



## COUNCIL MEETING

2 February 2017

### HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME

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**Mike Barker, Acting Chief Executive**

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#### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of:
  - the Housing Revenue Account (HRA) budget for 2017/18, including proposed savings
  - the proposed rent changes from 1 April 2017, in line with Government's policy on rent setting
  - the detailed proposals for fees and charges
  - the proposed Housing Capital Programme for the next five years (2017/18 to 2021/22).
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.
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 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 £31,000 per year, although this will be a voluntary policy.
6. The proposed Housing Revenue Account for 2017/18 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.

#### RECOMMENDATION

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 as detailed in Appendix 3 of the attached report
- (ii) Approves the weekly rent reduction of 1% from 1 April 2017
- (iii) Approves the fees and charges schedule as detailed in Appendix 4 of the attached report
- (iv) Approves the Housing Capital Programme for the five years 2017/18 to 2021/22 as set out in Appendix 6 of the attached report.