

## RECORD OF EXECUTIVE DECISION

Monday, 7 February 2011

Decision No: (CAB 10/11 4887)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CABINET MEMBER FOR HOUSING
SUBJECT:	HOUSING REVENUE ACCOUNT BUDGET REPORT
REPORT AUTHOR:	David Singleton, Accounting Group Manager

### THE DECISION

- (i) To consider the report and agree that the following recommendations be made to Council at the meeting on 16 February 2011.

#### Council Recommendations:

- (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) To agree that, with effect from the 4<sup>th</sup> April 2011, the current average weekly dwelling rent figure of £65.15 should increase by 6.99%, which equates to an average increase of £4.55 per week, and to approve the following to calculate this increase:
- That the percentage increase applied to all dwelling rents should be 5.1%, equivalent to an increase of £3.32 per week; and
  - That the revised phased introduction of the Government's Rent Restructuring regime should be followed, giving an increase in average rent levels of 1.89% (£1.23 per week) and to note that:
  - The total percentage increase in individual rents will vary according to the restructured rent of their property in 2015/16.
- (iii) To agree that the charges for garages and parking spaces for 2011/12 should be increased by 6.99% in line with the increase in average rents.
- (iv) To approve the Housing Revenue Account Revenue Estimates as set out in the attached Appendix 1.
- (v) To approve the revised Housing Revenue Account Capital Programme set out in Appendix 2 which includes total spending of £55.028M on work that meets the definition of "affordable housing".
- (vi) To approve the use of resources to fund the HRA Capital Programme as shown in Appendix 3, including the following use of unsupported

(prudential) borrowing:

- £2.150M to support the overall programme (unchanged from the report in September 2010);
  - £3.356M to fund the new build programme that is not funded from HCA grant,
  - £2.230M to fund the digital TV proposals,
  - £0.870M to fund the estate regeneration programme pending the receipt of capital receipts from sale of the sites and
  - £3.100M of short term borrowing to sustain the programme in 2010/11, which can be repaid by the end of 2012/13.
- (vii) To amend that parking charges at WyndhamCourt as set out in appendix 5.
- (viii) To adopt the rent setting policy for new build, acquired and converted dwellings set out in Appendix 6.
- (ix) To note that rental income and service charge payments will be paid by tenants over a 48 week period.
- (x) To note that the overall shortfall in resources of £3.079M to fund the capital programme is within the tolerances set by the Executive Director for Resources in the approved Medium Term Financial Strategy and that plans are in place to close this gap as set out in paragraph 35.

## **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.

## **DETAILS OF ANY ALTERNATIVE OPTIONS**

The alternative option of not setting next year's rent increase in accordance with the new rent restructuring guidance as well as changes to the HRA Capital Programme and HRA Revenue Estimates have been discussed with the tenant representatives. These options were not 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: 7<sup>th</sup> February 2011

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)*