



# Housing Revenue Account Revenue Budget and Capital Programme 2017/18





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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 2017/18

- » 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 2017/18 is 1%
  - » Proposed average Rent for 2017/18 of £85.87 based on 52 weeks. (Target rent £91.69)
  - » Average transitional increase of 2.5% plus up to £2
  
- » Total Rental Income £30.9m

# Other Income

Income	
Garages (net of vacants)	£401,809
Leased Charges (sold flats)	£13,000
Insurance Commission	£25,000
Service Charges	£267,296
Water Commission	£551,000
Garage Plots	£4,493
Interest on Mortgages	£8,000
Land Income	£3,500
Tithes and Wayleaves	£7,000
Court Costs	£10,500
Total	£1,291,598

» Proposed garage rent increase for 2017/18 of £1 per week. Taking garage rent per week to £6.61 (based on 52 weeks)

» Proposed garage plot increase of £0.20 per week. Taking garage plot rent to £1.20 per week.

# Service Charges 2017/18

	Existing Tenants	New Tenants
Aerials	£0.88	£0.88
Communal Cleaning	£2.75	£2.75
Laundry Services		£0.75
Window Cleaning		£0.50

## FUTURE PHASING OF SERVICE CHARGES

Detailed consultation to take place from January 2018

# HRA Efficiency Proposals

## Efficiencies

No	Section	Description	Type	2017/18 £m	Notes
1	Various	Price Inflation	Service Efficiency	(71,182)	Price inflation has been removed.
2	Estate Management	Estate Caretaker	Structural Review	(18,667)	Removal of vacant position
3	Management & Support	Handy Person	Structural Review	(38,488)	This vacant position is being removed from the budget as the estate caretakers are completing this work.
4	Various	Employee Travel	Service Efficiency	(11,091)	A result of the review of essential car users and rates.
5	Management & Support	Conference/Seminars	Service Efficiency	(13,544)	A reduction in the conference budget.
6	Estate Management	Supplies & Services	Service Efficiency	(4,165)	A review of supplies and services budgets.
7	Housing Asset Management	Fleet Costs (Disabled Adaptations)	Service Efficiency	(40,000)	Capitalisation the cost of vehicles used for the capital works on adapted properties.
8	Estate Management	Neighbourhood Housing Assistant	Structural Review	(19,310)	Removal of vacant position.
		<b>Total HRA</b>		<b>(216,447)</b>	



# HRA Investment Decisions/ Cost Pressures

## Investment Decisions/Cost Pressures

No	Section	Description	Type	2017/18 £m	Notes
1	Income	Service Charges	Income Pressure	311,428	Reduction in income in line with phased introduction of Service Charges
2	Housing Programmes	SHARP - Site Investigation Fees/Other Costs	Service Improvement	79,000	Revenue budget to support the cost of the SHARP which cannot be capitalised (e.g. legal fees, land valuations)
3	Estate Management	Gardens	Service Pressure	55,000	Reflective of increased contract costs
4	Estate Management	Laundry	Service Pressure	14,000	Reflective of increased contract costs
5	Estate Management	Aerials	Service Pressure	20,000	Reflective of increased contract costs
6	Estate Management	Window Cleaning	Service Pressure	10,500	Reflective of increased contract costs
7	Estate Management	Communal Cleaning		9,000	Reflective of increased contract costs
8	Housing Asset Mgmt	Waste Removal	Service Pressure	20,000	Reflective of increased contract costs
9	Housing Asset Mgmt	Electrical Qualifying Officer	Service Improvement	40,226	Additional position introduced to cover Health & Safety requirements
10	Management & Support	Insurance	Historic Budget Flaw	78,000	To correct a budget flaw
11	Estate Management	Revenues Manager	Service Pressure	16,772	To reflect a charge of 25% to the HRA for work on rent collection.
12	Management & Support	Apprentice Levy	Service Pressure (national policy)	37,129	New national policy (0.5% of paybill)
13	Landlord Services	Servicing & Adhoc Call Outs	Service Pressure	40,000	(e.g. smoke alarm testing, lift maintenance).
		<b>Total HRA</b>		<b>731,055</b>	



# HRA CAPITAL PROGRAMME

2017/18



# Funding for HRA Capital Programme 2017/18

- » Total Proposed Capital Funding 2017/18 - £27.744m
- » Including:-
  - » Major Repairs Allowance - £5.050m
  - » Revenue Contribution to Capital Expenditure (CERA) - £10.890m
  - » Borrowing for WHQS programme - £4.100m
  - » Borrowing for New build - £7.704m

HRA Capital Programme	2017/18
<b>WHQS</b>	<b>£'m</b>
<b>CATCH UP REPAIRS / MAJOR WORKS</b>	
Urgent Capital Works 3% on £95m	0.522
<b>IMPROVEMENTS / COMMUNAL WORKS</b>	
Fire Risk Assessments Work	0.150
General DDA Work	0.050
<b>IMPROVEMENTS / ACCELERATED WORKS</b>	
Asbestos Survey and Removal (Ongoing Programme)	0.350
Off Gas Programme	0.500
Welfare Reform / Adaptations	0.100
<b>PROGRAMMED WORK STREAMS</b>	
Internal Works	9.856
Envelope Works	4.231
External Works, Paths, Fences	0.475
Environmental Works - General	0.950
Capitalised Salaries 6% on £90m	1.076
Vacant Properties	0.750
<b>Total WHQS</b>	<b>19.010</b>
<b>Non WHQS</b>	
Disabled Facility Grants (DFG) - Mandatory/ Minor Adaps	1.030
<b>Total Non - WHQS</b>	<b>1.030</b>
<b>SHARP Programme</b>	
Batch 1	2.018
Batch 2	3.103
Batch 3	2.583
<b>Total SHARP Programme</b>	<b>7.704</b>
<b>Total Capital Spend</b>	<b>27.744</b>



## » Kitchen Refurbishment





## » Bathroom Refurbishment





## » WHQS - Envelope





## » WHQS - Envelope







## » WHQS – Environmental



# Council house building programme

- » 200 homes over five years from 2016-
  - » 82 approved to date
- » 12 homes let at Custom House, 3 months ahead of programme
- » 30 homes on site in Flint
- » New sites starting in Mold, Connaahs Quay and Leeswood in next 2 weeks- total 40 homes
- » Next batch of sites to Cabinet for consideration in March
- » £7.704m borrowing planned for 2017/18





## Flint Maisonettes





# Maisonettes demolition





## New build on site of the Walks





## Custom House Court

