



## CABINET – 4TH FEBRUARY 2015

**SUBJECT: HOUSING REVENUE ACCOUNT CHARGES – 2015-2016**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

- 
- 1.1 The attached report, which provided details of the proposed increased charges which are intended to be effective for the Housing Revenue Account in 2015-16, was considered by the Policy and Resources Scrutiny Committee on 20th January 2015. The report sought the views of Members on the recommendations contained therein, prior to its presentation to Cabinet.
  - 1.2 The report summarised the process involved in preparing the Housing Revenue Account (HRA) budget. The uplift policy has recently been changed as part of the new Policy for Social Housing Rents, which will apply to local housing authorities from April 2015. The policy sets a target rent band for each Authority, with average weekly rents being adjusted in line with this band. The new uplift policy will now use the previous September Consumer Price Index (CPI) inflation figure as opposed to the Retail Price Index (RPI) formerly used, and will also apply a 1.5% real increase to the average local authority rent which will be fixed for five years. Therefore the average Welsh increase proposed by WG is 2.7%, with a minimum increase of 3.5% necessary for this Authority in order to meet the Welsh Housing Quality Standard and ensure that the Council's business plan remains viable.
  - 1.3 During discussion of the report, it was agreed that information regarding the financial implications of this rent increase on the Welfare Reform Act be forwarded to Members. A query was raised as to the consultation process regarding the increase in service and meal charges at sheltered housing accommodation and whether this was a matter for consideration by the Health, Social Care and Wellbeing Scrutiny Committee. It was confirmed that these charges did not come under the remit of Social Services and were the responsibility of other departments within the Authority.
  - 1.4 Discussion took place in regards to the letting and use of Council-owned garages and the number of vacant garages within the Authority's portfolio. An additional recommendation was moved and seconded, in that a report on the letting and use of these garages be prepared and presented to the Committee at a future point in time. By a show of hands, this was unanimously agreed.
  - 1.5 Following consideration of the report, and including the additional recommendation, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet that for the reasons contained therein:-
    - (i) a minimum rent increase of 3.5% per property be applied from April 2015 to ensure compliance with the new rent policy and to maintain the viability of the current business plan;
    - (ii) the variable service charge at sheltered complexes with communal facilities be set at £27.63 (bronze service), £30.03 (silver service) and £33.53 (gold service) over a 48 week basis from April 2015;

- (iii) the variable service charge in the four declassified sheltered schemes without communal facilities be set at £10.11 (bronze service), £12.51 (silver service) and £16.01 (gold service) over a 48 week basis from April 2015;
- (iv) the service charge payable by residents of Tredegar Court be increased to £63.98 over a 48 week basis from April 2015;
- (v) the meal cost at Tredegar Court be increased to £35.19 based on a 48 week basis from April 2015;
- (vi) the guest room charge for sheltered housing complexes be not increased from April 2015;
- (vii) the charges at Ty Croeso be determined by the Local Housing Allowance rates that are yet to be announced;
- (viii) the garage charges for Council and non-Council tenants be increased to £7.80 based on a 48 week basis from April 2015;
- (ix) a report regarding the letting and use of Council-owned garages be prepared for presentation to the Policy and Resources Scrutiny Committee.

1.6 Members are asked to consider the recommendations.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 20th January 2015 – Agenda Item 13