

CABINET

15TH JANUARY 2024

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.

Appendix C of this report provides service charge policy cap amendment.

Appendix D of this report provides an extract from Communities, Homes & Regeneration Scrutiny Committee meeting 13/12/23.

The HRA budget for 2024/25 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.

Recommendations / key decisions required:

- To increase the average housing rent by 6.5% (£6.47) per dwelling per week within the parameters of the WG Social Housing Rents Policy (inclusive of progression for tenants below target rents). This produces a sustainable Business Plan, maintains the CHS+ and delivers our Housing Regeneration and Development Delivery Plan.
- To continue with a maximum progression of £1 for rents below the proposed rent for each stock type.
- To increase garage rents by 6.5% from £9.00 to £9.60 and garage bases from £2.25 to £2.40.
- Apply the amended Service Charge Policy to ensure tenants who receive the benefit from specific services pay for those services (Appendix C to report).
- To increase charges for using our sewerage treatment works in line with rent increase.
- To approve the Housing Revenue Account Budget for 2024/27 (2025/26 & 2026/27 being soft budgets) as set out in Appendix A.
- To approve the proposed Capital Programme and applicable funding for

2024/25 and the indicative spends for 2025/26 to 2026/27 as set out in Appendix B.

Reasons:

To enable the Authority to set its Housing Revenue Account Budget

To set the Housing Rent levels for 2024/25

Cabinet Decision Required **Yes**

Council Decision Required **Yes – 24th January 2024**

CABINET MEMBER PORTFOLIO HOLDER(S):-

Cllr Alun Lenny (Resources Portfolio Holder)

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

Directorate: Corporate Resources Name of Head of Service: Randal Hemingway Report Author: Stephen Williams	Designations: Head of Finance Senior Accountant	Tel Nos.01267 224120 E Mail Addresses: RHemingway@carmarthenshire.gov.uk stewilliams@carmarthenshire.gov.uk
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**EXECUTIVE SUMMARY
CABINET
15TH JANUARY 2024**

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 is presented to Cabinet 15th January 2025. This report was presented to Community & Regeneration Scrutiny committee on 13th December 2023 as part of the budget consultation process, action notes from that meeting attached as Appendix D.

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**

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: Randal Hemingway

Head of Finance

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

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 £53M.

The average rent will increase from £99.43 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

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

Signed: Randal Hemingway

Head of Finance

1. Scrutiny Committee request for pre-determination	YES
Scrutiny Committee	Communities, Homes & Regeneration
Date	13th December, 2023
Scrutiny Committee Outcome/Recommendations:- as detailed in extract from minutes in Appendix D.	

2. Local Member(s) – N/A

3. Relevant Partners – N/A

4. Staff Side Representatives and other Organisations

Engagement with Welsh Government on rent modelling

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED	Yes
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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

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