

HEALTH AND HOUSING SCRUTINY COMMITTEE

Tuesday, 23 January 2024

PRESENT – Councillors Layton (Chair), Baker, Crudass, Johnson, Mahmud, Mammolotti, Pease and Mrs Scott

APOLOGIES – Councillors Crudass, Dillon and Holroyd,

ALSO IN ATTENDANCE – Councillors Roche, McGill and Snedker

OFFICERS IN ATTENDANCE – Olivia Hugill (Democratic Officer), Anthony Sandys (Assistant Director - Housing and Revenues), Claire Gardner-Queen (Head of Housing) and Michael Conway (Mayoral and Democratic Officer)

HH31 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting

HH32 HOUSING REVENUE ACCOUNT - MTFP 2024-25 TO 2027-28

The Assistant Director – Housing and Revenues presented the Housing Revenues Account (HRA) – Medium Term Financial Plan (MTFP) for 2024-25 to 2027-28 before recommendation by Cabinet on 6 February 2024 and approval by Council on 15 February 2024.

Members were appraised of the report and provided with details of the most significant points which included the service's business plan which requires a 6.7% increase in funding from the previous year, increases in funding for energy efficiency to £3.6m from £1m previously, and a £2m additional budget for property acquisitions.

Information was also provided to members on the new-build programme and responsive repairs service with all Darlington properties currently complying with decent homes standards however the service is preparing for new standards that are due to be set by central government in the near future.

Rent income was highlighted with information provided that Councils must set rents in accordance with the Government's Rent Standard guidance. The guidance allows social housing providers to increase rents, by CPI plus 1%, which means for 2024-25, Councils would have the discretion to increase rents by up to 7.7%.

In the case of Darlington a 6.7% increase is proposed with context provided that rent in Darlington remains lower than other social housing providers in the area and being the only social housing provider in the area suggesting increases below the 7.7% maximum.

Members were informed that a consultation exercise was carried out with the tenants' panel. In addition, an on-line consultation on the proposals was also conducted with all Council tenants, receiving 507 responses – responses showed that 78.3% did not agree with the proposed 6.7% rent increase and members were assured that this figure is not abnormal however the majority of responses also agreed that their rent represents value for money. The point was also made that due to 70% of affected residents being in receipt of relevant benefits, the majority will not incur any additional costs.

Members asked questions which included as to whether energy efficiency improvements are the reason for rent increases and it was stated that energy efficiency funds are able to be match-funded by central government to help offset costs while progressing towards net carbon zero 2050 goals, with EPC ratings of C to be completed by 2030.

Members asked for the timeframe for bringing houses up to new decent home standards and when the new standards are expected to be released; this info will be reported once known however officers anticipate that many homes will already meet the new standards.

The question was asked as to what impact rent increases will have on increasing council house stock. Officers responded that balance is always the key when implementing any increases with rent increases enabling other investments such as energy efficiency.

Members asked if reassurance could be given that tenants who struggle with rent are still a consideration when implementing increases. The Head of Housing provided clear reassurance, informing members that staff monitor accounts on a weekly basis in order to identify any concerns with team members available who have proven to be very efficient at assisting tenants and keeping arrears stable with final clarification that the process is proactive, and the service does not wait until tenants are in crisis before offering assistance or advice.

A member raised the question around installing upgrades such as solar panels on older houses and if this is incurring greater costs than would be feasible. Officers informed members that a full stock condition survey is planned to take place over the next 5 years which will help identify the suitability of homes for various upgrades to help focus spending as efficiently as possible.

A discussion was held regarding waiting lists for social housing and whether increased costs are being incurred due to emergency housing. Officers clarified that demand for social housing is high, together with the need for temporary accommodation to meet our statutory homeless duties.

The Chair invited the Health and Housing portfolio holder to add any relevant remarks. It was stated that in his opinion, onward investment in social housing is necessary in order to maintain the level of housing provided in Darlington, that a 6.7% rent increase reflects this need to invest while maintaining the lowest increase in the region.

RESOLVED – The committee considered the Housing Revenues Account (HRA) – Medium Term Financial Plan (MTFP) for 2024-25 to 2027-28 and accept its onward submission to Cabinet on 6 February 2024 and approval by Council on 15 February 2024 with the following comments:

- (a) A minority view was expressed that some members do not agree with the 6.7% rent increase or with the portfolio holder's opinion that the increase is necessary in order to maintain social housing in Darlington.
- (b) A member expressed that they support the 6.7% rent increase having been provided with reassurance at this meeting that any financially struggling tenants will be assisted by staff where required.