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Resources

Final Housing Revenue Account (HRA) Budget Proposals 2024/25, Rent Setting 2024/2025 and Housing Revenue Account Business Plan 2024/25

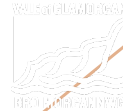
FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2024/25, RENT SETTING 2024/2025 AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2024/25

REPORT SUMMARY

- The report details the final Housing Revenue Account budget proposals for 2024/25
- 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 2024/25, 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 2024.

REPORT RECOMMENDATIONS

1. The final Housing Revenue Account budget proposals for 2024/25 are recommended to Council as outlined below
2. An average rent increase of 6.7% , as set out in paragraph 2.25
3. The increase suggested for other services as set out in the table below and in paragraphs 2.28 to 2.35.
4. 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 are sent to tenants two months in advance of the new charges coming into effect as required by the Renting Homes (Wales) Act .
5. That Committee approves the Housing Revenue Account Business Plan 2024/54 (draft) attached at Appendix 1 to this Report



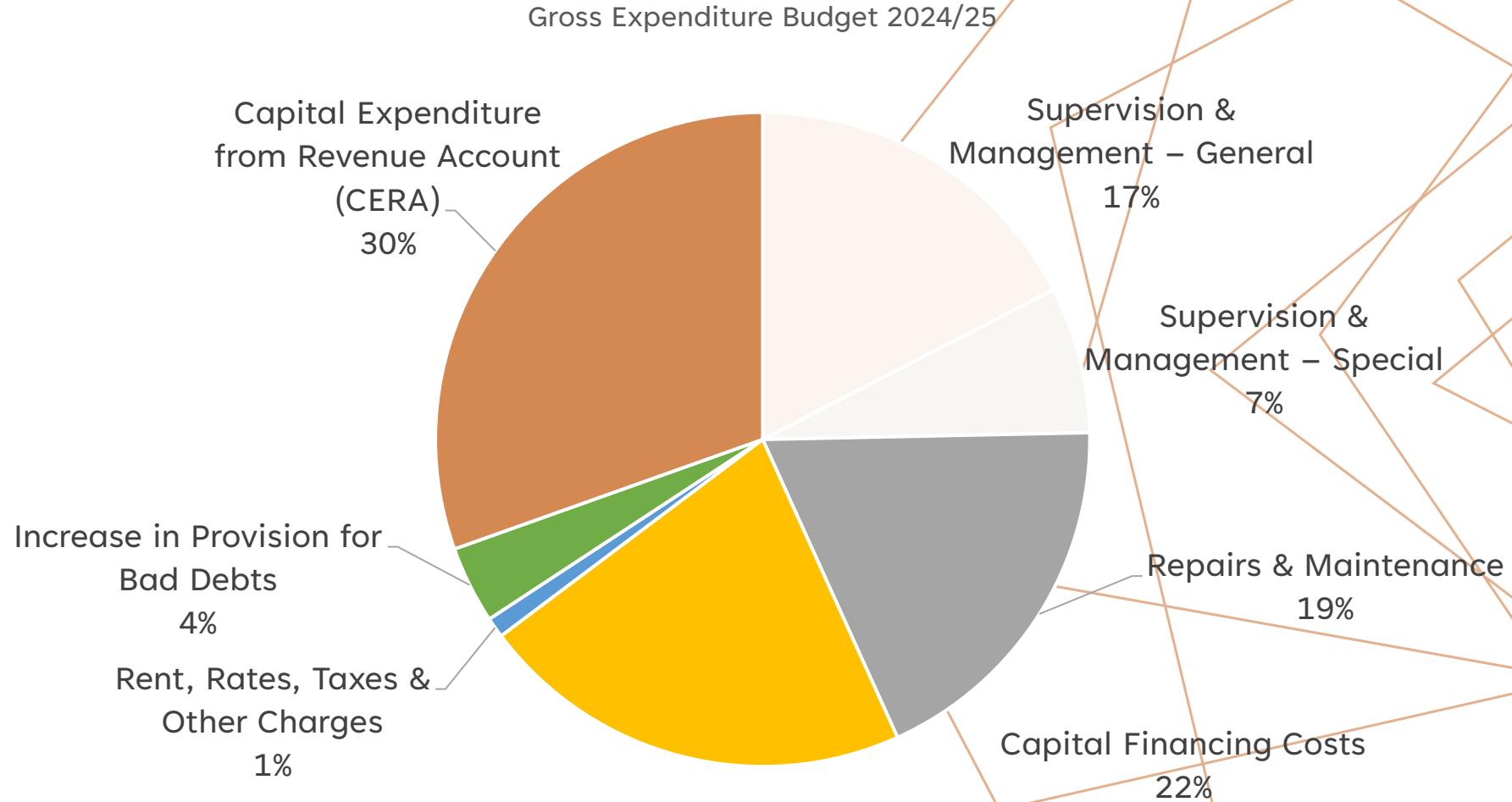
Final Proposed 2024/25 Budget	Original 2023/24	Change	Final Proposed Budget
Expenditure	£000	£000	£000
Supervision & Management – General	4,366	329	4,695
Supervision & Management – Special	1,604	345	1,949
Repairs & Maintenance	4,681	319	5,000
Capital Financing Costs	5,327	465	5,792
Rent, Rates, Taxes & 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
	34,334	(7,404)	26,930
Income			
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)
	(23,662)	(3,345)	(27,007)
(Surplus)/ deficit for the year	10,672	(10,749)	(77)
Working Balance Brought Forward as at 1st April 2024	(11,621)	10,672	(949)
Working Balance Carried Forward as at 31st March 2025	(949)	(77)	(1,026)

**FINAL
PROPOSED
2024/25
BUDGET
HRA**

ANALYSIS OF BUDGET CHANGES

	£000
Original Budget 2023/24	10,672
Pay/Inflation	232
Savings	(117)
Committed Growth	1,487
Dwelling & Non Dwelling Rent Increase	(3,353)
Increase/(Decrease) in Capital Expenditure Revenue Account	(8,990)
Proposed Budget 2024/25	(77)

ANALYSIS OF 2024/25 BUDGET



SUMMARY OF CAPITAL EXPENDITURE

Year	Year	WHQS & Other £'000	New Build £'000	Total Expenditure £'000	Estimated Number of Units No.
1	2024/25	24,492	14,253	38,745	140
2	2025/26	21,009	17,200	38,209	63
3	2026/27	12,744	29,226	41,970	112
4	2027/28	11,364	28,000	39,364	89
5	2028/29	17,317	29,900	47,217	197

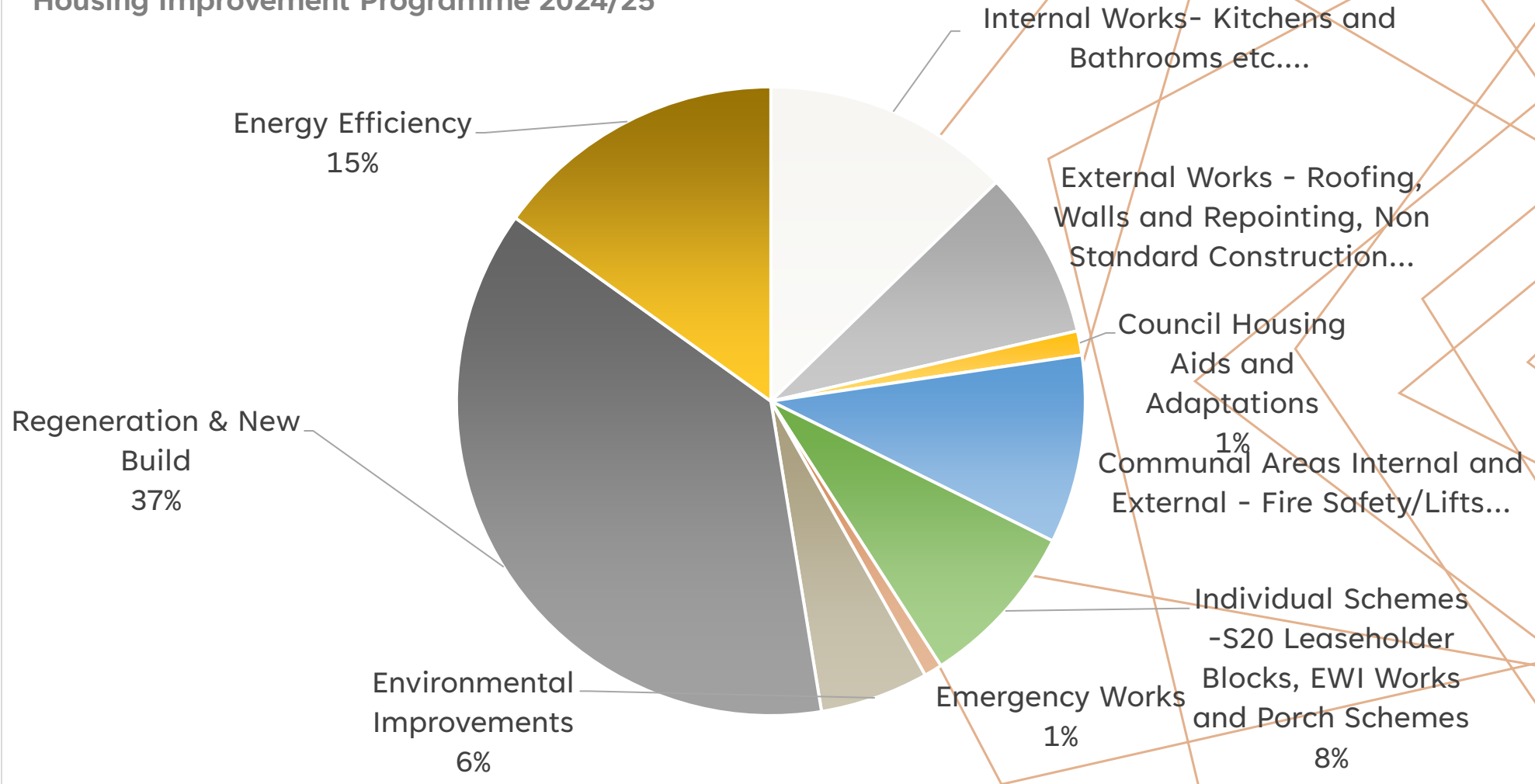
RENTAL INCREASES

	Based on 50 Chargeable weeks		
Type	Average Rent for 2024/25 per week based on actual stock level*	Proposed Average Rent per week Increase (+) / Decrease (-)	Proposed Average Rent per week for 2024/25
	£	£	£
Bungalow	114.57	7.68	122.24
Flat	99.99	6.70	106.72
House	124.60	8.35	132.96
Maisonette	109.29	7.32	116.61
TOTAL *	114.25	7.65	121.84

It is proposed that rents are increased by 6.7% 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. The rent increase per property type is detailed below:

SUMMARY OF CAPITAL EXPENDITURE

Housing Improvement Programme 2024/25



PROPOSED FEES AND CHARGES

50 Week Basis	2023/24 Actual Charges	2024/25 Proposed Charges	
	£	£	
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

NEXT STEPS

Date	Body	Activity
11th January 2024	Cabinet	Cabinet's final budget proposals and the Housing Business
15th January 2024	Council	Plan will be considered by Council at a Special meeting to be held on 15th January, 2024.
29th February 2024 6th March 2024	Cabinet Council	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 Special Cabinet meeting on 29th February, 2024 and Council on 6th March, 2024.
		The rent increases will take effect from 1st April, 2024.

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