

ROYAL BOROUGH OF KENSINGTON AND CHELSEA

LEADERSHIP TEAM – 7 FEBRUARY 2024

REFERENCE FROM THE HOUSING AND COMMUNITIES SELECT COMMITTEE

THE HOUSING REVENUE ACCOUNT BUDGET

This report provides a summary of the Housing and Communities Select Committee's scrutiny of the Housing Revenue Account and recommendations made by the Committee at its meeting on 1st February 2024.

FOR DISCUSSION

1 SUMMARY

- 1.1 Under the Council's budget scrutiny programme, scrutiny of the Housing Revenue Account (HRA) budget is the responsibility of the Housing and Communities Select Committee (HCSC). HCSC was initially due to scrutinise the HRA budget at its meeting on 28 November 2023, however, due to external factors, the report detailing the final budget was not available, and the Committee agreed to hold an additional meeting in early 2024 solely to scrutinise the HRA budget.
- 1.2 At that meeting, held 1 February 2024, the Committee felt strongly that scrutiny of the HRA budget should be brought in line with other business areas of the Council, to allow more time for recommendations to be formulated and put to the Leadership Team for consideration. The Committee made a formal recommendation that the HRA should be scrutinised at a meeting of HCSC annually in early December.
- 1.3 The Committee noted the budget had accounted for a £200m shortfall previously identified in the HRA Business Plan and agreed to ask for further information on the additional measures taken, beyond the rent increase, to achieve the balanced budget to be shared with the Committee after the meeting.
- 1.4 Whilst the Committee welcomed the additional funding for the Tenant Support Fund, there was significant concern for those residents with low incomes but not in receipt of housing benefits, whom a 7.7% rent increase and 6.7% service charge increase would disproportionately affect. The Committee cautioned against assuming residents' consent for the increases through the Tenants Consultative Committee, and queried whether the increased charges were reasonable given the state of repair and disruption affecting many homes.
- 1.5 The Committee called for more clarity on which tenants were considered 'most vulnerable' and therefore eligible for support under the Tenant Support Fund,

and questioned whether the additional £200,000 for the Fund would be sufficient.

- 1.6 The Committee noted the HRA budget within the broader context of the council-wide Housing Strategy, which was due to be updated. Members highlighted the first key priority of the existing strategy, 'Supporting Grenfell survivors and bereaved', and made a formal recommendation to the Lead Member for Housing Management, Housing Safety & Building New Homes, that the updated strategy should also include support for the local community affected by the Grenfell Tragedy in North Kensington as a key priority.

2 RECOMMENDATIONS

- 2.1 Leadership Team is asked to note the formal recommendations of the Committee when making a decision on [KD1004474 2024/25 Housing Revenue Account Budget Setting Report and Business Planning](#):

- That the timing of scrutiny of the HRA budget be brought in line with other business areas of the Council, taking place in early December annually.
- That support for the local community affected by the Grenfell Tragedy in addition to the Grenfell survivors and bereaved be listed as a priority in the updated Housing Strategy.

- 2.2 In addition, Leadership Team is asked to note the Committee's serious concerns regarding the effects of the rent and service charge increases on vulnerable tenants and leaseholders.

FOR DISCUSSION

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Chair, Housing and Communities Select Committee

Background papers used in the preparation of this report:

None.

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