

**APPENDIX C**

<b>REPORT OF DIRECTOR OF CORPORATE SERVICES</b>		
<b>EXECUTIVE BOARD</b>		
<b>6<sup>th</sup> FEBRUARY 2017</b>		
<b><u>Housing Revenue Account Budget 2017/18 to 2019/20 and</u></b>		
<b><u>Housing Rent Setting for 2017/18</u></b>		
<b>DESIGNATION.</b>	<b>DIRECTORATE</b>	<b>TELEPHONE NO.</b>
<b>C Moore, Director of Corporate Services</b>	<b>Corporate Services</b>	<b>01267 224120</b>
<b>AUTHOR &amp; DESIGNATION</b>	<b>DIRECTORATE</b>	<b>TELEPHONE NO</b>
<b>A Thomas, Group Accountant</b>	<b>Corporate Services</b>	<b>01267 228742</b>

**SCRUTINY COMMITTEE – BUDGET CONSULTATION COMMENTS**

**1. COMMUNITY SCRUTINY COMMITTEE – 20<sup>th</sup> JANUARY 2017**  
**(Draft Minutes)**

**HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2017/18**

The Committee considered the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2017/18, being presented as part of the budget consultation process and brought together the latest proposals contained in the revenue and capital budgets for the Housing Revenue Account 2017/18 to be presented to the Executive Board and Council for determination.

The Director of Corporate Services advised that the report had been prepared reflecting the latest proposals contained within the Housing Revenue Account Business Plan, being the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+), and also incorporating the Authority’s Affordable Homes Commitment and the £79m borrowing requirement arising from the Council’s decision, on the 1<sup>st</sup> April 2015, to exit the Housing Revenue Account Subsidy scheme.

The following issues were raised in relation to the report:

- Reference was made to the Council’s Social Housing Rents Policy and to whether factors such as a property’s size, quality, location and house prices affected rent levels. In that regard, the Committee’s attention was drawn to point 4 within the report, detailing the number of households which would be

affected by the proposed rent increase, 36% of which received full Housing Benefit, 28% partial Housing Benefit and 36% receiving no benefit. Clarification was accordingly sought on the impact the increase could have on individual areas within the county.

The Director of Corporate Services advised that the proposed rent increases were in line with the guidance set by the Welsh Government's Social Housing Rent Policy, which commenced in 2015/16 and was fixed for a five year period. He advised that the table on page 16 of the report provided an average breakdown of the number of council properties which would be affected by the proposed increase, with the table on Page 17 detailing the individual target rentals for various house types. He confirmed that details of the impact on individual areas could be provided direct to the Committee members.

- Reference was made to page 16 of the report and the government's proposals for the future payment of Housing benefits whereby tenants who lived alone, claimed benefit and were under 35 would from the 1<sup>st</sup> April 2019 move to the Local Housing Allowance Rate for shared accommodation, whilst, from December 2017, most tenants under 21, in receipt of universal credit, would no longer be eligible for housing costs to cover their rent. Concern was expressed at the potential impact those changes could have, especially on the under 21's, resulting in increased homelessness. A view was expressed that the Executive Board should be advised of that potential impact, and the Welsh Government lobbied to identify a way to mitigate against the measure.

The Committee was advised that the Housing Division, together with its Social Housing Partners were aware of the legislation's potential impact and were examining what measures could be introduced to help and inform tenants of the changes. Those included advising tenants that an exception to the legislation would be applied if they attended training courses or secured employment.

The Head of Housing and Public Protection reminded the Committee that responsibility for Housing Benefit lay with the U.K. Government and was not devolved to Wales. He confirmed that the highest proportion of people on the Council's waiting list were young people and that, in conjunction with the Housing Associations' the Council was examining how best to mitigate/alleviate the legislation's impact on Carmarthenshire Tenants and a report thereon would be presented to a future meeting of the Committee.

- Reference was made to the Council receiving commission for collecting water rates in light of a legal challenge being made against some London Authorities in that regard. The Committee was advised that the Council's legal division was examining the Council's position in light of that challenge, and it had been identified as a potential risk for the Council.

- In response to a question on the non-payment of water and sewerage charges, the Committee was assured that if tenants fell into arrears solely on non-payment of those charges, eviction procedures would not be invoked automatically, and the authority would liaise with the tenants on any financial difficulties they may be experiencing. However, eviction proceedings may occur where tenants had the ability to, but refused to pay their rents/rates.
- In response to a question on water meters, the Head of Housing and Public Protection advised that whilst the Council did not install water meters within its Housing stock, any proposal to do so would need to be thoroughly researched to assess the potential impact on tenants.

## **RESOLVED**

**That the report and following proposals be endorsed for submission to the Executive Board:**

- **To increase the rent in line with Welsh Government Guidelines i.e:-:**
  - 1 Properties at target rent be increased by 2.5% (CPI + 1.5%)**
  - 2 Properties where rent was below target rent be increased by 2.5% (CPI +1.5%) plus a maximum progression of £2**
  - 3 Those properties where rents were at target be frozen until such time as they met the target:**  
**Thereby producing an average housing rent increase of £2.84 which would produce a sustainable Business Plan, maintain CHS+, and resource the Affordable Homes Programme.**
- **To continue with the maximum progression of £2, for rents below target, until target rents were achieved,**
- **To increase garage rents to £9.00 per week (from £8.75 in 2016/17) and garage bases to £2.25 per week (from £2.20 in 2016/17)**
- **To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services**
- **To increase the charges for using the Council's sewerage treatment works in line with the rent increase**

**That the Committee's concern on the potential impact of the U.K Government's Housing Benefit Legislation, especially for those under 21 years of age, be drawn to the Executive Board's attention.**