

Extract from Adults Communities and Wellbeing 23<sup>rd</sup> January 2023 – showing elements relating to the HRA only.



### NOTES OF THE BUDGET TASK AND FINISH GROUP FOR ADULTS, COMMUNITIES AND WELLBEING (INCLUDING HRA)

#### Housing & Communities

Members received a presentation detailing the service objectives for both Housing & Communities. The comments relating to the Housing Revenue Account (HRA) are set out below:

#### Housing

- Stabilise frontline services by recruitment to staffing vacancies & reduce agency spend.
- Demonstrate how we can meet the need for affordable housing and which provide homes for the future for our tenants.
- Develop an overarching Housing Strategy; a Homelessness and Rough Sleeping Strategy to ensure we meet the requirements of the Homelessness Reduction Act and provide more preventative solutions; and an approach to providing Housing for Care which will enable older people and vulnerable residents to retain independence for longer in their own homes.

**Members were keen to know what future plans for building more NNC council houses would be. There had been a good record of accomplishment by former councils of building new houses, and members were keen for this to continue. Ensuring that RTB receipts were spent before deadline was imperative, otherwise receipts would be lost.**

Future plans for new build were currently being explored. This was subject to reprofiling as both increases in cost of construction and increase in interest rates were having a negative impact. Any future capital programme needed to be sustainable.

**It was noted that temporary accommodation was still being used, and members recognised that this facility would be required in the future given increasing demands on the service. Members were keen to have assurances that NNC was maximising its stock and any individual's residency in temporary accommodation was minimised.**

It was confirmed that a review of the Council's use of temporary accommodation was currently subject to review to drive down costs and improve consistency of good practise. NCC was seeking to achieve a £200k reduction in costs for 2023/24.

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**Members asked when the review of temporary accommodation would be completed.**

Likely to be the early part of the new financial year.

**Members recognised the work that had been commenced on integrating the two former housing services into one service. Whilst recognising this was a process that needed to be appropriately planned and managed the creation of a single service was key to the Council's transformation agenda and ensuring that costs were minimised and savings reinvested. Given that trades at the DSOs were a particularly high-level of agency spend this needed to be prioritised.**

There was one HRA however there were still two separate trading accounts. The intention was to amalgamate these two accounts, though no deadline for this was in place. It was a complicated issue that needed to be addressed in a step-by-step approach ensuring that all appropriate checks and balances were in place.

Work on amalgamating frontline services to customers was well underway and ensuring both former housing services were working in unison and at a consistent level.

The corporate work being undertaken on Pay & Grading would hopefully assist in the retention and recruitment of staff. Where necessary following this exercise, the use of market supplements may be considered.

### Neighbourhood Accounts Budget Changes 2022/23 to 2023/24

**Members noted the 7% rental increase proposed for 2023/24, whilst recognising that this would still leave the HRA with significant financial pressures. It was noted that the current estimate for future years was 4%.**

**Members queried debt repayment for the HRA and whether payments were on schedule.**

It was confirmed that both former CBC & KBC debt repayments were on schedule. The two repayment strategies were slightly different but neither were currently causing any concern.

**With regard to the proposed move of reserves to cover increased investment in Repairs and Maintenance clarity was requested.**

Primarily as a result of lockdown there was a backlog in repairs to Council properties. Whilst new repair requests could be met there was a need to invest further funds in reducing this backlog. It was being proposed that there was a one-off increase in funding in 2023/24 to achieve this. The availability of trades to complete this work was also a factor.

**It was noted that the stock valuation was going to result in an increase of Revenue Contribution to Capital of £999k Corby & £540k Kettering. This was positive and resulted as a consequence of the increase in house prices.**

## APPENDIX D

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**Members recognised that should house prices fall in the future this may need to be reviewed.**

It was confirmed that this was a technical adjustment to comply with Government accountancy rules.

**Members were keen to ensure that the two DSOs shared best practise and that economies of scale could be achieved.**

It was noted that the DSOs were working towards a single supplier contract which should result in both savings and efficiencies.

**Members again expressed a desire to see the unification of the two accounts into one.**

This was being worked on and officers had started to map out the process for achieving this. It would not be a simple task but it was stressed that NNC does have a single HRA with two neighbourhood accounts. There was no deadline for this work to be completed however progress was being made and could be monitored by Members.

**Members queried reference made during the presentation to the Tenant Advisory Panel and queried the composition of this.**

It was stated that there were 8 representatives from each neighbourhood (Corby & Kettering) and the composition of this and membership would be provided.

**It was noted that in 2023/24 there were increases in Repairs & Maintenance proposed of £500k Corby & £400k Kettering, then a reduction in growth bid to £100k for each.**

It was confirmed that this was to address the backlog in both areas during 2023/24 then reduce in subsequent years to a more sustainable increase in budget.