

STEVENAGE BOROUGH COUNCIL

Agenda Item No.

**EXTRAORDINARY MEETING OF
COUNCIL MINUTES**

3

Date: Wednesday 25 January 2012

Time: 7.00 pm

Place: Council Chamber

Present: The Mayor (Councillor C Latif), Deputy Mayor (Councillor J Lloyd CC), Councillors S Batson MBE DL, P Bibby CC, H Burrell, L Chester, B Clark, D Clark, G Clark, D Cullen, J Gardner, L Harrington, R Henry, J Hollywell, C Hurst, L Martin-Haugh, M Hurst CC, P D Kissane, Mrs J Lloyd, J Mead, M Notley, R Parker CC, J Pickersgill, R Raynor, G Snell, S Speller, L Strange, P Stuart, S Taylor CC, H Tessier, J Thomas, B Underwood, S Walker, V Warwick, A Webb and M Yarnold-Forrester.

Start/End Time: Start Time: 7.00 p.m.
End Time: 7.25 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors M Cherney-Craw and M Hearn.

There were no declarations of interest.

2. OFFICER REPORT – HOUSING REVENUE ACCOUNT (HRA) RENT SETTING FOR 2012/13

The Council considered the officer report recommending proposals for the Housing Revenue Account Budget and Rent Increase for 2012/2013. This report had been considered by the Executive at its meeting on 17 January 2012 and the Executive's recommendations had been circulated by way of a revised supplementary agenda in addition to the Equalities Impact Assessment.

An amended Motion was then moved and seconded that differed from the recommendations from the Executive insofar as it quoted a lesser rent increase than that recommended in the report. This being the case the Mayor asked the Chief Finance Officer to confirm that he was content that the proposal could be contained in the HRA Budget.

The Chief Finance Officer reported that he had considered the 1% reduction in the rent increase. He indicated that this would lead to a reduction to the HRA's rental income by £256,910, however he advised that as a one off reduction the HRA Business Plan could absorb this reduction on the assumption that the Council reduce the level of borrowing to be repaid by £181,860, and increase the draw on balances by £175,050. The Officer stated that the HRA estimates and the processes used were sound and robust and the level of general balances were adequate for the 2012/2013 financial year.

In response to a question on whether the Council would still have access to Decent Homes Grants in light of the new self financing model, the Officer advised Members that at present he could not anticipate whether this would be an issue or whether Government Policy would change.

Members acknowledged the difficulties experienced by tenants especially with the above average inflation increases, pay freezes and high energy cost, and would have preferred a further reduction to the proposed rent increase of 6.8%, but were restricted by government policy on rent convergence.

The vote was taken and it was **RESOLVED:**

1. That due to the on-going financial pressures that face the Council's tenants, the rents increase for HRA dwellings for 2012/2013 be limited to an average of 6.8%, 1% below the Government's National Rent Restructuring Formula of 7.8%, with effect from the week commencing 2 April 2012, an average increase of £5.65 per week making an average weekly rent of £88.81.
2. That to account for 1% reduction in the rent increase the proposed 2012/13 HRA budget be adjusted by a total of £175,050 (debit) - a debit of £356,910 for the 1% reduction in rental income and a credit of £181,860 for an adjustment to the provision for repayment of debt. The 2012/13 HRA net budget recommended for approval becomes £811,210 (debit) an increase of £175,050 over the 2012/13 final HRA budget with the HRA balances as at 31 March 2013 projected to be £3,560,020, which is in line with the risk assessment of minimum balances.
3. That the HRA Savings Options (as shown at Appendix C of the report), of £1,139,780 in 2012/13, as summarised in paragraph 4.3 of the report be approved and incorporated into the HRA budgets.
4. That the HRA Growth Options (as shown at Appendix D), of £223,320 in 2012/13, as summarised in paragraph 4.4 of the report be approved and incorporated into the HRA budgets.
5. That the revised HRA budget for 2011/12 and the 2012/13 HRA budget as shown at Appendix A to the report be approved subject to the adjustment at 2. above.

6. That the 2012/13 HRA Fees and Charges (as shown in Appendix G of the report) be approved.

7. That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2012/13.

Note: Following this vote Councillors J Mead, R Parker CC and G Snell requested that their vote opposing the Motion be recorded in the Minutes.

Mayor