

**TITLE OF REPORT:** Housing Revenue Account and Housing Capital Programme

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources  
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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve;
  - the Housing Revenue Account (HRA) budget for 2017/18, including proposed savings.
  - the proposed rent changes from 1 April 2017, in line with Government's policy on rent setting.
  - the detailed proposals for fees and charges.
  - the proposed Housing Capital Programme for the next five years (2017/18 to 2021/22).

### **Background**

2. 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. Part of setting the HRA budget includes the consideration of possible rent increases or decreases as the Council is required to set rents at a level that sustains the HRA.
3. Historically the Council has followed Government formula and guidelines to set the rent level. The self-financing model assumed that if the Government formula was followed then the housing stock could be sufficiently maintained; the guidance has changed since self-financing was introduced which has impacted on the sustainability of the HRA. This report recommends that the council follows the revised Government Guidance by reducing rent by 1% for all housing tenancies.
4. In July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years of which 2017/18 is the second year. This resulted in a funding gap of £24m for the period 2016/17 to 2020/21. As a result of this work has continued throughout 2016/17 to identify further savings within the HRA, and The Gateshead Housing Company management fee.
5. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants.
6. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the proposed programme for the next five years (2017/18 to 2021/22) is included in this report. 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.

7. Along with the changes to the rent setting guidelines, welfare reform continues to be one of the most significant risks to the HRA in terms of sustainability and work continues to mitigate the impact.
8. In 2015/16 the Government announced its intention to introduce the sale of high value assets in relation to the Councils' housing stock and charging market rent for households earning above £31,000 per year (pay to stay) to become mandatory. Subsequently DCLG has confirmed that the sale of higher value housing stock will not be introduced in 2017/18 and a statement was released in November that returned the pay to stay policy to voluntary. Progress on the sale of higher value housing stock initiative will continue to be monitored as its introduction remains a significant risk to the sustainability of the HRA. It should be noted that the Council are not intending to implement the pay to stay policy at this point in time but this will be reviewed on a regular basis.

### **Proposals**

9. The proposed Housing Revenue Account for 2017/18 is set out in Appendix 2 which includes;
  - As prescribed by Government a decrease in the average weekly rent of 1% for all housing tenancies as at 8th July 2015, giving an average rent reduction of £0.82 from £79.83 to £79.01 per week (over 50 weeks).
  - Proposed savings totalling £2.26m in 2017/18 (Appendix 3)
  - A proposed Management Fee of £13.059m for The Gateshead Housing Company to carry out its functions on behalf of the Council, including savings of £1m.
  - A repairs and maintenance budget of £20.647m.
  - The following proposals for fees and charges (details set out in Appendix 4);
    - A decrease in energy charges for Warwick Court and East Street Flats as a result of the new District Energy Scheme and reduced furniture charges at Angel Court.
    - An increase to all charges of 1% (CPI as at September 2016), except for those detailed below.
    - An increase to full cost recovery in relation to the Regent Court fire safety system and the caretaking & cleaning service.
    - No increases are proposed in relation to the gardening scheme, dispersed homeless units, old furniture scheme, concessionary TV licences, garages, concierge & cleaning and kitchen appliances. This is as a result of either the prices being set nationally, an increase having a

detrimental increase on demand, there being a fixed charge applied or continuing full cost recovery where applicable.

- The care call fees and charges have been increased by inflation but it should be noted that the model for charging and the subsidy of the service is currently being reviewed as part of the Council's budget proposals for 2017/18. Any changes to the current charges will be brought to Cabinet at a later date.
  - It should be noted that this is the second year of the stepped increases towards full cost recovery in relation to multi storey flats, sheltered scheme utility bills, communal areas cleaning and repairs and maintenance along with Sheltered Schemes Officers, Mobile Sheltered Schemes Officers and Angel Court salaried employees. As agreed by Cabinet in February 2016 these increases have been phased in over 5 years to mitigate the impact on tenants.
10. The proposed allocation of resources from the HRA to support a Capital Programme for the next five years (2017/18 to 2021/22) is set out at Appendix 5, these proposals include;
- A Housing Capital Programme totalling £104.8m over five years, which would require the use of £10.6m of HRA capital receipts and £4.9m of external funding. The Capital Programme will be kept under regular review by Cabinet to ensure that investment plans remain affordable.

## Recommendations

11. 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 management budget and savings as detailed in Appendix 3.
  - (ii) The weekly rent reduction of 1% from 1 April 2017.
  - (iii) The fees and charges schedule as detailed in Appendix 4.
  - (iv) The Housing Capital Programme for the five years 2017/18 to 2021/22 as set out in Appendix 5.

For the following reasons:

- (i) To set a Housing Revenue Account for 2017/18 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 Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.

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**CONTACT:** Suzanne Coulthard extension 3935

**THE HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL PROGRAMME**

**Policy Context**

1. The proposals are consistent with Vision 2030 and the Council Plan, and in particular support “Sustainable Gateshead”.

**Review of HRA Budget**

2. In order to facilitate decision making and strategically plan for Housing in the future the Council continually updates its 30 year HRA Business plan. This plan considers the long term future of the housing stock alongside the short term plans. The plan contains information on estimates regarding the level of capital investment (including estate regeneration and maintaining decency), the anticipated levels of voids and right to buy sales and also the assumed level of income from rents and service charges. It also includes a provision for the Gateshead Housing Company’s management fee and plans around borrowing and repaying debt in the future. The HRA has £84m worth of loans maturing in the next five years.
3. The main changes in the variances between the estimated and expected 2016/17 figures in the HRA (Appendix 2) relate to an identified capital underspend on a number of capital projects , alongside a reduced cost of borrowing due to loans being refinanced at lower interest rates than anticipated and increased income from service charges.
4. The main variances in relation to the 2016/17 and 2017/18 budgets (also Appendix 2) are a reduction to the management fee paid to TGHC and the supervision and management costs delivered by the Council, a decrease to the estimated cost of borrowing, and an increase in income from fees and charges. Capital expenditure funded from the HRA is lower than the previous year as per the 5 year capital programme agreed in 2016/17.
5. Although it is projected that the HRA reserve will stand at £24.085m as at the end of March 2018, the impact of welfare reform and other pressures arising from Government guidance, the Housing Capital Programme will deplete this reserve in coming years.
6. To protect the Council in a self-financing regime a minimum balance for the HRA of £3m was approved by Council in February 2012. It is proposed that this level remains in place, although it may be necessary to review this in coming years. The current assumptions and projections in the 30 year HRA business plan are that this minimum balance will be reached by 2022/23 and the HRA will no longer have reserves to the level held currently. This business plan and the assumptions contained within it will be kept under regular review.

**Proposed Savings**

7. As a result of the Government prescribed 1% rent reduction, the need to continue to invest in the capital programme and maintain the housing stock the decision was

made to apply a 15% savings target to all areas of the HRA budget. This identified savings of £3.09m in 2016/17, with £3.4m being projected to be achieved. Further savings of £2.19m have been proposed for 2017/18. This incorporates a £1m saving to the Gateshead Housing Company management fee and £1.19m across all areas of the HRA budget including a reduction in borrowing costs, the second year of removal of subsidy for sheltered schemes and increases to fees and charges. Details are provided in Appendix 3.

### **Proposed Rent Changes**

8. Under the self-financing regime, the Government calculated the resources required to maintain our housing stock over 30 years. The rental income required was based upon a prescribed calculation (including convergence) which means that lower rent may jeopardise the Council's ability to maintain the current housing stock in Gateshead. The rent proposals for 2017/18 are as per government guidance and this will have a significant impact on the HRA in future years. As such, savings have been proposed to mitigate the reduced level of income to the HRA for the next 3 years.
9. On 8 July 2015 the Chancellor announced that rents in social housing would be reduced by 1% a year for 4 years resulting in a 12% reduction in average rents by 2020. It is assumed that the previous policy will be suspended for the relevant period and then reinstated. The policy applies to all tenancies in place prior to this date and any subsequent tenancies awarded.
10. Using the Government's guidance, the proposed average rent decrease for 2017/18 is 1% (£0.82 per week to £79.01 per week over 50 weeks).
11. The option is still available to set rent on relet properties at target social rent. The financial impact on tenants will be assessed during 2017/18. It is proposed that rents on relet properties may be increased to target social rent and that the necessary amendments to the rent policy are delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Member for Housing.
12. At present Gateshead has two rent-free weeks at Christmas to help customers meet seasonal costs whilst avoiding falling into rent arrears. It is proposed that this arrangement continues in 2017/18 with the intention to consult on moving to 52 weeks to coincide with the roll out of Universal Credit for all new claimants in Gateshead in October 2017. If the average rent were to be paid over 52 weeks it would be £75.97 per week rather than £79.01. Any proposed changes would be brought to a future meeting of Cabinet for approval.
13. The proposed rent reductions and changes to fees and charges result in an overall reduction in costs to 18,369 tenants, or 94% of the total number of Council House tenants.

### **Fees and Charges**

14. There are different types of fees and charges in the HRA some of which are mandatory; such as energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge and some are discretionary (i.e. the tenant has a choice to take up the service; such as leased furniture packages, gardening and garages). Out

of the 19,493 live dwellings, approximately 7,300 tenants are liable for mandatory service charges and 2,000 tenants take up optional services.

15. Fees and Charges for Housing currently generate approximately £2.7m but this is after concessions of £1.3m that are given to tenants in relation to sheltered scheme officers and care call.
16. Savings made in relation to sheltered schemes during 2016/17 have reduced the cost of delivering the service by £0.095m, rather than this saving being used to reduce the HRA budget the saving has been passed directly to sheltered scheme tenants to minimise the impact of the removal of subsidy for this service.
17. A total of 60% of Council tenants receive Housing Benefit and a number of the Council charges for services are eligible for housing benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and Sheltered Scheme Wardens. The majority of the proposed increases are either eligible for Housing Benefit or are a discretionary charge.
18. Guidance from Central Government is that fees and charges should be recovered in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for.
19. The proposed inflationary increases detailed in Appendix 4 of the report do not recover the full cost of certain charges. In February 2016 Cabinet agreed to implement stepped increases for a number of charges to allow full cost recovery to be achieved whilst minimising impact on tenants. Where applicable the second year of the stepped increases has been applied for 2017/18. There are a number of areas where these increases are lower than anticipated as a result of savings and if possible full cost recovery has been implemented. The appendix also analyses the proposed stepped charges for the next four years that will achieve full cost recovery by 1 April 2020.
20. The proposed fees and charges include the care call service for 2017/18. The Council's budget proposals for 2017/18 include an option to review the care call charging model and the level of subsidy for the service. This may cause the charges included in this report to change. Any proposals to change the charges to Council tenants will be brought to Cabinet at a later date.

### **Housing Capital Programme 2017/18 to 2021/22**

21. As part of the self-financing process, it is important to balance the capital expenditure needs with the resources that are available within the HRA.
22. Council approved a five year Housing Capital Programme for the period 2016/17 to 2020/21 on 25 February 2016. This programme is subject to ongoing review to ensure that the planned investment remains a high priority and can be supported by the resources available within the HRA.
23. 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.

24. Based on the existing HRA Business Plan, it is estimated that £89m 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. The position regarding the HRA balance and generation of capital receipts will continue to be reviewed to determine whether any additional capital investment can be supported.
25. The following principles continue to be applied to assist in prioritising capital investment within the HRA:
  - Health and safety, safeguarding and statutory requirements;
  - Investing in identified decent homes improvements, including window replacement
  - Improving the sustainability and energy efficiency of the housing stock; and
  - Estate regeneration.
26. 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:
  - Over £62m of investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements in addition to a £4.75m boiler replacement programme and £3m to continue the rolling window replacement programme;
  - Over £15m of investment in general stock improvements, including the renewal 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;
  - Over £23m of investment in exceptional extensive works, including £11.1m, towards the proposed part ERDF funded HEIGHTS energy efficiency scheme at Harlow Green and Regent Court, with a further £4.4m of planned window replacements to be delivered alongside these works. In addition £4m is retained within the programme to replace the façade at Regent Court;
  - Over £3.5m of investment in Estate Regeneration including £0.75m to complete the decommissioning of former estates at Clasper Village, Bleach Green and Dunston along with £2.8m as part of the initial New Build investment programme.
27. Opportunities continue to be explored to utilise maintaining decency resources to attract external funding, such as ERDF or ECO funding, to undertake additional stock improvements and energy efficiency improvements. These works help to increase the sustainability of the Council's housing stock whilst ensuring the HRA is not required to meet the full cost of the scheme given the constraints on the resources within the HRA.
28. The proposed programme includes investment in innovative energy efficiency improvements to Harlow Green and Regent Court tower blocks as part of a

proposed £11m project to provide low carbon, low cost heating systems, known as HEIGHTS. The scheme is seeking to undertake fabric improvements and implement a Combined Heat and Power (CHP) heating network at Harlow Green and connect Regent Court to the Council's Town Centre Energy Network. An element of this scheme has been successfully awarded £4.3m of ERDF funding towards the construction costs and the pre-construction work is now in progress. Part of the scheme will also attract Renewable Heat Incentive, helping to provide additional income to the HRA. The Council is also exploring opportunities to undertake additional fabric improvements, particularly window replacement, at the same time as the HEIGHTS scheme to provide further benefits to the HRA and indicative allocations have been included within the programme for this work.

29. The Council has also been awarded £0.5m of HCA funding, as part of the Care and Support Specialised Housing Fund, towards a proposed Assisted Living scheme facilitating the development of an additional 15 units.
30. The Council is currently exploring a potential New Build investment programme to develop new build dwellings within the HRA.
31. The proposed Housing Capital Programme for the period from 2017/18 to 2021/22 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.

### **Next Steps**

32. In order to assess the full impact of housing reform the Council continues to develop the 30 year HRA business plan. The plan will take into account 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.

### **Consultation**

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

### **Alternative Options**

34. There are no alternative options proposed.

### **Implications of Recommended Option**

#### **35. Resources**

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

Plan priority outcomes. The property implications of individual schemes will be considered and reported separately.

36. **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.
37. **Equality and Diversity Implications** – Nil
38. **Crime and Disorder Implications** – Nil
39. **Health Implications** – Nil
40. **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.
41. **Human Rights Implications** – Nil
42. **Area and Ward Implications** – All wards will be affected by the proposals in this report.

### **Background Information**

Rent Standard Guidance April 2016

The Housing Revenue Account Self Financing Determinations February 2012.

## Housing Revenue Account - Income and Expenditure Account

|                                     | Budget<br>2016/17<br>£'000 | Projection<br>2016/17<br>£'000 | Budget<br>2017/18<br>£'000 |
|-------------------------------------|----------------------------|--------------------------------|----------------------------|
| <b>Income</b>                       |                            |                                |                            |
| Dwelling rents (gross)              | (75,932)                   | (75,973)                       | (74,729)                   |
| Non-dwelling rents (gross)          | (1,357)                    | (1,399)                        | (1,341)                    |
| Charges for services and facilities | (3,146)                    | (3,491)                        | (3,541)                    |
| Leaseholders charges                | (299)                      | (316)                          | (305)                      |
| Contribution towards expenditure    | (932)                      | (960)                          | (855)                      |
| HRA investment income               | (110)                      | (110)                          | (110)                      |
| Gain on Sales of Assets             |                            |                                |                            |
|                                     | <b>(81,777)</b>            | <b>(82,249)</b>                | <b>(80,881)</b>            |
| <b>Expenditure</b>                  |                            |                                |                            |
| Supervision and Management          | 26,316                     | 26,034                         | 27,076                     |
| Repairs and Maintenance             | 18,641                     | 18,647                         | 18,647                     |
| Interest on borrowing               | 15,943                     | 15,296                         | 15,159                     |
| Capital Programme Funding           | 22,270                     | 21,711                         | 19,250                     |
| Increased provision for bad debt    | 550                        | 550                            | 600                        |
| Amortised premiums and discounts    | 13                         | 13                             | 13                         |
| Debt management expenses            | 345                        | 345                            | 70                         |
| Impairment of Fixed Assets          |                            |                                |                            |
|                                     | <b>84,079</b>              | <b>82,596</b>                  | <b>80,815</b>              |
| <b>Net Operating Cost</b>           | <b>2,302</b>               | <b>347</b>                     | <b>(66)</b>                |

## HRA &amp; TGHC Saving Proposals

| Option Description   | 2016-17                   |             |                      |                      | 2017/18                   |             | 17/18 Budget Note   | Total Savings Options 2016-18 £'000 |
|--|---------------------------|-------------|----------------------|----------------------|---------------------------|-------------|---|-------------------------------------|
|  | Budget Option 16/17 £'000 | FTE's 16/17 | Achieved 16/17 £'000 | Diff to total target | Budget Option 17/18 £'000 | FTE's 17/18 |   |                                     |
| Management fee saving  | 1,000                     | 27.2        |                      |                      | 1,000                     | TBC         |   | 2,000                               |
| Reduction, cessation and redesign of services to deliver need, priority and compliance work only | 150                       | 5.0         | 150                  | 0                    |                           |             | £1.020m Yr2 saving in 2017/18 removed   | 150                                 |
| Additional income generated in 2016/17 by moving towards full cost recovery                      | 80                        |             | 80                   | 0                    | 70                        |             | Possible 2017/18 shortfall due to some changes to non-dwelling income (garages & furniture no increase, slight fall in shop rent)   | 150                                 |
| Remove transitional grant for sheltered support services   | 300                       |             | 289                  | -11                  | 100                       |             | 2017/18 increase towards full cost recovery & potential increase from 47% HB eligibility still being investigated. Possible changes to service and reduction of sheltered schemes will impact.      | 400                                 |
| Savings in borrowing costs   | 542                       |             | 647                  | 105                  | 137                       |             | Possible further reduction of £137k in 17/18 based on current estimates   | 679                                 |
| Reduction in R&M spend and contingencies   | 853                       |             | 853                  | 0                    | 0                         |             | TGHC  | 853                                 |
| 15% reduction in HRA funded posts in Sheltered Schemes   | 33                        | 1.5         |                      | -33                  | 100                       | 4.5         | TGHC  | 133                                 |
| 15% reduction in HRA funded posts in Neighborhood Management (inc. Community Centres)            | 9                         | 0.5         | 44                   | 35                   | 27                        | 1           | Further 2017/18 Community Centre saving of £34k from non-salary elements due to asset transfer of Springwell & Barley Mow CC's  | 36                                  |
| 15% reduction in HRA funded posts in Housing Management  | 4                         | 0.0         |                      |                      | 13                        | 0.5         |   | 17                                  |
| 15% reduction in HRA funded posts in Housing Management  | 28                        | 0.0         | 269                  | 181                  | 0                         | 0           | 17/18 budget movement transferring to HRA should be offset by reduction in TGHC Man Fee.  | 28                                  |
| 15% reduction in HRA funded posts in Supported Housing   | 56                        | 1.8         |                      |                      | 169                       | 5.25        |   | 225                                 |
| 15% reduction in HRA funded posts in Right to Buy/Housing Enablement                             | 39                        | 1.0         | 71                   | 32                   | 118                       | 4           | Overall Housing Enablement 2017/18 budget reduced by approx £200k as a result of TUPE (lower pension costs), VR's, revision of Occ Therapist recharges (now part of ASC) and lower non-salary costs | 157                                 |
| Reduction in central establishment & other associated costs                                      |                           |             |                      |                      | 455                       |             |   | 455                                 |
|  | <b>3,094</b>              | <b>37</b>   | <b>2,403</b>         | <b>309</b>           | <b>2,189</b>              | <b>15</b>   |   | <b>5,283</b>                        |

| <b>Housing Revenue Account, Fees and Charges 2017/18 Proposals</b> |  |     |                        |                         |            |
|--|--|-----|------------------------|-------------------------|------------|
| Ref  | SERVICES   | VAT | 1% CPI at Sept 2016    |                         |            |
|  |  |     | CURRENT CHARGE 2016/17 | PROPOSED CHARGE 2017/18 | Movement   |
|  |  |     | £ per Week             | £ per Week              | £ per Week |
| <b>WARWICK COURT MULTI STOREY</b>                                  |  |     |                        |                         |            |
|  | <u>Gas Heating</u>   |     |                        |                         |            |
| 1  | Bed-sit  | O/S | 3.83                   | 3.38                    | -0.45      |
| 2  | One Bed Flat   | O/S | 5.65                   | 5.00                    | -0.65      |
|  | <u>Repairs &amp; Maintenance of Communal Areas</u>             |     |                        |                         |            |
| 3&4  | Bed-sit & One Bed Flat   | O/S | 3.63                   | 3.80                    | 0.17       |
| <b>EAST ST FLATS</b>   |  |     |                        |                         |            |
|  | <u>Gas Heating &amp; Hot Water</u>                             |     |                        |                         |            |
| 5  | Bed-sit  | O/S | 6.60                   | 4.55                    | -2.05      |
| 6  | One Bed Flat   | O/S | 8.68                   | 6.98                    | -1.70      |
| 7  | Two Bed Flat   | O/S | 10.51                  | 8.80                    | -1.71      |
| 8  | Three Bed Flat   | O/S | 12.51                  | 10.92                   | -1.59      |
| <b>ANGEL COURT EXTRA CARE SCHEME</b>                               |  |     |                        |                         |            |
| 9  | Gas & Electric   | O/S | 9.00                   | 10.94                   | 1.94       |
|  | <u>Communal Facilities</u>                                     |     |                        |                         |            |
| 10   | Maintenance of Communal Areas - Flats                          | O/S | 12.18                  | 12.31                   | 0.13       |
| 11   | Maintenance of Communal Areas - Bungalows                      | O/S | 1.92                   | 1.94                    | 0.02       |
| 12   | Furnishings and laundry - Flats                                | O/S | 9.43                   | 7.54                    | -1.89      |
| 13   | Furnishings and laundry - Bungalows                            | O/S | 1.96                   | 1.57                    | -0.39      |
| 14   | Scheme manager   | O/S | 12.41                  | 12.46                   | 0.05       |
| 15   | Cleaning of corridors and windows                              | O/S | 6.12                   | 6.61                    | 0.49       |
| 16   | Provision of domestic home support                             | O/S | 8.71                   | 8.71                    | 0.00       |
| <b>SHELTERED ACCOMMODATION</b>                                     |  |     |                        |                         |            |
|  | <u>Gas Heating</u>   |     |                        |                         |            |
| 18   | Flat   | O/S | 10.67                  | 10.72                   | 0.05       |
| 19   | Sheltered Scheme Officer Properties                            | O/S | 12.16                  | 12.38                   | 0.22       |
| 20   | Communal Areas   | O/S | 1.47                   | 1.56                    | 0.09       |
|  | <u>Electricity</u>   |     |                        |                         |            |
| 21   | Flat   | O/S | 3.19                   | 3.96                    | 0.77       |
| 22   | Sheltered Scheme Officer Properties                            | O/S | 7.20                   | 7.42                    | 0.22       |
| 23   | Communal Areas   | O/S | 2.30                   | 3.00                    | 0.70       |
| 24   | Repairs & Maintenance of Communal Areas (contained units only) | O/S | 2.07                   | 2.28                    | 0.21       |
|  | <u>Cleaning</u>  |     |                        |                         |            |
| 25   | Cleaning (communal areas for contained units only)             | O/S | 4.55                   | 4.95                    | 0.40       |
| 26   | Cleaning (communal lounge for separate units only)             | O/S | 0.71                   | 0.71                    | 0.00       |
|  | <u>Sheltered Scheme Officers</u>                               |     |                        |                         |            |
| 27/28  | Sheltered Scheme Officer                                       | O/S | 11.9                   | 12.09                   | 0.19       |
| 29   | Mobile Sheltered Scheme Officer                                | O/S | 1.16                   | 1.33                    | 0.17       |
| 30   | Concessionary TV Licence (£7.50 p.a per room)                  | E   | 0.15                   | 0.15                    | 0.00       |

## Housing Revenue Account, Fees and Charges 2017/18 Proposals

| Ref  | SERVICES                          | VAT | 1% CPI at Sept 2016    |                         |            |
|--|-----------------------------------|-----|------------------------|-------------------------|------------|
|  |                                   |     | CURRENT CHARGE 2016/17 | PROPOSED CHARGE 2017/18 | Movement   |
|  |                                   |     | £ per Week             | £ per Week              | £ per Week |
| <b>LOW RISE BLOCKS</b>                               |                                   |     |                        |                         |            |
| 31   | Communal Areas - Cleaning         | O/S | 1.02                   | 1.17                    | 0.15       |
| <b>MID RISE BLOCKS</b>                               |                                   |     |                        |                         |            |
| 32   | Communal Areas - Cleaning         | O/S | 2.49                   | 2.88                    | 0.39       |
| <b>MULTI STOREY FLATS</b>                            |                                   |     |                        |                         |            |
| 33   | Concierge & cleaning              | O/S | 13.19                  | 13.19                   | 0.00       |
| 34   | Caretaking & cleaning             | O/S | 7.21                   | 7.44                    | 0.23       |
| <b>REGENT COURT</b>                                  |                                   |     |                        |                         |            |
| 35   | Maintenance of fire safety system | O/S | 0.31                   | 0.38                    | 0.07       |
| <b>DISPERSED HOMELESS UNITS</b>                      |                                   |     |                        |                         |            |
| <u>Heat &amp; light</u>                              |                                   |     |                        |                         |            |
| 36   | Sharing Bed-sit (each)            | O/S |                        |                         |            |
| 37   | Two Bed Flat                      | O/S |                        |                         |            |
| 38   | Three Bed Flat                    | O/S |                        |                         |            |
| <u>Furnishings</u>                                   |                                   |     |                        |                         |            |
| 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 |                        |                         |            |
| <b>OUTSIDE USE OF COMMUNAL LOUNGES</b>               |                                   |     |                        |                         |            |
| 45   | Up to 1 hour                      | E   | 7.07                   | 7.14                    | 0.07       |
| 46   | Up to 2 hours                     | E   | 13.00                  | 13.13                   | 0.13       |
| 47   | 1 Session (2 - 4 hours)           | E   | 20.03                  | 20.23                   | 0.20       |
| 48   | 2 Sessions                        | E   | 36.82                  | 37.19                   | 0.37       |
| 49   | 3 Sessions                        | E   | 51.05                  | 51.56                   | 0.51       |
| <b>USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION</b> |                                   |     |                        |                         |            |
| <u>No en-suite amenities</u>                         |                                   |     |                        |                         |            |
| 50   | Single (charge per night)         | S   | 7.23                   | 7.30                    | 0.07       |
| 51   | Couple (charge per night)         | S   | 8.23                   | 8.31                    | 0.08       |
| <u>Partial en-suite</u>                              |                                   |     |                        |                         |            |
| 52   | Single (charge per night)         | S   | 8.96                   | 9.05                    | 0.09       |
| 53   | Couple (charge per night)         | S   | 9.48                   | 9.57                    | 0.09       |
| <u>Full en-suite</u>                                 |                                   |     |                        |                         |            |
| 54   | Single (charge per night)         | S   | 10.21                  | 10.31                   | 0.10       |
| 55   | Couple (charge per night)         | S   | 11.25                  | 11.36                   | 0.11       |

## Housing Revenue Account, Fees and Charges 2017/18 Proposals

| Ref  | SERVICES                        | VAT | 1% CPI at Sept 2016    |                         |            |
|--|---------------------------------|-----|------------------------|-------------------------|------------|
|  |                                 |     | CURRENT CHARGE 2016/17 | PROPOSED CHARGE 2017/18 | Movement   |
|  |                                 |     | £ per Week             | £ per Week              | £ per Week |
| <b>KITCHEN APPLIANCES</b>                        |                                 |     |                        |                         |            |
| 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       |
| <b>FURNITURE CHARGES</b>                         |                                 |     |                        |                         |            |
| <b>a) Up to April 2010</b>                       |                                 |     |                        |                         |            |
| 61   | Bed Sit (package)               | O/S | 7.22                   | 7.22                    | 0.00       |
| 62   | One Bed Flat (Package)          | O/S | 13.14                  | 13.14                   | 0.00       |
| 63   | Two Bed Flat (Package)          | O/S | 19.57                  | 19.57                   | 0.00       |
| 64   | Three Bed House (Package)       | O/S | 26.14                  | 26.14                   | 0.00       |
| <b>b) New tenants from April 2010 onwards</b>    |                                 |     |                        |                         |            |
| 65   | Mini Package                    | E   | 9.94                   | 9.94                    | 0.00       |
| 66   | Package Option 1                | E   | 18.24                  | 18.24                   | 0.00       |
| 67   | Package Option 2                | E   | 25.86                  | 25.86                   | 0.00       |
| 68   | Package Option 3                | E   | 33.47                  | 33.47                   | 0.00       |
| 69   | Package Option 4                | E   | 41.05                  | 41.05                   | 0.00       |
| 70   | Admin Charge                    | E   | 2.64                   | 2.64                    | 0.00       |
| <b>GARAGES</b>                                   |                                 |     |                        |                         |            |
| 71   | Brick Garages (Council)         | O/S | 5.32                   | 5.32                    | 0.00       |
| 72   | Brick Garages (Private)         | S   | 8.97                   | 8.97                    | 0.00       |
| 73   | Commercial Use                  | S   | 11.73                  | 11.73                   | 0.00       |
| 74   | Commercial Storage              | S   | 19.61                  | 19.61                   | 0.00       |
| 75   | Parking Bays                    | S   | 20.95                  | 20.95                   | 0.00       |
| 76   | <b>DIGITAL AERIAL PROVISION</b> | S   | 0.00                   | 0.17                    | 0.17       |
| <b>CARE ALARMS, LIFELINES / DISPERSED ALARMS</b> |                                 |     |                        |                         |            |
| 77   | 52 week charge                  | S*  | 4.35                   | 4.39                    | 0.04       |
| 77 a   | 50 week charge                  | S*  | 4.52                   | 4.57                    | 0.05       |
| 78   | Mortgage questionnaire          | S   | 78.15                  | 78.93                   | 0.78       |
| 79   | Rent reference                  | S   | 39.10                  | 39.49                   | 0.39       |
| 80   | <b>GARDENING SCHEME</b>         | S   | 6.05                   | 6.05                    | 0.00       |
| 81   | <b>Communal TV Licence</b>      | S   | 0.00                   | 0.07                    | 0.07       |

### 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.

## Capital Programme 2017/18 to 2021/22

| Project   | 17/18<br>(£'000) | 18/19<br>(£'000) | 19/20<br>(£'000) | 20/21<br>(£'000) | 21/22<br>(£'000) |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Improvement Works</b>  |                  |                  |                  |                  |                  |
| Lift Replacement/Refurbishment  | 500              | 500              | 500              | 500              | 500              |
| Replacement of Communal Electrics   | 250              | 250              | 250              | 250              | 250              |
| External Wall Insulation to Non-Traditional Properties                                | 210              | 0                | 400              | 0                | 0                |
| T-Fall Insulation   | 150              | 120              | 0                | 0                | 0                |
| Warden Call Renewal   | 250              | 250              | 250              | 250              | 250              |
| Door Entry System Upgrades  | 250              | 250              | 250              | 250              | 250              |
| Timber Replacements   | 100              | 100              | 100              | 100              | 100              |
| Adaptations   | 1,500            | 1,500            | 1,500            | 1,500            | 1,500            |
| <b>Total Improvement Works</b>  | <b>3,210</b>     | <b>2,970</b>     | <b>3,250</b>     | <b>2,850</b>     | <b>2,850</b>     |
| <b>Exceptional Extensive Works</b>  |                  |                  |                  |                  |                  |
| Equality Act Works - Multi Storey Flats   | 250              | 250              | 250              | 250              | 250              |
| Equality Act Works - Communal Lounges   | 50               | 50               | 50               | 50               | 50               |
| Fire Safety Works - General   | 100              | 100              | 100              | 100              | 100              |
| Tower Block Energy Efficiency Improvements<br>- Fell, Lough & Beacon Courts           | 530              | 0                | 0                | 0                | 0                |
| Tower Block Energy Efficiency Improvements<br>- HEIGHTS - Harlow Green & Regent Court | 7,000            | 4,140            | 0                | 0                | 0                |
| Harlow Green Window Replacement   | 1,900            | 1,200            | 0                | 0                | 0                |
| Regent Court Façade Replacement   | 1,500            | 2,000            | 0                | 0                | 0                |
| Regent Court Window Replacement   | 500              | 800              | 0                | 0                | 0                |
| Risers (Services)   | 0                | 400              | 400              | 400              | 400              |
| <b>Total Exceptional Extensive Works</b>  | <b>11,830</b>    | <b>9,440</b>     | <b>800</b>       | <b>800</b>       | <b>800</b>       |
| <b>Catch Up Works and Major Future Works</b>  |                  |                  |                  |                  |                  |
| Decent Homes - Investment Programme   | 6,500            | 6,750            | 7,000            | 7,500            | 8,000            |
| Decent Homes – Backlog/Ad-hoc Works   | 300              | 300              | 350              | 350              | 400              |
| Stock Condition Surveys and Scheme Design   | 400              | 400              | 400              | 400              | 400              |
| Boiler Replacements   | 1,000            | 1,000            | 1,000            | 1,000            | 750              |
| Programme Management  | 1,000            | 1,000            | 1,000            | 1,000            | 1,000            |
| Strategic Maintenance   | 2,000            | 2,000            | 2,000            | 2,000            | 2,000            |
| Estate Based Window Replacement   | 750              | 750              | 750              | 500              | 500              |
| <b>Total Catch Up Works and Major Future Works</b>                                    | <b>11,950</b>    | <b>12,200</b>    | <b>12,500</b>    | <b>12,750</b>    | <b>13,050</b>    |
| <b>Estate Works</b>   |                  |                  |                  |                  |                  |
| Estate Regeneration   | 750              | 0                | 0                | 0                | 0                |
| New Build Investment  | 1,600            | 1,200            | 0                | 0                | 0                |
| <b>Total Estate Works</b>   | <b>2,350</b>     | <b>1,200</b>     | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>Total Planned HRA Investment</b>   | <b>29,340</b>    | <b>25,810</b>    | <b>16,550</b>    | <b>16,400</b>    | <b>16,700</b>    |
| Major Repairs Reserve Contribution  | (19,250)         | (20,440)         | (16,550)         | (16,400)         | (16,700)         |
| External Grant Funding  | (3,212)          | (1,670)          | 0                | 0                | 0                |
| Existing HRA Capital Receipts   | (6,878)          | (3,700)          | 0                | 0                | 0                |
| <b>Total Planned HRA Funding</b>  | <b>(29,340)</b>  | <b>(25,810)</b>  | <b>(16,550)</b>  | <b>(16,400)</b>  | <b>(16,700)</b>  |