

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

17 JANUARY 2023

Title:

HOUSING REVENUE ACCOUNT BUDGET REQUEST

Portfolio Holder: Cllr Paul Rivers, Portfolio Holder for Housing and Community Safety

Head of Service: Andrew Smith Executive Head of Housing

Key decision: Yes

Access: **Public**

1. Purpose and summary

To request that Executive acknowledges and approves several budgetary increases and changes that have been unforeseen and unavoidable during the current financial year

2. Recommendation

That Executive approves a virement of £125,000 from the Stock Survey budget to fund this programme of works.

4. Background

- 4.1 Central Government has revised the regulations which place an obligation on private landlords to have smoke and carbon monoxide alarms fitted in rental properties to extend to social landlords.
- 4.2 As of 1st October 2022 carbon monoxide alarms are to be now required where there is any fitted combustion appliance, other than a gas cooker.
- 4.3 This means gas, oil-fired, solid fuel, and open flued appliances, which previously did not legislatively require a CO alarm, will now need one. As a result, a CO alarm will be required unless a property has entirely electric heating. The CO alarm can be battery operated or hard wired to the mains electric.
- 4.4 This regulatory change impacts most general needs homes within the HRA Housing Asset Stock portfolio.
- 4.5 The Council currently does not meet full compliance with the regulation,

however a robust delivery plan is in place to meet requirements

- 4.5 To prioritise delivery and compliance with the new regulation the Property Service Compliance Team have been working with their finance colleagues and the electrical testing contractor to develop a programme of works, and delivery costs in order to meet the regulatory requirements.
- 4.6 Works have been on site since October 2022 and to date, 10% of the project has been delivered which equates to 435 installations out of 4288 with spend amounting to £28,275. It is anticipated that the project will run until August 2023 a period of 43 weeks with an installation rate of approximately 100 monitors per week.
- 4.7 The total delivery costs of the works are £289,372 and the project will cross the financial years 2022/23 and 2023/24.
- 4.8 An initial sum of £80,000 was identified in the Core capital work from underspend and savings in the 2022/23 programme delivery. This figure covers the first initial 3 months of delivery.
- 4.9 An additional sum of £125,000 is now being requested to be vired to supplement the remainder of the project delivery for the financial year 2022/23 to manage this unavoidable growth. The remainder of the project will be funded in the 2023/24 budget and will be included in the Core Capital budget setting process.

5. **Relationship to the Corporate Strategy and Service Plan**

The report supports the Council's Corporate commitment to promote "*Good quality housing for all income levels and age groups*"

6. **Implications of decision**

6.1 **Resource (Finance, procurement, staffing, IT)**

The additional £125k capital budget required will be funded from savings within the core capital budgets. The Stock Survey budget of £300k is expected to underspend by £250k this financial year. It is proposed that the £125k budget required is vired from this saving.

6.2 **Risk management**

Risks for the service are classified as Financial, Legal/Regulatory, Safety, Service Delivery or Reputational. The Corporate Risk Register reports, manages and mitigates risks to the HRA.

6.3 **Legal**

The Council has an obligation as landlord to maintain properties owned by it to an appropriate standard, in respect of the recent changes in respect of the installation of Carbon Monoxide monitors the Council is obliged to make appropriate arrangements to fulfil this requirement. It is open for the Council to reallocate budgets to ensure resources are available to meet its commitments.

6.4 Equality, diversity and inclusion
NA

6.5 Climate emergency declaration
NA

7. Consultation and engagement

7.1 The Portfolio Holder for Housing Operations has been updated

8. Other options considered

8.1 This is a regulatory requirement and therefore the option to do nothing or delay this work is not feasible

9. Governance journey

9.1 The report has been shared with the Corporate Management Board and will go forward to the Executive for a decision.

Annexes: NA

Background Papers

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Head of Finance: Candice Keet
Strategic Director: Annie Righton

