
**TENANTS' AND LEASEHOLDERS'
CONSULTATIVE FORUM**

6 JANUARY 2009

Chairman: * Councillor Barry Macleod-Cullinane

Councillors: * Bob Currie * Yogesh Teli
* B E Gate (2)

* Denotes Member present

(2) Denotes category of Reserve Member

[Note: Councillor Susan Hall also attended this meeting].

Tenants' and Leaseholders' Representatives

Representatives from the following associations were in attendance:

Antoney's Close Tenants' and Residents' Association
Eastcote Lane Tenants' and Residents' Association
Harrow Federation of Tenants' and Residents' Association
Leaseholders Support Group
Weald Tenants' and Residents' Association

In total, 8 representatives attended the meeting.

PART I - RECOMMENDATIONS

**RECOMMENDATION 1 - Draft Housing Revenue Account (HRA)
Budget 2009-10 and Medium Term Financial Strategy 2009-10 to
2011-12**

An officer presented a report of the Corporate Director of Finance that outlined the Draft Housing Revenue Account (HRA) Budget 2009-10 and the Medium Term Financial Strategy for 2011-12. The officer explained that the Medium Term Financial Strategy and budget for the next financial year, had been developed upon the HRA forecast outturn position at Quarter 2. The officer confirmed that the position would be updated and reported to the Council meeting on 19 February 2009.

The officer also reported that:

- the key area of income was rent;
- an in-year deficit of £1.4 million in 2009/10 had been forecast in the budget, which was greater than anticipated;
- the average rent for 2009/10 would increase by 6.19% in line with the Government's rent convergence policy. This meant that the average rent charged for each tenant would be £86.17 per week representing an average rent increase of £4.58;

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- service charge for tenants and leaseholders had been recommended to increase in 2009/10 by 5.5% and 10.6% respectively;
 - 20% of the service charge for leaseholders would be added as an administration charge to partially recover the costs for providing services to leaseholders;
 - the estimated stock level of 5,065 properties at the start of April 2009 had assumed that a reduction of five right to buy sales would be applied in each financial year;
 - rent loss resulting from voids had been accounted for at 1.44% and 0.58% in the estimated rental incomes for dwellings and sheltered accommodation respectively;
 - the Housing Revenue Account (HRA) negative subsidy, of approximately £7 million, had been based on a draft determination issued by the Communities and Local Government Department and would be subject to review and consultation before publication of the final order;
 - the draft repairs budget would remain unchanged at £4.8 million for each financial year until 2011/12;
 - provisions for bad or doubtful debts had been increased to £250,000 in recognition of the pressure that there may be in collecting rental income in the current financial climate;

In light of concerns raised by representatives from Tenants' and Residents' Associations regarding the increase in the amount of service charges for tenants and leaseholders, it was suggested that an explanation of the how rent and service charges were calculated would be useful for all Harrow Council tenants. A representative from the Harrow Federation of Tenants' and Residents' Association (HFTRA) confirmed that training opportunities available to tenants' and residents, including an understanding financial information would be discussed at the next management meeting of the HFTRA.

Resolved to RECOMMEND: (to Cabinet)

That (1) the draft Housing Revenue Account (HRA) for 2009-10 to 2011-12 be agreed;

(2) the Medium Term Financial Strategy 2009-10 to 2011-12 be agreed.

[Reason for Recommendation: To make an annual recommendation to Cabinet with respect to the HRA]

(See minute items 176 and 182).