

COUNTY COUNCIL

20TH FEBRUARY 2019

Housing Revenue Account Budget 2019/20 to 2021/22 and Housing Rent Setting for 2019/20

EXECUTIVE BOARD RECOMMENDATIONS:

That County Council consider and approve the following recommendations:

1. To increase the average housing rent as per the Welsh Government's Social Housing Rents Policy [amended 30 January].
 - a. Properties at target rents to increase by 1.92%
 - b. Those rents above target are frozen until such time as they meet the target rent.
 - c. Those rents below target rent are increased by 1.92 % and are progressed by a maximum of £1 per week

Thereby producing an increase on the average housing rent of 2.4% or £2.05 and will provide the Housing Account with the same overall rent collection value.

2. To maintain garage rents at £9.00 per week and garage bases at £2.25 per week.
3. To apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services.
4. To increase charges for using our sewerage treatment works in line with rent increases.
5. To approve the Housing Revenue Account Budget for 2019/20 (with 2020/21 and 2021/22 being soft budgets) as set out in Appendix B.
6. To approve the proposed Capital Programme and applicable funding for 2019/20 and the indicative spends for the future years 2020/21 to 2021/22 as set out in Appendix A.

REASONS:

To enable the Authority to set its Housing Revenue Account Budget and the Housing Rent levels for 2019/20.

Relevant scrutiny committee to be consulted Yes 23/01/19 & 14/02/19

Exec Board Decision Required Yes

Council Decision Required Yes

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins (Resources)

Cllr Linda Evans (Housing)

Directorate: Corporate Services Name of Director: Chris Moore	Designations: Director of Corporate Services	Tel No's / E Mail Addresses: 01267 224160 C Moore@carmarthenshire.gov.uk
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EXECUTIVE SUMMARY COUNTY COUNCIL 20TH FEBRUARY 2019

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

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 2019/20 to 2021/22. The report has been presented to the Community Scrutiny Committee on the 23rd January 2019 as part of the budget consultation process and an update was provided on 14th February 2019 to include additional information from Welsh Government.

Executive Board considered the Housing Revenue Account Budget and Housing Rents for 2019/20 on 4th February 2019.

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

- Interim Social Housing Rent Policy set by Welsh Government (WG) 30/01/19 (amendment from original issue 12/12/18)
- Proposals contained in the Carmarthenshire Homes Standard *Plus* (CHS+)
- Affordable Homes Delivery Plan
- Removal of the HRA Borrowing Cap (recently agreed by WG)

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. Previously we have applied the WG Social Housing Rent Policy to progress to the mid-point target rent (County Council approved on 24/02/15). This policy ended in 2018/19.

A one year policy of maximum of CPI only was issued by WG 12/12/2018 for 2019/20, with no discretion to apply 'progression' for those tenants below target rents if an LA's current average rent is within the target rent band.

Rent increases could be set at lower than 2.4% but as there is no certainty over future rent levels applying the interim policy seems the most prudent approach for 2019/20. Setting at a lower level than 2.4% rent increase will also impact of the current proposed Business Plan.

However on the 30 January 2019, after the consultation had been completed and the report to Executive Board had been written and despatched, Welsh Government notified Local Authorities of an amendment to the interim policy which allowed Local Authorities with

average rent within the Target Rent Band the flexibility to use the 'up to £2 per week' progression, subject to ensuring that the overall rent increase for your general needs and sheltered housing stock does not exceed 2.4% and that no individual tenant will receive a rent increase of more than the agreed policy uplift of 2.4% plus the £2.00 progression.

This change in direction by WG was considered by Executive Board on 4th February and it was felt that it was appropriate to change the original recommendation of the report, as the change in the interim policy allowed the Authority to meet its previous commitment to tenants by implementing the harmonisation policy and establishing a fairer rent level for all tenants.

The revised recommendation will be considered by Community Scrutiny on 14th February.

Documents included with this report are:

- Original Executive Board report of 4th February 2019, (before the proposed amendments noted above)
- Appendix A the proposed Capital Programme for 2019/22.
- Appendix B the proposed Revenue Account Budget for 2019/22.

DETAILED REPORT ATTACHED ?	YES
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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	NONE

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 £38M. 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 bring the housing properties up to/maintain the Carmarthenshire Home Standard+ 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