

# Housing Management Board Agenda



**Date:** Tuesday, 19 February 2019

**Time:** 6.00 pm (*a pre-meeting for tenant representatives will be held from 5.30pm*)

**Venue:** City Hall Meeting Spaces - First Floor - 1P 09 -  
City Hall, College Green, Bristol, BS1 5TR

## **Distribution:**

**Councillors:** Paul Smith, Charlie Bolton, Nicola Bowden-Jones, Harriet Clough, Richard Eddy, Paul Goggin and Jo Sergeant

### **Tenant Representatives**

**Copies to:** Liz Cheetham (Tenant Participation Team), Julian Higson (Director of Homes and Landlord Services) and Sarah Spicer (Business Planning Manager)

**Issued by:** Corrina Haskins, Democratic Services

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**Date:** Monday, 11 February 2019



# Agenda

## 1. Welcome, Introductions and Apologies for Absence (6pm)

## 2. Minutes of the Previous Meeting - 27 November 2018

To confirm as a correct record.

(Pages 4 - 7)

## 3. Public Forum

Up to 30 minutes is allowed for this item.

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to [democratic.services@bristol.gov.uk](mailto:democratic.services@bristol.gov.uk) and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on 13 February 2019.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on 18 February 2019.

**Please note, your time allocated to speak may have to be strictly limited if there are a lot of submissions. This may be as short as one minute**

## 4. Shelter - A Vision for Social Housing (Penny Walster 6:15)

A guest speaker from Shelter will be attending to discuss their recent paper setting out their vision for the future of Sheltered Housing. Please see the below link:

[https://england.shelter.org.uk/\\_data/assets/pdf\\_file/0005/1642613/Shelter\\_UK\\_-\\_A\\_vision\\_for\\_social\\_housing\\_full\\_interactive\\_report.pdf](https://england.shelter.org.uk/_data/assets/pdf_file/0005/1642613/Shelter_UK_-_A_vision_for_social_housing_full_interactive_report.pdf)

## 5. 2019/20 Housing Revenue Account Budget (6:45)

An overview of the 2019/20 budget, to summarise the proposals agreed at Cabinet on the 22<sup>nd</sup> January 2019

(Pages 8 - 11)



## **6. Moving Forward Together (7:15)**

**To Seek Housing Management Board views on proposals to undertake a consultation exercise with tenants and leaseholders, to better understand their aspirations and priorities.**

## **7. Any Other Business**



## Bristol City Council Minutes of the Housing Management Board

27 November 2018 at 6.00 pm



### **Members Present:-**

**Councillors:** Paul Smith, Harriet Clough and Richard Eddy

**Tenants:** Kerry Bailes, Peter Daw, Juliette Henderson, Christine Jory and Richard White

**Leaseholder:** Judith Davis

**Officers in Attendance:-** Liz Cheetham (Tenant Participation Team), Julian Higson (Director of Homes and Landlord Services), Sarah Spicer (Business Planning Manager) and Corrina Haskins (Democratic Services)

### **1. Welcome, Introductions and Safety Information**

Julian Higson, Director of Homes and Landlord Services, welcomed everyone to the meeting.

### **2. Apologies for Absence**

Apologies for absence were received from Councillors Nicola Bowden-Jones, Paul Goggin and Jo Sergeant.

### **3. Declarations of Interest**

There were no declarations of interest.

### **4. Public Forum**

There was no public forum.

### **5. Purpose of the Housing Management Board and Terms of Reference**

Councillor Paul Smith, Cabinet member for Housing, outlined the history of tenant/leaseholder participation in the Council and the reasons for re-establishing the Housing Management Board at this time:

- The previous Housing Management Board had not met for some time and its membership had included tenants/leaseholders appointed by Housing Officers;



- In re-establishing the Board, the Council wanted to give it higher prominence by:
  - convening it as a public meeting under the Council's committee structure;
  - ensuring that tenants/leaseholders agreed their own representatives on the Board at the six new local Area Housing Forums;
  - appointing a representative from this Board to sit on the Bristol Homes Board, which was a partnership of representatives from private and public bodies with an interest in housing, including private developers, housing associations, homeless charities, Bristol Disability Equalities Forum and Triodos Bank;
  - giving tenants/leaseholders the opportunity to influence decisions and identify priorities in a formal setting following the Government decision to remove the cap on Council borrowing to build new homes;
  - enabling tenants/leaseholders to challenge him in his role as Cabinet Member for Housing;
  - enabling tenants/leaseholders to consider the future direction of the service, following Julian Higson's recent appointment as Director of Homes and Landlord Services and his subsequent evaluation of the service and proposals for change.

The following points were raised:

- In relation to the new Local Housing Forums, it was noted that attendance had been low at the first meeting and that this could be the result of the closure of the area housing offices and increase in online transactions which had led to a decrease in the visibility of the Council for tenants. Councillor Smith responded that the Council's Housing Scrutiny Panel was looking at the issue of tenant participation and how to engage with tenants, and the Council would be continuing to produce paper copies of newsletters for those who were not online as well engaging with those who were via social media;
- It was noted that there were six councillors on the Board as well as the Cabinet Member, to reflect the political proportionality of the Council, many felt that this was top heavy and may be overwhelming for tenants/leaseholders. Councillors accepted this point and reassured tenants/leaseholders that they welcomed being challenged and acknowledged that tenants/leaseholders were bringing their own expertise to the Board;
- In relation to the suggestion that a tenant could be appointed as Chair of the Board, concern was expressed that chairing a meeting would inhibit a tenant from participating in the discussion and it was agreed that an independent chair be sought;
- It was agreed that a Council Tenant representative should be sought to sit on the Bristol Homes Board in the future and it was noted that meetings of that Board were open to the public and anyone was welcome to attend as an observer;
- It was agreed that any further comments on the terms of reference be forwarded to Sarah Spicer.

**Actions:**

- (1) An independent Chair to be sought for the Housing Management Board;
- (2) The Housing Management Board appoint a representative to sit on the Bristol Homes Board at a future meeting;



(3) Any further comments on the terms of reference to be forwarded to Sarah Spicer.

## **6. An introduction to the Housing Revenue Account (HRA) - Julian Higson, Director of Homes and Landlord Services**

Julian Higson, Director of Homes Landlord Services gave a presentation on the Housing Revenue Account (HRA), and drew attention to the following points:

- The definition of HRA was the money ring-fenced to spend on Council Housing including new housing, management repairs and associated community facilities;
- The Government decision to remove the rent cap and the Social Housing Green Paper had opened up more opportunities for the service, but there were still considerations such as the right to buy, bedroom tax and benefit caps;
- The annual report had revealed that satisfaction had increased from previous years in terms of new homes, caretaking and repairs, but the comments were less satisfactory in relation to anti-social behaviour complaints being resolved;
- Emerging priorities included reviewing the service to look at why, how and to whom homes were let and assessing the current stock to see what was and wasn't fit for purpose;

The following points, questions and clarifications were raised:

- Although the level of satisfaction with council housing was high overall, the Council recognised the need to increase standards and expectations;
- It would be useful for the Board to receive the quarterly performance indicators to monitor the service;
- In response to a question about whether tenants would be evicted if they had gone into arrears as a result of the changes to the benefit system or the introduction of the bedroom tax, JH confirmed that tenants would not be evicted for these reasons;
- The high cost of private housing had an impact on the availability of Council housing as fewer people were able to move out of council housing to buy or rent from a private landlord;
- There was a particular shortage of smaller properties available for young people as these types of properties were often earmarked for older people and also a shortage of properties accessible to disabled tenants;
- In response to a question about whether there was a register of adapted properties suitable for disabled tenants, JH responded that it was difficult to keep a register as adaptations were different depending on an individual's needs;
- In response to a question about the number of tenants with mental health problems, JH stated that it was difficult to map as tenants may not share this information, but he recognised that it was a significant proportion of tenants. Tenants agreed this was an increasing problem due to pressures on mental health care services and preventative support, and that the implications had a ripple effect on other tenants;
- In response to a question about whether the Council's new housing company Goram Homes would help with the shortage of affordable housing, it was noted that this company would operate outside the HRA, although it would help increase the availability of affordable housing in Bristol in the future;



- There is a difference between affordable housing and social housing, Bristol City Council lets their Council homes at social rent;
- In addition to the Goram Homes project, the City Council had a programme of building Council homes using the HRA;
- In response to a tenant's concern about consultation on the building of a wall around Council housing in Shirehampton, JH undertook to investigate further.

## 7. Date of Next Meeting

It was agreed that the next meeting should be in late February or early March, to feed into the next round of Area Housing Forum meetings, from 6pm-8pm with a pre-meeting for tenants at 5.30pm

## 8. Any Other Business

### a) 100 Year Anniversary of Homes for Heroes Celebration

Tenants/Leaseholders were informed that:

- the Council would be marking the 100 year anniversary of the 1919 "Addison Act" legislation, which led to building of the first Council houses and celebrations would be taking place in the estates built following the act in Sea Mills, Hillfields and Knowle;
- the Council had applied for a grant from the Heritage Lottery Fund.

### b) Bristol's Plans to be Carbon Neutral by 2030

In response to a comment about how any new council homes would need align with the Council's plans to be carbon neutral by 2030, JH acknowledged this and confirmed that some of the council homes had already been built at the required standard.

### c) Use of Resident Rooms and Community Spaces

In response to a concern about resident rooms and community spaces not being available to use at their full potential, tenants/leaseholders were advised to submit proposals to the Mayor of Bristol in response to his request for "big offer, big ask" suggestions from residents.

Meeting ended at 7.51pm

CHAIR \_\_\_\_\_



## Decision Pathway – Report Template

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**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 22 January 2019

<b>TITLE</b>	<b>Housing Revenue Account 2019/20 budget proposals</b>		
<b>Ward(s)</b>	All		
<b>Author:</b> Julian Higson	<b>Job title:</b> Director of Housing and Landlord Services		
<b>Cabinet lead:</b> Councillor Paul Smith	<b>Executive Director lead:</b> Colin Molton		
<b>Proposal origin:</b> BCC Staff			
<b>Decision maker:</b> Mayor			
<b>Decision forum:</b> Full Council			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>1. Note the requirement to reduce social rents by 1% for 2019/20 and the inflationary uplift in service charges for tenants and leaseholders.</li> <li>2. To seek approval to the proposals for the 2019/20 Housing Revenue Account (HRA) budget and the HRA Medium Term Financial Plan, which have been tested within a 30-year financial business plan model; and</li> <li>3. To approve proposals for the implementation of the capital and revenue investment plans.</li> <li>4. To delegate authority to the Strategic Director of Growth and Regeneration (with appropriate legal and procurement advice) in consultation with Cabinet Member for Housing, deputy mayor for resources, section 151 officer and the monitoring officer for the procurement of relevant contractors during 2019/20 to 2023/24 (covering the period of the 2019/20 budget and rolling five year planned maintenance budget, and the already planned phases 3 and 4 of the HRA new build schemes ) to deliver the capital and revenue investment plans as set out in detail in Appendices A2 and A3.</li> <li>5. Delegated authorities for the Service Director of Housing and Landlord Services to draw down from HRA revenue reserves to meet any loss of income during the year.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>1. The HRA is a separate ring-fenced account and covers all activities of BCC as a landlord of circa 28.5k housing stock</li> <li>2. The Council has a duty to develop a balanced HRA budget for the next financial year, as well as a sustainable long term business plan, which takes account of capital investment needs in its stock and the revenue costs of managing and maintaining it.</li> <li>3. A revised and updated HRA MTFP will come to Cabinet every year as part of the Council’s budget process.</li> <li>4. Appendix A1 sets out the HRA income and expenditure for 2019/20 and the HRA MTFP, but there follows a summary of the key information. Appendices A2 and A3 provide detailed information regarding the Housing Investment Plan (capital expenditure, and both capital and revenue investment in the housing stock of circa 28,500 homes).</li> <li>5. The main sources of income into the HRA are rent, service charges and capital receipts received from ‘council housing’. The HRA forecasts revenue of £122.6m in 2019/20, comprised of:             <ol style="list-style-type: none"> <li>a. <b>£113.3m</b> rental income (factoring in a 1% reduction per annum for the four year period from 2016 to 2020)</li> <li>b. Of this a percentage will be lost as no income is received while properties are void (empty) <b>-£1.5m</b></li> <li>c. <b>£8.5m</b> service charges</li> <li>d. <b>£2.5m</b> in charges for other assets, including garages and shops, and interest on balances.</li> </ol> </li> <li>6. The rental income forecast may alter following further consideration of the effect of the 53 week charging period on the required 1% annual reduction in rent payable. National discussions are being held regarding this issue. Bristol City Council is reviewing the approach taken to ensure it is not open to challenge.</li> </ol>			

7. There is also capital income, the main sources of which are:
  - a. Right to Buy (RTB) receipts of £16.9m in 2019/20, with £2.1m to be repaid to government, leaving £14.8m of useable receipts. Of these **£4.5m** will be utilised in 2019/20, the rest will be added to balances and carried forward to help support the capital programme in future years.
8. In 2018 Government removed the HRA borrowing cap (a Government-set limit determining how much money could be borrowed). With the removal of the headroom cap on local authorities, it has meant a larger and quicker development programme can be enabled. As part of determining the Council's capital financing requirement for 2019/20 and later years the HRA has added the requirement for an additional £43m borrowing to finance the next phase of its new build programme. For 2019/20 new homes will be financed by a mix of an extra £4.8m in borrowing and previously committed HRA funding, including RTB receipts.
9. Appendices A2 and A3 (Housing Investment Plan and HIP Summary), set out the investment plans for council homes for 2019/20, and include a view of the requirement over the following 4 years for information.
10. Other expenditure for 2019/20 includes:
  - a. £38.7m providing services to tenants including estate management, rent management, caretaking and services for older people (management and service costs)
  - b. £11.6m debt costs: servicing (but not repaying) £249m of HRA debt
  - c. £2.9m is the amount of money set aside to cover bad debts (i.e. older former tenants' arrears that are not recoverable)
11. The overall position of the HRA Business Plan has improved, and the plan is fully funded, due to:
  - a. The lifting of the HRA borrowing cap, which increases capacity and future revenue streams (as the new borrowing will finance the development of new homes that will increase the rental income stream)
  - b. Changes to the HRA new build programme, with a percentage sold for market sale with surpluses invested back into the HRA
  - c. A review of the Housing Investment Plan or 'HIP' (in previous years referred to as the Capital and Revenue Investment Plan)

**Cabinet Member / Officer Recommendations:**

1. Note the requirement to reduce social rents by 1% for 2019/20 and the inflationary uplift in service charges for tenants and leaseholders.
2. To seek approval to the proposals for the 2019/20 Housing Revenue Account (HRA) budget and the HRA Medium Term Financial Plan, which have been tested within a 30-year financial business plan model; and
3. To approve proposals for the implementation of the capital and revenue investment plans.
4. To delegate authority to the Strategic Director of Growth and Regeneration (with appropriate legal and procurement advice) in consultation with Cabinet Member for Housing, deputy mayor for resources, section 151 officer and the monitoring officer for the procurement of relevant contractors during 2019/20 to 2023/24 (covering the period of the 2019/20 budget and rolling five year planned maintenance budget, and the already planned phases 3 and 4 of the HRA new build schemes ) to deliver the capital and revenue investment plans as set out in detail in Appendices A2 and A3.
5. Delegated authorities for the Service Director of Housing and Landlord Services to draw down reserves to fund the projected spend, should there be changes in forecast income during the year.

**City Benefits**

1. Fifteen percent of housing in Bristol is owned and managed by Bristol City Council, therefore decisions about the HRA budget impact directly on a significant number of households, as well as contributing to delivery of objectives in the Council's Corporate and Housing strategies.
2. £60m of the HRA will re-invested in homes in 2019/20, helping to safeguard the value of HRA assets; positively impact on the well-being of residents; and ensuring health and safety obligations are complied with.

**Corporate Strategy alignment:**

The HRA business plan and budget proposals ensure a quality housing service contributing to the overall corporate objectives particularly around "fair and inclusive" (decent homes that people can afford) and "wellbeing" (healthy and more resilient communities).

**Consultation Details:**

Assumptions tested with HSLT and Cabinet Member in Oct 2018

<b>Revenue Cost</b>	<b>£122.8million</b>	<b>Source of Revenue Funding</b>	Housing Revenue Account
<b>Capital Cost</b>	<b>£51.8</b>	<b>Source of Capital Funding</b>	Housing Revenue Account
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

<b>Required information to be completed by Financial/Legal/ICT/ HR partners:</b>		
<b>1. Finance Advice:</b> The HRA budget proposals set out the strategic financial position. 2019/20 is the last year of the 1% rent reduction programme. An HRA MTFP is provided. A detailed Housing Investment Programme sets out the capital and revenue investment necessary to deliver the 30-year business plan.		
<b>Finance Business Partner:</b> Finance have been involved in updating the HRA Business Plan and have been involved in the production of the report. Paul Cook 11 November 2018		
<b>22. Legal Advice:</b> The Council is required to maintain, and review annually, a Housing Revenue Account in accordance with the provisions of the Local Government And Housing Act 1989 and directions issued thereunder. Approval of the HRA is a matter for the Mayor in Cabinet. The report seeks approval of the HRA budget, including its proposed revenue and capital spending plans, and also delegated authority for the Executive Director, Growth & Regeneration to implement the those plans, (as summarised in the appendices) including all procurement activities, without further reference to Cabinet and notwithstanding that individual contracts may exceed £500k. In effect this report is to be treated as a key decision by Cabinet authorising the Director, within the identified budgets, to commission/procure all necessary works and services. To ensure the implementation of the programme is lawful, all procurement and contracting activities must comply with the appropriate Procurement Regulations and the councils own procurement rules. Officers must also ensure the programme remains compliant with the Council's budget and policy framework. Sec 23 of the Welfare Reform and Work Act 2016 provides that in relation to each relevant year, registered providers of social housing must secure that the amount of rent payable in respect of that relevant year by a tenant of their social housing is at least 1% less than the amount of rent that was payable by the tenant in respect of the preceding 12 months. In order to comply with the legislation consideration is needed as to how that is achieved in a year when there are 53 chargeable periods. One option is to calculate the rent payable over the year on a daily basis.		
<b>Legal Team Leader:</b> Legal Team Leader: Eric Andrews, Team Leader, Legal Services - 19/12/2018		
<b>3. Implications on IT:</b> IT Services, like other Council departments, provides support services to the HRA account and these are noted within this report, as well as proposals for IT investment. These investments will continue the modernisation and upgrading of HRA IT systems. However, there are well established processes for addressing these matters so there are no significant impacts or IT implications arising from this report		
<b>IT Team Leader:</b> Ian Gale		
<b>4. HR Advice:</b> No anticipated HR implications		
<b>HR Partner:</b> Celia Williams, HR Business Partner – Growth and Regeneration		
<b>EDM Sign-off</b>	Colin Molton	20 <sup>th</sup> Dec 2018
<b>Cabinet Member sign-off</b>	CLlr Paul Smith	17 <sup>th</sup> Dec 2018
<b>CLB Sign-off</b>	Mike Jackson	08 <sup>th</sup> Jan 2019
<b>For Key Decisions - Mayor's Office sign-off</b>	????	10 <sup>th</sup> Jan 2019

<b>Appendix A – Further essential background / detail on the proposal</b> <i>Please see appendices A1, A2 and A3</i>	<b>YES</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>NO</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>

<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Combined Background papers</b>	<b>None</b>
<b>Appendix J – Exempt Information</b>	<b>NO</b>
<b>Appendix K – HR advice</b>	<b>NO</b>
<b>Appendix L – ICT</b>	<b>NO</b>