



Report for: DECISION
Item Number: 10

Contains Confidential or Exempt Information	NO
Title	Housing Revenue Account (HRA) Business Plan 2017/18
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For Consideration By	Cabinet
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Affected Wards	All
Keywords/Index	Housing, Revenue, Account, (HRA), 30 Year, Finance Plan, Capital Programme, 2017/18, Budget, Tenants, Charges, Rent

Purpose of Report:

The report provides cabinet with

1. A 30 year financial plan for the Housing Revenue Account (HRA).
2. An update on the approved housing capital programme (to date).
3. A profile of the capital programme over the lifetime of the HRA financial plan.

1. Recommendations:

It is recommended that Cabinet:

- 1.1. Approves the HRA 5 year capital programme for 2017/18 to 2021/22, total £379.119m. This includes:
 - 2016-17 capital programme slippage of £25.842m into future years.
 - Indicative additions on schemes to the value of £143.425m over the 5 year programme, subject to future Cabinet approval of the detailed business case
- 1.2. Approves the HRA 5 year revenue budgets for 2017/18 to 2021/22 (table1)
- 1.3. Notes the HRA 30 year revenue budgets for 2017/18 to 2046/47 (appendix 3)

- 1.4. Notes the HRA 30 year capital programme for 2017/18 to 2046/47 (appendix 2)
- 1.5. Notes the HRA reserves and balances for the 5 year Medium Term Financial Strategy (MTFS), including the use of right to buy (RTB) capital receipts, as outlined in section 3.8.
- 1.6. Notes the update to the additional borrowing headroom approved by the Secretary of State under the Governments Local Growth Fund. This permits the HRA borrowing for a programme to build new affordable homes as detailed in section 3.1.5 to 3.1.6.

2. Reason for Decisions and Options Considered

2.1. This report is required in order to:

- 2.1.1. Set the 5 year capital programme 2017/18 to 2021/22;
- 2.1.2. Set the HRA 5 year MTFS;
- 2.1.3. Note the HRA 30 year business plan;

2.2. For this Cabinet to agree the 2017/18 budget and the MTFS for 2017 to 2022 and the impact on the longer term 5/30 year HRA financial model.

3. Key Implications

3.1. Growth and savings figures are identified to ensure that all known factors are taken into account when setting rents and protecting the financial health of the HRA.

3.2. The report highlights the MTFS for the HRA and provides an indication of the future level of HRA reserves, based on assumed rent changes, efficiencies and other variables as set out in the report.

3.3. The Council's Housing and Homelessness Strategy 2014-2019

Since 2014 we have been working to meet the objectives in our Housing and Homelessness Strategy and the recommendations identified in the Ealing Housing Commission Report 2012 in respect of the management of our assets to:

- Maintain a commitment to socially rented homes and security of tenure of our own stock to meet housing need
- Work in partnership with housing associations which are part of the Affordable Rent programme to ensure rents are as low as they can be and tenancies as secure as possible
- Begin developing homes for private sale and rent to provide cross subsidy for social housing and help create sustainable mixed tenure communities.
- Use the asset management strategy to identify estates in need of major investment for inclusion in the estates improvement programme
- Consider directly providing housing for private rental as part of its own developments and regeneration schemes
- Use the capacity in the rent model to support the construction of new social rented homes

3.4. Background – The HRA

- 3.4.1. The HRA covers revenue expenditure and income relating to the Council's own housing stock. It is an account that is ring fenced from the Council's General Fund with statutory guidance about the items that can be charged and credited to it. Generally speaking the account must include all costs and income relating to the Council's landlord role (except in respect of leased accommodation for households owed a homeless duty and in respect of accommodation provided other than under Housing Act powers). The Council has a legal duty to budget to ensure the account remains solvent and to review the account throughout the year.
- 3.4.2. Since 2012/13 within the borrowing limits set on their HRA, councils were encouraged to increase rent year on year in line with government guidelines, this assumes increases above inflation. Revenue surpluses generated from income exceeding cost were used to fund future capital stock improvement and enable new housing to be built, as well as contribute towards other revenue funded services for tenants.
- 3.4.3. However, the Welfare and Reform Act 2015 introduced the reduction of social housing rents by at least 1% a year for four years from April 2016. The overall impact of a 1% cut over this period for Ealing is at least £13.855m. This has an effect on funding available from rental income to invest in new development and service provision.
- 3.4.4. In the coming years, there will also be a considerable reduction in the number of homes directly managed by the Council as a result of the Estate Regeneration Programme. The Council has entered into partnerships with Registered Providers across all of its regeneration sites, except Copley Close and High Lane. While each scheme is designed to replace social housing that is lost through demolition, new homes will be owned and managed by our partners. Over the length of the five year business plan this equates to 8% fewer council tenants. Fewer tenants equal a reduced rental income and management costs per unit will increase unless we are proactive in our response. One of the key challenges for the Council going forward will be to manage this transition effectively. This means continuing to invest in our housing stock and striving to provide high quality services tailored to our residents' needs.
- 3.4.5. The Council continues to have a secure financial footing to support its ambition to invest, over the medium term, in the housing stock. This includes regeneration and improvement programme on Copley Close, continuation of the Council new build scheme, enabling of the estate regeneration programme, investment in sheltered housing and significant environmental works to other estates as well as other revenue based service initiatives.
- 3.4.6. The 2016/17 and 2017/18 HRA capital programme forecast positions (at period 8) were reported in Appendix 2 and 3 at cabinet on 17 January 2017. The proposed 2017/18 capital programme now

includes further slippage and adjustments identified (at period 9) to present a budget of £128.913m.

3.5. Revenue Budgets

The table below shows the HRA achieving a balanced budget over the MTFS period.

Table 1: HRA Revenue budgets 2017/18 to 2021/22

Years	0	1	2	3	4	5
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m	£m
Dwelling Rent	(59.783)	(58.133)	(57.034)	(56.086)	(54.612)	(53.804)
Commercial Rent	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)
Garages	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)
Service Charges	(5.536)	(5.886)	(5.765)	(5.737)	(5.528)	(5.417)
Heating & Hot Water	(1.852)	(1.852)	(1.850)	(1.854)	(1.853)	(1.854)
Interest On Balances	(0.155)	(0.155)	(0.342)	(0.373)	(0.388)	(0.458)
Total Income	(68.551)	(67.250)	(66.215)	(65.273)	(63.605)	(62.757)
Housing Management	18.625	18.756	20.022	18.591	18.685	18.156
Estate Regeneration	3.115	3.115	3.115	3.115	3.115	3.115
Property & Estate Services	5.129	4.987	4.987	4.987	4.987	4.987
Repairs & Maintenance	13.276	12.586	12.436	12.436	12.436	12.436
Rent And Rates	1.005	0.405	0.405	0.405	0.405	0.405
Interest Repayments	8.966	8.966	8.616	9.105	9.005	8.982
Provision For Bad Debts	0.750	0.750	0.750	0.750	0.750	0.750
Depreciation	13.654	9.021	9.021	9.021	9.021	9.021
RCCO	4.031	8.664	8.663	8.664	5.201	4.904
TOTAL EXPENDITURE	68.551	67.250	68.015	67.073	63.605	62.757
HRA (Surplus)/Deficit	-	-	1.800	1.800	-	-
UNIDENTIFIED SAVINGS	-	-	(1.800)	(1.800)	-	-

3.6. 1% rent reduction

3.6.1. In 2016/2017 the HRA reserve was used to absorb the impact of the 1% rent reduction. The HRA rent setting report for 2017/18 went to January 2017 Cabinet for approval. This set the rents in line with the Welfare and Reform Act 2015, which introduced the reduction in social rents by at least 1% a year from April 2016 for four years.

3.6.2. The HRA had found efficiencies and savings to the value of £1.2m in order to set a balanced budget in 2017/18 against a 1% rent reduction. The details of the approved 2017/18 revenue budgets are contained within the January 2017 Cabinet report.

3.6.3. The continuation of the rent reductions over the four year period have led to the HRA requiring further savings of £1.8m in years 2018/19 to 2019/20. These savings are unidentified at present and the Council will look to achieve these without compromising the value or quality of services to residents.

3.7. Interest Repayments

The HRA capital programme is financed by funding streams which includes internal borrowing sources made available to it. The increase in interest repayments over the

5 year medium term financial strategy (MTFS) is driven by approved additions to the capital programme.

3.8. Reserves summary

Table 2: Estimated as at 31 March 2016/17- 2019/20

HRA Reserves	Opening Balance 2016/17 £m	Drawdown £m	Closing Balance 2016/17 £m	Estimated Closing Balance 2017/18 £m	Estimated Closing Balance 2018/19 £m	Estimated Closing Balance 2019/20 £m	Estimated Closing Balance 2020/21 £m	Estimated Closing Balance 2021/22 £m
Estate Regeneration Delivery Fund	8.829	0.000	8.829	8.829	8.829	8.829	8.829	8.829
Leaseholder Control Account	1.631	0.000	1.631	1.631	1.631	1.631	1.631	1.631
RTB 1-4-1 Receipts	23.718	(1.314)	22.404	13.645	16.461	16.674	17.032	17.543
Debt Repayment Receipt	7.716	1.493	9.209	7.303	4.965	4.408	2.367	0.029
Other Capital Receipts	5.234	(0.188)	5.046	5.735	6.414	9.536	8.036	19.022
R&M Reserve	2.500	0.000	2.500	2.500	2.500	2.500	2.500	2.500
S106 Contribution	0.125	0.000	0.125	0.125	0.125	0.125	0.125	0.125
	49.753	(0.009)	49.744	39.769	40.926	43.705	40.520	49.680

3.8.1. The level of other balances totals £49.753m as at 1 April 2016. This includes capital costs recovered from leaseholders' contributions from capital schemes and capital receipts from the sale of HRA property or land ring-fenced to the HRA, as well as 1-4-1 RTB receipts and previously accumulated revenue balances.

3.8.2. The Council's total level of other HRA reserves (both capital and revenue) is expected to be £49.745m as at 31st March 2017.

3.8.3. In addition, it is prudent to retain reserves of at least 5% of total budgeted income which would equate to a reserve of £3.35m. The Council have maintained a reserve level of £4.926m, exceeding the 5% retention target, to bear the risk of the extensive regeneration programme.

3.8.4. The Council entered into and signed a retention agreement on 27th June 2012. This is in regards to disposal of HRA properties to tenants qualifying under the RTB scheme. Under this agreement, the Government requires 30% of retained RTB capital receipts are 70% match funded for the provision of social housing. This should be achieved within 36 months of retaining the capital receipts, otherwise the receipts must be returned to Government with interest at 4% compound interest.

3.9. The Housing Revenue Asset Management Strategy, March 2013

The capital budgets fund the programmes set up to deliver our Asset Management Strategy, which informs the strategic medium and long term approach to our housing assets. It sets out our strategic priorities that aim to strike a balance between investment and improvements to the existing stock and opportunities to change and increase the level of our stock. The strategic priorities are:

- To ensure well designed repair and maintenance systems that ensure the stock is kept in a good state of repair and meets the Ealing Standard for Accommodation.

- To ensure current, robust and accurate data about its assets and the necessary IT systems and processes to analyse and use the data effectively.
- To develop a long term strategy to improve the thermal efficiency of HRA stock, reducing carbon emissions and fuel poverty.
- To get the best value from our stock by replacing obsolete or uneconomic stock with improved or new assets that are better designed to meet future needs and maintain a balanced portfolio.
- To regenerate Ealing's neighbourhoods and estates.
- To identify land (HRA, General Fund or non-council) to build additional homes and increase the number of council owned homes available and identify opportunities for acquisition of properties and land to match housing need, location and type.
- To ensure that specialist housing continues to cater to the needs of particular groups, including housing for older people, special needs and hostels.

3.10. Capital Budgets

3.10.1. The delivery programmes and achievements to date

The HRA financial regime and our associated rent income base has allowed the Council to develop the HRA capital programme beyond the former level of planned maintenance and completed Decent Homes works into a comprehensive stock improvement programme and large scale estate regeneration programme. The work is delivered through four main programmes receiving capital funding.

3.10.2. Housing Stock Investment

This is the programme which seeks through its various work strands to maintain and improve the standard of the 11,600 tenanted and 4,800 leasehold properties managed by the council. This includes works on properties both internally and externally. Crucially all mechanical, electrical, fire safety and asbestos works must meet all legal requirements. Additionally on estates there will also be modernisation works incorporating technologies such as solar Photovoltaic (PV) cells. The programme to date has delivered:

Public realm Improvements on Islip Manor estate:
Improvements to 12 areas of the estate, including new parking areas, landscaping, and upgrading of CCTV. These works are valued at up to £2.1m
Thermal efficiency, fuel poverty, and carbon reduction works on a variety of estates:
Valued at up to £0.400m, this scheme aims to bring all the Council's stock up to SAP rating C
External wall insulation on solid wall properties at Bramley Road, focussed on the insulation of 20 maisonettes, valued at £0.250m
Cavity wall insulation programme at Smiths Farm at circa 280 properties
Installation of solar photovoltaic cells (solar panels) on sheltered schemes and some suitable houses, including at Poplars Hostel, providing an estimated energy saving of £13,000 per annum
Window replacements at 30 properties, as part of a project to replace 244 window and door units in 2017/18, at an average cost of £3807 per unit.
Lift replacements at 30 sheltered Housing Schemes:
Part of a larger lift replacement scheme which is due to finish on 27th November 2017

Average cost per lift circa £0.130m, funded by an annual allocation of £0.750m from the 2015/16 HRA Stock Investment Programme
Extension and refurbishment of Poplars Hostel accommodation:
Increase capacity from 85 bed spaces in 32 bedrooms, to 216 bed spaces over 59 self-contained units
Includes the addition of a 'social hub' for local residents to utilise,
Phase one (July 2017) will deliver 31 refurbished and new units to house 120 people, 2 of which are fully adapted units
Phase one (2016/17) at a cost of £2.94m; phase two (2017/18) at a cost of £3.47m
Void conversions and extensions:
In order to increase our housing capacity for overcrowded tenants, a number of voids have either had their roofs converted, or have extensions added to the rear, to provide additional bedrooms

3.10.3. **Housing Regeneration programme**

At present works on seven estates is delivering new homes for social rent and low cost homeownership. So far the programme has delivered a mix of new social housing to which we have nomination rights, shared ownership and properties for low cost home ownership on mixed tenure estates.

3.10.4. **The New Build programme**

Has so far delivered over 100 new homes on 6 sites which are complete and occupied. All are in the 12 months defect period. There is a minimal spend on these units, which is mainly contract retention that will be paid at the end of the defects period.

3.10.5. **Delivery of adaptations**

For tenants living with a disability to enable them to remain living in their homes. The Chronically Sick & Disabled Persons Act 1970 requires the HRA to provide statutory funding for adaptations to their tenants. There has been a year on year increase in referrals as the borough population ages and more comprehensive social care packages are developed to support individuals needs enabling them to remain living in their own homes releasing hospital and care home spaces.

3.10.6. **HRA Capital programme 2016/17 – update**

The original 2016/17 capital programme was £90.848m, slippage carry forward from 2015/16 of £2.147m and approved capital schemes of £4.905m to give a revised capital programme position of £97.900m. This is against a forecast position of £72.058 (at December 2016), leaving £25.842m of slippage to be approved into future years. See Table 3 below:

Table 3: 2016/17 Capital – approval for slippage to 2017/18

SCHEMES	Revised Budget	2016/17 (Approved Slippage) /Accelerated Spend into	Revised Budget (After Slippage)
	2016/17	2017/18	2016/17
	£m	£m	£m
Kitchens , Bathrooms	1.042	(0.396)	0.646
Mechanical And Electrical Works	6.103	(1.571)	4.532
External Refurbishments	3.492	(0.722)	2.770
Capitalised Voids	3.830	(2.110)	1.720
Housing Stock Improvements	5.386	(2.836)	2.550
Lift Replacement	0.669	-	0.669
Health & Safety & DDA	3.927	(0.362)	3.565
Design Fees Future Years	0.125	-	0.125
High Intervention Estates - Meanwhile Works	0.239	(0.200)	0.039
Estate Remodelling And Modernisation	2.326	(0.411)	1.915
Thermal Efficiency, Fuel Poverty& Carbon Reduction	0.400	-	0.400
Adaptations For The Disabled	0.917	0.732	1.649
Housing Management Systems	0.158	(0.148)	0.010
Housing Stock Investment (incl. adaptations) sub-total	28.614	(8.024)	20.59
Green Man Lane Est Regeneration	2.869	(1.717)	1.152
Council New Build Round 2	0.029	(0.022)	0.007
Street Properties Round 2	10.289	(6.622)	3.667
Rectory Park Regeneration	5.249	3.117	8.366
South Acton Regeneration	8.212	1.788	10.000
Copley Close Regeneration	4.827	3.421	8.248
Council New Build Round 3	11.125	(1.881)	9.244
Dean Gardens	5.026	(3.407)	1.619
Havelock Estate	6.632	(0.722)	5.910
Leaseholder Assistance Scheme	0.789	(0.789)	-
High Lane Regeneration	1.125	(1.125)	-
South Acton Tenancy Management	0.014	-	0.014
Local Authority Housing Grant - Registered Providers	13.100	(9.859)	3.241
Regeneration and New Build sub-total	69.286	(17.818)	51.468
Total	97.900	(25.842)	72.058

3.10.7. The majority of this slippage can be accounted for by the Estate Regeneration Programme. Each scheme is divided into phases and takes several years to come to fruition. It can therefore be difficult to profile levels of expenditure in any given year, as it is contingent on a number of factors. The Council provides vacant possession to our developer partners on a phased basis. It is then able to recover the costs associated with buying back leaseholder properties and decanting tenants. However there is a time-lag in the receipt of these payments. In the interim the HRA must bear these costs within its limited borrowing headroom. Developer

contributions from completed phases are pooled across the regeneration programme and are relied upon to fund other schemes. As a consequence, if one scheme slips and there is delay in the recovery of costs, this can have a knock-on effect on other schemes.

3.11. HRA Capital programme 2017/18 to 2021/22

- 3.11.1. The HRA financial regime and our associated rent income base has allowed the Council to develop the HRA capital programme beyond the former level of planned maintenance and newly arising decent homes works into a comprehensive stock improvement programme and large scale estate regeneration.
- 3.11.2. The cost of the current approved capital programme will be funded from within the existing budget and reserves plus borrowings, primarily to facilitate spend on the Copley Close redevelopment.
- 3.11.3. The proposed 5 year programme of £379.119m is made up of revised budget of £235.694m plus indicative additions of £143.425m (see tables 4, 5 & 6).
- 3.11.4. All capital scheme expenditure will be subject to any inflationary effects, arising over the lifespan of the project. The proposed capital programme has been separately modelled in the business plan to ensure the HRA can afford these changes.

Table 4: Original 5 year programme

SCHEMES	Proposed Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Total Budget
	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18 to 2021/22
	£m	£m	£m	£m	£m	£m
Kitchens , Bathrooms	0.396	1.690	-	-	-	2.086
Mechanical And Electrical Works	6.371	4.968	3.500	-	-	14.839
External Refurbishments	2.722	2.000	-	-	-	4.722
Capitalised Voids	2.110	-	-	-	-	2.110
Housing Stock Improvements	14.767	2.063	-	-	-	16.830
Health & Safety & DDA	0.362	0.348	-	-	-	0.710
High Intervention Estates - Meanwhile Works	0.200	0.386	-	-	-	0.586
Estate Remodelling And Modernisation	0.411	2.084	-	-	-	2.495
Adaptations For The Disabled	0.368	-	-	-	-	0.368
Housing Management Systems	0.148	-	-	-	-	0.148
Green Man Lane Est Regeneration	2.985	1.995	1.412	-	-	6.392
Council New Build Round 2	0.022	-	-	-	-	0.022
Street Properties Round 2	18.243	2.900	-	-	-	21.143
Rectory Park Regeneration	0.903	-	-	-	-	0.903
South Acton Regeneration	7.641	8.130	-	-	-	15.771
Copley Close Regeneration	13.192	14.522	26.459	20.773	11.838	86.784
Council New Build Round 3	7.790	6.644	1.200	-	-	15.634
Dean Gardens	5.606	1.327	-	-	-	6.933
Havelock Estate	7.698	5.204	-	-	-	12.902
Leaseholder Assistance Scheme	1.339	-	-	-	-	1.339
High Lane Regeneration	2.408	3.150	2.260	3.150	2.150	13.118
Local Authority Housing Grant - Registered Providers	9.859	-	-	-	-	9.859
Total	105.541	57.411	34.831	23.923	13.988	235.694
Borrowing	17.068	12.999	19.371	10.554	0.459	60.451
Capital Receipts	61.326	30.723	11.960	11.869	13.529	129.407
Revenue Contribution	21.055	10.710	3.500	1.500	-	36.765
Grant	0.360	0.150	-	-	-	0.510
S106	3.031	-	-	-	-	3.031
Other Contribution	2.701	2.829	-	-	-	5.530
Total	105.541	57.411	34.831	23.923	13.988	235.694

Table 5: Indicative additions to the programme – to be approved

	Proposed Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Total Budget
	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18 to 2021/22
	£m	£m	£m	£m	£m	£m
Mechanical And Electrical Works	-	-	-	1.500	-	1.500
Housing Stock Improvements	2.501	3.543	13.167	13.756	20.908	53.875
Adaptations For The Disabled	0.200	1.350	1.400	1.450	1.500	5.900
Green Man Lane Est Regeneration	(1.497)	(0.981)	0.658	-	-	(1.820)
Street Properties Round 2	(0.121)	3.100	1.200	-	-	4.179
Rectory Park Regeneration	(0.903)	-	-	-	-	(0.903)
South Acton Regeneration	8.135	(0.816)	11.929	7.750	6.499	33.497
Copley Close Regeneration	4.024	-	-	-	-	4.024
Council New Build Round 3	7.325	10.690	2.300	-	-	20.315
Dean Gardens	1.325	-	-	-	-	1.325
Havelock Estate	2.530	(0.270)	5.154	6.760	7.506	21.680
High Lane Regeneration	(0.147)	-	-	-	-	(0.147)
	23.372	16.616	35.808	31.216	36.413	143.425
Borrowing	(6.144)	4.546	(17.477)	(9.559)	0.859	(29.669)
Capital Receipts	28.889	4.680	35.834	25.297	18.838	115.432
Revenue Contribution	(3.345)	6.974	14.185	12.722	13.925	44.461
Grant	0.360	0.570	0.540	0.000	0.000	1.470
S106	3.031	0.000	0.000	0.000	0.000	3.031
Other Contribution	0.581	(0.154)	2.726	2.756	2.791	8.700
	23.372	16.616	35.808	31.216	36.413	143.425

3.11.5. The additional funding identified in Table 5 (above) has arisen as result of a number of factors.

3.11.5.1. The Stock Condition Survey carried out last year identified a number of essential programmed works. These have been incorporated into a comprehensive programme of stock improvement (see para 3.12.1).

3.11.5.2. Regeneration programmes on South Acton and Havelock have been rephased requiring additional funding to meet the initial costs as described in para 3.12.2.

Table 6: Proposed 5 year programme – to be approved

SCHEMES	Proposed Revised Budget	Revised Budget	Revised Budget	Revised Budget	Revised Budget	Total Budget
	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18 to 2021/22
	£m	£m	£m	£m	£m	£m
Kitchens , Bathrooms	0.396	1.690	-	-	-	2.086
Mechanical And Electrical Works	6.371	4.968	3.500	1.500	-	16.339
External Refurbishments	2.722	2.000	-	-	-	4.722
Capitalised Voids	2.110	-	-	-	-	2.110
Housing Stock Improvements	17.268	5.606	13.167	13.756	20.908	70.705
Health & Safety & DDA	0.362	0.348	-	-	-	0.710
High Intervention Estates - Meanwhile Works	0.200	0.386	-	-	-	0.586
Estate Remodelling And Modernisation	0.411	2.084	-	-	-	2.495
Adaptations For The Disabled	0.568	1.350	1.400	1.450	1.500	6.268
Housing Management Systems Green Man Lane Est	0.148	-	-	-	-	0.148
Regeneration	1.488	1.014	2.070	-	-	4.572
Council New Build Round 2	0.022	-	-	-	-	0.022
Street Properties Round 2	18.122	6.000	1.200	-	-	25.322
South Acton Regeneration	15.776	7.314	11.929	7.750	6.499	49.268
Copley Close Regeneration	17.216	14.522	26.459	20.773	11.838	90.808
Council New Build Round 3	15.115	17.334	3.500	-	-	35.949
Dean Gardens	6.931	1.327	-	-	-	8.258
Havelock Estate	10.228	4.934	5.154	6.760	7.506	34.582
Leaseholder Assistance Scheme	1.339	-	-	-	-	1.339
High Lane Regeneration	2.261	3.150	2.260	3.150	2.150	12.971
Local Authority Housing Grant - Registered Providers	9.859	-	-	-	-	9.859
Total	128.913	74.027	70.639	55.139	50.401	379.119
Funded by-						
Borrowing	10.924	17.545	1.894	0.995	1.318	30.782
Capital Receipts	90.215	35.403	47.794	37.166	32.367	244.839
Revenue Contribution	17.710	17.545	17.685	14.222	13.925	81.226
Grant	0.720	0.720	0.540	-	-	1.980
S106	6.062	-	-	-	-	6.062
Other Contribution	3.282	2.675	2.726	2.756	2.791	14.230
Total	128.913	74.027	70.639	55.139	50.401	379.119

3.12. Future programme delivery

3.12.1. Housing Stock improvement Programme

By the end of the current 5 year programme works carried out will include:

- 1,040 kitchens and bathrooms together with associated electrics will have been replaced
- 1,760 mechanical and electrical systems in individual properties and blocks will have been completed
- Works to walls and roofs of 2,090 buildings will have been completed
- Major works in 600 voids to improve the properties or convert existing properties for use by larger families
- Statutory compliance works such as fire safety and asbestos management together with works to estate roads to remove trip hazards or improve parking areas, will have been completed at 300 sites
- Health and safety works of stock pending demolition on regeneration estates

3.12.2.

Housing Estate Regeneration Programme

Following the Estates Review in 2008 a number of estates were identified where extensive remodelling or demolition would be required. Since this time the Council has carried out extensive consultation with residents to put forward an ambitious regeneration programme. At present works on seven estates delivering new homes for social rent and low cost homeownership are currently underway (details below).

Estate	Deliverables
Green Man lane	Will provide 770 new homes, of which 339 will be for social rent, 63 for shared ownership and 368 for market
Rectory Park	Providing 449 new homes, of which 195 will be for social rent, 130 for shared ownership and 124 for market sale
South Acton	Will produce 2,638 new homes, of which 919 will be for social rent, 369 for shared ownership and 1,350 for market sale
Copley Close	Will provide 205 new homes, across a range of tenures (including market rent). The cost of the scheme will be funded partly from HRA capital programme, and partly by income generated through sales of 60 newly constructed properties. In addition, Broadway Living, the Council's development company, will finance up to £14.3m to fund private rent new homes
Dean Gardens	Will provide 305 new homes, of which 109 will be for social rent, 12 for shared ownership and 184 for market sale
Havelock	Delivering 922 new homes, of which 367 will be for social rent, 122 for shared ownership and 433 for market sale
High Lane	Will provide in the region of 400 new homes, of which 140 will be for social rent, 35 for affordable rent, 12 for shared ownership and 213 for market sale
The Leasehold Assistance scheme	This is a resource made available to help leaseholders who have difficulty in securing a new mortgage when they are forced to redeem their existing mortgage when their home is bought by the Council.

3.13. **Council New Build Programme**

At the end of the current programme we hope to have developed:

- Round 2 - 40 properties for affordable rent, 18 shared ownership and 10 sales

- Round 3 - 42 shared ownership, 42 transferred to Broadway living, 6 sales and 2 private rent

3.14. Disabled adaptations to Council HRA Housing stock

Changes to the Care Act in 2015 to include a "Prevention" criteria have, substantially increased the number of referrals for adaptations for persons with disabilities. So far this year 466 council tenants have received some sort of adaption such as showers, stair lifts and other adaptations as identified to meet their needs. Referrals in 2016-17 have increase by 40% on the previous year which has resulted in a significant overspend. If the referral rate continues at the same level 1350 properties will have been adapted by 2021/22. To avoid overspend in the coming years, the referral process will be reviewed to see if needs can be met by using already adapted properties. Therefore the allocated budget for 2017/18 has been reduced to 0.568m.

3.15. Borrowing headroom

The impact on the borrowing headroom is shown below. The headroom figure decreases significantly in 2018/19 which reflects the planned borrowing to fund the next phase of Copley Close regeneration scheme and the additional Housing Stock Improvement works required. The future sale of new build properties and further developer premiums should start to replenish the headroom in 2019/20 and future years.

HRA Debt Limit	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
£m	£m	£m	£m	£m	£m
HRA debt cap	205.076	213.116	215.010	215.010	215.010
HRA CFR	180.027	193.811	193.726	191.258	188.817
HRA headroom	25.049	19.305	21.284	23.752	26.193

3.16. Additional HRA Borrowing Headroom

Through the Government's Local Growth Fund, the HRA borrowing programme made available additional borrowing to Local Authorities. The DCLG confirmed the Secretary of State approved £29m to Ealing Council; however the Council was unable to utilise the borrowings within the timescales permitted. The borrowing allocation was revised to £15.250m against the capital schemes as set out below:

Capital Scheme	Units	Total Additional HRA Borrowing £m
Peterhead Court, Greenford	19	6.000
Buckingham Ave, Perivale	10	2.750
Doncaster Ave, Northolt	8	2.300
West End Gardens, Northolt	6	1.700
Hotspur Rd, Northolt	10	2.500
TOTAL	53	15.250

4. Financial Implications

- 4.1. Financial implications on the HRA are displayed throughout this report and can be seen within the Appendices. The assumptions included in the revenue budgets are:-
- A 1% decrease in tenants' rent for 2017/18 until 2019/20, and a CPI increase annually thereafter (Assumed CPI 1%)
 - Voids re-let at target rent in line with rent convergence as agreed at cabinet January 2016
 - An increase in the service charge budget of 2.5% and reviewed annually thereafter
 - No increase in heating & hot water services and reviewed thereafter
 - No increase on commercial and garages rents and reviewed thereafter
 - Management & maintenance costs absorbing inflationary pressures
 - Borrowing of £30.782m will be required to fund the £379.119m capital programme in the medium term. This is affordable in terms of the extra interest cost and will not breach the HRA Debt cap.
- 4.2. All of these factors are reflected within Appendix 1 and show that these assumptions will ensure the long term financial viability of the HRA, whilst continuing to invest long term in the stock improvements and regeneration of housing estates outlined in Appendix 2.
- 4.3. The assumptions made around bad debt provision are prudent in line with the welfare reform agenda and current available data from the pilot studies taking place (see Appendix 3).
- 4.4. Beyond 2017/18, the model is developed on the assumptions built into the 30 year business plan and shows that in the longer term, the HRA is in a strong position financially to support its extensive capital programme whilst minimising its borrowing requirements.
- 4.5. The capital programme totals £379.119m over the next 5 years and will require approximately £30.782m of borrowing to fund it. The HRA will seek to use its other resources before resorting to borrowing to minimise any future revenue impact. This will also ensure borrowing is kept below the debt cap and allow any further regeneration/stock improvement or new build schemes to be development.

5. Legal implications

- 5.1. The Local Government and Housing Act 1989 introduced the ring fenced HRA with effect from 1st April 1990, placing a duty on local authorities to formulate proposals which will ensure that the HRA for the year does not show a deficit balance provided the following assumptions prove to be correct:
- The best assumptions made at the time as to all matters, which may affect the amounts to be credited and debited to the HRA for the year.
 - The best estimates that they are able to make at the time of the amounts, which, on the above assumptions, will be credited or debited to the HRA.

- 5.2. The HRA is the account for the Council's housing stock and there is no power to subsidise the HRA from the General Fund or to transfer, surpluses out of the HRA account. In this way the account is 'ring fenced'.
- 5.3. Local authorities have a responsibility to review the account from time to time, and if a shortfall is projected, to take reasonable practical steps to balance the account.
- 5.4. The Housing Act 1985 and the Local Government and Housing Act 1989 constrain the budget making process in respect of the Housing Revenue Account in a number of ways, including:
 - The Council cannot set the HRA budget in such a way which will result in a deficit at the end of the financial year (although if, through circumstances which could not have been foreseen, a deficit were to arise, it can be made good in the following financial year); and
 - Rents must be set at a “reasonable level”, and that level must be reviewed from time to time.
- 5.5. The sums to be credited or debited to the HRA are prescribed in general terms in schedule 4 of the 1989 Act.
- 5.6. The Local Government and Housing Act 1989 states that each council must formulate their housing revenue account budget during January and February preceding the relevant financial year
- 5.7. The Welfare Reform and Work Act 2015 contains provisions which, unless an exemption applies, require registered providers of social housing, including the Council, to secure that the amount of rent payable by tenants of such housing to be at least 1% less than was payable by the tenant in respect of the preceding 12 months. The requirement applied from 1 April 2016 and will continue for 4 years from then.
- 5.8. The Secretary of State has made the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 which provide for exceptions to or exemptions from the requirement to reduce rents.

6. Value For Money

All developer partners for each estate and Improvement programme ensure contractors have been selected through a competitive process. This process looked at the quality and cost of developers' and contractors proposals and the selection process was aimed at ensuring value money is achieved, and the best deal is struck for the Council and it's residents.

7. Sustainability Impact Appraisal

The HRA funds repairs and maintenance work to improve the sustainability of our housing stock, including improvements in thermal efficiency to reduce carbon emissions.

8. Risk Management

The major risks to the HRA and its budget can be divided into two groups; first those affecting most authorities with retained housing stock; and second, specific risks for Ealing.

8.1. **General Risks**

- 8.1.1. HRA self financing means the Council is no longer subject to an annual subsidy determination – but now bears greater risk from inflation and interest rate rises under the system of self financing. The sensitivities around self-financing have been modelled in the 30-year business plan outlined above
- 8.1.2. The loss of tenanted stock from 25,000 properties in 1980 to just under 12,200 in 2016/17, through right to buy sales, the ending of 20-year leases and stock loss from estate regeneration results in reduced rental income. This puts financial pressure on the service where costs cannot be reduced accordingly. Future stock loss would require increased efficiencies in order to safeguard the HRA. With the changes introduced in April 2013 in the RTB discount, and an annual increase in the discount each April in line with CPI, alongside the way self-financing works additional loss of stock could result in significantly increased risk
- 8.1.3. With almost 4,800 leaseholders the management of this function and collection of leaseholder service charges is a major activity. Increasingly leaseholders are concerned about the level of charges being levied and the increasing challenge on these charges put level of estimated income at risk
- 8.1.4. The changes in the way Housing Benefits are paid which are being introduced over the next four years may impact the council's ability to collect rent. Arrangements under universal credit proposals will see housing benefit paid directly to the individual rather than to the council. In times of hardship this may see the council competing with other service providers for tenant's income, which will place a financial risk to the HRA, and is going to require considerable work to deal with this risk.

8.2. **Specific Risks**

The estate regeneration projects expose the HRA to costs where it must forward fund consultation and project development costs before a developer partner is selected. In previous years £6m has been charged to the HRA, which is yet to be fully recovered from the projects. However over the last two years a new approach has been taken to mitigate risk and enable a greater number of schemes to proceed in line with our Housing strategy and tenants' aspirations. Monthly data provided on income and expenditure feeds into a dynamic model held by finance which helps to monitor projects both onsite and those in the pipeline against the borrowing headroom. However, a large amount of forward funding is still required, and this may bring an element of risk to the HRA

9. **Community Safety**

Regeneration and improvement works meet secure by design standards

10. **Links to the 5 Priorities for the Borough**

The Housing Revenue Account budget has been configured to ensure delivery of the Council's strategic objectives in respect of the housing stock. The management and

regeneration of the housing stock makes a substantial contribution to the Council's corporate vision and all 5 priorities, and thus addresses national policies and priorities.

10.1. Securing Public Services:

The HRA contributes to the management and maintenance of Ealing's housing estates and wider council housing stock. We are also working in partnership with other departments to provide services on our estates to meet our tenants' needs.

10.2. Securing jobs and homes

As noted above, the HRA contributes to the management and maintenance of Ealing's council owned housing estates and wider council housing stock. The service also provides secure sheltered accommodation for older people. In addition, the housing service undertakes several worklessness schemes through its partnership work on regenerating housing estates. Through this, Ealing ensures that a comprehensive jobs and skills training programme for local residents is provided by the developer partners.

10.3. Making Ealing Safer

The HRA contributes to the reduction of anti-social behaviour (ASB) through a range of initiatives from enforcing tenancy conditions to providing facilities and activities for young people and children with families through partnership working, and also will be funding PC on our estates, to meet the Council's priority of achieving safer communities. In addition the comprehensive regeneration process underway on several of the Council's estates will enable high quality design to be incorporated ensuring improved levels of safety and security for residents complying with the "secured by design" guide.

10.4. Delivering Value for Money

Section 6 of this report discussed VFM both in the new integrated housing services and the efficiency savings outlined in Appendix 1 support the Council's strategic objective of improved value for money.

10.5. Making Ealing Cleaner

The HRA also supports services to council estates in respect of estate cleaning, refuse collection, graffiti removal as well as the removal of abandoned vehicle and grounds maintenance. All of these activities contribute significantly towards the Council's priority to achieve cleaner streets.

11. Equalities and Community Cohesion

Equalities impact assessment is carried out on each scheme in the capital programme.

12. Staffing/Workforce and Accommodation implications:

None

13. Property and Assets

None other than the HRA properties.

14. Any other implications:

None

15. Consultation

Consultation is carried out on each scheme in the capital programme

16. Timetable for Implementation

Each scheme has its own delivery programme.

17. Appendices

- Appendix 1 – Assumptions HRA 30 year business plan
- Appendix 2 – HRA 30 year Capital programme 2017/18 to 2046/47
- Appendix 3 – HRA 30 year Financial Business Plan
- Appendix 4 – Detailed Capital Schemes
- Appendix 5 – Detailed Regeneration Schemes
- Appendix 6 – Detailed New Build

18. Consultation

Name of consultee	Post held and Department	Date Sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Pat Hayes	Executive Director	13.1.17		
Mark Wiltshire	Director Safer Communities	13.1.17	27.1.17	Throughout
Keith Robinson	Head of Legal (Litigation)	13.1.17	24.1.17	3.5.1, 5
Cllr J Anand	Cabinet Member for Housing, Employment and Skills	13.1.17		
Rahima Jahan-Ali	Senior Finance Business Advisor Ext	13.1.17	17.1.17	Throughout

Report History

Decision type: Key decision	Urgency item? No		
Authorised by Cabinet member:	Date report drafted: 12/1/17	Report deadline: 2/2/17	Date report sent: 2/2/17
Report no.:	Report author and contact for queries: Gail Pilides ext. 7169 Hannah Katawe x 6893		

Appendix 1: Assumptions HRA 30 year business plan

The following overarching assumptions are built into the Business Plan. This considers all inflationary factors and risks to be able to sustain a balanced HRA budget year on year. The financial content throughout this report is based on these assumptions.

	Assumptions	Notes
Dwellings rent setting	1% reduction from April 2016 for four years and then CPI thereafter	CPI is assumed at 1%
Affordable Rents	Average £160/week	This is on new build properties now operational
Garages, Commercial Rents, Heating and Hot water charges	0% for 2017/18 and thereafter	
Service Charges	2.5% in 2017/18 and reviewed thereafter	The costs of all communal services is recovered directly from the tenant and leaseholders
Repairs & Maintenance costs	1.6% increase 2017/18 and same thereafter	
Capital programme-Regeneration works	4% increase 2017/18 and same thereafter	
Capital programme-New Builds	2.9% increase 2017/18 and same thereafter	
RTB Sales	Average 80 sales annually	This will continue to be reviewed in line with any government policy changes to social housing
Use of RTB 1-4-1 receipts scheme	The Council operates scheme without returning capital receipts to the Government.	On 27 th June 2012, the Council signed a retention of capital receipts agreement. The Government requires 30% capital receipts are match funded for the provision of social housing.
Interest rate on borrowings	4.46% on existing debt 4.9% on new debt - (use of internal borrowings)	This reflects actual debts costs and Treasury estimates
Interest rate on balances	0.05%	
Rent convergence	450 voids a year re-let at target rent of an average of £7 per week higher	Voids re-let at target rent in line with rent convergence as agreed at cabinet January 2016

Appendix 2: HRA 30 year Capital programme 2017/18 to 2046/47

SCHEMES	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 to 2025/26	2026/27 to 2046/47	Budget 30 years
	£m	£m	£m	£m	£m	£m	£m	£m
Kitchens , Bathrooms	0.396	1.690	-	-	-	-	-	2.086
Mechanical And Electrical Works	6.371	4.968	3.500	1.500	-	-	-	16.339
External Refurbishments	2.722	2.000	-	-	-	-	-	4.722
Capitalised Voids	2.110	-	-	-	-	-	-	2.110
Housing Stock Improvements	17.268	5.606	13.167	13.756	20.908	74.094	398.240	543.039
Health & Safety & DDA	0.362	0.348	-	-	-	-	-	0.710
High Intervention Estates - Meanwhile Works	0.200	0.386	-	-	-	-	-	0.586
Estate Remodelling And Modernisation	0.411	2.084	-	-	-	-	-	2.495
Adaptations For The Disabled	0.568	1.350	1.400	1.450	1.500	6.350	33.600	46.218
Housing Management Systems	0.148	-	-	-	-	-	-	0.148
Green Man Lane Est Regeneration	1.488	1.014	2.070	-	-	-	-	4.572
Council New Build Round2	0.022	-	-	-	-	-	-	0.022
Street Properties Round 2	18.122	6.000	1.200	-	-	-	-	25.322
South Acton Regeneration	15.776	7.314	11.929	7.750	6.499	14.930	-	64.198
Copley Close Regeneration	17.216	14.522	26.459	20.773	11.838	9.955	-	100.763
Council New Build Round3	15.115	17.334	3.500	-	-	-	-	35.949
Dean Gardens	6.931	1.327	-	-	-	-	-	8.258
Havelock Estate	10.228	4.934	5.154	6.760	7.506	13.121	-	47.703
Leaseholder Assistance Scheme	1.339	-	-	-	-	-	-	1.339
High Lane Regeneration	2.261	3.150	2.260	3.150	2.150	3.150	-	16.121
Local Authority Housing Grant - Registered Providers	9.859	-	-	-	-	-	-	9.859
	128.913	74.027	70.639	55.139	50.401	121.600	431.840	932.559
Borrowing	10.924	17.545	1.894	0.995	1.318	14.681	33.637	79.100
Capital Receipts	90.215	35.403	47.794	37.166	32.367	43.097	17.681	350.205
Revenue Contribution	17.710	17.684	17.685	14.222	13.925	52.213	309.871	443.310
Grant	0.720	0.720	0.540	-	-	-	-	1.980
S106	6.062	-	-	-	-	-	-	6.062
Other Contribution	3.282	2.675	2.726	2.756	2.791	11.609	70.650	96.490
	128.913	74.027	70.639	55.139	50.401	121.600	431.840	932.559

Appendix 3: HRA 30 year Financial Business Plan

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Dwelling Rent	(59.783)	(58.133)	(57.034)	(56.086)	(54.612)	(53.804)	(53.739)	(53.046)	(54.030)	(53.973)	(54.425)	(54.602)	(54.771)	(54.932)	(55.085)	(55.229)
Commercial Rent	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)
Garages	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)
Service Charges	(5.536)	(5.886)	(5.765)	(5.737)	(5.528)	(5.417)	(5.398)	(5.306)	(5.214)	(5.199)	(5.198)	(5.198)	(5.197)	(5.197)	(5.196)	(5.196)
Heating & Hot Water	(1.852)	(1.852)	(1.850)	(1.854)	(1.853)	(1.854)	(1.856)	(1.858)	(1.859)	(1.861)	(1.864)	(1.868)	(1.872)	(1.876)	(1.879)	(1.883)
Interest On Balances	(0.155)	(0.155)	(0.342)	(0.373)	(0.388)	(0.458)	(0.464)	(0.521)	(0.597)	(0.626)	(0.646)	(0.696)	(0.746)	(0.791)	(0.839)	(0.889)
Total Income	(68.551)	(67.250)	(66.215)	(65.273)	(63.605)	(62.757)	(62.681)	(61.955)	(62.925)	(62.883)	(63.358)	(63.588)	(63.810)	(64.020)	(64.224)	(64.422)
Housing Management	18.625	18.756	20.022	18.591	18.685	18.156	16.719	16.781	17.676	20.259	20.603	17.191	17.496	17.746	17.995	18.228
Estate Regeneration	3.115	3.115	3.115	3.115	3.115	3.115	3.115	3.115	3.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115
Property & Estate Services	5.129	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987
Repairs & Maintenance	13.276	12.586	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436
Rent And Rates	1.005	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405
Interest Repayments	8.966	8.966	8.616	9.105	9.005	8.982	8.887	9.431	9.319	9.202	9.148	9.019	8.936	8.896	8.851	8.816
Provision For Bad Debts	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Allowance For Debt Repayment	-	-	-	-	-	-	-	-	3.206	1.979	3.463	1.979	2.968	2.968	4.453	3.562
Depreciation	13.654	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021
RCCO	4.031	8.664	8.663	8.664	5.201	4.904	6.361	5.030	2.009	2.729	1.430	6.685	5.696	5.696	4.211	5.102
Total Expenditure	68.551	67.250	68.015	67.073	63.605	62.757	62.681	61.955	62.925	62.883	63.358	63.588	63.810	64.020	64.224	64.422
HRA (Surplus)/Deficit	-	-	1.800	1.800	-	-	-	-	-	-	-	-	-	-	-	-
Unidentified Savings	-	-	(1.800)	(1.800)	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 3: HRA 30 year Financial Business Plan - Continued

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Dwelling Rent	(55.366)	(55.495)	(55.617)	(55.731)	(55.838)	(55.937)	(56.029)	(56.114)	(56.192)	(56.263)	(56.326)	(56.383)	(56.433)	(56.476)	(56.511)
Commercial Rent	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)	(0.865)
Garages	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)	(0.359)
Service Charges	(5.195)	(5.195)	(5.194)	(5.194)	(5.193)	(5.193)	(5.192)	(5.192)	(5.191)	(5.191)	(5.190)	(5.190)	(5.189)	(5.189)	(5.162)
Heating & Hot Water	(1.887)	(1.891)	(1.895)	(1.898)	(1.902)	(1.906)	(1.910)	(1.913)	(1.917)	(1.921)	(1.925)	(1.928)	(1.932)	(1.936)	(1.936)
Interest On Balances	(0.942)	(0.994)	(1.050)	(1.108)	(1.168)	(1.231)	(1.295)	(1.361)	(1.427)	(1.469)	(1.533)	(1.625)	(1.719)	(1.813)	(1.907)
Total Income	(64.614)	(64.799)	(64.980)	(65.155)	(65.326)	(65.491)	(65.650)	(65.804)	(65.951)	(66.067)	(66.198)	(66.350)	(66.498)	(66.638)	(66.741)
Housing Management	18.149	18.696	18.931	19.154	19.375	19.587	19.636	19.684	18.424	21.041	23.349	22.706	22.854	22.786	22.952
Estate Regeneration	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115	1.115
Property & Estate Services	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987	4.987
Repairs & Maintenance	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436	12.436
Rent And Rates	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405	0.405
Interest Repayments	8.773	8.725	8.671	8.624	8.573	8.525	8.636	8.742	8.846	8.881	8.769	8.426	8.426	8.426	8.363
Provision For Bad Debts	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Allowance For Debt Repayment	4.947	1.979	1.979	1.484	1.979	1.979	1.484	1.484	5.937	0.989	-	-	-	1.484	1.484
Depreciation	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021	9.021
RCCO	4.031	6.685	6.685	7.180	6.685	6.685	7.180	7.180	4.031	6.442	5.366	6.504	6.503	5.227	5.227
Total Expenditure	64.614	64.799	64.980	65.155	65.326	65.491	65.650	65.804	65.951	66.067	66.198	66.350	66.498	66.638	66.741
HRA (Surplus)/Deficit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4: Detailed Capital Schemes

	Years	1	2	3	4	5	6 to 10	11 to 30		
HOUSING STOCK INVESTMENT	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Total	Lifetime of the scheme
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 to 2025/26	2026/27 to 2046/47	2026/27 to 2046/47	Budget 30 years	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	
KITCHENS , BATHROOMS	0.396	1.690	-	-	-	-	-	-	2.086	By the end of the 5 year programme 1,040 kitchens and bathrooms together with associated electrics will have been replaced. The programme will be based on property data held by the council from previous programmes and repairs records.
MECHANICAL AND ELECTRICAL WORKS	6.371	4.968	3.500	1.500	-	-	-	-	16.339	By the end of the 5 year programme 1,760 mechanical and electrical systems in individual properties and blocks will have been completed. The Council data forms the basis of the programme is based with works prioritised according to age and condition of the existing installations.
EXTERNAL REFURBISHMENTS	2.722	2.000	-	-	-	-	-	-	4.722	By the end of the 5 year programme works to walls and roofs of 2,090 buildings will have been completed. The programme will be based on data collected in the 2015 Stock Condition Survey.
CAPITALISED VOIDS	2.110	-	-	-	-	-	-	-	2.110	The works in 600 voids which meets the criteria for capitalisation. The budget includes an annual allowance for converting existing properties for use by larger families.
HOUSING STOCK IMPROVEMENTS	17.268	5.606	13.167	13.756	20.908	92.618	379.716		543.039	These are the annual budgets for housing stock improvement which are then allocated to cost centres in accordance with the detailed 5 year programme.
HEALTH & SAFETY & DDA	0.362	0.348	-	-	-	-	-	-	0.710	The works of statutory compliance such as fire safety and asbestos management together with works to estate roads to remove trip hazards or improve parking areas. By the end of the 5 year programme works will have been completed at 300 sites.
HIGH INTERVENTION ESTATES - MEANWHILE WORKS	0.200	0.386	-	-	-	-	-	-	0.586	Covers health and safety works on estates which have a limited life before blocks are vacated and demolished.
ESTATE REMODELLING AND MODERNISATION	0.411	2.084	-	-	-	-	-	-	2.495	Covers the work to Islip Manor Estate which is a one off project approved by Cabinet.
TOTAL	29.840	17.082	16.667	15.256	20.908	92.618	379.716		572.087	

Appendix 5: Detailed Regeneration Schemes

	1	2	3	4	5	6 to 10	11 to 30	Total	Lifetime of the scheme
HOUSING REGENERATION	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23 to 2025/26	Budget 2026/27 to 2046/47	30 years	
	£m	£m	£m	£m	£m	£m	£m	£m	
GREEN MAN LANE EST REGENERATION - In this 5 year period, 234 homes will have been demolished, 456 new homes completed and 184 on site being built	1.488	1.014	2.070	-	-	-	-	4.572	To produce 770 new homes of which 339 will be for social rent, 63 for shared ownership and 368 for market sale
SOUTH ACTON REGENERATION - In this 5 year period, 346 homes will have been demolished, 825 new homes completed and 350 on site being built	15.776	7.314	11.929	7.750	6.499	14.930	-	64.198	To produce 2,638 new homes of which 919 will be for social rent, 369 for shared ownership and 1,350 for market sale
COPLEY CLOSE REGENERATION - In this 5 year period, 52 homes will have been demolished and 205 new homes completed. In addition work will have started on the refurbishment of 490 existing homes.	17.216	14.522	26.459	20.773	11.838	9.955	-	100.763	To produce 205 new homes across a range of tenures including market rent
DEAN GARDENS - In this 5 year period, 140 homes will have been demolished, 196 new homes completed and 109 on site being built	6.931	1.327	-	-	-	-	-	8.258	To produce 305 new homes of which 109 will be for social rent, 5 for shared ownership and 184 for market sale
HAVELOCK ESTATE - In this 5 year period 351 homes will have been demolished, 410 new homes completed and 222 on site being built	10.228	4.934	5.154	6.760	7.506	13.121	-	47.703	To produce 922 new homes of which 367 will be for social rent, 122 for shared ownership and 434 for market sale
LEASEHOLDER ASSISTANCE SCHEME - Resources made available to help leaseholders who have difficulty in securing a new mortgage when they are forced to redeem their existing mortgage when their home is bought by the Council	1.339	-	-	-	-	-	-	1.339	
HIGH LANE REGENERATION - This scheme will not have a preferred developer partner until the summer of 2017 but if this occurs, in the 5 year period, approximately 160 homes will have been demolished, 160 new homes completed and 138 on site being built	2.261	3.150	2.260	3.150	2.150	3.150	-	16.121	To produce in the region of 400 new homes of which 140 will be for social rent, 35 for affordable rent, 12 for shared ownership and 213 for market sale
HRA	55.239	32.261	47.872	38.433	27.993	41.156	-	242.954	

Appendix 6: Detailed New Build Schemes

COUNCIL NEW BUILD	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23 to 2025/26	Budget 2026/27 to 2046/47	Total 30 Years	Lifetime of the scheme
	£m	£m	£m	£m	£m	£m	£m	£m	
COUNCIL NEW BUILD ROUND2	0.022	-	-	-	-	-	-	0.022	
STREET PROPERTIES ROUND 2	18.122	6.000	1.200	-	-	-	-	25.322	40 Affordable Sales, 10 Shared Ownership, 18 sales
COUNCIL NEW BUILD ROUND3	15.115	17.334	3.500	-	-	-	-	35.949	259 Affordable Sales, 42 Shared Ownership, 44 transferred to Broadway Living, 6 Sales
LOCAL AUTHORITY HOUSING GRANT - REGISTERED PROVIDERS	9.859	-	-	-	-	-	-	9.859	
HRA	43.118	23.334	4.700	-	-	-	-	71.152	
OTHER	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23 to 2025/26	Budget 2026/27 to 2046/47	Total 2021/22	Lifetime of the scheme
	£m	£m	£m	£m	£m	£m	£m	£m	
ADAPTATIONS FOR THE DISABLED	0.568	1.350	1.400	1.450	1.500	6.350	33.600	46.218	225 properties to be adapted annually
HOUSING MANAGEMENT SYSTEMS	0.148	-	-	-	-	-	-	0.148	
HRA	0.716	1.350	1.400	1.450	1.500	6.350	33.600	46.366	
Overall Total	128.913	74.027	70.639	55.139	50.401	121.600	431.840	932.559	