

COUNCIL MEETING – 12 FEBRUARY 2019

HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING FOR 2019/20

1.0 Introduction

1.1 Under the Council's Constitution the Housing Revenue Account (HRA) Business Plan will be formulated and reviewed by the Policy & Finance Committee and recommended to Council for approval. A major element of the Business Plan comprises of the annual HRA budget.

2.0 Housing Revenue Account Budget

2.1 The annual HRA Budget for 2019/20 and financial plan to 2022/23 including proposals for rent levels for 2019/20 was considered by the Policy & Finance Committee at its meeting on 24 January 2019.

2.2 The report presented to the Committee is at **Appendix A** and in summary it:

- a) Provided the actual outturn of the HRA for the year 2017/18.
- b) Examined the proposed income and expenditure on the HRA for 2019/20 in accordance with Section 76 of the Local Government and Housing Act 1989, to avoid a deficit on the Housing Revenue Account.
- c) Provided the indicative figures of income and expenditure for the financial years 2020/21 to 2022/23.
- d) Set rent levels (*1% reduction in line with national policy*) and service charges for Council housing properties with effect from 1 April 2019.
- e) Set charges for garage rents, plots and garage ports (*increase by CPI plus 1% (3.4%)*) with effect from 1 April 2019.
- f) Set housing support service charges and all other service charges (*increase by CPI plus 1% (3.4%)*) with effect from 1 April 2019. This includes ongoing arrangements for Gladstone House.
- g) Set rent levels for the Councils temporary accommodation (*increased by CPI plus 1% (3.4%)*) with effect from 1 April 2019.
- h) Detailed the annual management fee payable to Newark and Sherwood Homes (2019/20), in accordance with the Management Agreement. The annual management fee is still currently under negotiations and still to be finalised. An update along with revised HRA budget papers will be presented to Committee.

2.1 Against this background the Policy & Finance Committee considered and approved the recommendations set out in **Appendix A**, though it was recorded that the annual management fee payable to Newark and Sherwood Homes, in accordance with the Management Agreement, was still to be formally agreed with the Company.

- 2.2 In this respect the Council's Director of Governance and Organisational Development was given delegated authority to agree the annual management fee for 2019/20 with Newark & Sherwood Homes, which will inform an updated HRA Budget paper once the management fee is finalised.
- 2.3 In the report to the Policy & Finance Committee it was also noted that in 2019/20 53 Mondays fall in the financial year, which has created an issue with rent collection when a tenant is in receipt of Universal Credit, and whilst these matters were being considered the HRA budget has been prepared on a 52 week rent basis.

3.0 RECOMMENDATIONS that:

- i. the Housing Revenue Account budget for 2019/20 as set out in Appendix 1 to the attached Policy & Finance report (Appendix A), noting delegation to the Director of Governance and Organisational Development to agree the 2019/20 Management Fee with Newark and Sherwood Homes, be approved;**
- ii. additional payments for the management of Gladstone House be made to Newark and Sherwood Homes, subject to Homes & Communities Committee approval;**
- iii. the rent of all properties in the Housing Revenue Account, as at 31 March 2019, be decreased by 1% in accordance with Welfare Reform and Works Act with effect from 1 April 2019;**
- iv. the rent on temporary accommodation be increased by CPI plus 1% (3.4%) with effect from 1 April 2019;**
- v. that all services charges and support charges should be increased by CPI plus 1% (3.4%) with effect from April 2019; and**
- vii. that garage, garage plot and garage port rents are increased by CPI plus 1% (3.4%) with effect from 1st April 2019.**

Reason for Decision

To approve the HRA budget for 2019/2020, the rent levels, garage rent, garage plots, garage ports, housing support service charge levels and the rent levels for temporary accommodation.

Background Papers

None.

For further information please contact Robin Clay on Extension 5332 or Rob Main on Extension 5930.

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