



COUNCIL

30 JANUARY 2019

SUPPLEMENTARY AGENDA

PART 1

3. REPORT REFERRED FROM THE EXECUTIVE - HOUSING REVENUE ACCOUNT FINAL BUDGET PROPOSALS 2019/2020 AND RENT SETTING

The officer report (attached as item 3) on the Housing Revenue Account Final Budget Proposals 2019/2020 and Rent-Setting was considered by the Executive on 23 January 2019.

The Executive's recommendations to Council are attached (Pages 3 – 4).

Also attached (at Page 5) is a revised Page 7 of the report submitted with the Council agenda, which clarifies that the figures in the table at Paragraph 3.10 of the report are cumulative figures.

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SPECIAL COUNCIL

Wednesday 30 January 2019

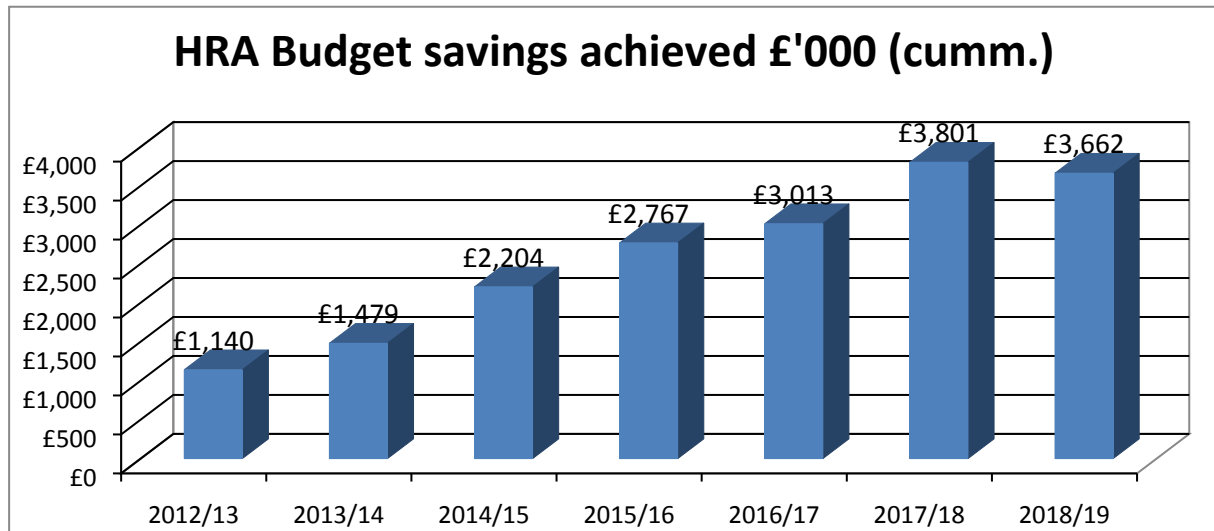
PART I

3. RECOMMENDATIONS FROM THE EXECUTIVE – 23 JANUARY 2019 – FINAL HOUSING REVENUE ACCOUNT (HRA) RENT SETTING AND BUDGET REPORT 2019/20

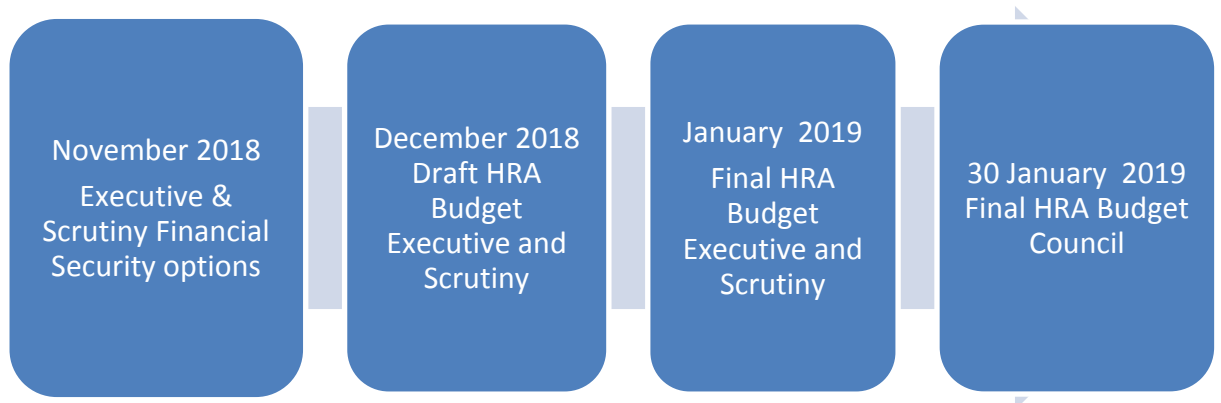
The report circulated as Item 3 on the Council agenda was considered by the Executive at its meeting on 23 January 2019 and the following recommendations to Council, as contained in the report, were agreed –

1. That Council be recommended to approve that HRA dwelling rents not subject to the 1% rent reduction (currently Low Start Shared Ownership LSSOs) be increased, week commencing 1 April 2019, by 3.4% i.e. £3.86 per week which has been calculated using the existing rent formula, CPI +1% in line with the Rent and Service Charge Policy approved at the January 2018 Council.
2. That Council be recommended to note that HRA dwelling rents, (other than those outlined in 1. above) are subject to the 1% rent reduction from week commencing 1 April 2019 or £0.96 and £1.60 per week for social and affordable rents respectively, as outlined in the Government's Welfare Reform and Work Act 2016.
3. That Council be recommended to approve the 2019/20 HRA budget, as set out in Appendix A to the report.
4. That Council be recommended to approve the revised 2018/19 HRA budget, as set out in Appendix A to the report.
5. That Council be recommended to approve the HRA Fees and Charges, as outlined in Appendix C to the report.
6. That Council be recommended to approve the 2019/20 service charges.
7. That Council be recommended to approve the minimum level of reserves for 2019/20, as shown in Appendix D to the report.
8. That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2019/20 (unchanged from 2018/19).
9. That Council notes the comments from the Overview and Scrutiny Committee, as set out in the report.

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- 3.11 At the November 2018 meeting, the Executive approved a package of Financial Security budget options and fee increases to be included in the 2019/20 Budget and these are detailed in Appendix B & C to this report.
- 3.12 The Budget and Policy Framework Procedure Rules in the Constitution prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council’s borrowing requirement; the control of its capital expenditure; and the setting of virement limits. The timescale required to implement this process is outlined below.



4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Rents

4.1.1 The continuing impact of the 1% rent reduction on an average rent is illustrated in the table below. Over the four year period a CPI+1% increase is estimated to be a 10.68% increase in average rents, compared to a 3.94% loss of a 1% rent reduction for four years. This gives an overall difference between the two rents of 14.62% and an estimated rent loss per year by year

