

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 October 2022

TITLE	HRA Budget Amendment (2022/23)		
Ward(s)	All		
Author: Sarah Spicer	Job title: Business Innovation Manager		
Cabinet lead: Cllr Tom Renhard Cabinet Member for Housing Delivery and Homes	Executive Director lead: Stephen Peacock Executive Director Growth and Regeneration		
Proposal origin: Councillor			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: To seek approval for additional expenditure in 2022/23 that will be funded from the Housing Revenue Account (HRA) reserves. The HRA is a ring-fenced income stream, covering all activities of BCC's landlord services (management of council housing).			
Evidence Base:			
<ol style="list-style-type: none"> 1. In 2021 there was extensive consultation with members, residents, and other stakeholders used to shape the 2022/23 HRA Budget, medium-term financial plans and 30-year HRA business plan. 2. The 2021/22 outturn was £3.8m lower than forecast, as a result in April 2022 the HRA reserves were £3.8m higher than forecast when the budget and business plan were approved. 3. Cabinet is asked for approval to utilise HRA reserves to finance in year budget pressures and new priorities as follows: <ul style="list-style-type: none"> • Fire safety: Up to £1m for a new fire safety inspection regime for high rise block that are 18m+ tall • Energy costs: we await confirmation of energy price increases that will be announced in October 2022. It is anticipated there will be at least an additional £1m in energy costs to be absorbed by the HRA • Play areas: up to £1m to refurbish end of life play equipment or multi use games areas (those on HRA land) • Agree to the Executive Director procuring all necessary contracts, including any which might exceed the key decision threshold, without further reference to Cabinet. 4. Fire safety is an area of high importance for Bristol City Council and over £2.5m a year is invested in fire safety measures across council property. This investment and the council's commitment to reviewing fire safety measures regularly are aimed at ensuring buildings operate in such a way as to contain fires and allow the maximum opportunity for emergency services to respond. The recent, tragic case of a flat fire at Twinnell House is a sobering reminder that incidents do occur and that having secure fire safety measures in place is important to protect whole buildings and prioritise the safety of residents in the event of an emergency. 5. BCC owns and manages 62 high rise blocks of flats, comprising 4,400 domestic flats. Independent assessments have been completed to assess the fire safety measures in place. BCC believes that our high-rise blocks of flats are safe, and the previous independent assessments have corroborated this. However, new Regulations have been produced following the Grenfell enquiry and we are now required to plan a new inspection programme for the blocks that are over 18m. These inspections would be carried out using new methodology described in a British Standard Institute document PAS 9980:2022. A pilot phase of work to complete four assessments is in under way, to test the market and identify costs. This indicates costs at up to £18k per inspection, with a total estimated cost in excess of £800K. 6. PAS 9980 gives recommendations and guidance on undertaking a fire risk appraisal of external wall 			

construction and cladding of existing multistorey blocks of flats. A fire risk appraisal of external wall construction and cladding is described in this PAS as a fire risk appraisal of external walls (FRAEW). The purpose of an FRAEW is to assess the risk to occupants from a fire spreading over or within the external walls of the building, and decide whether, in the specific circumstances of the building, remediation or other mitigating measures to address the risk are considered necessary.

7. The new programme of PAS9980:2022 and FRAEW inspections will ensure we are compliant with our legal responsibilities. BCC remains committed to ensuring the safety of residents, and we continue with our proactive approach to identifying and implementing fire safety measures and improvements.
8. Play areas/multi-use games areas: there are 21 play and multi-use games areas on HRA land, usually attached to high or low-rise blocks of flats. They provide valuable outdoor space and amenities for children in homes with no private outdoor space. The areas vary in size and levels of use. Park Services have identified several well used HRA play, and multi-use areas are approaching their end of life. These provisions need to be refurbished or failing that removed, as they are no longer safe for use. It is proposed that up to £1m capital budget is made available in 2022/23 to undertake refurbishments.
9. This initiative supports the One City Plan, with a focus on designing our homes and neighbourhoods to be safe for children, with access to play and green spaces. This will have positive impacts on young people's mental and physical health. To meet the needs of people living in the areas where refurbishment is carried out, there will be a process of co-designing with local households, with a focus on engaging with children and young people.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Housing Delivery and Homes to spend up to £3m from reserves across the three areas identified in the report (fund HRA play area refurbishment, a new fire safety inspection regime and increased energy costs).
2. Authorises the Executive Director of Growth and Regeneration, in consultation with the Section 151 Officer and Cabinet Member for Housing Delivery and Homes (with appropriate legal and procurement advice) and, subject to keeping within the approved overall identified budgets, to implement the new pas 9980 inspection regime and HRA play and multi-use games area improvement programme including:
 - taking all steps necessary to procure and award contracts (including goods, works and professional services and any over the key decision threshold) during 2022/23 to deliver the identified programmes to determine the play and multi-use games areas prioritised for refurbishment.

Corporate Strategy alignment: Briefly outline how this aligns to the Corporate Strategy.

1. Child friendly city – ‘access to play and green spaces or other areas for young people to enjoy safely’
2. Community participation – ‘people can work and play safely’.
3. Homes and Communities – ‘Healthy, resilient, and inclusive neighbourhoods with fair access to decent, affordable homes

City Benefits:

1. Health impact for children, particularly those living in high and low-rise blocks who benefit from access to outdoor play and games areas.
2. Contribute to the corporate measure that ‘neighbourhoods and communities are safer, flourishing and designed to meet the needs of the people that live there’.

Consultation Details:

1. Internal governance pathways (divisional management teams and executive management teams).

Background Documents:

[Operation of the Housing Revenue Account ring-fence - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/101222/Operation_of_the_Housing_Revenue_Account_ring-fence_-_GOV.UK.pdf)
[PAS 9980:2022 Fire Risk Appraisal | BSI \(bsigroup.com\)](https://www.bsigroup.com/standards/PAS-9980-2022-Fire-Risk-Appraisal/)

Revenue Cost	£2m	Source of Revenue Funding	Housing Revenue Account
Capital Cost	£1m	Source of Capital Funding	Housing Revenue Account
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: This report is requesting approval to fund HRA play area refurbishment, a new fire safety inspection regime and increased energy costs, with an estimated cost of £3m from the Housing Revenue Account (HRA) 2021/22 year-end surplus of £3.8m.

The Housing Revenue Account (HRA) operates a self-balancing annual budget, with income set at a level which offsets expenditure. It is a statutory account which records expenditure and income relating to Council dwellings and the provision of services to tenants. In the June 2022 cabinet report, approved by members, the 2021/22 HRA surplus of £3.8m was transferred to the HRA general reserves.

The year-end surplus is directly attributable to delays in the 2021/22 capital programme, and therefore £3m less than budgeted revenue contribution was required for financing capital costs. In addition, the provision for bad debts was reviewed in-line with the Council's impairment policy resulting in an underspend against the budget.

Although actual capital expenditure was below budget, the HRA business plan is predicated, over the life of the plan, with slipped expenditure being re-scheduled in later years. This means if expenditure is made on un-planned projects, over the life of plan, the funding of existing programmes would have to be adjusted.

It is assumed that £1m of the play area refurbishment costs will be capitalised.

Finance Business Partner: Archa Campbell, Finance Business Partner, 16 August 2022

2. Legal Advice: Insofar as any of the activities will involve commissioning of works or services etc, these will need to be procured in accordance with the appropriate regulations and the councils own procurement rules. The authority sought includes the procurement of all contracts, within the budget, including any in excess of the key decision threshold, without further reference to cabinet.

Legal Team Leader: Eric Andrews, Legal Services, 11 August 2022

3. Implications on IT: I can see no implications on IT in regard to this activity.

IT Team Leader: Alex Simpson – Senior Solution Architect

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams, HR Business Partner – Growth & Regeneration, 13 September 2022

EDM Sign-off	Stephen Peacock, Executive Director Growth and Regeneration	03 Aug 2022
Cabinet Member sign-off	Councillor Tom Renhard, Cabinet Member Housing Delivery and Homes	15 Aug 2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	05 Sep 2022

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No

Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO