

RECORD OF EXECUTIVE DECISION

Tuesday, 4 February 2014

Decision No: (CAB 13/14 12033)

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

THE DECISION

To agree that the recommendations, as set out below, be made to Council at the meeting on 12 February 2014:

- i) To thank the Tenant Resource 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 2014:
 - That the standard increase applied to all dwelling rents should be 3.7% (RPI plus 0.5% as set out in paragraph 9), equivalent to an average increase of £2.91 per week; and
 - That dwelling specific rent restructuring adjustments should be made to give an additional increase in average rent levels of 3.25% (£2.55 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 16).
- iii) To approve, based on the calculation set out in recommendation (ii) above, that with effect from the 1 April 2014, the current average weekly dwelling rent figure of £78.53 should increase by 6.95%, which will equate to an average increase of £5.46 per week.
- iv) To note that the actual total increase in individual rents will vary by property as explained in paragraph 17.
- v) To note the following weekly service charges from 1 April 2014 based on a full cost recovery approach:
 - Digital TV £0.42 (unchanged from 2013/14)
 - Concierge £1.20 (unchanged from 2013/14)
 - Tower Block Warden charge £4.97 (unchanged from 2013/14)

- vi) To approve that the proposed service charges for supported accommodation, as set out in paragraph 33 of this report, should be used as the basis for consultation with tenants.
- vii) To note that a new cleaning charge for walk up blocks of £0.91 per week, approved in the February 2013 budget report, will be introduced from 1 April 2014.
- viii) To note that the charges for garages and parking spaces for 2014/15 will be increased by 3.2% in line with the increase in RPI used in the calculation of the increase in average rents.
- ix) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- x) To approve the principle that the HRA Business Plan should have minimum 'borrowing headroom' of £6M, at the time of its annual approval by Council, as detailed in paragraph 8 of this report.
- xi) To approve the revised Housing Revenue Account 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 assumptions 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

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. 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 new 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 Resource 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: 4 February 2014

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)*