



COUNCIL MEETING

25 February 2016

HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME

Jane Robinson, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of:
 - the Housing Revenue Account (HRA) budget for 2016/17, including proposed savings
 - the proposed rent changes from 1 April 2016
 - the detailed proposals for fees and charges
 - the proposed phased removal of subsidy for sheltered services support
 - the proposed Housing Capital Programme for the next five years (2016/17 to 2020/21)
 - amendments to the council house repair policy
 - amendments to the council house rent policy
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. This report recommends that the Council follows the revised Government Guidance by reducing rent by 1% for all housing tenancies, with the exception of supported housing which will be increased by 1.8%
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. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
5. The Government has also announced its intention to introduce the sale of high value assets in relation to the Council's housing stock and charging market rent for households earning above £30,000 per year, although there are no specific details available at the moment this is potentially a significant risk to the sustainability of the HRA.
6. The proposed Housing Revenue Account for 2016/17 is set out in full detail in the attached report. As a result of the Government policy to reduce rents the capital programme has been reduced in the coming years. The proposed allocation of resources from the HRA to support a Capital Programme for the next five years is set out in full detail in the attached report.

7. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATIONS

8. It is recommended that Council:
 - i) Approves the Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and management budget and savings detailed in Appendix 3 of the attached report
 - ii) Approves the weekly rent reduction of 1% from 1 April 2016 in relation to non- supported housing
 - iii) Approves the weekly rent increase of 0.9% in relation to all supported housing
 - iv) Approves the fees and charges schedule as detailed in Appendix 4 of the attached report
 - v) Approves the phased removal of subsidy for sheltered services support
 - vi) Approves the Housing Capital Programme for the five years 2016/17 to 2020/21 as set out in Appendix 6 of the attached report
 - vii) Approves the amendments to the Repairs Policy to facilitate the achievement of the agreed savings to be delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Cabinet Member for Housing
 - viii) Approves the amendment to the rent policy to increase rent on vacant properties to target social rent and such detailed amendments to be delegated to the Strategic Director, Communities and Environment in consultation with the Leader and Cabinet Member for Housing