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Resources

Final Housing Revenue Account (HRA) Budget Proposals 2024/25, Rent Setting 2024/2025 and Housing Revenue Account Business Plan 2024/25

FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2025/26, RENT SETTING 2025/2026, AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2025/26

REPORT SUMMARY

- The report details the final Housing Revenue Account budget proposals for 2025/26
- The Housing Revenue Account is a ring-fenced account that is self-funded mainly by Council dwelling rents and expenditure consists of staffing to manage the provision, repairs and maintenance costs of the housing stock, capital financing costs to service the debt and revenue contributions towards the capital programme including decarbonisation and new developments.
- This report also sets out the proposed rents and service charges for the coming financial year 2025/26, as part of the Renting Homes (Wales) Act the Council is required to give 2 months' notice of any increase in Council Rents to Council Tenants.
- The report also sets out the annual 30 year Housing Business Plan which is in Appendix A this is supported by a detailed 30 year financial model. The submission deadline for the Housing Business Plan is the 31st March 2025.

REPORT RECOMMENDATIONS

1. The final Housing Revenue Account budget proposals for 2025/26 are recommended to Cabinet to for Council to approve as outlined in 2 to 6 below:
2. To approve the HRA Budget, and I'll go through this in the next slide
3. An average rent increase of 2.7% , as set out in paragraph 2.25 (typo in report refers to 2.17)
4. The increase suggested for other services as set out in the table below and in paragraphs 2.27 to 2.36. (report references 2.18 to 2.25)
5. All changes to rents and service charges be implemented from 1st April 2025, with the first week of April being a non-chargeable rent week and that increase notices are sent to tenants two months in advance of the new charges coming into effect as required by the Renting Homes (Wales) Act .
6. That Committee approves the Housing Revenue Account Business Plan 2025/55 attached at Appendix 1 to this Report.
7. This is just procedural

Final Proposed 2025/26 Budget	Original 2024/25	Change	Final Proposed Budget
Expenditure	£000	£000	£000
Supervision & Management – General	4,695	214	4,909
Supervision & Management – Special	1,949	13	1,962
Repairs & Maintenance	5,000	920	5,920
Capital Financing Costs	5,792	1,097	6,889
Rent, Rates, Taxes & Other Charges	270	28	298
Increase in Provision for Bad Debts	1,027	(336)	691
Capital Expenditure from Revenue Account (CERA)	8,197	(1,218)	6,979
	26,930	7,18	27,648
Income			
Dwelling Rents	(25,793)	(365)	(26,158)
Non Dwelling Rents	(186)	(13)	(199)
Interest	(45)	(170)	(215)
Charges For Services and Facilities	(684)	(133)	(81)
Contribution towards expenditure	(94)	(1)	(95)
Grant Income	(205)	0	(205)
	(27,007)	(682)	(27,689)
(Surplus)/ deficit for the year	(77)	36	(41)
Working Balance Brought Forward as at 1st April 2025	(3,524)	(667)	(4,191)
Working Balance Carried Forward as at 31st March 2026	(4,191)	(41)	(4,232)

**FINAL
PROPOSED
2025/26
BUDGET
HRA**

ANALYSIS OF BUDGET CHANGES

	£000
Original Budget 2024/25	(77)
Pay/Inflation	104
Savings	(656)
Committed Growth	2,184
Dwelling & Non Dwelling Rent Increase	(378)
Increase/(Decrease) in Capital Expenditure Revenue Account	(1,218)
Proposed Budget 2025/26	(41)

RENTAL INCREASES

	Based on 50 Chargeable weeks		
Type	Average Rent for 2024/25 per week based on actual stock level*	Proposed Average Rent per week Increase (+) / Decrease (-)	Proposed Average Rent per week for 2025/26
	£	£	£
Bungalow	122.24	3.30	125.57
Flat	106.72	2.88	109.58
House	132.96	3.58	136.07
Maisonette	116.61	3.15	119.70
TOTAL *	121.84	3.29	125.14

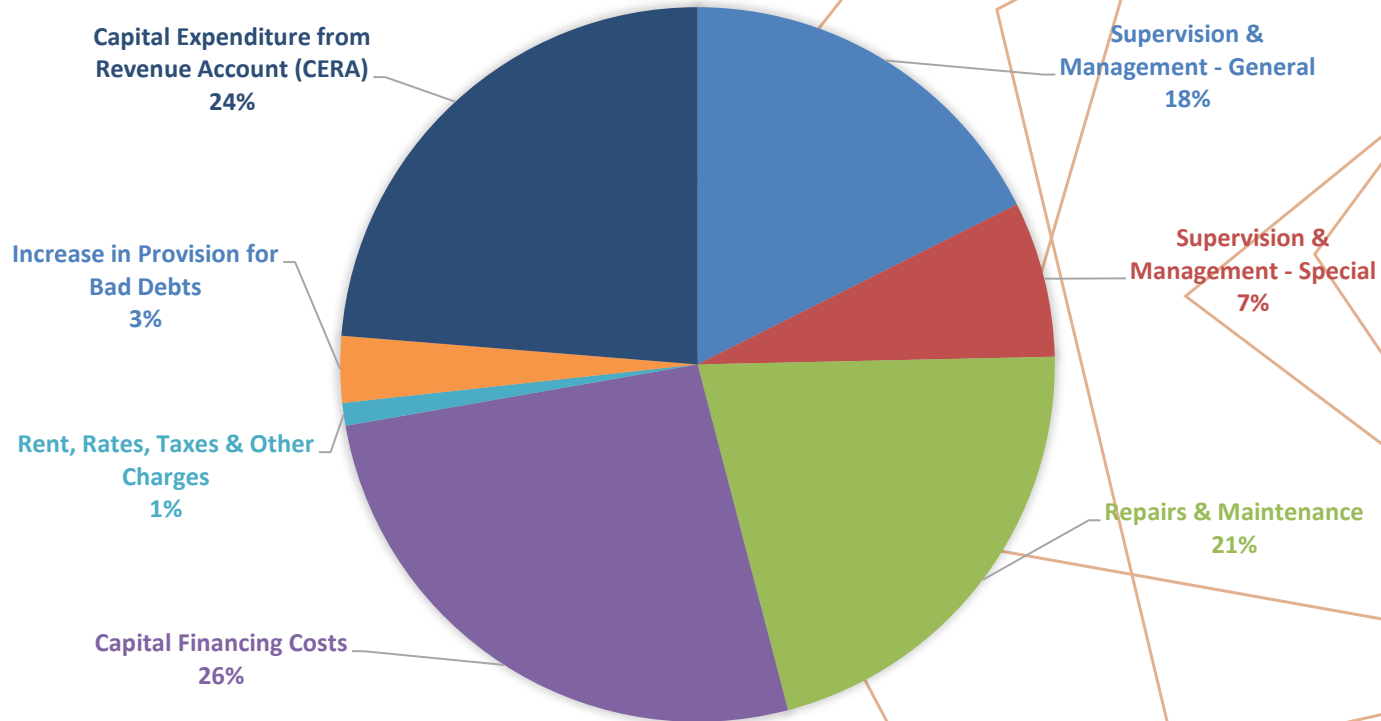
It is proposed that rents are increased by 2.7% which is the maximum allowable. The rents have been set in line with the Council's existing rent policy, which takes into account the number of bedrooms, type and size of property along with location, whilst still ensuring that the current Housing Business Plan commitments are achieved.

PROPOSED FEES AND CHARGES

50 Week Basis	2024/25 Actual Charges	2025/26 Proposed Charges	
	£	£	
Grounds Maintenance	1.49	1.51	per week
Cleaning of communal areas	2.92	3.00	per week
Lighting of communal areas	2.51	3.60	per week
Laundry Facilities	0.62	0.41	per week
Window Cleaning	0.18	0.18	per week
Lift Maintenance	1.33	1.25	per week
Door Entry	0.71	0.80	per week
Intercom	0.95	1.29	per week
CCTV	0.00	1.43	per week
Sewerage Treatment Plants	455.25	467.54	per annum
Cesspools	439.00	451.00	per annum

ANALYSIS OF 2025/26 BUDGET

GROSS EXPENDITURE BUDGET 2025/26

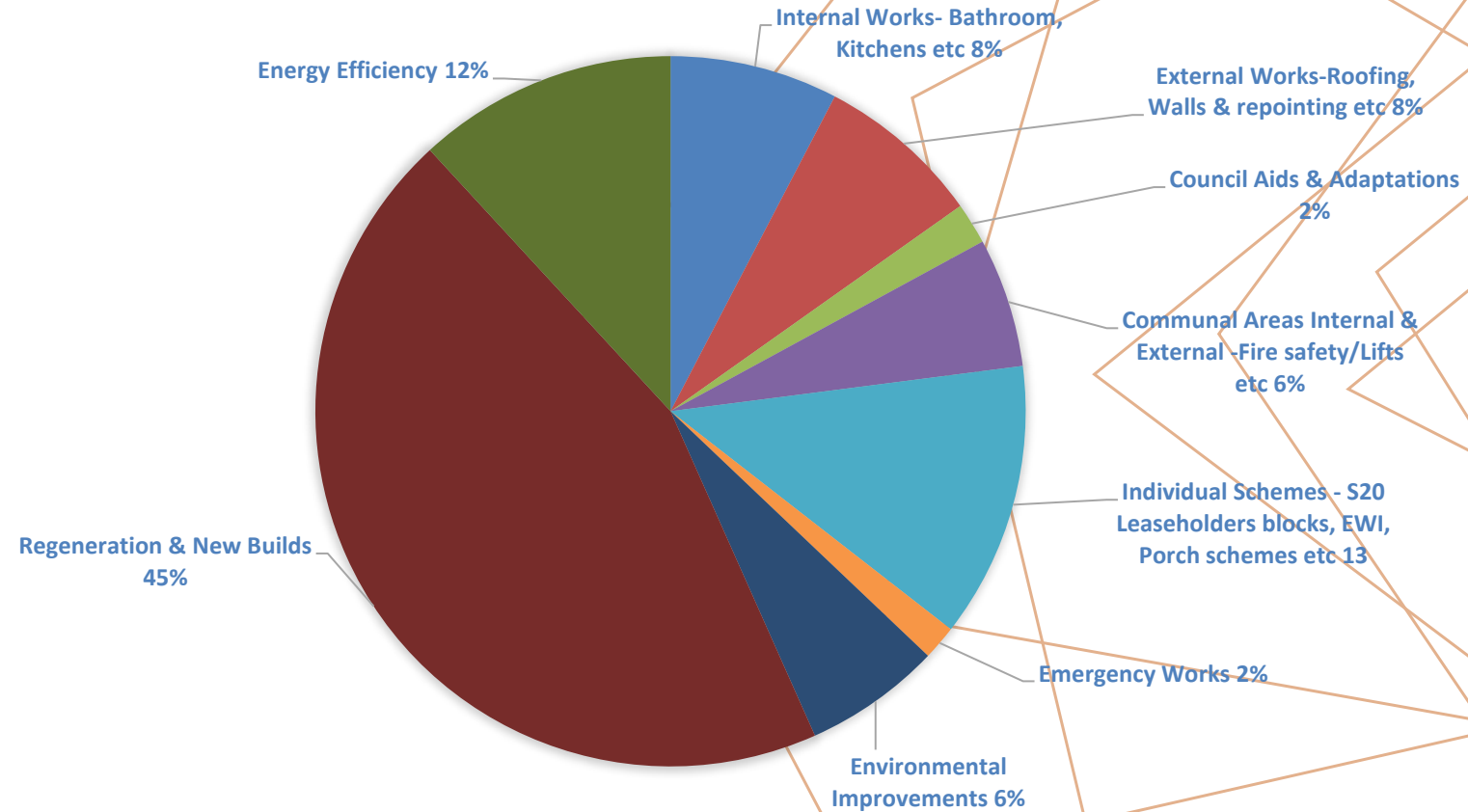


SUMMARY OF CAPITAL EXPENDITURE

Year	Year	WHQS & Other £'000	New Build £'000	Total Expenditure £'000	Estimated Number of Units No.
1	2025/26	14,059	11,418	25,477	126
2	2026/27	19,146	21,628	40,774	128
3	2027/28	25,217	36,578	61,795	183
4	2028/29	19,425	29,778	49,203	121
5	2029/30	18,473	33,078	51,551	131

SUMMARY OF CAPITAL EXPENDITURE

HOUSING IMPROVEMENT PROGRAMME 2025/26



NEXT STEPS

Date	Body	Activity
9th January 2025	Cabinet	Cabinet's final budget proposals and the Housing Business
13th January 2025	Council	Plan will be considered by Council at a Special meeting to be held on 13th January, 2025.
27th February 2025 10th March 2025	Cabinet Council	These proposals will be reflected in the Final Capital Proposals and Capital Strategy and Treasury Management Strategy which is due to be reported to a Cabinet meeting on 27th February, 2025 and Council on 10th March, 2025.
		The rent increases will take effect from 1st April, 2025.

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