



**COUNCIL MEETING
24 JANUARY 2019**

**HOUSING REVENUE ACCOUNT AND
HOUSING CAPITAL PROGRAMME**

Sheena Ramsey, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval to:
 - the Housing Revenue Account (HRA) budget for 2019/20, including proposed savings;
 - the proposed rent changes from 1 April 2019, in line with Government's policy on rent setting;
 - the detailed proposals for fees and charges; and
 - the proposed Housing Capital Programme for the next five years (2019/20 to 2023/24).
2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account.
3. Historically the Council has followed Government formula and guidelines to set the rent level. In July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years of which 2019/20 is the final year. This applies to both social and affordable tenancies.
4. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants.
5. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the proposed programme for the next five years is included in the attached report.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

7. It is recommended that Council approves:
 - (i) the Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and maintenance budget and savings as detailed in Appendix 3;
 - (ii) the 1% rent reduction from 1 April 2019;

- (iii) the fees and charges schedule as detailed in Appendix 4; and
- (iv) the Housing Capital Programme for the five years 2019/20 to 2023/24 as set out in Appendix 5.