

CABINET (HOUSING) COMMITTEE**28 November 2013****Minute Extract****HOUSING REVENUE ACCOUNT – 2014/15 RENT SETTING AND BUDGET
OPTIONS/ BUSINESS PLAN OPTIONS**

(Report CAB2535(HSG) refers)

The Assistant Director drew attention to paragraph 4.1 option (2) (page 5 of the Report refers) and explained that the applying of an 'affordability' limit would be the most appropriate method to move straight to target rents.

During discussion, the Assistant Director explained that comparing rents to private landlords was appropriate in this instance, as there were very few local authorities with retained housing stock in the region. The Committee also discussed comparisons to affordable and social rents and requested that Council rents continue to be maintained as affordable as possible.

Mrs Steventon Baker commented that TACT recognised the reasoning behind the proposed rent increases and supported the recommended approach in the Report.

The Assistant Director advised that the Council's existing commissioning of the Citizen's Advice Bureau, to provide tenants with financial advice, had been supplemented by additional officer resource to provide specific support. Officers from Housing Services also worked closely with the Benefits Team to ensure that the discretionary payment scheme was properly targeted. He also reported that rent arrears to the HRA following the implementation of welfare reform had not been as significant as initially projected.

The Head of New Homes Delivery clarified that a review of the existing Council House Development Strategy was to be undertaken utilising external consultants. Any significant changes proposed would be reported to this Committee, in addition to The Overview and Scrutiny Committee.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED (TO COUNCIL):

- 1. THAT THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER) BE AUTHORISED TO IMPLEMENT THE SOCIAL HOUSING RENTS INCREASE FOR 2014/15 ON THE BASIS THAT ALL RENTS ARE SET AT TARGET RENT LEVELS FOR THAT YEAR SUBJECT TO AN OVERALL MAXIMUM INCREASE OF RPI PLUS 0.5% PLUS £3.00, RESULTING IN AN OVERALL AVERAGE RENT INCREASE OF 5.38%.**
- 2. THAT WHEN PROPERTIES ON SOCIAL RENTS ARE RELET, THE POLICY OF SETTING RENTS AT TARGET RENT BE RETAINED**
- 3. THAT THE COUNCIL POLICY FOR SOCIAL RENT INCREASES IN FUTURE YEARS BE AMENDED IN ACCORDANCE WITH LATEST GOVERNMENT PROPOSALS AND LIMITED TO AN INCREASE BASED ON THE SEPTEMBER CONSUMER PRICE INDEX + 1%, WITH NO FURTHER ADJUSTMENTS TOWARDS TARGET RENTS FOR EXISTING TENANCIES**
- 4. THAT THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER) BE AUTHORISED TO IMPLEMENT AN INCREASE IN AFFORDABLE HOUSING RENTS FOR 2014/15 OF 3.7%.**
- 5. THAT GARAGE RENTS BE INCREASED BY 3.2% IN LINE WITH THE INFLATION PROVISION INCLUDED IN THE INCREASE FOR DWELLING RENTS**
- 6. THAT THE UPDATED COUNCIL NEW HOMES PROGRAMME, AS DETAILED IN APPENDIX 4, BE APPROVED**
- 7. THAT RENTS AT THE NEW BUILD SCHEME IN DEVER CLOSE MICHELDEVER BE SET AT LEVELS AS DETAILED IN PARAGRAPH 5 OF THE REPORT**
- 8. THAT THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER) BE GIVEN DELEGATED AUTHORITY TO DETERMINE ACTUAL RENTS FOR ALL NEW BUILD SCHEMES AND NEWLY ACQUIRED PROPERTIES, SUBJECT TO THEM BEING THE MINIMUM AMOUNT THAT COVERS ALL CAPITAL AND OPERATING COSTS OVER A 30 YEAR PERIOD IN ACCORDANCE WITH THE PRINCIPLES SET OUT IN THE DEVELOPMENT STRATEGY AND SATISFYING THE AFFORDABILITY TEST INCLUDED IN THE COUNCIL'S TENANCY STRATEGY**

RESOLVED:

1. That the revised budget for 2013/14 as set out in Appendix 1 be approved and the options for service enhancements and additional expenditure and income as detailed in paragraph 8 be supported as the basis for the preparation of a detailed HRA budget and business plan.
2. That the assumptions used to prepare the draft business plan be noted.