

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

23 JANUARY 2015

JOINT REPORT OF HOUSING, BENEFITS AND REVENUES AND FINANCE AND TRANSFORMATION PORTFOLIO HOLDERS

A.7 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS - REVISED BUDGET 2014/15 AND ORIGINAL BUDGET 2015/16

(Report prepared by Richard Barrett and Richard Hall)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To set out and seek approval of:

- A Revised Housing Revenue Account (HRA) budget for 2014/15 and Original HRA Budget for 2015/16 including the movement in HRA Balances.
- The level of rents and fees and charges for 2015/16.
- 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 2015/16.
- The rent calculations remain based the Government's rent setting guidance which sees a change from 2015/16. The principle of rent convergence across the social housing sector has now been replaced with guidance now setting out rent increases of CPI+1% each year. The proposed average rent increase for 2015/16 is 2.2% based on this revised approach.
- After taking into account increases in income from rents along with other changes for 2015/16, there is a net favourable position of **£0.170m**. It is proposed that this is contributed to the Capital Programme to support the new build / acquisition scheme which already benefits from an on-going contribution from the HRA of **£1.000m**.
- HRA debt continues to reduce year on year as principal is repaid with a total debt position at the end of 2015/16 forecast to be **£47.062m**. This provides borrowing 'headroom' of **£13.223m** against the HRA debt cap of **£60.285m**.
- Along with HRA balances, which are forecast to total **£5.540m** by the end of 2015/16, a strong position is set out against which the future investment decisions such as improvements to tenant's homes and associated services can be considered.

RECOMMENDATION(S)

That Cabinet:

(a) Approves the 2015/16 Scale of Charges shown in Appendix B.

(b) Approves the level of rents for 2015/16 in accordance with the Government's rent

setting guidance of CPI + 1% which results in an increase in the average rent of 2.2%.

(c) Subject to (a) and (b) above, approves the Housing Revenue Account revised estimates for 2014/15 and original estimates for 2015/16 as set out in Appendix A, along with the HRA Capital Programme and the movement in HRA Balances / Reserves as set out in Appendix C and Appendix D respectively.

(d) Agrees that, in respect of 2014/15, 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 policy
- 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 remain 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 housing investment and associated housing services.

From 2016/17 impairment will be chargeable to the HRA and the ability to reverse it out of

the accounts via a technical accounting adjustment will be removed. Impairment can arise from a change in condition or a reduction in market value and has been a significant charge in recent years with the figure running into millions of pounds. This was a risk identified as part of the move to self-financing in 2012 and there was real concern that if impairment was significant and could not be 'written down' against an HRA Revaluation Reserve then there could be a significant impact on the HRA in future years.

A comprehensive review of this risk has been undertaken and there is now a greater level of confidence that the impact on the HRA can be managed via the HRA Revaluation Reserve. This reserve increases or decreases each year with changes in the value of the housing stock. Since the significant fall in prices following the recent recession, this reserve has experienced increases as house prices have recovered over the last few years, with these gains therefore acting as a 'buffer' against any future impairment charge.

House prices are set to continue rise in the medium term which will again enable the HRA Revaluation Reserve to increase over time. It is acknowledged that although house prices follow a cyclical pattern it is usually within an overall longer term trend of increased value. Therefore it is expected that the HRA Revaluation Reserve will continue to increase and therefore 'protect' the HRA from any potential impact from impairment charges over the 30 year business plan.

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.

From April 2012, the Housing Revenue Account has operated under the self-financing approach introduced as part of the Localism Act 2011.

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. This approach was taken for 2012/13 to 2014/15 but from 2015/16 the Government have confirmed that convergence is no longer applicable and that CPI + 1% should be used to calculate the level of rent increases each year. This has only had a limited 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 2014/15 and Original Budget 2015/16

A high level summary is set out below. Additional information for significant items is also provided below with detailed information set out in **Appendix A**.

	2014/15 Original Budget £m	2014/15 Revised Budget £m	2015/16 Original Budget £m
Direct Expenditure	4.602	4.637	4.676
Direct Income	(14.373)	(14.403)	(14.658)
Indirect Income / Expenditure including Financing Costs	9.749	10.599	9.982
NET (SURPLUS) / DEFICIT	(0.022)	0.833	0
Contribution to / (from) Reserves	0.022	(0.833)	0

REVISED ESTIMATE 2014/15

The revised position is broadly in line with the original estimate, with the change in the contribution to or from reserves reflecting the amounts carried forward from 2013/14 and the additional call on the HRA General balance to fund the increase in insurance premium costs. In general, 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** or set out in more detail further on in this report.

ORIGINAL ESTIMATE 2015/16

No overall surplus or deficit is forecast for 2015/16. However this position is after continuing the **£1.000m** contribution to the Capital Programme to support new build / acquisition projects.

Favourable variances elsewhere in the budget have also enabled a further **£0.170m** contribution to be made to the new build / acquisition project budget within the HRA Capital Programme, which would be available to support the Jaywick development project currently in progress.

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:

- **Rental Income**

Rent setting is influenced by the Government via guidance that it issues. The 30 year business plan is based on this Government guidance which also had an impact on the self-financing debt settlement in 2012. Therefore although the Council is able to set its own level of rents, any significant divergence from Government guidance in the short term may put pressure on the budget.

The current level of rent increase for 2015/16 is based on revised Government guidance recently issued. The new guidance sees the previous approach of seeking to converge or bring rents in line across the social housing sector (by limiting rent increases to RPI+0.5%+£2 per week) being replaced with guideline increases of CPI+1%. For 2015/16 the relevant CPI amount is 1.2% and therefore the change in the average rent is as follows:

The average weekly increase across the Council's 3,000+ housing properties is 2.2% (£1.93 per week), with the average weekly rent being £82.74 for 2015/16

As a broad comparator the current Local Housing Allowance figure for an average two bedroom property in the Private Sector is **£131.01** per week and **£160.38** 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 tier 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 the new overall framework 'rent caps' continue and are applied at a local level for individual properties.

The total dwelling rental income budget for 2014/15 is **£13.593m**, an increase of **£0.292m** compared to 2014/15. This income is retained by the Council for future investment in tenant's properties and associated services.

The average rent proposed for 2015/16 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.

Other elements of the Governments rent setting guidance continue from 2014/15 such as formula rents for individual properties. Although the guidance states that Council's should only increase rents by CPI+1%, it also states that if a property becomes vacant then the rent charged to the new tenant can be set at formula rent which may be higher than the outgoing tenant if the rent previously charged had not reached the formula rent under the previous rent setting guidance from the Government.

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 2014/15 revised budget includes carry forwards from 2013/14 and reflects decisions taken during the year such as new build / acquisition projects that have also been supported by S106 contributions or capital grants.

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

The principal source of funding is the annual Major Repairs Contribution which primarily reflects the charge for depreciation plus an additional voluntary contribution to ensure the right level of investment in the housing stock can be maintained.

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.

Within the new build and acquisition scheme, works at a property in Berkeley Road, Clacton are included. The cost of these works was originally supported via a S106 contribution associated with a development in Dovercourt. However this position has now been revised with the cost now being met from direct revenue contributions from the HRA, which therefore 'releases' the previous S106 money to be considered for spending elsewhere.

As previously mentioned, an additional **£0.170m** direct revenue contribution from the HRA is included in the HRA Capital Programme in 2015/16 under the new build initiatives and acquisition scheme, which starts the process of 'pulling together' the funding to support investment in Jaywick as part of the wider redevelopment project.

HRA BALANCES / RESERVES

The detailed HRA Reserves are set out in **Appendix D**.

The forecast position for HRA balances at 31 March 2015 and 31 March 2016 will vary over time depending on the outturn positions for 2014/15 and 2015/16 as well as the emergence of other unexpected or unplanned matters that could occur in or across these years.

Current estimates put the total HRA reserves at **£9.516m** by the end of 2015/16, with the general balances element within this overall amount being **£5.540m**.

HRA DEBT

The total HRA debt at the start of 2014/15 was **£50.991m**.

No new debt has been taken on but principal repaid during 2014/15 totals **£1.964m**. With forecast repayments of principal of **£1.965m** in 2015/16, the level of HRA debt at the end of 2015/16 is forecast to be **£47.062m**, with average borrowing costs against this level of debt being **3.22%**.

The Government's imposed HRA debt cap is **£60.285m**. Taking into account the actual

level of HRA borrowing, at the end of 2015/16 the level of 'headroom' for additional future borrowing is **£13.223m**. 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 **£3.580m** and **£3.539m** for 2014/15 and 2015/16 respectively.

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 2014/15 Revised and 2015/16 Original
Appendix B	HRA Proposed Fees and Charges 2015/16
Appendix C	HRA 5 Year Capital Programme
Appendix D	HRA Reserves

Revenue Estimates 2015/16

Department - HRA

<u>Analysis by Type of Spend</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate
	£	£	£
Direct Expenditure			
Employee Expenses	593,820	587,250	620,560
Premises Related Expenditure	3,569,330	3,569,330	3,616,610
Transport Related Expenditure	10,500	10,500	10,500
Supplies & Services	410,380	451,700	410,380
Third Party Payments	1,030	1,030	1,030
Transfer Payments	17,000	17,000	17,000
Total Direct Expenditure	4,602,060	4,636,810	4,676,080
Direct Income			
Government Grants	(100,000)	(100,000)	(100,000)
Other Grants reimbursements and Contributions	(8,000)	(8,000)	(8,000)
Sales, Fees and Charges	(692,190)	(721,980)	(681,690)
Rents Receivable	(13,511,290)	(13,511,290)	(13,806,970)
Interest Receivable	(61,600)	(61,600)	(61,600)
Total Direct Income	(14,373,080)	(14,402,870)	(14,658,260)
Net Direct Costs	(9,771,020)	(9,766,060)	(9,982,180)
Indirect Income/Expenditure			
FRS17/IAS19 Pension Costs	(246,330)	(214,610)	(216,130)
Service Unit and Central Costs	2,116,620	2,229,140	2,197,210
Capital Financing Costs	7,907,130	8,612,880	8,029,810
Recharged Income	(28,710)	(28,710)	(28,710)
Total Indirect Income/Expenditure	9,748,710	10,598,700	9,982,180
Net Contribution to/(from) Reserves	22,310	(832,640)	0
Total for HRA	0	0	0

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - I&E - Capital Grants <i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	0	(244,660)	0	The 2014/15 position reflects the receipt of capital grant income during the year which supports the HRA capital programme.
Net Total	0	(244,660)	0	
HRA - MIRS Items to be excluded from HRA balance <i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	696,480	2,402,230	1,860,910	This budget now includes a technical adjustment relating to the direct revenue financing contribution to the HRA Capital Programme that was previously included elsewhere in the HRA budgets.
Net Total	696,480	2,402,230	1,860,910	
HRA - MIRS Reversal of Capital Grant <i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	0	244,660	0	This adjustment is associated with the capital grant change mentioned above and relates to the contribution to the HRA Capital Programme.
Net Total	0	244,660	0	
HRA - MIRS HRA - Contributions Payable to the Pension Scheme <i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	349,220	356,380	361,180	
Net Total	349,220	356,380	361,180	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - MIRS Total IAS 19 Adjustments				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	(262,640)	(253,900)	(257,610)	
Net Total	(262,640)	(253,900)	(257,610)	
HRA - MIRS Minimum Revenue Provision				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	0	1,964,300	1,964,300	This reflects a technical change relating to the repayment of loan principal which was previously set out elsewhere in the HRA budgets.
Net Total	0	1,964,300	1,964,300	
Total for F&P - Financing Items	783,060	4,469,010	3,928,780	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Policy & Management				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	58,000	71,730	58,000	
Direct Income	(2,200)	(2,200)	(2,200)	
Indirect Income/Expenditure	398,000	398,060	391,660	
Net Total	453,800	467,590	447,460	
HRA - Managing Tenancies				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	127,000	124,800	127,000	The increase for 2014/15 and 2015/16 reflects increased insurance premium costs as a result of two recent / significant claims in respect of housing property.
Indirect Income/Expenditure	569,940	680,850	669,350	
Net Total	696,940	805,650	796,350	
HRA - Rent Collection And Accounting				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	91,840	91,840	91,840	
Direct Income	(8,440)	(8,440)	(8,440)	
Indirect Income/Expenditure	268,250	268,290	263,970	
Net Total	351,650	351,690	347,370	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Right to Buy Administration				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Income	(3,900)	(3,900)	(3,900)	
Indirect Income/Expenditure	12,170	12,170	11,980	
Net Total	8,270	8,270	8,080	
HRA - Unapportionable Central Overheads Contribution				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	275,720	275,720	275,720	
Net Total	275,720	275,720	275,720	
HRA - Pumping Stations				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	3,700	3,700	3,700	
Direct Income	(4,290)	(4,290)	(4,290)	
Indirect Income/Expenditure	13,870	13,940	13,720	
Net Total	13,280	13,350	13,130	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Sewerage Expenses				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	18,680	18,680	18,680	
Direct Income	(16,750)	(16,750)	(16,750)	
Indirect Income/Expenditure	28,260	28,540	28,090	
Net Total	30,190	30,470	30,020	
HRA - Communal Central Heating				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	109,000	109,000	94,280	
Direct Income	(107,000)	(107,000)	(92,280)	
Net Total	2,000	2,000	2,000	
HRA - Supporting People re SUs				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	24,090	53,880	24,090	
Direct Income	(155,650)	(185,440)	(155,650)	
Indirect Income/Expenditure	234,980	221,250	241,640	
Net Total	103,420	89,690	110,080	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Sheltered Units				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	308,750	295,020	323,530	
Direct Income	(195,960)	(195,960)	(200,180)	
Indirect Income/Expenditure	(125,770)	(87,960)	(107,660)	
Net Total	(12,980)	11,100	15,690	
HRA - Colne Housing Soc Shel Units				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</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 and Revenues</i>				
Direct Expenditure	66,000	66,000	66,000	
Net Total	66,000	66,000	66,000	
HRA - Communal Cleaning				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	66,000	66,000	66,000	
Direct Income	(52,000)	(52,000)	(52,000)	
Net Total	14,000	14,000	14,000	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
HRA - Communal Electricity	£	£	£	
<i>Portfolio/ Committee: Housing, Benefits and Revenues</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 and Revenues</i>				
Direct Expenditure	5,100	5,100	5,100	
Net Total	5,100	5,100	5,100	
HRA - Maintenance Of Grounds				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	25,510	25,510	25,510	
Direct Income	(90,000)	(90,000)	(90,000)	
Indirect Income/Expenditure	152,010	152,030	149,590	
Net Total	87,520	87,540	85,100	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Repair & Maintenance				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	3,115,500	3,115,500	3,177,500	The cost of repairs reflects a small inflationary uplift for 2015/16.
Indirect Income/Expenditure	305,500	305,540	300,630	
Net Total	3,421,000	3,421,040	3,478,130	
HRA - Tenants Rentals				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Income	(13,494,720)	(13,494,720)	(13,790,400)	Please see main body of the report for further information regarding rent increases.
Net Total	(13,494,720)	(13,494,720)	(13,790,400)	
HRA - Rents & Other Charges				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</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 and Revenues</i>				
Direct Expenditure	0	0	0	
Direct Income	(16,570)	(16,570)	(16,570)	
Net Total	(16,570)	(16,570)	(16,570)	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
	£	£	£	
HRA - Lease Holders Charges				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Income	(84,000)	(84,000)	(84,000)	
Net Total	(84,000)	(84,000)	(84,000)	
HRA - General Fund Contribution				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	(28,710)	(28,710)	(28,710)	
Net Total	(28,710)	(28,710)	(28,710)	
HRA - Interest				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Income	(61,600)	(61,600)	(61,600)	
Net Total	(61,600)	(61,600)	(61,600)	
HRA - Rent Arrears Provision				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Direct Expenditure	50,000	50,000	50,000	
Net Total	50,000	50,000	50,000	

Department - HRA

<u>Analysis by Section/Function</u>	2014/15 Original Estimate	2014/15 Revised Estimate	2015/16 Original Estimate	Notes
HRA - Capital & Interest Charges	£	£	£	
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Indirect Income/Expenditure	7,210,650	4,246,350	4,204,600	This reflects a technical change relating to the repayment of loan principal and the direct financing of the HRA Capital Programme which are now included elsewhere in the HRA budgets as mentioned above.
Net Total	7,210,650	4,246,350	4,204,600	
HRA - Use of Balances				
<i>Portfolio/ Committee: Housing, Benefits and Revenues</i>				
Contributions to/(from) reserves	22,310	(832,640)	0	The net call on reserves for 2014/15 is due to the need to fund the increased insurance premiums costs as mentioned above along with funding the 2013/14 carry forwards in the HRA Capital Programme that was highlighted as part of the outturn report presented to Cabinet in June 2014.
Net Total	22,310	(832,640)	0	
Total for Commercial Management	(783,060)	(4,469,010)	(3,928,780)	
Total for HRA	0	0	0	

Housing, Benefits & Revenues Portfolio - HRA

Scale of Charges 2015/16

	Date last revised	2014/15		2015/16		VAT Ind
		(A) Charge Exclusive of VAT	(B) Charge Inclusive of VAT where applicable @ 20%	(C) Charge Exclusive of VAT	(D) Charge Inclusive of VAT where applicable @ 20%	
Effective from		01/04/2014 £	01/04/2014 £	01/04/2015 £	01/04/2015 £	
<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	Apr-14	12.50	15.00	13.33	16.00	V
Without en-suite facilities (Vyntoner House, Kate Daniels House, Mead House, Spendells House, Crooked Elms, Honeycroft)	Apr-14	10.00	12.00	10.42	12.50	V
Garage rents HRA (not subject to VAT unless separately let to non-council tenants)	Apr-14	8.00	8.00	8.20	8.20	*
<u>QUESTIONNAIRES</u>						
Second mortgage enquiries (per enquiry)	Apr-14	75.00	90.00	75.00	90.00	V
Solicitors enquiries on resale of council flats	Apr-14	67.92	81.50	75.00	90.00	V
<u>SERVICE CHARGES (per week)</u>						
Sewerage charges (not subject to VAT) (See Note 1):						
Treatment Works:						
Goose Green, Tendring	Apr-14	7.15	7.15	7.36	7.36	Z
Coronation Villas, Beaumont	Apr-14	7.10	7.10	7.31	7.31	Z
Whitehall Lane, Thorpe	Apr-14	4.80	4.80	4.94	4.94	Z
Shop Road, Little Bromley	Apr-14	8.30	8.30	8.54	8.54	Z
Horsley Cross, Mistley	Apr-08	9.00	9.00	9.00	9.00	Z
Bio Systems	Apr-13	7.10	7.10	7.10	7.10	Z
Septic Tanks	Apr-14	2.55	2.55	2.62	2.62	Z
Pumping Stations (not subject to VAT)	Apr-14	4.65	4.65	4.78	4.78	Z
Sewerage charge cap where tenant in receipt of benefit	Apr-08	5.00	5.00	5.00	5.00	Z
Communal central heating charges (not subject to VAT) (see note 2):						
Heating and hot water:						
Single units	Apr-14	8.25	8.25	7.25	7.25	N
Double units	Apr-14	9.50	9.50	8.50	8.50	N
Hot water only (St Marys Court)	Apr-14	4.00	4.00	4.05	4.05	N
Belmans Court	Apr-15	n/a	n/a	2.25	2.25	N

Housing, Benefits & Revenues Portfolio - HRA

Scale of Charges 2015/16

	Date last revised	2014/15		2015/16		VAT Ind
		(A) Charge Exclusive of VAT	(B) Charge Inclusive of VAT where applicable @ 20%	(C) Charge Exclusive of VAT	(D) Charge Inclusive of VAT where applicable @ 20%	
Effective from		01/04/2014 £	01/04/2014 £	01/04/2015 £	01/04/2015 £	
Other Service Charges (not subject to VAT):						
Sheltered Housing:						
Grounds Maintenance	Apr-14	1.48	1.48	1.21	1.21	X
Communal Electricity	Apr-14	2.40	2.40	2.02	2.02	N
Non Sheltered Housing						
Grounds Maintenance	Apr-14	0.95	0.95	0.89	0.89	N
Communal Electricity	Apr-14	0.86	0.86	0.87	0.87	N
Communal Cleaning (not subject to VAT) (See Note 3):						
Langham Drive, Clacton	Apr-14	3.31	3.31	3.29	3.29	N
Nayland Drive, Clacton	Apr-14	3.22	3.22	3.25	3.25	N
Boxted Ave (3 Storey) , Clacton	Apr-14	3.21	3.21	3.25	3.25	N
Boxted Ave (2 Storey), Clacton	Apr-14	3.19	3.19	3.23	3.23	N
Polstead Way, Clacton	Apr-14	3.19	3.19	3.23	3.23	N
Porter Way, Clacton	Apr-14	3.21	3.21	3.25	3.25	N
Tanner Close, Clacton	Apr-14	3.21	3.21	3.25	3.25	N
Mason Road, Clacton	Apr-14	3.21	3.21	3.19	3.19	N
Groom Park, Clacton	Apr-14	2.10	2.10	2.05	2.05	N
Leas Road , Clacton	Apr-14	2.10	2.10	2.05	2.05	N
Rivers House, Walton	Apr-14	2.29	2.29	2.23	2.23	N
Rochford House, Walton	Apr-14	2.29	2.29	2.23	2.23	N
D'arcy House , Walton	Apr-14	2.29	2.29	2.23	2.23	N
Churchill Court, Dovercourt	Apr-14	2.70	2.70	2.63	2.63	N
Cliff Court, Dovercourt	Apr-14	2.11	2.11	2.05	2.05	N
Grove Avenue Walton	Apr-14	1.12	1.12	1.06	1.06	N
<u>SHELTERED UNITS SERVICE CHARGES (Not subject to VAT) (see Note 4):</u>						
Supporting People Costs	Apr-14	8.34	8.34	8.34	8.34	X
Landlord Costs	Apr-14	13.31	13.31	13.60	13.60	X
Careline Alarm	Apr-08	2.94	2.94	2.94	2.94	X
<i>Sheltered Units charges are subject to Essex County Council budget setting process</i>						
* Garage Rent - VAT:						
Parking:		Storage:				
Council Tenant	N	Homeless persons goods			N	
Non-Council Tenant	V	Premises suitable for parking			V	
		Premises unsuitable for parking			X	

APPENDIX C

HRA Capital Programme

	Original 2014/15 Budget £000	Revised 2014/15 Budget £000	2015/16 Budget £000	2016/17 Budget £000	2017/18 Budget £000	2018/19 Budget £000
EXPENDITURE						
Improvements, enhancement & adaptation of the Council's housing stock	2,762,000	3,917,480	2,782,420	2,769,560	2,763,920	2,758,230
Disabled adaptations for Council tenants	400,000	479,830	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	1,798,080	1,162,490	1,000,000	1,000,000	1,000,000
Cash Incentive Scheme	60,000	60,000	60,000	60,000	60,000	60,000
	4,242,000	6,275,390	4,424,910	4,249,560	4,243,920	4,238,230
FINANCING						
Major Repairs Reserve	3,242,000	4,324,980	3,255,130	3,249,560	3,243,920	3,238,230
Direct Revenue Financing of Capital	1,000,000	1,705,750	1,169,780	1,000,000	1,000,000	1,000,000
S106	0	92,330	0	0	0	0
Capital Grant	0	152,330	0	0	0	0
	4,242,000	6,275,390	4,424,910	4,249,560	4,243,920	4,238,230

HRA RESERVES

APPENDIX D

	Balance 31 March 2014 £	Contribution from Reserves 2014/15 £	Contribution to Reserves 2014/15 £	Est. Balance 31 March 2015 £	Contribution from Reserves 2015/16 £	Contribution to Reserves 2015/16 £	Est. Balance 31 March 2016 £
HRA Reserves							
HRA Balance	6,372,424	(832,640)	0	5,539,784	0	0	5,539,784
Housing Repairs Reserve	1,374,549	(3,421,040)	3,421,040	1,374,549	(3,478,130)	3,478,130	1,374,549
Major Repairs Reserve	3,665,780	(4,324,980)	3,260,480	2,601,280	(3,255,130)	3,255,130	2,601,280
Total Reserves	11,412,753	(8,578,660)	6,681,520	9,515,613	(6,733,260)	6,733,260	9,515,613