

ANGUS COUNCIL

MINUTE of SPECIAL MEETING of the **COMMUNITIES COMMITTEE** held in the Town and County Hall, Forfar, on Tuesday 14 February 2017 at 2.00 pm.

Present: Councillors DONALD MORRISON, JEANETTE GAUL, BRIAN BOYD, BILL DUFF, BRENDA DURNO, DAVID FAIRWEATHER, CRAIG FOTHERINGHAM, IAIN GAUL, JIM HOUSTON, COLIN BROWN, IAN MCLAREN, ALEX KING, RONNIE PROCTOR MBE and MARK SALMOND.

Councillor MORRISON, Convener, in the Chair.

Prior to the commencement of business, the Convener, on behalf of the Committee thanked Derek Whittet, Senior Accountant within the Resources Directorate, who was due to retire from the Council's service in April, and who for many years had been pivotal in the preparation of the Housing Capital and Revenue Budget.

1. **APOLOGIES/SUBSTITUTES**

Apologies for absence were intimated on behalf of Councillors David May and Glennis Middleton, with Councillors Colin Brown and Alex King substituting, and also on behalf of Councillor Ewan Smith.

2. **DECLARATIONS OF INTEREST**

No declarations of interest were intimated.

3. **REQUEST FOR A DEPUTATION**

The Committee agreed to hear Mr Tom O'Brien, tenant representative, on behalf of the Angus Council Tenants' Steering Group. He spoke in support of the proposals to be considered by the Committee, under Article 5 below which would, he believed, achieve significant investment in improving existing homes, and achieve the construction of many more affordable homes across Angus. The Tenants' Steering Group had had the opportunity to meet and consider the HRA Business Plan in full and firmly believed that the plan would help to continue the Housing Service to deliver works tenants needed for many years to come, and on an affordable basis.

Following the deputation, Mr O'Brien withdrew to the public benches.

4. **HOUSING CAPITAL AND REVENUE BUDGET PERFORMANCE REPORT 2016/2017**

With reference to Article 5 of the minute of meeting of this Committee of 15 November 2016, there was submitted Report No 69/17 by the Head of Planning and Place, setting out the actual Capital and Revenue spend to 31 December 2016, together with projected outturns for the year to 31 March 2017 and any required updated Capital Funding proposals.

The Report advised that the actual spend achieved to 31 December 2016 was £4,989,000, equating to 48.5% of the monitoring budget of £10,278,000. It was projected at the current time that by the end of financial year 2016/2017, net expenditure would total £8,574,000 a potential underspend of 16.6% and the reasons for which were detailed in section 6 of the Report.

The Committee agreed to note the projected year-end positions on Capital and Revenue expenditure as indicated in Appendices 1 and 3 of the Report; and the indicative funding proposals for the programme.

5. 2017/2018 HOUSING REVENUE ACCOUNT ESTIMATES INCORPORATING RENTS, CHARGES AND ST CHRISTOPHER'S SITE RENTALS

With reference to Article 5 of the minute of special meeting of this Committee of 9 February 2016, there was submitted Joint Report No 70/17 by the Head of Planning and Place and the Head of Corporate Improvement and Finance, presenting estimated income and expenditure on the Housing Revenue Account (HRA) for the financial year 2017/2018, and giving background information for the review of rents and charges for the year.

The Committee agreed:-

- (i) to note that the HRA was in a sound financial position, and could therefore continue to fund a comprehensive programme of improvements to current tenants' homes, and continue to build new homes, whilst maintaining lower than average rents;
- (ii) to approve the capital estimates as detailed in Appendix 1 of the Report;
- (iii) to note, as set out in section 4 of the Report, that this year was the last in the four year phased rent restructure approved by Committee on 6 February 2014 (Article 4 refers), and would result in the 3.1% average rent increase for council dwellings, including sheltered and dispersed accommodation;
- (iv) to approve sheltered, retirement and dispersed housing service charges for 2017/2018, as set out in section 5 of the Report;
- (v) to approve a rent increase of 2% for garages, garage sites and stores adjacent to garages, all as set out in section 5 of the Report;
- (vi) to approve a rent increase of 2% in relation to all pitches at the St Christopher's Travelling People site at Tayock, Montrose, as set out in section 5 of the Report;
- (vii) to approve the proposed Revenue Budget for 2017/2018 as detailed in Appendix 2, column 3; and section 9 of the Report; and
- (viii) to approve the prudential indicators as detailed in Appendix 3 of the Report, in compliance with Prudential Code requirements.

6. REVIEW OF HOUSING REVENUE ACCOUNT BUSINESS PLAN

With reference to Article 6 of the minute of special meeting of this Committee of 9 February 2016, there was submitted Report No 71/17 by the Head of Planning and Place, summarising the outcome of a review into the Housing Revenue Account's 30 year Business Plan, including future investment proposals, and its affordability. Following review of the Business Plan, it was considered that a more ambitious investment plan could be delivered, whilst remaining affordable and sustainable, and staying within the prudential financial perimeters, where overall loan charge costs should not exceed 25% of the projected rental income in an individual year. The Council would be able to double the number of new homes being built in Angus, expanding the provision of affordable housing, while also investing heavily in existing stock making the housing stock more efficient, more attractive, with fewer voids, leading to increased allocation rates and customer satisfaction. Total investment for 2017-2022 would be around £90 million. The proposed HRA Capital Programme would also assist in stimulating the local economy, employment and trading.

The Committee agreed:-

- (i) to note the key assumptions underpinning the affordability analysis in the Report; and that in particular to note that, unlike the General Fund, the HRA did not receive any loan charges, grant support or other capital support through the finance settlement, but was a ring fenced and self financing service of the Council and that all revenue consequences from capital expenditure required to be met from within the HRA Revenue Budget, funding by rental income received from tenants;

- (ii) to approve the HRA 30 year Business Plan, including the proposal to almost double the Capital Investment Programme to £90 million over the next 5 years; and
- (iii) to note that, based on the assumptions made and the affordability analysis undertaken, the 2017/2022 Housing Revenue Account Financial Plan was considered to be affordable, prudent and sustainable as required by the Prudential Code.