

**EXTRACT FROM THE PROCEEDINGS OF THE HOUSING CABINET MEMBER MEETING HELD ON 3 JUNE 2009**

**HOUSING CABINET MEMBER MEETING**

**4.00PM 3 JUNE 2009**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillor Caulfield (Cabinet Member)

**Also in attendance:** Councillor Simpson (Opposition Spokesperson, Labour)

**13 HOUSING REVENUE ACCOUNT BUDGET 2009/10 REDUCTION IN RENT INCREASES**

- 13.1 The Cabinet Member considered a report of the Director of Adult Social Care & Housing and the Director of Finance & Resources which explained that the Housing Revenue Account (HRA) Budget for 2009/10 was approved at Cabinet on 12 February 2009. The report included increases to rents in line with the Government's Subsidy Determination in January 2009. To support tenants, in light of the current economic climate, the Government had now issued a revised Subsidy Determination allowing Councils to reduce rent increases. The current report sought approval to revise the approved rent increases for 2009/10 in line with the Government's proposals (for copy see minute book).
- 13.2 The Head of Financial Services explained that the £1.98 per week average reduction for tenants would be backdated to 6 April 2009. The loss of rental income for the Council would be reimbursed through Housing Subsidy.
- 13.3 Councillor Simpson considered the reduction in rent increases to be good news. She also considered the delay in the rent convergent target date from 2012 to 2024 to be good news.
- 13.4 The Head of Financial Services explained that the government had set a floating convergent date. It was currently 2023/24 but would probably be brought forward.
- 13.5 The Cabinet Member asked if the council would have more money in the Housing Revenue Account if the proposals were rejected and the rent remained at the current rate. The Head of Financial Services replied that that would not be the case in this financial year.

- 13.6 The Cabinet Member considered the proposal to be beneficial to all concerned as it would result in tenants paying less and it making no difference financially to the council. She asked how the payment would be backdated. The Head of Financial Services replied that a letter was being sent out to tenants stating that a credit would be shown on their accounts.
- 13.5 Councillor Simpson considered the proposals would be beneficial to tenants who were not in receipt of housing benefit. This would be welcome in the current circumstances.
- 13.6 **RESOLVED** - Having considered the information and the reasons set out in the report, the Cabinet Member accepted the following recommendation.
- (1) That Cabinet be recommended to approve the amendments to individual rent increases and decreases in line with rent restructuring principles as determined by the latest Government Subsidy Determination issued in May 2009.