

# COMMUNITIES, HOMES AND REGENERATION SCRUTINY COMMITTEE

13<sup>TH</sup> DECEMBER, 2023

## HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2024/25

### Purpose:

To bring together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2024/2027. It has been prepared in conjunction with officers from the Communities Department

To reflect 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 Housing Regeneration and Development Delivery Plan.

The report also details how rents will increase for 2024/25.

Appendix A provides the proposed Revenue Account Budget for 2024/25.

Appendix B of this report provides the proposed Capital Programme for 2024/27.

The HRA budget for 2023/24 is being set to reflect:

- Social Housing Rent Policy (set by WG)
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan.
- Housing Regeneration and Development Delivery Plan.

### THE SCRUTINY COMMITTEE IS ASKED TO:

Review and assess the information contained in Report and provide any recommendations, comments, or advice to the Cabinet Member and / or Director prior to the report's consideration by Cabinet.

### Reasons:

To formulate views for submission to the Cabinet / Council for consideration.

### CABINET MEMBER PORTFOLIO HOLDER:-

Cllr Alun Lenny (Resources Portfolio Holder)

Cllr. Linda Evans (Deputy Leader and Homes Portfolio Holder)

<b>Directorate: Corporate Resources</b> <b>Name of Head of Service:</b> Randal Hemingway <b>Report Author: Andrea Thomas</b>	<b>Designations:</b>  <b>Head of Finance</b> <b>Senior Accountant</b>	<b>Tel Nos.01267 224120</b> <b>E Mail Addresses:</b> <a href="mailto:RHemingway@carmarthenshire.gov.uk">RHemingway@carmarthenshire.gov.uk</a> <a href="mailto:stewilliams@carmarthenshire.gov.uk">stewilliams@carmarthenshire.gov.uk</a>
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# EXECUTIVE SUMMARY

## HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2024/25

### 1. Purpose of the Rent Setting Report

1.1. This report explains the proposed 2024/25 Housing Revenue Account (HRA) budget for both revenue and capital. It has been prepared in conjunction with officers from the Communities Department and will be presented to Cabinet 15<sup>th</sup> January 2025.

1.2. The HRA budget for 2024/25 is being set to reflect:

- Welsh Government's Policy for Social Housing Rents (Rent Policy) issued 27/10/23, which this year is governed by the Welsh Government's Minister for Climate Change instruction that the maximum increases in the rent envelope for any local authority does not exceed 6.7%
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan
- Housing Regeneration and Development Delivery Plan

1.3. Implementing the 6.5% overall increase for Carmarthenshire and implementing rental progression of £1, has the following impact:

- For those properties at target rent the increase will be: -

Consumer Price Index (CPI for Sept 2023) @6.7%-0.31% = 6.39%

- For those properties where rent is below target rent, the increase can be:

Consumer Price Index (CPI for Sept 2022) @6.7%-0.31% = 6.39%

plus a maximum of £1 progression in order to achieve an average rent increase of 6.5%.

- Those rents above target are frozen until such time that they meet the target, there is only 1 property remaining. When a property becomes empty it is placed at the appropriate rent.
- Based on applying the above for 2024/25 at 6.5% rent increase this would produce an average rent of £105.90 (increase of £6.47).

DETAILED REPORT ATTACHED?	YES – HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2024/25
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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: Jonathan Morgan Head of Housing & Public Protection

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>YES</b>

**2. FINANCE**

The report details the HRA proposals to be considered by pre-cabinet. If the proposals are agreed the budget for the HRA will be set for 2024/25 with an expenditure level of £52.9M. The average rent will increase from £99.44 to £105.90 (6.5%).

The proposed Capital Programme will be £36.2M for 2024/25, £38.1M for 2025/26 and £38.9M for 2026/27.

**6. PHYSICAL ASSETS**

The capital programme continues the works to maintain the Carmarthenshire Home Standard+ and deliver the Housing Regeneration and Development Delivery Plan as per the 30-year business plan.

# CONSULTATIONS

<b>CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED</b>	<b>Yes</b>
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**Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:**

**THESE ARE DETAILED BELOW**

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