

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

REPORT OF: Darren Collins, Strategic Director, Resources and Digital
Colin Huntington, Deputy Chief Executive

Purpose of the Report

1. Cabinet is asked to recommend to Council;
 - The proposed Housing Revenue Account (HRA) budget for 2023/24.
 - the proposed rent changes from 3 April 2023, in line with the Government's policy on rent setting.
 - the detailed proposals for the 2023/24 HRA fees and charges.
 - the proposed Housing Capital Programme for 2023/24 and the indicative programme for the period 2024/25 – 2027/28.

Background

2. On 26 January 2023 Council agreed the Housing Revenue Account (HRA) 30-year Business Plan. Overall, the HRA Business Plan is fully costed and does not breach the minimum £3 million balance during the life of the plan (30 years).
3. The plan requires minimum efficiency savings over the medium term of £3.794 million. It is important that the savings are underpinned by a robust delivery plan.
4. 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.
5. Historically the Council has followed Government formula and guidelines to set the rent level for social and affordable properties. In addition, Gateshead has followed best practice in relation to setting clear and transparent service charges.
6. Government policy on rents for social housing applies to all registered providers i.e. to both local authority registered providers and private registered providers. The rent standard enables rents to be increased by up to the Consumer Price Index (CPI) for September plus an additional 1%.
7. Due to the higher than expected levels of inflation the government has since adjusted this policy replacing the CPI plus an additional 1% by a 7% ceiling for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024. This restriction applies to both social rent and affordable rent homes.

8. However, it does not affect the calculation of the maximum initial rent when properties are first let or subsequently re-let. In particular, the restriction does not apply to the calculation of formula rent that apply to social rent properties; these continue to increase by CPI plus an additional 1%.
9. Currently in Gateshead when social rent properties are re-let they are let at the previous prevailing rent rather than the formula rent for the property which is permissible under the rent standard and represents the true rent for that property.
10. The Rent Standard also requests registered providers to endeavour to limit service charge increases to within the same formula but allows flexibility to cover the recovery of the service cost.
11. A 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.
12. Where an inflationary increase is appropriate the September 2022 CPI rate of 10.1% has been applied. Those charges which relate to General Fund Services, such as Care Call, are subject of the Fees and Charges report (agenda item 6).
13. The Housing Capital Programme is a five-year rolling programme reviewed annually. 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 Housing Capital Programme is also incorporated into the Council's overall Capital Programme (agenda item 5).
14. Recognising the importance of new affordable housing supply in Gateshead, and the challenges facing the HRA in making a significant contribution to this supply the Housing Capital Programme includes the delivery of 397 units over the next 10 years.

Proposal

15. The proposed Housing Revenue Account budget 2023/24 will deliver a surplus budget of £1.456m. This is set out in Appendix 2 together with indicative budgets for the subsequent four-year period 2024/25 – 2027/28.
16. An increase in rents of 7% (2023/24) in line with the rent standard. A summary of average rents is provided at Appendix 3.
17. It is proposed that when social rent properties become vacant they are re-let at the formula rent for that property. Appendix 4 details the difference between the proposed rent and the 2023/24 formula rents for different property types.
18. A summary of the recommended changes to the service charges for the HRA 2023/24 is presented in Appendix 5. It is also proposed that during 2023/24 a

fundamental review of service charges is undertaken with any recommendations being implemented from 2024/25 and subject to further reports to Cabinet.

19. The proposed Housing Capital Programme over the next five years 2023/24 to 2027/28, Appendix 6 provides for investment of £168.001m. In 2023/24 the proposed Capital Programme totals £22.549m of which £16.824m will be met from the HRA. The Programme will be kept under regular review by Cabinet to ensure that investment plans remain affordable.

Recommendations

20. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2.
 - (ii) The 7% rent increase from 3 April 2023 as detailed at Appendix 3.
 - (iii) Re-letting of social rent properties at formula rent comparison detailed at Appendix 4.
 - (iv) The HRA service charges as detailed in Appendix 5.
 - (v) The Housing Capital Programme for the five years 2023/24 to 2027/28 as set out in Appendix 6.

For the following reasons:

- (i) To set a Housing Revenue Account for 2023/24 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 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.

CONTACT:

Kristina Robson
Kevin Scarlett

Ext 3943
Ext 5303

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 26 January 2023 Council agreed the Housing Revenue Account (HRA) 30-year Business Plan. Overall, the HRA Business Plan is fully costed and does not breach the minimum £3 million balance during the life of the plan (30 years). However, over the long term, to incorporate all the cost pressures and anticipated capital investment, including new social housing stock, borrowing will need rise significantly above the current levels.
5. The rules governing the HRA were established pursuant to the Local Government and Housing Act 1989 and require the Council to:
 - a. Formulate proposals in respect of HRA income and expenditure for the financial year which, on the best assumptions and estimates that the Council can make at the time, ensure the HRA does not show a debit balance.
 - b. Determine a strategy that is designed to ensure the HRA is in balance taking one year with another.
 - c. Ensure, that as a ring-fenced account, the costs of managing and maintaining its homes, including debt charges and administration costs, are met from HRA income.
6. Historically the Council has followed Government formula and guidelines to set the rent level for social and affordable properties. In addition, Gateshead has followed best practice in relation to setting clear and transparent service charges.

7. Government policy on rents for social housing applies to all registered providers i.e. to both local authority registered providers and private registered providers. The rent standard enables rents to be increased by up to Consumer Price Index (CPI) for September plus an additional 1%.
8. Due to the higher than expected levels of inflation the government has since adjusted this policy replacing the CPI plus an additional 1% by a 7% ceiling for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024. This restriction applies to both social rent and affordable rent homes.
9. The Rent Standard also requests registered providers to endeavour to limit service charge increases to within the same formula but allows flexibility to cover the recovery of the service cost.
10. The Rent Standard for social rent housing states:
 - 11.1 Registered providers may set the initial rent on properties to be let at social rent at a level that is no higher than formula rent, subject to the rent flexibility level.
 - 11.2 "Rent flexibility level" means either 105% of formula rent or if the accommodation is supported housing 110% of formula rent.
 - 11.3 The weekly rent of an existing tenant may not be increased by more than either (a) CPI (as at September in the previous year) + 1% in any year or (b) if the tenant's rent exceeds the rent flexibility level, CPI in any year. Although note the ceiling of 7% for 2023/24.
 - 11.4 Registered providers must not allow rents to rise above the rent cap level for the size of property concerned. Rent caps will be increased annually by CPI + 1.5%.
11. Affordable rent housing follows the same principles as above with additional guidance covering:
 - 12.1 The maximum gross rent for a tenant under a new tenancy is 80% of the market rent for the tenant's accommodation.
 - 12.2 If the formula rent is higher than 80% of the weekly market rent for the tenant's accommodation, the maximum weekly rent (exclusive of service charges) is formula rent.
 - 12.3 Affordable rent includes all relevant service charges.

HRA Business Plan

12. 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 and regeneration plans, the number of void properties, the policy on rent and service charge increases, repairs and maintenance and property management costs, capital investment requirements based on stock condition information and forecast borrowing costs.

13. A significant number of challenges have been placed on the HRA Business Plan because of:
- Legislative change such as the impact of the Housing and Planning, and Welfare Reform Acts.
 - The imposition of a social rent cut of 1% per year, for 4 successive years commencing April 2016.
 - Increased buildings compliance and regulatory requirements, particularly post-Grenfell and including new targets for carbon neutrality.
 - Increased Right to Buy sales resulting from the increased discounts
 - The impact of Brexit / Covid on inflation in general and particularly in the cost of construction / repairs in terms of materials and labour.
 - Ukraine situation and global gas/electricity prices.
 - Changes to regulatory standards.
 - Repairs backlogs arising from the impact of Covid and significant storm damage to housing stock for which additional investment of £3 million has been required in 2022/23.
14. In addition, there is a need to:
- a. Address uneconomic and poor performing housing stock in Gateshead. Stock condition and demand information confirms that the required expenditure on some schemes over the short and longer term significantly exceeds any income from those schemes due to poor or no demand, coupled with the need for high value investment works. There is an outstanding need to appraise all available options for these schemes over the coming months.
 - b. Identify operational efficiencies and more effective ways of working to ensure they are providing value for money and maximising HRA performance, particularly in relation to voids, income collection and day to day maintenance.
 - c. Continue to invest in the existing stock and bring forward new affordable housing.

Projected Outturn 2022/23

15. The current projected 2022/23 HRA overspend of £2.779m is included in Appendix 2. The main variances relate a projected increase in void rent loss and associated council tax costs and higher than expected inflation which is having an impact across all aspects of the service. The current position has been factored into the 30-year HRA Business Plan and the HRA Reserves.

Budget Proposal 2023/24

16. The budget proposal for 2023/24 has been prepared considering known changes to housing stock numbers, ongoing management and maintenance requirements, proposed investment needs and assumptions around pay and inflationary increases.
17. The budget proposal takes account of the continuing detrimental impact of Welfare reform on rent collection and tenancy sustainability. As at 25 January 2023, 6,893 (39%) 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 93.75% compared to 99.76% for other tenants.
18. To help people sustain their tenancies the Rent and Income Service take proactive steps to engage with residents to help them manage their rental payments, they will put in place sustainable payment arrangements and identify any barriers to tenancy sustainment, then making appropriate referrals for further specialised support. This consists of advice and support to maximise income including offering help with benefit claims and grant applications and also debt advice to help people manage their debts.
19. The Housing Improvement Programme identifies priority areas for review. The scope of the programme is wide ranging and will focus on delivering services differently to manage demand and to ensure the Council's housing functions and responsibilities are 'fit for purpose', fully compliant with legislation and regulation, are offering better value for money and can achieve improved customer satisfaction.
20. Void loss and tenancy turnover remain a challenge and the resultant loss of income for the HRA. A major review of the end-to-end voids process is underway together with a review of the associated lettings and allocations systems and practices. The outcome of this work will be to identify the necessary measures to reduce void loss, reduce the high levels of void work costs, and remove the dependence on costly external contractors. Additional investment is included in the proposed budget 2023/24 to enable voids to be reduced to a manageable level and embed the outcomes of the review.
21. Work to identify and implement improvements to repairs and maintenance services has commenced. A new Joint Local Agreement (JLA) between the Council and its recognised trades unions has been agreed and is currently being implemented. New performance measures are now in place together with more efficient and effective ways of working including 'out of hours' practices, multiskilling, right first time, van stock and evening repair options for tenants. It is expected that the new operating model and resultant improvements will have a significant impact on achieving the required level of HRA efficiencies and savings during 2023/24.
22. A contingency has been included within the HRA Business Plan for the next and subsequent 4 financial years to cover any future liabilities and unforeseen pay and price increases.

23. The proposed HRA budget 2023/24 as detailed in Appendix 2 will deliver a surplus budget of £1.456m.

Proposed Rent Changes

24. The maximum rent increase allowable is 7%. Applying that to Gateshead's HRA stock gives average rent values of:

50 Weeks Rent	Affordable Rent	Social Rent
Average Rent 2023/24	£117.15	£89.98
Average Rent 2022/23 ¹	£109.49	£84.09
Movement	£7.66	£5.89
% Increase	7.00%	7.00%

¹ The 2022/23 average rent may be different to that outlined in the rent and service charges report in January 2022 due to changes in stock from Right to Buy sales, decommissioning of units and build and purchase of new units.

25. Not applying the maximum rent increase of 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 1% change would reduce an indicative rent revenue in 2023/24 alone by an estimated £0.750m.
26. 71% of council tenants are in receipt of either housing benefit or universal credit welfare support.
27. A summary of the average social rent charges is shown in appendix 3. A similar breakdown is not provided for affordable rent properties as this applies to 50 properties only varying from flats acquired above shops to new build assisted living schemes.
28. Appendix 4 outlines the average variations to formula rent. The additional income to the HRA from moving to relet at formula rent is dependent upon the property turnover and the type of property. An indication based on turnover data is £0.140m in 2023/24 which is a part year impact and therefore in year 2 this would rise to £0.420m as you get the full benefit of year 1 and part year of year 2.

Service Charges

29. There are both mandatory and discretionary service 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 18,382 live dwellings 5,141 tenants are liable for mandatory service charges (28%) and 2,988 tenants take up discretionary services (16.3%). At present this assumes Care Call charges are mandatory but over time the numbers of discretionary or assessed for adult social care users has increased. The Council raises £5.2m from charges to tenants of which £1.1m relates to general fund services and are included in the wider Council Revenue Budget.
30. As per paragraph 26 a total of 71% of tenants are in receipt of welfare support. 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. Some of the proposed increases relating to utility costs are not benefit eligible but these are charges driven by market factors.

31. 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.
32. The council must produce a transparent process to ensure that actual revenue-only costs are identifiable and reasonable. In determining fees, it must be assumed that all properties are charged equally, no allowance can be made for any void properties held unless they are already declared surplus and earmarked for demolition. Where applicable any savings from efficiencies or changes to working practices are passed onto the service users.
33. It is proposed to continue to step the increase in charges associated with the cleaning of communal areas in low-rise blocks to mitigate any disproportionately high percentage increase.
34. A full listing of all fees and charges for 2023/24 is presented at Appendix 5. As part of the process of setting the proposed service charges an Integrated Impact Assessment is undertaken on the levels of rent and service charge increases (Appendix 7).
35. The charges for furnishings and laundry and maintenance of communal areas within Angel Court and communal areas cleaning in mid-rise blocks are proposed to be reduced to reflect actual charges/projected costs of providing the services.
36. There is no proposed change to repairs and maintenance charges for communal areas, the maintenance of the fire safety system at Regent Court, concessionary TV licence, the admin charge for the furniture scheme and garages.
37. Inflationary increases of CPI of 10.1% are proposed to be applied to the Gardening Scheme, outside use of communal lounges, use of guest rooms at sheltered accommodation, mortgage and rent references.
38. Charges for the Winlaton Assisted Living Scheme and the new development at Whitley Court are included as part of the affordable rent for the scheme and are therefore subject to a 7% increase in line with the affordable rent formula.
39. All other charges are proposed increase in line with actual/projected cost of providing the service which for some charges will result in an increase above inflation.
40. The level of increases for charges related to electricity, gas and heat are reflective of the current and anticipated cost increase which will be experienced by all tenants not just those who are charged via a service charge. During 2022/23 there has been no proposal for a mid-year increase to tenants despite the rising costs and therefore the proposed increases for 2023/24 take account of the increases during 2022/23 together with the further projection for 2023/24.

41. Charges for care call are Council General Fund services and as such the level of charges are considered in the fees and charges report at agenda item 6 on the agenda.

Housing Capital Programme 2023/24 – 2027/28

42. Capital investment in 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.
43. There are significant capital investment requirements over at least the next 5 years if the Council is to achieve its requirements and ambitions in the key areas of maintaining regulatory and buildings compliance such as decent homes and in maintaining the safety of high rise blocks; in achieving carbon reduction targets; securing catch-up investment in wider HRA assets and responsibilities such as environmental and 'street scene' requirements, garages, open spaces and communal areas; and in continuing to maintain / or increase social housing stock provision in Gateshead. Investment is also identified to digitally transform how blocks are managed, by improving security and supporting the review of high rise living.
44. The proposed Housing Capital Programme for the period from 2023/24 to 2027/28 is set out in Appendix 6. It is estimated that £127.407m of the £168.001m funding requirement will be met 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.
45. The capital programme is aligned to the HRA Asset Management Strategy and includes the following investment over the next 5 years:
- £77m investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements, a £14.2m heating improvements programme (including the installation of some new Green-Energy systems) and £3.5m to continue the window & door replacement programme. £3.5m to support the delivery a bid to the Social Housing Decarbonisation Fund, subject to the bid being successful, and a new budget to support the creation of new opportunities for Fostering in Council homes.
 - £18.9m investment in general stock improvements, including essential works to upgrade communal services and communal areas, CCTV and door entry systems upgrades as well as the continuing provision of major and minor adaptation works to homes.
 - £3.2m investment in garages and wider estate improvements.
 - £3.6m investment in building safety improvements to ensure continued compliance with legislation.
 - £64.8m investment in new housing, estate regeneration and delivery of the stock options appraisals.
 - £0.5m for IT hardware and software replacements.

46. The Capital Programme 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.
47. Recognising the importance of new affordable housing supply in Gateshead, and the challenges facing the HRA in making a significant contribution to this supply, a new Housing Development Strategy has been introduced which confirms priority actions to be undertaken over the next five years to maximise housing supply on existing and new sites. This strategy also aligns with the Council's medium-term position and investment plan. This proposed programme includes a planned HRA funded new build programme over a rolling 3-year period, to be reviewed annually as part of the annual refresh of the HRA Business Plan.

Consultation

48. Consultation has taken place with the Leader and Deputy Leader and Cabinet Members for Housing and with The Strategic Housing Board.

Alternative Options

49. There are no alternative options proposed.

Implications of Recommended Option

50. **Resources**

- a. **Financial Implications** – The Strategic Director, Resources and Digital confirms that the financial implications are reflected in Appendices 1, 2, 3, 4, 5 and 6.

The proposed 2023/24 HRA budget (Appendix 2) will deliver a £1.456m surplus budget. As at 31 March 2023 the HRA reserve is projected to be £20.381m. The 30-year HRA Business plan is sustainable with a minimum balance of £3m of reserves maintained per annum.

The Housing Improvement Plan will drive forward savings and efficiencies to deliver the required HRA medium term savings identified in the HRA Business Plan and contribute to the delivery of the Council's budget approach.

- 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.
51. **Risk Management Implications** – The added risks arising from self-financing and welfare reform mean that the Council must continue to manage and maintain its housing stock from the rents collected. The 30-year HRA business plan is sustainable, based on current assumptions, but this will continue to be monitored to

ensure that decisions are made, where appropriate, to enable the housing stock to be maintained in the future.

52. **Equality and Diversity Implications** – An integrated impact assessment has been carried out to identify potential implications and impacts related to protected characteristics identified in the Equality Act 2010.
53. **Crime and Disorder Implications** – Nil
54. **Health Implications** – Nil
55. **Sustainability and Climate Emergency Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and support the HRA Asset Strategy which includes carbon neutrality targets for the Council's housing stock.
56. **Human Rights Implications** – Nil
57. **Area and Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Local Government and Housing Act 1989

Rent Standard April 2020

Policy Statement on rents for social housing

The Housing Revenue Account Self Financing Determinations February 2012

Welfare Reform Act 2016

HRA Budget 2023/24 to 2027/28

	Budget 2022/23 £'000	Projected 2022/23 £'000	Variance 2022/23 £'000		Budget 2023/24 £'000	Budget 2024/25 £'000	Budget 2025/26 £'000	Budget 2026/27 £'000	Budget 2027/28 £'000
Dwelling rents (gross)	(75,526)	(74,978)	548	Voids/Decommissioned Units	(80,605)	(84,652)	(84,257)	(85,828)	(87,283)
Non-dwelling rents (gross)	(1,345)	(1,306)	39		(1,297)	(1,297)	(1,297)	(1,297)	(1,297)
Charges for services and facilities	(4,426)	(4,770)	(344)		(5,278)	(5,206)	(5,233)	(5,364)	(5,456)
Water & Other Income	(977)	(977)	0		(1,094)	(1,149)	(1,183)	(1,219)	(1,219)
Total Income	(82,274)	(82,031)	243		(88,274)	(92,304)	(91,970)	(93,708)	(95,255)
Supervision and Management	27,641	28,737	1,096	Council Tax on void properties and inflation	29,803	29,675	29,880	29,099	28,933
Repairs and Maintenance	28,663	29,537	874	Inflation	27,077	25,899	25,787	25,667	26,056
Interest on borrowing	12,010	12,095	85	Borrowing costs	12,231	12,414	12,481	12,558	12,564
Capital Programme Funding	16,119	16,600	481	Adjusted Depreciation estimate	16,824	28,104	24,443	28,822	28,430
Increased provision for bad debt	768	768	0		805	843	840	854	866
Debt management expenses	73	73	0		78	82	85	87	90
Total Expenditure	85,274	87,810	2,536		86,818	97,017	93,516	97,087	96,939
Net Operating Cost/(Surplus)	3,000	5,779	2,779		(1,456)	4,713	1,546	3,379	1,684
HRA Reserves									
Opening Balance	26,160	26,160			20,381	21,837	17,124	15,578	12,199
Net Operating Cost for the year	3,000	5,779	2,779		(1,456)	4,713	1,546	3,379	1,684
Closing Balance	23,160	20,381	(2,779)		21,837	17,124	15,578	12,199	10,515

Proposed Social Rent 2023/24

Property Type	Number	Average Increase £	Average of 2022-23 Basic Rent 50 weeks £	Average of 2023-24 New Rent 50 weeks £
BUN	3,087	£5.88	£84.00	£89.88
0BED	16	£5.23	£74.78	£80.01
1BED	1,747	£5.63	£80.40	£86.03
2BED	1,256	£6.19	£88.45	£94.64
3BED	68	£6.77	£96.66	£103.42
FLA	4,392	£5.32	£76.06	£81.38
0BED	125	£4.43	£63.28	£67.71
1BED	1,800	£5.02	£71.66	£76.68
2BED	2,294	£5.56	£79.48	£85.04
3BED	171	£5.99	£85.52	£91.51
4BED	2	£6.67	£95.32	£101.99
HOU	10,468	£6.14	£87.66	£93.79
1BED	110	£5.00	£71.42	£76.42
2BED	4,689	£5.89	£84.10	£89.98
3BED	5,332	£6.34	£90.61	£96.95
4BED	331	£6.69	£95.58	£102.27
5BED	3	£7.12	£101.69	£108.81
8BED	1	£8.26	£117.96	£126.21
6BED	1	£8.35	£119.32	£127.67
7BED	1	£8.81	£125.92	£134.74
MAI	164	£5.82	£83.15	£88.97
2BED	63	£5.56	£79.43	£84.99
3BED	101	£5.98	£85.47	£91.45
SHB	8	£5.53	£79.03	£84.56
1BED	4	£5.25	£75.04	£80.29
2BED	4	£5.81	£83.02	£88.83
SHF	211	£5.37	£76.73	£82.10
1BED	141	£5.21	£74.40	£79.61
2BED	70	£5.70	£81.42	£87.12
Grand Total	18,330	£5.89	£84.09	£89.98

Formula Rent Comparisons 2023/24

Property Type	Average of 2023/24 Formula Rent 50 Weeks £	Average of 2023-24 New Rent 50 weeks £	Average of Variance £	Count of Variance
BUN	95.16	89.88	-£5.28	3,087
0BED	83.09	80.01	-£3.08	16
1BED	90.48	86.03	-£4.45	1,747
2BED	100.85	94.64	-£6.21	1,256
3BED	113.23	103.42	-£9.81	68
FLA	84.93	81.38	-£3.55	4,392
0BED	70.31	67.71	-£2.60	125
1BED	79.78	76.68	-£3.10	1,800
2BED	88.85	85.04	-£3.81	2,294
3BED	96.97	91.51	-£5.46	171
4BED	107.09	101.99	-£5.10	2
HOU	99.20	93.79	-£5.41	10,468
1BED	79.35	76.42	-£2.93	110
2BED	94.65	89.98	-£4.66	4,689
3BED	102.90	96.95	-£5.95	5,332
4BED	110.26	102.27	-£7.99	331
5BED	118.13	108.81	-£9.32	3
6BED	122.18	127.67	£5.49	1
7BED	143.16	134.74	-£8.42	1
8BED	134.90	126.21	-£8.69	1
MAI	94.34	88.97	-£5.37	164
2BED	89.19	84.99	-£4.21	63
3BED	97.55	91.45	-£6.09	101
SHB	87.81	84.56	-£3.25	8
1BED	83.37	80.29	-£3.08	4
2BED	92.24	88.83	-£3.41	4
SHF	85.56	82.10	-£3.45	211
1BED	82.67	79.61	-£3.06	141
2BED	91.37	87.12	-£4.25	70
Grand Total	94.90	89.98	-£4.92	18,330

Proposed Service Charges 2023/24

			10.1% CPI at Sept 2022			
Ref	SERVICES	VAT	CURRENT CHARGE	PROPOSED CHARGE	Movement	Movement
			2022/23	2023/24	£ per Week	%
WARWICK COURT MULTI STOREY						
Gas Heating						
1	Bed-sit	O/S	3.22	8.24	5.02	155.9%
2	One Bed Flat	O/S	4.76	12.18	7.42	155.9%
Repairs & Maintenance of Communal Areas						
3&4	Bed-sit & One Bed Flat	O/S	3.99	3.99	0.00	0.0%
EAST ST FLATS						
Gas Heating & Hot Water						
5	Bed-sit	O/S	4.98	13.76	8.78	176.3%
6	One Bed Flat	O/S	7.64	21.09	13.45	176.0%
7	Two Bed Flat	O/S	9.63	26.59	16.96	176.1%
8	Three Bed Flat	O/S	11.96	33.01	21.05	176.0%
ANGEL COURT EXTRA CARE SCHEME						
9	Gas & Electric	O/S	21.49	38.08	16.59	77.2%
Communal Facilities						
10	Maintenance of Communal Areas - Flats	O/S	9.13	8.55	-0.58	-6.4%
11	Maintenance of Communal Areas - Bungalows	O/S	1.44	1.35	-0.09	-6.2%
12	Furnishings and laundry - Flats	O/S	1.04	0.98	-0.06	-5.8%
13	Furnishings and laundry - Bungalows	O/S	0.22	0.21	-0.01	-4.5%
14	Scheme manager	O/S	13.12	14.14	1.02	7.8%
15	Cleaning of corridors and windows	O/S	8.50	9.93	1.43	16.8%
16	Provision of domestic home support	O/S	9.11	9.11	0.00	0.0%
SHELTERED ACCOMMODATION						
Gas Heating						
18	Flat one bed	O/S	9.47	24.77	15.30	161.6%
18A	Flat two bed	O/S	10.52	27.52	17.00	161.6%
19	Sheltered Scheme Officer Properties	O/S	11.57	30.27	18.70	161.6%
20	Communal Areas	O/S	1.39	1.39	0.00	0.0%
Electricity						
21	Flat	O/S	5.40	11.17	5.77	106.9%
22	Sheltered Scheme Officer Properties	O/S	7.08	14.65	7.57	106.9%
23	Communal Areas	O/S	5.01	10.36	5.35	106.8%
Repairs & Maintenance of Communal Areas (contained units only)						
24		O/S	2.31	2.31	0.00	0.0%
Cleaning						
Cleaning (communal areas for contained units only)						
25		O/S	6.98	7.50	0.52	7.4%
Cleaning (communal lounge for separate units only)						
26		O/S	0.56	0.60	0.04	7.1%
Sheltered Scheme Officers						
27/28	Sheltered Scheme Officer	O/S	14.16	15.26	1.10	7.8%
29	Mobile Sheltered Scheme Officer	O/S	7.99	8.61	0.62	7.8%
30	Concessionary TV Licence	E	0.15	0.15	0.00	0.0%

	LOW RISE BLOCKS					
31	Communal Areas - Cleaning	O/S	2.51	2.82	0.31	12.4%
	MID RISE BLOCKS					
32	Communal Areas - Cleaning	O/S	5.47	5.15	-0.32	-5.9%
	MULTI STOREY FLATS					
33	Concierge & cleaning	O/S	10.21	11.91	1.70	16.7%
34	Caretaking & cleaning	O/S	9.53	11.12	1.59	16.7%
	REGENT COURT					
35	Maintenance of fire safety system	O/S	1.66	1.66	0.00	0.0%
	DISPERSED HOMELESS UNITS					
	<u>Heat & 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				
	OUTSIDE USE OF COMMUNAL LOUNGES					
45	Up to 1 hour	E	7.94	8.74	0.80	10.1%
46	Up to 2 hours	E	14.59	16.06	1.47	10.1%
47	1 Session (2 - 4 hours)	E	22.49	24.76	2.27	10.1%
48	2 Sessions	E	41.33	45.50	4.17	10.1%
49	3 Sessions	E	57.31	63.10	5.79	10.1%
	USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION					
	<u>No en-suite amenities</u>					
50	Single (charge per night)	S	8.11	8.93	0.82	10.1%
51	Couple (charge per night)	S	9.24	10.17	0.93	10.1%
	<u>Partial en-suite</u>					
52	Single (charge per night)	S	10.06	11.08	1.02	10.1%
53	Couple (charge per night)	S	10.64	11.71	1.07	10.1%
	<u>Full en-suite</u>					
54	Single (charge per night)	S	11.46	12.62	1.16	10.1%
55	Couple (charge per night)	S	12.63	13.91	1.28	10.1%
	KITCHEN APPLIANCES					
56	Portobello	S	0.41	0.41	0.00	0.0%
57	Cranesville	S	2.71	2.71	0.00	0.0%
58	Millbrook	S	1.70	1.70	0.00	0.0%
59	Norfolk Place	S	2.71	2.71	0.00	0.0%
60	Hallgarth	S	1.70	1.70	0.00	0.0%
	FURNITURE PACKAGES					
65	Mini Package	E	11.43	12.23	0.80	7.0%
66	Package Option 1	E	20.87	22.33	1.46	7.0%
67	Package Option 2	E	29.75	31.83	2.08	7.0%
68	Package Option 3	E	38.49	41.18	2.69	7.0%
69	Package Option 4	E	47.22	50.52	3.30	7.0%
70	Admin Charge	E	2.14	2.14	0.00	0.0%

	GARAGES					
71	Brick Garages (Council)	O/S	5.54	5.54	0.00	0.0%
72	Brick Garages (Private)	S	9.34	9.34	0.00	0.0%
73	Commercial Use	S	12.21	12.21	0.00	0.0%
74	Commercial Storage	S	20.42	20.42	0.00	0.0%
75	Parking Bays	S	21.81	21.81	0.00	0.0%
76	DIGITAL AERIAL PROVISION	S	0.22	0.22	0.00	0.0%
	CARE ALARMS, LIFELINES / DISPERSED ALARMS					
77A	Sheltered Scheme	S*	4.26	4.70	0.44	10.3%
77B	Bronze	S*	6.86	7.56	0.70	10.2%
77C	Silver	S*	7.59	8.35	0.76	10.0%
77D	Gold	S*	10.82	11.91	1.09	10.1%
77F	Platinum - New Charge	S*	16.54	18.21	1.67	10.1%
77E	Smoke Alarm Monitoring	S*	0.77	0.85	0.08	10.8%
78	Mortgage questionnaire	S	87.73	96.59	8.86	10.1%
79	Rent reference	S	43.89	48.32	4.43	10.1%
80	GARDENING SCHEME	S	6.05	6.66	0.61	10.1%
81	COMMUNAL TV LICENCE	S	0.09	0.09	0.00	0.0%
	WINLATON ASSISTED LIVING SCHEME					
82	White Goods Provision Charge	O/S	1.47	1.57	0.10	7.0%
83	Furnishings, Curtains and Carpets					
	Derwent View Close	O/S	2.50	2.67	0.17	7.0%
	Ramsey Street	O/S	2.95	3.16	0.21	7.0%
	Half Fields Road	O/S	9.97	10.67	0.70	7.0%
84	Concierge/Night Security staff	O/S	116.25	124.39	8.14	7.0%
85	Phone line to office/internet	O/S	1.88	2.01	0.13	7.0%
86	Cleaning Costs - Communal	O/S	0.52	0.55	0.04	7.0%
87	External & Communal Window Cleaning					
	Derwent View Close	O/S	0.66	0.71	0.05	7.0%
	Ramsey Street	O/S	0.66	0.71	0.05	7.0%
	Half Fields Road	O/S	0.48	0.51	0.03	7.0%
88	Electrical Testing (PAT)	O/S	0.25	0.27	0.02	7.0%
89	Tunstall Equipment					
	Derwent View Close	O/S	4.58	4.90	0.32	7.0%
	Ramsey Street	O/S	2.28	2.44	0.16	7.0%
	Half Fields Road	O/S	9.37	10.02	0.66	7.0%
90	Communal Electricity	O/S	1.55	1.66	0.11	7.0%
91	Communal Gas	O/S	0.72	0.77	0.05	7.0%
92	Communal Water	O/S	0.65	0.70	0.05	7.0%
93	Cyclical- Internal Communal/Staff Areas					
	Derwent View Close	O/S	0.52	0.55	0.04	7.0%
	Ramsey Street	O/S	0.52	0.55	0.04	7.0%
	Half Fields Road	O/S	1.04	1.11	0.07	7.0%
94	Administration Cost	O/S	20.71	22.16	1.45	7.0%

WHITLEY COURT (New Scheme) - Apartments and Bungalows						
95	Furnishings, Curtains and Carpets					
	Apartments	O/S	1.82	1.95	0.13	7.0%
	Bungalow No. 6&7	O/S	9.93	10.63	0.70	7.0%
	Bungalow No. 5&8	O/S	11.72	12.54	0.82	7.0%
96	Concierge/Night Security staff	O/S	153.02	163.73	10.71	7.0%
97	Phone line to office/internet	O/S	0.61	0.65	0.04	7.0%
98	Cleaning Costs - Communal	O/S	0.94	1.01	0.07	7.0%
99	Communal Electricity	O/S	2.99	3.20	0.21	7.0%
100	Communal Gas	O/S	3.42	3.66	0.24	7.0%
101	Communal Landscaping	O/S	3.90	4.17	0.27	7.0%
102	Alarms and Door Entry	O/S	0.41	0.44	0.03	7.0%

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 2023/24 to 2027/28

Housing Capital	Description	2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Improvement Works							
Aids & 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
Communal Mechanical & Electrical works	Essential works to upgrade communal services in accordance with stock condition, building safety & compliance needs.	579	604	618	928	647	3,376
Digital Transformation	Transformational upgrade work to block building management services such as CCTV and door entry services	700	700	700	822	800	3,722
Environmental & Estate Improvement	Improvements to the public realm in and round estates	100	103	100	797	799	1,899
Garage Improvement Programme	Essential works to improve sustainable garage blocks, demolish unviable stock and investigation conversion & change of use where practicable	200	200	220	340	300	1,260
Block communal improvements	Improvements to the communal areas and spaces in blocks	705	740	762	1,346	809	4,362
Building Safety							
Building safety improvements	Essential work to meet building safety and compliance obligations	790	884	827	250	200	2,951
Safety & Security	Work to install and renew smoke and CO detection.	59	72	74	101	103	409
HRA Commercial Property Improvements	Targeted interventions in the HRA commercial portfolio to meet landlord obligations	50	50	50	50	10	210
Major Future Works							
Energy & Carbon Net Zero	Delivery of work packages to improve insulation, install green technology and energy solutions that will support achieving Net Zero.	0	0	0	5,194	5,350	10,544
Major Investment Scheme	Targeted Transformation investment work	1,970	0	0	0	8	1,978
Domestic Heating Improvements	Replacement of failed and obsolete heating systems, upgrading them with more efficient solutions to help address fuel poverty issues.	2,604	2,716	2,779	3,212	2,910	14,221
Door & Window replacements	Continuation of the window replacement door replacement programme. Focused on medium rise blocks, but also picking up 'one off' whole house replacements	797	1,051	865	380	389	3,482
Decent Homes	Continuation of planned estate-based improvement work to the Council's housing stock in accordance with decent homes and building safety principles, prioritised using stock condition data.	5,351	5,946	6,578	7,214	8,936	34,025

Contractual Obligations	Preliminary costs associated with schemes	2,000	2,000	2,000	2,000	2,000	10,000
Fixed Budget Fees	Continuation of the rolling programme of condition surveys to enable effective asset management, options appraisals and the development of future investment schemes.	550	550	550	550	550	2,750
Expectational Works							
Regeneration and Demolition	Delivery of option appraisal outcomes - acquisition / conversion / demolition of unsustainable HRA assets.	1,259	13,248	3,390	2,654	628	21,179
Housing Developments							
New Build/Acquisition - Various	Investment to create new Council homes.	3,295	10,847	11,854	9,231	8,392	43,619
Other Capital							
ICT Refresh	Replacement of IT Hardware & Software licences	40	295	167	12	0	514
Total Housing Capital Budget		22,549	41,506	33,034	36,581	34,331	168,001
Funded By							
Major Repairs Reserve Contributions		(16,824)	(28,104)	(24,443)	(28,822)	(28,430)	(126,623)
HRA Capital Receipts		(4,646)	(11,603)	(6,572)	(5,740)	(4,065)	(32,626)
Grant Funding		(1,079)	(1,799)	(2,019)	(2,019)	(1,836)	(8,752)
Total Funding		(22,549)	(41,506)	(33,034)	(36,581)	(34,331)	(168,001)