



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Director of Customer & Community Services  
Relevant scrutiny committee: Strategy & Resources 15/2/2013  
Wards affected: All Wards

**HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING REPORT (BSR) 2013/14 to 2016/17 – REVENUE IMPLICATIONS**  
**Key Decision**

**1. Executive Summary**

- 1.1 As part of the 2013/14 budget process, the range of assumptions on which the HRA Business Plan Mid-Year Update was based were reviewed, in light of the latest information available, culminating in the preparation of the HRA Budget Setting Report.
- 1.2 The HRA Budget-Setting Report provides an overview of the review of the key assumptions. It sets out the key parameters for the detailed recommendations and final budget proposals, and is the basis for the finalisation of the 2012/13 revised and 2013/14 budgets.
- 1.3 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report.
- 1.4 Housing Management Board considered the HRA Budget Setting Report at a meeting on 8<sup>th</sup> January 2013, supporting the proposed review of rents and service charges and the revenue bids and savings, which form part of the HRA budget, both revised for 2012/13 and for 2013/14 and beyond.
- 1.5 The Executive Councillor for Housing undertook at the Housing Management Board to take decisions in respect of the recommendations a to m below, after consideration of any budget amendments. No budget amendments have been received in respect of the Housing Revenue Account.
- 1.6 The HRA Budget Setting Report was also presented to a meeting of Community Services Scrutiny Committee on 17<sup>th</sup> January 2013, where the Housing Capital Investment Plan, including capital bids and

associated funding proposals, was considered, prior to the final decision in respect of capital items at Council on 21<sup>st</sup> February 2013.

## **2. Recommendations**

The Executive Councillor for Housing is recommended to:

### **Review of Rents and Charges**

- a) Approve the proposed charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- b) Approve that council dwellings rents be increased in line with rent restructuring guidelines to seek to achieve convergence with formula rent by 2015/16, with a maximum in individual increases of inflation (RPI at September 2012 of 2.6%) plus half percent (0.5%) plus £2.00 per week with effect from 1 April 2013, in accordance with the latest government guidelines.
- c) Approve inflationary increases of 2.4% in garage rents for 2013/14, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report, pending future recommendations in respect of garage pricing structures following the findings of the Garage Working Group.
- d) Approve that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased by a maximum of inflation at 2.6% plus 0.5%, if required, to continue to recover full estimated costs as detailed in Appendix B of the HRA Budget Setting Report.
- e) Approve that caretaking, communal cleaning, estate services, grounds maintenance, window cleaning, temporary housing premises and utilities, sheltered scheme premises, utilities, digital television aerial and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report.
- f) Approve revised leasehold administration charges for 2013/14 as detailed in Appendix B of the HRA Budget Setting Report.
- g) Approve the revised Rent Write Off Policy, as detailed in Appendix A(1) of the HRA Budget Setting Report.

- h) Approve the revised Rent Policy, as detailed in Appendix A(2) of the HRA Budget Setting Report.

## **Revenue – HRA**

### **Revised Budget 2012/13:**

- i) Approve with any amendments, the Revised Budget items shown in Appendix D of the HRA Budget Setting Report.

### **Budget 2013/14:**

- j) Approve with any amendments, the Non-Cash Limit items shown in Appendix E of the HRA Budget Setting Report.
- k) Approve with any amendments, the Unavoidable Revenue Bids and Savings shown in Appendix F of the HRA Budget Setting Report.
- l) Approve with any amendments, the Priority Policy Fund (PPF) Bids shown in Appendix G of the HRA Budget Setting Report.

## **Treasury Management**

- m) Approve the continued approach to determining the most appropriate borrowing route in respect of any additional HRA borrowing requirement, as outlined in Section 6 of the HRA Budget Setting Report, delegating responsibility to the Director of Resources for the final decision, in consultation with the Executive Councillor, Chair, Vice Chair and Opposition Spokesperson for HMB.

## **3. Implications**

- 3.1 All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, environmental and/or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) **Financial Implications**

3.2 The financial implications associated with decision were outlined in the HRA Budget Setting Report 2013/14, presented to HMB on 8<sup>th</sup> January 2013.

(b) **Staffing Implications**

3.3 Any direct staffing implications are outlined in the HRA Budget Setting Report 2013/14, which was presented to HMB on 8<sup>th</sup> January 2013.

(c) **Equal Opportunities Implications**

3.4 An Equality Impact Assessment is included at Appendix O of the HRA Budget Setting Report 2013/14, which was presented to HMB on 8<sup>th</sup> January 2013.

(d) **Environmental Implications**

3.5 Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2013/14, which was presented to HMB on 8<sup>th</sup> January 2013.

(e) **Procurement**

3.6 Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) **Consultation and Communications**

3.7 Consultation with tenant and leaseholder representatives is carried out as part of the HMB scrutiny process. The view of a representative group of tenants and leaseholders, in respect of investment priorities, was sought as part of the 2012 STAR tenants and leaseholder survey.

(g) **Community Safety**

3.8 Any community safety implications are outlined in the HRA Budget Setting Report 2013/14, which was presented to HMB on 8<sup>th</sup> January 2013.

#### **4. Background Papers**

These background papers were used in the preparation of this report:

Housing Revenue Account (HRA Budget Setting Report (BSR) 2013/14 to 2016/17.

#### **5. Appendices**

There are no appendices associated with this report.

#### **6. Inspection of Papers**

To inspect the background papers or if you have a query on the report please contact:

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