

**Committee Name and Date of Committee Meeting**

Council – 15 January 2025

**Report Title**

Recommendation from Cabinet - HRA Business Plan, Rent Setting and Service Charges 2025-26

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the report**

Ian Spicer, Strategic Director for Adult Care, Housing and Public Health

**Report Author(s)**

Lindsay Wynn, HRA Business Planning Manager  
Paul Elliott, Head of Housing Income and Support Services  
Kath Andrews, Finance Manager

**Ward(s) Affected**

Borough-Wide – all wards

**Report Summary**

The Housing Revenue Account (HRA) records all expenditure and income relating to the provision of Council housing and related services, and the Council is required to produce an HRA Business Plan setting out its investment priorities over a 30-year period.

The proposed 2025/26 HRA Business Plan incorporates the Council's commitments to continue and extend the Council's Housing Delivery Programme, alongside significant new investment to support decency and thermal efficiency in existing council homes. The Plan includes provision for £979m investment in the housing stock over 30 years, including approximately £35m additional investment over the next five years compared to last year's position. This is alongside continuing to fund day-to-day housing management and repairs and maintenance costs. At the same time the Housing Delivery Programme will continue beyond 1,000 homes. The existing funding provision of £113m for hundreds more Council homes by 2027 will be supplemented with an additional £37m to begin to build the pipeline of schemes beyond 2027.

Borrowing is required in years 3 to 6 in order to support necessary investment and provision for servicing this level of debt is built into the 30 year Plan. The Business Plan has been modelled to ensure healthy balances are maintained in all years.

Alongside providing the draft HRA budget for 2025/26, the report recommends increases in housing rents, non-dwelling rents, District Heating charges and other service charges for 2025/26. It is recommended that Council dwelling rents are increased by 2.7%, equivalent to CPI+1%, in line with Government policy. There are 12,668 tenancies in receipt of full Housing Benefit or full Universal Credit (UC) who would not be directly affected by an increase in rent, 2,276 tenancies receive part Housing Benefit and any increase in rent would be part covered by benefit payments.

## **Recommendations**

That Council: -

1. Approve the proposed 2025/26 Base Case Option 2 for the HRA Business Plan.
2. Note that the Business Plan will be reviewed annually to provide an updated financial position.
3. Agree that Council dwelling rents are increased by 2.7% in 2025/26 (Option 2).
4. Agree that the Council should retain the policy of realigning rents on properties at below formula rent to the formula rent level when the property is re-let to a new tenant.
5. Agree that shared ownership rents are increased by 3.2% in 2025/26.
6. Agree that charges for communal facilities, parking spaces, cooking gas and use of laundry facilities are increased by 2% in 2025/26.
7. Agree that charges for garages are increased by 10% in 2025/26.
8. Agree that the District Heating unit charge per Kwh is set at 13.09 pence per kwh.
9. Agree that the decision to reduce the price of District Heating Charges further during 2025/26 be delegated to the Assistant Director of Housing in conjunction with the Assistant Director of Financial Services following consultation with the Cabinet Member for Housing. The delegation would only be used to respond to a change in Government policy or a significant change in the Ofgem price cap that has the effect of necessitating a lower unit price.
10. Approve the draft Housing Revenue Account budget for 2025/26 as shown in Appendix 6.

## **List of Appendices Included**

- Appendix 0 – 16 December 2024 Cabinet Report - HRA Business Plan, Rent Setting and Service Charges 2025-26
- Appendix 1 HRA Operating Statement
- Appendix 2 Social Rent payable by number of bedrooms
- Appendix 3 HRA Business Planning assumptions
- Appendix 4 Percentage of Rent Income Used to Fund Interest

- Appendix 5 Non-dwelling rent, service charges and Furnished Homes Charges 2025/26
- Appendix 6 Housing Revenue Account Budget 2025/26
- Appendix 7 Affordability Analysis
- Appendix 8 Support for Tenants with Financial Pressures
- Appendix 9 Equalities Assessment
- Appendix 10 Carbon Impact Assessment

**Background Papers**

- HRA Business Plan 2024/25
- Rent Setting and Service Charges 2024/25
- DCLG Guidance on Rents for Social Housing
- Annual Housing Delivery Report to Cabinet

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

- Overview and Scrutiny Management Board (OSMB) – 11 December 2024
- Cabinet 16 December 2024

**Council Approval Required**

Yes

**Exempt from the Press and Public**

No