

TITLE OF REPORT: Housing Revenue Account (HRA) and Housing Capital Programme

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Purpose of the Report

1. Cabinet is asked to recommend to Council:
 - The Housing Revenue Account (HRA) budget for 2020/21.
 - The proposed rent changes from 6 April 2020, in line with the Government's new policy on rent setting.
 - The detailed proposals for the 2020/21 HRA fees and charges.
 - The proposed Housing Capital Programme for the next five years (2020/21 to 2024/25).

Background

2. On 21 March 2019 Council agreed the Gateshead Housing Strategy 2019-2030. The overarching purpose of the Strategy is to support the delivery of the Council's strategic objectives of making Gateshead Thrive and the pledges of improved health, wellbeing, equality and sustainable neighbourhoods as well as supporting sustainable housing and economic growth as set out in the Local Plan ("Planning for the Future" - Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030). Embedded within the Strategy is supporting the long-term sustainability of the Council's housing stock and the Housing Revenue Account (HRA).
3. On 24 April 2019 the Council was issued with a Regulatory Notice from the Regulator of Social Housing outlining a breach of the Home standard. On 29 November 2019 the Council entered into a voluntary undertaking outlining the commitment to resolve the compliance issues raised and deliver better outcomes for residents.
4. On 16 July 2019, Cabinet approved the commencement of a comprehensive review of the delivery model for the management of the Council's housing stock, including a full options appraisal of alternatives and all necessary consultation with stakeholders. This included a prompt strengthening in the oversight and performance monitoring arrangements in place as a direct response to the Regulatory Notice. The review will also consider the wider housing related services provided by The Gateshead Housing Company (TGHC), particularly in the context

of Making Gateshead a Place Where Everyone Thrives and the recently agreed Housing Strategy.

5. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account.
6. In order to facilitate decision making and strategically plan for Housing in the future the Council continually updates its 30-year HRA Business plan considering the long-term future of the housing stock alongside the short to medium-term investment plans. The plan is reviewed, at least, annually to ensure appropriate action is taken to address risks. The financial implications of the Regulatory Notice and the review of the management arrangements have been considered as part of the annual review.
7. Over the next 12 months there will be the development of a clear HRA asset strategy and management plan and a fundamental review of the Housing Capital Programme. The review will evaluate information using new stock surveys and business data, like repair trends to develop clear priorities that fulfils the Council's obligations as a landlord and provides sustainability as well as value for money for the HRA.
8. From April 2020, the government has changed the way social rent is set through the Regulator of Social Housing's (RSH) new rent standard which defines how all social and affordable housing rents are calculated. The main change in this new rent standard is that rents can now be increased up to CPI as at September 2019 (1.7%) plus an additional 1%, giving a maximum possible rent increase of 2.7%.
9. The new RSH Rent Standard requests that any increases to service charges are limited to the cost of service delivery. A detailed review of Gateshead's fees and charges is carried out each year to ensure the HRA recovers only the full costs associated with providing services to tenants, this includes passing on any savings made to tenants through cost cutting efficiencies implemented by the council.
10. Where an inflationary increase is appropriate the September 2019 CPI rate of 1.7% has been applied in line with the inflationary measure used for setting rents. Those charges which relate to General Fund Services, such as Care Call, have been increased by at least 2% in line with the Council's approach to setting fees and charges which is considered as item 5 on this agenda.
11. The Housing Capital Programme is a five-year rolling programme with an annual review. The programme is supported from resources available within the HRA and therefore considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future. The financial implications of the programme are incorporated into the HRA Business plan. The HRA Capital Programme is also incorporated into the Council's overall Capital Programme which is considered as item 4 on this agenda.

Proposal

12. The proposed Housing Revenue Account for 2020/21 to 2024/25 is set out in Appendix 2 which includes:

- An increase in rents of 2.7% (2020/21) in line with the new rent standard.
 - A Management Fee of £15.751m for The Gateshead Housing Company to carry out its functions on behalf of the Council, including savings of £0.136m in relation to the reduction in the employer pension contribution rate.
 - A repairs and maintenance budget for The Gateshead Housing Company of £25.030m of which £2.000m is related to strategic repairs and is included in the capital programme. The repairs and maintenance budget also includes savings of £0.297m related to a reduction in the employer pension contribution rate.
13. A summary of the recommended changes to the fees and charges for the HRA 2020/21 is presented in Appendix 4.
14. The Housing Capital Programme over the five years 2020/21 to 2024/25, Appendix 5, provides for investment of £105.588m. In 2020/21 the Capital Programme totals £23.221m which requires the use of £2.5m of capital receipts. The Programme will be kept under regular review by Cabinet to ensure that investment plans remain affordable.

Recommendations

15. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2 including the Gateshead Housing Company management fee, the repairs and maintenance budget and savings.
 - (ii) The 2.7% rent increase from 6 April 2020 as detailed at Appendix 3.
 - (iii) The HRA fees and charges as detailed in Appendix 4.
 - (iv) The Housing Capital Programme for the five years 2020/21 to 2024/25 as set out in Appendix 5.

For the following reasons:

- (i) To set a Housing Revenue Account for 2020/21 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to the Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.
- (ii) To assist in the delivery of the Council's vision for Gateshead as set out in Making Gateshead a Place where Everyone Thrives.

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Policy Context

1. The proposals support the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives including achieving the following outcomes; providing good quality housing with a mix of tenures and affordable options that meet the needs of local people including families and older people enabling them to live healthy lives and to make healthy choices, preventing ill health.
2. The Housing Strategy 2019-2030 identifies clear housing objectives and priorities, puts forward a vision for housing in Gateshead, and sets a framework for how the Council will deliver services and interventions, and work in partnership with others, in a way that will help achieve those objectives using increasingly scarce resources proportionately and effectively. It includes three overarching strategic objectives:
 - Sustainable housing and economic growth
 - Sustainable neighbourhoods
 - Improved health & wellbeing
3. In addition to these overarching objectives one of the key themes embedded in the strategy is supporting the long-term sustainability of the Council's housing stock and the Housing Revenue Account (HRA).

Background

4. On 24 April 2019 the Council was issued with a Regulatory Notice from the Regulator of Social Housing outlining a breach of the Home standard. On 29 November 2019 the Council entered into a voluntary undertaking outlining the commitment to resolve the compliance issues raised and deliver better outcomes for residents.
5. Through entering into a Voluntary Undertaking the aim is to achieve a range of high level outcomes for Gateshead and its residents that will also support achievement of our broader Thrive and Housing Strategy priorities. The high-level outcomes are:
 - Safe homes that comply with all health and safety and consumer regulations as well as delivering best practice.
 - Strong and robust governance of The Gateshead Housing Company.
 - Effective data systems and processes that provide assurance of compliance.
 - Effective performance management framework that provides assurance of compliance.
6. The high-level outcomes aim to resolve the specific issues identified in the Regulatory Notice but will also contribute to achieving our vision to make Gateshead a place where everyone can thrive.
7. On 16 July 2019, Cabinet approved the commencement of a comprehensive review of the delivery model for the management of the Council's housing stock, including a full options appraisal of alternatives and all necessary consultation with stakeholders. This included a prompt strengthening in the oversight and performance monitoring arrangements in place as a direct response to the Regulatory Notice. The review will also consider the wider housing related services provided by The Gateshead Housing Company (TGHC), particularly in the context

of Making Gateshead a Place Where Everyone Thrives and the recently agreed Housing Strategy.

8. Over the next 12 months there will be the development of a clear asset strategy and management plan and a fundamental review of the housing capital programme. with a focus on emerging housing trends like compliance and fire safety the review will make use of new stock surveys and business data, like repair trends, to establish an updated 5-year investment programme and 30-year business plan for the existing housing stock together with a 3-year delivery plan.
9. There is a need to ensure a balance between new house building, reprovion of existing stock and demolition together with the consideration of wider options for delivery of social housing which will be facilitated by a clearer strategic asset management plan and investment programme with clear priorities that fulfils the Councils obligations as a landlord and provides sustainability as well as value for money for the HRA.

Projected Outturn 2019/20

10. The current projected 2019/20 HRA underspend of £4.036m is summarised at Appendix 2. The main variances relate a projected increased void rent loss, changes to the sheltered scheme charges, additional income from the renegotiated water collection contract offset by a one-off backdated VAT liability. In addition, the use of budgeted contingency expenditure was lower than anticipated which has reduced the planned expenditure on supervision and management. The cost of borrowing has reduced due to several loans maturing and there has been some capital slippage into 2020/21. The current position has been factored into the 30-year HRA Business Plan and the HRA Reserves.

30-year HRA Business Plan

11. The HRA Business Plan sets the Council's long-term investment strategy to maintain the quality of its housing stock. The plan is reviewed, at least, annually and uses current levels of income and expenditure information and projects this for the next 30 years applying several key assumptions in relation to the anticipated stock changes arising from right to buy sales, acquisitions and new build plans, the number of void properties, the policy on rent and service charge increases, repairs and maintenance and property management costs and capital investment requirements based on stock condition information. It also includes plans for borrowing, associated borrowing costs and repaying debt in the future, paying particular attention to the £56.97m worth of loans maturing in the next five years.
12. A contingency of £2.5m per annum has been included within the HRA Business Plan for the next five financial years to cover any future liabilities.
13. Universal Credit continues to have a detrimental impact on rent collection and sustainability of tenancies as the natural migration of claims continues. The next stage of UC is the managed migration of any remaining claimants of Housing Benefit and other benefits onto the UC system. There was some small-scale testing of this process which started in July 2019, with national migration due to start in 2020/21.

14. As at 5 January 2018, 3,946 (22%) of council tenants were in receipt of UC payments, this will continue to increase as new claims or change of circumstances are submitted. Rent collection rates for UC claimants is 91.48% compared to 99.58% for other tenants.
15. A minimum balance for the HRA of £3m was approved by Council in February 2012. It is projected that the HRA reserve will stand at £27.207m as at the end of March 2020. The HRA business plan is currently projecting that the reserve balance will be £4.610m in 2024/25.

Key Revenue Outputs

16. The 2020/21 HRA revenue budget includes £25.874m for supervision and management and £23.067m for repairs and maintenance (£23.030m included in TGHC management fee and £0.037m related to non-housing stock maintenance). Some of the key outputs in these areas are as follows:
 - Gas - £2.492m budget to cover approximately 14,000 gas repair jobs, 19,000 gas serving jobs and 626 boiler installations;
 - Voids - £4.045m to cover over 1,600 void jobs which are required to bring properties back to a lettable standard;
 - Repairs & Maintenance - £7.435m to cover all repairs and maintenance work which equates to approximately 68,000 repairs per annum;
 - Painting - £1.295m to cover year 2 of the 12-year painting programme; and
 - Compliance - £2.765m in relation to cover compliance works set out in the voluntary undertaking. This includes electrical testing of 5,069 properties in 2020/21, an asbestos reinspection programme in low rise properties together with remedial actions, a full review of all lifts and lifting equipment and remedial actions arising from the full review of water compliance. Detailed reviews of each compliance areas continue and whilst this is identifying additional works required there is a link to strategic asset management with regard to the future sustainability of some of the stock and therefore any further cost implications.
17. The Phase 1 Grenfell report makes a number of recommendations but it is not clear at this stage what will be incorporated into legislation. There is a phase 2 of the inquiry which will consider in more detail some specific aspects which is likely to result in further recommendations. A detailed review of fire safety commenced in November 2019 and will assess the current fire safety position and make recommendations in line with end to end compliance and Government recommendations.
18. The supervision and management element includes £15.751m for TGHC including Housing Management, Housing Services and Business Development Services. The remaining £10.123m covers council delivery of various services including grounds maintenance, furniture, insurance charges, contingency funding and various other minor services.

Proposed Rent Changes

19. From April 2020 government policy on rents for social housing is changing. The government has directed the Regulator of Social Housing (RSH) to have regard to their new rent policy statement when setting its rent standard for registered

providers of social housing ('registered providers'). The term 'registered providers' includes both private registered providers of social housing (mainly housing associations) and local authorities that are registered with the Regulator.

20. RSH have issued a new rent standard to all low-cost rental accommodation that continues to be formula-driven and will apply for a period of at least five years from April 2020. The new standard is required as previous arrangements would not operate alongside Universal Credit.
21. The main change in this new rent standard is that rents can now be increased up to CPI as at September 2019 (1.7%) plus an additional 1%, giving a maximum possible rent increase of 2.7%. Applying that to Gateshead's HRA stock gives average rent values of:

| 50 Weeks Rent | Affordable Rent | Social Rent |
|----------------------|-----------------|-------------|
| Average Rent 2020/21 | £97.74 | £79.45 |
| Average Rent 2019/20 | £95.17 | £77.38 |
| Movement | £2.57 | £2.07 |
| % Increase | 2.70% | 2.68% |

22. Not applying the maximum rent increase of 2.7% is an option but this would have a significant impact on viability of the HRA as any increase below this level would reduce the base rent figure upon which all future rent increases would be calculated. For example, a CPI-only increase of 1.7% would reduce an indicative rent revenue in 2020/21 by an estimated £0.700m. A summary of the average rent charges is shown in Appendix 3.
23. The HRA Business Plan assumes rent increases of CPI plus 1% for the first 5 years of the plan reverting to CPI only thereafter. In 2020/21 the CPI rate is set out above and for the remaining plan period CPI is projected to be 2% per annum.

Fees and Charges

24. There are both mandatory and discretionary fees and charges in the HRA. Mandatory charges include energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge. Discretionary include leased furniture packages, gardening and garages. Out of the 19,063 live dwellings 5,658 tenants are liable for mandatory service charges (29.7%) and 1,987 tenants take up discretionary services (10.4%). The Council raises £4.9m from charges to tenants of which £0.9m relates to general fund services and is included in the wider Council Revenue Budget.
25. A total of 64.4% of Council tenants receive either Housing Benefit or Universal Credit. A number of the Council charges for services are eligible for benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and part of the Sheltered Scheme Wardens. The majority of the proposed increases are either benefit eligible or are an optional service charge.
26. Guidance from Central Government is that fees and charges should cost recover in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for. Where possible the proposed increases recover the full cost of services.

27. As part of the process of setting the proposed fees and charges a full impact assessment is undertaken on the levels of rent and service charge increases. A full listing of all fees and charges for 2020/21 is presented at Appendix 4.
28. In February 2016 Cabinet agreed to implement stepped increases for a number of charges to allow full cost recovery to be achieved over a period of five years whilst minimising impact on tenants. 2020/21 will be the fifth and final year of these stepped increases and by 1 April 2021 all services charges will set at a price to fully recover costs.
29. During 2018/19 the council introduced the District Energy Scheme (DES) into Warwick Court and East Street Flats to help relieve fuel pressure on tenants. The proposed charges for 2020/21 are set at a revised full cost recovery with cost reductions passed back to the tenants through price reductions.
30. The charges for Maintenance of communal areas and furnishings and laundry within Angel Court, repairs and maintenance of communal areas in sheltered accommodation and Concierge and cleaning in multi storey flats are proposed to be reduced to reflect to actual costs of providing the services.
31. There is no proposed change to the charge for the provision of domestic home support within Angel Court, Gas heating in communal areas within sheltered accommodation, the admin charge for the furniture scheme and the Gardening Scheme.
32. Inflationary increases are proposed to be applied to outside use of communal lounges, use of guest rooms at sheltered accommodation and mortgage and rent references.
33. An increase of 50% of the inflation rate is proposed to be applied to garages to assist in maintaining the income despite and anticipated increase in voids.
34. All other charges are proposed to be charged at full cost recovery which for some charges will result in an increase above inflation.

Housing Capital Programme 2020/21 to 2024/25

35. Capital investment within the HRA is funded from the Major Repairs Reserve through a combination of the depreciation charged each year to the HRA and using additional voluntary HRA revenue contributions where possible to maximise the level of planned investment in the stock. The depreciation charge is met from rental income in the HRA, meaning that investment in the Housing Capital Programme is effectively funded via the rental income that is generated.
36. The following principles continue to be applied to assist in prioritising capital investment within the HRA:
 - Health and safety, safeguarding and statutory requirements, including compliance;
 - Investing in identified decent homes improvements, including window replacement; and
 - Improving the sustainability and energy efficiency of the housing stock.

37. Based on the existing HRA Business Plan, it is estimated that £93.088m of the £105.588m funding requirement will be available from within the Major Repairs Reserve to support capital investment within the HRA over the next five years which will be supplemented using external funding and HRA capital receipts.
38. The planned investment in the Housing Capital Programme is flexible and is subject to ongoing review which is informed by the outputs from detailed stock condition surveys. At this stage it is envisaged that over the next five years the investment will include:
- £60m investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements including a £3.8m boiler replacement programme and £2.3m to continue window replacement programme and door entry system upgrades;
 - Over £26m investment in general stock improvements, including the renewal/refurbishment of lifts, communal electrics and investment in external insulation to improve thermal efficiency of existing dwellings as well as the continuing provision of major and minor adaptation works to dwellings;
 - £6.3m investment in fire safety improvements works in response to ongoing risk assessments including a fire door replacement programme which will see all the fire doors replaced with high rise properties;
 - £11.7m investment in a new build/acquisition programme with £1.95m in 2020/21 to develop sites across the borough.
39. The opportunity to utilise the additional borrowing powers will be considered during the year as potential schemes are identified. Any additional borrowing will need to be prudent, affordable and sustainable within the HRA in line with the Capital Strategy and Prudential Indicators. Opportunities continue to be explored to attract external funding, such as Homes England grant funding to support these developments.
40. The proposed Housing Capital Programme for the period from 2020/21 to 2024/25 is set out in Appendix 5. The future allocations will continue to be reviewed regularly to reflect the progress on committed projects and the availability of resources within the HRA to support capital investment. The long-term investment projections from 2024/25 have also been reprofiled with some projected spikes in expenditure relating to cyclical replacement works being brought forward to avoid potential issues of deliverability or affordability in future years.
41. The 30-year business plan will continue to consider factors mentioned in this report such as income from rents, decisions regarding repayment of debt, the Housing Capital Programme provision, a minimum HRA reserve of £3m and the impact of welfare reform on rent collection.
42. The Council will continue to monitor Government guidance and announcements to ensure that all initiatives are considered.

Consultation

43. Consultation has taken place with the Leader, Deputy Leader, Cabinet Members for Housing and also with The Gateshead Housing Company.

Alternative Options

44. There are no alternative options proposed.

Implications of Recommended Option

45. Resources

- a. **Financial Implications** – The Strategic Director, Resources and Digital, confirms that the financial implications are reflected in Appendices 1, 2, 3, 4 and 5.

The proposed 2020/21 HRA budget (Appendix 2) has been set at a deficit of £4.452m. This deficit will be funded from the £27.207m of HRA reserves. The HRA 30-year Business plan currently anticipates that the HRA reserve level will be £4.610m by 2024/25.

- b. **Human Resources Implications** – Nil.

- c. **Property Implications** – Capital investment in HRA assets helps to improve the overall sustainability of the HRA and supports the delivery of corporate priorities under the Thrive agenda. The property implications of individual schemes will be considered and reported separately.

46. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its housing stock from the rents collected. The 30-year HRA business plan is being updated to enable this to be monitored and to ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.

47. **Equality and Diversity Implications** – Nil

48. **Crime and Disorder Implications** – Nil

49. **Health Implications** – Nil

50. **Sustainability Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and ensure sustainable use of the Council's resources in delivering corporate priorities.

51. **Human Rights Implications** – Nil

52. **Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Direction on the Rent Standard 2019

The Housing Revenue Account Self Financing Determinations February 2012
Welfare Reform Act 2016

HRA Budget 2020/21 to 2024/25

| | Budget 2019/20 £'000 | Projected 2019/20 £'000 | Variance 2019/20 £'000 | | Budget 2020/21 £'000 | Budget 2021/22 £'000 | Budget 2022/23 £'000 | Budget 2023/24 £'000 | Budget 2024/25 £'000 |
|-------------------------------------|----------------------------|-------------------------------|------------------------------|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Dwelling rents (gross) | (71,469) | (71,051) | 418 | Voids / arrears | (72,776) | (74,284) | (75,818) | (77,376) | (78,960) |
| Non-dwelling rents (gross) | (1,379) | (1,385) | (7) | | (1,325) | (1,377) | (1,430) | (1,486) | (1,544) |
| Charges for services and facilities | (3,864) | (3,789) | 74 | Sheltered scheme service charges | (3,983) | (3,996) | (4,009) | (4,023) | (4,037) |
| Water & Other Income | (975) | (717) | 258 | Renegotiated terms and VAT ruling | (1,115) | (1,158) | (1,204) | (1,251) | (1,299) |
| HRA investment income | (180) | (180) | 0 | | (250) | (192) | (140) | (101) | (64) |
| Total Income | (77,867) | (77,123) | 744 | | (79,449) | (81,007) | (82,601) | (84,237) | (85,904) |
| Supervision and Management | 25,471 | 22,833 | (2,637) | Provision £2.5m | 25,874 | 26,883 | 27,932 | 29,021 | 30,153 |
| Repairs and Maintenance | 22,960 | 22,972 | 13 | | 23,067 | 23,967 | 24,901 | 25,872 | 26,881 |
| Interest on borrowing | 13,944 | 13,562 | (382) | Borrowing costs | 13,468 | 14,684 | 14,982 | 15,069 | 15,077 |
| Capital Programme Funding | 23,104 | 21,331 | (1,773) | Capital slippage | 20,721 | 21,780 | 17,629 | 17,379 | 15,579 |
| Increased provision for bad debt | 700 | 700 | 0 | | 700 | 775 | 791 | 808 | 1,424 |
| Debt management expenses | 70 | 70 | 0 | | 70 | 73 | 76 | 79 | 82 |
| Total Expenditure | 86,249 | 81,469 | (4,779) | | 83,900 | 88,161 | 86,310 | 88,227 | 89,196 |
| Net Operating Cost | 8,382 | 4,346 | (4,036) | | 4,452 | 7,154 | 3,709 | 3,991 | 3,291 |
| HRA Reserves | | | | | | | | | |
| Opening Balance | 31,553 | 31,553 | | | 27,207 | 22,755 | 15,601 | 11,892 | 7,902 |
| Net Operating Cost for the year | 8,382 | 4,346 | (4,036) | | 4,452 | 7,154 | 3,709 | 3,991 | 3,291 |
| Closing Balance | 23,171 | 27,207 | 4,036 | | 22,755 | 15,601 | 11,892 | 7,902 | 4,610 |

Proposed Social Rent 2020/21

| Property Type | Number | £'s Average Increase | Average of 2019-20 Basic Rent (50 weeks) | Average of 2020-21 New Rent 50 weeks |
|--------------------|---------------|----------------------|--|--------------------------------------|
| BUN | 3,089 | £2.09 | £77.41 | £79.50 |
| 0BED | 16 | £1.86 | £68.91 | £70.77 |
| 1BED | 1,749 | £2.00 | £74.09 | £76.09 |
| 2BED | 1,256 | £2.20 | £81.50 | £83.70 |
| 3BED | 67 | £2.40 | £88.96 | £91.36 |
| 4BED | 1 | £2.51 | £92.93 | £95.44 |
| FLA | 4,738 | £1.89 | £69.88 | £71.77 |
| 0BED | 166 | £1.57 | £58.14 | £59.71 |
| 1BED | 1,982 | £1.78 | £65.98 | £67.76 |
| 2BED | 2,410 | £1.98 | £73.21 | £75.19 |
| 3BED | 175 | £2.13 | £78.85 | £80.98 |
| 4BED | 5 | £2.38 | £88.05 | £90.43 |
| HOU | 10,780 | £2.18 | £80.79 | £82.97 |
| 1BED | 112 | £1.78 | £65.83 | £67.61 |
| 2BED | 4,834 | £2.09 | £77.51 | £79.60 |
| 3BED | 5,490 | £2.25 | £83.51 | £85.76 |
| 4BED | 336 | £2.38 | £88.04 | £90.42 |
| 5BED | 5 | £2.52 | £93.44 | £95.96 |
| 8BED | 1 | £2.93 | £108.70 | £111.63 |
| 6BED | 1 | £2.23 | £82.32 | £84.54 |
| 7BED | 1 | £3.13 | £116.04 | £119.17 |
| MAI | 203 | £2.08 | £76.90 | £78.98 |
| 2BED | 80 | £1.98 | £73.33 | £75.31 |
| 3BED | 117 | £2.13 | £78.89 | £81.02 |
| 4BED | 6 | £2.31 | £85.66 | £87.97 |
| SHB | 8 | £1.97 | £72.83 | £74.80 |
| 1BED | 4 | £1.87 | £69.15 | £71.02 |
| 2BED | 4 | £2.07 | £76.51 | £78.58 |
| SHF | 211 | £1.91 | £70.71 | £72.62 |
| 1BED | 141 | £1.85 | £68.57 | £70.42 |
| 2BED | 70 | £2.03 | £75.03 | £77.06 |
| Grand Total | 19,029 | £2.09 | £77.37 | £79.45 |

Proposed Service Charges 2020/21

| Ref | Service | VAT | Current Charge 2019/20 £ per Week | 1.7% CPI at Sept 2019 | Movement £ per Week |
|---|--|-----|---|---|----------------------------|
| | | | | Proposed Charge 2020/21 £ per Week | |
| WARWICK COURT MULTI STOREY | | | | | |
| Gas Heating | | | | | |
| 1 | Bed-sit | O/S | 4.02 | 3.36 | -0.66 |
| 2 | One Bed Flat | O/S | 5.95 | 4.96 | -0.99 |
| Repairs & Maintenance of Communal Areas | | | | | |
| 3&4 | Bed-sit & One Bed Flat | O/S | 4.39 | 3.85 | -0.54 |
| EAST ST FLATS | | | | | |
| Gas Heating & Hot Water | | | | | |
| 5 | Bed-sit | O/S | 4.83 | 4.67 | -0.16 |
| 6 | One Bed Flat | O/S | 7.40 | 7.15 | -0.25 |
| 7 | Two Bed Flat | O/S | 9.33 | 9.02 | -0.31 |
| 8 | Three Bed Flat | O/S | 11.58 | 11.20 | -0.38 |
| ANGEL COURT EXTRA CARE SCHEME | | | | | |
| 9 | Gas & Electric | O/S | 14.75 | 15.62 | 0.87 |
| Communal Facilities | | | | | |
| 10 | Maintenance of Communal Areas - Flats | O/S | 10.30 | 9.87 | -0.43 |
| 11 | Maintenance of Communal Areas - Bungalows | O/S | 1.63 | 1.56 | -0.07 |
| 12 | Furnishings and laundry - Flats | O/S | 4.25 | 3.19 | -1.06 |
| 13 | Furnishings and laundry - Bungalows | O/S | 0.89 | 0.67 | -0.22 |
| 14 | Scheme manager | O/S | 11.88 | 12.41 | 0.53 |
| 15 | Cleaning of corridors and windows | O/S | 7.58 | 7.98 | 0.40 |
| 16 | Provision of domestic home support | O/S | 8.89 | 8.89 | 0.00 |
| SHELTERED ACCOMMODATION | | | | | |
| Gas Heating | | | | | |
| 18 | Flat | O/S | 8.71 | 8.70 | -0.01 |
| 19 | Sheltered Scheme Officer Properties | O/S | 10.42 | 10.44 | 0.02 |
| 20 | Communal Areas | O/S | 1.44 | 1.44 | 0.00 |
| Electricity | | | | | |
| 21 | Flat | O/S | 3.56 | 3.81 | 0.25 |
| 22 | Sheltered Scheme Officer Properties | O/S | 4.65 | 5.06 | 0.41 |
| 23 | Communal Areas | O/S | 3.18 | 3.88 | 0.70 |
| 24 | Repairs & Maintenance of Communal Areas (contained units) | O/S | 2.48 | 2.23 | -0.25 |
| Cleaning | | | | | |
| 25 | Cleaning (communal areas for contained units only) | O/S | 6.19 | 6.70 | 0.51 |
| 26 | Cleaning (communal lounge for separate units only) | O/S | 0.71 | 0.61 | -0.10 |
| Sheltered Scheme Officers | | | | | |
| 27/28 | Sheltered Scheme Officer | O/S | 13.20 | 13.09 | -0.11 |
| 29 | Mobile Sheltered Scheme Officer | O/S | 4.45 | 6.01 | 1.56 |
| 30 | Concessionary TV Licence (£7.50 p.a per room) | E | 0.15 | 0.15 | 0.00 |
| LOW RISE BLOCKS | | | | | |
| 31 | Communal Areas - Cleaning | O/S | 1.76 | 2.04 | 0.28 |
| MID RISE BLOCKS | | | | | |

| | | | | | |
|----|--|-----|-------|-------|-------|
| 32 | Communal Areas - Cleaning MULTI STOREY FLATS | O/S | 4.21 | 4.70 | 0.49 |
| 33 | Concierge & cleaning | O/S | 10.69 | 10.19 | -0.50 |
| 34 | Caretaking & cleaning | O/S | 8.08 | 8.68 | 0.60 |
| | REGENT COURT | | | | |
| 35 | Maintenance of fire safety system | O/S | 0.50 | 1.05 | 0.55 |
| | DISPERSED HOMELESS UNITS | | | | |
| 36 | Heat & light Sharing Bed-sit (each) | O/S | | | |
| 37 | Two Bed Flat | O/S | | | |
| 38 | Three Bed Flat | O/S | | | |
| | Furnishings | | | | |
| 39 | Sharing Bed-sit (each) | O/S | | | |
| 40 | Two Bed Flat | O/S | | | |
| 41 | Three Bed Flat | O/S | | | |
| 42 | Warden | O/S | | | |
| 43 | Laundry | O/S | | | |
| 44 | Cleaning | O/S | | | |
| | OUTSIDE USE OF COMMUNAL LOUNGES | | | | |
| 45 | Up to 1 hour | E | 7.53 | 7.66 | 0.13 |
| 46 | Up to 2 hours | E | 13.85 | 14.08 | 0.24 |
| 47 | 1 Session (2 - 4 hours) | E | 21.34 | 21.70 | 0.36 |
| 48 | 2 Sessions | E | 39.22 | 39.89 | 0.67 |
| 49 | 3 Sessions | E | 54.38 | 55.31 | 0.92 |
| | SHELTERED ACCOMMODATION GUEST ROOMS | | | | |
| | No en-suite amenities | | | | |
| 50 | Single (charge per night) | S | 7.70 | 7.83 | 0.13 |
| 51 | Couple (charge per night) | S | 8.77 | 8.92 | 0.15 |
| | Partial en-suite | | | | |
| 52 | Single (charge per night) | S | 9.54 | 9.71 | 0.16 |
| 53 | Couple (charge per night) | S | 10.10 | 10.27 | 0.17 |
| | Full en-suite | | | | |
| 54 | Single (charge per night) | S | 10.88 | 11.06 | 0.18 |
| 55 | Couple (charge per night) | S | 11.98 | 12.19 | 0.20 |
| | KITCHEN APPLIANCES | | | | |
| 56 | Portobello | S | 0.41 | 0.41 | 0.00 |
| 57 | Cranesville | S | 2.71 | 2.71 | 0.00 |
| 58 | Millbrook | S | 1.70 | 1.70 | 0.00 |
| 59 | Norfolk Place | S | 2.71 | 2.71 | 0.00 |
| 60 | Hallgarth | S | 1.70 | 1.70 | 0.00 |
| | FURNITURE PACKAGES | | | | |
| 65 | Mini Package | E | 10.38 | 10.66 | 0.28 |
| 66 | Package Option 1 | E | 19.05 | 19.57 | 0.51 |
| 67 | Package Option 2 | E | 27.01 | 27.74 | 0.73 |
| 68 | Package Option 3 | E | 34.96 | 35.90 | 0.94 |
| 69 | Package Option 4 | E | 42.88 | 44.03 | 1.16 |
| 70 | Admin Charge | E | 2.14 | 2.14 | 0.00 |
| | GARAGES | | | | |
| 71 | Brick Garages (Council) | O/S | 5.46 | 5.51 | 0.05 |
| 72 | Brick Garages (Private) | S | 9.21 | 9.29 | 0.08 |
| 73 | Commercial Use | S | 12.05 | 12.15 | 0.10 |
| 74 | Commercial Storage | S | 20.14 | 20.31 | 0.17 |

| | | | | | |
|-----|--|-----|--------|--------|------|
| 75 | Parking Bays | S | 21.52 | 21.70 | 0.18 |
| 76 | DIGITAL AERIAL PROVISION | S | 0.22 | 0.22 | 0.00 |
| | CARE ALARMS, LIFELINES / DISPERSED ALARMS | | | | |
| 77A | Sheltered Scheme | S* | 3.95 | 4.03 | 0.08 |
| 77B | Bronze | S* | 5.20 | 5.30 | 0.10 |
| 77C | Silver | S* | 5.82 | 5.94 | 0.12 |
| 77D | Gold | S* | 8.94 | 9.12 | 0.18 |
| 77E | Smoke Alarm Monitoring | S* | 0.70 | 0.71 | 0.01 |
| 78 | Mortgage questionnaire | S | 83.25 | 84.67 | 1.42 |
| 79 | Rent reference | S | 41.65 | 42.36 | 0.71 |
| 80 | GARDENING SCHEME | S | 6.05 | 6.05 | 0.00 |
| 81 | Communal TV Licence | S | 0.08 | 0.09 | 0.01 |
| | WINLATON ASSISTED LIVING SCHEME | | | | |
| 82 | White Goods Provision Charge | O/S | 1.43 | 1.45 | 0.02 |
| 83 | Furnishings, Curtains and Carpets | | | | |
| | Derwent View Close | O/S | 2.42 | 2.46 | 0.04 |
| | Ramsey Street | O/S | 2.87 | 2.91 | 0.04 |
| | Half Fields Road | O/S | 9.66 | 9.82 | 0.16 |
| 84 | Concierge/Night Security staff | O/S | 112.28 | 114.53 | 2.25 |
| 85 | Phone line to office/internet | O/S | 1.82 | 1.85 | 0.03 |
| 86 | Cleaning Costs - Communal | O/S | 0.50 | 0.51 | 0.01 |
| 87 | External & Communal Window Cleaning | | | | |
| | Derwent View Close | O/S | 0.60 | 0.65 | 0.05 |
| | Ramsey Street | O/S | 0.60 | 0.65 | 0.05 |
| | Half Fields Road | O/S | 0.42 | 0.47 | 0.05 |
| 88 | Electrical Testing (PAT) | O/S | 0.25 | 0.25 | 0.00 |
| 89 | Tunstall Equipment | | | | |
| | Derwent View Close | O/S | 4.43 | 4.51 | 0.08 |
| | Ramsey Street | O/S | 2.22 | 2.25 | 0.03 |
| | Half Fields Road | O/S | 9.08 | 9.23 | 0.15 |
| 90 | Communal Electricity | O/S | 1.50 | 1.53 | 0.03 |
| 91 | Communal Gas | O/S | 0.70 | 0.71 | 0.01 |
| 92 | Communal Water | O/S | 0.63 | 0.64 | 0.01 |
| 93 | Cyclical- Internal Communal/Staff Areas | | | | |
| | Derwent View Close | O/S | 0.50 | 0.51 | 0.01 |
| | Ramsey Street | O/S | 0.50 | 0.51 | 0.01 |
| | Half Fields Road | O/S | 1.00 | 1.02 | 0.02 |
| 94 | Administration Cost | O/S | 20.00 | 20.40 | 0.40 |

Charges are 50-week charge unless otherwise stated

*Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope

Tenants with disabilities VAT is zero-rated

Housing Capital Programme 2020/21 to 2024/25

| Housing Capital | Description | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | Total |
|--|---|---------|---------|---------|---------|---------|--------|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Improvement Works | | | | | | | |
| Lift Replacement/Refurbishment | Planned works to replace lifts within the Council's housing stock in accordance with their lifecycle requirements. | 500 | 500 | 500 | 500 | 500 | 2,500 |
| Replacement of Communal Electrics | Essential works to upgrade communal electrical circuits and services in accordance with stock condition needs. | 450 | 260 | 260 | 260 | 260 | 1,490 |
| External Wall Insulation Non-Trad Properties | Investment in upgrading the fabric of the Council's housing stock to improve energy efficiency, including enveloping works and insulation measures. | 60 | 200 | 379 | 379 | 379 | 1,397 |
| T-Fall Insulation & ventilation | Targeted insulation and ventilation works to reduce the risk of condensation. | 50 | 50 | 50 | 50 | 50 | 250 |
| Warden Call Renewal | Replacement of equipment to utilise Gateshead Council's Care Call scheme, an emergency service which supports older, disabled and vulnerable people allowing them to live safely and independently in their home. | 200 | 200 | 200 | 200 | 200 | 1,000 |
| Timber Replacements | Planned timber renewals/replacement identified through the prior to painting programme. | 100 | 100 | 100 | 100 | 100 | 500 |
| Aids and Adaptations | To carry out identified adaptations to Council Dwellings to enable people to live safely and independently within their home. | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 7,500 |
| Multi Storey Modernisation works | Refurbishment work to insulate block structures and roofs, renew flat windows, modernise facilities, communal areas and ensure the Council complies with the Equality Act 2010. | 200 | 2,450 | 2,450 | 2,450 | 2,450 | 10,000 |

| | | | | | | | |
|---|---|--------------|--------------|--------------|--------------|--------------|---------------|
| Sheltered Unit modernisation works | Work to improve and update the communal facilities of the sheltered scheme blocks. Includes decoration, furnishing, kitchens and improvements to ensure the Council's communal areas comply with the Equality Act 2010. | 160 | 240 | 240 | 240 | 240 | 1,120 |
| Neighbourhood Improvements | Improvements to neighbourhoods that reduce risk and asset liability, while having a positive estate impact. | 170 | 200 | 200 | 200 | 200 | 970 |
| Total Improvement Works | | 3,390 | 5,700 | 5,879 | 5,879 | 5,879 | 26,727 |
| Exceptional Extensive Works | | | | | | | |
| Fire Safety Work / Compliance | Works to address required fire safety improvements in response to ongoing risk assessments. | 5,581 | 380 | 100 | 100 | 100 | 6,261 |
| Total Exceptional Extensive Works | | 5,581 | 380 | 100 | 100 | 100 | 6,261 |
| Major Future Works | | | | | | | |
| Decent Homes - Investment Programme | Continuation of the planned estate based improvement work to the Council's housing stock in accordance with Decent Homes principles and prioritised using stock condition data. | 7,000 | 8,000 | 8,000 | 8,000 | 8,000 | 39,000 |
| Stock Condition Surveys and Scheme Design | Continuation of the rolling programme of condition surveys to enable effective asset management and investment in scheme design to help accelerate the delivery of schemes in future years. | 450 | 400 | 400 | 400 | 400 | 2,050 |
| Back Boiler Renewal and Replacements | Replacement of failed and obsolete boilers, upgrading them with more efficient solutions to help address fuel poverty issues. | 800 | 750 | 750 | 750 | 750 | 3,800 |
| Programme Management | The allocation is used to fund the programme management costs and associated fees relating to the delivery of all capital schemes within the Housing Capital Programme. | 550 | 550 | 550 | 550 | 550 | 2,750 |
| Strategic Maintenance | This scheme carries out significant capital works identified by the repairs and maintenance contractor, undertaking improvements to help reduce the level of responsive repairs. | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 10,000 |

| | | | | | | | |
|-------------------------------------|---|----------------|----------------|----------------|----------------|----------------|-----------------|
| Window & Door Entry Replacements | Continuation of the window replacement and door entry system replacement programme. Focused on medium rise blocks, but also picking up 'one off' replacements for properties with timber windows. | 500 | 500 | 500 | 400 | 400 | 2,300 |
| Total Major Future Works | | 11,300 | 12,200 | 12,200 | 12,100 | 12,100 | 59,900 |
| Housing Developments | | | | | | | |
| Property conversions feasibility | Feasibility study for the conversion of garage sites, conversion of lofts on roof replacements and provision of extensions using MMC. | 500 | 0 | 0 | 0 | 0 | 500 |
| New Build/Acquisition - Various | Investment to provide additional dwellings within the Council's HRA. | 1,950 | 6,000 | 1,950 | 1,800 | 0 | 11,700 |
| Estate Regeneration | Bleach Green acquisition, demolition & clearance costs | 500 | 0 | 0 | 0 | 0 | 500 |
| Total Housing Developments | | 2,950 | 6,000 | 1,950 | 1,800 | 0 | 12,700 |
| Total Housing Capital Budget | | 23,221 | 24,280 | 20,129 | 19,879 | 18,079 | 105,588 |
| | | | | | | | |
| Funded by | | | | | | | |
| Major Repairs Reserve Contribution | | -20,721 | -21,780 | -17,629 | -17,379 | -15,579 | -93,088 |
| HRA Capital Receipts | | -2,500 | -2,500 | -2,500 | -2,500 | -2,500 | -12,500 |
| Total Funding | | -23,221 | -24,280 | -20,129 | -19,879 | -18,079 | -105,588 |