

COMMUNITY & REGENERATION SCRUTINY COMMITTEE

Monday, 31 January 2022

5. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2022/23

The Committee considered the report presented by the Cabinet Member for Resources on the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2022/23, being presented as part of the budget consultation process that brought together the latest proposals for the Revenue and Capital budgets for the Housing Revenue Account 2022/25 to be presented to the Cabinet and Council for determination. The Cabinet Member advised that the report had been prepared reflecting the latest proposals contained within the Housing Revenue Account (HRA) Business Plan, being the primary financial planning tool for delivering and maintaining 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 the tenants agreed to have work undertaken) provided investment to maintain CHS+ and continued investment for the Authority's Housing and Regeneration Delivery Plan. The report detailed how rents would increase for 2022/23 with the HRA budget being set to reflect:-

- Social Housing Rent Policy (set by Welsh Government) which this year, due to the increased level of CPI had activated the Minister's determination
- Proposals contained in the Carmarthenshire Housing Revenue Account Business Plan
- Housing Regeneration and Development Delivery Plan The Cabinet Member reminded the Committee that with regard to the setting of the Housing Rents, the Authority had, on the 24th February 2015, adopted the Welsh Government's Social Housing Rent Policy for the four year period ending in 2018/19. For 2019/20, the Welsh Government had provided an interim policy while it awaited the results of the Affordable Housing Supply Review. Following that review, the Welsh Government had decided to retain the policy for a further 5 year period from 2020/21 – 2024/25 with some additional/amended requirements, as detailed within the report. This policy allowed local authorities to uplift the total rent envelope by CPI + 1% for each of the 5 years running to 2024/25. It also allows for the level of rent for individual tenants to rise by up to an additional £2 over and above CPI+1% for the rent harmonisation, on condition that the total rental income collected by the social landlord increases by no more than CPI+1%. However, should CPI fall outside the range of 0% to 3%, the policy provides for the Minister with responsibility for Housing to determine the appropriate change to rent levels to be applied for that year only. As CPI was 3.1% in September 2021 this clause has been activated this year and the Government Minister for Climate Change had instructed that the maximum increase in the rent envelope for any local authority should not exceed 3.1% The Cabinet Member went on to confirm that this year we had been able to respond to all our priorities and been able to balance the business plan and propose a rent increase at an overall increase of 2.9%, which will produce an average rent of £94.26 for our tenants. Included within the overall rent increase envelope it was proposed that the Authority continues with the rent progression and this will be set at a maximum of £1 for properties below target rent.

UNANIMOUSLY RESOLVED THAT IT BE RECOMMENDED TO THE CABINET/COUNCIL:-

5.1 to increase the average housing rent by 2.90% (£2.66) per dwelling as per the Welsh Government's Social Housing Rents Policy thereby producing a sustainable Business Plan, maintain CHS+ and resource the Housing Regeneration and Development Delivery Plan, as supported by the Housing and Regeneration Strategic Team.

5.2 To keep garage rents at £9.00 per week and garage bases at £2.25 per week.

5.3 To apply the service charge policy to ensure tenants who received the benefit from specific services paid for those services.

5.4 To increase charges for using the Council's sewerage treatment works in line with the rent increase.

5.5 To approve the Housing Revenue Account Budget for 2022/25 (2023/24 & 2024/25 being soft budgets) as set out in Appendix A to the report.

5.6 To approve the proposed Capital Programme and applicable funding for 2022/23 and the indicative spends for 2023/24 to 2024/25, as set out in Appendix B to the report.