COMMUNITY SCRUTINY COMMITTEE
23TH JANUARY 2019

Housing Revenue Account Budget and Housing Rent Setting for 2019/20

To consider and comment on the following issues:

- That as part of the Budget Consultation process, the Scrutiny Committee considers the revenue and capital budgets of Housing Revenue Account (HRA) and rent setting proposals for 2019/20 .This will be considered by Executive Board 04/02/19 and subsequently County Council on 20/02/2019

REASONS:

- **To enable the Authority to set its Housing Revenue Account Budget and the Housing Rent levels for 2019/20.**
- **To formulate views for submission to the Executive Board / Council for consideration.**

To be referred to the Executive Board for decision: YES
Executive Board – 4th February 2019
Full Council – 20th February 2019

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins

Directorate: Corporate Services	Designations:	Tel No's / E Mail Addresses:
Name of Director: Chris Moore	Director of Corporate Services	01267 224160 CMoore@carmarthenshire.gov.uk
Report Author: Andrea Thomas	Group Accountant	01267 228742 AndThomas@carmarthenshire.gov.uk

EXECUTIVE SUMMARY
COMMUNITY SCRUTINY COMMITTEE
23RD JANUARY 2019

Housing Revenue Account Budget and Housing Rent Setting for 2018/19

This report has been prepared in conjunction with officers from the Communities Department and brings together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2019/2022, which will be presented to the Executive Board on 4th February 2019.

The report is presented to the Community Scrutiny Committee as part of the budget consultation process and the Executive Board will consider any views expressed by this Committee when setting the Budget and Housing Rents for 2019/20.

The report has been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan, which is the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where tenants agreed to have work undertaken), provides investment to maintain CHS+ and continues investment for our Affordable Housing Commitment.

The report also details how rents will increase for 2019/20:

- Appendix A provides the proposed Capital Programme for 2019/22.
- Appendix B of this report provides the proposed Revenue Account Budget for 2019/22.

The HRA budget for 2019/20 is being set to reflect:

- Interim Social Housing Rent Policy set by Welsh Government (WG)
- Proposals contained in the Carmarthenshire Homes Standard *Plus* (CHS+)
- Affordable Homes Delivery Plan
- Removal of the HRA Borrowing Cap (recently agreed by WG)

Part of the agreement to exit the Housing Revenue Account Subsidy included LAs with retained stock were required to adopt the new Social Housing Rents Policy set by the WG. It aimed to develop a coherent and consistent rent policy framework that would apply to all social landlords, reflect local variations in affordability and housing market values, providing for a more equitable distribution of rents for social sector tenants across Wales, while at the same time ensuring the viability of individual social landlords. County Council approved the implementation of the policy on 24/02/15.This policy provided consistency for 5 years but ended in 2018/19. WG have provided an interim policy for 2019/20 while they await the results of the Affordable Housing Supply Review .This should result in the development of a new policy due for implementation in 2020/21.

The Interim WG Social Housing rents policy allows local authorities within their target rent band to increase rent by CPI only (the County Council is currently marginally within the target rent band). The increase in target rent for 2019/20 has been notified as 2.4%.The ability to progress rents for those properties below the target rent, a maximum of £2 per week increase until the target rent is reached has been removed, unless current average rent is below the target rent band.

DETAILED REPORT ATTACHED?	**YES**

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore **Director of Corporate Services**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	**NONE**	**YES**	**NONE**	**NONE**	**NONE**	**YES**

FINANCE

The report details the HRA proposals to be considered by Executive Board. If the proposals are agreed the budget for the HRA will be set for 2019/20 with an expenditure level of £37.6M. The average rent will increase from £85.52 to £87.57 (2.4% or £2.05).

The proposed Capital Programme will be £30.9M for 2019/20, £30.8M for 2020/21 and £27.8M for 2021/22.

Physical Assets

The capital programme continues the works to maintain the Carmarthenshire Home Standard *Plus* and deliver the Affordable Homes programme as per the 30 year business plan.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore — Director of Corporate Services

1.Local Member(s) - Not applicable
2.Community / Town Council – Not applicable
3.Relevant Partners - Not applicable
4.Staff Side Representatives and other Organisations – Not applicable

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Social Housing Rents Policy		Financial Services, County Hall, Carmarthen
30 year Housing Business Plan		Financial Services , County Hall, Carmarthen