



**Service Delivery  
Committee**

**Tuesday, 17 January  
2017**

**Matter for Information  
and Decision**

**Title: Housing Finance Update**

**Author: Martin Hone (Chief Finance Officer / Section 151 Officer)**

## **1. Introduction**

- 1.1 This report provides information relating to increases in rent and other Housing Revenue Account charges for 2017/18 together with any further developments in Government legislation.

## **2. Recommendations**

- 2.1 That Members should note the report and recommend to Policy Finance and Development Committee the new levels of rent and service charges described in sections 4 and 5 below.

## **3. Information**

- 3.1 The Council is about to enter the fifth year of the financial regime which the government introduced in 2013/14 which was intended to give Authorities more control over their housing stock and its associated finances.
- 3.2 However, since 2013 the government has made a number of changes to the framework which impacts directly on this authorities finances. These changes announced in July 2015 have been diluted slightly in recent months but the main thrust of them remains the same.

- 1) Rents on dwellings will once again be reduced by 1% for 2017/18
- 2) The High Value Voids Levy is still to come in but not until 2018/19
- 3) Pay to Stay has been abandoned but Council's will be required to move toward fixed term tenancies in the future thus ending the idea that you had a council house for life. A separate report regarding fixed term tenancies is included on this agenda.

## **4 Rent Levels 2017/18**

- 4.1 As stated rent levels will decrease for 2017/18. Currently a 1% decrease in all households rent will move the average rent for a property from £77.86 to £77.08 which equates to a drop in annual rental income of around £50,000. It is important to remember that this is a year on year decrease which will continue for this and a further two years.
- 4.2 The range covered by the new rent levels are listed below.

	<b>Weekly Rent 2016/17</b>	<b>Weekly Rent 2017/18</b>	<b>Decrease per week</b>	<b>Change</b>	<b>Property Type</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>	
Highest Rent	97.10	96.13	0.97	1%	3 Bedroom House
Lowest Rent	57.91	57.33	0.58	1%	Bedsit
Average Rent	77.86	77.08	0.78	1%	

## 5 Service Charges and Garage Rents

- 5.1 Non dwelling rents are not subject to the rent reduction described in part 4 of this report and as a result it is recommended that they are increased by RPI in line other Council charging policies.

## 6 Capital Programme

- 6.1 The Council will continue to bring its stock up to the Decent Homes Standard. At present it is expected that the 2016/17 capital programme will be largely completed in year. Due to the changes in government legislation and in particularly the Void Sales Levy there is pressure and doubt on the Council's ability to fund large programmes. There does not appear to be any relaxation on the upper limit of borrowing the Council is currently allowed and as a result for 2017/18 it is recommended that the programme should be able to be financed solely from the Council's in year Major Repairs Allowance which will be around £1.24million

### Background Documents:-

None.

**Email:** chris.raymakers@oadby-wigston.gov.uk

**Tel:** (0116) 257 2891

Implications	
<b>Financial (CR)</b>	As set out in the report.
<b>Legal (AC)</b>	No significant implications
<b>Risk (CR)</b>	CR9: Economy CR1: Decreasing Financial Resources
<b>Equalities (CR)</b>	No significant implications.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable