



**Policy, Finance and  
Development  
Committee**

**Tuesday, 31 January  
2017**

**Matter for Information  
and Decision**

**Title: Draft HRA Budget and Housing Capital Programme 2017-18**

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## **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.
- 1.2 The report outlines the recommended changes to charges for 2017/18 together with guidance on the total size of an affordable capital programme.

## **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.
- 2.2 That Members recommend to full Council that the totality of the Capital Programme be set as per section 6 of this report.

## **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 financial framework which impacts directly on this authority's finances. These changes announced in July 2015 have been diluted slightly in recent months but the main thrust of the changes 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.

## **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 remind Members 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.

	Weekly Rent 2016/17	Weekly Rent 2017/18	Decrease per week	Change	Property Type
	£	£	£	%	
<b>Highest Rent</b>	97.10	96.13	0.97	-1%	3 Bedroom House
<b>Lowest Rent</b>	57.91	57.33	0.58	-1%	Bedsit
<b>Average Rent</b>	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.
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- 5.3 It is recommended that charges are increased by 2.5% which is the RPI rate of inflation for December 2016.

	2016/17 Current Charge	2017/18 Proposed Charge
	£	£
<b><u>Garage Spaces</u></b>		
48 Week Basis	3.68	3.78
52 Week Basis	3.40	3.49
<b><u>Lock up Garages</u></b>		
48 Week Basis	6.81	6.98
52 Week Basis	6.29	6.45
<b><u>Caretaking Charge (Lower Rate)</u></b>		
48 Week Basis	2.89	2.96
52 Week Basis	2.67	2.74
<b><u>Caretaking Charge (Higher Rate)</u></b>		
48 Week Basis	5.89	6.04
52 Week Basis	5.44	5.58
<b><u>Heating and Hot Water Charges in Sheltered Schemes</u></b>		Increase for 2017/18
		%
Chartwell House, Oadby		2.5
Marriott House, Oadby		2.5
William Peardon Court, Oadby		2.5
Water Usage Contribution		2.5

## 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 this 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. Also, there also does not appear to be any relaxation on the upper limit of borrowing the Council is currently allowed and as a result it is recommended that the programme for 2017/18 should be able to be financed solely from the Council's in year Major Repairs Allowance which will be around £1.24million.

- 6.2 The programme will continue to promote decent homes and will accommodate the works at Elizabeth Court which have recently been approved. A detailed schedule of works which outlines how the £1.24m will be spent will be brought to Members at a future committee

#### **Background Documents:-**

Budget Working Papers 2016/17 and 2017/18

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<b>Implications</b>	
<b>Financial (CR)</b>	Contained in the report
<b>Legal (AC)</b>	No significant implications.
<b>Risk (CR)</b>	CR1 - Decreasing Financial Resources CR9 - Economy
<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