Agenda Item No. 3(a)

THE VALE OF GLAMORGAN COUNCIL

COUNCIL: 12TH JANUARY, 2026

REFERENCE FROM CABINET: 8TH JANUARY, 2026

"C179 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2026/27, RENT SETTING 2026/27 AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2026/27 (EL/PR) (SCRUTINY – RESOURCES SCRUTINY COMMITTEE) –

The Leader presented the report to set the Housing Revenue Account (HRA) budget for the financial year 2026/27, set the rents and service charges for the forthcoming rent year beginning on 1st April, 2026 and present the 30 Year Housing Business Plan starting financial year 2026/27.

Place Scrutiny Committee also considered the report on 6th January, 2026 and recommended to Cabinet that with regard to Recommendation (3) of the Scrutiny report (that Cabinet recommends to Council that it approves an average rent increase of 4.3%), the Committee asked for the report to clarify the affordability criteria set within it in relation to the proposed rent increases, and that the information should include details on the average rent increase levels set by Registered Social Landlord (RSL) partners in order to further clarify the rationale for the decision making around the level of rent increase proposed by the Vale of Glamorgan Council.

The Leader said that Officers had already started working to be able to provide the requested information, however it was known that all Social Landlords were experiencing pressures and only one was not increasing rents by 4.3% due to rents already being up to the Local Housing Allowance rate. The requested information would however be provided to Members as supplemental information prior to the discussion at Full Council on 12th January, 2026.

Welsh Government required all Local Authorities who retained their housing stock to submit annually an acceptable Housing Revenue Account Business Plan in the form of a 30-year Business Plan and even minor tweaks to that Plan could have a significant impact on that Plan.

It was proposed that the commitment continue of no evictions due to financial hardship for the term of the settlement, where tenants engaged with landlords.

The Leader referred to the table associated with Recommendation (3) to the report and noted that the proposed charges for services in some cases had gone down to reflect the actual costs of provision of those services.

Councillor Perks as Cabinet Member for Public Sector Housing and Tenant Engagement, said the rents and service charges were set each year and ensured that service and maintenance charges were based on the previous year and therefore was not for profit, with any surplus reinvested in the service to build new homes and retrofitting of existing stock to colly with the Welsh Housing Quality Standards. The rents charged for rental properties were some of the lowest within the Vale of Glamorgan in order to be more affordable for the residents of the vale of Glamorgan.

Councillor Wilson said it was important to invest in housing stock as doing so meant there was less cause for repair costs and made properties more sustainable going forward and compliant with existing and future legislation.

The Leader said it was essential that the Council provided quality homes support for residents of the Vale of Glamorgan. Council rental costs were a third less than private rental costs and less than Housing Associations in the Vale of Glamorgan and Council charges reflected the actual cost of provision for tenants rather than making profit and any surplus raised was reinvested into that service.

This was a matter for Executive referral to Full Council for consideration.

Cabinet, having considered the report and all the issues and implications contained therein

RESOLVED –

(1) T H A T the final Housing Revenue Account budget proposals for 2026/27 set out below be approved:-

	Original 2025/26	**Change**	**2026/27 Final Proposed Budget**
			£000
Expenditure			
Supervision & Management – General	4,909	(90)	4,819
Supervision & Management – Special	1,962	(87)	1,875
Repairs & Maintenance	5,920	805	6,725
Capital Financing Costs	6,889	737	7,626
Rent, Rates, Taxes & Other Charges	298	(29)	269
Increase in Provision for Bad Debts	691	29	720
Capital Expenditure from Revenue Account (CERA)	6,979	(322)	6,657
	27,648	**1,043**	**28,691**
Income			
Dwelling Rents	(26,158)	(1192)	(27,350)
Non Dwelling Rents	(199)	(6)	(205)
Interest	(215)	(7)	(222)
Charges For Services and Facilities	(817)	54	(763)

Contribution towards expenditure	(95)	0	(95)
Grant Income	(205)	0	(205)
	(27,689)	**(1,151)**	**(28,840)**
(Surplus)/ deficit for the year	**(41)**	**108**	**(149)**
Working Balance Brought Forward as at 1st April 2026	**(3,885)**	**(440)**	**(4,325)**
Working Balance Carried Forward as at 31st March 2027	**(3,926)**	**(548)**	**(4,474)**

(2) T H A T Full Council be recommended to approve an average rent increase of 4.3%, as set out in paragraphs 2.24.

(3) T H A T Full Council be recommended to approve the increase suggested for other services as set out in the table below and in paragraphs 2.26 to 2.34.

50 Week Basis	**2025/26 Actual Charges**	**2026/27 Proposed Charges**	
	£	**£**	
Grounds Maintenance	1.51	1.48	per week
Cleaning of communal areas	3.00	3.19	per week
Lighting of communal areas	3.60	2.52	per week
Laundry Facilities	0.41	0.40	per week
Window Cleaning	0.18	0.16	per week
Lift Maintenance	1.25	1.82	per week
Door Entry	0.80	1.05	per week
Intercom	1.29	1.86	per week
CCTV	1.43	1.78	per week
Sewerage Treatment Plants	467.54	485.00	per annum
Cesspools	451.00	468.14	per annum

(4) T H A T Full Council be recommended to approve all changes to rents and service charges be implemented from 1st April 2026, with the first week of April being a non-chargeable rent week and that increase notices are 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 2026/56 be approved.

(6) T H A T 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 2026/27, Rent Setting and Housing Business Plan to be referred to Full Council on 12th January, 2026.

(7) T H A T further to the recommendation from Place Scrutiny Committee on 6th January, 2026, information be provided to Members prior to the discussion at Full Council on 12th January, 2026 to clarify the affordability criteria set within the report in relation to the proposed rent increases, and that the information should include

details on the average rent increase levels set by Registered Social Landlord partners.

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 2026/27.

(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 2026/56 (draft) prior to referral to Full Council.

(6) To allow this report to be referred to Full Council on 12th January, 2026 in order to comply with the Rented Homes Wales Act and meet the requirement of the Housing Business plan submission for 31st March, 2026.

(7) Having regard to the discussion at the Scrutiny Committee meeting."