

RECORD OF EXECUTIVE DECISION

Monday, 6 February 2012

Decision No: (CAB 11/12 7533)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	HOUSING
SUBJECT:	HOUSING REVENUE ACCOUNT BUDGET REPORT AND BUSINESS PLAN
AUTHOR:	David Singleton

THE DECISION

On consideration of the report of the Cabinet Member for Housing, Cabinet agreed that the following recommendations be made to Council at the meeting on 15 February 2012:

- (i) To thank Tenant Association Representatives for their input to the capital and revenue budget setting process and to note their views as set out in this report.
- (ii) Following the completion of the full financial assessment of the changes to target rents approved by Council on 16 November 2011 to:
 - Confirm that the target rent for houses will be increased by 5%,
 - Approve a further reduction in the target rent for flats of 0.06% (giving a total reduction of 2.96%) so that the overall average target rent for all dwellings remains unchanged,
 - Approve the indexing of the £2.00 factor in the individual property rent restructuring calculation by RPI plus 0.5% from 2001/02 and the phased implementation of the amended calculation in equal instalments between 2013/14 and 2015/16
 - Confirm that from 2 April 2012, all new tenants will be charged the target rent for the property they move into.
 - Confirm that in all other respects, rents should be set using the Governments Rent Restructuring regime.
- (iii) To agree that, with effect from the 2 April 2012, the current average weekly dwelling rent figure of £69.73 should increase by 7.54%, which equates to an average increase of £5.26 per week, and to approve the following to calculate this increase:
 - That the percentage increase applied to all dwelling rents should be 6.1%, equivalent to an increase of £4.25 per week; and
 - That the rent restructuring component of the increase should follow the arrangements set out in recommendation (ii) above, giving an increase in average rent levels of 1.44% (£1.01 per week) and to note that:
 - The total percentage increase in individual rents will vary according to the restructured rent of their property

- (iv) To approve the following weekly service charges from 2 April 2012 based on the full cost recovery approach agreed by Council in November 2011:
 - Digital TV £0.42 (unchanged from 2011/12)
 - Concierge £1.20 (increased by £0.08 from 2011/12)
 - Tower Block Wardens £4.97 (reduced by £0.14 from 2011/12)
- (v) To note that the service charges in supported accommodation will not change from 2 April 2012 but that these will be reviewed in the spring of 2012 in consultation with tenants, with any changes taking effect from October 2012,
- (vi) Subject to consultation with tenants, to approve the introduction of a new cleaning charge for walk up blocks of £0.91 per week, the start date for which will be agreed with tenants
- (vii) To agree that the charges for garages and parking spaces for 2012/13 should be increased by 5.6% in line with the increase in RPI used in the calculation of the increase in average rents.
- (viii) To approve the increase in minimum HRA balances to £2M.
- (ix) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (x) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2.
- (xi) To approve the 30 year capital and revenue business plans set out in appendices 4 and 5
- (xii) To approve the principles underlying capital spending plans that have been included in the business plan as set out in appendix 6
- (xiii) To note the HRA business planning assumptions set out in appendix 7.
- (xiv) To note that rental income and service charge payments will be paid by tenants over a 48 week period.
- (xv) To note the intention to develop a HRA efficiency programme during 2012/13

REASONS FOR THE DECISION

1. 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.
2. The introduction of the new self-financing regime for HRA finances from April 2012 brings 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 principles established in the report approved by Council in November 2011 and are consistent with the views of tenant representatives expressed at various meetings during the preparations for HRA self-financing. 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:
6 February 2012

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

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

Call-In Period expires on

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 *(if applicable)*