

CABINET (HOUSING) COMMITTEE – 3 FEBRUARY 2016

CABINET - 10 FEBRUARY 2016

THE OVERVIEW AND SCRUTINY COMMITTEE – 22 FEBRUARY 2016

HOUSING REVENUE ACCOUNT BUDGET 2016/17 AND BUSINESS PLAN

REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

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RECENT REFERENCES:

CAB2738(HSG) – Housing Revenue Account Revised Budget, Business Plan and Budget Options Report

EXECUTIVE SUMMARY:

This report provides a Housing Revenue Account (HRA) budget for 2016/17 for consideration and updates Members on the latest information with regard to the policy changes that impact on local authority housing services.

It also requests approval for final revisions to the 2015/16 HRA budget and capital programmes. The proposed HRA capital programme for 2016/17 to 2020/21 is presented for approval and clarification on how all these changes affect the 30 year HRA Business Plan is also detailed.

THIS IS A REVISED VERSION OF THE ORIGINAL PUBLISHED REPORT. A new paragraph 5.1 has been added, together with some minor amendments to the comments in paragraph 5.2 (bullet points). These changes all relate to the 16/17 HRA budget.

In addition, paragraphs 6.1 and 6.2 (commentary on capital programme changes) have been updated to explain how the Milford House purchase has impacted on the rest of the programme and funding.

RECOMMENDATIONS:

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

- 1 That the HRA Revised Budget for 2015/16 and the Budget for 2016/17 as set out in Appendices 1 and 2 to the report be approved.
- 2 That garage rents for tenants be increased by 4% and for non-tenants by 10% with effect from 4 April 2016.
- 3 That the Housing Capital programme for 2015/16 to 2020/21 as set out in Appendices 3 and 4 to the report be approved.
- 4 That the proposals for funding the Housing Capital programme as detailed in Appendix 5, including the borrowing required for 2015/16, be approved.
- 5 That authority be given to incur capital expenditure of £9.257m 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, 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 self financing assumptions as detailed in Appendix 6 are noted and that forecast working balances are approved.

That the Overview and Scrutiny Committee:

- 8 Considers any recommendations it wishes to make to the Council for its consideration of the proposed HRA Business Plan or budget for 2016/17.

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REPORT OF ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER)

DETAIL:

1 Introduction

1.1 This report updates Members on the latest information regarding policy changes that affect Housing services in local authorities. It sets out the detailed budget proposals for 2016/17 and also provides final revisions to the 2015/16 HRA budget and the capital programme for this year.

1.2 The budget for 2016/17 has been produced on a “worst case” basis in relation to rents. The budget and capital programme for the next 5 years has been adjusted to reflect the decisions made at the January Council meeting (CAB2738(HSG) refers). The HRA Business Plan (HRA BP) has also been updated in light of this information.

2 Housing Priorities

2.1 The proposed budget and future capital programmes have been informed by tenant and Member priorities. These themes are reflected in the Housing Portfolio Plan approved at Council on 6 January 2016.

2.2 In the short term, and despite the policy changes that will have a negative impact on resources available to the HRA, it is possible to maintain key repairs programmes and everyday housing services as now. However, the HRA BP, as it currently stands, does require savings from 2024/25 in order to meet a shortfall in the capital programme.

2.3 Report CAB2738(HSG) that was presented to this Committee in November 2015 identified areas that will need to be considered for these savings and work is continuing on how these can be made. These areas included, as broad headings:

- Management/staff savings as part of the Council’s Transformation programme;
- Procurement efficiencies; and
- Asset management and development.

3 2015/16 Final Budget revisions and Capital Programme

3.1 Overall, revenue credit adjustments of £58,495 are being applied to the 2015/16 HRA budget. In addition, the capital expenditure being funded by the HRA is being reduced by £1,569,000 for reasons detailed in paragraph 3.4 below. Appendices 1 and 2 show the detailed adjustments proposed.

3.2 Although the net difference is relatively small, there are several items that warrant specific mention. These are:

- Estate maintenance (revenue) – there has been a consistent under spend on this budget in 2015/16 and it is proposed to reduce the budget by £100,000 to account for this;
- Void repairs – these costs have continued to increase in 2015/16 and, despite recharges to tenants of £35,000 being made, a budget adjustment of £180,000 is requested;
- Interest payable – when the budget was prepared for 2015/16, it was not anticipated that the £3.6m owed by the HRA to the General Fund would be repaid on 31 March 2015 and interest was calculated on this basis. Following the repayment, the interest due for this year can be reduced by £57,450.

3.3 Members may wish to note that, at the time of writing this report, vacancy management savings of over £246,000 have been achieved in the year. Although this saving is offset by agency and overtime costs in some areas, there are no other plans to utilise this budget saving which will increase the HRA balance at year end.

3.4 With reference to the HRA capital programme, the following adjustments have been made to the 2015/16 budgets:

- A reduction in major repairs costs of £511,000 in response to savings made in these budget areas. Most of this saving will be carried forward to 2016/17 to help fund contracts already being prepared.
- A reduction of £229,000 in the improvements and conversions budgets. This is partly due to later starts on extension works from the current year's programme with some costs carried forward to 2016/17 as a result. Also, some of the expenditure within the sheltered upgrades programme has been identified as revenue costs and is being treated accordingly.
- A reduction of £52,000 on the sewage treatment works programme as only one project at Owslebury remains to be completed this year.
- A reduction of £334,000 in the new build capital programme. This is mostly due to an adjustment to the property acquisitions budget as this is now unlikely to be spent in 2015/16 and will be moved forward to next year.

3.5 The above adjustments to the capital programme, together with an expected increase in HCA Grant for the extra care scheme, has enabled the HRA revenue contribution to capital expenditure to be reduced by £1,569,000 this year, as shown in Appendices 1 and 2.

4 Update on Policy Changes

4.1 With regard to rent reduction, the Welfare Reform and Work Bill has not yet been enacted and therefore no Regulations on implementation have been published. The latest advice from the Department of Communities and Local Government (DCLG) refers back to the relevant clauses and schedules in the Bill and the budget has therefore been prepared on the basis that the 1% rent reduction will apply to all tenancies. This will result in a reduced income of nearly £50,000 to the HRA in 2016/17, when compared to a CPI + 1% adjustment to rents for supported accommodation.

4.2 The latest indications from the Government are that rent increases after 2020 and until 2025 will return to CPI + 1% as originally stated in 2014. This revision has now been applied to the HRA Business Plan.

4.3 No further information has been received directly from Government regarding the levy required to support the introduction of Right to Buy to Housing Associations. However, data on stock values and “churn rates” (voids/tenancy change overs) has been supplied to DCLG as requested.

4.4 Similarly, no further information is known on the introduction of the “Pay to Stay” policy, other than the Housing and Planning Bill is progressing through Parliament with occasional amendments.

4.5 The budget and Business Plan has been prepared assuming the changes set out in 4.3 and 4.4 above will have a neutral impact. This is based on assurances that the levies will be calculated to allow retention of management and administrative costs, repayment of associated debt and an allowance to cover reduced income.

4.6 Changes to Universal Credit levels have been factored in to the HRA BP by applying a gradual increase to bad debt percentages over the next few years.

5 Proposed Changes to the 2016/17 Housing Revenue Account Budget

5.1 The proposed purchase of Milford House/Gordon Watson House has resulted in changes to both the HRA revenue budget for 2016/17 and the capital programme. The net benefit to the HRA for the coming year is estimated at £95,000, representing the increase to rental income and service charges, offset by anticipated maintenance, other premises and staffing/support costs.

5.2 After the Milford House adjustments but before the increase in revenue contributions to the capital programme is taken into account, the net adjustment to the HRA budget for 2016/17 (compared to the final 2015/16

revised budget) is an increase of £18,735. In addition to inflationary increases in some areas including employee costs, the main factors affecting this adjustment are as follows:

- Responsive and void repairs - £50,000 is to be transferred from responsive repairs to voids leaving the void budget at £510,000. An allowance of £10,500 has been made for responsive repairs to Milford House/Gordon Watson House for 2016/17. The original adjustment is in response to the over spend (compared to original budgets) for void repair costs for the last 2 years.
- Estate maintenance (building works) – the budget is to be returned to £200,000 as it was originally for 2015/16.
- The HRA contribution of £126,896 towards the cost of the Housing Needs Service provided from the Housing General Fund is to be withdrawn. This saving is partly offset by other changes to recharges from the General Fund.
- An increase in the non-salary linked pension contributions to the Hampshire Pension Fund of £12,744 to cover the annual increases in added years and past service payments.
- A transfer of £20,000 from the revenue disabled adaptations budget to the capital programme. This will assist with meeting the cost of the change in demand for the type of works required.
- A transfer of £50,000 from the sheltered upgrades capital programme to meet revenue costs of replacement furnishings and fittings at schemes where other upgrade works are being undertaken.
- A reduction of £38,640 to the net dwelling rents income budget (rents from Milford House will be credited direct to the homelessness area of the budget). Despite the 1% reduction being applied across all tenures, the additional rents for the full year from the completed new build schemes in 2015/16 (New Queens Gate, Westman Road and Spring Vale) help significantly in offsetting the loss.

5.3 Garage rent increases have been included at 4% for both tenants and non-tenants. If applied this increase, together with garages returning to full operation after major repairs, will provide additional income of £45,700 in 2016/17. The table below shows the current level of garage rent charges for other local authorities and Registered Providers within Hampshire (where information was made available).

Provider	2015/16 Charges		2016/17 Charges with 4% increase and 10% increase in ()		Notes
	Tenants	Non - Tenants	Tenants	Non - Tenants	
Winchester	9.35	10.61	9.72	11.03 (11.67)	
Authority A	10.31	12.37			16/17 charges not yet determined
Authority B	10.46	12.55			16/17 charges not yet determined. Extra charges for new garages
Authority C	10.00	12.00			16/17 charges not yet determined
Authority D	9.77	9.77	9.77	10.77	Only non-tenants charge increasing
Registered Provider A	11.50	13.80	12.00	14.20	Expected increase
Registered Provider B	9.25	11.10			16/17 charges not yet determined
All charges in the table above are nett of VAT at 20%.					

This table illustrates that, even with a 4% increase, Winchester's charges would be low when compared to other providers in the Hampshire area. If a 10% increase was applied to non-tenant garage licensees only, a further £30,000 additional income could be generated but with a potentially increased risk of terminations and voids. Members will need to determine the level of increase to be applied to garages as per Recommendation 2.

6 Changes to the HRA Capital Programme for 2016/17 to 2020/21

6.1 Appendices 3 and 4 detail the revised capital programme for the 5 year period from 2016 to 2021. Key changes to note from the programme presented with report CAB2738(HSG) are:

- An increase in the major works programme from £7.303m to £7.599m. This relates to carry forwards from some of the savings made in 2015/16.
- The improvements and conversions programme rises to £780,000 from £742,000. Again, much of the adjustment relates to carry forwards but, in addition, £50,000 has been moved from the sheltered upgrades budget into revenue spend as mentioned in paragraph 5.2 above.
- Disabled adaptations capital works have been increased by a further £20,000 as referred to in paragraph 5.2.above.
- An increase of £2,480,000 on the new build programme previously approved. The major part of this, some £2,565,000 is in respect of the purchase of Milford House/Gordon Watson House. Of the remainder, an extra £50,000 is being allocated to the proposed scheme at The Valley (previously shown as Wilberforce Close). Also, the Greenhill Road project budget has been revised to reflect the latest scheme for 4 dwellings (subject to planning permission and final scheme approval).

6.2 Appendix 5 shows the revised capital funding required to pay for the programme changes highlighted in paragraph 6.1. Increases in retained Right to Buy receipts this year have allowed extra funding from that source which will, in turn, reduce the usage of S.106 developer contributions in future years. The Milford House purchase is being funded from a combination of Right to Buy other retained receipts, S.106 contributions, HRA Revenue Contributions and additional borrowing. Total funding from the HRA working balance at £9,850,000 is required to help meet the full cost of the programme.

7 HRA Business Plan from 2016 to 2046

7.1 In November 2015, the report CAB2738(HSG) included 2 tables at appendices 7 and 8 that detailed the impact of the rent reduction on the HRA Business Plan and the capital shortfalls that needed to be addressed.

7.2 The changes to the 2015/16 and 2016/17 budgets and future revenue and capital programmes have now been applied to the HRA BP. In addition, the assumption that rent increases will return to CPI + 1% until 2025 (as mentioned in paragraph 4.2 above) has also been factored in to the latest version of the BP.

7.3 The amended table using the new figures is now shown at Appendix 6. The closing HRA working balance for each year is subject to an annual inflation increase and drops to the minimum level in years where there is a capital shortfall. Although not an issue at present, this working balance level is kept under review and will be increased if considered to be at an insufficient level.

7.4 The savings already identified together with the expected improvement in income from future rent increases will help meet the capital shortfalls previously reported. It is now forecast that the HRA will be sufficiently funded to meet current and proposed programmes until 2024/25. At that time, an

increase in major repairs costs, initially brought to light in the stock condition survey in 2014, will result in a shortfall of over £1.5m in that year.

- 7.5 Future shortfalls are not as significant as reported in November 2015 with the exception of 2025/26 (at over £3.1m) and 2045/46 (at over £7.5m). However, it should be noted that the HRA working balance at each year end remains low through the life of the Business Plan. There will also be an ongoing requirement to re-borrow when existing loans reach maturity, leaving the Council at close to the debt cap limit for the whole 30 year period.

OTHER CONSIDERATIONS:

8 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 8.1 The proposals accord with the principles of making the best use of all available resources by continued clear financial planning. The priorities of tenants and Members as detailed in the Housing portfolio plan are considered as part of the budget setting process.

9 RESOURCE IMPLICATIONS:

- 9.1 These are as discussed in the main body of the report.

10 RISK MANAGEMENT ISSUES

- 10.1 The policy change legislation that will affect housing services at all local authorities is still being progressed through Parliament and therefore still subject to final amendment. Prudent assumptions have been made in developing the 2016/17 budget and the HRA Business Plan to present reasonable forecasts of income and expenditure and to mitigate the risks where possible.
- 10.2 The loss of rental income from “forced sales” to help fund the Right to Buy levy is assumed to be neutral when offset by retained receipts or debt cleared. It is assumed other potential costs will be met from an administration allowance similar to that enjoyed through Right to Buy sales currently.
- 10.3 Employee costs (excepting NI and pension costs) and internal General Fund recharges inflation factors have been projected at 1% until 2020 except where stated. Higher rates of inflation than those currently forecast in the HRA BP could also impact detrimentally on the HRA, particularly in areas such as maintenance and new build construction costs.
- 10.4 The HRA will be required to make the first loan repayment of £5m from the Self-Financing settlement in 2022/23. It is vital to ensure that funds are available to make this repayment, even if equivalent borrowing is required within the same year. It is equally important that interest costs can be met from existing resources.

- 10.5 Within the HRA BP, no allowance has been made for the £17.5m Section 106 Contributions expected from the North Whiteley development. This is because no strategic decisions have yet been made on how these funds may be spent i.e. granted to RPs for affordable housing development and/or retained for use by the Council.
- 10.6 No allowance has currently been made for the effects of the Hampshire devolution bid within the HRA.

11 TACT Comment

- 11.1 This report was presented in draft form to the TACT meeting on 20 January for discussion. The Committee of TACT will meet further to agree verbal comments to be made to Cabinet (Housing) on 3 February 2016.

BACKGROUND DOCUMENTS:

Housing Portfolio Plan as reported to Cabinet, Overview and Scrutiny Committee and Council – Report CAB2741 refers.

APPENDICES:

Appendix 1 – HRA Service Summary 2016/17 Original Budget

Appendix 2 – HRA Subjective Summary 2016/17 Original Budget

Appendix 3 – Proposed Housing Services Capital Programme 2015 – 2021

Appendix 4 – Proposed New Build Capital Programme 2015 – 2021

Appendix 5 – HRA Capital Programme Funding 2015 – 2021

Appendix 6 – HRA Business Plan Self-Financing Extract

Housing Revenue Account 2016/17 Budget - Service Summary

	2015/16	2015/16	2015/16	2015/16	2015/16	2016/17	2016/17
	Original	Revised	Further	Working	One Offs	Adjustments	Original
	Budget	Budget per	Adjustments	Budget			Budget
	£	£	£	£	£	£	£
Housing Management General							
Estate Management	879,073	944,804	(468)	944,336	0	62,562	1,006,898
HRA General	1,690,966	1,979,151	12,433	1,991,584	(35,000)	(87,486)	1,868,098
Joint Housing Register	126,896	126,896	0	126,896	0	(126,896)	0
Removal Incentive Scheme	80,000	50,000	0	50,000	0	0	50,000
Rent Accounting	268,660	259,324	0	259,324	0	(719)	258,605
Tenants Information	123,128	123,588	0	123,588	0	4,548	128,136
Vacant Dwellings	24,044	24,044	0	24,044	0	0	24,044
New Build Programme Support	467,645	437,645	0	437,645	0	30,000	467,645
	3,660,412	3,945,452	11,965	3,957,417	(35,000)	(117,991)	3,803,426
Housing Management Special							
Communal Services	12,210	(17,032)	(4,440)	(21,472)	0	3,004	(18,468)
Disabled Adaptations	132,541	132,730	(10,000)	122,730	0	(9,419)	113,311
Estate Maintenance	479,652	518,652	(100,000)	418,652	0	100,000	518,652
Homelessness	(50,086)	(24,772)	1,127	(23,645)	(12,000)	(102,450)	(138,095)
Sewage Works	213,611	255,611	700	256,311	0	0	256,311
Sheltered Housing	637,231	661,182	(13,217)	647,965	(8,750)	65,244	704,459
	1,425,159	1,526,371	(125,830)	1,400,541	(20,750)	56,379	1,436,170
Repairs							
Responsive Maintenance	2,300,000	2,300,000	0	2,300,000	0	(39,500)	2,260,500
Voids	470,000	435,000	180,000	615,000	0	(115,000)	500,000
Cyclic	1,176,000	1,176,000	0	1,176,000	0	0	1,176,000
Sub-total Repairs Works	3,946,000	3,911,000	180,000	4,091,000	0	(154,500)	3,936,500
Repairs Administration	1,439,722	1,277,793	(18,280)	1,259,513	0	168,701	1,428,214
	5,385,722	5,188,793	161,720	5,350,513	0	14,201	5,364,714
Total							
Interest Payable	5,225,450	5,225,450	(57,450)	5,168,000	0	4,000	5,172,000
Depreciation of Fixed Assets	5,929,000	5,929,000	0	5,929,000	0	47,430	5,976,430
	11,154,450	11,154,450	(57,450)	11,097,000	0	51,430	11,148,430
Rents and Other Income							
Dwelling Rents	(26,414,608)	(26,430,200)	0	(26,430,200)	0	38,640	(26,391,560)
Garage Rents	(862,750)	(807,100)	0	(807,100)	0	(43,130)	(850,230)
Other Income	(275,187)	(278,637)	0	(278,637)	0	(6,204)	(284,841)
Sheltered Charges	(399,900)	(506,500)	0	(506,500)	0	(23,490)	(529,990)
Interest Receivable	(24,000)	(24,000)	0	(24,000)	0	0	(24,000)
	(27,976,445)	(28,046,437)	0	(28,046,437)	0	(34,184)	(28,080,621)
Surplus for year on HRA Services	(6,350,702)	(6,231,371)	(9,595)	(6,240,966)	(55,750)	(30,165)	(6,326,881)
Capital Expenditure funded by HRA	10,362,000	6,917,000	(1,569,000)	5,348,000	0	4,502,000	9,850,000
Right to Buy Admin Fees	(20,800)	(20,800)	(2,600)	(23,400)	0	2,600	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	3,990,498	664,829	(1,581,195)	(916,366)	(55,750)	4,569,435	3,502,319
Transfer re Insurance Reserve	66,300	66,300	(46,300)	20,000	0	46,300	66,300
(Increase)/ decrease in HRA Balance	4,056,798	731,129	(1,627,495)	(896,366)	(55,750)	4,615,735	3,568,619
HRA Working Balance							
Opening Balance	(6,479,018)	(4,186,159)	0	(4,186,159)	0	0	(5,082,525)
Add Projected Deficit/(Surplus)	4,056,798	731,129	(1,627,495)	(896,366)	0	0	3,568,619
Projected Balance at Year End	(2,422,220)	(3,455,030)	(1,627,495)	(5,082,525)	0	0	(1,513,906)

Housing Revenue Account Budget 2016/17 - Subjective Summary

	2015/16	2015/16	2015/16	2015/16	2015/16	2016/17	2016/17
	Original	Revised Budget	Further	Working	One Offs	Adjustments	Original
	Budget	per	Adjustments	Budget			Budget
	£	£	£	£	£	£	£
Employees	3,074,453	3,083,590	0	3,083,590	(8,750)	155,098	3,229,938
Premises	5,225,633	5,237,904	68,260	5,306,164	0	(58,446)	5,247,718
Transport	266,065	256,065	(4,439)	251,626	0	10,140	261,766
Supplies & services	843,992	881,416	(36,000)	845,416	(47,000)	77,826	876,242
Third party payments	125,000	100,000	5,000	105,000	0	0	105,000
Support Services	2,173,236	2,306,749	15,034	2,321,783	0	(78,889)	2,242,894
Net Interest	5,225,540	5,225,540	(57,450)	5,168,090	0	4,000	5,172,090
Depreciation on Fixed Assets	5,929,000	5,929,000	0	5,929,000	0	47,430	5,976,430
External income	(29,213,621)	(29,251,635)	0	(29,251,635)	0	(187,324)	(29,438,959)
Surplus for year on HRA Services	(6,350,702)	(6,231,371)	(9,595)	(6,240,966)	(55,750)	(30,165)	(6,326,881)
Capital Expenditure funded by HRA	10,362,000	6,917,000	(1,569,000)	5,348,000	0	4,502,000	9,850,000
Right to Buy Admin Fees	(20,800)	(20,800)	(2,600)	(23,400)	0	2,600	(20,800)
Net (increase)/decrease in HRA Balance before transfers to or from reserves	3,990,498	664,829	(1,581,195)	(916,366)	(55,750)	4,474,435	3,502,319
Transfer re Insurance Reserve	66,300	66,300	(46,300)	20,000	0	46,300	66,300
(Increase)/ decrease in HRA Balance	4,056,798	731,129	(1,627,495)	(896,366)	(55,750)	4,520,735	3,568,619

HRA Working Balance							
Opening Balance	(6,479,018)	(4,186,159)	0	(4,186,159)	0	0	(5,082,525)
Add Projected Deficit/(Surplus)	4,056,798	731,129	0	(896,366)	0	0	3,568,619
Projected Balance at Year End	(2,422,220)	(3,455,030)	0	(5,082,525)	0	0	(1,513,906)

HRA Capital Programme - Budget 2015/16 to 2020/21

Housing Services

Housing Services Programme	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000
Major Repairs							
External Envelope Works	600	3,000	2,206	2,266	2,328	2,386	12,786
External Ground Works	650	639	657	675	693	710	4,024
External Window/Door/Screens	600	772	499	512	524	537	3,444
Internal Structure & Finishes	300	225	231	237	243	249	1,485
Kitchen & Bathroom Renewals	1,950	2,033	1,974	2,027	2,082	2,134	12,200
Mechanical & Electrical Services	1,500	930	955	982	1,012	1,037	6,416
	5,600	7,599	6,522	6,699	6,882	7,053	40,355
Improvements & Conversions							
Estate Improvements	663	250	250	250	250	250	1,913
Loft Conversions/Extensions	281	220	0	0	0	0	501
Sheltered Housing Conversions	205	210	0	0	0	0	415
Sheltered Housing Upgrades	180	100	100	100	100	100	680
	1,329	780	350	350	350	350	3,509
Disabled Adaptations	731	770	792	814	840	860	4,807
Other Capital Spending							
River Itchen Maintenance	36						36
Sewage Treatment Works	114	108	111	114	117	120	684
Total HS Capital Programme	7,810	9,257	7,775	7,977	8,189	8,383	49,391

HRA Capital Programme - Budget 2015/16 to 2020/21

New Build

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Scheme description	Previous years actuals	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000	£000
New Build Programme								
Bourne Close	451	8						
Pumping Station, Itchen Abbas	639	10						
New Queens Head, Stanmore	361	2,356						
Spring Vale, Swanmore	12	357						
Westman Rd	67	1,699	50					1,816
Victoria House	161	100	4,113	477				4,851
Hillier Way	0	111	2,171	448				2,730
Extra Care	264	2,952	10,938	1,255				15,409
Mitford Road	0	100	600	575				1,275
The Valley, Stanmore	0	0	100	2,450	1,050			3,600
Knowle Village	0	90	200	1,610				1,900
Bailey Close	0	10	180	440				630
Greenhill Road	0	35	380	680				1,095
Milford House	0	10	2,565	0				2,575
Property Acquisition	486	0	560	0				1,046
Sheltered Conversions	0	0	0	200	200	200	200	800
Small sites / unallocated programme	0	0	207	837	4,510	5,770	5,949	17,273
Total New Build Programme	2,441	7,838	22,064	8,972	5,760	5,970	6,149	59,194

HRA Capital Programme - Funding 2015/16 to 2020/21

HRA Capital Programme Funding

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
	£000	£000	£000	£000	£000	£000	£000
Right to Buy 1-4-1 Receipts	782	728	1,171	600	600	500	4,381
Right to Buy Other Retained receipts	0	1,063	262	347	175	325	2,172
Non-RTB Sales	170	670	160	0	0	0	1,000
Other capital receipts	100	0	25	0	0	0	125
S.106 Contributions	500	2,035	629	50	0	250	3,464
Harris Bequest	605	0	0	0	0	0	605
HCA Grants	1,387	0	463	0	0	0	1,850
HCC Extra Care Grant	567	567	566	0	0	0	1,700
HRA Revenue Contributions to Capital	5,348	9,850	7,041	6,075	5,104	6,458	39,876
Additional Borrowing	631	10,258	0	0	1,450	0	12,339
Renewable Heating Grant	8	0	0	0	0	0	8
Major Repairs Reserve	5,550	6,150	6,430	6,665	6,830	6,999	38,624
Total Funding	15,648	31,321	16,747	13,737	14,159	14,532	106,144
Maintenance (from Appx 3)	7,810	9,257	7,775	7,977	8,189	8,383	49,391
New Build (from Appx 4)	7,838	22,064	8,972	5,760	5,970	6,149	56,753
Capital Programme Total	15,648	31,321	16,747	13,737	14,159	14,532	106,144

Housing Revenue Account Business Plan - Self-Financing Extract

Year No.	Year	Closing HRA Working Balance £	Capital Shortfall in Year £	Extra Borrowing £	Principal Repayments £	Closing Borrowing £	HRA Borrowing Limit (Debt Cap) £
1	2016/17	1,513,906	0	10,258,170	0	167,610,970	168,512,988
2	2017/18	3,398,970	0	0	890,000	166,720,970	168,512,988
3	2018/19	3,098,900	0	0	0	166,720,970	168,512,988
4	2019/20	2,271,900	0	1,440,030	0	168,161,000	168,512,988
5	2020/21	2,499,000	0	0	0	168,161,000	168,512,988
6	2021/22	2,586,829	0	0	0	168,161,000	168,512,988
7	2022/23	2,159,596	0	0	0	168,161,000	168,512,988
8	2023/24	2,027,036	0	0	0	168,161,000	168,512,988
9	2024/25	1,276,083	1,549,735	0	0	168,161,000	168,512,988
10	2025/26	1,306,794	3,143,844	0	0	168,161,000	168,512,988
11	2026/27	1,339,462	354,786	0	0	168,161,000	168,512,988
12	2027/28	1,372,948	494,242	0	0	168,161,000	168,512,988
13	2028/29	1,407,272	569,987	0	0	168,161,000	168,512,988
14	2029/30	1,442,454	451,247	0	0	168,161,000	168,512,988
15	2030/31	1,836,200	0	0	0	168,161,000	168,512,988
16	2031/32	1,566,451	0	0	0	168,161,000	168,512,988
17	2032/33	1,553,614	853,271	0	0	168,161,000	168,512,988
18	2033/34	1,592,200	745,110	0	0	168,161,000	168,512,988
19	2034/35	1,632,004	535,741	0	0	168,161,000	168,512,988
20	2035/36	1,720,609	0	0	0	168,161,000	168,512,988
21	2036/37	1,714,869	325,212	0	0	168,161,000	168,512,988
22	2037/38	1,757,490	670,124	0	0	168,161,000	168,512,988
23	2038/39	1,801,427	525,869	0	0	168,161,000	168,512,988
24	2039/40	1,846,463	399,131	0	0	168,161,000	168,512,988
25	2040/41	1,892,625	273,374	0	0	168,161,000	168,512,988
26	2041/42	1,939,940	892,698	0	2,000,000	166,161,000	168,512,988
27	2042/43	2,086,103	148,110	0	0	166,161,000	168,512,988
28	2043/44	2,425,350	0	0	0	166,161,000	168,512,988
29	2044/45	2,089,773	584,085	0	1,650,000	164,511,000	168,512,988
30	2045/46	2,141,332	7,587,984	3,500,000	0	168,011,000	168,512,988

Note:

First principal repayment from self-financing loans due in 2022/23 but will be re-borrowed in the same year.