

Changes to Budget Report Recommendations to City Executive Board 11th February 2016

The Governments Final Finance Settlement announcements on 8th February 2016 together with the passage of the Welfare Reform and Work Bill through Parliament has necessitated the changing of a number of recommendations to Council contained within the Councils Budget Report as follows:

Finance Settlement Adjustment –

The Government have made adjustments to the Council's Settlement Funding Assessment including the award of an additional Grant for 2016/17 and 2017/18 to local authorities to assist with the transition to nil Revenue Support Grant. The effect on the recommendation is as follows:

Original Recommendation

- a) approve the General Fund Budget Requirement of £19.784 million for 2016/17 and an increase in the Band D Council Tax of 1.99% or £5.55 per annum as set out in Table 8 and Appendices 1-4, representing Band D Council Tax of £284.52 per annum;

Revised Recommendation

- a) approve the General Fund Budget Requirement of £19.853 million for 2016/17 and an increase in the Band D Council Tax of 1.99% or £5.55 per annum as set out in Table 8 and Appendices 1-4, representing Band D Council Tax of £284.52 per annum. The additional amount of £146k over the four year period to go towards the funding of the Council's General Fund Capital Programme

Welfare Reform and Work Bill

Within the Welfare Reform and Work Bill which is currently tracking through Parliament the Government made provision to reduce social rents by 1% a year for four years from April 2016 for all local authorities and private registered providers of social housing housing. Royal assent for the Bill is expected to be received shortly.

The Government have recently announced that it will put in place a **one year exception for all supported accommodation**. The exact definition of supported accommodation will be defined in regulations but it is expected that the exception will include sheltered accommodation for older people. In Oxford this would apply to 10 sheltered accommodation schemes of 260 properties.

The expectation is that accommodation subject to the exception will be able to increase rents by no more than CPI +1% using CPI existing as at September 2015. The resultant rise will be 0.9% since CPI at this date was -0.1%. This increases rental income by around £27k which officers believe they could usefully use on the replacement of furniture and carpets at the sheltered housing facilities.

The resultant change to the recommendation within the Budget Report is set out below:

Original

- c) approve the Housing Revenue Account budget for 2016/17 of £43.460 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2016 giving a revised weekly average social rent of £104.79 as set out in Appendix 4. (subject to the Welfare Reform and Work Bill becoming law and no exemption being granted) but that in the event that an exemption or partial exemption is granted that the rent be increased in accordance with the terms of the exemption or partial exemption subject to: 1) a further report to CEB and Council detailing the effect on the Housing Revenue Account budget and; 2) notice being given to tenants of the proposed rent increase ;

Revised

- c) approve the Housing Revenue Account budget for 2016/17 of £43.487 million and a reduction of 1% (£1.06/wk) in social dwelling rents from April 2016 giving a revised weekly average social rent of £104.79 as set out in Appendix 4 for all Council dwellings other than sheltered accommodation. In respect of sheltered accommodation that a rent increase of 0.9% is applied (average £0.88 per week increase) generating an additional income originally proposed of £27,000 for one year to be used in full or in part for improvements in the provision of sheltered accommodation. Such changes will be subject to the Welfare Reform and Work Bill becoming law and no exemption being granted) but that in the event that an exemption or partial exemption is granted that the rent be increased in accordance with the terms of the exemption or partial exemption subject to notice being given to tenants of the proposed rent increase. In that event a further report will be made to CEB and Council detailing the consequential effect on the Housing Revenue Account budget