Part 1

Agenda item:

Meeting CABINET

Portfolio Area RESOURCES and PERFORMANCE

Date 19 November 2026

BALANCING THE BUDGET 2027/28 - HOUSING REVENUE ACCOUNT

KEY DECISION

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1. PURPOSE

1.1 To update Members on the Balancing the Budget priorities and the options from 2027/28 onwards that meet the required financial projections for the Housing Revenue Account (HRA).

1.2 To propose a range of HRA Balancing the Budget options (in addition to those identified in the Quarter one Monitoring report to the September Cabinet and included in the HRA Medium Term Financial Strategy (MTFS)), to be incorporated in the 2027/28 Revenue Budget Process.

1.3 To update Members on the HRA reserves, as a result of the Balancing the Budget options, and growth and service pressures for 2027/28 onwards.

2. RECOMMENDATIONS

2.1 The Balancing the Budget options, as set out in the report and Appendix A, totalling £1.204 Million (savings) for the HRA 2027/28, be approved and incorporated into the Council's budget setting processes.

2.2 Members note the need for further savings as set out in section 4.5.

2.3 The revised HRA MTFS financial summary, as shown in section 4.8 to this report be noted.

2.4 That the Council's recognised unions be consulted regarding the proposed budget package.

2.5 That key partners and other stakeholders be consulted, and their views considered as part of the 2027/28 budget setting process.

2.6 That Members note HRA Balancing the Budget savings options as set out in Appendix A and the overarching Equalities Impact Assessment at Appendix B.

3. BACKGROUND

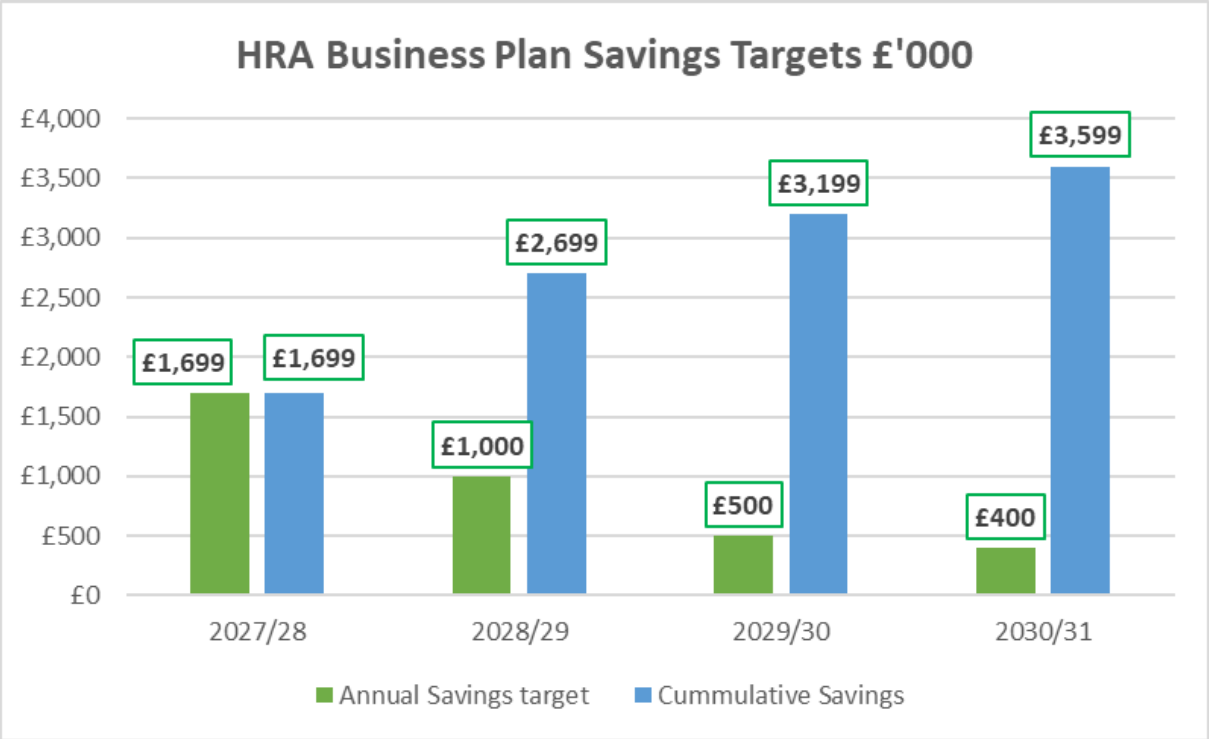
3.1. This report follows on from the HRA Medium-Term Financial Strategy (MTFS) approved at the September 2026 Cabinet. This set out the Council's assumptions about inflation, pressures and the annual funding gap and saving options that ensure the HRA remains financially resilient.

3.2 The HRA continues to operate within an increasingly challenging legislative, regulatory and financial environment, which has added significant financial pressures to the fund. These pressures have arisen from regulation, and other environment impacts such as:

- Implementation of Awaab's Law that enforces new health and safety standards for repairs in social housing.
- Reforms to the Housing Health and Safety Rating System (HHSRS), all of which place greater emphasis on the quality, safety and condition of tenants' homes.
- Significant long-term investment requirements across the housing stock relating to building safety and the future investment needs of the Council's five high-rise residential blocks. A report containing the financial impact of this work is on the same Cabinet agenda as this report.
- Higher construction and build costs, as a result of international conflicts.
- Higher borrowing costs from the Public Works Loans Board (PWLB) linked to the Government's cost of borrowing, which has seen interest rates increase from the self-financing average percentage of 3.42% to over 5% in 2026 (including a 60bsp preferential discounted housing rate).

3.3 The pressures above have resulted in a significantly higher level of savings being required for the HRA of £1.699 Million for next year, as identified in the HRA MTFS to the September 2026 Cabinet. The Council will therefore need to

carefully consider future investment options and priorities to ensure compliance with evolving building safety legislation, whilst maintaining the long-term sustainability of the HRA.



3.4 Some of the required 2027/28 savings to meet the Balancing the Budget target have already been identified and approved by Members, detailed in the table below.

HRA Savings £'000	Report	2026/27	2027/28	Total
Disrepair Claim Work	Qtr. one	£150,000	£150,000	£300,000
Decent Homes 2 revenue costs	Qtr. 1/MTFS	£279,000	£799,000	£1,078,000
Renegotiation of Citizens Advice contract	Qtr. one	£9,950	£9,950	£19,900
Charge for Housing Development time on General Fund disposals	Qtr. one	£20,330	£20,330	£40,660
Increase in Procurement income from shared service (HRA share)	Qtr. one	£5,400	£5,400	£10,800
Fees and Charges	Oct 2026 Cabinet report		£11,860	£11,860
Total		**£464,680**	**£996,540**	**£1,461,220**

3.5 The budget setting timetable dictates that 2027/28 pressures and savings are approved by Members at this stage ahead of the budget setting process, as it is the Chief Finance Officer's view that unidentified budget targets should not be

included in the 2027/28 budget. This is important, as it allows Members to compare the relative priority of all options for approval.

3.6 The budget setting timetable is set out below.

Date	Meeting	Report
Nov-26	Cabinet	Balancing the Budget Report with the savings proposals for the General Fund and HRA
	Overview and Scrutiny	Balancing the Budget Report with the savings proposals for the General Fund and HRA
Dec-26	Cabinet	Draft 2027/28 HRA budget and rent setting report
	Overview and Scrutiny	Draft 2027/28 HRA budget and rent setting report
Jan-27	Cabinet	Final 2027/28 HRA budget and rent setting report
	Overview and Scrutiny	Final 2027/28 HRA budget and rent setting report
	Council	Final 2027/28 HRA budget and rent setting report

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1. The Requirement to make Budget Savings

4.1.1. The requirement to make significant HRA savings, which is set out in paragraph 3.3, is further compounded by the need to fund the cost of remedial works to the Council's five high rise blocks (as set out in a separate report on this Cabinet agenda). Savings are also required to meet inflation and other cost pressures. A summary of inflation now projected in the MTFS is detailed below and remains unchanged in the projections from the September report to Cabinet, with further details regarding utility inflation included in paragraph 4.1.3.

Inflation	2027/28	2028/29	2029/30	2030/31
Pay	£411,494	£369,435	£378,756	£387,818
Maintenance	£458,978	£501,655	£482,630	£496,400
Other Management Costs	£31,786	£45,772	£50,039	£55,954
Utility Costs	£148,398	£97,943	£103,819	£110,048
General Fund Recharges	£173,068	£159,655	£145,109	£148,011
Total	**£1,223,724**	**£1,174,460**	**£1,160,353**	**£1,198,231**

4.1.2. The 2027/28 inflation projections include an assumption of a 3% pay award, an increase of 0.25% would increase pay inflation by further £40K in 2027/28.

4.1.3. Since the MTFS was finalised, further October 2026 utility data on gas and electricity has indicated that costs could increase significantly for next year by circa £418K. If utility prices continue to be impacted by international events this could rise even further. The majority of gas and electricity costs are recharged to customers, both tenants & leaseholders, and so this would increase service charges for 2027/28. The draft HRA budget will include the latest known position and will likely increase the net budget for the irrecoverable part of these costs.

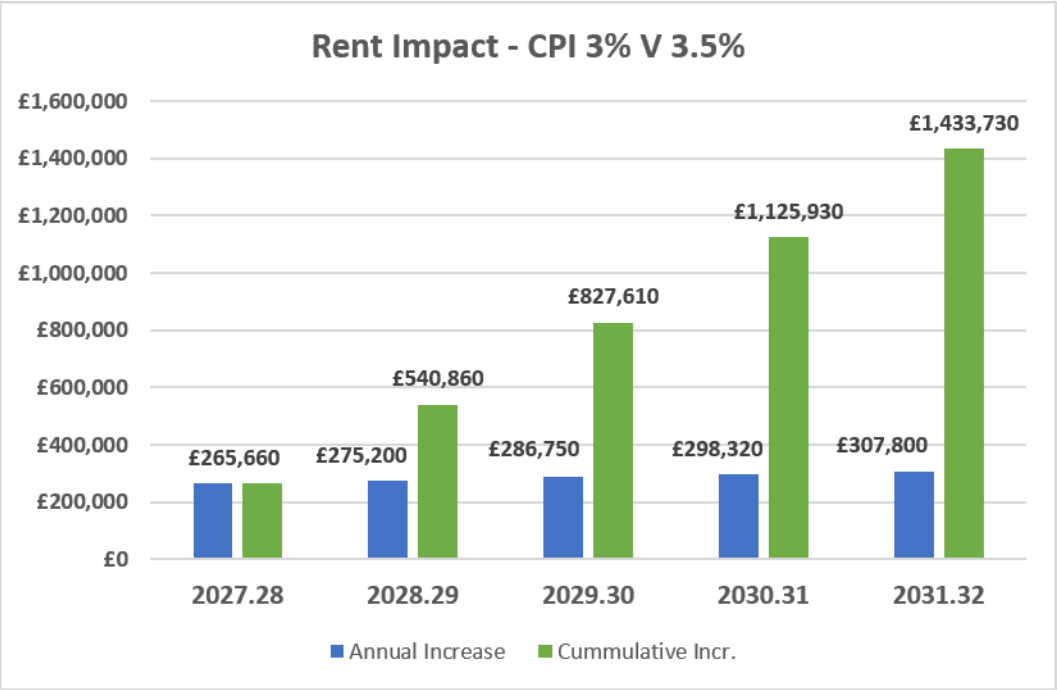
4.1.4. The HRA also has projected additional costs of £1.1 Million by 2029/30 which are summarised in the table below and are included in the updated MTFS balances, summarised in section 4.8. However, most of the additional costs (post the September MTFS) impact 2026/27 only and more information can be found in the 2nd quarterly monitoring report on this Cabinet agenda.

£'000	2026/27	2027/28	2028/29	2029/30	Total
Budget Increases reported Sept. MTFS	**£107**	**£579**	**£707**	**£807**	**£2,200**
Awaab's Law implementation	£100	£0	£0	£0	£100
Q2 other in-year Growth adj.	£748	£0	£0	£0	£748
Additional Loc. Gov. Reorg. cost	£50	(£50)	£0	£0	£0
NEC Officer Decision	£85	£0	£0	£0	£85
Additional Growth	£45	£45	£45	£45	£180
Total Budget increases post September	**£1,028**	**(£5)**	**£45**	**£45**	**£1,113**
Total Budget increases	**£1,135**	**£574**	**£752**	**£852**	**£3,313**

4.2. **Rents**

4.2.1 The MTFS report in September set out the national rent policy decisions made by the Government relating to the reintroduction of rent restructuring, starting with a maximum £1 convergence to the Government's national formula rents in 2027/28 and an assumption of 3% for the September 2026 Consumer Price Index (CPI) (the inflation level used in the rent formula to set social housing rent nationally for 2027/28). This would mean a projected rent increase of 4%, plus an additional £1 per week for properties not at the formula rent. The 2027/28 rent increase is slightly lower than the 2026/27 increase of 4.8%.

4.2.2 The September CPI inflation measure was half a percent higher than the 3% MTFS estimate for rents and the impact of this increase on rental income for the HRA is summarised in the graph below.



4.2.3 The impact of the 0.5% increase in rents for next year will result in an estimated £266K more income in 2027/28, rising to £307K by 2031/32. Over the next five years this will provide the HRA with an additional £1.4 Million of projected rental income. This will help increase the financial resilience of the HRA, meeting additional costs and unallocated savings targets that remain in the MTFS.

4.2.4 The 2027/28 Draft Budget will be reported to the December 2026 Cabinet and will include the proposed rents and service charges for next year. Based on the 2026/27 average rents, the projected weekly increase is shown in the table below. For social rent, the additional 0.5% increase would mean an extra 64p per week. Properties not at the formula rent calculation (see also paragraph 4.2.1), would also have an additional £1 per week added to their rent. It should be noted that rents, and some service charges, are eligible for housing benefit support, subject to individual tenant's financial circumstances.

Estimated 2027/28 rents	LSSO	Social	Affordable
Average rent 2026/27	£158.43	£128.72	£193.21
Estimated rent increase 4.5%	£7.13	£5.79	£8.69
Total average 52 week rent	£165.56	£134.51	£201.90

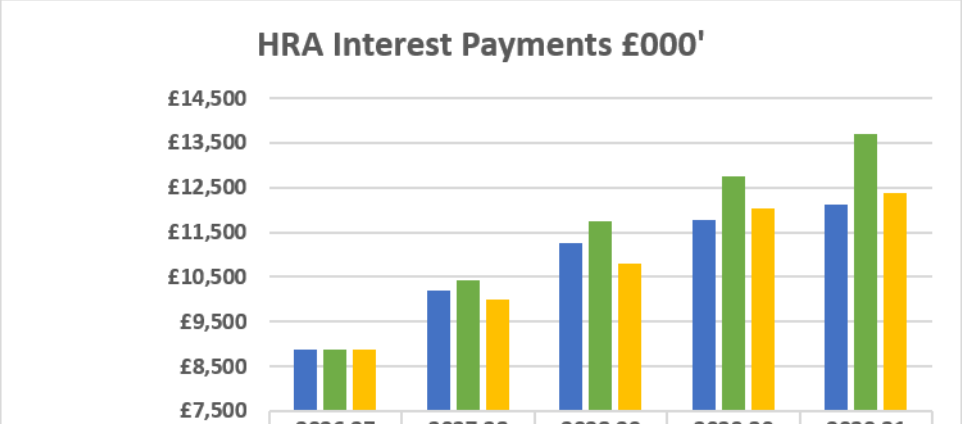
4.3. Borrowing

4.3.1 A number of changes were made to the projected capital programme included in the MTFS in September (and via the revenue and capital quarter one monitoring report). This included re-phasing of capital works in order to create headroom for the potential high rise building safety works that are included in a separate report to this Cabinet meeting (not yet included in the

MTFS projections in this report). The potential costs of these works will be included in the HRA Draft Budget report 2027/28 in December, based on the approved proposal.

4.3.2 The planned re-phasing was to reduce the overall amount of borrowing in the HRA in the short-term, resulting in lower interest before the impact of any required high rise works are taken into account.

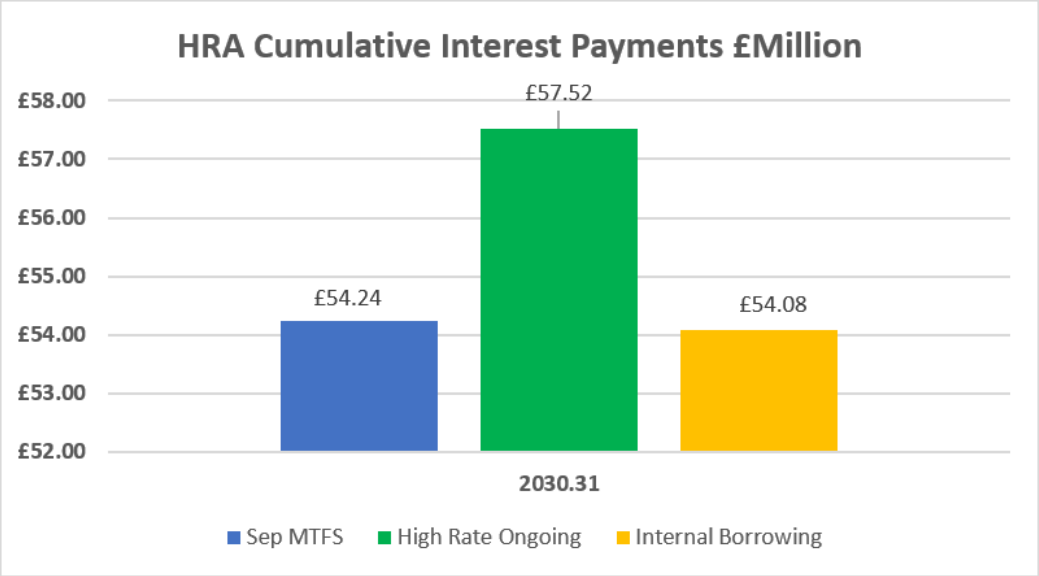
4.3.3 The September MTFS had assumed that borrowing rates would reduce and fall in line with the last business plan at 4.8%, falling to a longer-term average of 3.75% in the medium term. However, due to the ongoing conflict in the Middle East and high domestic inflation, UK borrowing rates have remained high, at over 5% for short term loans.



	2026.27	2027.28	2028.29	2029.30	2030.31
Sep MTFS	£8,869	£10,205	£11,257	£11,781	£12,127
High Rate Ongoing	£8,869	£10,421	£11,756	£12,762	£13,710
Internal Borrowing	£8,869	£9,996	£10,795	£12,022	£12,393

4.3.4 The graph above shows the impact of three different scenarios on interest payments in the HRA. The first scenario is from the September MTFS and broadly aligns with the last HRA Business Plan. The second projection shows the impact on financing costs if the current high rates of interest do not reduce in the medium term. This would lead to annual interest costs £1.6 Million higher than the September MTFS by 2030/31. The final scenario shows the use of internal borrowing, against balances, for £16 Million of required borrowing.

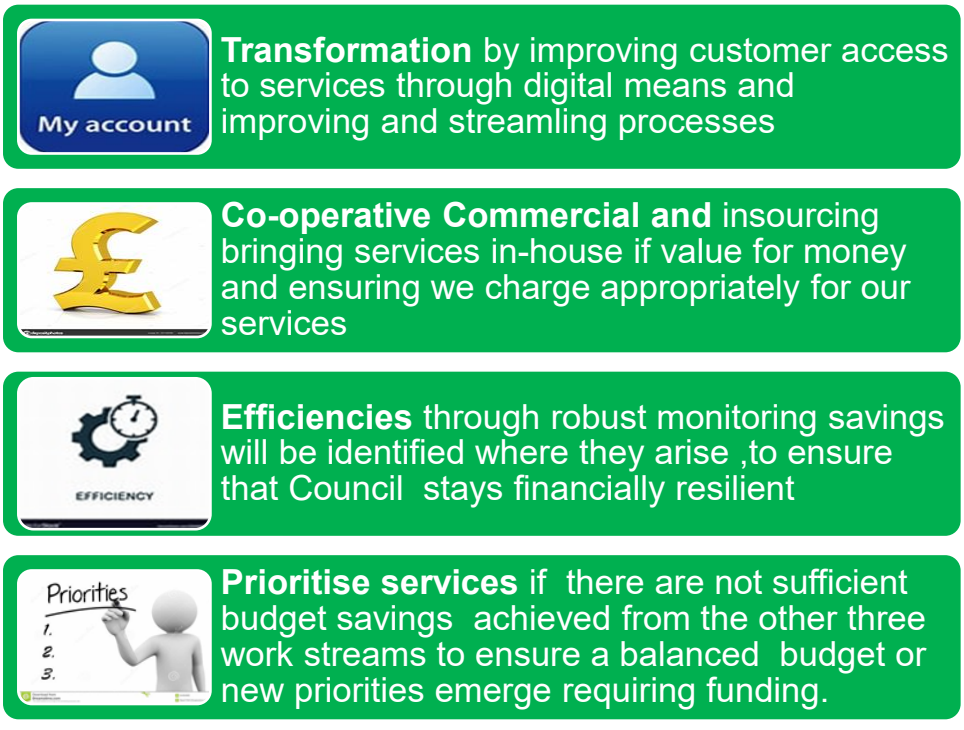
4.3.5 Of these three scenarios, in the current financial climate, the medium-term financing requirement has been reviewed on the assumption of the last option. This means £8 Million of internal borrowing in the current year and a further £8 Million in the following year, with the resulting £16 Million borrowing requirement refinanced through external debt in year three. In practice, this means that £16 Million of capital expenditure will initially be funded from available balances rather than through new external borrowing. This approach reduces exposure to current high borrowing costs, while retaining the flexibility to secure external debt later, when interest rates are expected to be lower.



4.3.6 Adopting a funding strategy that utilises some internal borrowing should slightly reduce total interest in the medium term by £163K, compared to the September MTFS. However, this is before any further capital investment required for the high-rise blocks is included. This funding strategy will need to be monitored closely and adapted, based on the ability to use internal borrowing and the prevailing interest rates.

4.4. The Balancing the Budget Target to Find

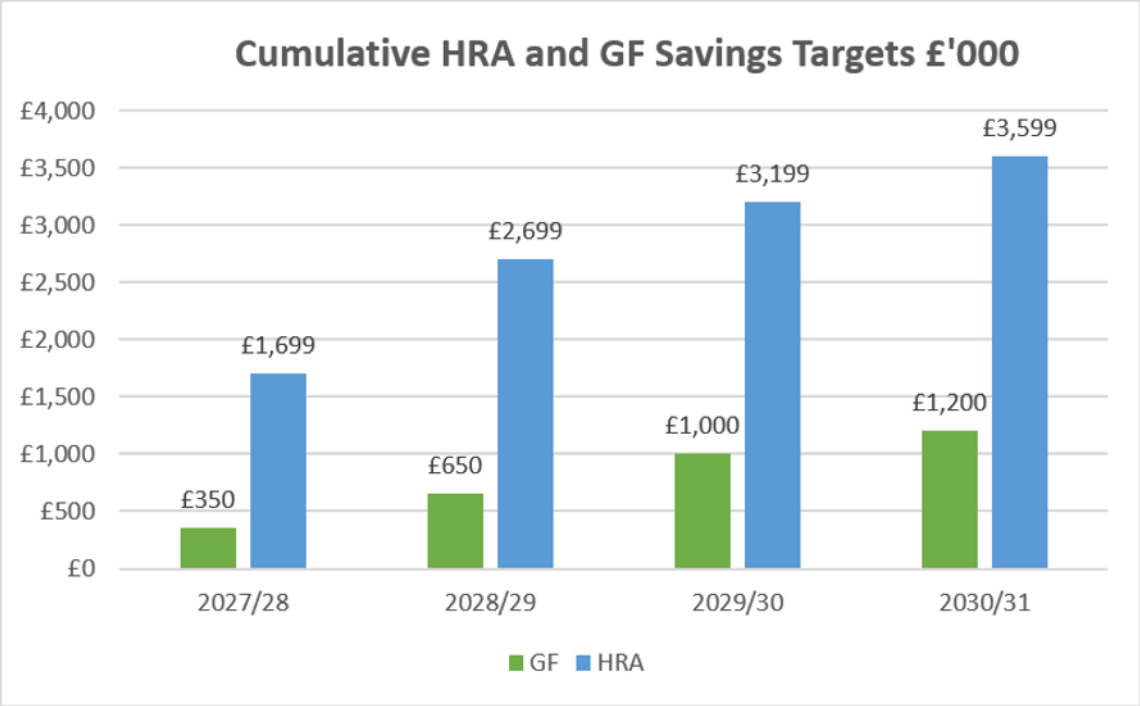
4.4.1. The graphic below summarises the Balancing the Budget (BTB) activity strands that the Council resources through the Business change team, Commercial Team and The Finance Team.



4.4.2. The BTB options are identified through a number of activities which are:

- Efficiency savings identified as part of budget monitoring
- Fees and Charges
- Co-operative Commercial and Insourcing activity
- Business Change activity including using digital solutions
- Star Chamber process
- Consultation with shared service partners

4.4.3. The MTFS (September 2026 Cabinet report) identified a four-year savings target of £3.599 Million (see also paragraph 3.3), significantly higher than the £1.2 Million required for the General Fund. The latter being diminished through the Fair Funding review and can be predominately achieved through annual Fees and Charges reviews. This is arguably harder for the HRA with rents set by regulation and costs such as interest on borrowing subject to the prevailing financial climate.



4.4.4. The graph above illustrates the cumulative impact of savings targets in the General Fund and the HRA, with the latter facing a significant net reduction in spending in order to keep the ring-fenced account in balance.

4.5. **Additional savings identified from 2027/28 Onwards**

4.5.1. The Senior Leadership Team ran a series of 'Star Chamber' meetings with Service Directors to identify 'Balancing the Budget' options for HRA sustainability and identified potential areas of efficiency savings, income generation and cost avoidance, whilst seeking to minimise any adverse impact on tenants and frontline service delivery. The proposals include service charge reviews, improvements in operational efficiency, and measures to reduce

future borrowing and financing costs. A summary of the proposals can be seen below, with further details provided in Appendix A:

Ref.	Proposed saving	Summary	Saving in 2027/28	Savings by 2029/30
S1	Oval development contribution	Secure a third-party contribution towards the proposed Oval development, reducing borrowing and associated financing costs without affecting service delivery.	£110,000	£110,000
S2	External grant funding for housing development	Maximise external grant funding for HRA development schemes, supporting affordable housing delivery while reducing the HRA's borrowing requirement.	£300,000	£400,000
S3	Repairs and Maintenance	Reduce expenditure on support contractors and improve operational efficiency, while continuing to meet statutory, regulatory and contractual requirements.	£271,000	£271,000
S4	Housing Asset Management	Remove one vacant Asset Management Officer post and absorb the responsibilities within the existing team. No adverse impact on residents or service delivery is anticipated.	£50,000	£50,000
S5	Temporary Accommodation	Standardise Temporary Accommodation charges for new placements using a Formula Rent approach, differentiated by property type and incorporating an allowance for void loss. This will not affect households currently in TA.	£70,400	£70,400
S6	Independent Living Service - cleaning vacant posts	Remove two vacant part-time cleaning posts, totalling 40 hours, without affecting current service delivery.	£35,000	£35,000
S7	Independent Living Service - cleaning service charges	Phase in increased charges at schemes where current cleaning charges are materially below the cost of providing the service, thereby reducing the existing subsidy.	£42,700	£128,200
S8	Independent Living Service - support charges	Move support service charges to full cost recovery, removing the current subsidy. Subject to individual entitlement, residents receiving Housing Benefit or Universal Credit could benefit from the charge being treated as a benefit-eligible service charge.	£270,000	£270,000

Ref.	Proposed saving	Summary	Saving in 2027/28	Savings by 2029/30
S9	Income Recovery	Delete a vacant Floating Income Officer post, with no redundancies required and no adverse service impact anticipated.	£55,000	£55,000
S10	HRA share of General Fund savings	Apply the HRA's share of savings identified within General Fund services.	£20,900	£20,900
	Total Proposed Savings		**£1,225,000**	**£1,410,500**

4.5.2. The proposals identified are estimated to save £1.225 Million in 2027/28, rising to £1.368 Million in 2028/29 and £1.411Million by 2029/30.

4.5.3. The total savings identified for 2027/28 onwards are summarised in the table below:

HRA Balancing the Budget Savings Summary (£'000)	2027/28	2028/29	2029/30
September MTFS Report	£959	£959	£959
Fees & charges (October Cabinet)	£12	£12	£12
BTB Options (Appendix A)	£1,225	£1,368	£1,411
Total HRA Budget Savings Identified	**£2,196**	**£2,339**	**£2,382**

4.5.4 This is a positive result from the current year's Balancing the Budget process. However, while the savings in the table are higher than the target of £1.699 Million(paragraph 4.4.3), the table below at paragraph 4.6.3 shows that there has also been growth of £575K and that the net savings identified to date are £78K below target. Furthermore, the potential for sustained higher borrowing costs and the need to accommodate the financial impact of the decision on high rise remedial works, mean that higher savings targets are likely to be required for the HRA in future years.

4.5.5 In developing the savings proposals, consideration has been given to the potential impact on residents, service delivery and the Council's statutory and regulatory responsibilities. Where proposals involve changes to charges or could have a direct financial impact on residents, more detailed assessments have been undertaken to understand the effect on different groups and identify appropriate mitigation. More detail has been provided below on specific options that have a wider impact on the service, or customers.

Standardise Temporary Accommodation charges (S5)

4.5.6 Temporary Accommodation rents have developed over time and are not currently applied through a single, consistent framework. It is therefore proposed to introduce a standardised charging framework for Council-owned Temporary Accommodation, using Formula Rent as an objective and nationally recognised benchmark. Existing households in Temporary Accommodation would not be affected, as the new approach would apply only to new placements. Rents would be standardised by property type and bedroom size and incorporate an appropriate allowance for void loss. The proposal will

provide a more transparent and equitable basis for setting rents across comparable accommodation, maximise Housing Benefit recovery and ensure the HRA receives an appropriate contribution for the use of its housing assets.

4.5.7 Financial modelling indicates that the revised framework could increase annual income from approximately £1.172 Million to £1.249 Million, an increase of around £77K per annum before allowing for void loss. For budget purposes, a prudent recurring saving of £70.4K is proposed. The approach also supports the continued use of Council-owned Temporary Accommodation, helping to reduce reliance on more expensive private sector and nightly-paid accommodation. Service charges are outside the scope of this proposal and will be considered separately as part of the next phase of the wider Temporary Accommodation review.

4.5.8 The potential impact on future placements has been assessed using the circumstances of households currently accommodated. The majority of households in Temporary Accommodation receive Housing Benefit, although a small number do not currently receive full Housing Benefit. To provide additional assurance, an Affordability and Assistance Framework will be developed alongside implementation, enabling individual household circumstances to be considered and appropriate support provided where required. This will help ensure that the revised charging framework supports the financial sustainability of the service without creating barriers to accessing Temporary Accommodation or compromising the Council's ability to meet its statutory homelessness duties.

Independent Living Service: Cleaning Service Charges (S6)

4.5.9 A review of cleaning service charges within the Independent Living Service has identified a number of schemes where the charges paid by residents are materially below the actual cost of providing the service, with the difference currently being subsidised by the HRA. It is proposed to progressively reduce this subsidy by moving charges towards the cost of service provision, creating a fairer and more consistent approach across schemes.

4.5.10 Recognising the potential financial impact on residents, the increase would be phased over three years, rather than implemented in full, from April 2027. This would deliver an estimated HRA saving of £42.7K in 2027/28, increasing as the subsidy is reduced and reaching £128.2K per annum by 2029/30.

4.5.11 The phased approach provides a balance between improving the financial sustainability of the service and managing the impact on residents. Changes would be communicated in advance, with the effect of the revised charges monitored as they are introduced.

Independent Living Scheme (ILS) Service Charges (S8)

4.5.12 It is proposed that, from April 2027, ILS service charges move to a full cost recovery basis, with the charge reclassified as benefitable for eligible residents. This will remove the existing HRA subsidy and deliver an estimated £270,000 recurring annual saving, while enabling eligible residents to receive Housing Benefit or Universal Credit support towards the charge, subject to individual entitlement.

4.5.13 The Council has 863 ILS accommodation properties. Current records identify 472 Housing Benefit claimants and 139 Universal Credit claimants. Based on

current benefit information, the majority of residents receiving benefit are expected to be financially better off under the revised arrangements, subject to individual assessment. Residents who do not receive Housing Benefit or Universal Credit already pay the full £20.20 weekly charge and would therefore see no change to their current contribution.

4.5.14 An impact assessment has shown around 44 residents receiving lower levels of benefit (due to higher weekly incomes) may experience an increase of between approximately £0.90 and £10.90 per week, depending on individual circumstances. Implementation will therefore include individual benefit assessment, communication with affected residents and ongoing monitoring of the impact.

4.5.15 The 32 affordable rented properties at Brodie Court are exempt from the revised account arrangements. Their service charges will continue to be administered through separate accounts, with existing debt recovery arrangements unchanged.

4.5.16 More information regarding the saving for Supported Housing charges can be found in Appendix A and the impact is included in the Equality Impact Assessment to this report, (Appendix B).

4.6 Growth for the HRA 2027/28

4.6.1 The September 2026 MTFS included HRA pressures of £579K for 2027/28, £707K for 2028/29 and £807K for 2029/30. Since the MTFS was approved further growth pressures of £1.1 Million have also been identified (see also paragraph 4.1.4) for 2026/27, but many of these are “in year” and not ongoing. Continuing growth is shown in the table below.

4.6.2 There are also a number of growth requirements that have a financial impact on both the General Fund and HRA recommended for approval, (see also Balancing the Budget report General Fund Appendix B), totalling £45K. These relate to service resilience, statutory compliance and digital transformation.

4.6.3 The net position of savings and growth is summarised below:

2027/28 HRA Savings & Growth V Target £000	2027/28	2028/29	2029/30
MTFS Reported Savings	(£959)	(£959)	(£959)
Fees and Charges Report	(£12)	(£12)	(£12)
Balancing the Budget recommended	(£1,225)	(£1,368)	(£1,411)
Total Savings	**(£2,196)**	**(£2,339)**	**(£2,382)**
MTFS Reported Growth	£579	£707	£807
Balancing the Budget recommended	(£4)	£45	£45
Total Growth	**£575**	**£752**	**£852**
Net Savings	(£1,621)	(£1,587)	(£1,530)
MTFS Net Savings target	(£1,699)	(£2,699)	(£3,199)
Current Savings shortfall	**£78**	**£1,112**	**£1,669**
Rent Gain – ½% on Sep CPI	(£265)	(£275)	(£287)
Borrowing Changes	(£209)	(£462)	£241
Net position	**(£396)**	**£376**	**£1,624**

4.6.4 The MTFS currently assumes a high level of savings need to be found, of £3.6 Million per annum by 2030/31, shown at section 3.3. The table above details the net savings that have currently been identified and also includes the impact of the rent increase and borrowing assumptions on the net position for the HRA. The net position for 2027/28 is ahead of targeted savings, but due to expected additional cost pressures in the HRA, particularly from high rise remediation works, these targets will need to be reviewed and are likely to increase for future years.

4.7 Level of Balances required for HRA

4.7.1 The final HRA budget presented to full Council in January 2026 included a calculated risk based minimum balance required of £10 Million. This was set at a relatively high level due to the amount of borrowing required in the medium term, recent volatility in repairs costs and the level of savings required to balance the ring-fenced account that were identified in the MTFS. This will be revised for the 2027/28 budget reporting cycle, taking into account any changes to the risk profile of HRA activity.

HRA balances Minimum Level Assessment	2026/27 £Million
Amount to cover a 1.25% interest rate risk	£2.68
Amount to cover a delay in savings options being met	£0.90
Amount to cover capital and responsive repairs volatility	£5.39
Amount to cover other smaller risks	£1.03
Total Estimated HRA Risk Reserve Limit	**£10.00**

4.8 Medium Term Financial Strategy HRA Summary

4.8.1 The MTFS modelling has been updated to reflect the contents of this report, subject to Members approval, and the revised balance position is detailed in the table below.

HRA balances £'000	2026/27	2027/28	2028/29	2029/30	2030/31
Opening Balance	(£12,469)	(£11,958)	(£12,012)	(£12,220)	(£12,776)
In Year	£511	(£54)	(£208)	(£556)	£303
Closing Balance	**(£11,958)**	**(£12,012)**	**(£12,220)**	**(£12,776)**	**(£12,473)**
MTFS (September) closing balance	(£12,537)	(£11,840)	(£10,941)	(£11,038)	(£10,289)
Variance	**£579**	**(£172)**	**(£1,279)**	**(£1,738)**	**(£2,184)**

4.8.2 The level of balances has increased since the September report, and this is mainly due to the level of savings that have been identified for next year and the additional rent forecast from the higher September CPI figure.

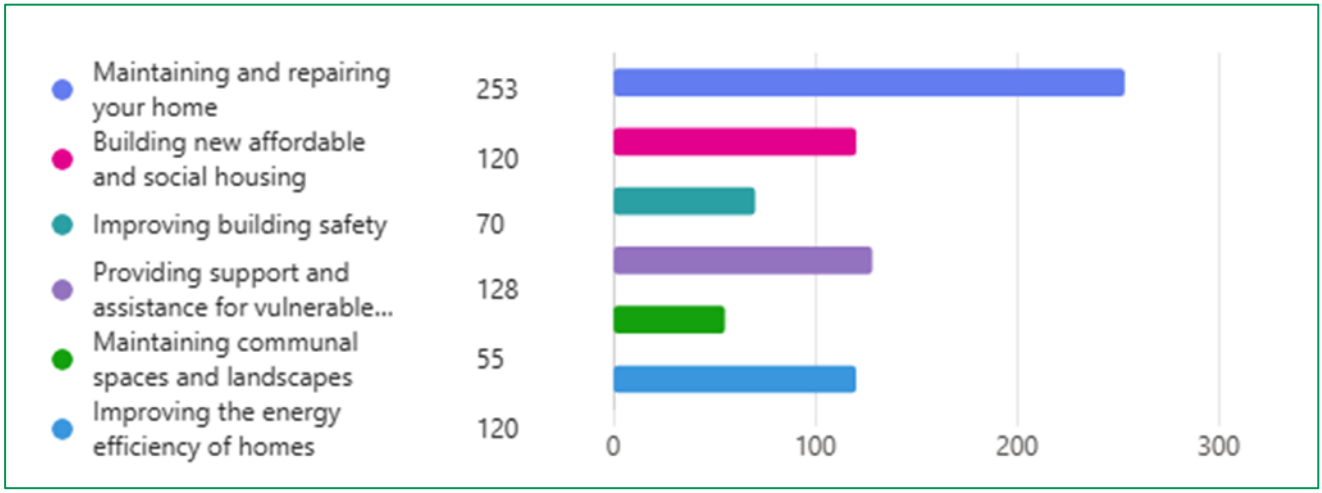
4.8.3 While this shows the HRA has £2.2 Million higher balances in the medium term, these estimates do not include the financial impact of the high rise remedial works that are subject to a separate report at this meeting, which require funding headroom. All potential decisions from the high rise report will have revenue impacts, but these will be included in the budget report to the December 2026 Cabinet.

4.9. Approach to Consultation

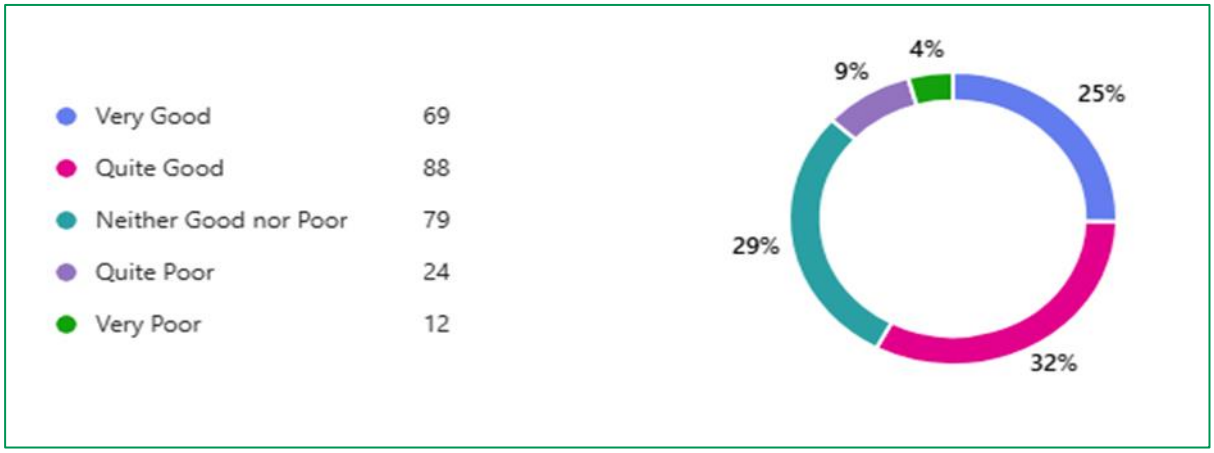
4.9.1 For 2026/27, a dedicated webpage was created to explain the purpose of the Housing Revenue Account (HRA) and the Council's planned investment in homes and services for residents. The webpage set out the longer-term priorities contained within the HRA Business Plan and explained the 2026/27 budget proposals, including the proposed rent increase.

4.9.2 Alongside the information provided on the webpage, tenants were invited to complete a survey on their priorities for future HRA investment. More than 5,000 emails were sent to residents, setting out the key information and inviting feedback. A total of 270 responses were received, representing a response rate of approximately 5%.

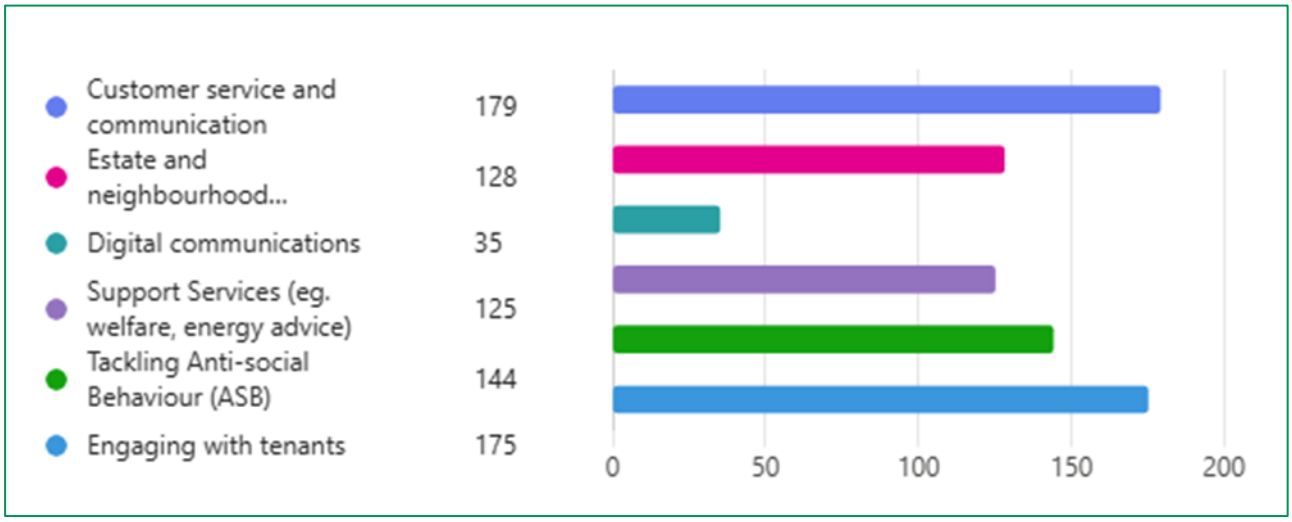
Question 1 - Which of the following areas do you think are most important to you? (Choose your top3)



Question 2 - Do you think that the rent you pay represents good 'Value for money?



Question 3 - Which types of service should receive additional focus as part of the Council's housing service?



4.9.3 In summary, following the 270 responses the three top priorities for our residents were:

- **253** Maintaining and repairing your home
- **128** Providing support and assistance for vulnerable tenant to live independently

2 priorities scored the same, with 120 votes each

- **120** Building new affordable and social housing
- **120** Improving the energy efficiency of homes

The lowest priorities for our residents were;

- **70** Improving building safety

- **55** Maintaining communal spaces and landscapes

4.9.4 These survey results are used to inform decision making for both officers and members.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 The report deals with Council finances and as such all implications are contained in the main body of the report.

5.2 Legal Implications

5.2.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

5.3 Policy Implications

5.3.1 The report deals with Council policy and as such all implications are contained in the main body of the report.

5.4 Staffing and Accommodation Implication

5.4.1 There are changes to staffing budgets in the 2027/28 BTB options, but the reductions identified in Appendix A, only relate to vacant posts and do not have a direct impact on individual employees.

5.5 Equal Opportunities Implications

5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff), the Council must comply with the Equality Act 2010 and in particular section 149, which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:

- Remove discrimination, harassment, victimisation and any other conduct that it's unlawful under this Act
- Promote equal opportunities between people who share a protected characteristic and those who do not
- Encourage good relations between people who share a protected characteristic and those who do not.

5.5.2 These duties are non-delegable and must be considered by Council when setting the Budget in January 2027.

5.6 Risk Implications

5.6.1 There are risk implications to setting a prudent HRA budget if the Balancing the Budget options identified in the report are not achieved and crucially if future options are not found to meet the targets outlined in the report.

5.6.2 There are a number of risks that have been identified in this report, and these will be considered when reserve levels are calculated as part of the budget report.

5.7 Climate Change Implications

5.7.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. There are still large funding gaps in the HRA thirty-year business plan to make its housing stock meet the net zero target. This work would require additional funding and technological changes that are not currently known. However, the Council has continued to secure Government grant to reduce carbon emissions and improve building efficiency and will also continue to investigate all opportunities to move towards the Council's climate target.

5.8 Local Government Reorganisation

5.8.1 The future timing of Local Government Reorganisation (LGR) in Hertfordshire is now projected to be 1 April 2029 and funding has been set aside for that purpose.

5.8.2 When LGR proceeds, Section 24 (of the Local Government and Public Involvement in Health Act 2007) provides the Secretary of State with powers to control financial decisions made by local authorities that are due to be abolished, or reorganised, under a structural changes order. Under this provision, the Secretary of State may issue a direction that prevents a relevant authority from spending over financial thresholds.

5.8.3 The direction can specify that the consent must be obtained from the Secretary of State, or a designated person of an authority (e.g. a shadow executive). The timing of the direction will be determined by the Secretary of State.

BACKGROUND DOCUMENTS

BD1 HRA Medium Term Financial Strategy 2027/28 – September 2026 Cabinet

APPENDICES

Appendix A - HRA Savings 2027/28

Appendix B – HRA Saving Options 2027/28 Overarching EQIA