

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET
24 JANUARY 2014

**JOINT REPORT OF HOUSING, BENEFITS AND REVENUES AND SPORTS FACILITIES
AND FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDERS**

**A.11 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS - REVISED BUDGET
2013/14 AND ORIGINAL BUDGET 2014/15**

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out and seek approval of:

- A Revised Housing Revenue Account (HRA) budget for 2013/14
- An Original HRA Budget for 2014/15
- The level of rents and fees and charges for 2014/15
- The five year HRA Capital Programme

EXECUTIVE SUMMARY

- The budget has been calculated based on a number of limited changes, the most significant of which relates to the level of rental income for the 2014/15.
- After allowing for the continuation of a **£1.000m** contribution to the Capital Programme to support the investment in new build / property acquisition projects, there is a surplus of **£0.022m** forecast for 2014/15. This position is based on increased dwelling rental income of **£0.444m** which in turn is based on a proposed average rent increase of **5.47%** (£4.53 per week) for 2014/15.
- The rent calculations remain based the current rent setting policy that seeks the convergence of rent levels across the social housing sector.
- HRA debt continues to reduce year on year as principal is repaid with a total debt position at the end of 2014/15 forecast to be **£49.028m**. This provides borrowing 'headroom' of **£11.257m** against the HRA debt cap of **£60.285m**.
- Along with HRA balances, which are forecast to total **£5.546m** by the end of 2014/15, a strong position is set out, against which the future investment in tenant's properties and associated services can be considered.

RECOMMENDATION(S)

That Cabinet:

(a) Approves the 2014/15 Scale of Charges shown in Appendix B.

(b) Approves the level of rents for 2014/15 in accordance with the existing rent setting policy based on an increase in the average rent of 5.47% with no tenant bearing an increase of more than the limit set out within the rent setting policy of RPI (3.2%) + 0.5% plus £2.00 per week.

(c) Subject to (a) and (b) above, approves the Housing Revenue Account revised estimates for 2013/14 and original estimates for 2014/15 as set out in Appendix A, along with the HRA Capital Programme set out in Appendix C.

(d) Agrees that, in respect of 2013/14, the corporate financial system is amended accordingly to reflect these changes along with any amendments arising from revised financial reporting requirements.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The HRA budget and Business Plan plays a significant role in the delivery of affordable and decent housing in the district and the Council's responsibilities as a landlord has direct implications for the Council's ability to deliver on its objectives and priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial implications are set out in this report and its appendices.

Although the availability of financial resources is a key component in the delivery of HRA services there will also be a need for appropriate input of other resources such as staffing, assets, IT etc.

Risk

There are inherent risks associated with the forecast such as:

- Changes in income achieved and future rent setting policies
- Emergence of additional areas of spend
- Emergence of new or revised guidance
- New legislation / burdens
- Changing stock condition requirements
- Adverse changes in interest rates
- National welfare reforms

In view of the above it is important that a sufficient level of balances / reserves is available to support the HRA. HRA Balances are currently forecast to be in excess of £5m which although required to support the business plan and HRA investment in future years, provide a 'buffer' to the 30 year Business Plan if for example some of the items highlighted above emerge or are required to deal with changing financial and service demand issues.

In mitigating the transfer of risk from Government to the Council under the self-financing changes that came into effect from April 2012, financial modelling was undertaken taking into account a number of assumptions and sensitivity testing. The outcome of this work confirmed the sustainability and resilience of the HRA within a self financing environment and the ability to provide opportunities for investment in the housing stock and associated housing services.

LEGAL

It is a statutory requirement on a local authority to determine its Housing Revenue Account budget before the upcoming financial year and to ensure that its implementation will not result in an overall debit balance on the Account.

The new self-financing regime for the Housing Revenue Account that came into effect from April 2012 was enabled by the Localism Act 2011.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

In carrying out its functions as a social landlord, the Council has regard to the need to reduce the potential for criminal activity by improving the security of dwellings as part of maintenance and repair programmes and for combating anti-social behaviour through effective management procedures.

Although there are no direct equality and diversity issues, the overall HRA and associated financial planning processes aim to recognise and include such issues where appropriate and relevant.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The HRA is the Council's landlord account and it is 'ring fenced' for this purpose. Comprehensive rules and requirements surround the HRA such as specific accounting treatment and what items can or cannot be charged to the account. Authorities are required to set a balanced HRA budget each year and agree the level of rents it wishes to charge.

The Localism Act 2011 introduced a fundamental change to the operation of the Housing Revenue Account and the overall landlord function of a Local Authority from the 1 April 2012. From this date the system moved away from one based on a subsidy approach to one where the Local Authority could retain all rent collected locally for investment in its own housing stock and associated services for the benefit of Tenants and other users of its services.

To enable this shift in approach, the Council was required to 'buy out' of the subsidy arrangements by way of a one-off payment to the Government of **£35.979m**. This payment was fully financed via borrowing from the Public Works Loan Board (PWLB) at preferential interest rates. The borrowing was structured over a number of individual loans based on the approach of repaying principal each year and providing future opportunities for further investment in the HRA.

Although the Council is free to set its own level of rents, it is important to note that the debt settlement and 30 year HRA business plan was based on the continuation of the Government's commitment for rents to converge across the Social Housing Sector which forms the underlying principle in setting the 2014/15 budget. However it is important to note that the Government have since stated that it is their intention not to extend this rent convergence approach beyond 2014/15 with only CPI increases being applied to annual rent increases each year from 2015/16. At this stage it is not expected that this will have a significant impact on the HRA budget as a prudent approach was adopted in modelling the 30 year business plan which did not assume the continuation of rent convergence beyond 2015/16.

HOUSING REVENUE ACCOUNT BUDGETS

HRA Revised Budget 2013/14 and Original Budget 2014/15

A high level summary for each of the two years along with the HRA balances position is set out below. Additional information for significant items is provided below with detailed information set out in **Appendix A**.

Housing Revenue Account	2013/14 Original £m	2013/14 Revised £m	2014/15 Original £m
<i>Direct Expenditure</i>	4.629	4.586	4.602
<i>Direct Income</i>	(14.008)	(13.953)	(14.373)
<i>Indirect Income / Expenditure</i>	6.079	6.060	6.169
Initial (SURPLUS) / Deficit	(3.300)	(3.307)	(3.602)
Financing of Borrowing	3.610	3.610	3.580
NET (SURPLUS) / Deficit	0.310	0.303	(0.022)
Contribution (from) / to Reserves	(0.310)	(0.303)	0.022

REVISED ESTIMATE 2013/14

The revised position is broadly in line with the original estimate. Items have been updated to reflect a more up to date position with no overall fundamental changes to highlight over and above any comments included in **Appendix A**.

ORIGINAL ESTIMATE 2014/15

A surplus of **£0.022m** is forecast for 2014/15 which is after allowing for the continuation of the **£1.000m** contribution to the Capital Programme to support the continuation of the new build / acquisition project. Given the more favourable position emerging within the HRA as progress is made along the 30 year business plan, the full **£1.000m** contribution to the Capital Programme can now be made from within the overall revenue position for the year rather than calling on HRA Balances.

Similarly to the General Fund, no underlying inflationary uplifts have been provided but against this overall backcloth, significant items have been subject to separate and comprehensive review where appropriate.

Although comments have been set out in **Appendix A**, comments against significant items within the overall position for the year are set out below:

- **Premises Related Expenditure – Depreciation and the Funding of the Capital Programme**

Under the new self-financing rules and unlike in the GF, depreciation is now a real charge to the HRA and is required to be 'set aside' to fund the capital programme. The historic concept of the Major Repairs Allowance continues and is in effect the depreciation for the year plus an associated adjustment. Together the figure totals **£3.260m** for 2014/15. The current capital programme is primarily funded via this mechanism with the annual amount 'set aside' from the HRA largely matching the amount of money required to fully fund the proposed capital projects each year. (excluding the new build / acquisition project which is funded by a direct revenue

contribution from the HRA)

The total amount 'set aside' which includes the associated adjustment is based on the figures that the Government set out in the debt financing model under self-financing. This is a 5 year 'interim' or 'transitional' solution with Council's able to apply the 'set aside' amount until a fundamental change in how to calculate depreciation becomes mandatory. In future the 'replacement' depreciation charge will be based on the concept of componentisation so different components of a property or asset will be subject to different rates of depreciation. As one of the most significant expenditure figures in the HRA, this will need to be kept under review over the life of the Business Plan.

It is also proposed that impairment will be chargeable to the HRA in future years that will have an impact on the annual HRA surplus rather than being a technical item that is reversed out as is currently the case. Impairment can arise from a change in condition to a reduction in market value and has been a significant charge in recent years with the figure running into millions of pounds. This issue remains under review and the Council will need to respond accordingly, including working with the relevant accounting body if appropriate, as the HRA can clearly not sustain a significant impairment charge in any one year.

- **Rental Income**

Rent setting was influenced by the Government under the previous subsidy arrangements and to a large extent this influence remains in the short to medium term as the 30 HRA Business Plan was based on existing rent setting policies. Therefore although the Council is able to set its own level of rents, any significant divergence from the existing approach in the short term may put pressure on the budget.

Therefore the current level of rent increase for 2014/15 remains based on the existing rent restructuring formula of RPI + 0.5% plus an amount to converge with target rents (an average rent across the whole social housing sector). Applying this rent setting formula, the average weekly increase across the Council's 3,000+ housing properties is **5.47%** (£4.53 per week), with the average weekly rent being **£80.85** for 2014/15. The main factor behind this level of increase is the current rate of Inflation with RPI taken at September 2013 being **3.2%**. As a broad comparator the Local Housing Allowance figure for an average two bedroom property in the Private Sector is £129.71 per week and £161.54 for a three bedroom property, demonstrating the value for money that the proposed rent level provides. Cabinet continues to consider council housing as an alternative form of tenure not a second rate form of tenure. The Council will be, and has proven to be a good landlord and will always assist people where appropriate but there is an expectation that people will pay their rents and adhere to the tenancy agreement.

Within this overall framework 'caps' and 'limits' are continued to be applied at a local level for individual properties to arrive at the specific rent chargeable for each property. No property will bear an increase of more than RPI + 0.5% + £2 per week.

The total dwelling rental income budget for 2014/15 is **£13.301m**, an increase of **£0.444m** compared to 2013/14. It is important to highlight that this income is retained by the Council for future investment in tenant's properties and associated services.

The average rent proposed for 2014/15 is anticipated to be below the 'limit rent' which is a Government set level above which the Council would incur deductions from the subsidy it receives for rent rebates under a subsidy limitation scheme. Based on previous years, limit rents are increased within the rent setting formula so as actual rents also remain based on

this approach it is not expected to have an impact for the year.

HRA Fees and Charges

Further details are set out in **Appendix B**.

Following an annual review a number of fees and charges have been revised to better reflect the actual cost of providing the associated service.

HRA Capital Programme

The detailed HRA Capital Programme is set out in **Appendix C**.

The 2013/14 revised budget includes carry forwards from 2012/13 and reflects decisions taken during the year such as new build / acquisition projects that have also been supported by S106 contributions.

Primarily the future year's budgets reflect the estimated level of capital works based on stock condition survey outcomes and any associated reviews.

The principal source of funding is the annual Major Repairs Contribution which primarily reflects the charge for depreciation.

Although capital receipts from Right to Buy sales is receivable each year, they have not been included in the funding of the Capital Programme. This assumption provides a margin of safety over and above the annual funding contributions allowed for and reflects the existing use of such receipts to support the Disabled Facilities Grant scheme in the General Fund Capital Programme.

HRA Balances

- **2013/14** – The proposed revised budget results in an estimated use of reserves of **£0.303m** which would decrease the HRA general balance to an estimated **£5.524m** by the end of March 2014.
- **2014/15** - The proposed budget for 2014/15 results in an estimated surplus of **£0.022m** which would increase the HRA general balance to an estimated **£5.546m** by the end of March 2015.

The forecast position of balances at 31 March 2014 and 31 March 2015 will vary over time depending on the outturn positions for 2013/14 and 2014/15 as well as the emergence of other unexpected or unplanned matters that could occur in or across these years.

HRA BORROWING

The total HRA debt at the start of 2013/14 was **£52.956m**.

No new debt has been taken on but principal repaid during 2013/14 totals **£1.964m**. With forecast repayments of principal of **£1.964m** in 2014/15, the level of HRA debt at the end of 2014/15 is forecast to be **£49.028m**, with average borrowing costs against this level of debt being **3.15%**.

As part of the move to self-financing, the Government imposed an HRA debt cap of **£60.285m**. Taking into account the actual level of HRA borrowing, at the end of 2014/15 the level of 'headroom' for additional future borrowing is **£11.257m**. This headroom will

increase as debt is repaid each year although will be subject to further borrowing decisions in the future.

The annual cost of principal and interest included in the proposed HRA budgets is **£3.610m** and **£3.580m** for 2013/14 and 2014/15 respectively.

As part of the Autumn Statement 2013, the government announced that they will increase local authority HRA borrowing limits / 'caps' by £150 million in 2015-16 and £150 million in 2016-17, allocated across authorities on a competitive basis and agreed by LEPs. Access to this additional borrowing would be subject to separate review during the year if required but would be undertaken within the framework of the Council's Annual Treasury Strategy.

CODE OF PRACTICE – STATEMENT OF ACCOUNTS

Each year information is issued to Local Authorities which provides guidance on the information and presentation required for the Financial Statements the Council publishes on an annual basis. Therefore although not directly affecting the overall financial position of the Council, changes may occur across years. Budgets may need to be reviewed and budget transfers undertaken to address any new requirements emerging from the relevant codes of practice that are issued each year.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

- Appendix A** HRA Budgets 2013/14 Revised and 2014/15 Original
- Appendix B** HRA Proposed Fees and Charges 2014/15
- Appendix C** HRA 5 Year Capital Programme

Revenue Estimates 2014/15

Department - HRA

<u>Analysis by Type of Spend</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate
	£	£	£
Direct Expenditure			
Employee Expenses	583,640	545,840	593,820
Premises Related Expenditure	3,601,010	3,590,710	3,569,330
Transport Related Expenditure	5,500	10,500	10,500
Supplies & Services	420,380	421,830	410,380
Third Party Payments	1,030	1,030	1,030
Transfer Payments	17,000	17,000	17,000
Total Direct Expenditure	4,628,560	4,586,910	4,602,060
Direct Income			
Government Grants	(140,000)	(100,000)	(100,000)
Other Grants reimbursements and Contributions	(8,000)	(8,000)	(8,000)
Sales, Fees and Charges	(732,390)	(722,490)	(692,190)
Rents Receivable	(13,065,670)	(13,065,670)	(13,511,290)
Interest Receivable	(61,600)	(56,600)	(61,600)
Total Direct Income	(14,007,660)	(13,952,760)	(14,373,080)
Net Direct Costs	(9,379,100)	(9,365,850)	(9,771,020)
Indirect Income/Expenditure			
FRS17 Pension Costs	(240,010)	(239,660)	(246,330)
Service Unit and Central Costs	2,033,540	1,988,040	2,116,620
Capital Financing Costs	7,924,660	7,940,910	7,907,130
Recharged Income	(28,710)	(20,040)	(28,710)
Total Indirect Income/Expenditure	9,689,480	9,669,250	9,748,710
Contributions to/(from) reserves			
Contributions to/(from) Reserves	(310,380)	(303,400)	22,310
Net Contribution to/(from) Reserves	(310,380)	(303,400)	22,310
Total for HRA	0	0	0

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - I&E - Capital Grants <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i> Indirect Income/Expenditure	0	0	0	
Net Total	0	0	0	
HRA - SMHRAB Items to be excluded from HRA balance <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i> Indirect Income/Expenditure	685,000	701,250	696,480	
Net Total	685,000	701,250	696,480	
HRA - SMHRAB Reversal of Capital Grant <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i> Indirect Income/Expenditure	0	0	0	
Net Total	0	0	0	
HRA - SMHRAB HRA - Contributions Payable to the Pension Scheme <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i> Direct Expenditure	334,460	330,840	349,220	
Net Total	334,460	330,840	349,220	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - SMHRAB Total IAS 19 Adjustments <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Indirect Income/Expenditure	(253,150)	(258,220)	(262,640)	
Net Total	(253,150)	(258,220)	(262,640)	
HRA - SMHRAB Minimum Revenue Provision <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Indirect Income/Expenditure	0	0	0	
Net Total	0	0	0	
Total for F&P - Financing Items	766,310	773,870	783,060	
HRA - Policy & Management <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	58,000	58,000	58,000	
Direct Income	(1,200)	(1,200)	(2,200)	
Indirect Income/Expenditure	417,970	406,670	398,000	
Net Total	474,770	463,470	453,800	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Managing Tenancies <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	138,500	138,500	127,000	
Indirect Income/Expenditure	583,260	569,220	569,940	
Net Total	721,760	707,720	696,940	
HRA - Rent Collection And Accounting <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	91,840	91,840	91,840	
Direct Income	(8,440)	(8,440)	(8,440)	
Indirect Income/Expenditure	281,710	274,100	268,250	
Net Total	365,110	357,500	351,650	
HRA - Right to Buy Administration <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Income	(3,900)	(11,700)	(3,900)	
Indirect Income/Expenditure	12,780	12,430	12,170	
Net Total	8,880	730	8,270	
HRA - Unapportionable Central Overheads Contribution <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Indirect Income/Expenditure	275,720	275,720	275,720	
Net Total	275,720	275,720	275,720	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Pumping Stations				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	3,600	3,650	3,700	
Direct Income	(4,290)	(4,290)	(4,290)	
Indirect Income/Expenditure	14,540	14,160	13,870	
Net Total	13,850	13,520	13,280	
HRA - Sewerage Expenses				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	18,480	18,580	18,680	
Direct Income	(16,750)	(16,750)	(16,750)	
Indirect Income/Expenditure	29,570	28,830	28,260	
Net Total	31,300	30,660	30,190	
HRA - Communal Central Heating				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	107,000	108,000	109,000	
Direct Income	(107,000)	(107,000)	(107,000)	
Net Total	0	1,000	2,000	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Supporting People re SUs				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	24,090	24,090	24,090	
Direct Income	(213,350)	(155,650)	(155,650)	
Indirect Income/Expenditure	240,880	220,860	234,980	
Net Total	51,620	89,300	103,420	
HRA - Sheltered Units				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	323,230	284,050	308,750	
Direct Income	(195,960)	(195,960)	(195,960)	
Indirect Income/Expenditure	(130,580)	(107,550)	(125,770)	
Net Total	(3,310)	(19,460)	(12,980)	
HRA - Colne Housing Soc Shel Units				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	8,000	8,000	8,000	
Net Total	8,000	8,000	8,000	
HRA - Estate Sweeping				
<i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	66,000	66,000	66,000	
Net Total	66,000	66,000	66,000	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Communal Cleaning <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	66,000	66,000	66,000	
Direct Income	(50,500)	(50,500)	(52,000)	
Net Total	15,500	15,500	14,000	
HRA - Communal Electricity <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	100,000	100,000	100,000	
Direct Income	(80,000)	(80,000)	(80,000)	
Net Total	20,000	20,000	20,000	
HRA - Estate Lighting <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	5,000	5,000	5,100	
Net Total	5,000	5,000	5,100	
HRA - Maintenance Of Grounds <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	177,520	177,520	25,510	
Direct Income	(115,000)	(115,000)	(90,000)	
Indirect Income/Expenditure	0	0	152,010	
Net Total	62,520	62,520	87,520	The 2014/15 position now reflects a change in the treatment of charges from internal services rather than an overall net change.

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Repair & Maintenance <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	2,981,170	2,981,170	3,115,500	The 2014/15 budget reflects an inflationary uplift in costs relating to the ongoing cycle of repair work to the Council's housing stock.
Direct Income	0	0	0	
Indirect Income/Expenditure	320,830	320,830	305,500	
Net Total	3,302,000	3,302,000	3,421,000	
HRA - Tenants Rentals <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Income	(13,049,100)	(13,049,100)	(13,494,720)	The 2014/15 budget reflects an average 5.47% increase in rents along with updated assumptions on the level of voids for the year.
Net Total	(13,049,100)	(13,049,100)	(13,494,720)	
HRA - Rents & Other Charges <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Expenditure	75,670	75,670	75,670	
Net Total	75,670	75,670	75,670	
HRA - Rent Income <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Direct Income	(16,570)	(16,570)	(16,570)	
Net Total	(16,570)	(16,570)	(16,570)	

Department - HRA

<u>Analysis by Section/Function</u>	2013/14 Original Estimate	2013/14 Revised Estimate	2014/15 Original Estimate	Notes
	£	£	£	
HRA - Capital & Interest Charges <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Indirect Income/Expenditure	7,239,660	7,239,660	7,210,650	This budget reflects the continuation of the revenue contribution to the Capital Programme of £1.000m to support investment in New Build / Acquisition projects.
Net Total	7,239,660	7,239,660	7,210,650	
HRA - Use of Balances <i>Portfolio/ Committee: Housing, Benefits, Revenues, Sports Facilities</i>				
Contributions to/(from) reserves	(310,380)	(303,400)	22,310	
Net Total	(310,380)	(303,400)	22,310	
Total for Commercial Management	(766,310)	(773,870)	(783,060)	
Total for HRA	0	0	0	

HRA

SCALE OF CHARGES 2014/15

	Date last revised	(A)	(B)	(C)	(D)	VAT Ind
		← 2013/14 →	← 2014/15 →	← 2014/15 →	← 2014/15 →	
		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
	Effective from	01/04/2013 £	01/04/2013 £	01/04/2014 £	01/04/2014 £	
<u>GARAGE RENTS AND ACCOMMODATION CHARGES</u>						
Guest room accommodation at sheltered units per night:						
With en-suite facilities (St Marys Court, Groom House, Greenfields, Ironside Walk, Belmans Court)	Apr-13	10.42	12.50	12.50	15.00	V
Without en-suite facilities (Vyntoner House, Kate Daniels House, Mead House, Spendells House, Crooked Elms, Honeycroft)	Apr-13	7.92	9.50	10.00	12.00	V
Garage rents HRA (not subject to VAT unless separately let to non-council tenants)	Apr-13	7.76	7.76	8.00	8.00	*
<u>PROVISION OF INFORMATION ON TENANCY CHANGES</u>						
Supply of tenancy changes to Veolia Water UK, per copy (Formerly Tendring Hundred Waterworks Company)	Apr-13	440.00	528.00	0.00	0.00	V
<u>QUESTIONNAIRES</u>						
Second mortgage enquiries (per enquiry)	Apr-13	73.00	87.60	75.00	90.00	V
Solicitors enquiries on resale of council flats	Apr-13	66.00	79.20	67.92	81.50	V
<u>SERVICE CHARGES (per week)</u>						
Sewerage charges (not subject to VAT) (See Note 1):						
Treatment Works:						
Goose Green, Tendring	Apr-13	6.95	6.95	7.15	7.15	Z
Coronation Villas, Beaumont	Apr-13	6.88	6.88	7.10	7.10	Z
Whitehall Lane, Thorpe	Apr-13	4.69	4.69	4.80	4.80	Z
Shop Road, Little Bromley	Apr-13	8.03	8.03	8.30	8.30	Z
Horsley Cross, Mistley	Apr-08	9.00	9.00	9.00	9.00	Z
Bio Systems	Apr-13	6.88	6.88	7.10	7.10	Z
Septic Tanks	Apr-13	2.47	2.47	2.55	2.55	Z
Pumping Stations (not subject to VAT)	Apr-13	4.53	4.53	4.65	4.65	Z
Sewerage charge cap where tenant in receipt of benefit	Apr-08	5.00	5.00	5.00	5.00	Z

HRA

SCALE OF CHARGES 2014/15

	Date last revised	(A)	(B)	(C)	(D)	VAT Ind
		← 2013/14 →	← 2013/14 →	← 2014/15 →	← 2014/15 →	
		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
	Effective from	01/04/2013 £	01/04/2013 £	01/04/2014 £	01/04/2014 £	
Communal central heating charges (not subject to VAT) (see note 2):						
Heating and hot water:						
Single units	Apr-13	10.10	10.10	10.10	10.10	N
Double units	Apr-13	11.90	11.90	11.90	11.90	N
Sheltered Scheme Manager units	Apr-13	14.30	14.30	0.00	0.00	N
Hot water only (St Marys Court)	Apr-13	3.80	3.80	4.00	4.00	N
Other Service Charges (not subject to VAT):						
Sheltered Housing:						
Grounds Maintenance	Apr-13	1.98	1.98	1.48	1.48	X
Communal Electricity	Apr-13	2.85	2.85	2.85	2.85	N
Non Sheltered Housing						
Grounds Maintenance	Apr-13	1.26	1.26	0.95	0.95	N
Communal Electricity	Apr-13	0.54	0.54	0.86	0.86	N
Communal Cleaning (not subject to VAT) (See Note 3):						
Langham Drive, Clacton	Apr-13	3.21	3.21	3.31	3.31	N
Nayland Drive, Clacton	Apr-13	3.13	3.13	3.22	3.22	N
Boxted Ave (3 Storey) , Clacton	Apr-13	3.13	3.13	3.21	3.21	N
Boxted Ave (2 Storey) , Clacton	Apr-13	3.11	3.11	3.19	3.19	N
Polstead Way, Clacton	Apr-13	3.11	3.11	3.19	3.19	N
Porter Way, Clacton	Apr-13	3.12	3.12	3.21	3.21	N
Tanner Close, Clacton	Apr-13	3.13	3.13	3.21	3.21	N
Mason Road, Clacton	Apr-13	3.12	3.12	3.21	3.21	N
Groom Park, Clacton	Apr-13	2.05	2.05	2.10	2.10	N
Leas Road , Clacton	Apr-13	2.04	2.04	2.10	2.10	N
Rivers House, Walton	Apr-13	2.23	2.23	2.29	2.29	N
Rochford House, Walton	Apr-13	2.23	2.23	2.29	2.29	N
D'arcy House , Walton	Apr-13	2.23	2.23	2.29	2.29	N
Churchill Court, Dovercourt	Apr-13	2.63	2.63	2.70	2.70	N
Cliff Court, Dovercourt	Apr-13	2.05	2.05	2.11	2.11	N
Grove Avenue Walton	Apr-13	1.09	1.09	1.12	1.12	N
<u>SHELTERED UNITS SERVICE CHARGES (Not subject to VAT) (see Note 4):</u>						
Supporting People Costs	Apr-11	15.55	15.55	10.96	10.96	X
Landlord Costs	Apr-11	13.31	13.31	13.31	13.31	X
Careline Alarm	Apr-08	2.94	2.94	2.94	2.94	X
Sheltered Units charges are subject to Essex County Council budget setting process						

HRA

SCALE OF CHARGES 2014/15

Date last revised	(A)	(B)	(C)	(D)	VAT Ind
	← 2013/14 →	← 2013/14 →	← 2014/15 →	← 2014/15 →	
	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
Effective from	01/04/2013	01/04/2013	01/04/2014	01/04/2014	
	£	£	£	£	

Notes**(1) Sewerage charges etc**

The charging policy whereby the charges are reviewed annually against the costs of each of the five sites has continued for 2014-15 with the previously agreed general cap of £9.00 per week being applied or £5.00 where the tenant is in receipt of benefit.

(2) Communal Central Heating Charges

The charges for central heating remain based on the principal of recovering costs in full.

(3) Communal Cleaning Charges

The charges for communal cleaning have been based on the principal of recovering costs in full.

(4) General service charge for sheltered units

The support service provided in sheltered units comes under the Supporting People (SP) scheme and is subject to the terms of a contract with Essex County Council, who reimburse the Council in respect of tenants who eligible for benefit and therefore SP grant funding.

* Garage Rent - VAT:

Parking:

Council Tenant

N

Non-Council Tenant

V

Storage:

Homeless persons goods

N

Premises suitable for parking

V

Premises unsuitable for parking

X

APPENDIX C

HRA Capital Programme

	Original 2013/14 Budget £000	Revised 2013/14 Budget £000	2014/15 Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000
<i>EXPENDITURE</i>						
Improvements, enhancement & adaptation of the Council's housing stock	2,762,000	3,269,036	2,762,000	2,762,000	2,762,000	2,783,000
Disabled adaptations for Council tenants	400,000	433,010	400,000	400,000	400,000	400,000
Information Technology upgrade and replacement	20,000	20,000	20,000	20,000	20,000	20,000
New Build Initiatives and Acquisitions	1,000,000	1,655,737	1,000,000	0	0	0
Cash Incentive Scheme	60,000	78,000	60,000	60,000	60,000	60,000
	4,242,000	5,455,783	4,242,000	3,242,000	3,242,000	3,263,000
<i>FINANCING</i>						
Major Repairs Reserve	3,242,000	3,800,046	3,242,000	3,242,000	3,242,000	3,263,000
Direct Revenue Financing of Capital S106	1,000,000	1,000,000	1,000,000	0	0	0
	0	655,737	0	0	0	0
	4,242,000	5,455,783	4,242,000	3,242,000	3,242,000	3,263,000