

## **REPORT OF CABINET No. 3, 2024/25**

### **FULL COUNCIL 3 March 2025**

Chair: Councillor Peray Ahmet

Deputy Chair: Cllr Sarah Williams

#### **1. INTRODUCTION**

- 1.1 The Housing Revenue Account (HRA) covers income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the Local Government Act 1989.
- 1.2 This report provides an update on the aims and ambitions across the medium and long term and proposals for the 2025/26 budget. It provides details of the assumptions for forecast income and therefore planned expenditure for next year as well as an update on the future financial outlook for the HRA. It additionally notes the Cabinet discussion on 11 February 2025 relating to the Housing Revenue Account 2025/26 - 2029/30.

#### **HOUSING REVENUE ACCOUNT 2025/26 - 2029/30**

We discussed the Housing Revenue Account for 2025/26 – 2029/2030, and the details that were within it. It was explained that Haringey was committed to fairer housing, explaining that means making sure residents had safe, stable, warm and comfortable homes. It was noted that the Council invested the HRA (Housing Revenue Account) into repairing and renovating existing Council homes and into building new homes for people on the waiting list. It was explained that the Council wanted both existing Council tenants and new Council tenants to live in high quality homes and that more families and individuals in the borough who needed the security of social housing to be able to set down roots and thrive. It was explained that key investments made in existing council homes included: improving kitchens and bathrooms; keeping estates safer and keeping homes warm and dry – and making homes cheaper to heat.

We discussed that investment in new Council homes and renovation work to existing council homes would help reduce the need for future expenditure on repairs.

We discussed that, as well as capital investment, the HRA delivered important services to tenants and leaseholders, including tenancy services, income services (including the financial inclusion service), estates and neighbourhood services. It was noted that that residents that need support would be able to live well in their homes and communities utilising these services.

We stressed that setting a sustainable HRA had become significantly more challenging in recent years. It was noted that higher interest rates and inflation were driving up costs across the board and that construction costs had been rising for

some years, increasing the cost of repairs and important building safety works. It was explained that, at times, Council rent rises were kept below inflation, either by national government or by local councils, with a series of 1% rent cuts between 2016 and 2020 and a sub-inflation rise in 2023-24. The Council were able to continue to provide services to tenants and leaseholders, to invest in their homes and to build thousands of new council homes over time, a major programme that is delivering genuinely affordable homes that local people need.

We additionally discussed:

- That new builds go through a value engineering process to ensure that development contracts offer the best value for money at the time.
- That Long-Term Voids, those that required major structural works, had work nearly completed, and that the Voids team has been exceeding targets. It was noted that there was an impetus to continue and expand this work.
- Officers explained that the business plan had reduced the cost of the housing delivery programme by 14% through good procurement and forward planning.
- Officers explained that they had increased the budget in the Housing Revenue Account to support target of delivery of additional homelessness discharge acquisitions and that the Council had also applied to the Greater London Authority (GLA) for additional funding for acquisition of Council homes to discharge this duty.

We continued to approve:

The proposed increases in rent of 2.7% to existing tenancies and noted that rents on other forms of tenancies would continue as approved in prior years by Cabinet.

The proposed average service charge increases. However, noting that the increases in service charges to individual tenants would vary depending on the service they receive.

## **WE RECOMMEND**

Approval of the HRA 2025/26 Budget and 2025/26-29/30 MTFS, which included the proposed revenue and capital spend over the period as attached to agenda item 13 2025-26 Budget and Medium-Term Financial Strategy 2025/29 at Annex 3.