

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 15<sup>TH</sup> JANUARY, 2024

REFERENCE FROM CABINET: 11<sup>TH</sup> JANUARY, 2024

**C196 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2024/25, RENT SETTING 2024/2025 AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2024/25 (EL/PR) (SCRUTINY – CORPORATE PERFORMANCE AND RESOURCES) –**

The Leader presented the report, the purpose of which was to set the HRA budget for the financial year 2024/25, set the rents and service charges for the forthcoming rent year beginning on 1st April 2024 and present the 30 Year Housing Business Plan starting financial year 2024/25.

The Leader referred to a required amendment to references within the report and Recommendation (5) that referred to Appendix 1 and should have referred to Appendix A. Recommendation (5) also referred to the Housing Revenue Account Business Plan 2024/54 which should have read Housing Revenue Account Business Plan 2024/25.

The HRA was a stand-alone account and was separate from the rest of the Council's finances. Previously a number of Councils had transferred their stock to Housing Associations but tenants within the Vale of Glamorgan voted to remain within Council control.

The matter had been discussed at the Homes and Safe Communities Scrutiny Committee meeting that took place on 10th January, 2024 where there had been an in depth discussion but not adequate time to produce a written reference, however Cabinet Members had been present at the meeting where Committee recommended to Cabinet that the Housing Revenue Account Business Plan 2024/25 (draft) attached at Appendix 1 to the report be approved.

Scrutiny Committee had discussed how the HRA budget was managed. The Leader clarified that the HRA was not run for profit and the Council wanted to be ambitious and sought to build more Council houses for the benefit of residents of the Vale of Glamorgan, upgrade existing stock so residents lived in efficient and well maintained properties and were as environmentally sustainable and low energy as possible.

Welsh Government set the Policy for Social Housing Rents. Council rents were around 30% lower than private rents for comparable properties and were markedly below the levels charged by Registered Social Landlords in the Vale of Glamorgan.

The Leader referred to the support given by the Income Team that provided budgeting advice, claiming benefits, income maximisation and securing grants

whose work in the previous year had led to tenants receiving an additional household income of £250,000.

Scrutiny Committee also discussed levels of homelessness and evictions and the Leader referred to paragraph 1.8 of the report and the pledges to assist tenants in financial hardship, in order to mitigate the negative impacts of the cost of living crisis.

The report was being referred to the Full Council on meeting on 15<sup>th</sup> January, 2024 for final consideration.

Councillor Wilson said that the HRA also looked at the management of buildings also that the Council were able to deliver speedy and effective repairs. A self-sustaining HRA was vital in supporting that service. The cost of living crisis affected the Council as well as tenants and there was a difficult balance to achieve.

Councillor Perkes said she had visited some of the properties that were due to come online at the Bendricks earlier in the day and highlighted the quality and standard of the homes that the Council were providing for future tenants which were energy efficient, had space for individuals and were future-proofed as much as possible. She also referred to the work concerning retro-fitting energy efficient measures in existing Council properties alongside ongoing maintenance to homes via the HRA.

The Leader said that the development that Councillor Perkes had referred to had failed as the contractor had gone into administration, and had been taken over by the Council and delivered it with minimal financial impact to sub-contractors, many of whom were local business and that despite the disruption the scheme would be back on target for final completion by the original deadline.

This was a matter for Executive decision.

Cabinet, having considered the report and all the issues and implications contained therein and noting the amendment from Appendix 1 to Appendix A within the report and Recommendation (5)

RESOLVED –

(1) T H A T Cabinet recommend to Full Council that the final Housing Revenue Account budget proposals for 2024/25 set out below be approved:

	Original 2023/24	Change	2024/25 Final Proposed Budget
			£000
<b>Expenditure</b>			
Supervision & Management – General	4,366	329	4,695
Supervision & Management – Special	1,604	345	1,949
Repairs & Maintenance	4,681	319	5,000

Capital Financing Costs	5,327	465	5,792
Rent, Rates, Taxes & Other Charges	221	49	270
Increase in Provision for Bad Debts	948	79	1,027
Capital Expenditure from Revenue Account (CERA)	17,187	(8,990)	8,197
	<b>34,334</b>	<b>(7,404)</b>	<b>26,930</b>
<b>Income</b>			
Dwelling Rents	(22,453)	(3,340)	(25,793)
Non Dwelling Rents	(173)	(13)	(186)
Interest	(156)	111	(45)
Charges For Services and Facilities	(601)	(83)	(684)
Contribution towards expenditure	(74)	(20)	(94)
Grant Income	(205)	0	(205)
	<b>(23,662)</b>	<b>(3,345)</b>	<b>(27,007)</b>
<b>(Surplus)/ deficit for the year</b>	<b>10,672</b>	<b>(10,749)</b>	<b>(77)</b>
<b>Working Balance Brought Forward as at 1st April 2024</b>	<b>(11,621)</b>	<b>10,672</b>	<b>(949)</b>
<b>Working Balance Carried Forward as at 31<sup>st</sup> March 2025</b>	<b>(949)</b>	<b>(77)</b>	<b>(1,026)</b>

(2) T H A T Cabinet recommends to Full Council to approve an average rent increase of 6.7%, as set out in paragraphs 2.17.

(3) T H A T Cabinet recommends to Full Council to approve the increase suggested for other services as set out in the table below and in paragraphs 2.18 to 2.25.

	<b>2023/24 Actual Charges</b>	<b>2024/25 Proposed Charges</b>	
<b>50 Week Basis</b>	<b>£</b>	<b>£</b>	
Grounds Maintenance	1.47	1.49	per week
Cleaning of communal areas	2.75	2.92	per week
Lighting of communal areas	1.85	2.51	per week
Laundry Facilities	0.41	0.62	per week
Window Cleaning	0.16	0.18	per week
Lift Maintenance	0.99	1.33	per week
Door Entry	0.50	0.71	per week
Intercom	0.94	0.95	per week
CCTV	0.95	0.0	per week -Nil one year only
Sewerage Treatment Plants	426.66	455.25	per annum
Cesspools	411.50	439.00	per annum

(4) T H A T Cabinet recommends to Full Council to approve all changes to rents and service charges be implemented from 1st April, 2024, with the first week of April

being a non-chargeable rent week and that increase notices be sent to tenants two months in advance of the new charges coming into effect as required by the Rented Homes Wales Act.

(5) T H A T the Housing Revenue Account Business Plan 2024/25 (draft) attached at Appendix A to the report be approved.

(6) T H A T use of the urgent decision procedure as set out in Section 15.14 of the Council's Constitution be approved in order for Final Housing Revenue Account (HRA) Budget Proposals 2024/25, Rent Setting and Housing Business Plan to be referred to Full Council on 15th January, 2024.

### Reasons for decisions

(1) To facilitate budget monitoring and to demonstrate a balanced budget with a drawdown from HRA reserves to bring the reserve back into balance with the Housing Business Plan 2024/25.

(2) In order that new rent levels were set within the specified Welsh Government guidelines and to meet the tenant notification deadline as required by statute.

(3) That charges were approved and to meet the tenant notification deadline as required by statute.

(4) In order that charges were approved, new rent levels were set within the specified Welsh Government guidelines and to meet the tenant notification deadline as required by statute.

(5) To obtain Cabinet approval for the Housing Revenue Account Business Plan 2023/53 (draft) prior to referral to Council.

(6) To allow the report to be referred to Full Council on 15th January, 2024 in order to comply with the Rented Homes Wales Act and meet the requirement of the Housing Business plan submission for 31st March, 2024.