

Amendment Proposals to Revenue Budget 2021/22 and MTFP 2022-26

Political Group/ Member Lead

Green, Cllr Denyer

Directorate/ Service	Description of Budget Amendment, Rationale and Implications	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Officer Assessment	
							Service Implication	Equalities Impact Assessment
HRA Revenue/Capital Resources	Increasing the HRA revenue available will increase the 5 year capital programme and enable the Council to increase new Council house building and accelerate the programme of improvement works on the HRA stock and retrofitting towards Carbon neutrality. The current HRA budget shows a running down of reserves to zero over the next few years. If we are serious about a long-term commitment to council housing in Bristol, we need to ensure that we generate the income needed to maintain and improve the stock we have and to build new council housing to start accommodating some of the thousands of households currently on the waiting list, paying private rents that are about 3x council rents, or living in inadequate accommodation.	1.700					<p>Applying the rent increase in 2021/22 could deliver £8.5m over a five year period which will then be available to fund additional revenue or capital expenditure, or a combination of both.</p> <p>For 2021/22 the additional resource created by the rent increase would be added to reserves to support delivery over the next 5 years of the planned capital programme which can then be used to maintain and develop stock including zero carbon retrofitting.</p>	<p>Additional revenue generated from rent increases would contribute to maintenance and repair and improvement programmes, which are likely to be of particular benefit to those groups who are over-represented in council tenancies compared to Bristol demographics overall i.e. Black, Asian and minority ethnic tenants; disabled tenants; and female tenants. Likewise any failure to adequately fund council housing improvements is likely to have a disproportionate impact for these groups, and in particular for disabled and older tenants who may be more reliant on timely adaptations or adjustments. This risk may be mitigated by providing additional funding required for improvements from council reserves.</p>
HRA Revenue/Capital Resources	Increase in council rents by inflation + 1%. For around two thirds of tenants, this rise will be covered by central government through housing benefit or universal credit. Even after this rise, average council rents will still be less than £1 a week above 2015/16 levels.	(1.700)					<p>Increasing dwelling rents by CPI +1% (1.5%) would result in average rent levels for BCC council homes increasing from £81.35 to £82.57 (an average increase of £1.22 per week). Rent levels would remain significantly lower than market rents for Bristol.</p> <p>For a significant proportion of tenants (estimate between 50-65%) the increase would be met by additional Housing Benefit or Universal Credit (housing element).</p> <p>The impact of the rent increase is an additional £1.7m income for 2021/22 and £51m (no inflationary uplift) income over the life of the 30 year HRA business plan.</p>	<p>Raising council rents may have a disproportionately negative impact on council tenants who experience increased economic hardship – including additional hardships as a result of COVID-19 - in particular Black, Asian and minority ethnic tenants; disabled tenants; female tenants; and younger tenants. Although unlikely to fully mitigate any immediate increase in financial pressure for these groups, additional revenue from increased rent may be used to make rapid improvements which contribute to improved health outcomes, or which lead to long-term savings through increased energy efficiency.</p>
	<b>Total (must be zero)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<p>Sum of proposed budget amendments must net to nil in each financial year                      Proposals cannot offset amendments relating to services provided through the General Fund against other ring-fenced accounts (e.g. HRA) and vice versa.                      Any capital budget changes for the purposes of revenue budget amendments can only be considered where financed internally and the net financial impact of the amendment on the budget, based on capital financing costs, MUST be zero.</p>								
S151 Officer Sign-off								