

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

JOINT REPORT OF THE
EXECUTIVE DIRECTOR PLACE &
EXECUTIVE DIRECTOR CORE / S151 OFFICER

HOUSING REVENUE ACCOUNT – DRAFT 21/22 BUDGET & INVESTMENT PROPOSALS 21-26

1) Purpose & Introduction

- 1.1 This report summarises the proposed HRA Medium Term Financial Strategy, the revised HRA Reserves Strategy, the 2021/22 HRA draft budget and the 2021/22 through 2025/26 Housing Capital Investment Programme.

2) Context & Strategic Overview

- 2.1 The HRA report is set within the broader context of changes within the housing sector. The recently published Social Housing White paper "The Charter for Social Housing Residents" marks a step change in regulation and focus for all housing providers. The Regulatory framework includes both the Regulator of Social Housing, the new Building Safety Regulator and strong links to the Housing Ombudsman. Local Authorities and Arms Length Management Organisations will be part of a new inspection regime and will be required under the white paper proposals to strength and focus their work on health and safety, tenant empowerment and the decarbonisation agenda. This will have financial implications for the future investment in council homes, with enhanced decent homes standard including energy efficiency.
- 2.2 Within this context, work has commenced to identify the implications for Barnsley Council and Berneslai Homes on the delivery and investment requirements. This year's draft budget includes some initial investment on the decarbonisation agenda and further work is underway on the additional requirements for investment in future years to meet the requirements of the white paper. A new asset management strategy coupled with a review of the 30 year business plan will be undertaken in early 2021.

3) Recommendations

- 3.1 It is recommended that Cabinet:
- (i) **note the HRA Medium Term Financial Strategy (MTFS) as set out in Section 4;**
 - (ii) **approve the Housing Revenue Account Draft Budget for 2021/22, as outlined in Section 5, including the proposed revenue investments and savings, as outlined in Section 6, with any final amendments / additions being delegated to the Cabinet Spokesperson for Place and the Executive Director for Place in consultation with the Cabinet Spokesman for Core Services and the Service Director - Finance (S151);**
 - (iii) **approve a rent increase in line with the Government's rent policy;**
 - (iv) **note that there is no proposed change to non-dwelling rents, service charges and heating charges for 2021/22;**
 - (v) **approve the 2021/22 Berneslai Homes Management Fee at paragraph 7.7, with any final amendments / additions delegated to the Cabinet Spokesperson for Place and the Service Director, Regeneration & Culture in consultation with the Cabinet Spokesman for Core Services and the Service Director - Finance (S151);**

- (vi) approve the 2021/22 Berneslai Homes Management Fee for both Gypsy & Traveller Sites and in respect of the ESF Grant, both of which are charged to the Authority's General Fund, detailed at paragraphs 7.8 and 7.9 respectively;
- (vii) approve the commitment to the decarbonisation of the council house stock with an initial investment of £1.9M in 2021/22;
- (viii) approve in principle, the proposed emerging capital priority schemes as detailed in Section 8, subject to individual reports as appropriate, in line with the Council's governance arrangements;
- (ix) approve the Core Housing Capital Investment programme for 2021/22 and that the indicative programme for 2022/23 through 2025/26, outlined in Section 8, be noted;
- (x) resolve to recommend to full Council.

4) Medium Term Financial Strategy & HRA Reserves Strategy

Medium Term Financial Strategy (MTFS)

- 4.1 On 11th December 2019, the Council set a balanced HRA budget for 2020/21 and considered a medium-term position that included a framework for delivering a balanced budget in 2021/22. Table 1 describes the movement in the financial position from the previously reported baseline MTFS as described above, including the impact of the review of key assumptions that underpin both key expenditure lines and income streams, together with updates in respect of previously agreed decisions and other fixed and ongoing costs. The table also considers the level of efficiencies identified as part of the planning process which results in the amount of resources available for investment at this time. **Recommendation i) refers.**

TABLE 1: HRA MTFS Position 2021-23

	2021/22 £M	2022/23 £M	Comments
Initial (Surplus) / Gap as at Dec 19	(0.374)	(0.680)	
Rental Income	0.650	1.030	Reduction in CPI Rate from the expected 2% due to Covid pandemic. [0.5% in 21/22 / 1% assumed in 22/23], partially offset by stock numbers being higher than anticipated.
Repairs & Maintenance	(0.213)	(0.317)	Reduction in CPI Rate from the expected 2% due to Covid pandemic. [0.5% in 21/22 / 1% assumed in 22/23]
BH Management Fee	-	(0.119)	Reduction in CPI Rate from the expected 2% due to Covid pandemic. [0.5% in 21/22 / 1% assumed in 22/23]
Provision for Bad Debt	0.130	-	Additional provision given expected impact on collection rates as a result of Covid 19
Other Costs	(0.085)	(0.200)	Other reductions in costs in relation to CPI being less than expected.
Revised (Surplus) / Gap as at Jan 21	0.108	(0.286)	
Efficiency / Savings Proposals			
Contribution to Capital - Permanent	(1.000)	(1.000)	Assumed savings as a result of revised PRIP contract
Contribution to Capital - Temporary	(0.300)	-	Review of 21/22 District Heating Programme
Pension Deficit	(0.328)	(0.328)	Reduction in pension deficit contributions

	2021/22	2022/23	Comments
Revised (Surplus) / Gap as at Jan 2021 Post Efficiencies	(1.520)	(1.614)	

- 4.2 The worsening HRA position (before any efficiency proposals) in both 2021/22 and 2022/23 is largely due to the effect that Covid 19 has had on the CPI rate, which is the key driver in respect of the HRA base budget, specifically on the rents that are set for tenants. This is somewhat offset by the expected reduction in the increase in prices of certain elements, e.g. repairs and maintenance.
- 4.3 A number of efficiencies have been identified to provide scope for some revenue investments, the most significant of those relating to the Council's new arrangements for its PRIP contract with partners Berneslai Homes and Wates. The S151 Officer's advice is to consider investment proposals accordingly for 2021/22 and beyond within the £1.5M recurrent funding currently available. Section 5 of this report identifies these revenue investments. This is subject to an ongoing review of the Council's capital plan in respect of its investment programme in its council house stock and other key assumptions.

The HRA Reserves Strategy

- 4.4 The HRA has accumulated reserves totalling £31.8M as at the end of the 2019/20 financial year, as reported in the Housing Revenue Account Final Accounts Report (Cab.10.6.2020/8 refers). A review of existing HRA reserves has been undertaken by the Council's S151 Officer and a reprioritisation exercise completed, reflecting the current risk environment within the HRA (Table 2 refers).
- 4.5 Berneslai Homes Ltd has also accumulated a level of surpluses from previous few years. In 2018/19, the Council identified resources totalling £8.9M that were made available for Council and Berneslai Homes priorities. Since that time, £1.2M has been incurred on those priorities, which leaves £7.7M remaining.
- 4.6 The Council also retains an element of the capital receipts that are generated from the sale of Council Houses. The Section 151 Officer has released £1.0M of these resources to support the housing capital investment programme.
- 4.7 The Council also receives Section 106 (S106) contributions from housing developers as part of the agreements to allow house building in the borough. The Council currently has restricted S106 funds of £3.3M specifically for housing purposes which have been fully committed against schemes identified as part of the 2020/21 budget setting process.
- 4.8 Table 2 shows the currently available reserves, the amounts committed against those reserves in terms of approved schemes and the subsequent remaining resources for consideration.

TABLE 2: HRA Resources Position

	Reprioritised Reserves As at 1 st April 2020	Current Commitments	Remaining for Consideration
	£M	£M	£M
Resources Position:			
<u>Housing Reserves</u>			
<i>Earmarked For:</i>			
Housing Growth Reserve	20.2	(18.4)	1.8
Welfare Reform Reserve	2.0	(2.0)	-
New Build Bungalows Reserve	0.4	(0.4)	-
Compliance / H&S Programmes	0.7	(0.7)	-
Minimum Working Balance	7.0	(7.0)	-
Financial Recovery – Covid 19	0.6	(0.6)	-

	Reprioritised Reserves As at 1 st April 2020	Current Commitments	Remaining for Consideration
	£M	£M	£M
Review of 30 Year Capital Plan	0.9	(0.9)	-
Housing Reserves	31.8	(30.0)	1.8
Berneslai Homes Reserves	7.7	(7.3)	0.4
Capital Receipts	1.2	-	1.2
S106 Contributions	3.3	(3.3)	-
Total	44.0	(40.6)	3.4

5) Housing Strategy & Approach

- 5.1 The Council's strategic approach for investment in its housing services, for both revenue and capital investment mirrors the approach for general fund services, as agreed in the Council's Capital Investment Strategy and tracks the principles outlined in the Capital Investment Programme 2021/22 and External Funding Strategy, as described in Section 8 of this report. Available resources are identified over the medium term with housing priority proposals being submitted for consideration. This allows a more effective, robust and consistent planning process together with maintaining a flexible approach in respect of addressing emerging issues.
- 5.2 A business planning workshop was held in July 2020 between the Council and Berneslai Homes with the aim of identifying key priorities and the overall strategic direction of the HRA, moving forwards. Further discussions have since taken place with Berneslai Homes with additional priorities linked to service transformation being identified by the CEO. These priorities have been considered within the overall financial context of the HRA and are incorporated within this report.
- 5.3 Strategic investment priorities were agreed which focussed on ensuring Regulatory Compliance alongside wider priorities such as homelessness / inclusive growth, zero carbon and housing growth, which can be found in Sections 6 and 8 respectively.
- 5.4 The strategy and approach for defining longer term priorities will now be considered collaboratively as part of the Council's emerging 2030 Place Based Plan including subsequent updates to both the Council's and Berneslai Homes' corporate plans.

6) Revenue Investment Proposals

- 6.1 In line with the strategy outlined in Section 5, and within the financial context explained in Section 4, a number of revenue investment proposals have been identified by both Berneslai Homes and Council services for consideration.
- 6.2 These proposals have been assessed in line with the agreed process (per Section 5) ensuring that resources are aligned to the Council's housing priorities. The investments prioritised for consideration are summarised in Table 3. Further information is available on request.
Recommendation ii) refers.

TABLE 3: HRA Revenue Investment Priorities 2021-23

Permanent Revenue Investment Proposals	2021/22 £M	2022/23 £M	Investment Theme
Revised (Surplus) / Gap	(1.520)	(1.614)	
HRA 1 - Investment in Regulatory Compliance Programmes e.g. Electric, Gas, Fire Checks	0.658	0.658	Compliance / Regulatory
HRA 2 – Investment in Additional Capacity (Berneslai Homes)	0.500	0.500	Service Transformation
HRA 3 - Investment in Occupational Therapist	0.060	0.060	Service Transformation
HRA 4 - Increase in Cost of Utilities	0.096	0.096	Cost Pressures
HRA 5 - Performance Officer **	0.024	0.024	Service Transformation
HRA 6 - 16-17 Year Old Supported Housing for Complex Needs *	0.182	0.182	Homelessness / Inclusive Growth
Sub Total – Investments	1.520	1.520	
Revised (Surplus) / Gap	-	(0.094)	

* Agreed as part of 2020/21 Budget Setting Process

** No overall impact on HRA revenue position as capitalised against capital programme

7) Housing Revenue Account Proposed Budget

7.1 Table 4 shows the approved revenue budget for 2020/21 together with the proposed budget for 2021/22 and indicatively for 2022/23, on the basis that the identified efficiencies and the proposed revenue investments are approved. Paragraphs 7.2 – 7.11 provide further explanation of the key components of the budget, particularly where approval is required. **Recommendation ii) refers.**

TABLE 4 - HRA Proposed Revenue Budget 2021-23

	2020/21 Approved £M	2021/22 Draft £M	2022/23 Draft £M	Paragraph
INCOME				
Dwellings Rent	(69.754)	(70.690)	(71.799)	7.2 – 7.4
Non Dwellings Rents	(0.361)	(0.361)	(0.364)	7.5
Heating Charges	(0.525)	(0.525)	(0.530)	
Other Charges for Services and Facilities	(0.465)	(0.465)	(0.470)	
Contributions Towards Expenditure	(1.057)	(1.057)	(0.911)	
	(72.162)	(73.098)	(74.074)	
EXPENDITURE				
Repairs and Maintenance (Including Fees)	19.171	19.527	19.629	
Berneslai Homes' Management Fee	12.162	13.266	13.399	7.6 – 7.10
Other Supervision, Management & Special Services	5.962	6.064	6.120	7.11
Rents, Rates, Taxes and Other Charges	0.254	0.257	0.259	
Provision for Doubtful Debts	2.093	2.269	2.154	
Depreciation of Fixed Assets	12.383	12.383	12.383	
Debt Management Costs	0.098	0.100	0.101	
	52.123	53.866	54.045	
Net Cost of Services	(20.039)	(19.232)	(20.029)	
Interest Payable and Similar Charges	11.256	11.256	11.360	
Investment Income	(0.130)	(0.057)	(0.057)	
Net Operating Expenditure	(8.913)	(8.033)	(8.830)	
Appropriations				
Transfer to/from Major Repairs Reserve	8.767	7.887	8.590	
Revenue Contribution to Capital	0.146	0.146	0.146	
Base Budget	-	-	(0.094)	

Dwelling Rents

- 7.2 The Government has confirmed that from 2020/21 dwelling rents can be increased in line with CPI inflation (Consumer Price Index), plus 1% for the 5 year period through to 2024/25.
- 7.3 The rate of CPI as at September 2020 was 0.5%. It is proposed that dwelling rents will be increased in 2020/21 by **1.5%** in line with the Government's rent policy and the requirement from April 2020 for local authorities to comply with the Regulator of Social Housing Rent Standard. **Recommendation iii) refers.**
- 7.4 The proposed average rents for the various types of properties, for 2021/22 are shown in Table 5.

TABLE 5: Average Rent by Property Type

Property Type	Number of Bedrooms	Average Rent per Week (Based on 48 Weekly Bills)	
		2020/21 £	2021/22 £
Bedsit	0	£51.58	£52.35
Flat	0	£60.85	£61.76
	1	£60.31	£61.21
	2	£67.59	£68.60
	3	£72.34	£73.43
Bungalow	1	£62.03	£62.96
	2	£69.27	£70.31
	3	£81.43	£82.65
	4	£122.95	£124.79
House	1	£63.84	£64.80
	2	£70.05	£71.10
	3	£74.96	£76.08
	4	£80.84	£82.05
	5	£88.45	£89.78
	6	£108.45	£110.08
Maisonette	3	£75.11	£76.24
OVERALL AVERAGE WEEKLY RENT		£80.50	£81.71

Non-Dwelling Rents, Service Charges and Heating Charges

- 7.5 The Council recognises that there have not been any increases to the current level of non-dwelling rents, service charges and heating charges respectively over the past few years. As a result of the Covid pandemic and the significant impact that it has had on people's incomes, it is therefore proposed that no changes are applied to the current level for the 2021/22 financial year. A fundamental review will be undertaken during 2021. **Recommendation iv) refers.**

Berneslai Homes Management Fee

- 7.6 The proposed Berneslai Homes Management Fee in respect of the HRA is estimated at £13.266M for 2021/22 and indicatively £13.399M in 2022/23 as detailed in Table 6.

TABLE 6: Berneslai Homes HRA Management Fee

	2021/22 £	2022/23 £
BH HRA Management Fee Bfwd	12,162,442	13,266,082
<u>Fixed / Ongoing Costs</u>		
Inflation, Pay Award & Increments	238,640	132,661
	238,640	132,661
<u>Investment & Other Policy Decisions</u>		
HRA 2 - Investment in Additional Capacity (Berneslai Homes)	500,000	-
HRA 3 - Investment in Occupational Therapist	60,000	-
HRA 4 - Increase in Cost of Utilities	96,000	-
HRA 5 - Performance Officer **	24,000	-
HRA 7 - Environmental Improvement Apprenticeship Scheme *	185,000	-
	865,000	-
Proposed BH HRA Management Fee	13,266,082	13,398,743

* Agreed as part of 2020/21 Budget Setting Process

** No impact on HRA Revenue Position as capitalised to the Capital Programme

- 7.7 The additional management fee proposal has been developed as part of the review of the governance and management of Berneslai Homes during 2020. The proposal increases resources to support the delivery of the new strategic plan, introducing much needed Head of Service roles within the Customer Services Directorate and a Head of Governance & Policy. In addition, the restructure introduces new 'housing coach' roles, aimed at increasing support to tenants and sustaining tenancies, reducing both council tax and rent arrears. The new Occupational Therapist will address the significant delaying in major adaptations having a significant impact on the backlog of people awaiting life changing adaptations to their homes and reducing void loss. The environmental improvement scheme is to be expanded to develop community refurbishment schemes to improve neighbourhoods and provide much needed apprenticeships to young people of Barnsley.
- 7.8 On the basis that the proposed investments and efficiencies are approved, the BH management fee has been increased overall by a total of £1.104M from the 2020/21 fee, predominately as a result of the new investments proposed. **Recommendation v) refers.**
- 7.9 In addition to the proposed management fee charged to the HRA as per Table 6, Berneslai Homes also propose to charge the Council's General Fund in respect of two specific items which are described below:
- for the management of the Gypsy & Traveller sites in the Borough, which totals a proposed £0.065M for 2021/22 (£0.064M in 2020/21); and
 - The Council and Berneslai Homes have been successful in securing European Social Fund (ESF) grant for two employment support projects, "Sector Routeways" and "Tenants First". The costs of the two projects are split between the two respective organisations. The Berneslai Homes' element is transferred to the Council's General Fund via the management fee. The Council will receive the full grant entitlement. The expected cost to Berneslai Homes totals £0.134M in 2021/22.
- Recommendation vi) refers.**
- 7.10 Therefore, the proposed Berneslai Homes Management Fee to the Council in totality for 2021/22 totals £13.465M.

Other Supervision, Management & Special Services

7.11 The HRA is charged for its share of General Fund services that it consumes in providing services to tenants. The proposed changes are shown in Table 7.

TABLE 7: Other Supervision, Management & Special Services Budget 2021-2023

	2021/22 £	2022/23 £
Other Supervision, Management & Special Services Bfwd	5,961,592	5,961,591
<u>Fixed / Ongoing Costs</u>		
Inflation on General Fund Services	89,590	56,111
	89,590	56,111
<u>Investment & Other Policy Decisions</u>		
HRA 6 - 16-17 Year Old Supported Housing for Complex Needs *	181,540	-
	181,540	-
<u>Capitalisation of Staff Costs</u>		
HRA 7 - Environmental Improvement Apprenticeship Scheme *	(145,000)	-
HRA 5 - Performance Officer	(24,000)	-
	(169,000)	-
Proposed Other Supervision, Management & Special Services	6,063,722	6,119,832

* Agreed as part of 2020/21 Budget Setting Process

8) **2020 - 26 Council Housing Investment Programme**

8.1 The Council's Housing Capital Investment Programme consists of two components:

- **Housing Growth** – These capital programmes relate to supplementary, added value investment in both the Council's housing stock and housing related activities; and
- **The Core Programme** – These capital programmes relate to maintaining the housing stock at decency, including reactive replacements and elemental works together with a number of supplementary capital programmes relating to works on adaptations and major structural works etc.

Housing Growth

8.2 A number of capital investment proposals have been submitted by both Berneslai Homes and Council officers for consideration in line with the agreed process at Section 5. The investments prioritised at this stage, and requiring approval are summarised in Table 8, with further information available on request. **Recommendation viii) refers.**

TABLE 8: Capital Investment Priorities 2021 – 2025 (Subject to Approval)

Capital Investment Proposals	Investment Theme	2021/22 £M	2022/23 £M	2023/24 £M	2024/25 £M	Total £M
HRA A – Fire Safety Works	Compliance / Regulatory	0.100	-	-	-	0.100
HRA B – Lang Avenue Flooding Resilience *	Compliance / Regulatory	1.007	-	-	-	1.007
HRA C – Sprinkler Installation	Compliance / Regulatory	0.350	-	-	-	0.350
HRA D – Energy Efficiency – Air Source Air Heat Pumps	Zero 2045	1.100	-	-	-	1.100
HRA E – Social Housing Decarbonisation Fund Pilot / Match Funding	Zero 2045	0.800	-	-	-	0.800
TOTAL		3.357	-	-	-	3.357

* This scheme is subject to an external funding bid. Should this funding bid be successful, then the resources will be released and reprioritised accordingly.

- 8.3 These schemes have been included in Tables 9 and 10 and are subject to formal approval.
- 8.4 The schemes that have, at this stage, been deferred, will form part of the Council's pipeline of schemes moving forwards in line with the Council's Capital Investment Strategy and External Funding Strategy, whereby should any further resources be identified, then these schemes will be considered accordingly.

The Council's Core Investment Programme

- 8.5 The Council's Decency Programme relates to capital replacement of components within the Council's housing stock, thereby maintaining the Barnsley Homes Decency Standard. The core programme targets those properties where elements such as kitchens; bathrooms; heating systems; windows and external doors need replacing. Investment in the council housing stock ensures properties remain lettable and the rental income ensures the viability of the HRA. In terms of 2021/22, the savings identified from the new PRIP contract has allowed the budget to be reduced by £1.000M, whilst the same outcomes / outputs are still achievable i.e. 1,400 dwellings maintained at decency. The investment proposed for 2021/22 totals £13.528M.

Recommendation ix) refers

- 8.6 The Council also plans a series of supplementary investment works to support the Core Investment Programme and relate to supporting district heating networks, funding major adaptations to properties, providing works to void properties to bring them up to standard, and more fundamental structural works that are required to the Council's housing stock. The investment proposed for 2021/22 totals £5.102M. **Recommendation ix) refers.**
- 8.7 Berneslai Homes are currently developing a new asset management strategy, which will ensure a more effective approach to the investment in the Council housing stock. Following the Grenfell tragedy, the focus on fire safety and compliance has resulted in additional investment requirements to ensure the safety of tenants. In addition, work is underway to utilise more effectively the data held in the asset management system, PIMSS and collating information on stock condition including EPC levels. This data will be used in future to develop the investment requirements in the HRA business plan. The longer term ambitions for the stock are to ensure that all homes meet the zero carbon targets, EPC level C as a minimum. Work will be undertaken during 2021 to assess the level of investment required to meet the zero carbon, building safety and general stock condition over the life of the business plan. The information will be used to develop the Council's investment requirements from 2022/23.
- 8.8 Table 9 summarises the capital investment into the Council's housing stock, including both the Core Programme and Housing Growth, and shows the funding stream proposed to fund these programmes. Approval is sought for £21.987M and is shown in Table 9.

TABLE 9: Council Housing Investment Programme 2021 - 2026

	2020/21 £M	Existing Approvals 2021/22 £M	For Approval In Principle 2021/22 £M	Indicative				TOTAL (Inc. 2020/21) £M
				2022/23 £M	2023/24 £M	2024/25 £M	2025/26 £M	
Core Programme:								
Barnsley Homes Standard	18.465	-	13.528	13.915	14.317	14.734	15.180	90.139
Heating Works	1.387	-	0.781	1.081	1.081	1.081	1.081	6.492
Major Adaptations	2.016	-	2.007	2.007	2.007	2.007	2.007	12.051
Structural Extensive Works	1.675	-	1.685	1.685	1.685	1.685	1.685	10.100
Other	0.544	-	0.629	0.629	0.629	0.629	0.879	3.939
Sub Total – Core Programme	24.087	-	18.630	19.317	19.719	20.136	20.832	122.721
Housing Growth Investment:								
New Build	3.955	7.900	-	1.260	-	-	-	13.115
Acquisitions / Conversions	3.088	2.207	-	1.000	1.000	-	-	7.295
Regulatory / Compliance	-	1.400	0.450	-	-	-	-	1.850
Zero Carbon Initiatives	-	0.250	1.900	0.250	0.250	0.250	-	2.900
Other Housing Growth	0.931	1.846	1.007	1.395	0.395	0.195	-	5.769
Sub Total – Housing Growth (Table 10)	7.974	13.603	3.357	3.905	1.645	0.445	-	30.929
Total Expenditure	32.061	13.603	21.987	23.222	21.364	20.581	20.832	153.650
Resources:								
Major Repairs Reserve	(24.086)	-	(18.630)	(19.317)	(19.719)	(20.136)	(20.832)	(122.720)
Capital Receipts	-	-	(1.118)	-	-	-	-	(1.118)
1-4-1 Capital Receipts	(0.969)	(0.487)	-	-	-	-	-	(1.456)
HRA Reserves	(4.737)	(9.068)	(1.816)	(2.538)	(1.645)	(0.445)	-	(20.249)
Grants & Contributions	(2.191)	(4.048)	(0.423)	(1.367)	-	-	-	(8.029)
RCCO	(0.078)	-	-	-	-	-	-	(0.078)
Total Resources	(32.061)	(13.603)	(21.987)	(23.222)	(21.364)	(20.581)	(20.832)	(153.650)

- 8.9 Members should note that the capital programme for approval, as part of these budget proposals, totals £21.987M and is shown in the yellow column in Table 9, including the £3.357M new housing growth proposals as outlined in Table 8.
- 8.10 It should also be noted that included in the Core Programme 2020/21 position, includes schemes that have been delayed from 2019/20.
- 8.11 A full breakdown per scheme of the Council's current housing growth investment schemes (£30.929M in total) can be found in Table 10, which includes the 2021/22 investments that are subject to approval, which are highlighted in blue and shown in the yellow shaded column.

TABLE 10: Housing Growth Investment Programme – 2020 – 2026

Housing Growth	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	TOTAL
	£M	Existing Approvals £M	For Approval £M	£M	£M	£M	£M
<u>New Build</u>							
Billingley View	2.501	-	-	-	-	-	2.501
Sunnybank / Overdale	-	0.315	-	0.280	-	-	0.595
Laithes Lane	-	0.500	-	0.700	-	-	1.200
Goldthorpe Hotel Redevelopment	-	0.280	-	0.280	-	-	0.560
King Street, Hoyland	-	2.800	-	-	-	-	2.800
St Michael's Avenue	1.181	4.005	-	-	-	-	5.186
Kenworthy Road	0.176	-	-	-	-	-	0.176
Other	0.097	-	-	-	-	-	0.097
	3.955	7.900	-	1.260	-	-	13.115
<u>Acquisitions / Conversions</u>							
Strategic 106 Acquisitions	1.410	-	-	-	-	-	1.410
Empty Homes Acquisitions	1.581	0.783	-	-	-	-	2.364
Property Conversions	0.097	0.424	-	-	-	-	0.521
Strategic Acquisitions	-	1.000	-	1.000	1.000	-	3.000
	3.088	2.207	-	1.000	1.000	-	7.295
<u>Regulatory / Compliance</u>							
Sprinkler Systems to 4 Independent Living Schemes	-	0.400	-	-	-	-	0.400
Sprinkler Systems to Sheffield Road Flats	-	1.000	-	-	-	-	1.000
HRA A - Fire Safety Works	-	-	0.100	-	-	-	0.100
HRA C - Further Sprinkler Works	-	-	0.350	-	-	-	0.350
	-	1.400	0.450	-	-	-	1.850
<u>Zero Carbon Initiatives</u>							
Installation of Solar PV	-	0.250	-	0.250	0.250	0.250	1.000
HRA D - Air Source Heat Pumps / Decarbonisation	-	-	1.100	-	-	-	1.100
HRA E - Social Housing Decarbonisation - Pilot Match Funding	-	-	0.800	-	-	-	0.800
	-	0.250	1.900	0.250	0.250	0.250	2.900
<u>Other Housing Growth</u>							
HRA Surveyor	-	0.101	-	-	-	-	0.101
HRA B - Lang Avenue Flood Defences	-	-	1.007	-	-	-	1.007
Supported Housing Proposal	0.475	0.124	-	-	-	-	0.599
Feasibility Studies	-	0.100	-	-	-	-	0.100
Customer Services IT System	-	1.000	-	1.000	-	-	2.000
Increase Equipment & Adaptations Budget	0.400	0.200	-	0.200	0.200	-	1.000
Environmental Improvements	0.056	0.177	-	0.195	0.195	0.195	0.818
Other	-	0.144	-	-	-	-	0.144
	0.931	1.846	1.007	1.395	0.395	0.195	5.769
Housing Growth Investment Programme *	7.974	13.603	3.357	3.905	1.645	0.445	30.929

KEY: 2021/22 Investment Proposals

9. PROPOSAL AND JUSTIFICATION

- 9.1 It is proposed that individual dwelling rents be decreased in line with the Government's rent policy. The capital programme is affordable over the five year period and consistent with the Council's approved Housing Strategy.

10. CONSIDERATION OF ALTERNATIVE APPROACHES

- 10.1 The budget has been developed with the aim of ensuring wherever possible that existing approved policies and support of corporate strategies can continue to be delivered. From the many alternative approaches available the package of proposals in this report is considered to best achieve this intention.

11. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

- 11.1 The effective management of the HRA helps to consistently drive forward service improvements for the benefit of both council tenants and the wider community and ensure investment and maintenance in council housing.
- 11.2 The capital programme is designed to meet decency standards and has aspects within it to help reduce fuel poverty and to maximise opportunities to invest in affordable warmth initiatives. The major adaptations budget also supports the continued independent living of vulnerable people.

12. FINANCIAL IMPLICATIONS

- 12.1 These proposals set a balanced budget for 2021/22 with a framework to achieve a balanced position for 2022/23, including increasing rents in line with the Government's rent policy at CPI + 1%.
- 12.2 The total estimated cost of the 2021/26 core capital programme (including 2020/21) is £122.7M and is affordable over this period.
- 12.3 The proposals contained within the report includes £3.4M of new investment in the Council house stock for 2021/22. The total estimated cost of the current Housing Growth Investment capital programme, including the £3.4M, totals £30.9M, which is to be funded by specific resources currently held within the HRA.
- 12.4 From these budget proposals, service provision to tenants and capital investment to maintain housing stock at decency levels have both been maintained.

13. EMPLOYEE IMPLICATIONS

- 13.1 Any employee implications will be addressed as detailed scheme proposals are developed and approved.

14. LEGAL IMPLICATIONS

- 14.1 None

15. CUSTOMER AND DIGITAL IMPLICATIONS

- 15.1 None

16. COMMUNICATIONS IMPLICATIONS

- 16.1 Communications and Marketing will work in partnership with Berneslai Homes to communicate the outcomes of this report through their established channels.

16.2 Berneslai Homes will use their established channels to engage with their tenants who will be directly affected by the proposed capital works.

17. CONSULTATIONS

17.1 Discussions have taken place with the Service Director – Finance (S151 Officer) and the Executive Director – Place.

17.2 Consultations have and will continue to take place with Berneslai Homes and tenants.

17.3 Consultations with local members on the Barnsley Homes Standard and on any other major capital schemes in their area will continue to take place.

17.4 Consultations on the Council Housing Capital Investment Programme have and will continue to take place with BMBC Planning and Highways, Legal Services, Internal Audit and NPS Barnsley where appropriate.

18. BACKGROUND PAPERS

18.1 Welfare and Work Act 2016

18.2 Housing and Planning Act 2016 21.3 Budget working papers containing exempt information - not available for inspection.

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