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## REPORT OF CABINET

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### MEETING HELD ON 18 JUNE 2009

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Chairman: \* Councillor David Ashton

Councillors \* Marilyn Ashton \* Barry Macleod-Cullinane  
: \* Miss Christine Bednell \* Chris Mote  
\* Tony Ferrari \* Paul Osborn  
\* Susan Hall \* Mrs Anjana Patel

\* Denotes Member present

[Note: Councillor Bill Stephenson also attended this meeting to speak on the item indicated at Minute 634 below].

#### **PART I - RECOMMENDATIONS**

##### **RECOMMENDATION I - Key Decision - Revised Housing Revenue Account Budget 2009-10 and Medium Term Financial Strategy 2009-10 to 2011-12**

The Portfolio Holder for Adults and Housing introduced a report, which set out the revisions to the Housing Revenue Account (HRA) Budget for 2009-10 and the Medium Term Financial Strategy 2009-10 to 2011-12 approved by Council on 19 February 2009. The Government had announced in principal, reduction in rental increases for 2009-10 on 9 March 2009.

The Portfolio Holder outlined the background to the proposals before Members, as set out in the officer's report. He advised that this was good news for residents and that the Tenants' and Leaseholders' Consultative Forum would be consulted on the proposed reduction at their special meeting on 29 June 2009. Residents were, however, requested to continuing paying their bills correctly until the revised bills were issued.

Having approved the revised Medium Term Budget Strategy for the Housing Revenue Account, it was

##### **Resolved to RECOMMEND: (to Council)**

That the Housing Revenue Account for 2009/10, as attached at Appendix 1 to this recommendation, and the revised average rent increase of 3% effective from 6 April 2009, be approved.

**Reason for Recommendation:** To publish the revised Housing Revenue Account (HRA) budget and rents for 2009/10, in line with Government policy for rent setting.

(See also Minute 640).

**APPENDIX 1**

**Housing Revenue Account 2009-10 to 2011-12**

	<b>Budget 2009-10</b>	<b>Budget 2010-11</b>	<b>Budget 2011-12</b>	<b>Comments</b>
<b>Expenditure</b>				
Employee Costs	1,928,850	1,918,280	1,958,590	Pay inflation assumed as 2%
Supplies & Services	444,830	464,830	444,830	Increase 2010-11 represents bi-annual tenant survey Inflation assumed at 16.7% 09-10 and 3% annually thereafter
Utility cost (Water & Gas)	626,250	645,040	664,390	
Estate & Sheltered Services	1,956,980	1,988,600	2,020,950	
Central Recharges	1,971,700	2,020,990	2,071,530	Inflation assumed at 2.5%
<b>Operating Expenditure</b>	<b>6,928,610</b>	<b>7,037,740</b>	<b>7,160,290</b>	
Contingency - general	200,000	200,000	200,000	Provision for unforeseen expenditure
Charges for Capital	6,917,220	7,104,390	6,971,940	Includes £123k HARP costs, CRI @ 5.45%, interest on balances @ average 2.1%
Contribution to Repairs Account	4,800,680	4,800,680	4,800,680	
RCCO	1,000,000	1,000,000	1,000,000	Annual contribution
Bad or Doubtful Debts	250,000	250,000	250,000	
HRA Subsidy	6,213,840	6,700,760	7,374,530	Based on amended final determination issued by CLG [payment redistributed to other parts of the country]
<b>Total Expenditure</b>	<b>26,310,350</b>	<b>27,093,570</b>	<b>27,757,440</b>	
<b>Income</b>				
Rent Income – Dwellings	-21,999,830	-23,168,180	-24,351,790	Average revised increase 2009-10, 3% in line with Government rent model
Rent Income – Non Dwellings	-869,840	-882,010	-894,490	Average increase of 2.5% for garages. Commercial premises reflect lease agreements

	<b>Budget 2009-10</b>	<b>Budget 2010-11</b>	<b>Budget 2011-12</b>	<b>Comments</b>
Service Charges - Tenants	-1,150,430	-1,184,940	-1,220,490	Average increase 2009-10 5.5% in line with Government rent model
Service Charges - Leaseholders	-424,350	-424,350	-424,350	Average rent increase 2009-10 10.6% reflecting leaseholder costs to be recovered
Facility Charges (Water & Gas)	-487,480	-499,490	-511,490	
Interest	-17,000	-17,000	-17,000	
Other Income	-8,010	-8,010	-8,010	
Transfer from General Fund	-83,000	-83,000	-83,000	Amenities shared by Council and non- Council residents.
<b>Total Income</b>	<b>-25,039,940</b>	<b>-26,266,980</b>	<b>-27,510,620</b>	
<b>In Year Deficit / (Surplus)</b>	<b>1,270,410</b>	<b>826,590</b>	<b>246,820</b>	
<b>BALANCE carried forward</b>	<b>-3,799,870</b>	<b>-2,973,280</b>	<b>-2,726,460</b>	
<b>BALANCE Business Plan</b>	<b>-4,764,000</b>	<b>-5,319,000</b>	<b>-5,460,000</b>	