



## THE RUGBY BOROUGH COUNCIL

You are hereby summoned to attend a SPECIAL MEETING of the Rugby Borough Council, which will be held at the TOWN HALL, RUGBY, on Tuesday 7<sup>th</sup> February 2017 at 7.00 p.m.

**NOTE: Members are reminded that there will be a presentation from the Head of Corporate Resources and Chief Financial Officer at 6.15pm in the Council Chamber. All Members are requested to attend.**

### A G E N D A

#### PART 1 – PUBLIC BUSINESS

1. Apologies for absence.
2. To approve the minutes of the meeting of Council held on 13<sup>th</sup> December 2016.
3. Declaration of Interests - To receive declarations of –  
To receive declarations of -
  - (a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;
  - (b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and
  - (c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.
4. To receive the Mayor's Announcements.
5. Draft Housing Revenue Account Capital & Revenue Budgets for 2017/18 - Report of the Head of Corporate Resources and Chief Financial Officer and the Head of Communities and Homes.

6. To receive the reports of Cabinet which have met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

(a) Cabinet - 6<sup>th</sup> February 2017

(1) Draft Corporate Strategy 2017-2020 – Leader of the Council.

(2) World Rugby Hall of Fame Visitor Attraction - Update and Charging - Growth and Investment Portfolio Holder.

(3) Coventry and Warwickshire Sustainability and Transformation Plan (STP) - Communities and Homes Portfolio Holder.

7. To receive the Reports of Officers.

(a) Redesign of Waste Services – Report of the Executive Director (report to follow).

8. Motion to the Exclude the Public under Section 100(A)(4) of the Local Government Act 1972

To consider passing the following resolution: -

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of information defined in paragraphs 2 and 3 of Schedule 12A of the Act.”

## **PART 2 – EXEMPT INFORMATION**

1. To receive the private report of Cabinet which has met since the last meeting of the Council and to pass such resolutions and to make such orders thereon as may be necessary:

(a) Private Report of Cabinet – 6th February 2017

(1) Review of Terms and Conditions and Pay Benchmarking – Corporate Resources Portfolio Holder.

DATED THIS 30<sup>th</sup> day of January 2017

Executive Director

To: The Mayor and Members of Rugby Borough Council

Special Council – 7<sup>th</sup> February 2017

Draft Housing Revenue Account Capital & Revenue Budgets for  
2017/18

Report of the Head of Corporate Resources and Chief Financial  
Officer and the Head of Communities and Homes

1. BUDGET AND POLICY FRAMEWORK

In accordance with the constitution, the Council is required to carry out an annual review of rents and notify tenants not less than 28 days prior to the proposed date of change. In addition, the Council is required under the Local Government and Housing Act 1989 to ensure that the Housing Revenue Account (HRA) does not fall into a deficit position.

Government introduced a number of changes to the social housing market via the Welfare Reform and Work Bill and the Housing and Planning Bill during 2016 which will have a direct impact upon future funding and costs to the HRA, notably the requirement to reduce rents by 1% a year for four years commencing 2016/17. Since the last HRA draft budget report was presented to Cabinet more information has emerged on certain policy areas:

Income Based Rents / Pay to Stay

The Department for Communities and Local Government (DCLG) announced on 21st November 2016 that, following consultation with tenants, local authorities, and others “**the Government has decided not to proceed with the policy**” of Income Based Rents / Pay to Stay . Local authorities and housing associations will continue to have the discretion to implement the policy for tenants with incomes over £60,000.

High Value Asset (HVA) Levy

In his Autumn Statement (23 November 2016) the Chancellor announced that following the initial pilot of the voluntary Right to Buy for tenants with five housing associations, the government will launch an expanded regional pilot in 2017/18. This pilot will be funded by the Exchequer (£250m) over four years from 2017/18 to 2020/21. Consequently, **there is no expectation at present that local authorities will be required to make levy payments in financial year 2017/18.**

## 2. MEDIUM TERM FUNDING OPTIONS

The financial impact of the 1% rent cut on the Council's capacity to meet its HRA self-financing debt repayment schedule was outlined to Council in March 2016. The forecast deficits on the HRA income and expenditure account at the time were as follows:

2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
-1,749	-2,497	-3,356	-4,192	-4,495

From the options available to fund the deficit, Cabinet recommended a mixed approach of identifying savings/efficiencies across Repairs and Maintenance / Supervision and Management and reducing the levels of amounts set aside for the repayment of debt until rents are again at a level to meet repayments.

In the revised current estimates for 2017/18 the decrease in expenditure across Repairs and Maintenance / Supervision and Management is as follows:

	2016/17 Revised Budget £'000	2017/18 Original Budget £'000	Variance £'000
Transfer to Housing Repairs Account	3,329	3,236	93
Supervision and Management	4,809	4,622	187
Total	8,138	7,858	280

The above represent on-going savings that have been built into the base budget assumptions within the Medium Term Financial Plan at Appendix D.

The restructured debt repayment profile, to produce a balanced budget and maintain reserves at a prudent level as specified in Appendix C, is as follows:

Financial Year	Original Debt Repayment Schedule £'000	Revised Debt Repayment Schedule £'000
2017/18	7,200	4,923
2018/19	7,600	4,618
2019/20	8,000	4,256
2020/21	8,500	4,527
2021/22	8,900	4,535
2022/23	6,500	4,587
2023/24	4,907	3,214
2024/25	-	3,429

2025/26	-	3,652
2026/27	-	3,883
2027/28	-	4,123
2028/29	-	5,860
	51,607	51,607

A reduction/deferral of debt repayments will increase the net interest payable by the HRA during this period. Debt rescheduling will be undertaken in conjunction with the principles set out in the Council's Treasury Management Strategy. The indicative impact of the rescheduling above is a cost to the HRA of £2.946m in increased interest payments/loss of investment income during the period 2017/18 to 2028/29.

An updated HRA medium term financial plan reflecting the above position is included at Appendix D.

The remainder of the report concentrates on proposals for 2017/18 including:

- Rent
- Service Charges
- Performance management – voids and debt collection
- Expenditure assumptions
- Housing repairs and capital programme

### 3. RENT

#### Background

The Welfare Reform and Work Bill 2015 introduced a requirement for local authorities and other registered providers to reduce rents by 1% a year for four years beginning 2016/17. Previous guidance (Spending Review 2013) was for registered providers to increase rents by no more than the Consumer Price Index (CPI) inflation rate plus 1% per year. In 2017/18 this would have produced a rent increase of 2.00%. The Council implemented the rent change in 2016/17, with an estimated rent differential over the 4-year period of £5.107m.

Following scrutiny of the bill in the House of Lords, exemption from the policy was granted for one year for sheltered accommodation. Special Council on 1<sup>st</sup> March 2016 therefore recommended that rents for properties in this group were frozen. Ministers confirmed in autumn 2016 that the exemption will not continue beyond 2016/17. The 2016/17 rent freeze produced additional income which is being utilised to provide improvements to sheltered housing blocks. The impact of this exemption (the difference in rent levels in 2017/18 from what they otherwise would have been had the rent reduction been implemented) is £57,670 and this amount will be set aside via an earmarked reserve for the client group.

Properties below target rent (the equivalent rent in the Housing Association sector) are still allowed to have rents uplifted to that rate at the point of vacancy and subsequent relet, with rents then decreased by 1% in the next financial year. It is estimated that 175 homes below target rent will be relet during 2017/18 based on historic trends.

Rent estimates for 2017/18 assume a stock level of 3,778 HRA properties at the start of April 2017 reducing by an estimated 30 right to buy properties in year. A void rate of 1.00% is estimated for 2017/18 (see page 6 for details.)

### Rent Calculation

The calculations for rents are based on average rents over the entire year, i.e. without any free weeks. The percentages applied to this may not be the same as the ones applicable when considering a 48 or 49-week rent year. 2017/18 is a 48-week rent year and therefore rents will be charged accordingly.

The following calculations are based on stock numbers as at February 2017.

	<b>2016/17</b>	<b>2017/18</b>	<b>Average</b>	<b>Average</b>
	<b>£'s</b>	<b>£'s</b>	<b>%</b>	<b>£</b>
			<b>Decrease</b>	<b>Decrease</b>
<b>Average Weekly Rent (52 week basis)</b>	<b>84.05</b>	<b>83.21</b>	<b>1.00</b>	<b>0.84</b>

Since 2017/18 is a 48-week rent year the rents will be charged accordingly and therefore the figures shown here are for illustrative purposes. Rental income from dwellings of £16.253m for 2017/18 has been included within the draft HRA revenue budgets as shown in Appendix A.

### 4. SERVICE CHARGES

In line with government guidance, the Council carried out an exercise of depooling rent and service charges in 2006/07. This enabled tenants to see the estimated amount spent on services that had previously been included within the rent. Service charges are estimated at £1.473m in 2017/18 (including a void allowance of 1.00%).

Better procurement practices and monitoring have continued to result in mitigating the impact of utility and other service cost inflation on the Council's corporate and housing assets during 2016/17. As a consequence, service charges for gas and cleaning will fall or remain unchanged in 2017/18.

The average weekly impact upon service charges arising from the estimates of costs associated with that service in 2017/18 (on a 48 week basis) is as follows:

Charge Type	Average Change p/w £
<b>Communal Lighting - Electricity</b> (Rebateable – eligible for Housing Benefit)	0.21
<b>Communal Heating - Gas</b> (Rebateable – eligible for Housing Benefit)	0.00
<b>Communal Cleaning</b> (Rebateable – eligible for Housing Benefit)	0.00
<b>Communal Heating – Gas</b> (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	0.00
<b>Concierge Charge</b> – tenants at Skiddaw, Pettiver Crescent, low level Rounds Gardens (Rebateable – eligible for Housing Benefit)	0.05
<b>Estate Officer Charge</b> – tenants at Multi Storey Flats (Rebateable – eligible for Housing Benefit)	0.29
<b>Warden Service Charges</b> – Sheltered Housing (Rebateable – eligible for Housing Benefit)	0.23

## 5. PERFORMANCE MANAGEMENT

The financial management of the HRA is directly linked to key performance in a number of operational areas – void management, rent collection, and arrears recovery.

### Void Management

There is a direct correlation between the time a property remains void and the rent forgone.

For 2017/18 the target for void property rent and service charge loss will be set at 1.00%, equating to £163,730 under the rent model introduced by the Government in summer budget 2015. Most recent performance data (December 2016) shows void loss running at 0.68%.

### Rent Collection/Bad Debt Provision

The collection rate for rent and service charges and the performance in managing rent debt is critical to the financial position of the HRA and has a direct impact on the amount of bad debt provision that has to be set aside.

Government had originally intended to introduce Universal Credit on a phased basis from October 2013. However, full Borough-wide implementation for new claimants was not introduced until October 2015 and the transition for existing claimants is scheduled for completion in 2021/22.

The level of rent arrears has been reviewed in year, and the HRA's contribution to bad debt provision has been estimated at £131,250 in 2017/18 reflecting the above circumstances.

## **6. EXPENDITURE – ASSUMPTIONS**

### **Employee costs**

The HRA budgets are based on the current staffing establishment and Local Government Association pay proposals (1%) for 2017/18. Progression through pay scales and increased employer contributions to the Local Government Pension Scheme have also been included in the base budget.

Several members of staff spend their time on both HRA and General Fund activities and as a result staff costs are split based on percentages of time relevant to services.

### **Central Recharges**

These costs are currently estimated at £1.633m in 2017/18 and include the HRA's proportion of Corporate Property, ICT, Legal, Human Resources, Payroll and other costs.

### **Charges for Capital**

DCLG and the Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidelines regarding council dwelling depreciation and impairment to coincide with the introduction of 'self-financing'. Depreciation is used to provide a measure of the cost of the economic benefits embodied in an asset that have been consumed during the year. Estimates for 2017/18 charges are based around this guidance and there is a decrease of £135,420 on financial year 2016/17. If the final depreciation charge is less than the estimate, the excess is transferred to the Major Repairs Reserve to ensure the smoothing of costs for component replacements ( kitchens, bathrooms, heating systems ) over the medium term.

### **Amounts set aside for the repayment of debt/ Revenue Contributions to Capital Expenditure**

The HRA business plan initiated at the point of self-financing assumed that all in-year surpluses would be utilised in the repayment of debt subject to the maintenance of a prudent HRA working balance. Prior to the introduction of the 1% rent cut, estimates were that the HRA self-financing debt allocation of £72.949m would be repaid in 2024 (12 years following the settlement). Section 3



outlines the revised schedule of debt repayment and associated interest payment impact. Unlike the General Fund, there is no statutory requirement to set aside money from revenue for debt repayment within the HRA allowing flexibility to adjust debt repayment in light of HRA business planning needs in future years.

## **7. HOUSING REPAIRS & MAJOR WORKS**

### **Housing Repairs**

Housing repairs expenditure covers both planned and responsive maintenance, some of which is capital funded. The funding is split between:

- the Housing Repairs Account for revenue expenditure such as boiler servicing, electrical inspections, etc.; and
- the Major Repairs Reserve (MRR) for capital works including the replacement of significant components (kitchens, bathrooms, central heating, etc.)

The transfer to the Housing Repairs Account in 2017/18 is estimated at £3.237m (£3.329m 2016/17). The decrease (£0.093m) is accounted for by:

- Savings in responsive repairs arising from the introduction of the new Integrated Repairs Service software and new ways of working in 2016/17, notably:
  - Materials stockholding;
  - Fuel/vehicle efficiency; and
  - Use of external contractors.
- A decrease in cyclical gas servicing costs arising from procurement savings and decreasing stock levels; and
- Reduced requirement for cyclical repainting subsequent to the window and door replacement capital programme.

## **Major Works**

The Council is required to produce a capital programme which takes account of at least the next three financial years. A detailed stock condition survey was undertaken during 2012/13 and 2013/14 resulting in recommendations for planned capital works during the course of the HRA business plan. The work programme arising from these condition surveys is summarised in Appendix B and includes the following significant expenditure areas:

### Heating Upgrades (£770,000)

The proposals for 2017/18 include a heating upgrade programme of approximately 230 properties as identified from work undertaken during the most recent stock condition survey.

### Bathrooms (£321,780)

The proposals for 2017/18 include a bathroom replacement programme of approximately 110 properties as identified from work undertaken during the most recent stock condition survey.

### Kitchens (£707,120)

The proposals for 2017/18 include a kitchen replacement programme of approximately 210 properties as identified from work undertaken during the most recent stock condition survey.

### Acquisitions (£1,685,000)

To maintain compliance with its retained Right-to-Buy 1-4-1 Agreement with the Department for Communities and Local Government (DCLG) the Council will acquire approximately 12 properties in 2017/18. The average cost of acquisition is £140,000 of which a maximum 30% (£42,000) is funded via Right-to-Buy sales receipts.

## **8. CONCLUSION**

The estimates contained within this report represent the most up-to-date information and sensitivity analysis available in preparing the HRA revenue budget for 2017/18 and the HRA medium term financial plan 2017-21. Further changes may arise from the following operational and policy areas:

- Revisions to inflation estimates impacting construction industry materials and labour costs
- Impact of National Living Wage and Apprenticeship Levy
- Direct and indirect impact of efficiency measures arising from:
  - Voluntary redundancy
  - Digitalisation measures

- Structure and delivery mechanisms of support service recharges

Any changes made to any of the recommendations will potentially affect the content of the subsequent appendices. If any changes to the rent setting levels are proposed, it is important to be clear about the effects of the change and to build these in during the consideration of each recommendation.

### **Recommendation**

1. The proposed revenue and capital budget estimates for 2017/18 at Appendices A and B inclusive of:
  - 1.1. a 1% reduction in rents be approved; and
2. Service charges be amended as outlined in the report.

**DRAFT REVENUE BUDGETS 2017/18 SUMMARY****HOUSING REVENUE ACCOUNT**

	<b>2016/17 Original Budget £</b>	<b>2016/17 Revised Budget £</b>	<b>2017/18 Draft Budget £</b>	<b>Notes</b>
<b>INCOME :-</b>				
Rent Income From Dwellings	-16,347,600	-16,347,600	-16,253,330	1
Rent Income From Non - Dwellings	-280,640	-280,640	-151,730	2
Charges For Services	-1,408,750	-1,421,890	-1,473,300	3
Contributions Towards Expenditure	-274,980	-220,580	-215,340	
<b>Total Income</b>	<b>-18,311,970</b>	<b>-18,270,710</b>	<b>-18,093,700</b>	
<b>EXPENDITURE :-</b>				
Transfer To Housing Repairs Account	3,286,070	3,329,280	3,236,680	4
Supervision & Management	4,859,080	4,809,170	4,621,600	5
Rents, Rates, Taxes & Other Charges	3,000	3,000	3,000	
Depreciation and Impairment	3,816,630	3,816,630	3,681,210	6
Debt Management Cost	7,000	7,000	15,000	
Provision For Bad or Doubtful Debt	131,250	131,250	131,250	7
Amounts set aside for the repayment of debt	6,900,000	6,900,000	4,921,570	8
Less: Corporate Savings / Income Generation T	-800,930	-853,090	0	9
<b>Total Expenditure</b>	<b>18,202,100</b>	<b>18,143,240</b>	<b>16,610,310</b>	
HRA Share of Corporate & Democratic Core Costs	209,630	209,630	200,470	
<b>NET COST OF HRA SERVICES</b>	<b>99,760</b>	<b>82,160</b>	<b>-1,282,920</b>	
<b>HRA SHARE OF OPERATING INCOME &amp; EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME &amp; EXPENDITURE ACCOUNT</b>				
Interest Payable & Similar Charges	1,326,660	1,356,660	1,251,470	
Interest & Investment Income	-76,420	-76,420	-26,220	
<b>NET OPERATING EXPENDITURE</b>	<b>1,350,000</b>	<b>1,362,400</b>	<b>-57,670</b>	
Revenue Contributions to Capital Expenditure	0	0	0	8
Contributions to (+) / from (-) Reserves	-1,350,000	-1,297,840	57,670	
<b>Surplus(-)/Deficit for year</b>	<b>0</b>	<b>64,560</b>	<b>0</b>	

## Notes

- 1 Rent estimates based on rent reduction of 1% and estimated 30 RTB sales in year.
- 2 Garage rents have been increased in line with national guidance but this has been offset by an increase in the number of void/empty properties.
- 3 The net change in service charge income reflects the inflationary rises noted within the report and includes a void allowance of 1.00%.
- 4 This includes a decrease in cyclical gas servicing and repainting costs (planned maintenance) and costs of materials stockholding, fuel, and the use of external contractors (responsive repairs).
- 5 The main adjustments to supervision & management are:

	£
Net salary changes	-141,380
Replacement equipment transferred to capital funding	-42,300
Reversal of prior year carry forwards	-44,250
Utility savings	-28,600
Procurement savings from new contracts	-17,000
Legal Costs	10,000
Internal recharges	62,360
Other items	13,600

Total change in Supervision & Management budget	-187,570
---	----------

- 6 DCLG and CIPFA have produced guidelines regarding council dwelling depreciation to coincide with the introduction of HRA self-financing. Estimates for 2017/18 have been prepared on this basis.
- 7 The increase in bad debt provision reflects an estimated rise in arrears subject to the full roll out of the Universal Credit.
- 8 The HRA medium term financial plan assumes that all in-year surpluses will be utilised in the repayment of debt except where major capital expenditure relating to new build has been programmed.

Proposed Capital Programme 2017/18 and onwards

	Revised 2016/17 Capital Programme	Anticipated 2016/17 slippage into 2017/18	Proposed 2017/18 Capital Programme	Proposed 2018/19 Capital Programme	Proposed 2019/20 Capital Programme
	£	£	£	£	£
<b>Improvements &amp; Capitalised Repairs</b>					
Bathrooms	0	0	321,780	500,000	260,000
Fire Risk Prevention Works	41,190	0	47,400	47,400	47,400
Heating Upgrades	350,000	0	770,000	850,000	750,000
Kitchen Improvements	467,390	0	707,120	350,000	0
Window / Doors Replacement	5,350,900	1,340,000	0	0	0
Patterdale Sheltered Scheme	262,500	262,500	0	0	0
Energy Efficiency Long Lawford External Cladding	400,000	0	0	0	0
CCTV Upgrades	95,560	0	0	0	0
Finlock gutter Improvements	17,960	0	20,000	20,000	20,000
Rebuilding retaining walls	40,000	0	50,000	50,000	50,000
Replacement Footpaths	20,000	0	20,000	20,000	20,000
External Walls	0	0	20,000		
↻ Roof Refurbishment - Rounds Gardens	283,930	283,930	0	0	0
Roof Refurbishment - Biart Place	204,860	204,860	0	0	0
Roof Refurbishment - Lesley Souter House	70,000	70,000	0	0	0
Energy Efficiency Measures - Multi Storey Flats	0	0	225,000	0	0
Rewiring - Ashwood Court	0	0	22,500	0	0
<b>Housing Management System</b>	120,470	120,470	0	60,000	60,000
<b>Housing Repairs Service - IT System</b>	58,560	0	0	0	0
<b>Solar PV</b>	131,440	0	0	0	0
<b>Strategic Land Acquisition</b>	53,370	0	0	0	0
<b>Disabled Adaptations</b>	256,190	0	257,400	257,400	257,400
<b>Lifeline Renewal Programme</b>	30,000	0	30,000	30,000	30,000
<b>Property Repairs Vehicle Replacement</b>	103,500	0	156,500	0	0
<b>Purchase of Council Homes</b>	701,500	0	1,685,000	1,685,000	1,685,000
<b>TOTAL</b>	<u>9,059,320</u>	<u>2,281,760</u>	<u>4,332,700</u>	<u>3,869,800</u>	<u>3,179,800</u>
<b>Draft Financing: -</b>					
Revenue Contributions / RTB Receipts	1,332,360	120,470	1,911,500	1,815,000	1,815,000
Major Repairs Reserve	7,726,960	2,161,290	2,421,200	2,054,800	1,364,800
<b>TOTAL</b>	<u>9,059,320</u>	<u>2,281,760</u>	<u>4,332,700</u>	<u>3,869,800</u>	<u>3,179,800</u>

**RUGBY BOROUGH COUNCIL**  
**Risk Factors influencing the Calculation of a Prudent Level of Housing Revenue Account Revenue Balances**

<b>Key Budget Assumptions</b>				
<b>Key Budget Assumptions</b>		<b>Local Risk Factors</b>	<b>Comments/Assessment</b>	<b>Reserve Cover £000</b>
Demand-led pressures	RBC's capacity to manage in-year budget pressures	Expenditure items	Overspend probability - mixed significance and likelihood (allowing 3 years cover)	169
	Savings			152
	Welfare Reform / Further central government intervention	Rents and contributions to expenditure	Underachievement of income - mixed significance and likelihood (allowing 3 years cover) Partial mitigation via increased bad debt provision:	
			Rents	730
			Service Charges	70
			Other contributions towards expenditure	4
	Borrowing Costs	Level of borrowing required or debt held by the Council	The HRA underlying borrowing requirement will be rescheduled as part of plans to mitigate decrease in rents. Refinancing costs (internal or external borrowing) may be higher than those currently forecast by the Council's treasury advisors.	306
			Recommended Amount of Housing Revenue A	1,431

**MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2017/18 - 2021/22** Appendix D

- rent reduction of 1% from 2017/18 until 2020/21 then CPI + 1% thereafter. HRA working balance of £1.4m.

	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
<b>EXPENDITURE</b>				
Supervision & Management	4,622	4,738	4,856	4,977
Repairs & Maintenance	3,237	3,318	3,401	3,486
Rents, Rates, Taxes	3	3	3	3
Charges for Capital	3,681	3,773	3,867	3,964
Debt Management	15	15	15	15
Provision for Bad Debts	131	134	137	140
HRA Share of Corporate & Democratic Core Costs	200	205	210	215
Amounts set aside for the repayment of debt	4,922	4,619	4,257	4,528
Net Interest Payments	1,225	1,139	1,022	892
Contribution to/from(-) reserves	58	56	52	55
<b>Total</b>	<b>18,094</b>	<b>18,000</b>	<b>17,820</b>	<b>18,275</b>

<b>INCOME</b>				
Dwelling Rent	-16,253	-16,104	-15,867	-16,264
Garages	-152	-157	-162	-167
Service Charges	-1,473	-1,517	-1,563	-1,609
Contributions towards expenditure	-216	-222	-229	-236
<b>TOTAL</b>	<b>-18,094</b>	<b>-18,000</b>	<b>-17,820</b>	<b>-18,275</b>

Impact on Average Rent (52 week basis):	£'s	£'s	£'s	£'s
Prior Year	84.04	83.20	82.36	81.54
Current Year	83.20	82.36	81.54	83.99
Increase £'s	-0.84	-0.83	-0.82	2.45
Increase %	-1.00	-1.00	-1.00	3.00

**Analysis of Housing Revenue Account Revenue Balances**

	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
<b>HRA Balances</b> at start of year	1,431	1,431	1,431	1,431
Contribution to/from (-) balances	0	0	0	0
<b>End of year balance</b>	<b>1,431</b>	<b>1,431</b>	<b>1,431</b>	<b>1,431</b>



**REPORT OF CABINET**

**6th February 2017**

**1. DRAFT CORPORATE STRATEGY 2017-2020**

Cabinet considered a report concerning a draft corporate strategy for 2017-2020. All Members received this report as part of the Cabinet agenda and are requested to bring this to the meeting.

**Recommendation to Cabinet**

The recommendation to Cabinet was to recommend to Council that -

1. the proposed draft Corporate Strategy 2017-20 attached at Appendix 1 be submitted to a six week public consultation period; and
2. the results of the public consultation be reflected in the final draft of the Corporate Strategy 2017-20 to be brought to Full Council for approval in April 2017.

The decision of Cabinet will be circulated to all Members on 7th February 2017 prior to Special Council.

**2. WORLD RUGBY HALL OF FAME – UPDATE AND CHARGING**

Cabinet considered a report concerning progress with regard to the World Rugby Hall of Fame and proposals for charges. All Members received this report as part of the Cabinet agenda and are requested to bring this to the meeting.

**Recommendation to Cabinet**

The recommendation to Cabinet was to recommend to Council that –

- (1) the operational performance of the Hall of Fame to date and the position on sponsorship be noted;
- (2) charging option C (as set out in section 4.5 of the report) to charge for entry to the Hall of Fame from April 2017 be approved; and
- (3) an Overview and Scrutiny Committee further considers the current and future operation of the Hall of Fame as described in section 5 of the report.

The decision of Cabinet will be circulated to all Members on 7th February 2017 prior to Special Council.

**3. COVENTRY AND WARWICKSHIRE SUSTAINABILITY AND TRANSFORMATION PLAN (STP)**

Cabinet considered a report concerning progress of the Coventry and Warwickshire STP. All Members received this report as part of the Cabinet agenda and are requested to bring this to the meeting.

**Recommendation of Cabinet**

The recommendation to Cabinet was to recommend to Council that -

(1) the current progress of the Coventry and Warwickshire Sustainability and Transformation Plan (STP) be noted;

(2) Rugby Borough Council is unable to give its support to or endorse the Coventry and Warwickshire STP at the present time since there has been no public consultation and there appears to have been no account taken of the impact on the services of other agencies, such as the Borough Council, or indeed of the part the Council has to play in promoting health and wellbeing and preventing the escalation of issues in order to avoid pressure on primary care and other health services;

(3) the statement contained in paragraph 1 and the course of action set out in paragraph 2 of the resolution of Warwickshire County Council, included as Appendix 2 to this report, be endorsed;

(4) the Local Strategic Partnership be tasked with setting up a Working Party to oversee the development of the STP and its potential impact within the Borough of Rugby; and

(5) notwithstanding the decision on Recommendation 2 above, the Council wishes to participate constructively in all future discussions and negotiations regarding the STP.

The decision of Cabinet will be circulated to all Members on 7th February 2017 prior to Special Council.

**COUNCILLOR M STOKES  
CHAIRMAN**