



2016-17 HRA Revenue Budget:

County Council: 16th February 2016



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Self Financing

Self Financing

- » Introduced in 2015/16, borrowed £79.2m to buy out of subsidy
- » Ability to borrow for WHQS and New Build
 - » £25m for WHQS
 - » £14.5m for new build
- » Rent controls still in place
- » Continued single debt pool
- » Improved local control



30 year business plan

- » **Completion of WHQS by 2020**
and WHQS maintained
- **Meeting Choices Document promises**
- **200 homes built**
- » **Significant surpluses after 2020 providing for**
 - » estate remodelling
 - » further new build
 - » service improvements

Housing Revenue Account

Key assumptions 2016/17

- » Rental Projections
 - » Target rents- 7 years to achieve (for most tenancies)
 - » Formula is based on CPI at Sept, plus 1.5%, plus up to £2 (if below target rent).
 - » CPI for 2016/17 is -0.1%
 - » Average transitional increase of 1.4% plus up to £2

Proposed average Rent for 2016/17 of £81.38 based on 52 weeks. (Target rent £87.84)

- » Total Rental Income £29.3m

Other Income

Income	
Garages (net of vacants)	-£ 376,243
Leased Charges (sold flats)	-£ 13,000
Insurance Commission	-£ 29,000
Service Charges	-£ 190,531
Water Commission	-£ 545,000
Other	-£ 24,095
Total	-£ 1,177,869

- » Proposed garage rent increase for 2016/17 of £0.08 per week
- » Increase of 1.4% in line with rents
- » Taking average garage rent per week to £5.91

Service Charges 2016/17

Existing Tenants

» Aerials

- » Proposed charge £0.88 per week
- » Total Expected Income £0.076m

» Cleaning

- » Proposed charge £2.75 per week
- » Total expected income £0.115m

New Tenants

- » The above plus proposed charges of:-
- » Laundry services £0.75 per week
- » Window cleaning £0.50 per week

Future phasing of service charges

- » 2017/18 – Laundry services , window cleaning and gardening services.
- » 2018/19 – Caretaking and Communal garden services.



Principles Underpinning Efficiencies

- » Procurement and contract management
 - » Managed stores contract
 - » Corporate telephone contract

- » Realising and releasing capacity
 - » Introduction of total mobile and job scheduling

- » Improved performance
 - » Mobile working
 - » Merger of Housing Asset Management and Neighbourhood Management

- » Challenge all costs and managed risk management
 - » Lower support recharges
 - » Reduction in postage costs linked to channel shift

HRA Efficiency Proposals

No		Savings Options Model 1 and 2	Type	2016/17 PROPOSALS £m	2016/17 MANDATORY duties	2016/17 RISK status of ACCEPTABILITY and DELIVERABILITY
1	Housing Asset Mgmnt	Maximise material efficiencies via product mix and pricing 3%	Service Efficiency	(90,000)	NM	Amber
2	Housing Asset Mgmnt	Job Scheduling	Service Efficiency	(84,941)	NM	Amber
3	Housing Asset Mgmnt	Reduce Inspection Team	Structural Review	(52,459)	NM	Green
4	Support	Undertake corporate buildings review	Service Efficiency	(18,000)	NM	Green
5	Various	Reduce postage costs / increase electronic communications	Service Efficiency	(3,500)	NM	Green
6	Support	Telephone Recharges	Service Efficiency	(9,000)	NM	Green
		Total HRA		(257,900)		

HRA Pressures

No			Type	2016/17 PROPOSALS £m	2016/17 MANDATORY duties	2016/17 RISK status of ACCEPTABILITY and DELIVERABILITY	Notes
1	Income	Reduction in income arising from phased implementation of gardens and service charges	Income Pressure	70,562	M	Green	Reduction in garden income in line with phased introduction of Service Charges
2	Tenancy Management	Health and Safety Officer	Service Improvement	47,871	M	Green	To ensure legislative requirements are being adhered to as part of day to day operations and the increased WHQS Programme
3	Tenancy Management	Community Centres	Service Pressure	96,000	NM	Green	HRA contribution towards Community Centres
4	Tenancy Management	Wardens	Service Pressure	153,000	NM	Green	20% HRA contribution for Accommodation Support Services
5	Estate Services	Aerials	Service Pressure	14,000	NM	Green	Reflective of increased contract costs
6	Housing Asset Mgmt	Communications/FOI Officer	Service Improvement	15,403	NM	Green	HRA contribution towards portfolio FOI and Communications Officer
		Total HRA		396,836			
		Grand Total HRA		138,936			



HRA CAPITAL PROGRAMME

2016/17



Funding for HRA Capital Programme 2016/17

- » Total Available Capital Funding 2016/17 - £25.963m

- » Including:-
 - » Major Repairs Allowance - £5.000m

 - » Revenue Contribution to Capital Expenditure (CERA) - £10.500m

 - » Borrowing for WHQS programme - £5.700m

 - » Borrowing for New build - £4.763m

HRA Capital Programme	2016/17
WHQS	£'m
CATCH UP REPAIRS / MAJOR WORKS	
Urgent Capital Works 3% on £95m	0.521
IMPROVEMENTS / COMMUNAL WORKS	
Fire Risk Assessments Work	0.150
General DDA Work	0.050
IMPROVEMENTS / ACCELERATED WORKS	
Asbestos Survey and Removal (Ongoing Programme)	0.350
Off Gas Programme	0.750
ECO Projects	0.550
Welfare Reform / Adaptations	0.100
PROGRAMMED WORK STREAMS	
Internal Works	11.953
Envelope Works	2.581
External Works, Paths, Fences	0.475
Environmental Works - General	0.950
Capitalised Salaries 6% on £90m	0.781
Vacant Properties	0.750
Total WHQS	19.961
Non WHQS	
Disabled Facility Grants (DFG) - Mandatory/ Minor Adaps	1.000
Total Non - WHQS	1.000
Total Spend (Excluding Inflation)	20.961
Inflation	0.209
Total WHQS Spend (Including Inflation)	21.170
SHARP Programme	4.763
Total Spend (Including Inflation)	25.933

Council house building programme

- » 200 homes over five years from 2016
- » Range of sites identified
 - » **HRA**
 - » **Council Fund**
- » Main focus on 2 bedroom houses and some bungalows
- » Application for Right to Buy Suspension ongoing
- » Developer appointed
- » £14.5m borrowing projected in business plan
- » £4.763m borrowing planned for 2016/17

