

REPORT TITLE: HRA BUDGET 2017/18 AND BUSINESS PLAN 2017-2047

CABINET (HOUSING) COMMITTEE – 1 FEBRUARY 2017

THE OVERVIEW AND SCRUTINY COMMITTEE – 13 FEBRUARY 2017

PORTFOLIO HOLDER: Councillor Horrill – Housing Services

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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WARD(S): ALL

#### PURPOSE

This report requests approval for the proposed Housing Revenue Account (HRA) Budget for 2017/18 and a revised HRA Capital Programme for 2016/17 that takes account of the most recent changes to the Housing Services, New Build and Acquisition schemes.

The proposals achieve a sustainable long term Business Plan and address the medium term budget shortfalls projected in the 2016 Business Plan.

The report asks Members to confirm their approval to proposed garage rent increases to take effect from 3 April 2017.

#### RECOMMENDATIONS:

That, subject to consideration of comments from TACT, **the Committee recommend to Council:**

1. That the 2017/18 Housing Revenue Account budget detailed in Appendices 1 and 2 to this report be approved and that the final forecasts for 2016/17 be noted.

2. That the HRA Capital Programme for 2016/17 to 2021/22 as set out in Appendices 3 and 4 to the report be approved.
3. That the proposed funding for the HRA Capital Programme as detailed in Appendix 5, including the borrowing required for 2016/17, be approved.
4. That garage rent increases for tenants of 2% (in line with RPI at September 2016) and increases for private garage licensees to £15.00 per week in Winchester City Centre areas and £13.00 per week elsewhere be approved.
5. That authority be given to incur capital expenditure of £7.797m for the Maintenance, Improvement and Renewal programme as detailed in the report and Appendix 3 to the report, in accordance with Financial Procedure Rule 6.4 (noting that within this, for any schemes in excess of £100,000 a financial appraisal will be approved in accordance with the scheme of delegations).
6. That the Assistant Director (Chief Housing Officer), in consultation with the Head of Finance and Portfolio Holder for Housing Services, be given delegated authority to make adjustments within the overall Maintenance, Improvement and Renewal programme as set out in Appendix 3 to the report, including the flexibility to substitute projects and re-balance expenditure within and between the different elements/schemes in order to meet operational needs, changing priorities and commitment targets, with any changes being reported to Committee at the earliest opportunity.
7. That the HRA Business Plan operating account extract as detailed in Appendix 6 is noted and that forecast working balances are approved.

That the Overview and Scrutiny Committee:

8. Consider any recommendations it wishes to make to the Council for its consideration of the proposed HRA Business Plan or budget for 2017/18.

IMPLICATIONS:**1 COMMUNITY STRATEGY OUTCOME**

- 1.1 The Council continues to be committed to providing good quality affordable housing to meet community needs and this is reflected in both the existing Community Strategy as well as the draft Council Strategy, which is currently subject to consultation.
- 1.2 Ensuring services deliver “value for money” and that budgets and plans are sustainable is critical to the effective delivery of the Council Strategy. The 2016/17 HRA Business Plan report (CAB2761(HSG) refers) projected significant capital shortfalls by 2020. However, as a result of the changes recommended in this report and in particular the revisions to the capital programme made as a result of more accurate stock condition data now available, the shortfalls have been addressed and positive balances can be maintained throughout the 30 year life of the Business Plan.

**2 FINANCIAL IMPLICATIONS**

- 2.1 Since the Cabinet (Housing) Committee meeting in November 2016, further work has been done on gathering accurate forecasts for 2016/17 for major projects and savings have been identified where possible. This has resulted in a reduction of £2.102m in the capital programme for 2016/17 (£0.357m Housing Services and £1.745m new build). However, £1.883m has simply been slipped to 2017/18. Members may wish to note that this is not expected to impact on the Council’s target to bring all existing dwellings within the decent homes standard by 31 March 2017.
- 2.2 With regard to the HRA, savings or forecast reductions in spend in 2016/17 have improved the expected surplus for the year by £0.145m to £1.376m. This will leave an amended working balance of £8.492m, giving the HRA scope to repay the £0.631m of internal borrowing at the end of this financial year.
- 2.3 Key adjustments to the proposed 2017/18 HRA budget include:

<b>Subjective Area</b>	<b>Adjustment</b>	<b>Details</b>
Employees	Increased £99,289	Projected salary costs remain lower than the original 2016/17 budget (which was adjusted to account for vacancy savings), despite an allowance for the expected 1% pay award, the new apprenticeship levy and increases to pension costs.
Premises	Increased £32,974	This increase reflects the expected costs from Milford House/Gordon Watson House as well as new build developments due to be

		completed in 2017. It should be noted that responsive void and cyclic repairs costs have been adjusted in the forecast for 2016/17 and left at the revised levels for the coming year.
Supplies & Services	Increased £41,072	Allowance has been made for the catering contract at Chesil Lodge due to start later this year but most budgets have been held at existing levels.
Support Services	Increased £363,195	This relates to a number of increased charges from General Fund services – both service driven and corporate – to reflect time spent on HRA work. Some of the changes are subject to individual review. More than half the increase relates changes to the New Homes team to support delivery of the Council Strategy priorities for 2017 and beyond, although this is partly offset by savings against Employee costs.
External Income	Improved £175,722	Despite the 1% rent reduction affecting all of the housing stock, the full year effect of acquisitions and new developments in 2016/17 and forecast income from Chesil Lodge, Victoria Court and Hillier Way from later in 2017, in addition to garage rent increases, have all resulted in a positive impact.

- 2.4 At the November 2016 meeting, the Committee supported proposals to increase garage charges to private (non tenant) licensees to reflect average charges for other Hampshire councils. The proposed increase for tenants of 2% (in line with RPI at September 2016) and increases for private garage licensees to £15.00 per week in Winchester City Centre areas and £13.00 per week elsewhere will generate an additional £68,780 income. However, this has been offset by a higher allowance for void loss and the removal of garage rents at Mitford Road & Bailey Close prior to demolition for the new housing developments.
- 2.5 As referred to in 1.2 above, savings made in this year's revenue and capital programme budgets, together with other changes detailed in Section 8 below have resulted in the previously reported capital shortfall position being completely addressed.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 The Council is required to maintain a separate Housing Revenue Account with a positive working balance and with a housing revenue borrowing cap (the debt cap). Effective management of the HRA is necessary to ensure that both of these statutory requirements are met.

3.2 As referred to in Recommendations 5 and 6, any HRA projects with costs in excess of £100,000 will be subject to a financial appraisal in line with Financial Procedure Rules. Similarly, new build projects that are to progress to planning permission and to tender will be reported to the Committee for approval.

### 4 WORKFORCE IMPLICATIONS

4.1 There are no current staffing implications but Members should note the re-allocation of some funding previously within the HRA General and Property Services work areas to provide additional resource to the New Homes Team as highlighted in 2.3 above.

### 5 PROPERTY AND ASSET IMPLICATIONS

5.1 The HRA Capital Programme for major works has been developed to ensure that the decent homes standard is achieved by 31 March 2017 and that sufficient funding for future programmes is available for that standard to be maintained.

### 6 CONSULTATION AND EQUALITY IMPACT ASSESSMENT

6.1 The key priorities for Housing Services have been developed taking detailed account of tenant views gained through the bi-annual tenant survey, tenant scrutiny process and also a number of Member briefings held in 2016. TACT continues to support the Council in developing its priorities for Housing services. TACT has raised concerns about the recharges from other Council services and officers will attend the March meeting of TACT to brief tenants on this issue in more detail. TACT representatives may wish to make additional verbal comments on the recommendations at the meeting.

6.2 There are no equality issues arising from the report.

### 7 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of capital works and sound future planning ensure decent homes standards are achieved and then maintained.	

<p><i>Community Support</i> <i>Lack of consultation causes objections to planning applications for new build developments.</i></p>	<p>Consultation and regular communications with tenants and leaseholders on major repairs and estate improvements. Consultation with local residents and stakeholders on proposed new build schemes.</p>	<p>Positive consultation can bring forward alternative options that would otherwise not have been considered.</p>
<p><i>Timescales</i> <i>Delays to new build project completions and sales results in lost revenue.</i></p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project completion date is delayed due to contractor actions.</p>	
<p><i>Project capacity</i> <i>Limited funding restricts the ability of the Council to implement the proposed new build and major works programmes.</i></p> <p><i>Staffing resources reduce the time available to push forward new build schemes at the required pace.</i></p>	<p>Proactive business plans, regular monitoring and use of financial assessment tools enables the Council to manage resources effectively.</p> <p>As mentioned in Paragraph 2.3 (Support Services) staffing levels for the New Homes Team have been reviewed to enable an enhanced new build programme to be delivered.</p>	
<p><i>Financial / VfM</i> <i>Future revenue funding to maintain existing levels of service will be affected by the rent reduction rules.</i> <i>Shortfall in funds available to meet future capital programmes.</i></p> <p><i>Right to Buy sales remain consistently above levels projected in the HRA Business Plan.</i></p>	<p>Revenue and capital budgets are continually assessed to identify areas of slack and for potential income growth. Capital contracts must be tendered correctly and packaged carefully to ensure the most is made of capital funds available. Forecast sales in 2016/17 are 37 (compared to a projection of 16 for the year). The HRA Business Plan assumes sales reduce back to 16 from</p>	<p>The higher number of sales this year will provide additional funding for the new build programme over the next 3 years but</p>

	2017/18. Reasons for increased sales early in 2016 are not clear, but are likely to relate to increased discounts now available and the emphasis placed nationally on Right to Buy as part of the Housing and Planning Bill.	officers will need to monitor closely to ensure 1-4-1 receipts are spent within time limits. More commentary is given in paragraph 8.17.
<i>Legal See Government Changes below.</i>		
<i>Innovation The use of a Housing Company to support the new build programme is introduced without reference to existing rules.</i>	Legal advice has been sought on the best approach and a report is being prepared for the March 2017 meeting of this Committee.	
<i>Reputation - See Govt Changes below.</i>		
<i>Government Changes: Rent Reductions; RTB Levy funded by High Value Property Sales; Supported Housing Benefit Caps</i>	Rent charges are under constant monitoring. Whilst the High Value Homes levy is now known to have been delayed until (at least) 2018/19, officers will continue to monitor for updates. Some funds have been set aside to help meet initial payments. There is a reputational risk for the Council if it fails to meet the required payments. Proposed changes to benefit levels in supported housing are being closely watched to ensure we can charge rents that will not cause hardship to tenants.	Recent Government announcements on the latest Affordable Housing Programme will enable the Council to obtain grant funding for future new build projects, this immediately helps address the capital shortfall threatening our future programmes. The Higher Income Social Tenants (Pay to Stay) rules that formed part of the 2016 Housing & Planning Act are no longer mandatory. However, the Council could voluntarily introduce a scheme for tenants where households earn over £60,000 per annum.

## 8 SUPPORTING INFORMATION:

### 8.1 2017/18 HRA Budget

8.2 The key changes to next years proposed budget are detailed in paragraph 2.3 above.

### 8.3 HRA Capital Programme 2017/18 to 2021/22 – Housing Services

8.4 The Major Repairs area of the HRA Capital Programme (Appendix 3) has been amended from 2017/18 to take account of the next 5 years forecast requirements from the stock condition survey carried out in 2014. The backlog of works in kitchens, bathrooms and heating systems identified in the survey has now been completed, resulting in a drop of the funds required for 2017/18 from £7.3m to £6.1m.

8.5 The increase in the loft conversions/extensions programme for 2017/18 represents the final phase of this programme with 9 properties included for works to start by the end of March 2017. The sheltered housing conversions programme is continuing but funding has now been moved to the new build programme area.

8.6 Under the other capital spending area, the replacement sewage treatment works at Gorse Down, Owslebury, will now not commence until spring 2017 so the budget for this year has been reduced with no carry forward to 2017/18 proposed. Provision has also been made in the programme to fund the installation of Wi-Fi to all Council sheltered schemes as part of the digital transformation and social inclusion priorities in the existing Housing Portfolio Plan. This proposal will be subject to a separate detailed financial appraisal.

### 8.7 HRA Capital Programme 2017/18 to 2021/22 – New Build

8.8 Members may wish to note that the proposed new build programme and how this is being funded has been updated since the figures that were presented to Cabinet with the Capital Strategy report (CAB2889) on 18 January 2017.

8.9 The new build programme 2016/17 forecast and 2017/18 budget (Appendix 4) has been adjusted to take account of the latest cash flow forecasts from on-site schemes and those about to start on site (Mitford Road and Bailey Close). Members may wish to note that the costs of acquiring Milford House/Gordon Watson House is expected to be £375,000 less than originally budgeted. This is due to the Council not having to fund stamp duty and the relatively small cost of works required to the properties now they have been acquired. The sheltered conversions budget for 2017/18 allows for works on the former warden accommodation at Spring House Close to be undertaken.

8.10 Capital budgets have been added for new schemes that are being worked up – these are at Rowlings Road, Weeke and Wykeham Place, Stanmore but are unlikely to be on-site until 2018/19. In addition to these sites, further funding of £6m for new build projects has been identified from surpluses in the latest update to the HRA Business Plan between 2018/19 and 2021/22.



### 8.11 HRA Capital Programme Funding

8.12 The funding for the HRA Capital Programme until 2021/22 is detailed in Appendix 5. The main points to note here are:

- The reduction in the requirement for revenue contributions and borrowing for the 2016/17 programme, together with a lower use of RTB other retained receipts.
- The introduction of HCA grants for the proposed development at The Valley. The Council is hopeful that grant funding will be available for both shared ownership and affordable rent properties. However, it should be noted that if HCA grant funds are obtained, the Council will not be able to use RTB 1-4-1 receipts to help fund the scheme.
- The new build sales figures represent potential income from Chesil Lodge and Victoria Court in 2017/18, Mitford Road in 2018/19 and The Valley in the 3 years following. It is expected this funding could increase in line with an enhanced new build programme.

### 8.13 HRA Business Plan, Emerging Issues and Priorities

8.14 Working the revised HRA revenue budget and capital programmes through the HRA Business Plan has moved the 30-year plan from being unachievable due to funding shortages to a now viable business plan. There are sufficient balances in later years to enable repayment of HRA debt, should the Council adopt this policy. Alternatively, there will be additional funding available to significantly increase the new build programme in later years.

8.15 The primary reasons for the change in the viability of the HRA Business Plan include the reduction in the major works budget for 2016/17 without elements being carried forward to future years; the reduction in purchase & upgrade costs for the Milford House acquisition; the use of reduced long-term borrowing rates (whilst still being prudent); and the introduction of HCA grant to the proposed new build scheme at The Valley.

8.16 Despite the Plan now being viable, officers will continue to identify potential savings and efficiencies throughout the year as a means of further supplementing funding for New Homes development. It should be noted that the proposals within this report do not take account of potential future Section 106 receipts from the North Whiteley development.

8.17 An average number of 16 RTB sales each year has been assumed in the HRA Business Plan extracts summarised in appendices 6 and 7. Numbers in 2016 did increase significantly and 37 sales are projected for this year. Activity has reduced in recent months and numbers are now anticipated to return to previous levels from 2017. The reason for the increase is not clear, although the increased emphasis on right to buy nationally as part of the lead up to the voluntary agreement with registered providers and the Housing and Planning Bill no doubt contributed. In future years, the Business Plan

assumes sales remain at similar levels to the 2017/18 projection. An increase in projected sales would create a short term pressure on income, but does provide additional receipts to fund development. Lower than projected sales would result in fewer receipts to fund New Homes. Overall, either scenario is a relatively low risk on the Business Plan and can be managed through careful monitoring.

- 8.18 The key business plan priorities for 2017 and beyond will be set out in the Housing Portfolio Plan which will be considered by this Committee in March 2017. The key performance indicators for the service are included in CAB2895(HSG).

## 9 OTHER OPTIONS CONSIDERED AND REJECTED

- 9.1 The Plan has taken account of the national rent reduction requirements and the Council had no option in relation to this matter. All proposals relate to and take full account of the existing Portfolio plan, Housing Strategy and the emerging Council Strategy.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB2860(HSG) – Housing Revenue Account Budget Update and Business Plan Options – 23 November 2016.

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

### APPENDICES:

Appendix 1 – HRA Service Summary 2017/18 Original Budget

Appendix 2 – HRA Subjective Summary 2017/18 Original Budget

Appendix 3 – Housing Services Capital Programme (Proposed) 2016 – 2022

Appendix 4 – New Build Capital Programme (Proposed) 2016 – 2022

Appendix 5 – HRA Capital Programme Funding 2016 – 2022

Appendix 6 – HRA Business Plan Extract – Operating Account

Appendix 7 – HRA Business Plan – Capital Account

<b>Housing Revenue Account</b>	<b>16/17</b>	<b>16/17</b>	<b>16/17</b>	<b>16/17</b>	<b>17/18</b>	<b>17/18</b>
	<b>Original Budget</b>	<b>Forecast Budget per CAB2860(HSG)</b>	<b>Revised Forecast Budget</b>	<b>One-off Budgets</b>	<b>Adjustments</b>	<b>Original Budget</b>
	£	£	£	£	£	£
<b>Service Summary</b>						
<b>Housing Management General</b>						
Estate Management	1,117,899	1,095,981	1,092,793	0	39,611	1,132,404
HRA General	1,811,021	1,979,663	1,963,486	(60,000)	142,015	2,045,501
Removal Incentive Scheme	50,000	47,000	47,000	0	3,000	50,000
Rent Accounting	233,851	221,218	221,077	0	26,817	247,894
Tenants Information	122,879	128,129	128,129	(4,300)	(11,512)	112,317
Vacant Dwellings	22,700	14,200	14,200	0	(5,000)	9,200
New Build Programme Support	557,216	537,216	537,216	0	205,810	743,026
	3,915,566	4,023,407	4,003,901	(64,300)	400,741	4,340,342
<b>Housing Management Special</b>						
Communal Services	(24,101)	(75,649)	(74,729)	0	(15,430)	(90,159)
Disabled Adaptations	109,458	94,407	109,407	0	4,956	114,363
Estate Maintenance	549,087	549,087	527,685	0	(4,518)	523,167
Homelessness	(94,603)	21,288	16,716	0	(8,672)	8,044
Sewage Works	181,575	195,675	190,116	0	10,620	200,736
Sheltered Housing	607,671	621,165	635,585	(20,000)	80,573	696,158
	1,329,087	1,405,973	1,404,780	(20,000)	67,529	1,452,309
<b>Repairs</b>						
Responsive Maintenance	2,309,207	2,309,207	2,357,707	0	(3,861)	2,353,846
Voids	500,000	550,000	590,000	0	0	590,000
Cyclic	1,176,000	1,126,000	900,000	0	0	900,000
Sub - total Repairs Works	3,985,207	3,985,207	3,847,707	0	(3,861)	3,843,846
Repairs Administration	1,345,450	1,274,443	1,285,821	0	(31,731)	1,254,090
	5,330,657	5,259,650	5,133,528	0	(35,592)	5,097,936
Debt Management Expenses	30,000	30,000	30,000	0	(11,703)	18,297
Interest Payable	5,172,000	5,172,000	5,168,000	0	0	5,168,000
Depreciation of Fixed Assets	5,976,430	5,976,430	5,976,430	0	12,130	5,988,560
	11,178,430	11,178,430	11,174,430	0	427	11,174,857
<b>Rents and Other Income</b>						
Dwelling Rents	(26,391,560)	(26,307,507)	(26,307,507)	0	(46,659)	(26,354,166)
Garage Rents	(850,230)	(880,900)	(880,900)	0	(29,935)	(910,835)
Other Income	(284,841)	(277,041)	(271,541)	0	(2,000)	(273,541)
Sheltered Charges	(529,990)	(498,190)	(498,190)	0	(19,210)	(517,400)
Interest Receivable	(24,000)	(24,000)	(24,000)	0	0	(24,000)
	(28,080,621)	(27,987,638)	(27,982,138)	0	(97,804)	(28,079,942)
<b>Surplus for year on HRA Services</b>	<b>(6,326,881)</b>	<b>(6,120,178)</b>	<b>(6,265,499)</b>	<b>(84,300)</b>	<b>335,301</b>	<b>(6,014,498)</b>
Capital Expenditure funded by HRA	9,850,000	4,871,000	4,871,000	(623,000)	5,107,000	9,355,000
Right to Buy Admin Fees	(20,800)	(48,100)	(48,100)	0	27,300	(20,800)
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>3,502,319</b>	<b>(1,297,278)</b>	<b>(1,442,599)</b>	<b>(707,300)</b>	<b>5,469,601</b>	<b>3,319,702</b>
Transfer re Insurance Reserve	66,300	66,300	66,300	0	0	66,300
<b>(Increase)/ decrease in HRA Balance</b>	<b>3,568,619</b>	<b>(1,230,978)</b>	<b>(1,376,299)</b>	<b>(707,300)</b>	<b>5,469,601</b>	<b>3,386,002</b>
<b>HRA Working Balance</b>						
Opening Balance	(5,082,525)	(7,115,245)	(7,115,245)	0	0	(8,491,544)
Add Projected Deficit/(Surplus)	3,568,619	(1,230,978)	(1,376,299)	0	0	3,386,002
<b>Projected Balance at Year End</b>	<b>(1,513,906)</b>	<b>(8,346,223)</b>	<b>(8,491,544)</b>	<b>0</b>	<b>0</b>	<b>(5,105,542)</b>

<b>Housing Revenue Account</b>	<b>16/17</b>	<b>16/17</b>	<b>16/17</b>	<b>16/17</b>	<b>17/18</b>	<b>17/18</b>
	<b>Original Budget</b>	<b>Forecast Budget per CAB2860(HSG)</b>	<b>Revised Forecast Budget</b>	<b>One-off Budgets</b>	<b>Adjustments</b>	<b>Original budget</b>
<b>Subjective Summary</b>	£	£	£	£	£	£
Employees	3,229,938	3,129,938	3,129,938	0	99,289	3,229,227
Premises	5,247,718	5,220,278	5,071,817	0	32,974	5,104,791
Transport	261,766	263,672	277,312	0	15,363	292,675
Supplies & services	876,242	916,442	914,442	(84,300)	41,072	871,214
Third party payments	105,000	205,000	155,000	(50,000)	(3,000)	102,000
Support Services	2,242,894	2,242,894	2,242,894	0	363,195	2,606,089
Net Interest	5,172,090	5,172,090	5,168,090	0	0	5,168,090
Depreciation on Fixed Assets	5,976,430	5,976,430	5,976,430	0	12,130	5,988,560
External income	(29,438,959)	(29,246,922)	(29,201,422)	0	(175,722)	(29,377,144)
<b>Surplus for year on HRA Services</b>	<b>(6,326,881)</b>	<b>(6,120,178)</b>	<b>(6,265,499)</b>	<b>(134,300)</b>	<b>385,301</b>	<b>(6,014,498)</b>
Capital Expenditure funded by HRA	9,850,000	4,871,000	4,871,000	(623,000)	5,107,000	9,355,000
Right to Buy Admin Fees	(20,800)	(48,100)	(48,100)	0	27,300	(20,800)
<b>Net (increase)/decrease in HRA Balance before transfers to or from reserves</b>	<b>3,502,319</b>	<b>(1,297,278)</b>	<b>(1,442,599)</b>	<b>(757,300)</b>	<b>5,519,601</b>	<b>3,319,702</b>
Transfer re Insurance Reserve	66,300	66,300	66,300	0	0	66,300
<b>(Increase)/ decrease in HRA Balance</b>	<b>3,568,619</b>	<b>(1,230,978)</b>	<b>(1,376,299)</b>	<b>(757,300)</b>	<b>5,519,601</b>	<b>3,386,002</b>
<b>HRA Working Balance</b>						
Opening Balance	(5,082,525)	(7,115,245)	(7,115,245)	0	0	(8,491,544)
Add Projected Deficit/(Surplus)	3,568,619	(1,230,978)	(1,376,299)	0	0	3,386,002
<b>Projected Balance at Year End</b>	<b>(1,513,906)</b>	<b>(8,346,223)</b>	<b>(8,491,544)</b>	<b>0</b>	<b>0</b>	<b>(5,105,542)</b>

<b>HRA Capital Programme 2016/17 to 2021/22</b>							
<b>Housing Services Programme</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	<b>Forecast</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Major Repairs</b>							
External Envelope Works	2,250	2,932	3,006	3,080	3,157	3,236	17,661
External Ground Works	400	970	994	1,019	1,045	1,071	5,499
External Window/Door/Screens	500	445	456	468	479	491	2,839
Internal Structure & Finishes	275	233	239	245	251	257	1,500
Kitchen & Bathroom Renewals	2,033	811	831	852	873	895	6,295
Mechanical & Electrical Services	1,800	739	757	776	796	816	5,684
	<b>7,258</b>	<b>6,130</b>	<b>6,283</b>	<b>6,440</b>	<b>6,601</b>	<b>6,766</b>	<b>39,478</b>
<b>Improvements &amp; Conversions</b>							
Estate Improvements	280	250	250	250	250	250	1,530
Loft Conversions/Extensions	180	370	0	0	0	0	550
Sheltered Housing Conversions	140	0	0	0	0	0	140
Sheltered Housing Upgrades	165	100	100	100	100	100	665
	<b>765</b>	<b>720</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>2,885</b>
<b>Disabled Adaptations</b>	500	770	770	770	770	770	4,350
<b>Other Capital Spending</b>							
Sheltered Wi-Fi Scheme		77	38				115
Sewage Treatment Works	23	100	100	100	100	100	523
<b>Total Housing Services Programme</b>	<b>8,546</b>	<b>7,797</b>	<b>7,541</b>	<b>7,660</b>	<b>7,821</b>	<b>7,986</b>	<b>47,351</b>

<b>HRA Capital Programme 2016/17 to 2021/22</b>							
<b>New Build Programme</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	<b>Forecast</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>
<b>Scheme Name/Description</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
New Queens Head, Stanmore	41						41
Spring Vale, Swanmore	2						2
Westman Rd	370	20					390
Victoria House	2,300	2,229					4,529
Hillier Way	1,120	1,499					2,619
Extra Care	6,800	6,147					12,947
Mitford Road	200	1,167					1,367
The Valley, Stanmore	225	3,194	3,194	3,148			9,761
Mayles Lane, Knowle	100	1,000	986				2,086
Bailey Close	100	655					755
Milford House	2,200	0					2,200
Rowlings Road	0	100	1,100				1,200
Wykeham Place	0	100	500	2,400			3,000
Property Acquisition	336	0					336
Sheltered Conversions	0	370	200	200	200	0	970
Unallocated Sites	0	1,076	0	2,577	5,949	6,098	15,700
Sites to be funded from 1-4-1 Receipts	0	0	3,000	0	1,000	2,000	6,000
<b>Total New Build Programme</b>	<b>13,794</b>	<b>17,557</b>	<b>8,980</b>	<b>8,325</b>	<b>7,149</b>	<b>8,098</b>	<b>63,903</b>

<b>HRA Capital Programme 2016/17 to 2021/22</b>							
<b>HRA Capital Programme Funding</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>Total</b>
	<b>Forecast</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>	<b>Budget.</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Right to Buy 1-4-1 Receipts	218	1,280	1,736	1,553	1,312	1,329	7,428
Right to Buy Other Retained receipts	200	872	432	454	325	200	2,483
New Build Sales	0	3,280	275	813	813	812	5,993
Other capital receipts	0	0	500	0	300	0	800
S.106 Contributions	2,035	829	913	1,172	137	1,422	6,508
Harris Bequest	0	0	0	0	0	0	0
HCA Grants	0	1,545	0	0	1,083	0	2,628
HCC Extra Care Grant	1,134	736	0	0	0	0	1,870
HRA Revenue Contributions to Capital	4,871	9,355	4,300	4,594	4,001	5,147	32,268
Additional Borrowing	7,886	1,027	1,700	569	0	0	11,182
Renewable Heating Grant	1	0	0	0	0	0	1
Major Repairs Reserve	5,995	6,430	6,665	6,830	6,999	7,174	40,093
<b>Total Funding</b>	<b>22,340</b>	<b>25,354</b>	<b>16,521</b>	<b>15,985</b>	<b>14,970</b>	<b>16,084</b>	<b>111,254</b>
Maintenance (from Appendix 3)	8,546	7,797	7,541	7,660	7,821	7,986	47,351
New Build (from Appendix 4)	13,794	17,557	8,980	8,325	7,149	8,098	63,903
<b>Capital Programme Total</b>	<b>22,340</b>	<b>25,354</b>	<b>16,521</b>	<b>15,985</b>	<b>14,970</b>	<b>16,084</b>	<b>111,254</b>
<b>Note:</b>							
The figures above do NOT include any allowance for new build projects to be funded by receipts from North Whiteley S.106 receipts.							

Housing Revenue Account Business Plan - Operating Account Extract											
		Income			Expenditure					Balances	
Year	Year	Net rent Income	Other income	Total income	Management	Repairs and Mtnce	Capital Financing	Funding of capital exp	Total Exp	Annual surplus/ (deficit)	Working Balance
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2017/18	26,797	2,562	29,359	(8,317)	(3,889)	(5,195)	(15,344)	(32,745)	(3,386)	5,105
2	2018/19	26,987	2,589	29,576	(8,418)	(3,997)	(5,224)	(10,483)	(28,122)	1,455	6,560
3	2019/20	27,527	2,625	30,152	(8,545)	(4,100)	(11,989)	(10,966)	(35,600)	(5,448)	1,111
4	2020/21	27,971	2,662	30,633	(8,702)	(4,190)	(5,414)	(10,571)	(28,877)	1,755	2,867
5	2021/22	28,988	2,703	31,691	(8,851)	(4,274)	(5,415)	(11,961)	(30,501)	1,190	4,056
6	2022/23	29,996	2,744	32,740	(9,003)	(4,387)	(11,896)	(7,220)	(32,507)	233	4,290
7	2023/24	31,058	2,787	33,845	(9,159)	(4,479)	(10,469)	(11,280)	(35,387)	(1,542)	2,748
8	2024/25	32,811	2,830	35,641	(9,317)	(4,572)	(10,477)	(12,640)	(37,006)	(1,366)	1,382
9	2025/26	33,058	2,875	35,933	(9,477)	(4,667)	(10,479)	(11,379)	(36,002)	(69)	1,313
10	2026/27	33,910	2,920	36,830	(9,641)	(3,690)	(15,471)	(7,989)	(36,791)	39	1,351
11	2027/28	34,740	2,967	37,707	(9,807)	(4,063)	(15,443)	(8,240)	(37,554)	154	1,505
12	2028/29	35,560	3,014	38,574	(9,977)	(5,025)	(5,406)	(9,611)	(30,019)	8,555	10,060
13	2029/30	36,404	3,064	39,468	(10,151)	(5,123)	(5,398)	(15,306)	(35,977)	3,490	13,550
14	2030/31	37,989	3,115	41,104	(10,327)	(5,223)	(15,388)	(9,004)	(39,942)	1,162	14,712
15	2031/32	38,166	3,166	41,332	(10,506)	(5,325)	(20,351)	(9,274)	(45,456)	(4,125)	10,588
16	2032/33	39,086	3,219	42,305	(10,689)	(5,428)	(5,297)	(9,552)	(30,966)	11,339	21,927
17	2033/34	40,033	3,272	43,305	(10,876)	(5,533)	(5,287)	(13,667)	(35,363)	7,942	29,869
18	2034/35	41,008	3,327	44,335	(11,066)	(5,641)	(20,276)	(10,133)	(47,116)	(2,780)	27,089
19	2035/36	42,820	3,384	46,204	(11,259)	(5,750)	(5,204)	(11,189)	(33,401)	12,803	39,892
20	2036/37	43,046	3,443	46,489	(11,456)	(5,861)	(15,191)	(10,749)	(43,256)	3,233	43,125
21	2037/38	44,111	3,502	47,613	(11,657)	(5,974)	(5,129)	(13,983)	(36,742)	10,871	53,995
22	2038/39	45,208	3,563	48,771	(11,861)	(6,089)	(5,106)	(16,264)	(39,320)	9,450	63,446
23	2039/40	46,337	3,625	49,962	(12,070)	(6,206)	(5,082)	(16,574)	(39,931)	10,030	73,476
24	2040/41	47,500	3,690	51,190	(12,282)	(6,325)	(5,056)	(17,004)	(40,667)	10,524	84,000
25	2041/42	49,635	3,755	53,390	(12,498)	(6,447)	(15,036)	(17,418)	(51,399)	1,992	85,991
26	2042/43	49,933	3,822	53,755	(12,718)	(6,570)	(4,674)	(17,158)	(41,120)	12,635	98,627
27	2043/44	51,205	3,891	55,096	(12,943)	(6,696)	(4,641)	(17,419)	(41,699)	13,397	112,024
28	2044/45	52,515	3,962	56,477	(13,171)	(6,824)	(4,607)	(17,837)	(42,439)	14,038	126,062
29	2045/46	53,866	4,034	57,900	(13,404)	(6,954)	(4,571)	(18,276)	(43,206)	14,694	140,756
30	2046/47	55,257	4,108	59,365	(13,642)	(7,087)	(21,408)	(18,666)	(60,802)	(1,437)	139,318



Housing Revenue Account Business Plan - Capital Account Extract												
		Expenditure						Funding				
Year	Year	Future Major Repairs	Improvements and loft conversions	Disabled Adaptations	New Build Development Costs	Other	Total Expenditure	Borrowing	RTB 141 & Other Receipts	Sales, grants and reserves	From Revenue	Total Funding
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2017/18	6,130	720	770	17,557	177	25,354	1,027	2,152	12,820	9,355	25,354
2	2018/19	6,283	350	770	8,980	138	16,521	1,700	2,168	8,353	4,300	16,521
3	2019/20	6,440	350	770	8,325	100	15,985	569	2,007	8,815	4,594	15,985
4	2020/21	6,601	350	770	7,149	100	14,970	0	1,637	9,332	4,001	14,970
5	2021/22	6,766	350	770	8,098	100	16,084	0	1,529	9,408	5,147	16,084
6	2022/23	7,186	300	770	8,250	100	16,606	6,500	1,212	8,606	288	16,606
7	2023/24	7,321	300	770	9,406	100	17,897	5,000	1,217	7,554	4,126	17,897
8	2024/25	7,375	300	770	10,566	100	19,111	5,000	1,221	7,741	5,149	19,111
9	2025/26	7,533	300	770	9,230	100	17,933	5,030	1,224	8,041	3,638	17,933
10	2026/27	7,791	300	770	8,898	100	17,859	10,000	1,227	6,532	100	17,859
11	2027/28	8,000	0	770	7,070	100	15,940	10,000	1,229	4,611	100	15,940
12	2028/29	8,157	0	770	7,247	100	16,274	0	1,228	13,821	1,225	16,274
13	2029/30	8,335	0	770	7,428	100	16,633	0	1,228	8,742	6,663	16,633
14	2030/31	8,519	0	770	7,614	100	17,003	10,000	1,227	5,676	100	17,003
15	2031/32	8,700	0	770	7,804	100	17,374	15,000	1,225	1,049	100	17,374
16	2032/33	9,604	0	770	8,000	100	18,474	0	1,222	17,252	0	18,474
17	2033/34	9,666	0	770	8,200	100	18,736	0	1,216	13,690	3,830	18,736
18	2034/35	9,894	0	770	8,405	100	19,169	15,000	1,211	2,958	0	19,169
19	2035/36	10,082	0	770	8,615	100	19,567	0	1,203	17,611	753	19,567
20	2036/37	10,304	0	770	8,830	100	20,004	10,000	1,193	8,811	0	20,004
21	2037/38	7,184	0	770	9,051	100	17,105	0	1,184	13,009	2,912	17,105
22	2038/39	7,288	0	770	9,277	100	17,435	0	1,170	11,402	4,863	17,435
23	2039/40	7,351	0	770	9,509	100	17,730	0	1,156	11,744	4,830	17,730
24	2040/41	7,529	0	770	9,747	100	18,146	0	1,141	12,095	4,910	18,146
25	2041/42	7,681	0	770	9,990	100	18,541	0	1,123	12,457	4,961	18,541
26	2042/43	7,151	0	770	10,240	100	18,261	0	1,103	12,830	4,328	18,261
27	2043/44	7,162	0	770	10,496	100	18,528	0	1,110	13,214	4,204	18,528
28	2044/45	7,324	0	770	10,759	100	18,953	0	1,116	13,609	4,228	18,953
29	2045/46	7,500	0	770	11,027	100	19,397	0	1,122	14,016	4,259	19,397
30	2046/47	7,620	0	770	11,303	100	19,793	0	1,128	14,435	4,230	19,793