

CAB2808(HSG)  
FOR DECISION  
WARD(S): ALL

CABINET (HOUSING) COMMITTEE – 29 JUNE 2016

THE OVERVIEW AND SCRUTINY COMMITTEE – 11 JULY 2016

HOUSING REVENUE ACCOUNT 2015/16 FINANCIAL AND PERFORMANCE  
OUTTURN

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

Contact Officer: Bob Gath Tel No: 01962 848136

Email: [RLGath@winchester.gov.uk](mailto:RLGath@winchester.gov.uk)

RECENT REFERENCES:

CAB2652(HSG) – Housing Revenue Account Budget 2015/16 and Business Plan 2015/16 to 2044/45 – 4 February 2015

CAB2761(HSG) – Housing Revenue Account Budget 2016/17 and Business Plan – 3 February 2016

CAB2748(HSG) – 2015/16 Half Year Performance Monitoring – Housing Services – 30 November 2015

EXECUTIVE SUMMARY:

This report provides details on the outturn for the Housing Revenue Account (HRA) for 2015/16. The final outturn shows a surplus on the account of (£2.929m) against a budgeted surplus of (£0.895m). The increased variance relates mainly to revised programming for capital works and also to managed savings achieved throughout the year. Significant variances are detailed in the report.

The report also requests support for budget carry forwards totalling £1.076m for both revenue and capital purposes as shown in paragraph 4.1.

Information is also provided on the key HRA performance and Business Plan outturn 2015/16 with results detailed in paragraph 7 and appendix 5.

## RECOMMENDATIONS:

That Cabinet (Housing) Committee:

- 1 Notes the financial performance information and considers whether further actions are required to address any areas of concern.
- 2 Approves the amount of housing debt at 31 March 2016 at £157.353m as explained in paragraph 5.2.
- 3 Recommends that Council approves the revenue budget carry forwards amounting to £84,300 as set out in paragraph 4.1, noting that these are in addition to the general fund carry forward requests detailed in CAB2812 (Report to be considered by Cabinet on 6 July 2016).
- 4 Supports the capital budget carry forwards and the corresponding capital funding amounting to £991,304 as detailed in paragraph 4.1, which have been included in the overall capital carry forward recommendation in CAB2811 (Report to be considered by Cabinet on 6 July 2016).
- 5 Recommends for approval by Council an additional budget of £100,000 for Discretionary Housing Payments to be funded by the HRA as requested in paragraph 6.
- 6 Notes the key performance indicators and Housing Business Plan outturn shown in appendices 5 and 6 and explained in section 7.

That The Overview & Scrutiny Committee:

- 7 Considers whether there are any matters of significance that it wants to draw to the attention of Cabinet, a portfolio holder or the Council.

CABINET (HOUSING) COMMITTEE – 29 JUNE 2016

THE OVERVIEW AND SCRUTINY COMMITTEE – 11 JULY 2016

HOUSING REVENUE ACCOUNT 2015/16 FINANCIAL OUTTURN AND  
PERFORMANCE MONITORING OUTTURN

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

DETAIL:

1 Introduction

- 1.1 The Housing Revenue Account (HRA) is a ring-fenced budget which funds all the Council's Housing Landlord activities. The budget is funded directly from Housing rents, service charges and other income.
- 1.2 Since April 2012, the HRA has been subject to a "self-financing" regime and, as part of this change, the Council took on new external borrowing of £157 million. The Government originally placed a debt cap of £167 million on the Council, this increased in 2015/16 through successful bids under the Local Growth Fund scheme by £0.631m.
- 1.3 The HRA Business Plan and budget now includes a substantially increased capital provision for property repairs and a New Homes Delivery programme. The completion of a near-100% stock condition survey in 2014/15 has informed detailed stock investment decisions and enabled funding requirements to be assessed for the next 30 years. There were 23 new homes completed in 2015/16 with site starts, demolition/preparation works and contract approvals for 4 schemes that will bring an additional 102 affordable rented and shared ownership properties by Autumn 2017.
- 1.4 This report details the outturn for revenue and capital budgets for 2015/16 and requests support for recommendations for carry forwards to 2016/17.

2 HRA 2015/16 Outturn

- 2.1 The surplus on the HRA for 2015/16 is (£2.929m), an improvement on the revised budget forecast surplus of (£0.895m).
- 2.2 Actual expenditure and variances by service are detailed in Appendix 1. The key service summary variances include:
  - a) Estate Management – (£0.138m) – Agency costs and insurance claims contributed to the over spend in this area. There was also an increase in internal recharges for IT services, although this is offset by reduced charges to Sheltered Housing (see 2.2 e. below)

- b) Housing Management General - £0.335m – There were significant vacancy management savings and spending on supplies & services was lower than budgeted. These savings were offset by higher premises insurance costs and internal overhead recharges.
- c) Rent Accounting - £0.039m – Much of the saving was from lower internal recharges but also through reduced employee costs.
- d) Estate Maintenance - £0.072m – Spend on the grounds maintenance contract was less than budgeted and the demand led communal building maintenance budget. Continued investment through the estate improvement capital programme is helping to keep these costs down.
- e) Sheltered Housing - £0.083m – Spend on furniture & equipment was less than budgeted. The programme to improve communal areas is now progressing well and a carry forward is recommended in paragraph 4 below. Also, the costs of the alarm monitoring service contracted out to Chichester DC were lower than budgeted. As mentioned in a) above, IT service recharges were charged to Estate Management, resulting in a saving to this cost area.
- f) Repairs – (£0.117m) – Responsive repairs are demand led and costs for the year were higher than budgeted (although capital works costs were lower (see para 3). Void property costs were also higher although this was offset by savings on cyclical repairs.
- g) Repairs Administration - £0.084m – Internal recharges were the largest single contributor to the saving here but partly offset by agency costs.
- h) Capital Expenditure funded by HRA - £1.567m – Delays to full starts on a couple of new build schemes, together with reduced spending on some maintenance programmes resulted in less funding being required from the HRA this year. Paragraph 3 below gives more detail on the savings made.

2.3 With reference to the Subjective Summary detailed in Appendix 2, significant variances include:

- a) Employees - £0.207m – As mentioned in 2.2.b) above, vacancy management contributed substantially to this saving but with agency costs impacting on the final outturn. The savings related to delays in recruiting good calibre staff to certain posts, particularly in the Property services team, which contributed in delays in capital programme works. However, managed savings have also been achieved by holding a number of posts vacant pending a review of future service demands.

- b) Premises – (£0.072m) – There was a net over spend in the revenue repairs costs area but this was offset by savings against Estate Maintenance.
- c) Supplies and Services - £0.226m – Savings were made across a variety of budget areas including furniture & equipment, third party services, IT services and consultancy, most notably for HRA General (2.2.b above) and Sheltered (2.2.e above).

2.4 There are some revenue budget carry forward requests that come from the savings made during the year; these are detailed in paragraph 4.1 below.

### 3 HRA Capital Programme

3.1 The final outturn for HRA capital was a spend of £14.193m against a revised working budget of £15.648m. The key variances included:

- a) External Windows/Screens/Doors - £0.124m – lower expenditure from discretionary works requests contributed to the reduced spend for this budget.
- b) Kitchen & Bathroom Renewals - £0.079m – The stock condition survey required an increase in funding and this was nearly spent in full this year.
- c) Mechanical & Electrical Services - £0.303m – Less installations were carried out due to the capacity of the contractor and jobs were held back to meet a potential cost that didn't materialise. More information is provided in a separate report on this agenda on the Liberty contract. A carry forward of £0.314m is requested to enhance the reduced budget in this area for 2016/17.
- d) External Ground Works & Services - £0.185m – This budget area is mainly demand led and less works were issued during the year than anticipated, resulting in the saving.
- e) Estate Improvements - £0.054m – Costs for some schemes were lower than originally forecast and one project was abandoned leading to the saving against this budget. A carry forward for the saving is requested to help fund projects already under way in 2016/17.
- f) Loft Conversions/Extensions – £0.057m - Year 2 of the programme was well under way and some works were close to completion at year end. The carry forward relates to the balance of costs needed to complete these works and also to support commitments to projects for year 3.
- g) Sheltered Housing Upgrades – £0.122m – Much of the costs for these upgrades do not meet the criteria to be classed as capital and are

being charged as HRA revenue costs. Projects at various schemes were in progress at year end and the carry forward request is for the funds necessary to complete the works at these schemes.

- h) New Build - £0.486m – A full update on new build schemes and a revised 5 year programme was detailed in a report to this Committee in February. The main under spend in 2015/16 was at the Westman Road scheme where contractor delays with materials resulted in lower costs in the year and a carry forward is requested to meet the costs now falling into 2016/17. Schemes were successfully completed by year end at New Queens Head, Stanmore and Spring Vale, Swanmore.
- i) River Itchen Maintenance/Sewage Treatment Works - £0.099m – No recharge was made to the HRA for future flood prevention of the River Itchen. One sewage treatment works project at The Hallway, Littleton completed during 2015/16.

#### 4 Proposals for Budget Carry Forwards

- 4.1 As referred to in paragraph 2.4 above (for revenue) and also Appendix 3 (for capital), there are a number of budget carry forward requests from last year that will be used to help fund expenditure on projects that were not completed in 2015/16. These programmes can be funded from the reduced spend in 2015/16 on “Capital Expenditure funded by the HRA” and are detailed below:

<b>Revenue Carry Forward Proposals</b>	<b>Carry Forward</b>	<b>Reason</b>
HRA General – IT Services	£60,000	To meet the costs of Orchard enhancements that will lead to efficiencies across Housing.
Tenant Involvement – Professional Services	£4,300	To bring forward budgets originally allocated in 2015/16 to support the Party in the Park community event and Tenant Training programmes.
Sheltered Services – Furniture & Equipment	£20,000	To support the costs of the sheltered scheme upgrades that cannot be met from the capital programme.
<b>Total:</b>	<b>£84,300</b>	

<b>Capital Carry Forward Proposals</b>	<b>Carry Forward</b>	<b>Reason</b>
Mechanical & Electrical Services	£314,000	Utilising the saving from 2015/16 to enhance the budget set for 2016/17.
Estate Improvements	£53,500	To meet the costs of projects to which we are committed.
Loft Conversions/Extensions	£57,400	To complete the year 2 projects already commenced at the end of 2015/16.
Sheltered Housing Upgrades	£95,000	To speed up the completion of upgrading of all schemes across the district, including enhancements to fire safety and door control systems.
New Build	£601,930	To cover committed costs for the programme - full detail is shown in Appendix 3
<b>Sub-Total:</b>	<b>£1,121,830</b>	
Adjustment for new build over spends in 2015/16	(£130,526)	
<b>Total:</b>	<b>£991,304</b>	As per Appendices 3 and 4

## 5 Housing Debt and Updated Capital Programme 2016/17

- 5.1 As part of the “self-financing” regime implemented for all councils in 2012 a “Limit on Indebtedness” was set for Winchester at £166.853 million against our original borrowing of £156.722 million. This is a statutory cap on the amount of housing debt (unfinanced capital expenditure) the Council is permitted to have. An authority would be in breach of the limit if its housing debt exceeds the amount specified on the final day of the financial year. Hence it is necessary to compute the position at the year end and account for it accordingly.
- 5.2 Prior to 2015/16, the Council successfully bid under the Local Growth Fund initiative for an increased borrowing limit in respect of three new build schemes – Westman Road, Spring Vale and Hilliers Way. This allowed (and required) the HRA to borrow £630,800 in 2015/16 to help fund these projects, bringing the total debt charged to the HRA to £157.353 million. In reality and

due to the continually changing nature of the new build programme, the HRA would have been able to support the expenditure on these schemes in the year from revenue sources. However, the rules of the Local Growth Fund initiative are such that we need to evidence that the HRA has borrowed additional monies to fund the named projects. As a result, internal Council borrowing i.e. from resources available to the General Fund, has been applied at year end to meet this requirement. This has the effect of improving the HRA working balance at 31 March 2016 to £7.115m as shown in Appendix 1. In turn this will help support the future new build programme.

- 5.3 Appendix 4 shows the update to the capital programme for 2016/17 following the addition of the budget carry forwards requested in paragraph 4.1 above.
- 5.4 Members are asked to note the changes to the programme shown in Appendix 4. An amended future programme beyond 2016/17 will be presented to Cabinet (Housing) Committee with the revised budget paper later in 2016.

## 6 Discretionary Housing Payments – Support from the HRA

- 6.1 Members will be aware that a Discretionary Housing Payments (DHP) fund is available to support tenants whose circumstances cause them to suffer hardship as a result of welfare and benefit regulations. The Council received £120,000 allowance for DHPs in 2016/17, although it is permitted to supplement this from the HRA if appropriate.
- 6.2 Changes being introduced as part of the Welfare Bill, such as the reduction of the “benefit cap” from £26,000 to £20,000, are likely to have a significant impact on existing tenants (an estimated 80-90 tenants are likely to be affected by the cap). It is likely that demands on the existing DHP provision will increase, although the current year’s allocation is already committed.
- 6.3 DHP is intended for use to help mitigate the short term impact of these changes. Each case is reviewed by its merits. At this stage it is not clear what additional demands throughout the year will be or whether any additional Government allocation will be made. It is therefore recommended that a one-off provision of £100,000 from the HRA be made to support DHP if required. The requirement for and use of this additional provision will be kept under review and monitoring reports will be brought to future meetings of this committee.

## 7 Housing Service Performance Monitoring and Business Plan Outturn 2015/16

- 7.1 Progress against the Housing Revenue Account Business Plan for 2015/16 and the key performance for the year are shown in detail in Appendix 5.
- 7.2 Sound progress has been made with many of the targets in the Housing Services Business Plan for 2015/16 with:



- positive results from the Housemark benchmarking study, confirming below average costs for most housing services;
  - completion of several high profile projects in the Estates Improvements programme
  - well attended and positively received tenant conference in March
  - increased usage of self service portal by tenants
  - new Estate Management structure delivering real results through increased estate inspections and tenant engagement
  - 23 new affordable rent homes delivered with starts on site at two high profile schemes
- 7.3 Performance has generally been strong with many of the key indicators well within target levels. Requiring particular mention are the statistics on re-let times which continue to improve and were less than 11 days overall for general needs and older persons properties. This, in turn helps drive down rent void losses to around ½%.
- 7.4 Improvements have also been made on 2014/15 comparative figures on the percentage of repairs completed first time and within target as well as the number of days to complete jobs.
- 7.5 Former tenant arrears performance improved in 2015/16 and was £16,000 lower than in March 2015. Performance continues to improve but is still somewhat short of the target for this indicator.. Similarly, the number of dwellings with gas safety certificates has dropped slightly compared to the previous year. The Council is working with its contractor to address this as a matter of urgency and formal action has been taken against those tenants who have refused access.

#### OTHER CONSIDERATIONS:

#### 8 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 8.1 Preparation of the budget had regard to the Community Strategy. Monitoring of income and expenditure and review of the final position is an intrinsic part of measuring whether the Strategy's objectives have been achieved.

#### 9 RESOURCE IMPLICATIONS:

- 9.1 These are contained within the detail of the report.

#### 10 RISK MANAGEMENT ISSUES

- 10.1 The HRA is included in the Council's Strategic Risk Register on account of the significant pressures it faces in the coming years, not least annual rent reductions. The operational risks associated with the HRA are assessed in detail through a formal risk assessment process and the HRA Business Plan

to determine targets for retained balances. The HRA outturn set out in this report complies with the targets set out through that risk assessment.

11 TACT COMMENT

- 10.1 This report will be presented to the TACT meeting on 19 July but TACT representatives have seen the report in advance and feedback will be given verbally at this meeting.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix 1 Summary of Service Budgets – Housing Revenue Account 2015/16

Appendix 2 Subjective Analysis – Housing Revenue Account 2015/16

Appendix 3 HRA Capital Programme 2015/16 Outturn

Appendix 4 HRA Capital Programme 2016/17

Appendix 5 Housing Services Business Plan and Performance Indicators 2015/16

**Housing revenue Account Outturn  
2015/16 - Service Summary**

	2015/16 Revised Budget CAB2761(HSG)	2015/16 Working Budget	2015/16 Outturn	Variance	Notes
	£	£	£	£	
<b>Housing Management General</b>					
Estate Management	944,336	1,001,130	1,138,818	(137,688)	See 2.2.a
HRA General	1,991,584	1,643,335	1,308,273	335,062	See 2.2.b
HRA Contribution to Non-Distributed Costs	0	198,815	199,368	(553)	
Employees-IAS19 Adjustment	0	(182,795)	(168,608)	(14,187)	reversed below
HRA Contribution to Democratic Core	0	143,698	123,949	19,749	
Joint Housing Register	126,896	126,896	125,640	1,256	
Removal Incentive Scheme	50,000	50,000	44,285	5,715	
Rent Accounting	259,324	263,160	223,796	39,364	See 2.2.c
Tenants Information	123,588	129,705	101,858	27,847	
Vacant Dwellings	24,044	24,044	13,861	10,183	
New Build Programme Support	437,645	437,645	431,706	5,939	
	<u>3,957,417</u>	<u>3,835,633</u>	<u>3,542,945</u>	<u>292,688</u>	
<b>Housing Management Special</b>					
Communal Services	(21,472)	(21,472)	74	(21,546)	
Disabled Adaptations	122,730	124,474	110,178	14,296	
Estate Maintenance	418,652	418,652	346,182	72,470	See 2.2.d
Homelessness	(23,645)	(16,961)	(3,569)	(13,392)	
Sewage Works	256,311	256,311	243,623	12,688	
Sheltered Housing	647,965	673,055	590,032	83,023	See 2.2.e
	<u>1,400,541</u>	<u>1,434,059</u>	<u>1,286,520</u>	<u>147,539</u>	
<b>Repairs</b>					
Responsive Maintenance	2,300,000	2,300,000	2,501,094	(201,094)	
Voids	615,000	615,000	655,331	(40,331)	
Cyclic	1,176,000	1,176,000	1,051,596	124,404	
Sub - total Repairs Works	4,091,000	4,091,000	4,208,021	(117,021)	See 2.2.f
Repairs Administration	1,259,513	1,310,780	1,226,399	84,381	See 2.2.g
	<u>5,350,513</u>	<u>5,401,780</u>	<u>5,434,420</u>	<u>(32,640)</u>	
Debt Management Expenses	0	38,799	26,353	12,446	
External Interest Payable	5,168,000	5,168,000	5,167,926	74	
Depreciation of Fixed Assets	5,929,000	5,929,000	5,922,009	6,991	
Amortisation of Intangibles	0	0	25,241	(25,241)	
Revaluations	0	(23,610,672)	(23,610,672)	0	reversed below
Changes in Fair Valuations on Investment	0	(278,083)	(278,083)	0	reversed below
Capital Grants and Contributions	0	(1,399,344)	(1,399,344)	0	reversed below
	<u>11,097,000</u>	<u>(14,152,300)</u>	<u>(14,146,570)</u>	<u>(5,730)</u>	
<b>Rents and Other Income</b>					
Dwelling Rents	(26,430,200)	(26,430,200)	(26,416,560)	(13,640)	
Garage Rents	(807,100)	(807,100)	(812,931)	5,831	
Other Income	(278,637)	(278,637)	(309,907)	31,270	
Sheltered Charges	(506,500)	(506,500)	(508,043)	1,543	
Net Sale of Assets Proceeds	0	(1,784,729)	(1,784,729)	0	reversed below in Balance Sheet
	<u>(28,022,437)</u>	<u>(29,807,166)</u>	<u>(29,832,170)</u>	<u>25,004</u>	
<b>Surplus for year on HRA Services</b>	<b>(6,216,966)</b>	<b>(33,287,994)</b>	<b>(33,714,854)</b>	<b>426,860</b>	
<b>Adjustments between accounting basis and funding basis under statute and transfers between reserves:</b>					
Capital Expenditure funded by HRA	5,348,000	5,348,000	3,781,484	1,566,516	See 2.2.h
Asset Disposal Administration	(23,400)	(23,400)	(24,700)	1,300	
Reversal of Cost of Disposals		(1,662,216)	(1,662,216)	0	Balance Sheet
Reversal of Sale Proceeds		3,446,945	3,446,945	0	Balance Sheet
HRA Interpool Interest Payable	0	0	0	0	
HRA Interpool Interest Receivable	(24,000)	(24,000)	(29,657)	5,657	
Reversal of Capital Grants and Contributions	0	1,399,344	1,399,344	0	Balance Sheet
Reversal of Retirement Benefits	0	(496,238)	(496,238)	0	Balance Sheet
Reversal of Employers Contributions in Year	0	496,238	482,051	14,187	Balance Sheet
Reversal of Depreciation and Impairment	0	(5,922,009)	(5,922,009)	0	Balance Sheet
Reversal of Intangibles	0	(25,241)	(25,241)	0	Balance Sheet
Reversal of MRA	0	5,947,251	5,947,251	0	Balance Sheet
Reversal of Revaluations	0	23,610,672	23,610,672	0	Balance Sheet
Reversal of Changes in Fair Valuations on Investment	0	278,083	278,083	0	Balance Sheet
	<u>5,300,600</u>	<u>32,373,428</u>	<u>30,785,768</u>	<u>1,587,660</u>	
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>(916,366)</b>	<b>(914,566)</b>	<b>(2,929,086)</b>	<b>2,014,520</b>	
Transfer re Insurance Reserve	20,000	20,000	0	20,000	
<b>(Increase)/ decrease in HRA Balance</b>	<b>(896,366)</b>	<b>(894,566)</b>	<b>(2,929,086)</b>	<b>2,034,520</b>	

<b>HRA Working Balance</b>				
Opening Balance	(4,186,159)	(4,186,159)	(4,186,159)	0
Add Projected Deficit/(Surplus)	(896,366)	(894,566)	(2,929,086)	2,034,520
<b>Projected Balance at Year End</b>	<b>(5,082,525)</b>	<b>(5,080,725)</b>	<b>(7,115,245)</b>	<b>2,034,520</b>

<b>Reserves</b>	
HRA Working Balance as at 31/03/16	(7,115,245)
Major Repairs Reserve as at 31/03/16	(11,450)
Insurance Reserve as at 31/03/16	(70,177)
	(7,196,872)

**Housing Revenue Account 2015/16  
Outturn - Subjective Summary**

	2015/16 Revised Budget CAB2761(HSG)	2015/16 Working Budget	2015/16 Outturn	Variance	Notes
	£	£	£	£	
Employees	3,083,590	3,083,590	2,876,912	206,678	See 2.3.a
Employees-IAS19 Pension Adjustment	0	0	14,187	(14,187)	Reversed below
Premises	5,306,164	5,306,164	5,378,423	(72,259)	See 2.3.b
Transport	251,626	251,626	254,717	(3,091)	
Supplies & services	845,416	847,216	620,831	226,385	See 2.3.c
Third party payments	105,000	105,000	86,981	18,019	
Support Services	2,321,783	2,321,783	2,340,394	(18,611)	
External interest payable	5,192,090	5,192,090	5,167,926	24,164	
Depreciation on Fixed Assets	5,929,000	5,929,000	5,922,009	6,991	
Amortisation of Intangibles	0	0	25,241	(25,241)	
Revaluations	0	(23,610,672)	(23,610,672)	0	Reversed below
Changes in Fair Valuations on Investments	0	(278,083)	(278,083)	0	Reversed below
External income	(29,251,635)	(29,251,635)	(29,329,647)	78,012	
Net Sale of Assets Proceeds	0	(1,784,729)	(1,784,729)	0	Reversed below
Capital Grants and Contributions	0	(1,399,344)	(1,399,344)	0	Reversed below
<b>Surplus for year on HRA Services</b>	<b>(6,216,966)</b>	<b>(33,287,994)</b>	<b>(33,714,854)</b>	<b>426,860</b>	

**Adjustments between accounting basis and funding basis under statute  
and transfers between reserves:**

Capital Expenditure funded by HRA	5,348,000	5,348,000	3,781,484	1,566,516	
Asset Disposal Administration	(23,400)	(23,400)	(24,700)	1,300	
Reversal of Cost of Disposals	0	(1,662,216)	(1,662,216)	0	Balance Sheet
Reversal of Sale Proceeds	0	3,446,945	3,446,945	0	Balance Sheet
HRA Interpool Interest Payable	0	0	0	0	
HRA Interpool Interest Receivable	(24,000)	(24,000)	(29,657)	5,657	
Reversal of Capital Grants and Contributions	0	1,399,344	1,399,344	0	Balance Sheet
Reversal of Retirement Benefits	0	(496,238)	(496,238)	0	Balance Sheet
Reversal of Employers Contributions in Year	0	496,238	482,051	14,187	Balance Sheet
Reversal of Depreciation and Impairment	0	(5,922,009)	(5,922,009)	0	Balance Sheet
Reversal of Intangibles	0	(25,241)	(25,241)	0	Balance Sheet
Reversal of MRA	0	5,947,251	5,947,251	0	Balance Sheet
Reversal of Revaluations	0	23,610,672	23,610,672	0	Balance Sheet
Reversal of Changes in Fair Valuations on Investment	0	278,083	278,083	0	Balance Sheet
	5,300,600	32,373,428	30,785,768	1,587,660	

**Net (increase)/decrease in HRA Balance before  
transfers to or from reserves**

Transfer re Insurance Reserve	20,000	20,000	0	20,000	
<b>(Increase)/ decrease in HRA Balance</b>	<b>(896,366)</b>	<b>(894,566)</b>	<b>(2,929,086)</b>	<b>2,034,520</b>	

<b>HRA Working Balance</b>					
Opening Balance	(4,186,159)	(4,186,159)	(4,186,159)	0.00	
Add Projected Deficit/(Surplus)	(896,366)	(894,566)	(2,929,086)	2,034,520	
<b>Projected Balance at Year End</b>	<b>(5,082,525)</b>	<b>(5,080,725)</b>	<b>(7,115,245)</b>	<b>2,034,520</b>	

2015/16 HRA Capital Programme Carry Forward Requests

Category	Description	Budget Sum	Actual Sum	Variance	C/Fwd Requested	Comments
Disabled Adaptations		731,000	754,327	-23,327		
Disabled Adaptations Total		731,000	754,327	-23,327		
Future Major Repairs	External Envelope Works	600,000	565,280	34,720		
	External Ground Works	650,000	465,358	184,642		
	External Window/Door/Screens	600,000	475,579	124,421		
	Internal Structure & Finishes	300,000	338,803	-38,803		
	Kitchen & Bathroom Renewals	1,950,000	1,870,514	79,486		
	Mechanical & Electrical Services	1,500,000	1,197,257	302,743	314,000	To enhance 16/17 programme
Future Major Repairs Total		5,600,000	4,912,791	687,209		
Imps and Conversions	Estate Improvements	663,000	609,491	53,509	53,500	Schemes being tendered
	Loft Conversions/Extensions	281,000	223,569	57,431	57,400	Projects in progress
	Sheltered Housing Conversions	205,000	231,957	-26,957		
	Sheltered Housing Upgrade	180,000	57,661	122,339	95,000	Projects in progress
Imps and Conversions Total		1,329,000	1,122,678	206,322		
New Build	Bailey Close	10,000	13,346	-3,346	-3,346	Over spend adjusting 16/17 budget
	Bourne Close	8,000	1,444	6,556		
	Extra Care	2,952,000	3,017,199	-65,199	-65,199	Over spend adjusting 16/17 budget
	Greenhill Road	35,000	15,249	19,751	19,751	To cover fees in 2016/17
	Hillier Way	111,000	111,482	-482	-482	Over spend adjusting 16/17 budget
	Itchen Abbas	10,000	2,077	7,923		
	Mayles Lane, Knowle Village	90,000	0	90,000	90,000	Covering acquisition costs
	Milford House	10,000	0	10,000	10,000	For legal & agency fees
	Mitford Road	100,000	36,794	63,206	63,206	For 2016/17 fees & works
	New Queens Head	2,356,000	2,341,437	14,563	14,563	For balance of contract
	Property Acquisition	0	0	0		
	Spring Vale	357,000	345,033	11,967	11,967	For balance of contract
	Victoria House	100,000	161,499	-61,499	-61,499	Over spend adjusting 16/17 budget
	Westman Road	1,699,000	1,306,557	392,443	392,443	Delayed contract completion
New Build Total		7,838,000	7,352,117	485,883		
Other Capital	River Itchen Maintenance	36,000	0	36,000		
	Sewage Treatment Works	114,000	50,775	63,225		
Other Total		150,000	50,775	99,225		
<b>Grand Total</b>		<b>15,648,000</b>	<b>14,192,688</b>	<b>1,455,312</b>	<b>991,304</b>	

Scheme Description	Original 16/17	Requested	Adjustments	Amended 16/17
	Budget	Carry	Since	Budget
	£000	Forwards	Feb.2016	£000
<b>New Build</b>				
Bailey Close	180	-3	0	177
Extra Care	10,938	-65	0	10,873
Greenhill Road	380	20	0	400
Hillier Way	2,171	-1	0	2,170
Mayles Lane, Knowle Village	200	90	0	290
Milford House	2,565	10	0	2,575
Mitford Road	600	63	0	663
New Queens Head	0	15	0	15
Property Acquisitions	560	0	0	560
Spring Vale	0	12	0	12
Unallocated Sites	207	0	0	207
The Valley	100	0	0	100
Victoria House	4,113	-62	0	4,051
Westman Road	50	392	0	442
<b>Total:</b>	<b>22,064</b>	<b>471</b>	<b>0</b>	<b>22,535</b>

<b>Major Repairs</b>				
External Envelope Works	3,000	0	0	3,000
External Ground Works	639	0	0	639
External Window/Door/Screens	772	0	0	772
Internal Structure & Finishes	225	0	0	225
Kitchen & Bathroom Renewals	2,033	0	0	2,033
Mechanical & Electrical Services	930	314	0	1,244
<b>Total:</b>	<b>7,599</b>	<b>314</b>	<b>0</b>	<b>7,913</b>

<b>Improvements &amp; Conversions</b>				
Estate Improvements	250	54	0	304
Loft Conversions/Extensions	220	57	0	277
Sheltered Housing Conversions	210	95	0	305
Sheltered Housing Upgrades	100	0	0	100
<b>Total:</b>	<b>780</b>	<b>206</b>	<b>0</b>	<b>986</b>

Disabled Adaptations	770	0	0	770
<b>Total:</b>	<b>770</b>	<b>0</b>	<b>0</b>	<b>770</b>

<b>Other Capital Spending</b>				
Sewage Treatment Works	108	0	0	108
<b>Total:</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>108</b>










<b>Total Programme</b>	<b>31,321</b>	<b>991</b>	<b>0</b>	<b>32,312</b>
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Funded By:	Notes	£000
Major Repairs Reserve	From depreciation	6,150
Right to Buy 1-4-1 Receipts	Estimate based on eligible schemes	791
RTB Allowable Debt	From existing funds	900
Section 106 Receipts	From existing funds	2,035
Revenue Contribution to Capital	Allows for 2015/16 carry forwards	10,604
Other Capital Receipts	Sale at Eastgate Street	500
HCC Grant	For Chesil Street Extra Care	1,134
Borrowing incl. LGF Bids	Residual Balance for Hillier Way	10,329
<b>Total Funding Required:</b>		<b>32,443</b>

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Action Description	Action Desired Outcome	Status	Dates Due Date	Notes & History Latest Note
Ensuring Value for Money and below average unit costs for the sector	Tenants informed of key performance and have opportunity to challenge/scrutinise services Operating costs compare well with other providers (aim to be below average)		31-Oct-2015	Housemark benchmark reports completed and on Council website. Unit costs remain below average for sector.
Review of Housing Procurement Arrangements	Arrangements confirmed for procurement route for all planned contracts, cyclical works and future term maintenance arrangements		31-Oct-2015	This action has been deferred pending completion of a comprehensive Asset Management Strategy, now programmed for Oct 16.
Updating the Long term Housing Revenue Account Business Plan modelling	30 year projections revised to update investment plans and address current projections for increasing long term surpluses		01-Dec-2015	Updated and revised HRA Business Plan and Budget approved by Council in Feb 16.
<b>General Tenancy/Estates Issues</b>				
Mitigate impact of welfare reform on Council tenants	Tenants have access to good quality advice and support Rent arrears maintained at less than 2.5% of rent roll by March 2016.		31-Mar-2016	Implementation of universal credit delayed nationally. Money and Benefits advice service in place. Arrears at March 2016 = 1.39%
Review approach to under occupation of existing stock.	Delivery of Wise Move Incentive Scheme, in particular targeting older people.		31-Mar-2016	Scheme continues to be successful with 50 downsizers moving in the year (of whom 15 were affected by SSSC) although demand is lower following the success of first two years.
Promoting wider and representative resident involvement	Tenants can scrutinise Council services effectively Housing services continue to take full account of tenant views and aspirations		31-Dec-2015	Tenant Scrutiny process working well, 2015/16 reviews focussed on gas servicing and grounds. Successful tenant conference in March 2016 attended by over 125 tenants.
Promoting Digital Inclusion and Encouraging "Channel Shift" towards "Digital by Default"	Launch/promote initiatives to encourage wider tenant use of digital technology		31-Mar-2016	Self Service portal now implemented with over 600 tenants registered & over 10,000 actions from requesting repairs to viewing & printing rent accounts / statements.
To improve the existing housing for older people	Refurbishment / Improvement programme		31-Mar-2016	Communal areas upgraded at Normandy Ct, Richard Moss Hse and Whitewings.
Deliver a WCC estates improvement programme	Delivery of approved schemes		31-Mar-2016	Notable completions include Woolford Close regeneration scheme, parking schemes at Minden Way & Fox Lane, improved parking provision at



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Action Description	Action Desired Outcome	Status	Dates Due Date	Notes & History Latest Note
				Woodlane Close, Bramdean & Heathlands, Shedfield, and Highcliffe fencing project.
Implement programme of inspections of estates and communal areas	Contract quality standards achieved Tenants satisfaction with Estates and neighbourhood above 80% Tenant satisfaction with cleaning service improved		31-Mar-2016	Full programme of estate inspections now completed weekly. 89% of tenants satisfied with their neighbourhood (Satisfaction Survey June 2015)
Review of Grounds Maintenance schedules and works	Contract quality standards achieved Tenants satisfaction with Estates and neighbourhood above 80%		01-Oct-2015	Schedules revised. Some performance improvements although unsatisfactory overall. Tenant Scrutiny report will be brought to next meeting of this Ctte.
<b>Repairs and Renewals</b>				
Monitor delivery of enhanced maintenance programme for Council housing stock.	Programme approved Half year monitoring report		31-Dec-2015	Overall programme on track, although some slippage in relation to external building works due to staff shortages. Budget carry forwards approved in February 2016.
Preparing a Long Term Asset Management and Energy Strategy for Council Housing Stock	Member Briefing on draft Strategy Strategy Approved Maintenance Programme/Investment Plans amended to reflect new Strategy		31-Mar-2016	On target, although additional analysis now planned to take account of national changes such as "High Value Sales" proposals. A full report to Cabinet Housing is now planned for Sept 2016.
<b>New Build Programme</b>				
To deliver actions set out in the Low Carbon Route Map aimed at improving the energy efficiency of Council housing	Tenants enjoy improved heating and living conditions and reduced energy bills Heating systems and energy bills improved for tenants in rural areas.		31-Mar-2016	£1m invested in new heating systems. New Homes achieving high energy efficiency. Solar provision at New Queens Gate.
Increase the supply of affordable housing across the District.	Work with partners to increase supply of affordable housing. Deliver new units of housing where possible through conversion of former sheltered scheme communal spaces		31-Mar-2020	Some delays with registered providers deferring plans in light of recent Government announcements. Support being provided through S.106 contributions to deliver RP 13 dwelling scheme at Waltham Chase that may have otherwise been withdrawn.

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Action Description	Action Desired Outcome	Status	Dates Due Date	Notes & History Latest Note
				3 conversions of existing assets to create additional residential units.
Achieve the agreed Council House New Build Programme.	At least 300 new Council Homes by 2024		31-Mar-2024	23 new affordable rent homes delivered in 2015/16 with further 12 nearing completion in June 2016. Started on site at Extra Care and Victoria House projects (total 77 rent and shared ownership dwellings) and contractors appointed for Hilliers Way project to deliver another 13 rented properties. Planning approval obtained for schemes at Mitford Road and Bailey Close (another 14 dwellings).



Completed


















Assigned; In Progress

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Description	2013/14	2014/15	2015/2016			Notes
	Value	Value	Value	Target	Status	
% non-decent council homes	0%	25%	20%	15.5%		Following updated stock condition survey
SAP rating	66.72	67	65	70.4		The target is based on top quartile of other Local Authorities
Tenants' satisfaction with landlord services	86.42%		89%	85%		Latest Survey results May 2015
Current tenant rent arrears as a % of rent due	0.88%	1.19%	1.39%	1.5%		
% of responsive repairs jobs completed within target	86%	91%	92%	90%		
Average number of days to complete responsive repairs	8.48	6.06	5.47	8		
Overall level of satisfaction for repairs jobs	97.95%	98.23%	97.38%	95%		From 8,494 care card returns
Repairs jobs completed within 1 visit	81%	82%	83%	80%		95% within 2 visits
Gas servicing - The % of homes with current gas servicing certificate	99.99%	99.98%	99.28%	100%		See separate report re Liberty contract
% Stock empty at the end of the period	0.93%	0.36%	0.42%	1%		
Rent & charges lost through vacant dwellings (%)	0.5%	0.58%	0.53%	0.85%		The monetary value of this £134,000 for the year
Total no. of tenancies/licensees owing over 13 weeks rent	35	32	50			
Value of former tenant arrears	£202k	£206k	£190k	£160k		At year end, this was 32.61% of the total owed
Average re-let time for General Needs and Older Persons properties (in days)	20.2	13.42	10.61	19		
Average re-let time for General Needs properties (in days)	19.06	13.21	9.69	18.5		
Average re-let time for Older Persons properties (in days)	21.57	13.78	11.99	20		

## Landlord Services - General Quantitative Indicators/Service Volumes

Description	2012/13	2013/14	2014/15	2015/16
	Value	Value	Value	Value
New tenancies - Waiting list	188	190	207	203
New tenancies – Transfers	85	86	110	88
New tenancies - Mutual Exchanges	96	106	81	72
No. of Introductory Tenancies commencements	181	182	202	196
Number of Evictions (rents)	1	2	8	3
Number of Evictions (nuisance)	2	1	0	1
Number of Evictions (Introductory Tenancy)	1	0	1	0
Number of Notices Seeking Possession (rents)	567	674	713	662
Number of Notices Requiring Possession (ITs)	9	12	9	16
Number of Notices Seeking Possession (nuisance)	16	17	16	14