

## **FC74. HOUSING REVENUE ACCOUNT & COUNCIL HOUSE RENTS 2011/12 – 2013/14**

With reference to Minute of Special Meeting of the Policy and Resources Committee held on 9 February 2011 (Paragraph PR82 refers), there was submitted joint Report (circulated) dated 1 February 2011 by the Directors of Finance and of Corporate and Neighbourhood Services (a) presenting a draft Housing Revenue Account for the financial year 2011/2012; (b) making recommendations on the level of council house and garage rents for 2011/12, and (c) showing indicative rent levels for the years 2012/2013 to 2013/2014.

Councillor Blackwood, seconded by Councillor McNeill, moved that Council:-

“approves the Draft Housing Account budget for 2011/12, and the following recommendations:-

- (1) an average house rent increase of £96.72 per annum be applied from 1<sup>st</sup> April 2011. This is equivalent to £1.86 per week or £4.03 per fortnightly rent charge period. The new average fortnightly charge, based on the 24 fortnightly periods with no rent being charged during the fortnightly periods commencing 27 June 2011 and 12 December 2011, would therefore be £115.7;
- (2) no tenant to face an increase of more than £144.00 per annum (equivalent to £2.77 per week or £6.00 per fortnightly rent period);
- (3) utilisation of c£0.9m from the Housing Revenue Account reserves;
- (4) lock-up garage rentals be increased to an average of £5.33 per week with effect from 1<sup>st</sup> April 2011;
- (5) garage site rentals be increased to £75 per annum with effect from 1 April 2011;
- (6) Castings Hostel rentals be increased to a charge of £137.69 per room per week (excluding fuel charges);
- (7) homeless property rentals be increased to an average of £159.62 per week, and
- (8) note the indicative budgets and rent increases for 2012/13 and 2013/14 as representing the best information available at this time.

By way of an Amendment, Councillor Meiklejohn, moved the terms of the Motion, with the following changes:-

- “(1) council house rents to be frozen at 2010/11 levels for the following year to be financed from;
- (2) of current loans or through prudential borrowing;
  - (4) lock-up garage rentals to be increased to an average of £5.33 per week from 1 April 2011 with the revenue to be ring fenced and reinvested in the maintenance and upgrading of the existing facilities due to the lack of investment levels currently used to maintain this facility, and

- (5) garage site rentals to be frozen at existing levels of £42, due to the lack of investment and maintenance required by Falkirk Council.

Having heard advice from Officers, that prudential borrowing could not be used to fund capital assets, Council adjourned for 10 minutes to allow Councillor Meiklejohn to reconsider the terms of her amendment. Council reconvened at 4.30 pm with all members present with the exception of Councillors Constable, Goldie and Waddell.

With the consent of the Provost, Councillor Meiklejohn, altered the text of her motion as follows, seconded by Councillor A MacDonald:-

- (4) lock-up garage rentals to be increased to an average of £5.33 per week from 1 April 2011 with the revenue to be ring fenced and reinvested in the maintenance and upgrading of the existing facilities due to the lack of investment levels currently used to maintain this facility, and
- (5) garage site rentals to be frozen at existing levels of £42, due to the lack of investment and maintenance required by Falkirk Council with the additional cost of approximately £30,000 to be met from reserves.”

On a division 16 Members voted for the Motion and 13 voted for the Amendment.

Accordingly, **AGREED** to approve the Draft Housing Account budget for 2011/12, and the following recommendations:-

- (1) an average house rent increase of £96.72 per annum be applied from 1<sup>st</sup> April 2011. This is equivalent to £1.86 per week or £4.03 per fortnightly rent charge period. The new average fortnightly charge, based on the 24 fortnightly periods with no rent being charged during the fortnightly periods commencing 27 June 2011 and 12 December 2011, would therefore be £115.7;
- (2) no tenant to face an increase of more than £144.00 per annum (equivalent to £2.77 per week or £6.00 per fortnightly rent period);
- (3) utilisation of c£0.9m from the Housing Revenue Account reserves;
- (4) lock-up garage rentals be increased to an average of £5.33 per week with effect from 1<sup>st</sup> April 2011;
- (5) garage site rentals be increased to £75 per annum with effect from 1 April 2011;
- (6) Castings Hostel rentals be increased to a charge of £137.69 per room per week (excluding fuel charges);
- (7) homeless property rentals be increased to an average of £159.62 per week, and
- (8) note the indicative budgets and rent increases for 2012/13 and 2013/14 as representing the best information available at this time.