

**TENANTS' AND LEASEHOLDERS'  
CONSULTATIVE FORUM****9 JANUARY 2008**

Chairman: \* Councillor Mrs Camilla Bath

Councillors: \* Don Billson \* Phillip O'Dell  
\* Bob Currie

\* Denotes Member present

[Note: Councillor Susan Hall also attended this meeting to speak on the item indicated at Minute 117 below.]

**PART I - RECOMMENDATIONS****RECOMMENDATION 1 - Draft Housing Revenue Account (HRA) Budget 2008-09 and Medium Term Financial Strategy 2008-09 to 2010-11**

An officer presented the report of the Corporate Director (Finance) which set out the draft Housing Revenue Account (HRA) Budget 2008-09 and the Medium Term Financial Strategy for 2008-09 to 2010-11. The Forum was asked to agree the draft HRA for 2008-09 to 2010-11 and recommend the three-year financial strategy to Cabinet.

The officer explained that the financial strategy was consistent with the Council's overall financial strategy and the HRA thirty-year business plan. The officer stated that the report was in draft form and that there was a deficit on the HRA for 2008/09. The officer also stated that:

- The key area of income was rent;
- The report proposed a 5.66% rent increase in line with Government guidance;
- The Government no longer limited Local Authorities to a maximum 5% rent increase;
- The average rent increase would be £4.37 per week;
- £22 million was expected in rental income, taking into account voids and Right to Buy Sales;
- The Council had separated service charges from dwelling rent;
- The service charge for tenants was recommended to increase by 3.5% in 2008-09 resulting in an average service charge of £4.13 per week per tenant;
- Facility charge increases were necessary due to increased energy costs.

In response to questions by a Member, the officer confirmed that:

- The projected five Right to Buy Sales in 2008 was a prudent estimate;
- The final HRA subsidy determinations would not be known until mid January 2008;
- With regard to 'recharge to other services', the amount represented grant income from Supporting People.

One Tenant Representative voiced concern in relation to the proposed increase in rent as she felt that estates were not being properly maintained and that the repair service was inadequate. The representative stated that increases in rent put particular pressure on the elderly.

A Member questioned why service charges were necessary when tenants paid Council tax. It was confirmed by an officer that service charges related to items not covered by Council tax.

In response to further questions by members of the Forum, officers confirmed that:

- The rent charged for garages was lower than commercial rents;

- Garages were commercial properties and therefore the garage portfolio needed to be managed in line with commercial practice;
- Those who were not Council tenants were required to pay VAT when renting a garage;
- Garages used for commercial use were not subject to extra rent, but the Housing Services department was open to suggestions as to how a 'two tier' rent system would work;
- Council houses, to an extent, could be used for business purposes;
- Tenants should be referring issues of anti-social behaviour to their respective Housing Officer.

In response to a query raised by a Member, an officer agreed to look into the possibility of training for tenants on rent setting and rent convergence.

**RESOLVED to RECOMMEND:** (to Cabinet)

That Cabinet be recommended to agree the draft Housing Revenue Account (HRA) for 2008-09 to 2010-11 and three-year financial strategy.

**[REASON:** To make an annual recommendation to Cabinet with respect to the HRA.]