

COUNCIL MEETING – 21 FEBRUARY 2013

Recommendation to Council from the Executive meeting held on 5 February 2013

E/12/125 **Budget Report for the Housing Revenue Account (Landlord Service) Business Plan**

The Executive considered a report from the Deputy Leader and Executive Member for Corporate Resources and the Executive Member for Social Care, Health and Housing that set out the financial position of the Housing Revenue Account (HRA) during the first year of the self financing regime and presented the proposed 30 year Landlord Service Business Plan. The report also set out the proposed budget for 2013/14 and the assumptions that had been made in arriving at the projections in the Plan, to create the financial framework for the Landlord Service to operate within.

In response to a question, the Executive Member for Social Care, Health and Housing explained that the proposed rent increase would result in rents for Council accommodation being within a range of 50-55% of current market rents, which was affordable and within limits that were eligible for Housing Benefits. Support would be provided to tenants who were struggling in the current financial climate.

Reason for decision: To facilitate effective financial management and planning for the HRA.

RECOMMENDED to Council

- (a) that the Housing Revenue Account's (HRA) debt portfolio and interest payments due in 2012/13 be noted;***
- (b) that the proposal for no principal debt repayments in the current financial year or during the period of the Medium Term Financial Plan (MTFP), namely 2012/13-2016/17 be approved;***
- (c) that the creation of a new reserve, to be called the Strategic Reserve be approved;***
- (d) to fund the HRA's 2012/13 Capital Programme from the negative HRA Capital Financing Requirement, thereby releasing additional funds for the Sheltered Housing Re-Provision Reserve (SHRR) and Strategic Reserve (SR) be approved;***
- (e) that the HRA Revenue Budget for 2013/14 and the Landlord Service Business Plan summary at Appendix A to the Executive report be approved;***

- (f) that the 2013/14 to 2016/17 HRA Capital Programme at Appendix B to the Executive report be approved;**
- (g) that the average rent increase of 4.67% for 2013/14 in line with the national rental increase as per the Government's Rent Convergence Policy be approved; and**
- (h) that the proposed allocation of £0.2m to support financial advice, money management and debt problems for customers be approved.**