



Meeting of the City Council

28 January 2015

Report title	Housing Revenue Account business plan (including 2014/15 budget, rents and service charges)	
Referring body	Cabinet, 14 January 2015	
Councillor to present report	Cllr Peter Bilson	
Wards affected	All	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Strategic director	Tim Johnson Place	
Originating service	Governance	
Contact employee(s)	Mark Taylor	Director of Finance 01902 556609 Mark.taylor@wolverhampton.gov.uk
Report to be/has been considered by	Cabinet	14 January 2015

Recommendation(s) for action or decision:

The Council is recommended to:

1. Adopt the business plan set out at appendix A to the Cabinet report as the approved Housing Revenue Account (HRA) business plan, including:
 - (a) The revenue budget for 2015/16 set out in the plan;
 - (b) The capital programme for 2014/15 to 2019/20 set out in the plan.
2. Approve an increase in rents for HRA dwellings of an average of 3.11% with effect from 6 April 2015.

3. Increase rents for HRA garages by 3.11%, with effect from 1 April 2015.
4. Approve that HRA service charges and district heating charges are set at the levels detailed in appendix B3, with effect from 1 April 2015.
5. Approve that Hostel charges are set at the levels detailed in appendix B4, with effect from 1 April 2015.
6. Note the charges to be levied on tenants and leaseholders by Wolverhampton Homes set out in appendix B5 are noted.

Recommendations for noting:

The Council is asked to note:

7. The forecast outturn against the 2014/15 revenue budget is a surplus before allocations of £18.9 million compared to a budgeted surplus of £11.9 million.
8. That carelink charges are currently under review.
9. That the Council places on record its sincere thanks to all those tenants' representatives and all other stakeholders and partners who put forward views and comments during the consultation process.

1.0 Background

- 1.1 On 14 January 2015 Cabinet considered a report on an updated Housing Revenue Account (HRA) business plan.
- 1.2 The report also provided, as an integral part of that business plan, a proposed HRA budget for 2015/16, including proposed rents and service charges to take effect from 6 April 2015, and a proposed HRA capital programme for the period 2014/15 to 2019/20, for recommendation to full Council. Copies of the report have been deposited in the Members' Rooms and can also be accessed online on the Council's website by following the link
<http://wolverhampton.moderngov.co.uk/ieListDocuments.aspx?CId=130&MId=199&Ver=4>
Councillors are asked to refer to the report when considering the recommendations of Cabinet.
- 1.3 Cabinet approved the recommendations contained within the report that are now referred to full Council for approval.

2.0 Financial implications

- 2.1 The financial implications are discussed in the body of the Cabinet report.

3.0 Legal implications

- 3.1 Part VI of the Local Government and Housing Act 1989 (as amended by the Leasehold Reform Housing and Urban Development Act 1993, the Housing Act 1996 and the Local Government Act 2003) set up the financial regime for local authority housing.
- 3.2 The system requires the ring-fencing of the HRA and introduced a government subsidy scheme (subsequently abolished in 2012) and controls on local authority borrowing to meet capital expenditure.
- 3.3 The Cabinet report embodies those requirements.

4.0 Equalities implications

- 4.1 In making decisions on the options set out in the report, the Cabinet should be aware of the impact on the public, particularly tenants. There is a difficult balance to be struck in deciding the levels at which to increase rents and charges and therefore income, and thereby seeking to protect services.
- 4.2 The Council has always operated a very open and consultative approach to service and rent reviews. This is based upon a thirty-year forecast which sets out indicative levels of future average rent rises and forecast changes to expenditure levels. Consultation has been carried out on the council's behalf by Wolverhampton Homes (attached at Appendix C). In addition to this, an Equalities Analysis has been carried out, which demonstrates that the approach taken complies with the Act and Duty's requirements

5.0 Environmental implications

- 5.1 This report has no direct environmental implications. The investment and improvement of the City housing stock will have a significant positive impact on the overall city environment.

6.0 Human resources implications

- 6.1 There are no human resources implications arising from this report.

7. Corporate landlord implications

- 7.1 This report has no direct Corporate landlord implications. The reinvestment into City Housing stock will assist in maintaining stock at acceptable levels for occupation and thereby the ability to maintain good rental levels for stock. And equally the investment value of the city housing stock.

8.0 Schedule of background papers

HRA Manual (DCLG)
Guide to Social Rent Reforms in the Local Authority Sector (DCLG)