

RECORD OF EXECUTIVE DECISION

Tuesday, 20 February 2024

Decision No: (CAB 23/24 43657)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Housing
SUBJECT:	The HRA Budget 2024/25 and Capital Programme 2023/24 to 2028/29
AUTHOR:	Kevin Harlow

THE DECISION

- (i) Propose to Council from 1 April 2024, an average rent increase will be applied to dwelling rents of 7.7% in line with the rent increase guidance set by Government, as detailed in paragraph 14, equivalent to an average increase of £7.15 per week in the current average weekly dwelling rent figure of £92.75 for Social rent, and £10.58 per week in the current average weekly rent for affordable rent of £151.16. Rents for Shared Ownership rents will also increase by 7.7%.
- (ii) Propose to Council that there will be no increase in weekly service charges applied from 1 April 2024, as detailed in paragraph 21, pending further work on service charges in 2024/25.
- (iii) Propose to Council the Housing Revenue Account revenue estimates as set out in Appendix 4.
- (iv) Propose to Council the 40-year Business Plan for revenue and capital expenditure set out in Appendix 1 and confidential Appendix 5 respectively, that based on current assumptions are sustainable, maintaining a minimum HRA balance increasing from £2.0M in 2023/24 to £7.0M by 2027/28, following a review of policy undertaken in 2023/24 for future budgets to provide a sufficient and necessary buffer against financial risks.
- (v) Propose to Council the increase in landlord-controlled heating charges set out in paragraph 25, which represent a 5% increase (reduced from the 10% increase previously anticipated in the MTFS update in July 2023)
- (vi) Propose to Council the revised Housing Revenue Account (HRA) capital programme, which totals £280.01M (as detailed in paragraph 60 & 61 and the associated use of resources.
- (vii) Propose to Council the capital projections in the HRA Capital Programme for 2023/24 to 2028/29 as detailed from paragraph 60, and that spend between 2023/24 and 2027/28 has been increased following the decision of Cabinet on 6 February 2024 on the future delivery of Plots 2,9 and 10 Townhill Park, to deliver plots 2 and 9 through the Affordable Homes Framework and adjusted for known slippages at Quarter 3.
- (viii) Propose to Council an increase in the HRA working balance from the current £2m, to £7m by 2027/28

REASONS FOR THE DECISION

The Constitution requires the Executive to recommend its HRA budget proposals for the forthcoming year to Full Council. The recommendations contained in this report set out the various elements of the budget that need to be considered and addressed by the Cabinet in preparing the final papers that will be presented to Full Council. The recommendations set out in this report help to ensure we are continuing to provide statutory services and improving the quality of life for residents, which maintaining a balanced 40 year business plan. The 40 year business plan is also set out in the report which demonstrates a balanced position

DETAILS OF ANY ALTERNATIVE OPTIONS

Alternative options for HRA revenue spending and assumptions form an integral part of the development of the overall HRA budget and capital programme that will be considered at the Council meeting on 21 February 2024.

This report sets out the HRA revenue budget for 2024/25 and the 40-year HRA business plan covering the period 2024/25 to 2063/64. The increases to rents, service charges and heating charges are an integral part of the revenue estimates for 2024/25. The alternative proposal would not be to increase rent or heating charges and this was rejected on the basis that business plan objectives, particularly for increasing standards of homes would not be met, and that the Council would continue with a deficit on the heating account, for which there is a legal duty to recover

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 20th February 2024

Decision Maker:
The Cabinet

Proper Officer:
Claire Heather

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*