRAS is updated each year through the annual HRA Subsidy Determinations. These determinations set out the changes to the level of Government support for Councils' HRA's. The Final HRAS Determinations for 2011/12 were issued on 10 January 2011 and their impact has been included in this report.

3.20 The following table sets out the Housing Subsidy due for 2011/12 and compares this to the Housing Subsidy due for 2010/11, and also sets out the key variances.

| Item | Subsidy | Subsidy | Stock | Gov't | Other | Total |
|----------------------------|--------------|--------------|------------|--------------|-------------|--------------|
| | 2010-11 | 2011-12 | Variance | Support | Variance | Variance |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Management and Maintenance | 19,670 | 20,766 | -251 | 1,347 | | 1,096 |
| ALMO Allowance | 4,320 | 0 | | -4,320 | | -4,320 |
| Capital Charges | 21,265 | 23,369 | | 2,484 | -380 | 2,104 |
| Major Repairs Allowance | 2,363 | 8,078 | -99 | 5,814 | | 5,715 |
| Reckonable Expenditure | 119 | 119 | 0 | 0 | 0 | 0 |
| Interest on Receipts | -10 | -8 | | 2 | | 2 |
| Notional Income | -41,542 | -43,771 | 529 | -2,758 | | -2,229 |
| Total | 6,185 | 8,553 | 179 | 2,569 | -380 | 2,368 |

An explanation of the key variances is set out below:-

3.20.1 Stock variance – Subsidy will be increased in 2011/12 by £179k to reflect a reduction in stock numbers.

3.20.2 Government Support Variance:-

1. Management and maintenance Allowances will increase by £1.347m. Nationally, management allowances have increased by 2.25%. Brent will receive an additional £477k through this increase and through adjustments to the formula (in particular the national scaling factor). Nationally, Maintenance Allowances have increased by 2.25%. Brent will receive an additional £870k through this increase and through adjustments to the formula which includes updated data for crime and flats, and an updated geographical adjustment.
2. Almo Allowance – this allowance of £4.32m will be discontinued from 2011/12 onwards. The Almo allowance was a subsidy element to support the agreed capital borrowing for round 1 and 2 ALMOs. Brent borrowed £54m, and the subsidy was agreed at 8% interest, so our subsidy support was £4.32m. When this was agreed, around 2002, the Government stated that this favourable arrangement would only continue to 2010/11, after which, the interest rate would convert to the Council's consolidated rate of interest (CRI). Our CRI is currently estimated to be 4.6%, and therefore we will receive £2.484m via capital charges subsidy to replace the Almo allowance. There is a gap between what was subsidised through the ALMO allowance and what will be subsidised through Capital Financing subsidy of £1.836m, and this will fall to be met by the HRA budget from 2011/12.

3. Capital charges – see ALMO allowance in paragraph above.
4. Major Repairs Allowance (MRA) – MRA will increase in 2010/11 to reflect that national increase in allowances of 2.25% which is an increase of £414k, and the MRA is increased by a further £5.4m to reinstate the £5.4m MRA that was brought forward from 2010/11 into 2009/10.
5. Notional income (also known as guideline rents) - , representing a withdrawal of subsidy, this subsidy element has been increased nationally by 6.8%, which means a reduction in subsidy for 2011/12 of £2.758m.

3.20.3 Other variance of £380k reflects a reduction in subsidy due to lower interest rates. This reduction in subsidy will be offset by a reduction in the capital charges that will fall to the HRA, and will therefore be broadly neutral.

Rent Restructuring

- 3.21 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 2011/12 rent setting purposes, the date for convergence under rent restructuring has been dropped back to 2015/16 (in 2010/11 it was 2012/13). Otherwise, the methodology is the same as used in 2010/11 but with factors rolled forward one further year.
- 3.22 For 2011/12, under the national formula, rents will increase at an individual level by 4.6% (RPI *plus* 0.5% real increase *plus* 1/5th towards the target rent. At an individual level, rent increases will be limited to an increase of no greater than 4.6% plus 0.5% plus £2, and will also be subject to the following rent level caps by bed size:

Bed Size Caps 2011/12

| Size | Cap £ |
|-------------|------------------|
| Bedsits | 119.66 |
| 1 Bed | 119.66 |
| 2 Bed | 126.70 |
| 3 Bed | 133.74 |
| 4 Bed | 140.78 |
| 5 Bed | 147.81 |
| 6 Bed | 154.86 |

3.23 By following the Rent Restructuring formula at individual dwelling level, Brent's overall average rent for 2011/12 should increase by 6.14%.

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 £1.50 and £2 | 1 |
| Between £2 and £3 | 65 |
| Between £3 and £4 | 941 |
| Between £4 and £5 | 1,186 |
| Between £5 and £6 | 4,149 |
| Between £6 and £7 | 2,890 |
| Between £7 and £8 | 8 |
| Total | 9,240 |

3.24 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 | 7.83% |
| 1 | 7.19% |
| 2 | 6.41% |
| 3 | 5.33% |
| 4 | 4.38% |
| 5 | 3.96% |
| 6 | 4.59% |

3.25 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 6.14%.

| Band | No of Properties | Ave increase in £ per property | Rental Increase over Previous Yr |
|--------------|-------------------------|---------------------------------------|---|
| 1% to 2% | 4 | 2.03 | 423 |
| 2% to 2.5% | 13 | 2.58 | 1,741 |
| 2.5% to 3% | 252 | 3.19 | 41,863 |
| 3% to 4% | 973 | 3.79 | 191,869 |
| 4% to 5% | 882 | 4.67 | 214,171 |
| 5% to 6% | 979 | 5.42 | 275,874 |
| 6% to 7% | 1664 | 5.93 | 513,292 |
| 7% to 8% | 4418 | 6.04 | 1,388,388 |
| 8% to 9% | 50 | 4.93 | 12,811 |
| 9% to 10% | 1 | 2.60 | 135 |
| Over 10% | 4 | 2.83 | 588 |
| Total | 9,240 | 5.50 | 2,641,156 |

Brent Housing Partnership (BHP) Management Fee

- 3.26 The agreement between the Council and BHP require each year that a management agreement fee is negotiated and agreed. The fee will be consistent with delivery plan requirements and the general requirement to reduce operating costs on a year by year basis. In general terms the management fee negotiations are based upon 2/3% efficiency savings plus pro rata reductions based upon loss of stock under management. This formula has facilitated continuous reductions in the management fee and thus enables BHP to manage future risk in a coherent manner. The risk for changes to employer pension contributions remains with the Council. Therefore the HRA will benefit from the anticipated reduction in contribution rates for 2011/12 through an adjustment to the management fee. The affect on BHP's financial resources will need to be assessed, in particular with regard to pension liabilities and Financial Reporting Standard 17 (FRS17) however the cash impact on BHP will be neutral. BHP's accounts are published in accordance with the United Kingdom General Accepted Accounting Practice (UK GAAP). The accounts to 31st March 2010 were unqualified.
- 3.27 BHP has achieved operating surpluses derived from a combination of the activities of its Direct Labour Organisation (DLO), the management of Brent Council's direct leasing scheme (for homeless households) and the management fee itself. These surpluses are negated through accounting requirements concerning pension liabilities (FRS17) and depreciation on acquired properties. Surplus cash, with the consent of the Council, has been invested, on a temporary basis, in support of BHP's acquisition strategy (that materially assists the Council with its housing priorities).
- 3.28 The purpose of cash surpluses is to enable BHP to manage its affairs on a prudent basis. This cash surplus enabled BHP to successfully manage a voluntary redundancy programme in 2010/11 i.e. to fund the redundancy payments and additional contributions to the pension fund. As at 31st March 2010, BHP's reserves were a negative £11.6M.
- 3.29 BHP has sought to plan for budget reductions and saving to reflect stock loss and efficiency savings on an annual basis and to be in a position to anticipate the financial climate rather than respond to changes on an ad hoc uncoordinated basis.
- 3.30 BHP has achieved savings through a combination of reductions in posts, undertaking some functions direct that were formerly carried out by external companies and taking on additional services with no increase in the management fee (e.g. Disabled Facilities Grants (DFGs)). BHP continues to review its services through the assistance of Vanguard Consulting. BHP's Value for Money strategy (that has board approval) has confirmed that BHP's preferred approach is to use the systems thinking to drive out waste and improve service delivery. The improvement in the repairs service via systems

thinking has confirmed the validity of the methodology and thus it is being rolled out in the whole of the company. Currently Housing Management, Estate Services and Leasehold Services are subject to review.

- 3.31 In 2006/07 BHP offered a voluntary redundancy scheme that enabled 16 staff to be managed out of the organisation, in September 2010 a further voluntary redundancy scheme was approved by the board which was integral to a general review of the company's structure. In total a further 16 posts were removed from the establishment which represents approximately 10% reduction in staffing costs. The total annual savings is over £700K per annum.
- 3.32 BHP will be further reviewing its operations in the light of the service reviews; moreover consideration will need to be given to the impending HRA review which will have considerable impact on council housing finances. Whilst BHP is currently subject to a review concerning the continuation of its management agreement beyond its expiry in September 2012, the view of the board is that the business remains a 'going concern'.
- 3.33 It is recommended that the Director of Housing and Community Care in consultation with the Director of Finance & Corporate Services is delegated authority to agree the management fee (subject to Member instructions/directions) for 2011/12. 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

- 3.34 BHP has a risk management strategy that identifies the 'top ten' risks and is regularly reported to its board. As part of the development of the budget, officers have sought to consider the main associated risks. These risks are set out below:-
- 3.34.1 Performance on rent collection remains generally good. As indicated in last year's report the current economic environment creates a challenge for BHP and the income management officers in particular. Whilst most of the changes in Housing Benefit regulations in the main do not affect council (social) housing tenants, nevertheless there are changes which could materially affect collection performance e.g. reduced HB for those on job seekers allowance.
- 3.34.2 The recovery of Leaseholder Service Charges (Major Works) remains a challenge for officers and compliance with legislation is often difficult. In addition there are often differences between tenants and leaseholders in respect for works undertaken. For instance work to a communal area may well be considered favourably whilst a leaseholder may view such expenditure as not strictly necessary under the lease and thus not recoverable.
- 3.34.3 The main risk to the Council's stock, in the medium term is the sufficiency of the proposals, due out shortly concerning the HRA review

3.35 At this stage the overall operational risks needs to be analysed in the context of the HRA review which is understood to be due shortly. This will establish the overall viability of the Council's stock of dwellings.

Revised Budget 2010/11

3.36 A summary for the forecast outturn for the HRA for 2010/11 is contained on Table 1 on Appendix 1. It can be seen that net expenditure is predicted to be £708k in 2010/11, which when compared to the budget of £500k, represents a forecast overspend of £208k. Additionally the surplus balances brought forward from 2009-10 exceeded the budget by £208k. Taking account of this, the 'surplus carried forward' to 2011/12 is forecast to be £466k which is in line with the original budget.

3.37 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:-

- Housing Subsidy – this reflects an additional £8k income for management and Maintenance allowance.
- Rental Income - Following a detailed review of income from Council tenanted dwellings, officers now forecast that rent income in 2010/11 will be £122k less 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 includes the sale of dwellings to BHP as part of the Granville New Homes sale agreement.
- Non Dwelling Rent – This reflects the reduction of £6k income from garages, due to stock loss.
- Other Income – HRA Notional Interest Income is forecast to reduce by £345k. The HRA determinations require the Council's General Fund Account to pay the HRA an notional interest charge based on HRA balances. Officers are currently reviewing this budgeted; and it is expected that the income will be reduced by £345k, due to a significant reduction in the applicable interest rate.
- General Management – Officers currently forecast an overall underspend of £137k. The service units operational cost within the HRA are forecast to underspend by £239k, which is mainly due to efficiency savings and unfilled vacant posts. This underspend is offset by a forecast shortfall of £103k in service charge income from Right to Buy (RTB) Leaseholders.

- Special Management – Officers currently forecast an under-spend of £120k which relates to communal lighting expenditure, and follows a review and detailed reconciliation of the spending on communal billing.
- HRA surplus brought forward – the final audited HRA for 2009/10 showed a surplus of £2,174k, which exceeded the budget of £1,966k by £208k. The main reasons for this were favourable variances on rent income, and the bad debt provision budget.

Draft Budget 2011/12

- 3.38 In considering the budget estimates for 2011/12, Members need to consider the policy and legislative framework within which the estimates have been formulated.
- 3.39 Estimates have been compiled on the basis of guidance for budget preparation (issued by the Director of Finance and Corporate Services) 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 ignores 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:-
- 3.39.1 Growth – No growth is included in the draft budget – see section from paragraph 3.41 below on growth proposals for 2011/12.
- 3.39.2 Allowance for inflation – Budgets have been prepared on an outturn basis and include an allowance of 0% for pay, and a 1% increase for employers' national insurance contributions. For non pay price rises, a general increase of 0% has been used, except for repairs, cleaning, and Grounds maintenance, which in line with their contracts, an inflation factor of 2.71% has been included. The Employer's Superannuation Contributions for BHP staff has been reduced from 14.1 to 12.6%, and for Council Staff remains at 23.1%.
- 3.39.3 Stock Loss/Efficiency Savings – Applicable budgets have been reduced by 0.34% to reflect the estimated stock loss in 2011/12, plus a further efficiency savings arising from one Council and other (BHP reviews). Expenditure has been decreased by a net £924k to reflect these savings.
- 3.39.4 Subsidy – See paragraph 3.19 above.
- 3.39.5 No rent increase for 2011/12 has been assumed within the draft budget.

- 3.40 The draft budget for 2011/12 is set out on table 1 on appendix 1. The draft budget (excluding balances) shows a deficit of £3.695m. The table below shows how this deficit has been compiled:-

| Description | £000 |
|-------------------------------------|--------------|
| Housing Subsidy excl Almo Allce | 1,410 |
| Almo Allowance (net) | 1,836 |
| Inflation | 545 |
| Technical | 30 |
| Stock Loss/Efficiency Savings (net) | -924 |
| Funded from balances in 09-10 | 708 |
| One off savings in 2010-11 | 90 |
| Total | 3,695 |

Growth 2011/12

- 3.41 Members agreed an additional Capital Programme of £6m for 2010/11 for Health and Safety Works (£3m) and Council dwelling window replacement/building envelope/decorations works (£3m). Members also agreed that the additional debt charges of £300k arising from this (£150k in 2010/11 and a further £150k each year from 2011/12 onwards) should be met by a reduction in the HRA Direct Revenue Financing Budget. As interest rates have reduced slightly, the growth now needed for 2011/12 is £138k, to be funded by a reduction in the HRA Direct Revenue Financing Budget. Members are asked to agree this revised growth/funding for 2011/12.
- 3.42 ALMO Interest Rate Adjustment – The Government have confirmed that the Almo Allowance (£4.32m income for Brent) will be discontinued from 2011/12 onwards. The Almo Allowance was a subsidy element to support the agreed capital borrowing for round 1 and 2 ALMOs. Brent borrowed £54m, and the subsidy was agreed at 8% interest, hence the subsidy support or Almo Allowance was £4.32m. When this was agreed, around 2002, the Government stated that this favourable arrangement would only continue to 2010/11, after which, the interest rate would convert to the Council's consolidated rate of interest (CRI). Brent's CRI is currently estimated to be 4.6% but this will rise significantly following the comprehensive spending review. Therefore we will receive £2.484m via capital charges subsidy to replace the Almo allowance. There is a gap between what was subsidised through the ALMO allowance and what will be subsidised through Capital Financing subsidy of £1.836m, and this will need to be met by the HRA budget from 2011/12. This change has been anticipated and Members have, in the previous two years budget reports, agreed to establish some resources to try and smooth out the impact of the change. In particular, £2.2m has been set aside in earmarked reserves to fund a transition, and a budget of £183k has previously been established. It is now proposed that Members agree to growth of £977k in the 2011/12 budget for this, and that it is noted that further growth of £169k will need to be agreed each year from 2012/13 to 2015/16.

Balancing the Budget

- 3.43 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.
- 3.44 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).
- 3.45 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).
- 3.46 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) | 3,695 |
| Growth | 138 |
| Growth Funding Proposal | -138 |
| Growth Round 2 Interest | 977 |
| From Earmarked Reserve | -1836 |
| Subtotal | 2,836 |
| Product of Service Charge Increase | -128 |
| Product of Rent Increase | -2,641 |
| Revised Deficit | 67 |

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

| Description | £000's |
|------------------------|---------------|
| Use of Balances | 67 |
| Revised Deficit | 0 |

Use of balances – Members have historically budgeted to maintain HRA balances at £400k. The proposals set out above maintain that policy and at the same time provides for a balanced HRA budget.

Other Budget Strategy Options

- 3.47 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.

3.48 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 2011/12 has been increased by 6.3%.

3.49 Alternatively, Members could raise rents at a rate below convergence levels (i.e. less than 6.14% on average), or indeed freeze or reduce average rents. This would mean that the Council would not be following rent restructuring policy, and members would need to agree additional specific savings over and above those savings already included in this report. Any additional savings would need to come from operational or service related costs (such as repairs).

The following table sets out the income generated by various percentage rent increases ranging from 0% to 6.14%, and the table sets out the additional savings that would need to be identified in order to achieve a balanced budget:-

| Percentage Increase | 0% | 1% | 2% | 3% | 4% | 5% | 6.14% |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| | £m | £m | £m | £m | £m | £m | £m |
| Income Generated | 0 | 0.433 | 0.867 | 1.265 | 1.738 | 2.125 | 2.641 |
| Additional Savings to be Identified | 2.641 | 2.208 | 1.774 | 1.376 | 0.903 | 0.516 | 0 |

Brent Housing Partnership (BHP) and the Consultation Process

3.50 On 26th January 2011 BHP's Finance and Audit Sub Committee met to receive a briefing from the Director of Housing and Community Care and the Assistant Director Strategic Finance Housing and Community Care on the draft HRA budget proposals for 2011-12. BHP board members received an open invitation to attend. Those members present represented all the constituent elements of the board i.e. councillors, 'independents' and residents, the Chair of the board was in attendance. The BHP Sub Committee agreed the following resolution:-

- *BHP welcomes the opportunity to discuss, each year, the HRA Budget with senior council officers.*
- *Members received a full briefing from council officers on the technical financial issues concerning the HRA for next year and the policy context.*

They also had the opportunity to question those officers on matters of detail in addition to policy.

- Board Members were particularly pleased at the financial stability of the HRA which materially assists in the delivery of quality services to residents. They consider that this financial stability has been achieved through the continual good working relationship between the parties over a number of years. Members were impressed with the forward financial planning which has successfully enabled the HRA to accommodate material reductions in resources over a number of years. The committee was particularly pleased with the means by which substantial reductions in subsidy arising from the technicalities associated with the Decent Homes programme have been anticipated and reductions managed with BHP's full engagement. This approach material assists BHP in the planning for delivery of services.*
- Given the HRA Budget for 2011/12 is possibly the last under the current subsidy regime, BHP considers that the HRA review is vital for the future viability of the stock. Members are very encouraged by the collaborative work between BHP and the Council concerning the commissioning of stock condition surveys and wish for this collaboration to continue throughout the HRA review. In addition, given the review commissioned by the Council into the future of the ALMO and other stock management options, BHP also wishes to participate collaboratively with the Council during the decision making process. In BHP's view, the material issues arising on the HRA and the management arrangements are far more pertinent than what is possibly the final year of the current HRA financing regime.*
- On the basis of the Draft Budget as presented, BHP is fully satisfied with this report's recommendations.*

Non HRA Stonebridge Dwellings

- 3.51 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.
- 3.52 The Council currently owns 346 properties under this scheme. 320 of these are tenanted properties, 12 properties are currently void, and 14 properties are let on a leasehold basis. One property was purchased by its tenant under right to buy during the year and its purchaser is now one of the leaseholders.
- 3.53 Hillside Housing Trust manages these properties on the Council's behalf through a PFI contract.

- 3.54 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.
- 3.55 The income and expenditure associated with these Stonebridge dwellings (which will be broadly neutral in 2011/12) will be included in the Council's General Fund budget.
- 3.56 Last year, for 2010/11, the Council agreed an average rent decrease of 0.5% and an average service charges decrease of 37.8%. The overall average reduction in 2010/11 was 3.2%.
- 3.57 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).
- 3.58 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 2011/12, the RPI is the Retail Price Index at September 2010, which was 4.6%):-
- Where rents are below target rent level – they should be increased by 4.6% (RPI) + 2%. This means that they should increase by 6.6%.

However, this is subject to a limit on the lower of:-
 - the target rent at an individual level; or
 - 4.6% (RPI) + 0.5% + £2;
 - Where rents are at target level – they should be increased by 4.6% (RPI) plus 0.5%. This means that they should increase by 5.1%.
- 3.59 Taking account of the framework set out in the PFI contract, the following table sets out the 2010/11 actual rent and the proposed rent levels for 2011/12.

| | Rent 2010-11 £ | Rent 2011-12 £ | Increase/ (Decrease) £'s | Increase/ (Decrease) % | No | Total Increase/ (Decrease) £ |
|------------------|----------------------|----------------------|--------------------------------|------------------------------|------------|---------------------------------------|
| 1 Bed Flat | 84.87 | 89.20 | 4.33 | 5.1% | 85 | 19,139 |
| 2 Bed Flat | 97.78 | 104.23 | 6.45 | 6.6% | 45 | 15,093 |
| 1 S/croft Elders | 84.87 | 89.20 | 4.33 | 5.1% | 15 | 3,377 |
| 2 S/croft Elders | 97.78 | 104.23 | 6.45 | 6.6% | 3 | 1,006 |
| 2 Bed House | 109.14 | 114.71 | 5.57 | 5.1% | 36 | 10,427 |
| 3 Bed House | 119.61 | 125.71 | 6.10 | 5.1% | 77 | 24,424 |
| 4+ Bed House | 125.92 | 132.34 | 6.42 | 5.1% | 71 | 23,703 |
| Total | 1,833,508 | 1,930,677 | 5.63 | 5.3% | 332 | 97,169 |

This table shows that the range of the rent change is from an increase of £4.33 to £6.45, and that the average overall rent change (excluding Service Charges) for 2011/12 will be an increase of £5.63 per week, which is an average increase of 5.3%. Members are asked to agree this.

This will increase the average rent (excluding service charges) from £106.20 to £111.83 and will result in an increase of £97k in rent income per annum (when comparing the full year effect of 332 dwellings), which will, in line with the PFI contract, be offset by a reduction in the unitary charge in 2011/12. The overall impact of this will therefore be broadly neutral on the Council's budget.

3.60 For service charges, service contracts were tendered out in 2008/09. Those contracts contained annual price uplifts linked to the Retail Prices Index (RPI). RPI for the relevant period (Sept 09) for calculating the service contract fee for 2010/11 was negative, which led to a reduction in costs for 2009/10. However, the relevant RPI for the coming year (Sept 10) was an increase of 4.6%. The costs are therefore higher than they were in 2010/11 but, with the exception of Service charges for Southcroft Elders block, the charges for 2011/12 remain lower than they were in 2009/10. The costs at Southcroft, an Elders block, remain high in comparison with other homes because they receive additional services. For example, their communal areas are cleaned daily whilst general needs properties only have their communal areas cleaned once a week.

3.61 All of the costs used in calculating the Hillside Service Charges are based on the estimated actual costs of providing those services. Because of the negative RPI used for 2010/11, Hillside absorbed costs for Service Charges in 2010/11 that were more expensive than the amount charges to residents. More realistic assumptions, including projections based on actual costs in the preceding year and predictable price rises, have had to be made for the coming year. It is necessary to factor in the increase of VAT to 20% and an allowance of 7% for increases in charges for communal water and electricity in addition to the uplift of 4.1% in the service contract costs. The collection of bulk refuse continues to be an expense to Hillside Housing Trust and an amount based on the costs incurred for it last year is included in this year's charges.

- 3.62 The service charge for houses on Hillside, (and a few of the flats with their own entrance but no entryphone) has increased to £1.05 per week for 2011/12. The additional charge of 63p is to meet the costs of the Communal Aerial service which is supplied to all of the houses. This was accidentally omitted in previous years and has been picked up in this year's figures. This rise, plus 28p contribution towards grounds maintenance and 14p administration charge, brings the cost for houses up to £1.05 (equalling an increase 262.10% over 2010/11), which is still lower than the average of £1.76 charged in Service charges to Houses in 2009/10.
- 3.63 Hillside does not divide the service Charges up according to bed size of the units but the Service charges are directly worked out by the costs of providing the services that every block receives.
- 3.64 As a result of this process, Hillside Housing Trust have notified us that they propose to increase service charges in 2011/12. The following table sets out the average proposed Service charges in 2011/12 and the compares this to the Service Charges for 2010/11:-

| | Average Service Charges 2010-11 | Average Service Charges 2011-12 | Increase £'s | Increase % | No | Total £ |
|------------------|--|--|---------------------|-------------------|------------|----------------|
| 1 Bed Flat | 8.82 | 13.72 | 4.90 | 55.6% | 85 | 21,658 |
| 2 Bed Flat | 8.69 | 13.95 | 5.26 | 60.5% | 45 | 12,308 |
| 1 S/croft Elders | 31.32 | 36.35 | 5.03 | 16.1% | 15 | 3,923 |
| 2 S/croft Elders | 31.32 | 36.35 | 5.03 | 16.1% | 3 | 785 |
| 2 Bed House | 0.29 | 1.05 | 0.76 | 262.1% | 36 | 1,423 |
| 3 Bed House | 0.29 | 1.05 | 0.76 | 262.1% | 77 | 3,043 |
| 4+ Bed House | 0.29 | 1.05 | 0.76 | 262.1% | 71 | 2,806 |
| Total | 91,409 | 137,355 | 2.66 | 50.3% | 332 | 45,946 |

This table shows that the overall proposed average Service Charge increase for 2011/12 will be £2.66 per week, being an average increase of 50.3% over 2010/11 charges (but it is important to note that with this increase, the service charges on average remain lower than the 2009/10 charges) . The impact at individual level will depend upon the specific dwelling type and the service charges allocated to that dwelling. This proposal will increase the average service charge from £5.29 to £7.96 and will result in £46k more service charges income per annum (when comparing the full year effect of 332 dwellings) , which will, in line with the PFI contract, be used to pay an increased unitary charge in 2011/12. The overall impact of this will therefore be broadly neutral on the Council's budget.

- 3.65 The combined effect of the proposals for rents and service charges changes at Stonebridge for 2011/12 are set out in the following table:-

| | Average Rents & Svce Chge 2010-11 £ | Average Rents & Svce Chge 2011-12 £ | (Increase) £'s | (Increase) % | No | Total Increase £ |
|------------------|--|--|---------------------------|-------------------------|------------|---------------------------------|
| 1 Bed Flat | 93.69 | 102.92 | 9.23 | 9.9% | 85 | 40,797 |
| 2 Bed Flat | 106.47 | 118.18 | 11.71 | 11.0% | 45 | 27,401 |
| 1 S/croft Elders | 116.19 | 125.55 | 9.36 | 8.1% | 15 | 7,301 |
| 2 S/croft Elders | 129.10 | 140.58 | 11.48 | 8.9% | 3 | 1,791 |
| 2 Bed House | 109.43 | 115.76 | 6.33 | 5.8% | 36 | 11,850 |
| 3 Bed House | 119.90 | 126.76 | 6.86 | 5.7% | 77 | 27,467 |
| 4+ Bed House | 126.21 | 133.39 | 7.18 | 5.7% | 71 | 26,509 |
| Total | 1,924,917 | 2,068,033 | 8.29 | 7.4% | 332 | 143,115 |

This table shows the combined impact of the proposed average rent and Service Charge increase at Stonebridge for 2011/12. The net impact on tenants will on average be an increase of £8.29 or 7.4%, although the actual impact will depend upon the dwelling type and the specific service charges that are being incurred by that dwelling.

Conclusion

3.66 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 2011/12 and the level of rents for Council dwellings in 2011/12.

4.2 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 requires 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 2011/12 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 Under section 76(8) of the Local Government and Housing Act 1989, 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 2011/12 on 28 February 2011, when the Full Council will meet.
- 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. Further changes to the subsidy and Housing Revenue Account system are proposed in the Localism Bill.
- 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. However, the provisions of the Localism Bill propose to abolish the TSA and transfer the regulatory functions of the TSA to the HCA.
- 5.11 The Localism Bill, which was published in December 2010 and passed its Second Reading Stage in the Housing of Commons on 17 January 2011, includes proposals to reform the Housing Revenue Account Subsidy System by replacing the current system with a self financing system from April 2012. The bill includes powers for the Secretary of State to set the figure at which Councils buy themselves out of or are paid, to exit the subsidy system (essentially the level of debt individual Councils are required to take on, or have repaid, to put the self financing system in place). This is likely to have important implications for the Council’s HRA from 2012/13 onwards and may impact on the future role of BHP.

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 2010/11 included the following:-

6.2.1 In the last report (2009/10), it was noted that the Trusted Assessor scheme was re-evaluated following the loss of the Supporting People Grant; BHPP now has a devolved budget from Brent to further improve the management and processing of adaptations. This has led to the training of 6 BHP Officers and now actively supports the referral and assessment for adaptations for vulnerable tenants.

6.2.2 A new Equality & Diversity Strategy has been developed, to encompass the Equality Act 2010. A pilot Equality Impact Assessment (EIA) tool kit has been developed and tried, with a view to apply this from April 2011. However, these tool kits are being reviewed and evaluated to reflect the new changes in current legislation regarding public sector compliance. Further review is planned for the applicability of the new EIA toolkit. The pilot tests carried out with the EIA showed a positive outcome with 'low risk'. The service areas looked at included Neighbourhood Services, Tenancy and Antisocial Behaviour. The added value of the EIA is the enhanced diversity data that is now available.

A programme of equality awareness training has been rolled out and this has had a very positive impact on awareness and customer satisfaction, particularly vulnerable residents.

6.2.3 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. We have now extended the criteria to consider routine maintenance for the most vulnerable who meet the eligibility criteria. The service continues to help with resolving complaints from neighbours resulting from unkept gardens which often pose significant health and safety risks to the residents and the general public.

6.2.4 Diversity Data Profile: BHP now have a much enhanced (about 90%) equality data for tenants. They attempted to obtain same from leaseholders but faced significant challenges as the responses were very low due to respondents declining to provide the relevant data. Presently, there is on-going evaluation of this data to be able to utilise it to improve service delivery. One of the feedbacks obtained from tenants was that they (tenants) wanted to know what we would do with these data, including the confidential strands – i.e. sexuality and faith. We have therefore controlled who has access to the information we collected and collated. Only authorised officers would have access to individual records to ensure that confidentiality obligations are maintained.

7.0 Staffing/Accommodation Implications

7.1 Decisions made by the Executive on expenditure and rent levels can materially affect staffing numbers. There are no direct Council staffing

implications arising directly from this report, however the HRA budget does partly fund some staff that are effected by the Council's ongoing One-Council reviews". The impact on these staff will be reported separately, under the specific reviews.

8.0 Background Information

2011/12 Housing Revenue Account Subsidy Determination
2011/12 Housing Revenue Account Determinations
2011/12 Housing Revenue Account Budget Working Papers

Any person wishing to inspect the above papers should contact:

Eamonn McCarroll
Assistant Director – Strategic Finance
Finance and Corporate Resources
5th Floor
Mahatma Gandhi House
34 Wembley Hill Road
Wembley
Middlesex HA9 8AD

Tel: 020-8937-2468

Email: eamonn.mccarroll@brent.gov.uk

Martin Cheeseman
Director of Housing and Community Care