

CABINET

18 FEBRUARY 2016

Record of decisions taken at the meeting held on Thursday 18 February 2016.

Present:

Chair: * Councillor David Perry

Councillors:

* Sue Anderson	* Varsha Parmar
* Simon Brown	* Kiran Ramchandani
* Keith Ferry	* Sachin Shah
* Glen Hearnden	* Anne Whitehead
* Graham Henson	

In attendance:

Richard Almond	Minute 331
Susan Hall	Minute 331
Barry Macleod-Cullinane	Minute 331
Paul Osborn	Minute 331

* Denotes Member present

RECOMMENDED ITEMS

336. Housing Revenue Account Budget and Medium Term Financial Strategy 2016-17 to 2019-20

Resolved to RECOMMEND: (to Council)

That

- (1) the Housing Revenue Account (HRA) Budget for 2016-17 be approved;
- (2) the Housing Revenue Account (HRA) Capital Programme, as detailed at Appendix 7 to the report, be approved.

RESOLVED: That

- (1) the Medium Term Financial Strategy for the HRA, attached at Appendix 1 to the report be approved;
- (2) the proposed average rent for non-sheltered accommodation of £116.33 per week for 2016-17, representing a decrease of 1% in average rent from the 2015-16 figure in line with the proposed Welfare Reform and Work Bill, be approved;
- (3) the proposed average rent for sheltered accommodation of £96.46 per week for 2016-17, representing an increase of 0.9% in average rent from the 2015-16 figure be approved following the government's decision to delay the implementation of the 1% rent cut for sheltered accommodation for one year in order to permit it to give adequate consideration to the Supported Housing Sector;
- (4) the overall average rent for the whole stock of £114.05 per week for 2016-17, representing an overall decrease of 0.82%, be noted;
- (5) an average tenant service charge of £2.94 per week, an increase of 1%, set out at Appendix 2 of the report be agreed;
- (6) garage and car parking rents/charges be frozen for a further year pending development of a usage and differential charging policy, Appendix 3 to the report refers;
- (7) an increase in energy (heating) charges of 5% from 1 April 2015, detailed at Appendix 4 to the report, be approved;
- (8) an increase in annual water charges of 4%, detailed at Appendix 5 to the report, be approved;
- (9) increases in Community Centre hire charges of 4%, set out at Appendix 6 to the report, be approved;
- (10) the four year Capital Programme, set out at Appendix 7 of the report, be approved.

Reason for Decision: To publish the final HRA budget and set Council rents and other charges for 2016-17

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member/Dispensation Granted: None.

[Call-in does not apply to the decision reserved to Council.]

HRA Budget 2016-17 and MTFs 2017-18 to 2019-20 – Expenditure

All figures in £s	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20
Operating Expenditure:				
Employee Costs	2,778,700	2,792,370	2,806,170	2,832,520
Supplies & Services	833,090	833,090	833,090	833,090
Utility cost	568,500	568,500	568,500	568,500
Estate & Sheltered Services	2,879,160	2,894,750	2,910,480	2,940,460
Central Recharges	3,634,120	3,692,270	3,751,350	3,848,880
Operating Expenditure	10,693,570	10,780,980	10,869,590	11,023,450
Repairs Expenditure:				
Repairs - Voids	1,075,990	1,075,990	1,075,990	1,075,990
Repairs - Responsive	3,631,680	3,631,680	3,631,680	3,631,680
Repairs – Other	2,400,690	2,165,470	2,180,400	2,208,960
Repairs Expenditure	7,108,360	6,873,140	6,888,070	6,916,630
Other Expenditure:				
Contingency - General	200,000	200,000	200,000	200,000
Investment in Services	200,000	200,000	200,000	200,000
Bad debt provision	300,000	300,000	300,000	300,000
RCCO	0	518,210	406,930	0
Affordable Housing	305,760	308,390	311,050	316,190
Grants to Move	162,870	162,870	162,870	162,870
Charges for Capital	6,389,970	6,488,630	6,475,240	6,501,080
Depreciation	6,573,480	7,619,200	7,617,660	7,589,960
Hardship Fund	100,000	100,000	100,000	100,000
Other Expenditure	14,232,080	15,897,300	15,773,750	15,370,100
Total Expenditure	32,034,010	33,551,420	33,531,410	33,310,180

Appendix 1 (continued)

HRA Budget 2016-17 and MTFs 2017-18 to 2019-20 – Income

All figures in £s	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20
Income				
Rent Income – Dwellings	(28,897,030)	(28,897,290)	(28,545,140)	(28,315,460)
Rent Income – Non Dwellings	(667,370)	(684,020)	(701,350)	(719,360)
Service Charges - Tenants	(1,188,760)	(1,223,670)	(1,259,890)	(1,296,430)
Service Charges – Leaseholders	(566,020)	(566,020)	(566,020)	(566,020)
Facility Charges	(631,540)	(656,800)	(683,080)	(710,400)
Interest	(3,600)	(3,600)	(3,600)	(3,600)
Other Income	(106,390)	(106,390)	(106,390)	(106,390)
Recharge to General Fund	(163,000)	(163,000)	(163,000)	(163,000)
Total Income	(32,223,710)	(32,300,790)	(32,028,470)	(31,880,660)
In Year Deficit / (Surplus)	(189,700)	1,250,630	1,502,940	1,429,520
BALANCE brought forward	(5,296,350)	(5,486,050)	(4,235,420)	(2,732,480)
BALANCE carried forward	(5,486,050)	(4,235,420)	(2,732,480)	(1,302,960)

Budget Description	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
Internal Works	4,428,120	4,228,120	4,228,120	4,228,120
External Works	2,416,730	2,300,000	2,300,000	2,300,000
M & E	920,000	920,000	920,000	920,000
Garages	61,500	61,500	61,500	61,500
Aids and Adaptations	615,000	615,000	615,000	615,000
Capitalisation Responsive Repairs	142,500	142,500	142,500	142,500
Capitalised Salaries	317,000	317,000	317,000	317,000
Develop Wider Housing Initiatives Pot	555,000	555,000	555,000	555,000
HRA Capital Investment	9,455,850	9,139,120	9,139,120	9,139,120
Grange Farm	3,523,160	-	-	-
Affordable Housing Phase 1	6,668,440	923,170	-	-
Purchase & Repair	3,576,000	-	-	-
Affordable Housing Phase 2	1,725,320	5,175,960	-	-
Total Homes for Harrow	15,492,920	6,099,130	-	-
Total HRA Capital Programme	24,948,770	15,238,250	9,139,120	9,139,120

The 2016-17 budget for the main HRA Capital investment programme includes £1,044,000 re-phasing. The 2016-17 and 2017-18 budgets for Homes-4-Harrow include re-phasing of £10,691,000 reflecting the additional budget approvals in respect of the Grange Farm regeneration scheme.