

Appendices to Minute Number 85

Appendix 1

HRA Rent Setting Report - Rent Summary

Historic Rent Regime Weekly Rents - Formula, Current and Proposed Social Rents

- The Historic Rent Regime levels are slightly lower than Target Formula Rent
- It is estimated that approximately 2000 HRA dwellings are currently paying Target Formula Rents with approximately 400 dwellings per year transferring from the historic rents policy

Number of Bedrooms	2022/23	2023/24	2023/24	
	Historic Rents - Weekly Rent - Averages	Historic Rents - Proposed Weekly Rent - Averages	Proposed Average Weekly Rent 7% (Rent Cap %)	Increase in Weekly Rent 7% (Rent Cap %)
Studio	£66.43	£71.08	£4.65	7.0%
1	£83.73	£89.60	£5.86	7.0%
2	£92.08	£98.53	£6.45	7.0%
3	£104.24	£111.54	£7.30	7.0%
4	£113.71	£121.67	£7.96	7.0%
5	£154.37	£165.18	£10.81	7.0%
Averages Based on all HRA Social Rent Stock	£94.09	£100.68	£6.59	7.0%

Target Formula Weekly Rents - Formula, Current and Proposed Social Rents

- From April 2016 the national rent policy was updated with all NEW Social Rent Tenancies being charged Target Formula Social Rent
- Target Formula rents are applied when a dwelling becomes void and re-let, existing tenancies prior to this policy change continue under the historic rent regime with inflation linked in line with national rent policy

Number of Bedrooms	2022/23	2023/24	2023/24	
	Target Formula Rent - Averages	Target Formula Rent - Proposed Weekly Rent - Averages	Proposed Average Weekly Rent 7% (Rent Cap %)	Increase in Weekly Rent 7% (Rent Cap %)
Studio	£70.03	£74.93	£4.90	7.0%
1	£89.36	£95.62	£6.26	7.0%
2	£98.05	£104.91	£6.86	7.0%
3	£112.29	£120.15	£7.86	7.0%
4	£125.40	£134.18	£8.78	7.0%
5	£170.25	£182.17	£11.92	7.0%
Averages Based on all HRA Social Rent Stock	£100.69	£107.74	£7.05	7.0%

"Warwick" Affordable Rent - Existing Schemes Only from April 2021

- Prior to April 2021 "Warwick Affordable Rents" were charged which was a local policy to charge a mid point between National Affordable Rents and Target Social Rent
- In 2020 Homes England Investment Partner Status was achieved so National Affordable Rents will now apply from April 2021 on all new Affordable tenancies
- Existing tenants will continue to pay "Warwick Affordable Rents" for the remainder of their tenancy to ensure financial hardship is not caused by this policy change
- The average market rent for "Warwick Affordable Rent" Schemes is based on independent valuations prepared upon completion of Sayer Court (2016) and Bremridge Close (2019) by a RICS registered Valuer.
- The average market rent is based on median weekly rents data from Hometrack .
- Affordable rent is calculated at 80% of the market rent
- "Warwick" affordable rent is calculated at the midpoint between affordable rent and target social rent
- Some affordable rents properties are subject to a service charge of £7.39 per week

Number of Bedrooms & Property Type (sc/B denotes different schemes)	2022/23 Rent Per Week	2023/24 Rent Per Week		
	Average "Warwick" Affordable Rent (existing tenancies)	Warwick Affordable Rent *** (existing tenancies Only)	Average Proposed increase for Existing Tenants Only from 1st April 2023	
1 Apartment (SC)	£114.03	£122.01	£7.98	7.0%
2 Apartment (SC)	£138.29	£147.97	£9.68	7.0%
2 Bungalow (SC)	£150.71	£161.26	£10.55	7.0%
3 Bungalow (SC)	£176.78	£189.16	£12.37	7.0%
2 House (B)	£134.92	£144.36	£9.44	7.0%
3 House (B)	£158.37	£169.45	£11.09	7.0%
2 Bungalow (B)	£134.92	£144.36	£9.44	7.0%

National Affordable Rent - New Affordable Schemes from April 2021

- National Affordable Rents Policy will apply to all Affordable Tenancies from April 2021.
- Historic Affordable Housing Stock currently paying "Warwick Affordable" Rents will transfer to the National Affordable rent levels when dwellings become void and are re-let.
- Affordable rent is calculated at 80% of the market rent using the Average Market Rents sourced from Hometrack for the Warwick District area at December 2020

Existing Tenancies

Number of Bedrooms	2021/22 Rent Per Week		2022/23 Rent Per Week			2023/24 Rent Per Week		
	Average Local Market Rent (Hometrack Dec 2020)	Average Affordable Rent - 80% of local Market Rent	Average Affordable Rent - 80% of local Market Rent	Proposed increase for Existing Tenants Only	2022/23 Proposed Average Increase in Weekly Rent 4.1% (CPI 3.1% + 1%)	Average Affordable Rent - 80% of local Market Rent	Proposed increase for Existing Tenants Only	2023/24 Proposed Average Increase in Weekly Rent 7% (Rent Cap %)
1	£159.00	£127.20	£132.42	£5.22	4.1%	£141.68	£9.27	7.0%
2	£196.00	£156.80	£163.23	£6.43	4.1%	£174.65	£11.43	7.0%
3	£259.00	£207.20	£215.70	£8.50	4.1%	£230.79	£15.10	7.0%
4	£350.00	£280.00	£291.48	£11.48	4.1%	£311.88	£20.40	7.0%

New Tenancies from April 2023

Number of Bedrooms	2023/24 Rent Per Week	
	Average Local Market Rent (Hometrack Dec 2022)	Average Affordable Rent - 80% of local Market Rent
1	£173.00	£138.40
2	£219.00	£175.20
3	£300.00	£240.00
4	£392.00	£313.60

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Appendix 2

WDC HRA Rent Setting Report - Rent Comparisons 2023/24

Comparison to Local Market Rents - WDC Historic Rents Regime - Average Rents

- The overall average rents charged for HRA dwellings are compared with the average market rents
- Median local average private market rents (as at December 2019) from Hometrack
- The Council currently charges Historic Social Rent, Target Formula Social Rent, "Warwick Affordable Rents", National Level Affordable Rents (From April 2021) - All are inflated by CPI+1
- Shared Ownership Rents are excluded from this exercise and inflated by RPI+0.5% in line with the lease agreement

Number of Bedrooms	2022/23 WDC Average Weekly Rent	2023/24 WDC Proposed Average Weekly Rent (inflated by 7% Rent Cap)	Hometrack Local Average Weekly Market Rent (Dec 2022)	Difference between Proposed WDC Rent and Market Rent	Proposed 2022/23 WDC Rent as a % of Market Rent
1 Bedroom	£83.73	£89.60	£173.00	-£83.40	52%
2 Bedroom	£92.08	£98.53	£219.00	-£120.47	45%
3 Bedroom	£104.24	£111.54	£300.00	-£188.46	37%
4 Bedroom	£113.71	£121.67	£392.00	-£270.33	31%
Average 2022/23 Proposed WDC Rent as a % of Market Rent					41%

Comparison to Local Market Rents - Target Formula Rents

- From April 2016 the national rent policy was updated with all NEW Social Rent Tenancies being charged Target Formula Social Rent
- Target Formula rents are applied when a dwelling becomes void and re-let, existing tenancies prior to this policy change continue under the historic rent regime with inflation linked in line with national rent policy
- It is estimated that approximately 1600 HRA dwellings are currently paying Target Formula Rents

Number of Bedrooms	2022/23 WDC Average Formula (Target) Rent	2023/24 WDC Proposed Average Formula (Target) Rent (inflated by CPI+ 1%)	Hometrack Current Local Average Weekly Market Rent	Difference 2023/24 WDC Formula Rent to Market Rent	2023/24 WDC Formula Rent as a % of Market Rent
1 Bedroom	£89.36	£95.62	£173.00	-£77.38	55%
2 Bedroom	£98.05	£104.91	£219.00	-£114.09	48%
3 Bedroom	£112.29	£120.15	£300.00	-£179.85	40%
4 Bedroom	£125.40	£134.18	£392.00	-£257.82	34%

Comparison to Local Market Rents - Affordable Rents (National Level)

- Prior to April 2021 "Warwick Affordable Rents" were charged but Homes England Investment Partner Status was achieved in 2020 so National Affordable Rent applies from April 2021 on all new Affordable tenancies

Number of Bedrooms	2023/24 Hometrack Local Average Weekly Market Rent	2023/24 Affordable Rent 80% Local Market Rent	Difference 2023/24 Affordable Rent to Local Market Rent	2023/24 Affordable Rent as a % of Market Rent
1 Bedroom	£173.00	£138.40	-£34.60	80%
2 Bedroom	£219.00	£175.20	-£43.80	80%
3 Bedroom	£300.00	£240.00	-£60.00	80%
4 Bedroom	£392.00	£313.60	-£78.40	80%

Comparison to National Formula Rent Caps - Target Formula Rent

- Annual Target Formula Rent Caps represent the highest possible rents that can be charged to Social Housing tenants.
- The Rent Cap Data is as per the Regulator of Social Housing Publication "Limit on annual rent increases 2021-22"
- Formula Rent Caps are applicable from the 1st April each year

Number of Bedrooms	Target Formula Rent Caps for 2023-24 + 7% Rent Cap as data not yet published.	WDC Average Formula Rents 2023/24	Difference between WDC Average Formula Rents and Rent Cap	WDC Rents as a % of Formula Rent Caps
1 Bedroom	£166.63	£95.62	-£71.02	57%
2 Bedroom	£176.41	£104.91	-£71.50	59%
3 Bedroom	£186.21	£120.15	-£66.06	65%
4 Bedroom	£196.00	£134.18	-£61.82	68%

Comparison to Local Housing Allowance Limit - Target Formula Rent

- LHA (Local Housing Allowance) is the cap for housing benefit for those who rent privately, subject to other eligibility criteria.
- Rates shown are for the Warwickshire South Broad Rental Market Area, December 2020 sourced from the Valuation Office Agency via Direct Gov
- LHA does not apply to council tenants; it is shown to illustrate the highest rents that can be supported by housing benefit in the private rented sector.

Number of Bedrooms	LHA Local Housing Allowance Limit ** (Dec 2022)	WDC Average Formula Rents 2023/24	Difference between WDC Average Formula Rents and LHA	WDC Rents as a % of LHA Rent Caps
1 Bedroom	£143.84	£95.62	-£48.22	66%
2 Bedroom	£172.60	£104.91	-£67.69	61%
3 Bedroom	£207.12	£120.15	-£86.97	58%
4 Bedroom	£276.16	£134.18	-£141.98	49%

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Appendix 3 - HRA Budgets 2022/23 - 2023/24

HOUSING SERVICES - HOUSING REVENUE ACCOUNT		Outturn	Original Budget	Latest Budget	Original Budget	Variance	Variance
		2021/22	2022/23	2022/23	2023/24	2022/23	2023/24
		£	£	£	£	£	£
		A	B	C	D	C - B	D - B
6999 HOUSING REVENUE ACCOUNT							
EXPENDITURE							
10-0-6999-10000-64500	Housing Repairs Supervision	698,432	942,000	942,000	942,000	0	0
10-0-6999-10000-62111	HRA Repairs and Maintenance	6,228,207	6,350,100	7,705,500	8,424,500	1,355,400	2,074,400
10-0-6999-10000-62201	Electricity	36	0	0	0	0	0
10-0-6999-10000-62202	Gas	14	3,000	3,000	12,000	0	9,000
10-0-6999-10000-62204	Wood Fuel - Bio-Mass boiler	0	0	0	0	0	0
10-0-6999-10000-62400	Rates	44,984	50,600	50,600	50,600	0	0
10-0-6999-10000-62401	Council Tax	281,586	145,100	145,100	145,100	0	0
10-0-6999-10000-62500	Water Rates	48,183	42,300	42,300	42,300	0	0
	PREMISES	7,301,442	7,533,100	8,888,500	9,616,500	1,355,400	2,083,400
10-0-6999-10000-65105	Debt Recovery Agency Costs	0	4,100	4,100	4,100	0	0
10-0-6999-10000-64503	Grants-Revenue	810	0	0	0	0	0
10-0-6999-10000-64950	Contributions To Provisions	0	77,200	77,200	77,200	0	0
10-0-6999-10000-64951	Bad Debts Provision	(31,782)	402,600	402,600	402,600	0	0
10-0-6999-10000-67001	Inter department Charges	0	0	119,400	0	119,400	0
	SUPPLIES AND SERVICES	(30,971)	483,900	603,300	483,900	119,400	0
10-0-6999-10000-67000	Supervision & Management - General	2,810,027	2,602,800	3,557,800	4,376,200	955,000	1,773,400
10-0-6999-10000-67101	Supervision & Management - Special	3,348,872	3,726,100	4,633,000	4,864,100	906,900	1,138,000
	SUPPORT SERVICES	6,158,898	6,328,900	8,190,800	9,240,300	1,861,900	2,911,400
10-0-6999-10000-68100	Depreciation on Equipment	5,604,451	6,206,500	6,206,500	6,206,500	0	0
10-0-6999-10000-68101	Depreciation on Council Dwellings	497,509	0	0	0	0	0
10-0-6999-10000-68102	Depreciation on Other HRA Properties	47,597	0	0	0	0	0
	CAPITAL CHARGES	6,149,557	6,206,500	6,206,500	6,206,500	0	0
	GROSS EXPENDITURE	19,578,926	20,552,400	23,889,100	25,547,200	3,336,700	4,994,800
INCOME							
10-0-6999-10000-43000	Fees+Charges General	0	(2,000)	0	0	2,000	2,000
10-0-6999-10000-43021	Other Licences	(745)	(4,200)	(4,200)	(4,200)	0	0
10-0-6999-10000-43016	Heating Charges	(580,590)	(574,100)	(206,000)	(209,500)	368,100	364,600
10-0-6999-10000-43034	Service Charges	(20,000)	0	0	0	0	0
10-0-6999-10000-43001	Service Charges Leasehold	(6,737)	0	0	0	0	0
10-0-6999-10000-43500	Rents-Others	(1,082,287)	(1,883,500)	(353,700)	(353,700)	1,529,800	1,529,800
10-0-6999-10000-43501	Rents-Housing	(25,736,608)	(26,341,100)	(26,341,100)	(28,185,000)	0	(1,843,900)
10-0-6999-10000-43502	Rents-Shared Ownership	(54,422)	(100,000)	(100,000)	(107,000)	0	(7,000)
10-0-6999-10000-43503	Rents-Garages	0	0	(764,900)	(767,900)	(764,900)	(767,900)
10-0-6999-10000-43504	Use and Occupation - Homeless	0	0	(33,000)	(33,000)	(33,000)	(33,000)
10-0-6999-10000-43505	Rents-Affordable	0	0	(731,800)	(783,100)	(731,800)	(783,100)
10-0-6999-10000-43506	Recharges - Water	0	0	(34,500)	(34,500)	(34,500)	(34,500)
10-0-6999-10000-43507	Recharges - Heating & Lighting	0	0	(335,700)	(335,700)	(335,700)	(335,700)
10-0-6999-10000-69002	General Fund	(39,400)	(38,700)	(38,700)	(38,700)	0	0
	GROSS INCOME	(27,520,789)	(28,943,600)	(28,943,600)	(30,852,300)	0	(1,908,700)
	NET INCOME FROM SERVICES	(7,941,864)	(8,391,200)	(5,054,500)	(5,305,100)	3,336,700	3,086,100
10-0-6999-40010-49003	Interest-Balances	(15,100)	(304,200)	418,200	1,374,000	722,400	1,678,200
10-0-6999-40013-69101	Capital Charges - Adj	0	(100,000)	(100,000)	(100,000)	0	0
	NET OPERATIONAL INCOME	(7,956,964)	(8,795,400)	(4,736,300)	(4,031,100)	4,059,100	4,764,300
APPROPRIATIONS							
10-0-6999-10000-68000	Reversal of Notional Interest	14,585,100	14,357,000	0	0	(14,357,000)	(14,357,000)
10-0-6999-10000-68001	Reversal of Notional Interest	(14,585,100)	(14,357,000)	0	0	14,357,000	14,357,000
10-0-6999-40009-68002	External Interest	4,765,564	4,765,600	4,765,600	4,765,600	0	0
10-0-6999-40017-69000	Approp HRA Resource Equiv to Depn to MRR	(6,149,557)	0	0	0	0	0
10-0-6999-40017-69013	Approp from CAA to Offset HRA Resources	6,149,557	0	0	0	0	0
10-0-6999-40003-69001	Capital financing	3,273,754	0	0	0	0	0
10-0-6999-40003-69310	Cap Fin-Rev Contr to Cap Outlay(GF+HIP)	0	119,600	119,600	119,600	0	0
10-0-6999-40017-69002	Cont from Reserves	464,636	73,400	73,400	73,400	0	0
10-0-6999-40017-69014	Contrib HRA Capital Invest Reserve (Dr)	3,893,321	4,220,700	281,000	(652,400)	(3,939,700)	(4,873,100)
10-0-6999-40002-49321	Recognised gains/losses -asset sales	2,221,225	0	0	0	0	0
10-0-6999-40008-69011	F Assets sales b/s val trf to I & E a/c	(2,221,225)	0	0	0	0	0
10-0-6999-40017-69001	Capital financing	(3,177,863)	0	0	0	0	0
10-0-6999-40017-49002	Cont from Reserves	(650,300)	(100,000)	(219,400)	(100,000)	(119,400)	0
10-0-6999-40001-69200	employee benefits accruals (cr)	9,139	0	0	0	0	0
10-0-6999-40016-49200	Net IAS19 Charges for Retirement Benefits	(1,251,006)	(878,800)	(878,800)	(1,490,200)	0	(611,400)
10-0-6999-40006-69102	Employers Contribs payable to Pension Fd	421,950	402,000	402,000	928,800	0	526,800
10-0-6999-40012-69302	Pensions Interest+Rate of Return Assets	169,070	165,700	165,700	359,100	0	193,400
	TRANSFER (TO) / FROM HRA RESERVE	(38,700)	(27,200)	(27,200)	(27,200)	0	0
	Balance Brought Forward	(1,482,900)	(1,513,100)	(1,513,100)	(1,540,300)		
	HRA BALANCE CARRIED FORWARD	(1,521,600)	(1,540,300)	(1,540,300)	(1,567,500)	0	0

Appendix 4 - 2023/24 Sheltered Heating, Lighting and Miscellaneous Charges

The Charges necessary to fully recover costs are calculated annually from average consumption over the last 3 years, updated for current costs. The use of an average ensures that seasonal and yearly variations are reflected in the calculation

As Heating, Lighting and water charges are intended to be cost recovery it is proposed that from 2019/20 the charges are agreed following the methodology above by the Head of Housing, Head of Finance and in consultation with the relevant portfolio holders, any changes to the income will be reflected in the HRA rent setting report.

Heating, Lighting and Miscellaneous Recharges	Current Charge per Week 2022/23	Proposed Charge per Week 2023/24	Proposed Increase/ (Decrease) per week 2023/24	Total Cost per year
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa	£	£	£	
No's 1-12, 14-41	12.95	21.4	8.45	1,112.80
No's 43, 44, 46, 47 (Misc. Charge Only)	1.85	1.85	0	96.20
Tannery Court, Bertie Road, Kenilworth				
No's 1, 2, 4-6, 7a, 8-12, 22a, 14-40	11.40	11.70	0.30	608.40
Yeomanry Close, Priory Road, Warwick				
No's 1-12,14-32	12.15	18.1	5.95	941.20
James Court, Weston Close, Warwick				
No's 1-12, 14-26	10.50	15.00	4.50	780.00
Chandos Court, Chandos Street, Royal Leamington Spa				
No's 1-12,11a, 25a,14-46	15.35	25.25	9.90	1,313.00
Radcliffe Gardens, Brunswick Street, Royal Leamington Spa				
Bedsits and 1 Bed Flats	9.55	20.30	10.75	1,055.60
2 Bedroom Flats	14.30	30.45	16.15	1,583.40

Water Recharges Weekly Cost Analysis	Acorn Court	Tannery Court	Yeomanry Close	James Court	Chandos Court
	£	£	£	£	£
Charge payable for 2022/23 per week	3.97	4.13	2.86	2.91	3.55
Proposed weekly charge 2023/24 per week	3.55	4.03	2.64	5.51	3.82
Difference between 2022/23 & 2023/24	-0.43	-0.11	-0.22	2.60	0.27

Total Cost per year	184.36	209.45	137.42	286.38	198.79
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