

CABINET
9 FEBRUARY 2016
HOUSING REVENUE ACCOUNT
CAPITAL AND REVENUE BUDGETS 2016/17
ADDENDUM REPORT

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Housing and Community Services

Report from: Richard Hicks, Director of Regeneration, Community and Culture

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Summary

This addendum report updates Cabinet on the discussions on the above report which took place at the Business Support Overview and Scrutiny Committee on 2 February 2016.

1. Background

- 1.1 The Head of Housing Management introduced this report which presented the Housing Revenue Account (HRA) capital and revenue budgets for 2016/17 and also provided details of proposed rent and service charges levels for 2016/17.
- 1.2 Members were referred to paragraph 3.1 of the report which stated that the impact of new rent setting measures introduced by the Government for social housing landlords to reduce weekly rent by 1% in 2016/17 and for the following three years, meant a reduction of income of approximately £6.7m. The Head of Housing Management advised that further evaluation had led to a revised reduction of income of approximately £5.4m, an improvement of some £1.3m. This still presented challenges for the Business Plan which currently assumed annual rent increases. A Member commented that this Government policy would have a detrimental impact on all housing authorities' HRA business plans and ran counter to the principles of localism and devolution.
- 1.3 During the discussion the following points were made:
 - given that Universal Credit would be paid monthly, whether anything could be done to help tenants on those occasions where the rent cycle entailed

5 weeks in a month - in order to avoid them being chased for arrears unnecessarily

- It was queried why non council tenants had to pay VAT on garage rents while council tenants did not.

1.4 The Head of Housing Management replied that, with regard to the first point, officers were looking at this issue before Universal Credit was fully introduced. He undertook to provide clarification on the second point.

1.5 The Committee agreed to recommend to Cabinet:

- a) that the rent cycle move from a 50 week rent payment year to a 52 week rent payment year for both the housing stock and garages.
- b) a proposed rent decrease of 1% for the housing stock as set out in Appendix A to the report (based upon 52 collection weeks).
- c) a rent increase of 2% for garages.
- d) that the service charges and increases as set out in Appendix B of the report for 2016/17 be approved.
- e) that the revenue budget for the HRA Service for 2016/17 as per Appendix C of the report be approved.
- f) that the provision for the repayment debt continues to be based on a minimum revenue payment of 2% on the 2016/17 HRA opening outstanding debt.
- g) to increase the 2016/17 HRA housing building development programme amount by the available RTB 1-4-1 capital receipts and remaining from 2015/16 MRP payment as set out in paragraph 9.5 of the report.

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