

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

20 JANUARY 2017

JOINT REPORT OF THE HOUSING PORTFOLIO HOLDER AND FINANCE, REVENUES AND BENEFITS PORTFOLIO HOLDER

A.3 HOUSING REVENUE ACCOUNT BUDGET PROPOSALS - REVISED BUDGET 2016/17 AND ORIGINAL BUDGET 2017/18

(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 2016/17 and Original HRA Budget for 2017/18 including the movement in HRA Balances.
- The level of fees and charges for 2017/18.
- The five year HRA Capital Programme.

In addition to the above, Cabinet is asked to note the 1% reduction in rents along with an update on the various housing related issues and challenges faced by the Council following recent announcements by the Government / other public sector partners.

EXECUTIVE SUMMARY

- The budget has been calculated based on a number of limited changes.
- As set out in the HRA estimates report last years, Local Authorities are required to reduce rents by 1% each year for 4 years, with 2017/18 being the second year of this revised approach.
- After taking into account the reduction in rents along with other changes for 2017/18, it has still been possible to make a revenue contribution to HRA balances of **£0.177m**.
- HRA debt continues to reduce year on year as principal is repaid with a total debt position at the end of 2017/18 forecast to be **£43.434m**. This provides borrowing 'headroom' of **£16.851m** against the HRA debt cap of **£60.285m**.
- Along with the HRA general balance, which is forecast to total **£4.593m** by the end of 2017/18, the HRA remains in a strong position that provides a good base against which the Council can consider future investment in housing assets and react to any further announcements that may come from the Government.
- As mentioned last year, the 1% rent reduction imposed on Local Authorities will significantly reduce the amount that the Council can invest in the housing stock, with over **£30.000m** of income 'removed' from the business case over 30 years due to this issue.
- As highlighted last year, Cabinet continues to consider council housing as an alternative form of tenure not a second tier form of tenure. The Council continues to

prove that is a good landlord and will always assist people where appropriate.

- It was planned to review the HRA 30 year business plan in 2016. However given the significant level of uncertainty introduced via contradictory / ambiguous announcements by the Government, it is now proposed to review the business plan this year as we should see some clarity around the various issues over the coming months.

RECOMMENDATION(S)

That Cabinet:

- (a) Approves the 2017/18 Scale of Charges shown in Appendix B;**
- (b) notes the 1% reduction in actual rents / formula rents in 2017/18 in line with the Government's imposed restrictions on rent setting policy;**
- (c) subject to (a) and (b) above, approves the Housing Revenue Account revised estimates for 2016/17 and original estimates for 2017/18 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 and;**
- (d) agrees that, in respect of 2016/17, 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 between **£4.000m** and

£5.000m, 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.

A number of changes were set out in the Housing and Planning Bill, although these have been subject to amendment as the year progressed. The Government have now confirmed the 'scrapping' of the 'pay to stay' proposals which would have seen a significant level of administrative burden falling to Local Authorities who would have had to charge market rents instead of social rents to those households earning more than £31,000 per year. Other changes such as funding of the Right to Buy in the Registered Social Landlord Sector remains under review with pilots continuing elsewhere in the country which means the implementation of this proposal has been deferred until at least April 2018. As mentioned earlier in this report, the 30 year HRA business plan will be reviewed as more clarity around the timing of any further proposals emerge from the Government.

Although formal confirmation is yet to be received, it is understood that impairment charges made to the HRA will be allowed to be reversed out in future. As set out in previous reports over the last two years, a significant level of impairment has been charged to the HRA to reflect the purchases of land in Jaywick. Correspondence is still ongoing between the Council and the Government as 'historic' impairment charges do not seem to be able to be reversed out which seems an unusual stance taken by the Government given they are willing to allow future year's impairment to be reversed out of the accounts. This therefore remains a 'live' issue with all necessary action being taken with the aim of securing a more pragmatic resolution through negotiation with the Government.

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.

The Welfare Reform and Work Act 2016 introduced the 1% reduction in social rents from April 2016.

The Housing and Planning Act 2016 introduced a number of significant changes that have an impact on social housing which will be reflected in the HRA estimates where necessary.

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 which required the Council to 'buy' itself out of the previous subsidy arrangements via a debt settlement process.

Although the Council has up to 2015/16 been free to set its own level of rents, increases each year have been considered within the context of the debt settlement process and 30 year HRA business plan, which was based on the continuation of the Government's commitment for rents to converge across the Social Housing Sector.

From 2016/17, the Government have imposed annual rent reductions of 1% for a period of 4 years, with the 2017/18 estimates reflecting the second year of this requirement.

HOUSING REVENUE ACCOUNT BUDGETS

HRA Revised Budget 2016/17 and Original Budget 2017/18

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**.

	2016/17 Original Budget £m	2016/17 Revised Budget £m	2017/18 Original Budget £m
Direct Expenditure	6.449	6.383	6.395
Direct Income	(14.452)	(14.455)	(14.252)
Indirect Income / Expenditure including Financing Costs	8.003	9.336	7.681
NET (SURPLUS) / DEFICIT	0	1.264	(0.177)
Contribution to / (from) Reserves	0	(1.264)	0.177

REVISED ESTIMATE 2016/17

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 2015/16. 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 the appendices or set out in more detail further on in this report.

ORIGINAL ESTIMATE 2017/18

A surplus of **£0.177m** is forecast for 2017/18 which is despite the 1% reduction in rents. This is largely due to the full repayment of one of the loans obtained to 'buy' ourselves out of the previous HRA subsidy system under the self-financing regime. This loan was fully paid down in accordance with the original business plan with **£0.341m** being saved each year in principal and interest costs which has enabled the impact of the 1% rent reduction to be offset.

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.

Comments against significant items within the overall position for the year are set out below:

Rental Income

As previously mentioned, 2017/18 is the second year that Local Authorities have to reduce rents by 1%. This has reduced the average rent to **£81.25** (from **£81.90**), which reduces the total rental income by **£0.137m** (from **£13.443m** to **£13.306m**).

As a broad comparator the current Local Housing Allowance figure for an average two bedroom property in the Private Sector is **£132.32** per week and **£161.20** for a three bedroom property for 2016/17, demonstrating the value for money that the Council's housing rents provide.

Although not expected to have a significant overall impact, when a property becomes empty it is possible to charge the new tenant the formula rent associated with the property, which may be greater than the actual rent charged to the outgoing tenant. However this formula rent is also subject to the 1% reduction which limits the benefit from this change.

Other HRA Budgets

The bad debt provision has been reduced by **£0.030m** in 2017/18 to reflect current and expected collection performance with the delayed roll-out of universal credit also having an impact on the amount set aside each year.

Supporting People Fees and Charges / Grant Contributions from ECC are expected to be completely removed from 2017/18. This approach reflects the longer term plan by ECC to reduce their costs associated with providing housing related support type services, which in the case of the HRA relates to eligible activities within the Sheltered Housing units. This sees a net reduction in income of **£0.061m** in 2017/18. Unless this Council withdraws from providing this service to its tenants, the cost will fall to the HRA budget with this Council in effect providing housing related support services that are the responsibility of ECC. Given the late announcement of the proposed 'cut' in funding by ECC, it is proposed to 'protect' housing tenants from any reduction in support during 2017/18 to give time to consider the longer term impact of this change.

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 reflect the actual cost of providing the associated service.

Borrowing Costs

As part of the move to a self-financing regime from April 2012, the Council undertook borrowing of **£36.000m**, spread across 6 separate loans. The first of these loans (**£1.500m payable over 5 years**) has been fully repaid in 2016/17. The budget for the principal that was being repaid along with interest costs (**£0.341m**) can now be utilised elsewhere within the HRA estimates.

HRA Capital Programme

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

The 2016/17 revised budget includes carry forwards from 2015/16. 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.

HRA BALANCES / RESERVES

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

The forecast position for HRA balances at 31 March 2017 and 31 March 2018 will vary over time depending on the outturn positions for 2016/17 and 2017/18 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 **£9.310m** by the end of 2017/18, with the general balances element within this overall amount being **£4.593m**.

A separate HRA Commitments Reserve has been introduced to account for carry forwards at the end of each year rather than forming part of the HRA general balance, to provide more clarity round amounts committed or uncommitted.

HRA DEBT

The total HRA debt at the start of 2016/17 was **£47.063m**.

No new debt has been taken on but principal repaid during 2016/17 totals **£1.964m**. With forecast repayments of principal of **£1.665m** in 2017/18, the level of HRA debt at the end of 2017/18 is forecast to be **£43.434m**, with average borrowing costs against this level of debt being **3.28%**.

The Government's imposed HRA debt cap is **£60.285m**. Taking into account the actual level of HRA borrowing, at the end of 2017/18 the level of 'headroom' for additional future borrowing is **£16.851m**. 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 **£3.498m** and **£3.157m** for 2016/17 and 2017/18 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 2016/17 Revised and 2017/18 Original
Appendix B	HRA Proposed Fees and Charges 2017/18
Appendix C	HRA 5 Year Capital Programme
Appendix D	HRA Reserves

Revenue Estimates 2017/18

Department - HRA

<u>Analysis by Type of Spend</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
Direct Expenditure			
Employee Expenses	798,630	768,350	813,490
Premises Related Expenditure	3,633,200	3,620,310	3,620,310
Transport Related Expenditure	18,320	18,320	18,320
Supplies & Services	447,310	424,500	432,310
Third Party Payments	1,030	1,030	1,030
Transfer Payments	17,000	17,000	17,000
Interest Payments	1,533,470	1,533,470	1,492,430
Total Direct Expenditure	6,448,960	6,382,980	6,394,890
Direct Income			
Government Grants	(45,000)	(45,000)	0
Other Grants, Reimbursements and Contributions	(8,000)	(8,000)	(8,000)
Sales, Fees and Charges	(674,210)	(687,470)	(667,220)
Rents Receivable	(13,663,150)	(13,663,150)	(13,525,710)
Interest Receivable	(61,600)	(51,600)	(51,600)
Total Direct Income	(14,451,960)	(14,455,220)	(14,252,530)
Net Direct Costs	(8,003,000)	(8,072,240)	(7,857,640)
Indirect Income/Expenditure			
FRS17/IAS19 Pension Costs	(228,170)	(332,110)	(340,570)
Service Unit and Central Costs	2,199,580	2,204,890	2,260,960
Capital Financing Costs	6,060,300	7,463,350	5,760,300
Recharged Income	(28,710)	0	0
Total Indirect Income/Expenditure	8,003,000	9,336,130	7,680,690
Net Contribution to/(from) Reserves	0	(1,263,890)	176,950
Total for HRA	(0)	(0)	(0)

Department - HRA

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Rent Collection And Accounting			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Expenditure	227,030	228,960	237,040
Direct Income	(8,440)	(8,440)	(8,440)
Indirect Income/Expenditure	112,540	94,070	94,830
Net Total	331,130	314,590	323,430
HRA - Right to Buy Administration			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Expenditure	0	15,000	15,000
Direct Income	(3,900)	(13,000)	(13,000)
Indirect Income/Expenditure	25,660	51,270	52,070
Net Total	21,760	53,270	54,070
HRA - Colne Housing Soc Shel Units			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	8,000	8,000	8,000
Net Total	8,000	8,000	8,000

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Tenants Rentals			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Income	(13,646,580)	(13,646,580)	(13,509,140)
Net Total	(13,646,580)	(13,646,580)	(13,509,140)
HRA - Rents & Other Charges			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Expenditure	92,670	92,670	92,670
Net Total	92,670	92,670	92,670
HRA - Rent Income			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Income	(16,570)	(16,570)	(16,570)
Indirect Income/Expenditure	20	0	0
Net Total	(16,550)	(16,570)	(16,570)
HRA - General Fund Contribution			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	(28,710)	0	0
Net Total	(28,710)	0	0

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Interest Receivable			
<i>Portfolio/ Committee: Housing</i>			
Direct Income	(61,600)	(51,600)	(51,600)
Net Total	(61,600)	(51,600)	(51,600)
HRA - Rent Arrears Provision			
<i>Portfolio/ Committee: Finance, Revenues and Benefits</i>			
Direct Expenditure	94,970	48,000	64,970
Net Total	94,970	48,000	64,970
HRA - Interest Charges			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	1,533,470	1,533,470	1,492,430
Net Total	1,533,470	1,533,470	1,492,430
HRA - Capital Charges			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	2,629,750	2,629,750	2,629,750
Net Total	2,629,750	2,629,750	2,629,750

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Use of Balances			
<i>Portfolio/ Committee: Housing</i>			
Contributions to/(from) reserves	0	(1,263,890)	176,950
Net Total	0	(1,263,890)	176,950
Total for Finance, Revenues and Benefits	(9,041,690)	(10,298,890)	(8,735,040)
HRA - I&E - Capital Grants			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	0	0	0
Net Total	0	0	0
HRA - MIRS Items to be excluded from HRA balance			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	1,466,250	2,869,300	1,466,250
Net Total	1,466,250	2,869,300	1,466,250
HRA - MIRS Reversal of Capital Grant			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	0	0	0
Net Total	0	0	0

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - MIRS HRA - Contributions Payable to the Pension Scheme			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	411,330	398,470	415,130
Net Total	411,330	398,470	415,130
HRA - MIRS Total IAS 19 Adjustments			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	(322,420)	(359,410)	(360,860)
Net Total	(322,420)	(359,410)	(360,860)
HRA - MIRS Minimum Revenue Provision			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	1,964,300	1,964,300	1,664,300
Net Total	1,964,300	1,964,300	1,664,300
Total for Finance - Financing Items	3,519,460	4,872,660	3,184,820
HRA - Policy & Management			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	58,000	58,000	58,000
Direct Income	(2,200)	(2,200)	(2,200)
Indirect Income/Expenditure	307,780	238,010	250,280
Net Total	363,580	293,810	306,080

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Unapportionable Central Overheads Contribution			
<i>Portfolio/ Committee: Housing</i>			
Indirect Income/Expenditure	275,720	275,720	275,720
Net Total	275,720	275,720	275,720
Total for Corporate Director and Administration Operational Services	639,300	569,530	581,800
HRA - Lease Holders Charges			
<i>Portfolio/ Committee: Housing</i>			
Direct Income	(84,000)	(84,000)	(84,000)
Indirect Income/Expenditure	17,190	20,910	21,080
Net Total	(66,810)	(63,090)	(62,920)
Total for Customer and Commercial Services	(66,810)	(63,090)	(62,920)

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Managing Tenancies			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	127,000	127,000	127,000
Direct Income	0	0	0
Indirect Income/Expenditure	692,810	639,450	647,370
Net Total	819,810	766,450	774,370
HRA - Pumping Stations			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	3,700	3,700	3,700
Direct Income	(4,290)	(4,290)	(4,290)
Indirect Income/Expenditure	5,570	3,970	3,930
Net Total	4,980	3,380	3,340
HRA - Sewerage Expenses			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	18,680	18,680	18,680
Direct Income	(16,750)	(16,750)	(16,750)
Indirect Income/Expenditure	7,950	6,370	6,340
Net Total	9,880	8,300	8,270

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Communal Central Heating			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	94,280	94,280	94,280
Direct Income	(92,280)	(92,280)	(92,280)
Indirect Income/Expenditure	90	0	0
Net Total	2,090	2,000	2,000
HRA - Supporting People re SUs			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	16,090	20,250	0
Direct Income	(92,650)	(96,810)	0
Indirect Income/Expenditure	241,640	241,640	0
Net Total	165,080	165,080	0
HRA - Sheltered Units			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	323,630	309,280	340,770
Direct Income	(200,180)	(200,180)	(231,740)
Indirect Income/Expenditure	(73,210)	(45,490)	193,230
Net Total	50,240	63,610	302,260

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Estate Sweeping			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	66,000	66,000	66,000
Net Total	66,000	66,000	66,000
HRA - Communal Cleaning			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	66,000	66,000	66,000
Direct Income	(52,520)	(52,520)	(52,520)
Indirect Income/Expenditure	0	270	280
Net Total	13,480	13,750	13,760
HRA - Communal Electricity			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	100,000	100,000	100,000
Direct Income	(80,000)	(80,000)	(80,000)
Indirect Income/Expenditure	6,510	4,950	4,990
Net Total	26,510	24,950	24,990
HRA - Estate Lighting			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	5,100	5,100	5,100
Indirect Income/Expenditure	0	90	100
Net Total	5,100	5,190	5,200

<u>Analysis by Section/Function</u>	2016/17 Original Estimate	2016/17 Revised Estimate	2017/18 Original Estimate
	£	£	£
HRA - Maintenance Of Grounds			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	25,510	12,620	12,620
Direct Income	(90,000)	(90,000)	(90,000)
Indirect Income/Expenditure	166,880	174,630	170,200
Net Total	102,390	97,250	92,820
Total for Housing	1,265,560	1,215,960	1,293,010
HRA - Repair & Maintenance			
<i>Portfolio/ Committee: Housing</i>			
Direct Expenditure	3,177,500	3,177,500	3,177,500
Direct Income	0	0	0
Indirect Income/Expenditure	506,680	526,330	560,830
Net Total	3,684,180	3,703,830	3,738,330
Total for Building and Engineering	3,684,180	3,703,830	3,738,330
Total for HRA	(0)	(0)	(0)

HOUSING PORTFOLIO - HRA
SCALE OF CHARGES 2017/18

	Date last revised	(A)	(B)	(C)	(D)	VAT Ind
		← 2016/17 →	← 2017/18 →	← 2017/18 →	← 2017/18 →	
		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
	Effective from	01/04/2016 £	01/04/2016 £	01/04/2017 £	01/04/2017 £	
<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-16	14.17	17.00	16.67	20.00	V
Without en-suite facilities (Vyntoner House, Kate Daniels House, Mead House, Spendells House, Crooked Elms, Honeycroft)	Apr-16	10.83	13.00	12.50	15.00	V
Garage rents HRA (not subject to VAT unless separately let to non-council tenants)	Apr-15	8.50	8.50	8.50	8.50	*
<u>QUESTIONNAIRES</u>						
Second mortgage enquiries (per enquiry)	Apr-16	80.00	96.00	150.00	180.00	V
Solicitors enquiries on resale of council flats	Apr-16	80.00	96.00	150.00	180.00	V
<u>SERVICE CHARGES (per week)</u>						
Sewerage charges (not subject to VAT) (See Note 1):						
Treatment Works:						
Goose Green, Tendring	Apr-16	7.58	7.58	7.81	7.81	Z
Coronation Villas, Beaumont	Apr-16	7.53	7.53	7.76	7.76	Z
Whitehall Lane, Thorpe	Apr-16	5.09	5.09	5.24	5.24	Z
Shop Road, Little Bromley	Apr-16	8.80	8.80	9.00	9.00	Z
Horsley Cross, Mistley	Apr-08	9.00	9.00	9.00	9.00	Z
Bio Systems	Apr-13	7.10	7.10	7.31	7.31	Z
Septic Tanks	Apr-16	2.70	2.70	2.78	2.78	Z
Pumping Stations (not subject to VAT)	Apr-16	4.92	4.92	5.07	5.07	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-16	6.77	6.77	6.77	6.77	N
Double units	Apr-16	7.80	7.80	7.80	7.80	N
Hot water only (St Marys Court)	Apr-16	4.01	4.01	4.01	4.01	N
Belmans Court	Apr-16	1.63	1.63	1.63	1.63	N

HOUSING PORTFOLIO - HRA

SCALE OF CHARGES 2017/18

	Date last revised	← 2016/17 →		← 2017/18 →		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	01/04/2016	01/04/2016	01/04/2017	01/04/2017	
		£	£	£	£	
Other Service Charges (not subject to VAT):						
Sheltered Housing:						
Grounds Maintenance	Apr-16	1.20	1.20	1.34	1.34	X
Communal Electricity	Apr-16	2.06	2.06	2.06	2.06	N
Non Sheltered Housing						
Grounds Maintenance	Apr-16	0.88	0.88	1.00	1.00	N
Communal Electricity	Apr-16	0.80	0.80	0.80	0.80	N
Communal Cleaning (not subject to VAT) (See Note 3):						
Langham Drive, Clacton	Apr-16	3.37	3.37	3.37	3.37	N
Nayland Drive, Clacton	Apr-16	3.33	3.33	3.33	3.33	N
Boxted Ave (3 Storey) , Clacton	Apr-16	3.32	3.32	3.32	3.32	N
Boxted Ave (2 Storey) , Clacton	Apr-16	3.30	3.30	3.30	3.30	N
Polstead Way, Clacton	Apr-16	3.30	3.30	3.30	3.30	N
Porter Way, Clacton	Apr-16	3.32	3.32	3.32	3.32	N
Tanner Close, Clacton	Apr-16	3.33	3.33	3.33	3.33	N
Mason Road, Clacton	Apr-16	3.27	3.27	3.27	3.27	N
Groom Park, Clacton	Apr-15	2.05	2.05	2.05	2.05	N
Leas Road , Clacton	Apr-15	2.05	2.05	2.05	2.05	N
Rivers House, Walton	Apr-15	2.23	2.23	2.23	2.23	N
Rochford House, Walton	Apr-15	2.23	2.23	2.23	2.23	N
D'arcy House , Walton	Apr-15	2.23	2.23	2.23	2.23	N
Churchill Court, Dovercourt	Apr-15	2.63	2.63	2.63	2.63	N
Cliff Court, Dovercourt	Apr-15	2.05	2.05	2.05	2.05	N
Grove Avenue Walton	Apr-15	1.06	1.06	1.06	1.06	N

HOUSING PORTFOLIO - HRA
SCALE OF CHARGES 2017/18

	Date last revised	← (A) 2016/17 →	← (B) 2016/17 →	← (C) 2017/18 →	← (D) 2017/18 →	VAT Ind
		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
	Effective from	01/04/2016 £	01/04/2016 £	01/04/2017 £	01/04/2017 £	
<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-15	13.60	13.60	13.60	13.60	X
Careline Alarm	Apr-08	2.94	2.94	2.94	2.94	X

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 2013-14 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

Up to and including 2016/17 the support service provided in sheltered units by scheme managers 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 are eligible for benefit and therefore SP grant funding. From 2017/18 ECC are no longer expected to provide funding in respect of tenants who are eligible for benefit. Until Tendring District Council have reviewed the longer term impact of this late announcement by ECC any tenant eligible for SP Grant Funding will continue to receive a free service with the cost falling directly to this Council in 2017/18

* 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

<u>HRA Capital Programme</u>	Original 2016/17 Budget £000	Revised 2016/17 Budget £000	2017/18 Budget £000	2018/19 Budget £000	2019/20 Budget £000	2020/21 Budget £000
<i>EXPENDITURE</i>						
Improvements, enhancement & adaptation of the Council's housing stock	2,770,000	4,280,730	2,770,000	2,770,000	2,770,000	2,770,000
Disabled adaptations for Council tenants	400,000	479,980	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	780,250	2,183,300	780,250	792,960	587,300	546,140
Cash Incentive Scheme	60,000	60,000	60,000	60,000	60,000	60,000
	4,030,250	7,024,010	4,030,250	4,042,960	3,837,300	3,796,140
<i>FINANCING</i>						
Major Repairs Reserve	3,250,000	4,840,710	3,250,000	3,250,000	3,250,000	3,250,000
Direct Revenue Financing of Capital	780,250	2,183,300	780,250	792,960	587,300	546,140
	4,030,250	7,024,010	4,030,250	4,042,960	3,837,300	3,796,140

HRA RESERVES

APPENDIX D

	Balance 31 March 2016	Contribution from Reserves 2016/17	Contribution to Reserves 2016/17	Est. Balance 31 March 2016	Contribution from Reserves 2017/18	Contribution to Reserves 2017/18	Est. Balance 31 March 2018
	£	£	£	£	£	£	£
HRA Reserves							
HRA General Balance	5,680,020	(1,403,050)	139,160	4,416,130	0	176,950	4,593,080
HRA Commitments	0	(1,403,050)	1,403,050	0	0	0	0
Housing Repairs Reserve	1,810,710	(3,703,830)	3,703,830	1,810,710	(3,738,330)	3,738,330	1,810,710
Major Repairs Reserve	4,497,190	(4,840,710)	3,250,000	2,906,480	(3,250,000)	3,250,000	2,906,480
Total Reserves	11,987,920	(11,350,640)	8,496,040	9,133,320	(6,988,330)	7,165,280	9,310,270