

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN & HRA BUDGET 2024/25

1. Approval of the Housing Revenue Account is a function reserved to full Council.
2. At its meeting on 24th January 2024, the Strategy and Resources Policy Committee received a report of the Executive Director, Neighbourhood Services, setting out the Housing Revenue Account (HRA) Business Plan and HRA Budget for 2024/25. Each year, the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead and to provide an updated 5-year plan and 30-year affordability profile.
3. The report provided the Strategy and Resources Policy Committee with an update on the current national and local housing context, regulatory requirements, and the priorities for Committee action, alongside capital and revenue spending plans for 2024/25, and indicated that the Housing Policy Committee would be responsible for overseeing the scrutiny and delivery of those plans on behalf of the Council housing tenants of Sheffield.
4. The HRA Business Plan had also been considered by the Housing Policy Committee at its meeting on 14th December 2023.
5. The resolution passed by the Strategy and Resources Policy Committee is set out below.

RESOLVED: That the Strategy and Resources Policy Committee recommends to the meeting of the Council on 7th February 2024 that:-

- (a) the Housing Revenue Account (HRA) Business Plan report for 2024/25 and the HRA Business Plan priorities for 2024/25, as set out in the Financial Appendix to this report, are approved;
- (b) the HRA Revenue Budget 2024/25, as set out in the Financial Appendix to this report, is approved;
- (c) it be noted that once adopted by the City Council, monitoring the delivery of HRA Business Plan priorities will be within the remit of the Housing Policy Committee and a regular performance reporting schedule will be approved;
- (d) rents for council dwellings are increased by 7.7% from April 2024, in line with the Regulator of Social Housing's Rent Standard;
- (e) garage rents for garage plots and sites are increased by 7.7% from April 2024;
- (f) the sheltered housing charge is increased by 6.7% from April 2024;
- (g) the burglar alarm charge is increased by 6.7% from April 2024;
- (h) the furnished accommodation charge is increased by 6.7% from April 2024;
- (i) there is no increase to the community heating charge at this time; and
- (j) rents for temporary accommodation are increased by 7.7% for 2024/25.

6. Paragraph (j) in the resolution passed by the Strategy and Resources Policy Committee was an additional recommendation to those set out in the report. Due to an administrative error, this had not been included as a recommendation in the report, although paragraph 2.16 in the report (set out below, in italics) specifically addresses the proposed increase for temporary accommodation. This oversight was reported at the meeting, enabling the recommendation to be approved by the Committee.

2.16. Members are also asked to recommend an increase in temporary accommodation charges and in charges for garage sites and garage plots in line with dwelling rents at 7.7%. Other fees and charges for burglar alarms, sheltered housing and furnished accommodation are proposed to increase by 6.7% in line with September 2023 inflation.

Recommendation

That the Council approves the Housing Revenue Account Business Plan and budget including the increases to rents and charges set out in the recommendations made by the Strategy and Resources Policy Committee, as above.

Options

Full Council may:-

- (i) approve in full the recommendations made by the Strategy and Resources Policy Committee; or
- (ii) approve with modification the recommendations made by the Strategy and Resources Policy Committee, subject to the caveats below.

In considering the options, Full Council must have full regard to the contents of the report to the Strategy and Resources Policy Committee including, in particular, the implications that are highlighted in the report. Full Council's attention is drawn to the statutory requirements noted in the report, that the Authority must:-

- (A) comply with the Regulator of Social Housing's Rent Standard, as a Registered Provider of Social Housing, and accordingly increase dwelling rents in accordance with the Government's Rent Policy Statement. The Policy Statement sets a ceiling on the rent increase for 2024/25 of no more than 7.7% and the Department for Levelling up, Housing and Communities has issued a Direction to the Regulator to that effect.
- (B) formulate proposals relating to HRA income and expenditure no later than February each year in accordance with Part VI of the Local Government and Housing Act 1989.

(NOTE: A copy of the report submitted to the Strategy and Resources Policy Committee, is attached together with a copy of the Council's Social Housing Asset Value Data 2022/23 published in accordance with the Local Government Transparency Code 2015.)

Ajman Ali, Executive Director, Neighbourhood Services