

## Appendix B

### SUMMARY OF MAIN COMMENTS MADE ON THE DRAFT BUDGET PROPOSALS

#### 1) TENANTS' FORUM – 11<sup>th</sup> FEBRUARY 2016

Item / Issue	Summary of Response Given
<p>If in future there was an opportunity to increase rents for Sheltered Housing, could there be assurances that any additional income raised would be ring-fenced and only spent on Sheltered Housing?</p> <p><i>(Martyn Lund, Tenants' Forum)</i></p>	<p>This is an option and certainly something the forum may wish to think about as a formal budget comment. Due to the lateness of the government's announcement regarding rent levels for Sheltered Housing, it is not advisable to increase rents for Sheltered Housing.</p> <p><b>Officer Comment</b></p>
<p>In regards to the £72.9m self-financing loan taken out to buy KBC in 2012, can we slow repayments on this loan to make up for loss of income from the reduction in rents?</p> <p><i>(Cllr Maggie Don – Kettering Borough Council)</i></p>	<p>When the Council took the loans, they were enacted at preferential rates and we want to try to adhere to the plan that we have. When loans mature, we can invest more in the housing stock as the amount of interest reduces.</p> <p>The current Business Plan enables the Council to meet the principle repayments at present, if there are further disadvantageous movements in terms of the finances, we would need to review the principle repayments. The proposal in front of the forum assumes a 1% reduction in rents, which provides a balanced budget.</p> <p><b>Officer Comment</b></p>
<p>Financial penalties were mentioned if tenants chose to do something else (other than accept a 1% rent deduction). If rents were frozen, what would these penalties be?</p> <p><i>(Cllr Maggie Don – Kettering Borough Council)</i></p>	<p>It is difficult to answer this. In the broadest sense if we exceeded the Rent cap which is projected at 1.72% and were to raise rents by 1% above the cap this would result in additional income of around £150,000. However around £100,000 would need to be repaid to central government. We do not currently know at what level this cap will sit. We envisage that the Government are likely to lower the cap so housing authorities have a rent decrease.</p> <p><b>Officer Comment</b></p>
<p>I would like to know the reasoning behind this. As a tenant, a 1% decrease seems nice, but with less government funding rural areas will suffer from cuts the most.</p> <p><i>(Brent Woodford – Tenants' Forum)</i></p>	<p>A rent decrease is a way for the government to reduce the benefit bill, tenants have previously indicated that they would be happy to have a small increase to maintain service provision, but they are given no choice because of the way rent calculations are undertaken.</p> <p><b>Officer Comment</b></p>

## Appendix B

### **RESOLVED**

that the members of the Tenants' Forum agreed to the 1.0% decrease for 2016/17 and should there be a requirement to increase rents for sheltered housing, it is hoped that this income would be ring-fenced to be used on sheltered housing only.

These comments were duly noted by officers and would be forwarded to the Executive Committee alongside the recommendation.

### **2) - RESEARCH & DEVELOPMENT COMMITTEE – 16<sup>th</sup> FEBRUARY 2016**

<b>Item / Issue</b>	<b>Summary of Response Given</b>
<p>A question was raised at the Monitoring and Audit Committee meeting about hidden homes. What are these hidden homes?</p> <p><i>(Cllr Jenny Henson -Kettering Borough Council)</i></p>	<p>The idea is to look for areas on existing Council estates where we can create new homes, for example converting a warden's flat and converting an estate office into two flats.</p> <p><b>Officer Comment</b></p>
<p>As part of the town centre initiatives we have in the past promoted free parking days throughout the year. Is this continuing?</p> <p><i>(Cllr Greg Titcombe - Kettering Borough Council)</i></p>	<p>There is currently no provision in the draft budget for this. The town centre initiative budget, from which free parking days are funded, was established for a 2 year period (which ends in March 2016)</p> <p><b>Officer Comment</b></p>
<p>What percentage of the housing stock rental actually provides an income for the Council, as opposed to tenants claiming benefits?</p> <p><i>(Cllr Greg Titcombe - Kettering Borough Council)</i></p>	<p>Benefits account for around two-thirds of the total rent. However, the rent due from tenants on benefits is paid to the Council by the government. 98% of rent in the Borough is collected, which is much better than in other areas.</p> <p><b>Officer Comment</b></p>
<p>Because there is now no government incentive to maintain the level of Council Tax we should consider raising it by £5 or 2%.</p> <p><i>(Cllr Mary Malin - Kettering Borough Council)</i></p>	<p>This is a matter for members to decide upon. If the Council as a whole decided it wanted to increase the Council Tax, the budget would need to be updated to reflect that.</p> <p><b>Officer Comment</b></p>

### **RESOLVED**

- (i) the draft budget proposals be noted;
- (ii) comments made be submitted for consideration by the Executive Committee at its meeting on 17<sup>th</sup> February; and
- (iii) it be recommended that consideration be given to increasing the Council Tax in 2017/18 on the basis that government incentives to maintain the level of Council Tax no longer existed.