

**CAMDEN TOWN DISTRICT MANAGEMENT  
COMMITTEE**

WEDNESDAY, 9 JANUARY 2019 AT 6.30 PM

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**TABLED PAPERS**

6. **PART A - HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT REVIEW 2019/20 AND MEDIUM TERM FINANCIAL STRATEGY** (Pages 3 - 14)

Presentation

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# JOINT DMC – Housing Budget 2019/20

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Tabled for Item 6

# INTRODUCTION

## Budget Issues for 2019/20

- Housing Revenue Account position.
  - Better Homes work continuing.
  - Fire Safety Work.
  - Community Safety - CCTV
- 
- Fees and Charges recommendations for DMC discussion.

# HOUSING REVENUE ACCOUNT

Medium Term Financial Strategy agreed by the Council at beginning of 2017/18. This comes to an end March 2020.

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1% rent decreases to continue in April 2019.

From April 2020 return to previous rent guidance of Inflation plus 1%.

# LOOKING AHEAD

Rent from April 2020 could be increased by Inflation plus 1%. Additional Rent Income could be used to:

- Meet inflationary pressures in the HRA?
- Replenish reserves?
- Invest in housing services?
- Invest in new social housing?

# 2019/20 HRA Budget Position

	£'000
<b><u>Budgetary Pressures:</u></b>	
Inflation, Employee costs, loss of rental Income, repairs.	3,947
Enhanced resident safety	2,725
<b><u>Less:</u></b>	
MTFS Savings Applied (Appendix B)	-5,267
<b>Budget Pressure</b>	<b>1,405</b>
Drawdown from Reserves	-1,405
<b>Net Budget</b>	<b>0</b>

NB: Drawdown on reserves will be reduced if recommended service charges are agreed.

# BETTER HOMES



Over the next four years the Council is planning to spend;

£13.2million on Kitchens and Bathrooms

£123.9million on Roofs, Windows and other external work





# FIRE SAFETY WORK PROGRAMME



Funding for new standard of Fire Safety - £87.1million over next four years.

Council has secured £80m from Government to Fund the removal and replacement of Cladding.

# DMC CONSULTATION

## 1% RENT DECREASE

Bedrooms	Average Rent 2018/19	Average Rent 2019/20	Average reduction in Rent
0	£83.38	£82.55	-£0.83
1	£100.30	£99.30	-£1.00
2	£113.65	£112.51	-£1.14
3	£127.22	£125.95	-£1.27
4	£141.11	£139.70	-£1.41
5+	£157.16	£155.59	-£1.57

# DMC CONSULTATION

## Recommended Tenant Service Charges

Service charge	18/19 weekly charge	recommended Increase	Service Charge change £
Caretaking	£ 8.95	2.4%	£ 0.21
CCTV	£ 0.98	0.0%	£ -
Communal lighting	£ 1.05	2.4%	£ 0.03
Communal M&E maintenance	£ 1.13	2.4%	£ 0.03
Grounds maintenance	£ 1.80	0.0%	£ -
Responsive Housing Patrol	£ 0.61	2.9%	£ 0.02

- Inflation (CPI) at September 2018 was 2.4%.
- Inflation level increase will mean s/c continues to cover cost of the service.
- CCTV & Grounds Maintenance can be met from existing charges.
- Responsive Housing Patrol is recommended a slightly higher increase to help cover the cost of investment

# DMC CONSULTATION: NEW ADVANCED CCTV SYSTEM

Outcome of review and strong feedback from DMCs:  
**WE NEED TO UPGRADE CCTV SYSTEM.**

Option proposed by DMC members during past year to levy a service charge to recover capital costs, similar to IRS.

## For consideration:

- Charge of £2.10 to replace existing CCTV charge of 98p?
- Levied from April after CCTV installation for 7 Years (same as IRS).
- CCTV charge to revert to current level of 98p (plus inflation) at end of seven years.



# DMC CONSULTATION

## HEATING POOL

- Bulk Gas prices payed by the council expected to increase by 26% over the next year.
- Heating Pool surplus at the end of 18/19 estimated to be £1.2m.
- 2019/20 - Should the surplus be used to keep heating charges at current levels?

**No Change to Heating Pool Charges in 2019/20?**

# FEEDBACK FROM DMCS

Recommendation	Yes	No	Other
1% Rent Reduction			
Increase in Tenant Service Charges?			
No Changes to Heating Pool Charges?			
New Service Charge for enhanced CCTV?			
Any other feedback/Views. Including Rent from April 2020?			