

**Extract - Minutes of Meeting of the Housing and Social Work Committee held on Wednesday 13 January 2010.**

**Item 4: HRA Revenue Account Estimates 2010/11**

**Declaration of Interest - Mr D Kerr declared a financial interest in this item as a Council house tenant but, in terms of the dispensation granted by the Standards Commission, remained to participate in the discussion and voting.**

There was circulated Report No HSW/08/10 dated 4 January 2010 by the Director of Housing and Property which presented the draft Housing Revenue Account estimates for 2010/11 together with recommendations on the level of rent increase to be applied to council house and other rents and service charges.

The report advised that, since April 2001, the Council had limited annual housing rent increases to the Retail Price Index (RPI) +1% using the RPI at November from the previous year. It was confirmed that the RPI as at November 2009 had been 0.3% and that linking house rent increases to RPI was a standard approach nationally.

Therefore, it was recommended that council house and other rents and service charges be increased by RPI +1% in 2010/11 and, with inflation taken as the RPI as at November 2009, this equated to a rent increase of 1.3%. Consequently, the average council house rent would increase from £63.92 per week to £64.75 per week over 48 weekly charges. This would be an average increase of £0.83 per week.

The Committee was advised that the new borrowing of £9.26m as had been stated in Paragraph 4.4 of the report was incorrect and that this should be £9.44m.

During discussion concern was expressed in regard to the consultation process, however, it was explained that the same process that had been used in previous years had been followed in that rent increases had been discussed with the Tenant Consultative Group and a newsletter had been issued along with a questionnaire to all tenants. In addition, further consultation had been held at the first Highland Tenant Conference which had been well attended. It was noted that a website had also been launched at this Conference which included active blogs and forums seeking feedback from tenants.

Responding to comments about the possibility of a further increase in sheltered housing warden charges, it was explained that the purpose of the report submitted at the last meeting on sheltered housing charges was not to increase charges but instead to formalise the existing set of charges and bring these within the Housing Revenue Account. It was also noted that in some cases charges were actually going to be reduced.

Following discussion, the Chairman, seconded by the Vice Chairman, **MOVED** the recommendations as outlined in the report, subject to the revision to recommendation (iii) of £9.44m of new borrowing.

As an **AMENDMENT**, Mr D Kerr, seconded by Mr I Renwick, **MOVED** the recommendations as outlined in the report, subject to sheltered house warden charges being exempt in respect of recommendation (i) and to the revision to recommendation (iii) of £9.44m of new borrowing.

On a vote being taken, the **MOTION** received 15 votes and the **AMENDMENT** received 5 votes and the **MOTION** was therefore **CARRIED**, the votes having been cast as follows:-

**Motion:-**

Mr R Rowantree  
Mr J Rosie  
Lady M Thurso  
Mr D C M Flear  
Mr D Chisholm  
Mrs M E Paterson  
Mr B Clark  
Mrs M D Davidson

Mr A Christie  
Mr P Corbett  
Mrs E McAllister  
Mr G Marsden  
Mr A S Park  
Ms J Douglas  
Mr B J Murphy

**Amendment:-**

Mr I Renwick  
Mr D Kerr  
Mr J Finnie

Mrs L MacDonald  
Mr D Fallows

**Abstentions:-**

None

Thereafter, the Committee:-

- (i) **APPROVED** a rent increase of 1.3% for 2010/11 and **AGREED** that this percentage increase be applied to house rents, hostel rents, garage and garage site rents, service charges, sheltered housing warden charges; homeless charges, rechargeable repairs and Gypsy/Traveller pitches, except charges for energy which would follow market rates (i.e. the rate of inflation that the Council experiences);
- (ii) **NOTED** the use of an estimated HRA surplus of £2.081m in 2010/11 to fund the HRA capital programme in 2010/11;
- (iii) **NOTED** the requirement to incur new borrowing estimated at £9.44m 2010/11 to support the base HRA Capital Programme in addition to borrowing of £2.75m for council house building; and
- \* (iv) **AGREED** that the above recommendations be submitted to the Council meeting on 11 February 2010 for formal approval of the Council house rents for 2010/11.