

HOUSING COMMITTEE

10 DECEMBER 2019

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Report Title	HOUSING COMMITTEE ESTIMATES – REVISED 2019/20 AND ORIGINAL 2020/21 AND HOUSING REVENUE ACCOUNT (HRA) MEDIUM TERM FINANCIAL PLAN 2019/20 – 2023/24
Purpose of Report	To present to the committee the revised estimates for 2019/20 and the original estimates for 2020/21
Decision(s)	<p>The Committee RECOMMENDS to Strategy & Resources that:</p> <p>(1) The revised General Fund Housing revenue budget for 2019/20 and original budget 2020/21 are approved</p> <p>(2) The Fees and Charges list in Appendix B is approved</p> <p>(3) The revised HRA revenue budget for 2019/20 and original budget 2020/21 are approved</p> <p>(4) The movement to and from HRA balances and capital reserves as detailed in Appendix D and section 10 are approved</p> <p>(5) That from 1 April 2020:</p> <p>i) Social rents and affordable rents are increased by 2.7%, in line with national rent guidance</p> <p>ii) Garage rents are increased by 2.7%</p> <p>iii) Landlord service charges are increased by 2.7%, except district heating charges which are decreased by an average of 21%</p> <p>As detailed in Appendix C:</p> <p>(6) The Sheltered Modernisation Programme be added to the HRA Medium Term Financial Plan</p> <p>(7) The General Fund Housing Capital Programme, as detailed in Section 4, be included in the Council’s Capital Programme</p> <p>(8) The HRA Capital Programme for 2019/20 to 2023/24, as detailed in Appendix E, be included in the Council’s Capital Programme.</p>
Consultation and Feedback	Budget holders and senior managers.

Financial Implications and Risk Assessment	<p>This report sets out the draft budget relating to the Committee for 2020/21. This will form part of the budget setting process to be considered by Strategy and Resources Committee in January 2020 and Council in February 2020.</p> <p>Lucy Clothier, Interim Accountancy Manager Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>
Legal Implications	<p>There are no legal implications arising from the recommendations made in this report.</p> <p>Patrick Arran, Interim Head of Legal Services & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk</p>
Report Author	<p>Lucy Clothier, Interim Accountancy Manager Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>
Options	<p>a) Reduce or increase capital and revenue expenditure b) Reduce or increase dwelling rents c) Reduce or increase landlord service charges</p>
Performance Management Follow Up	<p>Budget Monitoring report to Housing Committee in April 2020. Outturn report to Strategy and Resources and Housing Committee in June 2020.</p>
Background Papers/ Appendices	<p>A – General Fund Summary B – Fees and charges C – Rents and Service Charges D – HRA MTFP E – Capital Programme and funding</p>

1. Background

- 1.1 The Budget Strategy report to Strategy and Resources Committee in October 2019 set out the way in which the Council would approach setting budgets for the forthcoming financial year.
- 1.2 It would be helpful where members have questions on matters of detail that they could be referred to the report author or the appropriate service manager before the meeting.**

2. Summary

- 2.1 This report updates Members on the draft General Fund Housing and Housing Revenue Account (HRA) budgets for 2020/21, and the revised budgets for 2019/20.
- 2.2 General Fund Housing
A proposed net increase of £100k on top of the base budget would bring the total General Fund housing revenue original budget to £638k in 2020/21. The current budget for 2019/20, including carry forwards, is £710k.
- 2.3 Updated fees and charges sheets are included in Appendix B, and are based on full cost recovery.
- 2.4 The capital budget is proposed to increase to £2,030k in 2020/21 from £1,498k in 2019/20.

2.5 Housing Revenue Account

A transfer to HRA general reserves of £139k is included in the draft budget for 2020/21. This is an increase from the £50k transfer to reserves in the revised budget for 2019/20.

2.6 It is proposed that weekly rents and most service charges increase by 2.7%.

2.7 The HRA capital programme has been updated, with the cost of new build expected to be higher than previously expected. There are also new budgets included for a new build scheme at the Cambridge House site, and also a proposed budget to replace any HRA housing used for temporary accommodation.

2.8 The cost of completing the sheltered modernisation works on the green and amber schemes has also now been included in the MTFP.

3. **General Fund Housing**

3.1 Members will be aware from both the 2019/20 budget and MTFP (approved in January 2019) and the Budget Strategy reports, the Council is facing a number of financial challenges in 2020/21 and future years. A budget deficit has been forecast in the latter part of the medium term due to anticipated reductions in the level of government funding, and inflationary and cost pressures across the Council's services. The service committee's revenue budgets have been prepared in accordance with the budget framework set out in the Budget Strategy report.

3.2 The Medium Term Financial Plan (MTFP) report to Strategy and Resources will set out a projection of General Fund Expenditure over the medium term 2020/21 to 2023/24.

3.3 The original budget for General Fund Housing was £538k, although this has been revised to £710k following a carry forward of £170k from 2019/20 and small virements between committees.

3.4 It is proposed that the 2020/21 original budget be set at £638k as detailed in Table 1.

Table 1: Summary of changes from the 2019/20 base budget

Housing Committee	para	2019/20 Revised Estimate £k	2020/21 Original Estimate £k
Base Budget		538	710
Virements/adjustments	3.3	171	(160)
Recurring changes:			
Pay increases	3.5		12
Proposed budget adjustments			76
Net Service Budget		710	638

3.5 Pay inflation of 2.5% has been assumed across the General Fund. It should be noted that the pay award has not yet been approved and this estimate could change.

3.6 Below is the detail of proposed budget changes

3.7 Homelessness - £76k pressure

The budget for Bed and Breakfast has been increased to recognise the continued higher need for temporary accommodation. A net increase of £21k has been included in the budget, and this assumes that an ongoing provision of family temporary accommodation can be provided in HRA properties. It also includes the additional capacity in the team included in the proposal – as detailed below.

There is also a proposed increase in staffing levels. This includes three additional posts (of which 1.5 of the posts are already in the structure on a fixed term basis). These posts are a Homeless Prevention Officer, a Housing Advice Officer and an Accommodation Officer. The additional cost of this is £55k per year (on top of the existing fixed term posts).

Workloads following the implementation of the Homeless Reduction Act have increased significantly and can't be managed within existing resources. The addition of an Accommodations Officer would also help greatly managing the increasing work relating to households in temporary accommodation.

It is expected, although not yet confirmed, that grants will continue into 2020/21 and this income will be used to fund the cost of providing homelessness prevention work and temporary accommodation. However the ongoing cost of this work has been included in the MTFP on an ongoing basis, causing a pressure on the General Fund.

4. General Fund Housing Capital

- 4.1 The original capital programme budget was £1,530k, but this was revised to £1,498k following capital slippage in June 2019.
- 4.2 The proposed revised budget for 2019/20 is now £1,498k, with the proposed original budget for 2019/20 at £2,030k. This includes the reprofiling of the £500k budget for Temporary Accommodation being moved into 2020/21.

Table 2: General Fund Housing Capital Programme

	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2020/21 Original Budget (£'000)
Affordable Housing Capital Programme		39	0
Disabled Facilities Grants	330	330	330
Warm Homes Fund	1,000	853	1,000
Park Homes		76	0
CCG Health through Warmth Grants	200	200	200
Temporary Accommodation		0	500
Total	1,530	1,498	2,030

- 4.3 Further detail of the capital budgets are below.
- 4.4 Affordable Housing Capital Programme – this is funding to provide occasional grant assistance to housing associations. Any remaining budget from 2019/20 will be carried forward into 2020/21.

- 4.5 Disabled Facilities Grants - this funding is provided through the Better Care Fund, administered by Gloucestershire County Council.
- 4.6 Warm Homes Fund – this is funding for central heating systems in homes across Gloucestershire, for which SDC is leading. It is externally funded by National Grid, through Affordable Homes Solutions.
- It is possible to access some of this funding in the HRA and, should this happen, the spend and grant income would be reflected in the HRA rather than the General Fund.
- It is currently expected that funding for this scheme will continue, however this has not yet been confirmed.
- 4.7 Health Through Warmth Grants – this is funded by the CCG and like warm homes covers the whole county. The funding for the Health through Warmth is predominantly used for insulation and heating systems to increase thermal efficiency in homes of people with cold or damp related health issues. Where possible this used in conjunction with the Warm Homes funding.
- 4.8 Should any of the externally funded grant payments change, the capital spend will need to change accordingly to prevent leaving the Council with unfunded capital spending.
- 4.9 Temporary Accommodation – approved budget to purchase property suitable for temporary accommodation. This budget has been reprofiled into 2020/21.

5. Housing Revenue Account (HRA)

- 5.1 The base budget in 2019/20 includes a transfer to general reserves of £103k, which has been revised to £50k following the approval of the in house repairs and maintenance service.
- 5.2 The proposed budget for 2020/21 includes expenditure of £22,373k, funded by £22,943k, with a net transfer to reserves of £570k, including a transfer to general reserves of £139k.
- 5.3 A summary of the changes from the 2019/20 budget can be found in Table 3 below.

Table 3: HRA Summary

Housing Committee	para	2019/20 Revised Estimate £k	2020/21 Original Estimate £k
Base Budget		(103)	(50)
Virements/adjustments		53	(53)
Pay and contract increases	7		210
Rent and service charges	6		(545)
Proposed budget adjustments	8,9		299
Net Service Budget		(50)	(139)

- 5.4 The budget proposal includes a number of changes from the 2019/20 base budget. A summary of the significant changes can be found in Table 4 below.

Table 4: Summary of proposed budget changes

Area	Para	Change £k
Pressures		
Tenancy management - staffing	8.1	112
HRA play areas	0	20
HRA rubbish clearance	0	34
Additional cost of support services from GF	8.3	354
Savings		
Contribution from GF for grounds maintenance and play areas	8.4	(30)
Sheltered housing savings	8.5	(261)
Central changes		
Bad debt provision (as per MTFP)	9.3	30
Increase contribution to Sheltered Modernisation programme (as per MTFP)	10.2	380
Contribution to capital programme	9.2	(330)
Provision to repay debt (as per MTFP)	9.3	18
Increased investment income	9.4	(50)
Other changes (net)		22
Total proposed changes		299

6. Proposed Rent and Service Charges 2020/21

6.1 Appendix C sets out the proposed increases in fees and charges.

6.2 Dwelling Rents

2020/21 is the first year following the four year rent reduction, with rents now regulated by the Regulator of Social Housing. The Regulator is permitting registered providers to increase rents by Consumer Price Index (CPI) +1%.

6.3 It is therefore proposed that all social and affordable rents are increased by 2.7% - CPI of 1.7% plus 1%. This increases the average rent from £81.20 per week to £83.40 per week, an increase of £2.20p per week.

6.4 Members could choose to increase rents by more or less than 2.7%. Each 0.5% change would increase/reduce the average weekly rent for tenants by £0.41 per week, or £21.32 per year, and decrease dwelling rent income to the HRA by approximately £104k per year. If Members chose to implement a lower rent increase, the corresponding amount would need to be funded from reductions in existing services.

6.5 On becoming vacant, dwellings at social rent are being relet at the Target Rent, a national rent calculation for social housing which is designed to give fair and consistent rents across all local authority and housing association stock. Currently 78% of tenants have rents below the Target Rent (a decrease from 83% last year). This figure will reduce as dwellings

become void and are relet, but as existing tenancies will be unaffected it will be a very gradual change. Members could choose to implement Social Rents at above Target Rent on relet (up to 5% on General Needs and 10% on Sheltered properties), but this is not being proposed at this time.

6.6 Shared ownership rents are to increase by the inflationary uplifts set out in each lease.

6.7 Garage rents and service charges

Garage rents and service charges are recommended to increase by 2.7% (CPI+1%, in line with rents), with the exception of district heating charges. This is for the five sheltered schemes with a communal boiler that serves all of the dwellings in the scheme. In line with last year it is proposed to change the service charges in line with the cost of gas supply. After an increase of 14% last year, a procurement exercise has led to a decrease in cost. It is proposed that this is passed on in full, with an average reduction of 20%.

6.8 Void assumptions

Void levels are assumed to remain at 1% for General Needs properties and 5% for Sheltered for a second year.

6.9 Provision for bad debt

Assumptions around non payment of rents and charges have been set at 0.5% of income. A higher level has been assumed for three years over the course of the MTFP to make an allowance for the anticipated impact of Universal Credit.

7. Pay and Price Inflation

7.1 In line with the Budget Strategy, future years pay inflation has been provided for in the MTFP at a rate of 2.5%.

7.2 Provision has been made for non pay inflation for major contracts at a rate of 3%.

7.3 Utility budgets have been increased or decreased in line with contractual increases.

8. Service Changes

8.1 Tenancy management (staffing) – £112k pressure

It is proposed that the Tenancy Management team is increased by three officers. This includes two Neighbourhood Management Officers (one of which is extending an existing fixed term post to carry out tenancy audits), and an additional Business Support Assistant. The diverse nature of the role requires officers with a specialist skill set who are effective communicators and deliverers of services and are able to manage conflicting priorities. The structure will be reviewed after 12 months to ensure its ongoing effectiveness.

8.2 HRA grounds maintenance - £545k pressure

An ongoing pressure has been identified on the cost of refuse clearance, and it is proposed to increase the budget by £34k in 2020/21. It is also proposed to increase the budget for play area maintenance by £20k.

8.3 Support charges - £354k pressure

The cost of support services provided by the general fund have increased by £354k in 2020/21. This is in part due to inflation (£39k), but also reflects services undercharging in

2019/20 (£120k). There are increased charges relating to the new Senior Leadership Team structure (£65k), an increased charge from Property Service (£65k) to reflect work undertaken for the HRA, particularly the new build and small sites programme, and an additional £65k due to the new in house repairs service (as was built into the business case).

8.4 Contribution from General Fund - £30k saving

It is proposed that the contribution from the General Fund towards the maintenance of HRA areas, including HRA play areas, is increased from £170k to £200k. This reflects that the areas being maintained are used by many residents, and not just council tenants.

8.5 Sheltered housing – £261k saving

Savings of £261k have been identified across the sheltered housing service, in part due the continued progress of the Sheltered Modernisation programme, and the closing of ‘red’ schemes, along with changes in line with the Older Persons Strategy. Savings include staffing savings and changes to the call monitoring service as approved by Housing Committee in September 2019. This has greatly reduced the level of subsidy required from the wider HRA, helping with the overall position.

8.6 Repairs and maintenance – £nil

Budgets have been realigned in line with the in house repairs service, however at this time the overall budget remains the same.

9. Central Changes

9.1 A number of changes are proposed to central budgets:

9.2 Contribution to capital programme – depreciation is expected to decrease by £330k. Although this is an in year saving, it will not affect the long term position of the HRA as it will mean addition contributions will need to be made in future years.

9.3 Provision to repay debt – in line with the MTFP the provision for repaying debt has been increased by 2%, £18k

9.4 Investment income – investment income is expected to increase against the base budget, based on an estimated level of balances held by the HRA.

10. Earmarked Reserves

10.1 The below table shows a summary of the earmarked reserves held in the HRA.

Table 6: HRA Earmarked Reserves

Earmarked Reserve	2019/20				2020/21			
	Opening balance £k	Transfers out £k	Transfers in £k	Closing balance £k	Opening balance £k	Transfers out £k	Transfers in £k	Closing balance £k
Sheltered Modernisation	2,514	(1,226)	1,000	2,288	2,288	(949)	1,380	2,719
Estate Redevelopment	1,170	0	0	1,170	1,170	0	0	1,170
Staffing	250	0	0	250	250	0	0	250
HRA General Contingency	100	0	0	100	100	0	0	100
Carry Forwards	60	(60)	0	0	0	0	0	0
	4,070	(1,286)	1,000	3,808	3,808	(949)	1,380	4,239

10.2 Transfers to the Sheltered Housing EMR is in line with previous assumptions.

10.3 The transfers from the Sheltered Modernisation are in line with current forecasts of spend.

11. HRA Medium Term Financial Plan (MTFP) and 30 Year Position

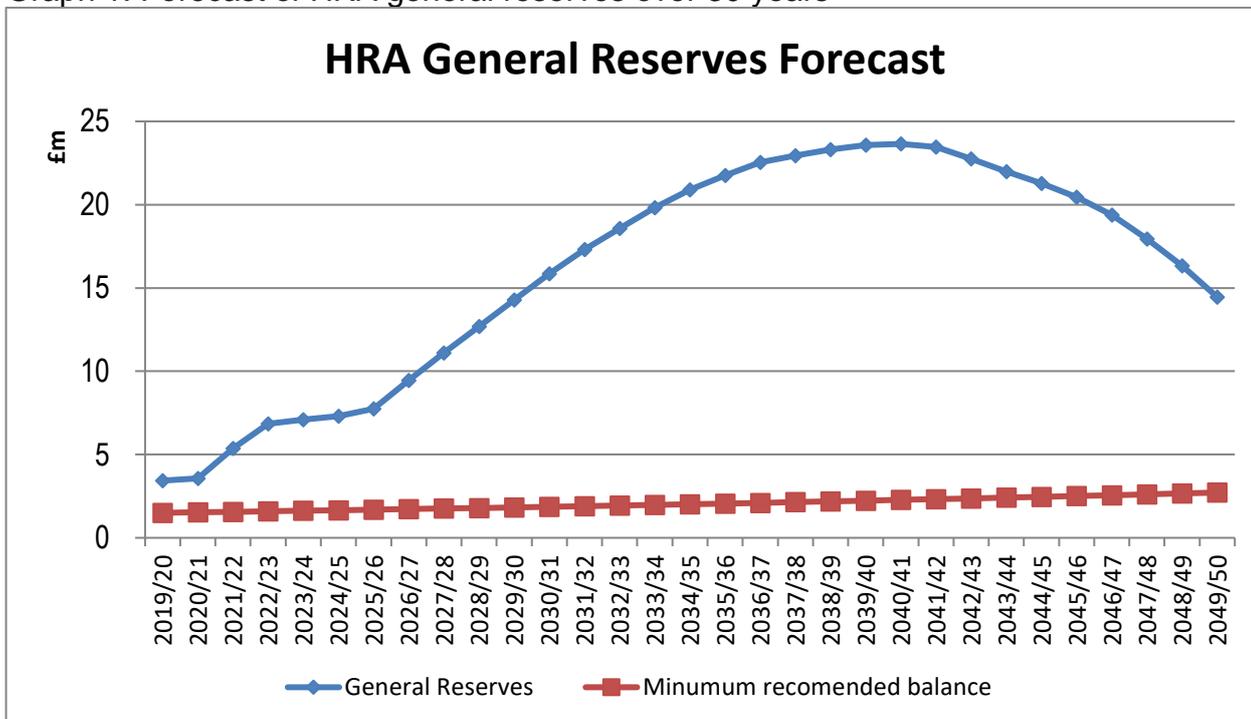
11.1 The MTFP based on the proposed budget position is shown in Table 7.

Table 7: HRA MTFP

	2019/20 Base	2019/20 Revised	2020/21 Base	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
Income	(22,325)	(22,325)	(22,943)	(23,271)	(23,983)	(24,566)
Expenditure	9,948	10,061	9,946	10,155	10,513	10,808
Other income and expenditure	12,501	12,501	12,427	12,954	12,936	13,664
Total Housing Revenue Account	123	236	(570)	(162)	(533)	(94)
Transfers to/(from) earmarked reserves	(226)	(286)	431	(1,635)	(934)	(150)
Transfers (to)/from general reserves	(103)	(50)	(139)	(1,797)	(1,467)	(245)

11.2 With the changes proposed in this report the HRA is forecast to have a balanced position across the full 30 year period.

Graph 1: Forecast of HRA general reserves over 30 years



12. Material Assumptions Made in the HRA MTFP

12.1 The MTFP forecast is made under a number of assumption. The main ones of note are summarised below:

- Rents will rise by CPI+1% for five years, then CPI only.
- Void levels of 2% in general needs (after a two year period of 1% as detailed in paragraph 6.8), and 5% in sheltered housing properties are assumed (in schemes not affected by the Sheltered Housing Modernisation Programme).
- Inflation of 2% has been assumed across rents and contract inflation.
- 30 Right to Buy sales a year have been assumed in terms of rent loss.
- HRA balances will be maintained at a minimum of £1.5m (rising with inflation) over the MTFP period in order to provide resilience against the negative financial impact of future legislative changes.
- Major works are included on a standard replacement basis. Additional works identified in the Energy Strategy are not yet included.
- The new build programme is included at the estimate cost of building to a minimum SAP rating of 86. Any additional cost over this level would need to be funded by additional borrowing which would increase interest costs and the repayment of the borrowing.

13. Sheltered Modernisation

13.1 The full cost of sheltered modernisation has not, to date, been included in full within the MTFP or 30 year position. Following the approval of the Older Persons Strategy, it is recommended that this cost is now recognised.

13.2 The estimated cost of works on 17 Green and Amber schemes is £7.3m over 7 years. This is an increase of £4.8m over the existing provision.

Table 8: Proposed Spend on Green/Amber schemes in £k

2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
877	655	659	929	1,400	1,533	1,237	7,290

13.3 The MTFP position reported in Section 11 includes this additional cost.

14. Risks and Uncertainties

The HRA still faces a number of risks and uncertainties over the medium to long term. These include:

14.1 Right to Buy Receipts – the ability to borrow has greatly changed the forecasted position on the use of Right to Buy (RTB) receipts. However, although the new programme as indicatively shown in Appendix E is in part funded from RTB receipts, there is still a risk that the programme could slip, or some schemes may not be possible to deliver. Therefore, because of changes to timing, receipts would need to be repaid.

There is also a potential risk that the receipts may not be sufficient to fund the capital programme. If this were to happen, alternative funding would need to be found.

- 14.2 Interest Rates - the HRA is largely sheltered from interest rate changes in the medium term as all of the current borrowing is at fixed interest rates. As loans become repayable, advice will be sought from our treasury advisors on the most advantageous approach to refinancing.
- 14.3 Stock Condition – the information held on the condition of the stock continues to grow, with data being collected regularly. As more data is collected, the longer term forecasts are revised and could mean that more, or less, spend is required compared to the current forecast.
- 14.4 Staffing – the ability to attract and retain staff, especially in specialist areas such as development, repairs and maintenance and tenancy management, is extremely important. Any significant gaps could result in a reduced service to tenants, and/or a financial pressure in recruiting agency staff.
- 14.5 Internal Council Changes – any major changes to the Council could impact on the HRA medium/long term position.

15. Capital Programme

- 15.1 A revised programme of £10,447k in 2019/20 is proposed, followed by an increased budget of £18,250k in 2020/21. The total indicative spend over the five year capital programme is £58,157k, however this is subject to change as schemes are worked up.
- 15.2 A full breakdown of the capital programme and funding can be found in Appendix E.

16. Major Works

- 16.1 It is proposed that the budget for 2019/20 is revised to £7,581k, with the base budget for 2020/21 at £6,068k.
- 16.2 The programming of works for 2020/21 is already well underway which allows greater certainty over the deliverability of the work streams. However, even with a fully planned programme there will always be some element of variation due to unknown void costs, tenant refusals, adverse weather and further stock condition data being known.
- 16.3 As the works are not yet programmed after 2020/21, the Capital Programme is condensed to show all capital major works on one line. This will be expanded on each year to show the full programme when it is in place, with future years also being reprofiled.

17. New Homes and Regeneration Programme

- 17.1 The development programme has been reprofiled with updated assumptions on timing.
- 17.2 Following an external review of the cost of building new houses, the budget has been increased to reflect build cost inflation and the cost of building to a minimum SAP rating of 86, as reported to Housing Review Panel and as detailed in the new homes section of the Energy Strategy update report to this Committee to address the Council's commitment to Carbon Neutral 2030.
- 17.3 The total additional cost is currently expected to be £4.1m, with the additional funding coming from capital receipts and borrowing. The additional cost of borrowing has been included in the MTFP.

- 17.4 These costs are still estimates at this point, and are subject to change when the schemes are tendered.
- 17.5 The first phase of three schemes will be tendered at the SAP 86 level, and will include options to replace the gas boilers with air source heat pumps, and a cost benefit analysis will be performed.
- 17.6 Following the freeing up of HRA borrowing, it is now possible to include the Cambridge House site into the capital programme, which, as a 'red' sheltered housing site, was due to be sold. It is proposed that it is funded from RTB receipts and borrowing and a recommendation to include this scheme within the new homes programme is included in the Sheltered Modernisation Programme update report to this Committee.

18. Purchase of replacement housing

- 18.1 With the intention of using some HRA properties to temporarily house homeless families, as this would allow the households to stay in district, as well as provide savings to the General Fund, it is proposed to have a pot to purchase replacement properties in the HRA. This will help prevent the number of long term houses available in the stock decreasing.
- 18.2 A budget of £1,320k has been included in the proposed budget. This is an indicative budget only, and any purchases would be subject to a survey and business case to ensure that they are suitable to manage and maintain, as well as financially viable.

19. Sheltered Housing Modernisation

- 19.1 The Sheltered Modernisation Programme continues on the green/amber schemes, with works to the common areas of Concord completed and George Pearce House due to be complete in Spring 2020. Tanners Piece, the Council's first Independent Living scheme, which replaced properties that formed part of the 'red' scheme at Ringfield Close, was completed in summer 2019.
- 19.2 The planned programme will continue in 2020/21 with works proposed at Willow Road, Stonehouse and Springfield Court, Cam. The nature of the works will be determined after consultation with tenants and officers. The recommendation for the inclusion of these two schemes into the programme is included within the Sheltered Modernisation Programme update report to this Committee.
- 19.3 As reported in section 13 it is proposed that the full programme of green and amber schemes is now included in the MTFP and 30 year position.

Housing Committee Budget 2019/20 and 2020/21

Housing Committee	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2020/21 Original Budget (£'000)
Homelessness	105	105	197
Homelessness Prevention	141	141	148
Housing Strategy	138	309	134
Private Housing	154	154	159
Housing General Fund Total	538	710	638

Housing Committee

Private Housing

Schedule of Fees and Charges from 1 April 2020

Proposed increase in fee/charge from previous year

8.0% / 8.5%

Basis of charge (eg full cost recovery, statutory charge, subsidised service)

Full cost recovery as prescribed by Housing Act 2004

Details of any discretionary discounts or concessions

None

Has any benchmarking or consultation been undertaken?

N/A legislative cost recovery basis

Equality Impact Assessment

N/A legislative requirement

Budget Impact

None

Housing Committee

Private Housing

Schedule of Fees and Charges from 1 April 2020

Proposed increase in fee/charge from previous year

This fee has not been reviewed since 2014. Cost recovery calculation at current rates gives a figure of £140 as being appropriate an increase of 16.6 %. Benchmarking with 10 other LA's offering this service indicated that this was only slightly above the average.

Basis of charge (eg full cost recovery, statutory charge, subsidised service)

Full cost recovery

Details of any discretionary discounts or concessions

None

Has any benchmarking or consultation been undertaken?

yes

Equality Impact Assessment

No adverse impacts identified

Budget Impact

None

Housing Committee

Private Housing

Schedule of Fees and Charges from 1 April 2020

Proposed increase in fee/charge from previous year

In line with increased salary costs

Basis of charge (eg full cost recovery, statutory charge, subsidised service)

Full cost recovery per site as prescribed by Mobile Homes Act 2013

Details of any discretionary discounts or concessions

None

Has any benchmarking or consultation been undertaken?

N/A legislative cost recovery basis

Equality Impact Assessment

N/A legislative requirement

Budget Impact

None

Proposed Level of HRA Rents and Service Charges 2020/21

DRAFT Proposed level of rents and service charges (on a weekly basis over 52 weeks)	Current 2019/20 £	Proposed 2020/21 £	Increase/ Decrease £	Increase/ Decrease %
Rents				
Dwelling rents (average)	81.20	83.40	2.20	2.7%
Garage rents (excl VAT which is chargeable to non tenants only)	12.75	13.09	0.34	2.7%
Landlord Service Charges (charged where applicable)				
TV relay (communal aerials – basic IRS)	0.36	0.37	0.01	2.7%
TV relay (communal aerials – comprehensive IRS)	0.91	0.93	0.02	2.7%
Cleaning charges (average)	2.51	2.58	0.07	2.7%
District heating (average)	8.82	6.98	-1.84	-21% (-22% less any increases not passed on last year)
Water charges (average)	2.65	2.72	0.07	2.7%
Sheltered Housing	25.29	25.97	0.68	2.7%
Sheltered Housing - Tanners Piece (average)	16.04	16.48	0.44	2.7%

HRA Medium Term Financial Plan 2019/20 to 2023/24

	2019/20 Base	2019/20 Revised	2020/21 Base	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
Income						
Dwelling rents and service charges	(21,875)	(21,875)	(22,444)	(22,924)	(23,638)	(24,223)
Other charges and income	(531)	(531)	(609)	(551)	(553)	(555)
Provision for bad debt	80	80	110	204	208	212
Total Income	(22,325)	(22,325)	(22,943)	(23,271)	(23,983)	(24,566)
Expenditure						
Supervision and management	4,039	4,092	3,579	3,659	3,840	3,738
Repairs and maintenance	3,806	3,866	4,543	4,654	4,768	4,885
Sheltered housing service	1,174	1,174	953	972	992	1,013
Other expenditure	460	460	542	553	564	575
Sheltered housing modernisation programme	470	470	329	318	350	597
Total Expenditure	9,948	10,061	9,946	10,155	10,513	10,808
Other income and expenditure						
Support service charges from GF Revenue Funding of Capital Programme (Depreciation and RCCO)	1,560	1,560	1,982	2,030	2,083	2,134
Provision for repayment of debt	900	900	918	1,138	1,361	1,538
Interest payable/receivable	3,354	3,354	3,309	3,782	4,063	4,242
Total other income and expenditure	12,501	12,501	12,427	12,954	12,936	13,664
Total Housing Revenue Account	123	236	(570)	(162)	(533)	(94)
Transfers to/(from) earmarked reserves	(226)	(286)	431	(1,635)	(934)	(150)
Transfers (to)/from general reserves	(103)	(50)	(139)	(1,797)	(1,467)	(245)

HRA Capital Programme 2019/20 to 2023/24

HRA Capital Programme	2019/20 Base £k	2019/20 Revised £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k
Major Works						
Central Heating	1,021	849	745			
Disabled Adaptations	200	200	150			
Kitchens and Bathrooms	1,389	1,400	589			
Major Voids	464	464	450			
Asbestos/Radon	422	422	271			
Doors and Windows	1,022	702	884			
Electrical Works	218	218	200			
Environmental Works		150	150			
Door Entry	218	313	242			
Suited Locks	76	150	0			
External Works	3,519	2,713	2,387			
Septic Tanks			21			
IT Systems		175				
Major Works				5,004	4,332	4,068
Total Major Works	8,549	7,756	6089	5,004	4,332	4,068
New Homes						
Southbank, Woodchester	902	707	495			
Purchase of Properties/Miscellaneous	0	0	1,320			
New Homes Contingency	50	50	50	50	50	
Former Ship Inn Site, Stonehouse	1,000		50	950	485	
Tanners Piece, Nailsworth	449	705				
Glebelands, Cam	0		50	2,765	2,766	
Broadfield Road, Eastington	31	31	1,126	282		
Orchard Road, Ebley	20	20	686	142		
Queens Drive, Cashes Green	27	16	876	354		
Ringfield Close, Nailsworth	55	55	2,897	1,168		
Summersfield Road, Minchinhampton	28	28	1,086			
Gloucester St and Bradley St, WuE	28	28	20	805	985	
Cambridge House, Dursley			30	1,900	709	
Opportunity Land Acquisition Pot	3,000	0	3,000			
Total New Homes	5,590	1,640	11,686	8,416	4,995	
Sheltered Modernisation	614	614	475	438	584	843
Total HRA Capital Programme	14,753	10,010	18,250	14,008	10,164	5,288

HRA Capital Financing	2019/20 Base £k	2019/20 Revised £k	2020/21 £k	2021/22 £k	2022/23 £k	2023/24 £k
Revenue Funding (including depreciation and Sheltered Modernisation reserve)	9,179	9,075	6,564	6,323	5,169	5,288
Capital Receipts (including RTB receipts)	1,491	875	5,566	1,380	144	
Homes England Grant Funding	158	60	75	173	98	
Borrowing	3,925	0	6,045	6,132	4,753	
Total Funding	14,753	10,010	18,250	14,008	10,164	5,288