

COUNCIL MEETING - 11 FEBRUARY 2020

2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING

1.0 Purpose of Report

- 1.1 To seek Council's approval of the Housing Revenue Account (HRA) budget for the 2020/21 financial year (01 April 2020 – 31 March 2021) and proposed changes in rent levels and service charge levels for 2020/21.

2.0 Background Information

- 2.1 At its meeting on 23 January 2020, the Policy & Finance Committee approved the HRA budget for 2020/21, financial plan to 2023/24 and proposed changes in rent and service charge levels for 2020/21, as set out in **Appendix A**.
- 2.2 The Committee also considered a report (*Newark and Sherwood Homes Asset Transfer*) relating to the 25 properties owned by the Company. The Committee recommended to the Board of NSH that the properties transfer into the ownership of the council's HRA.
- 2.3 At its meeting on 30 January 2020, the Board of NSH approved the transfer of the 25 NSH properties into the council's HRA, and a 2020/21 rent increase of 1.7% for these properties. The homes are currently let on 'affordable rents' (sub-market rents which are higher than social rents) and will become secure tenancies of the council upon transfer. The Policy & Finance Committee will be asked to consider options for converging the rents of these homes with those of secure tenants over the coming years. The transfer of the properties is expected to take place in mid-February following engagement with tenants which is underway. (**Appendix E**).

3.0 Proposals

- 3.1 In light of the above, officers are proposing to Council that it approves:
- a) the Housing Revenue Account (HRA) budget for 2020/21, as set out in **Appendix A1**;
 - b) an increase of 2.7% (Consumer Price Index (CPI) + 1%) in the 2020/21 rents of all properties in the HRA as at 31 March 2020, except for the 25 properties owned by Newark and Sherwood Homes (NSH) (at the time of writing) which the Board of NSH at its meeting on 30 January 2020 approved be transferred into the council's HRA;
 - c) an increase of 2.7% (CPI + 1%) in all 2020/21 service charges, except for the television (TV) licence costs payable by tenants of Gladstone House; and
 - d) that the TV licence costs payable by tenants of Gladstone House in 2020/21 remain at £0.21 per week.
- 3.2 In addition, officers are proposing to Council that it notes:

- a) the decision of the NSH Board on 30 January 2020 to increase by 1.7% (CPI) the 2020/21 rents of the 25 properties owned by NSH (at the time of writing) which are to be transferred into the council's HRA.

4.0 Equalities Implications

- 4.1 Details of the equalities implications relating to the 2020/21 HRA budget and rent setting report are set out in **Appendix A**.

5.0 Financial Implications

- 5.1 Details of the financial implications relating to the 2020/21 HRA budget and rent setting report are set out in **Appendix A**.

6.0 Community Plan – Alignment to Objectives

- 6.1 Details of the how the objectives in the Community Plan align to the proposals in the 2020/21 HRA budget and rent setting report are set out in **Appendix A**.

7.0 RECOMMENDATION(S)

- a) that Council approves:

- i. the Housing Revenue Account (HRA) budget for 2020/21, as set out in Appendix A1;
- ii. an increase of 2.7% (Consumer Price Index (CPI) + 1%) in the 2020/21 rents of all properties in the HRA as at 31 March 2020, except for the 25 properties owned by Newark and Sherwood Homes (NSH) (at the time of writing) which the Board of NSH at its meeting on 30 January 2020 approved be transferred into the council's HRA;
- iii. an increase of Error! Reference source not found.% (CPI + 1%) in all 2020/21 service charges, except for the television (TV) licence costs payable by tenants of Gladstone House; and
- iv. that the TV licence costs payable by tenants of Gladstone House in 2020/21 remain at £0.21 per week.

- b) that Council notes:

- i. an increase of 1.7% (CPI) in the 2020/21 rents of the 25 properties owned by NSH (at the time of writing) which the Board of NSH at its meeting on 30 January 2020 approved be transferred into the council's HRA.

Reason for Decision

To approve the Housing Revenue Account (HRA) budget for **Error! Reference source not found.** and proposed changes in rent and service charge levels for 2020/21. The approval of the proposed

changes in rent levels will allow the required time for the council to implement them and notify tenants of these changes, in accordance with legislation.

Background Papers

Nil

For further information please contact Nick Wilson (Business Manager – Financial Services) on extension 5317 or Mohammed Sarodia (Assistant Business Manager - Financial Services) on extension 5537.

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