

**COUNCIL MEETING 23 FEBRUARY 2012  
AGENDA ITEMS 6(a) AND 6(b) REFER**

**Paper L132R - Treasury Management Strategy 2012/13**

1. Delete sections 15 to 22 of Appendix C as the HRA debt management policy is covered by sections 7 to 15 of Appendix B (Note: these sections to be renumbered 2.6 to 2.14 to make it clear this is part of Appendix B to tie in with recommendation 2.3(a)).
2. Minor amendments will be made to the Appendices to reflect the final HRA debt settlement, which is very slightly lower than previously indicated (around £0.35m on the £84m indicated).
3. Amendment required to table 10 of Appendix D, replacing the reference to interest rate exposure relating to investments of '% of borrowing' in the penultimate column with '% of investments'.

**Paper L143 – Council Housing Self-Financing reforms – HRA Business Plan**

**Rent levels**

1. The following sets out the options for differing rent increases next year and the impact of these on potential increases in the 3 subsequent years in order to achieve rent convergence by 2015/16. The business plan is based on an assumed RPI of 2.5% each year, which of course may not be the case so varying increases are shown based on RPI being 1% or 2% higher i.e. 3.5% or 4.5% each year:

Rent increase in 2012/13	Potential increase in following 3 years (per annum)		
	Based on 2.5% RPI	Based on 3.5% RPI	Based on 4.5% RPI
5%	5.1%	6.1%	7.1%
6%	4.9%	5.9%	6.9%
7.8%	4.6%	5.6%	6.6%

2. The additional rent income to the HRA in 2012/13 compared to a 5% increase would be £135,000 if there was a 6% increase and £370,000 for a 7.8% increase. Over the first 3 or 5 years of the business plan, these figures increase to either:
  - Around £340,000 (over 3 years) or £440,000 (over 5 years) if there is a 6% rent increase next year
  - Around £915,000 (over 3 years) or £1,150,000 (over 5 years) if there is a 7.8% rent increase next year
3. That money could be used towards either a regeneration project such as Tenterpiece or commence plans for a new housebuilding programme.

4. If Members approve a higher rent increase, the Joint Housing Board would bring forward proposals on how this additional revenue should be spent.

### **Borrowing Options**

5. Addition to recommendation to 2.3, based on the proposal that option 2 (Appendix 2 refers) is approved, as follows:

“Further, that Option 2 is approved as this balances interest rate and other risks”.

6. Minor amendment to recommendation 2.6 to recognise that the Joint Housing Board will (for both Councils) consider the plans, strategies and other aspects as follows and that there will be decisions for each Council to make, based on there being separate HRA's:

Replace, at the end of the recommendation, the words “...reported to this Committee” with “and the necessary recommendations made to this Committee”

### **Paper L144 – Sheltered Housing Service**

1. To clarify recommendation 2.2 and the proposed service charges in Appendix C by substituting this with the following, noting that total service charges will, in fact, reduce for most tenants by between 8% and 30%.
2. This is based on a review that has been undertaken of the costs relating to each sheltered scheme:

“That the Housing Panel's recommendations in relation to service charges and energy/utility charges for 2012/13, as set out in Appendix C, be approved”.

Barry Hunter  
Director of Finance