

## APPENDIX D

### EXTRACT FROM MINUTES

#### COMMUNITIES, HOMES & REGENERATION SCRUTINY COMMITTEE

WEDNESDAY, 13 DECEMBER 2023

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

The Committee considered a report on the Housing Revenue Account (HRA) Budget and Housing Rent Setting for 2024/25, 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 to be presented to the Cabinet and Council for determination.

The Committee was 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 Housing Regeneration and Development Delivery Plan.

The report also detailed how rents would increase for 2024/25 with the HRA budget being set to reflect:-

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

The Committee was reminded that with regard to the setting of the Housing Rents, the Authority on the 24<sup>th</sup> February 2015 had adopted the Welsh Government's Social Housing Rent Policy for the four year period ending in 2018/19 providing consistency over that period. 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 5year period from 2020/21 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 from 2020/21 to 2024/25. It also allowed 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 increased 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 6.7% in September 2023, that clause had been activated this year and the Welsh Government Minister for Climate Change had instructed the maximum increase in the rent envelope for any local authority should not exceed 6.7%

Having regard to the above, the report recommended an average housing rent increase of 6.5% (£6.47) per dwelling per week. If the Committee endorsed that increase, it would result in a £293k surplus on the Housing Revenue Account. However, that had been accommodated for within the long-term plan leaving £12.6m in balances at the end of 2024/25. It was also noted that, as Detailed in Appendix A, balances were required to support the current strategy of funding capital expenditure and continuing to make the business plan affordable over a 30year period.

The following issues / questions were raised on the report:

- Reference was made to the potential affect the proposed increases could have on some tenants in the current economic climate.

The Committee was advised that had been recognised as part of the budget preparations. Currently 34% of tenants were in receipt of Universal Credit, 24% received full housing benefit, 15% partial Housing Benefit and 27% received no benefits. It was also acknowledged that the levels of benefits would increase in April 2024 but that the UK Government had yet to announce the level of increase. However, that normally increased by the rate of CPI in the pre-ceding September which had stood at 6.7%

The Committee was further advised that the Council had processes and procedures in place to assist tenants facing financial difficulties from a range of different grant regimes to helping them access benefits payment to which they were entitled but not claiming. In that regard, the housing department's pre-accommodation team had assisted over 1,000 tenants' access over £800k of benefits. It was stressed though that the Council had a no eviction policy in respect of tenants who were unable to pay their rent. The department would also be employing estate managers who would be able to provide help and assistance to tenants. Most importantly, if tenants were facing financial difficulties, they should contact the department at an early stage to access the help and advice available to them.

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

- 5.1 to increase the average housing rent by 6.5% (£6.47) per dwelling per week as per the Welsh Government's Social Housing Rents Policy i.e.**
- **Properties at target rents will increase by 6.39%**
  - **Properties where rent is below target rent will increase by 6.39% plus a maximum progression of £1.00**

- Those rents above target are frozen until such time as they meet the target.

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 increase garage rents by 6.5% from £9.00 to £9.60 and garage bases from £2.25 to £2.40;
- 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 2024/27 (2025/26 & 2026/27 being soft budgets) as detailed in Appendix A;
- 5.6 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 to the report.