

LONDON BOROUGH OF HARROW

Agenda item:

Page no:

Meeting:	Cabinet
Date:	13 January 2004
Subject:	Housing Revenue Account 2004/05 – Addendum
Key decision:	To approve the HRA budget for 2004/05 and associated rents and other charges.
Responsible Chief Officer:	Tony Lear, Executive Director of Urban Living
Relevant Portfolio Holder:	Councillor Keith Burchell, Portfolio holder for Planning, Housing and Best Value
Status:	Open
Ward:	All
Enclosures:	Appendix A Examples of increase in average basic rents Appendix B Housing Association Managed HRA Property Rents Appendix C Charges for Community Halls & Rooms Appendix D Garage, Car Port & Parking Space Charges Appendix E Facilities Charges

1. Summary/ Reason for urgency (if applicable)

- 1.1 This report is to enable Cabinet to consider the HRA Budget for 2004/05 and, taking account of comments of the Tenants and Leaseholders Consultative Forum on 8 January 2004, to approve the rent increase and set other HRA fees and charges for 2004/05.

2. Recommendations (for decision by Cabinet)

2.1 The Cabinet is asked to:

- (i) Receive and consider any comments made by the Tenants' and Leaseholders' Consultative Forum of 8 January;
- (ii) Recommend to Council a rent increase for Council dwellings of an average of 2.7%, calculated in accordance with the Government's Rent Restructuring Guidance, to take effect from 5 April 2004;
- (iii) Approve a revised charge for garages, carports and car spaces to take effect from 5 April 2004, in line with recommendation (ii) above, as set out in Appendix D;
- (iv) Approve revised charges for community halls / room lettings and the nightly charge for guest rooms to take effect from 5 April 2004, in line with recommendation (ii) above, as set out in Appendix C;
- (v) Approve facilities charges, as set out in Appendix E to this report, to take effect from 5 April 2004;
- (vi) Approve the proposed rents for short-life properties managed by housing associations in line with recommendation (ii) above as set out in Appendix B;

REASON: To enable the Council to recover an appropriate level of income from rents and associated charges during 2004/05.

Rents Restructuring

The Final 2004/05 HRA Subsidy Determination included an inflation uplift factor of 2.46% to be used for calculating formula and transitional rents under the Government's Rent Restructuring guidelines. This was a reduction from the 2.59% inflation factor included in the draft Determination, upon which the rent calculations for the TLCF on 8 January 2004 and for this meeting were based.

The effect of this change is that the average tenant's rent, based on the Rent Restructuring guidance, will increase by £2.03 (2.7%), rather than by £2.13 (2.8%), as shown in paragraph 6.11 of this report. The net loss of income to the HRA resulting from the reduction is estimated at about £10,000, which can be met from HRA balances. If approved, this will be incorporated into the final HRA budget for 2004/05.

The amended recommendations for this report are that rents be increased by an average of 2.7% in line with the guidance and that the other fees and charges referred to in the report, are increased by the same percentage. These changes were reported orally and accepted by the TLCF on 8 January. The revised recommendations are set out above and revised Appendices A to E are attached to this Addendum showing the effects of this increase in rents, fees and charges.

12. **Author**

- 12.1 Paul Finesilver, Interim Finance Manager, Housing Services, Youngman's 2
Telephone 020 8424 1180
Email: paul.finesilver@harrow.gov.uk