

A.2(a)

## EXECUTIVE 17 December 2001

EX.105/01: HOUSING REVENUE ACCOUNT (HRA) REVENUE  
ESTIMATES 2002/03 (Key Decision)

**Portfolio** Finance and Resources

### Subject Matter

To consider a report from the City Treasurer (Financial Memo 2001/02 No.103 (amended)) considering the revised Revenue Estimates for 2001/02 together with the estimates for 2002/03 in respect of the Housing Revenue Account. The report had been compiled in the light of the City Council's agreed Budget Strategy for 2002/03, and had been revised from the Report presented to the Executive on 26 November 2001 following the receipt of draft HRA subsidy information.

### Summary of options rejected

The following % increases for the level of rents were rejected:-  
Nil, 1.0, 1.2, 2.3, 3.5, 4.7, 5.2, 5.8, 7.0.

### DECISION

(1) That the Executive's draft proposals as to the budget requirements and decisions in respect of the Housing Revenue Account for 2002/03 be as follows for the purposes of consultation:-

#### HOUSING REVENUE ACCOUNT BUDGET 2002/03

That the report of the City Treasurer (Financial Memo 2001/02 No.103 (as amended)) be received and noted.

1. That the revised estimates of expenditure on the Housing Revenue Account for 2001/02 be approved in the sum of £27,502,570, it being noted as a consequence that a deficiency of £1,565,160 will fall to be financed from Housing Revenue Account balances which will then be estimated to stand at £2,089,100 at 31st March 2002.
2. That the base estimate of expenditure on the Housing Revenue Account for 2002/03 be approved in the sum of £26,070,990.
3. That the consequential deficit to be financed in 2002/03 (based upon a 53 rent week year) of £898,460 be financed as follows:-

An increase in rents of 4.5% % equivalent to an average increase of

£ 1.94 per week (on a 53 week basis), which will have the effect of increasing the average weekly rent from £43.00 to £44.94 and estimated to yield £363,000 net of voids.

An increase in garage rents of 4.5% per week equivalent to an average increase of 21p from £4.55 to £4.76 plus VAT where appropriate (on a 53 week basis), a similar increase of 4.5% being applied to the rent of hard standings and estimated to yield £6,600 net of voids.

The additional charge applied to APD properties connected to Careline, be increased by 12.5% from £2.45 to £ 2.75 (53 week basis). Individual connections taking place after 1st September 1997 to increase by 3.5% from £2.45 to £2.54 for the monitoring service; from £3.95 to £4.09 for the monitoring and response service (plus VAT where appropriate); from £2.30 to £2.38 for Careline telephone rental only; and that the one off installation and purchase administration charges be increased also by 3.5% as detailed in the City Treasurer's Financial Memo 2001/02 No.97/Director of Housing's Report 99/2001 and estimated to yield £75,000.

4. Charges applicable to PDU guestrooms and heating surcharges be increased by approximately 3.5% to the levels recommended by the City Treasurer in Financial Memo 2001/02 No.97/Director of Housing's Report 99/2001 and estimated to yield £5,630.
5. A contribution from Housing Revenue Account balances of £448,230 which on this basis it is estimated will stand at £1,640,870 at 31st March 2003, if the Housing Stock transfer does not proceed.
6. That the increase in rents to be applied to housing stock, garages, hard standings and garage sites, PDU guest rooms and heating surcharges be applied from 1st April 2002 it being noted that all increases are expressed on the basis of a 53 week rent collection year.

#### HOUSING GENERAL FUND SERVICES

1. That an increase of 4.5 % be applied to the rents of the Council's housing stock held within the General Fund account.
2. That hostel rents be increased as recommended in FM 2001/02 No 97/Director of Housing's Report 99/2001 by 3.5% from 1st April 2002 as follows (charges expressed per bed space per week),

	Existing Rents		Proposed Rents	
	£	£	£	£
Single Person:				
- Rent	92.47		95.71	
- Other	21.63		22.39	
- Supporting People	24.49	138.59	27.57	145.67
(per night)		(£19.80)		(£20.81)
Family:				
- Rent	110.88		114.76	
- Other	27.93		28.91	
- Supporting People	29.81	168.62	33.25	176.92
(per night)		(£24.09)		(£25.27)

These charges are all to be further increased by the amounts necessary to comply with the requirements of the Health and Safety Executive at John Street Hostel as already reported.

(2) That the draft proposals be circulated to all tenants for information and comment with a closing date of 17 January 2002 and any views received be reported to the Executive on 28 January 2002.

#### **Reasons for Decision**

In order to approve the Housing Revenue Account Revenue Estimates for 2002/03 making recommendations for the level of charges to be applied in 2002/03 for the purpose of formulating a recommended budget to the City Council.

