

Housing Revenue Account Budget 2024/25

Appendix 4

	Proposed Budget 2024/25	
	£m	£m
Expenditure:		
Repairs and maintenance	4.315	
Supervision and management	4.066	
Rents, rates, taxes and other charges	0.057	
Depreciation and impairment of dwellings	1.935	
Depreciation and impairment of non-dwelling assets	0.195	
Debt management costs	0.017	
Movement in the allowance for bad debts	0.082	
Total Expenditure	10.667	
Income:		
Dwelling rents	(10.403)	
Non-dwelling rents	(0.453)	
Charges for services and facilities	(1.162)	
Total Income	(12.018)	
Net Total		(1.351)
HRA services' share of Corporate and Democratic Core		0.372
Net (Income)/Expenditure for HRA Services		(0.979)
HRA share of operating income and expenditure:		
Interest payable and similar charges		0.777
(Surplus)/Deficit for the Year on HRA Services		(0.202)
Adjustments between accounting basis and funding basis under regulations:		
Add the voluntary provision for the financing of capital investment	0.817	
Employer's pension costs	0.018	
Contribution from earmarked reserves	(0.633)	
Total Adjustments		0.202
(Surplus)/Deficit for the Year		0.000

Social Housing Rents 2024/25

In October 2017, the government announced its intention to set a long term rent policy in respect of annual rent increases on both social rent and affordable rent properties of up to CPI plus 1% from 1 April 2020, for a period of 5 years. The CPI figure for September 2023 was 6.7%, so under this policy the Council is permitted to apply a rent increase of up to 7.7% for 2024/25.

A key priority in the Council plan is to ensure people can thrive in their communities and the essential building blocks to this are safe, good quality housing and also consideration for the financial situation of tenants and the impact of inequalities and the disadvantages faced by the most deprived communities. The Joint Strategic Needs Assessment (JSNA), 2024 found higher than national average levels of poverty, unemployment and indicators of deprivation amongst households in Westmorland and Furness particularly in the Furness locality.

There are no known budget pressures on the Housing Revenue Account (HRA) for 2024/25; the reserve is being used to fund the housing maintenance programme which varies annually but is smoothed in-budget across the life of the Stock Condition Survey. Inflation is included as a pressure on the HRA for 2024/25, the reserve is there to manage the account and any volatility. A lower than permitted rent increase will therefore not place any financial constraints on the HRA. As such, it is proposed to increase social housing rents by 3.5% for 2024/25.

An increase in social rents of 3.5% will ensure that:

- Social housing properties can be maintained to the Decent Homes Standard (DHS) through routine and planned maintenance to provide safe, good quality homes for tenants but that
- The increase also takes into consideration the needs of local communities and the levels of deprivation faced by tenants within these communities. It recognises the financial pressure tenants may be under with the current cost of living crisis and poverty they may experience as a result

Tenants will continue to live in safe, good quality homes that are affordable and accessible to those most in need

Dwelling Rent 2024/25

The table below shows **average weekly rents (over 48 weeks)** for the Furness locality based on the proposed 3.5% increase.

Dwellings- Furness Locality			
No Bedrooms	2023/24	2024/25 (3.5%)	Increase
1 Bedroom	£77.86	£80.59	£2.73
2 Bedroom	£88.63	£91.73	£3.10
3 Bedroom	£101.45	£105.00	£3.55
4 Bedroom	£111.07	£114.96	£3.89

The table below shows **average monthly rents** for the Eden locality based on the proposed 3.5% increase.

Dwellings- Eden Locality			
No Bedrooms	2023/24	2024/25 (3.5%)	Increase
2 Bedroom	£480.00	£496.80	£16.80
3 Bedroom	£560.00	£579.60	£19.60

Rents & Charges

Rents of garages and service charges fall outside the scope of the Government’s rent policy. Authorities are expected to set reasonable and transparent charges which reflect the service being provided to tenants. The service charges of relevance here are staircase maintenance and will increase from £2.00 per week to £2.10 per week to ensure the costs of providing this service when inflation is applied can be met. The increase to garage rents is proposed to be the same as that for dwellings, 3.5%, consistent with the approach taken since 1 April 2020. The table below shows the increase in weekly rents (over 48 weeks).

Garages- Furness Locality			
Rate	2023/24	2024/25 (3.5%)	Increase
Lower Rate	£8.21	£8.50	£0.29
Upper Rate	£11.30	£11.70	£0.40