

**STEVENAGE BOROUGH COUNCIL**

**SPECIAL COUNCIL  
MINUTES**

**Date: Tuesday 26 January 2016**

**Time: 7.00 pm**

**Place: Council Chamber**

**Present:** The Mayor, H Burrell and Councillors  
S Batson MBE DL CC, D Bainbridge, L Bell, P Bibby,  
L Briscoe, R Broom, J Brown, H Burrell, L Chester,  
E Connolly, J Fraser, M Gardner, L Harrington,  
R Henry CC, C Latif, G Lawrence, Mrs J Lloyd,  
J Lloyd CC, L Martin-Haugh, J Mead, M Notley,  
R Parker CC, R Raynor, G Snell, S Speller, P Stuart,  
S Taylor OBE CC, J Thomas and A Webb.

**Start/End Time:** Start Time: 7.00 p.m.  
End Time: 7.57 p.m.

**1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors D Cullen, S Hearn, M Hurst, J Gardner, A McGuinness, M McKay, S Mead, C Saunders, V Warwick, and Chair of the Youth Council T Harrison.

There were no declarations of interest.

**2. HOUSING REVENUE ACCOUNT (HRA) FINAL BUDGET PROPOSALS 2016/2017 RENT SETTING**

Council had before it an officer report concerning the 2016/2017 rent setting and HRA Budget. This matter had been considered by the Executive on 19 January 2016.

In moving the 2016/17 HRA Budget and Rent proposals, Councillor Webb informed the meeting that housing remained a top priority for the Council and that the Council would continue to strive to improve the quality of the housing stock and drive forward the acquisitions and new build programmes despite the imposition of a rent reduction and other initiatives by the Government which would have a negative impact on the Council's housing priorities.

Councillor Webb then highlighted some of the successes of the housing team which included the completion of approximately thirty thousand repairs, collecting 98.15% of rents and achieving the 'Decent Homes' standard for 90% of the Council's housing stock. She then

gave details of the consequences of the rent changes for Stevenage residents, with over five thousand seven hundred properties benefitting from a rent reduction.

She concluded by saying that more specific information would be provided once Officers had had the opportunity to recast the HRA Business Plan.

Councillor Mrs Lloyd seconded the motion and informed Council that in addition to scrutiny by the Overview and Scrutiny Committee and the Executive, proposals in the budget had also been before the Leader's Services Priority Group.

Council was further informed that the estimated cost of the proposed legislative changes would be in the region of £225 million over the 30 year life of the HRA Business Plan.

The Leader then moved an amendment adding a recommendation that the Council recognise and comment on the impact of the Government's policies on the Council's Housing Revenue Account and specifically the previously agreed housing development programme.

In moving the amendment the Leader commented that central government had imposed the 1% rent reduction without prior consultation and that the loss of revenue to the HRA could seriously impact on the four main housing objectives of the Council, which were to:

- Build more council houses
- Maintain the existing housing stock to a 'decent' standard
- Tackle homelessness, and
- Repay the debt incurred as a result of self-funding.

She concluded by stating that despite the setback of the imposition of the 1% rent reduction and other initiatives such as 'right to buy' and 'pay to stay' the Council would continue to work to meet its housing objectives.

This motion was seconded by Councillor J Lloyd CC.

A full debate ensued and the following points were raised:

- The Council could revisit its Decent Homes Programme and defer any works that were non-essential or reschedule its self-financing debt in order to support the building and acquisition of new council homes.
- The Council should make every effort to spend its 'Right to Buy' receipts.
- Local Authorities should be able to operate independently of central government, especially with regard to housing issues.

In reply to a question it was confirmed that following the 2016/17 rent reduction there would be a 1% reduction per annum for a further three years.

A vote was then taken and it was **RESOLVED** that the amendment be carried.

Council then made no further comment on the substantive motion and it was **RESOLVED** that:

- 1 The HRA dwelling rents not subject to the 1% rent reduction be increased, week commencing 4 April 2016 by an average 0.9% or £0.95 per week which has been calculated using the existing rent formula, CPI +1% in line with the 2014 Rent Policy.
- 2 HRA dwelling rents (other than those outlined in 2.1) be subject to the 1% rent reduction from week commencing 4 April 2016 or £0.99 per week as outlined in the Governments Welfare Reform Bill (subject to the Bill being passed into statute).
- 3 The 2016/17 HRA budget, as set out in Appendix A, be approved. This may be subject to change as a result of consultation, changes to the government's Welfare Reform Bill.
- 4 The proposed fees and charges as shown in Appendix B to the report be approved.
- 5 The proposed 2016/17 savings options as outlined in Appendix C to the report be approved.
- 6 The proposed 2016/17 growth options as outlined in Appendix D to the report be approved.
- 7 The 2016/17 proposed maximum increase in Service Charges of £3.00 be approved.
- 8 The minimum level of reserves for 2016/17 as shown in Appendix E to this report be approved.
- 9 The revised 2015/16 budget of £1,688,120 surplus be approved.
- 10 The Rent and Service Charge Policy as shown in Appendix G to this report be approved.
- 11 That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2016/17, (unchanged from 2015/16).
- 12 That Council condemns the interference of the Government in the setting of rent levels for Stevenage Borough Council tenants.

Stevenage Borough Council has an agreed 30 year programme to build 1,900 council homes, to keep our housing stock to decent homes standard, to address regeneration in the neighbourhoods containing our housing stock and to repay the £200million self-financing loan related to housing taken out from the Government Public Works Loans Board in 2013.

The reductions in rent were imposed by the Government without consultation with housing authorities which creates a 'new burden' for stock holding councils that flies in the face of localism and devolution. In the case of Stevenage this Government action creates a £225 million hole in our housing business plan and clearly jeopardises our housing programme across the whole 30 years. Its effect will be to reduce the number of homes we are able to build and our ability to maintain our houses to the standard we have agreed with our tenants. Any attempt to restructure the debt to make it more affordable as a result of the loss of rental income, resulting from the Governments policy, would today increase the cost of repayment of the self-financing loan by up to £32 million in debt re-negotiation charges.

The Council calls on the Chancellor of the Exchequer to enter into urgent discussions with local housing authorities to understand the impact of the action he has taken and explore how this can be mitigated.

### **3. COUNCIL TAX SUPPORT SCHEME**

Council had before it an officer report concerning the 2016/2017 Council Tax Support Scheme which had previously been considered by the Executive on 19 January 2016

In moving the recommendations Councillor Mrs Lloyd informed Council that the scheme would remain unchanged for 2016/17 and that the Executive had agreed for a full review of the scheme for 2017/2018.

Councillor Connolly then seconded the motion.

In reply to a question it was confirmed that the Council Tax Support Grant, which underwrote the Council Tax Support Scheme, had been incorporated into the Revenue Support Grant. It was expected that the Revenue Support Grant would be removed by 2019/2020 and it was uncertain at this stage whether an element of Council Tax Support Grant would remain payable to the Council after that time.

A vote was then taken and it was **RESOLVED** that:

1. The 2016/17 Council Tax Support Scheme as set out in the report (at Appendix A) be adopted.
2. A review of the scheme in 2016/17 for the financial year 2017/18, including other discriminatory discounts, be approved.

**Mayor**