

Housing Revenue Account (HRA) Budget Proposals 2026/27

Rent Setting 2026/27

Housing Revenue Account Business Plan 2026/27

Place Scrutiny

6th January 2026



Report Summary

- The report details the final Housing Revenue Account budget proposals for 2026/27
- The Housing Revenue Account is a ring-fenced account that is self-funded mainly by Council dwelling rents and expenditure consists of staffing to manage the provision, repairs and maintenance costs of the housing stock, capital financing costs to service the debt and revenue contributions towards the capital programme including decarbonisation and new developments.
- This report also sets out the proposed rents and service charges for the coming financial year 2026/27, as part of the Renting Homes (Wales) Act the Council is required to give 2 months' notice of any increase in Council Rents to Council Tenants.
- The report also sets out the annual 30 year Housing Business Plan which is in Appendix A this is supported by a detailed 30 year financial model. The submission deadline for the Housing Business Plan is the 31st March 2026



Report recommendations

1. Scrutiny is recommended to review the report and make any recommendations on the recommendations 2. to 7. below which are being considered by Cabinet on 8th January 2026.
2. Cabinet is recommended to recommend Council to approve the final Housing Revenue Account budget proposals for 2026/27 [set out in slide 5]
3. Cabinet is recommended to recommend Council approves an average rent increase of 4.3%, as set out in paragraphs 2.24.
4. Cabinet is recommended to recommend Council to approve the increase suggested for other services as set out in the table below [slide 8] and in paragraphs 2.26 to 2.34
5. Cabinet is recommended to recommend to Council 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 Renting Homes Wales Act.
6. That Cabinet approves the Housing Revenue Account Business Plan 2026/56.
7. Cabinet is recommended to approve the urgent decision procedure as set out in Section 14.14 of the Council's Constitution be used 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



Updates

Welsh Government Policy

- Welsh Government consulted on Policy changes late summer/autumn
- 29th September 2025 – Jayne Bryant MS, Cabinet Secretary for Housing & Local Government
 - Affordability at the heart of the Policy
 - No convergence, inherently complex
 - CPI +1% where CPI 0% to 3%, CPI + 0.5% where CPI is between 3% and 5%, Welsh Ministers responsibility where CPI is greater than 5%
 - September CPI remains the index point.
 - Approach in place for next ten years
- 13th November 2025 – Welsh Government announced 2026/27 Rent Settlement
- Maximum uplift September 2025 CPI of 3.8% plus 0.5%, i.e. 4.3%

Draft Proposals

- Considered by Cabinet November 2025
- Scrutiny members invited to comment and offered briefings

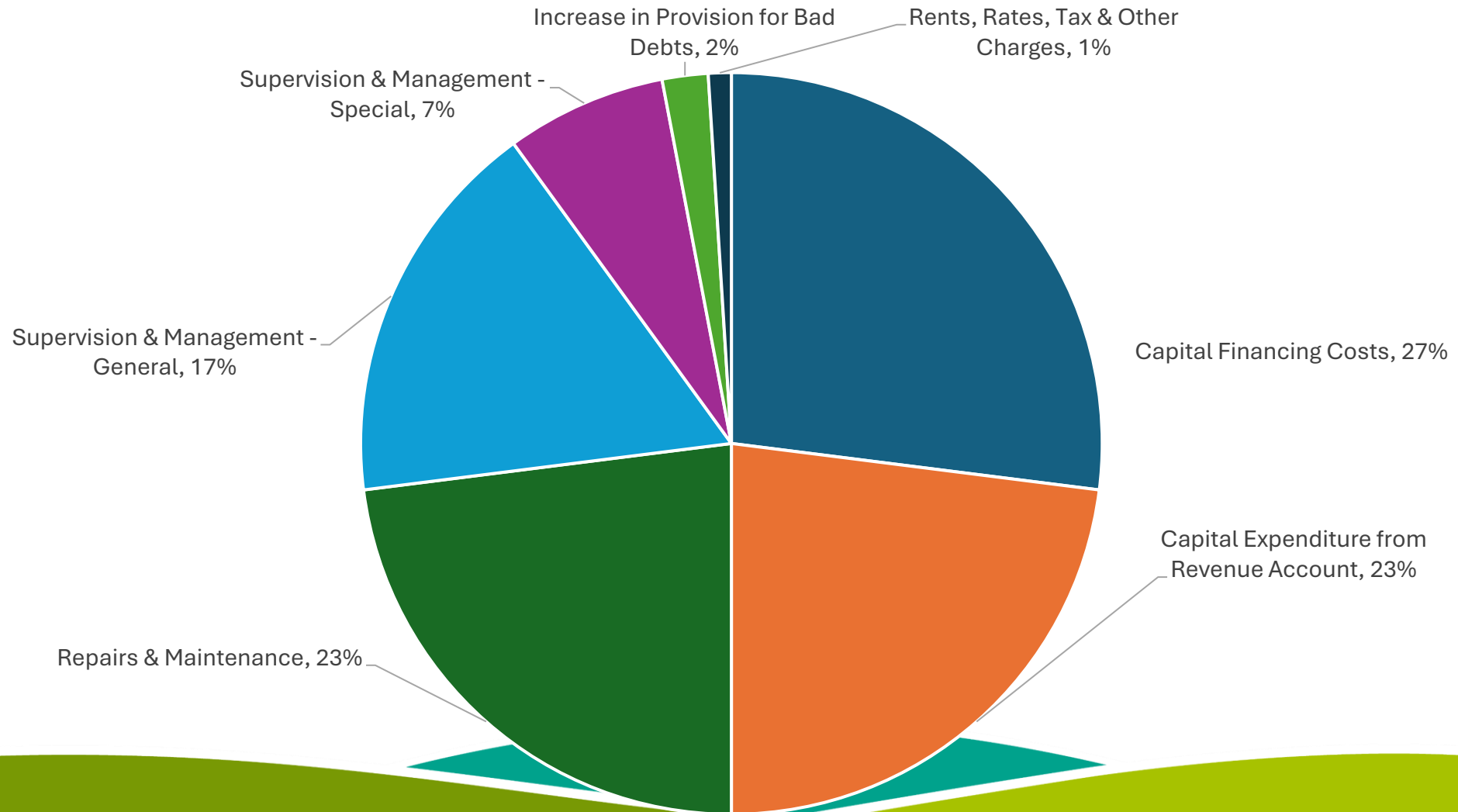


Final Proposed 2026/27 Budget	Original 2025/26	Change	Final Proposed Budget
Expenditure	£000	£000	£000
Supervision & Management – General	4,909	(90)	4,819
Supervision & Management – Special	1,962	(87)	1,875
Repairs & Maintenance	5,920	805	6,725
Capital Financing Costs	6,889	737	7,626
Rent, Rates, Taxes & Other Charges	298	(29)	269
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)	(1,192)	(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)

**Final
proposed
2026/27
Budget
HRA**



Analysis of 2026/27 Budget



Analysis Of Budget Changes

	£000
Original Budget 2025/26	(41)
Pay/Inflation	135
Savings	(728)
Committed Growth	1,990
Dwelling & Non Dwelling Rent Increase	(1,183)
Increase/(Decrease) in Capital Expenditure	(322)
Revenue Account	
Proposed Budget 2026/27	(149)



Rental Increases

Type	Based on 50 Chargeable weeks		
	Average Rent for 2025/26 per week based on actual stock level	Proposed Average Rent per week Increase (+) / Decrease (-)	Proposed Average Rent per week for 2026/27
	£	£	£
Bungalow	126.87	5.40	130.91
Flat	109.63	4.71	114.33
House	137.54	5.86	142.11
Maisonette	119.70	5.15	124.84
TOTAL	125.05	5.38	130.43

It is proposed that rents are increased by 4.3% which is the maximum allowable. The rents have been set in line with the Council's existing rent policy, which takes into account the number of bedrooms, type and size of property along with location, whilst still ensuring that the current Housing Business Plan commitments are achieved.

Proposed Fees and Charges

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

Rent affordability

- The proposed rent for a 3-bed house in the Vale is around 14% of average income in the Vale (at the 30th centile i.e. lowest earnings category) and the rent for a 1-bed is around 26% of average income
- Vale Council rents are around the median when compared to other Welsh Councils on rent affordability (11th out of 22)
- Vale Council rents also compare favourably with the local housing allowance for the Vale and average private sector rents
 - A 3-bed council rent is 20% cheaper than local housing allowance (this is the maximum amount of benefit paid towards housing costs) and 37% cheaper than the average private sector rent
- Tenants own perceptions of affordability in the Vale indicate that the majority of tenants found their rent was affordable or 'very affordable'. Just 20% of tenants found their rent unaffordable and 1.5% found the rent very unaffordable.



Support to tenants – Money Advice

- Money Advice is available to all Vale Council tenants which has enabled households to reduce financial hardship and sustain tenancies
- Money Advice includes:
 - Income maximisation – ensuring tenants claim all eligible benefits they are entitled to
 - Improving financial resilience – assisting tenants to manage and minimise their financial outgoings
 - Assistance securing grants and loans
 - Minimising utility costs by ensuring tenants are on the lowest cost tariffs
- Over the last 12 months Council Money Advisors have assisted tenants to secure additional income of over £525,000

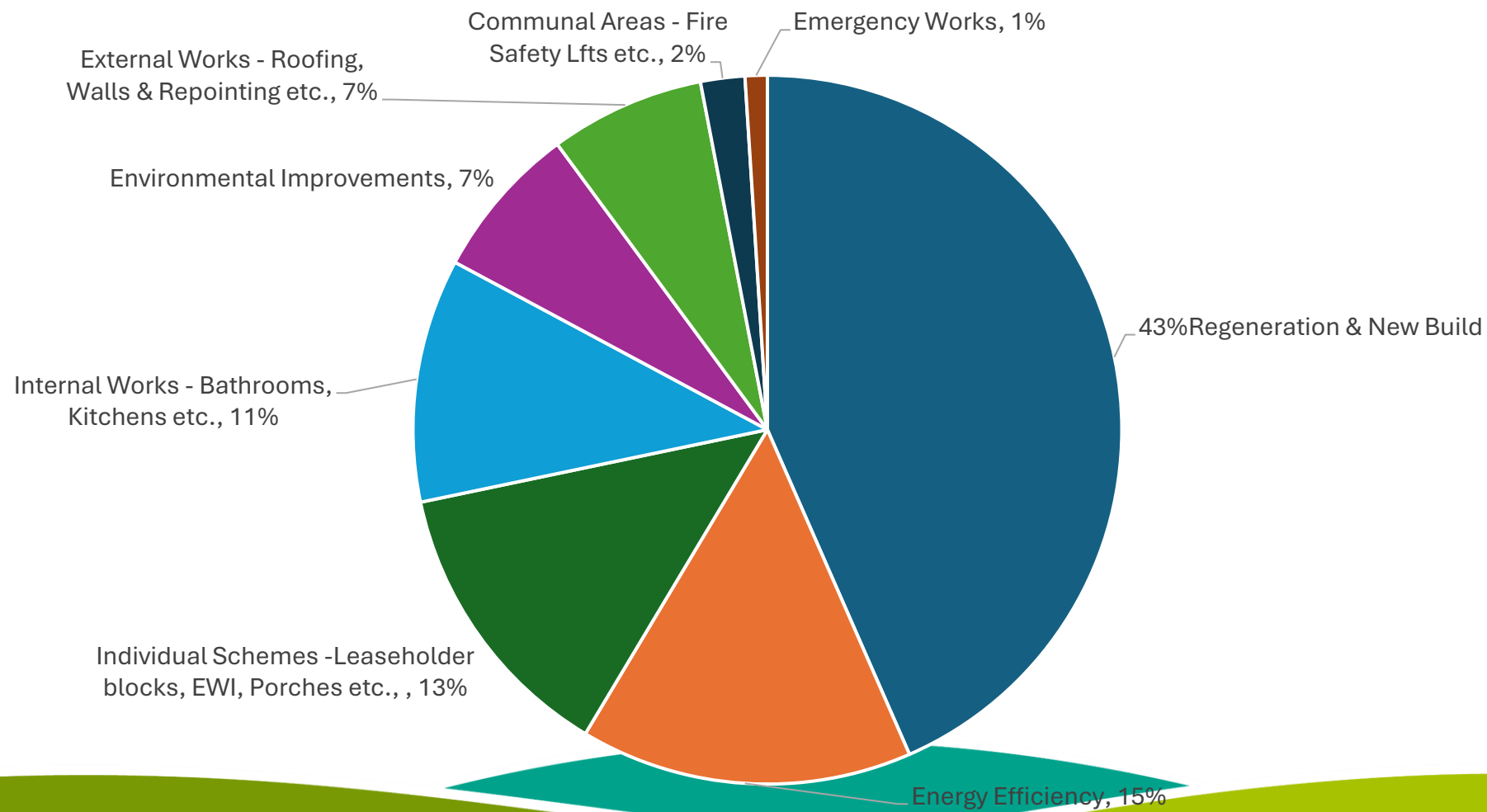


Summary of Capital Expenditure

Year	Year	WHQS & Other £'000	New Build £'000	Total Expenditure £'000	Estimated Number of Units No.
1	2026/27	24,158	18,186	42,326	52
2	2027/28	31,002	42,918	73,920	75
3	2028/29	24,875	54,345	79,220	175
4	2029/30	21,433	23,918	45,351	90
5	2030/31	19,548	17,873	37,421	82



Summary of Capital Expenditure



Component Numbers

Component	Year 1	Year 2	Year 3	Year 4	Year 5	Five-year total
Kitchen Replacements	179	572	650	750	836	2,987
Bathrooms	100	105	81	145	245	676
Central Heating and Boiler Replacements	210	250	310	329	299	1,398
Rewiring	20	20	20	20	20	100
Roof Renewals (blocks / individual properties)	79	114	74	56	56	379
Walls & Repointing (blocks / individual properties)	24	34	105	75	75	313
Windows & Doors (blocks / individual properties)	189	109	131	109	47	585
EWI (blocks / individual properties)	104	83	35	35	35	292



Next Steps

Date	Body	Activity
8th January 2026	Cabinet	Cabinet's final HRA budget proposals and the Housing Business Plan
12th January 2026	Council	Plan will be considered by Council at a Special meeting to be held on 12th January 2026.
26th February 2026	Cabinet	These proposals will be reflected in the Final Capital Proposals and Capital Strategy and Treasury Management Strategy which is due to be reported to a Cabinet meeting on 26th February 2026 and Council on 9th March 2026.
9th March 2026	Council	
1st April 2026		The rent increases will take effect from 1st April 2026



Diolch

