

RECORD OF EXECUTIVE DECISION

Tuesday, 10 February 2015

Decision No: (CAB 14/15 14177)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	HOUSING AND SUSTAINABILITY
SUBJECT:	HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN
AUTHOR:	Alan Denford

THE DECISION

- (i) To consider the report and agree that the recommendations, as set out below, be made to Council at the meeting on 11 February 2015.
- (ii) To approve the addition of £1,000,000 to the Housing Revenue Account Capital Programme for an Existing Satisfactory Purchase Scheme, funded from retained 'right to buy' capital receipts (30%) and direct revenue financing (70%).
- (iii) To approve capital expenditure of £1,000,000 in 2015/16, in accordance with Financial Procedure Rules, on the Existing Satisfactory Purchase Scheme and to give delegated authority to the Director of People to agree individual property acquisitions, as set out in paragraphs 34 to 36 of this report.

Council Recommendations:

- (i) To thank the Tenant Resources Group for their input to the capital and revenue budget setting process and to note their endorsement of the recommendations set out in this report and also the broad support for the proposals received at the Tenants' Winter Conference.
- (ii) To approve the following to calculate the dwelling rent increase from 1 April 2015:
 - That the standard increase applied to all dwelling rents should be 2.2% (CPI plus 1.0%), as set out in paragraph 11 of this report, equivalent to an average increase of £1.84 per week; and
 - That dwelling specific adjustments should be made to give an additional increase in average rent levels of 1.3% (£1.09 per week), subject to the total increase from both elements not exceeding £10.00 per week for any individual property, as set out in paragraph 13 of this report.
- (iii) To approve, based on the calculation set out in recommendation (ii) above, that with effect from the 1 April 2015, the current average weekly dwelling rent figure of £83.92 should increase by 3.5%, which will equate to an average increase of £2.93 per week.
- (iv) To note that the actual total increase in individual rents will vary by property, as explained in paragraph 14 of this report.
- (v) To note the following weekly service charges from 1 April 2015 based on a full cost recovery approach:

- Digital TV £0.42 (unchanged from 2014/15)
 - Concierge £1.20 (unchanged from 2014/15)
 - Tower Block Warden £4.97 (unchanged from 2014/15)
- (vi) To note that the new cleaning charge for walk up blocks of £0.63 per week, which was introduced from July 2014, will also be unchanged from 1 April 2015.
- (vii) To note that the service charges for supported accommodation will continue at the rates approved in February 2013.
- (viii) To note that the charges for garages and parking spaces for 2015/16 will be increased by 1.2% in line with the increase in CPI.
- (ix) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (x) To approve the addition of £12,272,000 to the Housing Revenue Account Capital Programme for a Provision of Social Housing Scheme, funded from retained 'right to buy' capital receipts (30%) and borrowing (70%), as set out in paragraphs 34 to 36 of this report.
- (xi) To approve the revised Housing Revenue Account 5 Year Capital Programme set out in Appendix 2 and to note the key variances and issues in Appendix 3.
- (xii) To approve the 30 year Business Plans for revenue and capital expenditure set out in Appendices 4 and 5 respectively.
- (xiii) To note the HRA Business Plan - Planning Assumptions, as set out in Appendix 6.
- (xiv) To note that rental income and service charge payments will continue to be paid by tenants over a 48 week period.

REASONS FOR THE DECISION

The Council's Constitution sets out the process to be followed in preparing the Council's budget. This process includes a requirement for the Executive to formally submit their budget proposals for the forthcoming year to Council. The budget proposals in this report cover the HRA revenue budget and capital programme.

In March 2012 the HRA paid a one-off levy to Government, known as the 'debt settlement', to buy its way out of the subsidy system and stop the need for annual payments. The introduction of the self-financing regime for HRA finances in April 2012 brought with it a requirement for long term business planning. This report also sets out in financial terms the HRA Business Plan for the next 30 years.

DETAILS OF ANY ALTERNATIVE OPTIONS

The proposals in this report follow the key principles established in the HRA self-financing report approved by Council on 16 November 2011 and amended in subsequent budget reports. They are consistent with the views of tenant representatives expressed at various meetings during the preparations for HRA self-financing. More recently, these matters have been discussed at the monthly meetings of the Tenant Resources Group and at the Tenants' Winter Conference. Alternative options are not therefore supported.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 10th February 2015

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 clear days (as set out in the Constitution) from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed (*if applicable*)

Call-in heard by (*if applicable*)

Results of Call-in <i>(if applicable)</i>