

Crawley Borough Council

Consideration Report for Delegated Decision by Cabinet Member for Housing

Housing Revenue Account Property Portfolio Rents for 2022/23

Expected Date of Decision: 2nd February 2022

Report of the Head of Crawley Homes Report number CH/196

1. Purpose

- 1.1 Varying the rent of dwellings held in the Housing Revenue Account is delegated to the Cabinet Member for Housing in consultation with the Head of Corporate Finance.
- 1.2 The purpose of the report is to present the recommended option.

2. Recommendations

- 2.1 To implement a CPI +1% increase for social and affordable dwelling rents
- 2.2 To increase shared ownership and hostel rents by CPI+1%

3. Reasons for the Recommendations

3.1 Dwelling Rents

3.1.1 Dwelling Rents.

*CPI = 3.10%

	0%	CPI	CPI + 1%
Income Target	£45,636,462	£46,952,984	£47,467,322
Less RTB Provision	(£212,712)	(£217,414)	(£223,825)
Add New Rents Estimate	£231,020	£238,181	£240,492
Voids & Re-Let Provision	(£308,312)	(£317,870)	(£320,953)
Projected Income Target	£45,346,457	£46,655,882	£47,163,036

3.2 Shared Owner Rents

- 3.2.1 The Council only has a small portfolio of shared ownership properties. It is proposed to increase these by CPI+1%

	0%	CPI	CPI + 1%
Income Target:	£436,940	£450,485	£454,854
Less Buybacks:	(£14,812)	(£15,271)	(£15,419)
Projected Income Target	£422,128	£435,214	£439,435

3.3 **Hostel Rents**

3.3.1 Hostel Rents.

	0%	CPI	CPI + 1%
Income Target	£509,432	£525,224	£530,318
Void Provision	(£130,000)	(£134,030)	(£135,330)
Projected Income Target	£379,432	£391,194	£394,988

3.4 **Other Fees and Charges Summary**

3.4.1 All other fees and charges will be reviewed as per the Pricing Strategy to maximise income generation and recover costs.

4. **Implications**

4.1 Changes in rental income have a significant impact on the HRA business plan projections and consequentially the Council's ability to both maintain its existing stock and develop new properties.

4.2 The HRA has seen a large increase in the cost of its repairs and maintenance contracts. This is due to a variety of reasons including an increased cost of supplies, high void numbers & high sickness levels resulting in the use of sub-contractors. We are currently estimating an additional budget requirement of £1.32m plus inflation for 2022/23. Without a subsequent increase in rents the availability of funds for future developments could be impacted.

4.3 The correction of the rent overcharge is estimated to cost the HRA £3.3million. The ongoing effect of these is included the tables above.

5. **Background Papers**

[2021/2022 Budget Monitoring - Quarter 2 Fin 535](#)
[Crawley Homes Rent Overcharge DCE/11](#)

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