

Meeting: Executive

Portfolio Area: Housing

Date: 24th January 2007

HOUSING REVENUE ACCOUNT (HRA) RENT SETTING PROPOSALS FOR 2007/08

KEY DECISION

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Attached SHL Report - SHL

1 PURPOSE

- 1.1 To recommend to Council the proposed rent increase for 2007/08 in respect of HRA dwellings, as detailed in the attached report from Stevenage Homes Ltd (SHL).

2 RECOMMENDATION

That the following recommendations, as detailed in the attached report from SHL, be made to Council -

- 2.1 The rents of HRA dwellings be increased, with effect from the week commencing 2nd April 2007, by 2.94% and increased or decreased by the Rent Restructuring figure determined for each dwelling in accordance with the Government's Revised National Rent Restructuring Formula, subject to the Government's caps and limits applicable to each property, as detailed in paragraph 4.2. of the attached SHL report.
- 2.2 The Government's Cap on the combined increase in rent and un-pooled Service Charges for an individual property be applied, as detailed in paragraph 4.2.5 of the attached SHL report.

3 BACKGROUND

- 3.1 In 2002/03 the Government introduced its Rent Restructuring policy, which was intended to converge the rents of all social landlords over a ten year period, in order that rents of tenants in similar Council or Register Social Landlord (RSL) properties would be the same by the end of the period.
- 3.2 The Rent Restructuring policy provides a detailed formulaic method for determining rents increases. Stevenage Borough Council has been applying the Government's Rent Restructuring policy since 2002/03, and 2007/08 will be the sixth year of implementation.

- 3.3 The Draft HRA 2006/07 Probable and 2007/08 Estimate Budgets, incorporating the proposed rent increase, are contained in a separate reported on this Executive agenda, prior to these budgets going through the Scrutiny process and consultation before consideration of the Final HRA Budget at Executive in February and presentation to Council for approval on 28th February 2007.

4 REASONS FOR RECOMMENDED COURSE OF ACTION

4.1 HRA Rent Increase Proposals for 2007/08

- 4.1.1 At its meeting on 13th December 2006 the Executive agreed the proposed HRA rent increase for 2007/08. Following this meeting the report has gone through the scrutiny process and FOSTA (Federation of Stevenage Tenants Associations) have been consulted on the proposals.
- 4.1.2 The proposals for increasing the rents of HRA dwellings for 2007/08, inline with the Government's Rent Restructuring policy, remain unchanged from the proposals in the December Executive report. The proposals are detailed in the attached report from Stevenage Homes Ltd, which SBC officers' support and commend to Executive.

5 IMPLICATIONS

As in the body of the report and as detailed in the Stevenage Homes Ltd report attached, which SBC officers' support and commend to Executive.

BACKGROUND DOCUMENTS –

2007/08 HRA Subsidy Determinations

APPENDICES -

Stevenage Homes Ltd. attached report - "Housing Revenue Account (HRA) Rent Increase Setting for 2007/08.