

REPORT TITLE: HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL
PROGRAMME OUTTURN 2017/18

4 JULY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING
SERVICES

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WARD(S): ALL

PURPOSE

This report provides an update to members on the financial performance of the Housing Revenue Account (HRA) in 2017/18 and the associated Housing capital programme. It also requests approval for revised budget forecasts to the 2018/19 HRA budget and capital programme to reflect updated costs and take account of emerging issues.

RECOMMENDATIONS:

That Cabinet (Housing) Committee:

1. Approves the HRA Outturn figures for 2017/18 as detailed in Appendices 1 and 2;
2. Notes the carry forward items from 2017/18 and approves the Re-forecast HRA Budget for 2018/19 as detailed in Paragraph 11.2 and Appendix 3;
3. Approves the provision of up to £100,000 for costs related to the rollout of Universal Credit in the Winchester area with delegated authority to the Corporate Head of Housing to spend as required;
4. Notes the Housing capital programme outturn for major works and new build developments as detailed in Paragraphs 11.5 to 11.6 and Appendices 4 & 5;

5. Approves the funding of the HRA capital programme as detailed in Paragraph 11.8 and Appendix 6;
6. Supports the re-forecast capital programme budget of £17,606,400 for 2018/19 in Paragraphs 11.9 to 11.12 of the report and detailed in Appendix 7;
7. Approves the additional expenditure required to complete the Mitford Road development as detailed in Paragraph 11.12.d);
8. Approves the proposal detailed in paragraph 11.12.m) to buy back former Right to Buy properties in line with the Asset Management policy to ensure the full use of 1-4-1 Right to Buy receipts in 2018/19.
9. That the Corporate Head of Housing, in consultation with the Corporate Head of Resources, be authorised to negotiate terms with Galliford Try's mechanical and electrical equipment advisor and installer at Chesil Lodge for the provision of the first year's support for specialist systems as detailed in Paragraph 11.2.iv) in the report, and a Direction be made under Contracts Procedure Rule 2.4 a) accordingly.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council and effective resource management is key to achieving this objective. Regular updates to our financial forecasts and HRA Business Plan allows for the continuing success of our repairs service and the ability to take new build opportunities as they arise.

2 FINANCIAL IMPLICATIONS

- 2.1 Full details are included in Section 11 but, briefly, the Council achieved a small net surplus of £117,705 on the HRA for 2017/18 after allowing for the use of £4.969m for capital purposes and the repayment of internal borrowing of £1.029m. It is proposed to carry forward to 2018/19 £179,000 of under spends or savings against specific budgets to support emerging issues or delayed projects. Further adjustments to the forecast budget detailed in Section 11 will result in an overall increase to the budget of £378,593, increasing the projected deficit for the current year to £626,894.
- 2.2 In the Housing capital programme, total spend in the 2017/18 year was £19.023m against a budget forecast in July 2017 of £24.694m (77% spent to budget) giving a variance of £5,671,202 in the year. This compares with an 82.8% spend against the final budget forecast from January 2018 of £22.969m. A re-forecast budget of £17,606,400m for 2018/19 is presented for approval for existing projects and new initiatives.

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 limit (the debt cap). Effective management of the HRA is necessary to ensure that both of these statutory requirements are met.
- 3.2 HRA capital 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 be submitted for planning permission and tender will be reported to the Committee for approval.

4 WORKFORCE IMPLICATIONS

- 4.1 The HRA 2018/19 Budget and Business Plan report (CAB3016(HSG) refers) made reference to additional staff resources that would be needed to support the rollout of Universal Credit and higher new build programme targets. This report does not anticipate any further changes to those resource requests.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In order to meet one of the key principles of the Council's strategy, the HRA is required to provide sufficient financial resources to both maintain the Council's existing housing stock to decent homes standard and to enable new affordable housing to be built to help meet local demands.

6 CONSULTATION AND COMMUNICATION

- 6.1 A briefing paper on the key points of this report will have been considered by TACT at their meeting on 12 June 2018. Tenant representatives will be in attendance to give feedback to Cabinet (Housing) Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The Housing Service considers environmental and ecological factors when developing new build properties and preparing major works plans including estate improvements, working closely with planning officers and the Council's Landscape Team where appropriate. Additional costs for meeting these responsibilities are included in project appraisals and scheme budgets.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 There are no equality issues arising from this report.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None Required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property That Council owned dwellings fail to meet decent home standards</i>	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	
<i>Community Support Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.</i>	Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.

<p><i>Timescales</i> <i>Delays to new build contracts may result in increased costs and lost revenue.</i></p> <p><i>Delays to major works may result in the loss of decent home status for individual properties.</i></p>	<p>New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.</p> <p>Continual updating of asset management plans and major works budgets allows potential issues to be addressed quickly.</p>	
<p><i>Project capacity</i> <i>The HRA debt cap and rules around the use of Right to Buy receipts may limit the ability of the Council to implement proposed new build and major works schemes.</i></p> <p><i>Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.</i></p>	<p>Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.</p> <p>Staffing resources have been reviewed to support the delivery of the enhanced new build programme.</p>	<p>The Council is monitoring Government announcements on the HRA debt cap to enable an increase in financial resources available.</p>
<p><i>Financial / VfM</i> <i>Risks, mitigation and opportunities are discussed elsewhere in this report.</i></p>		
<p><i>Legal</i> <i>Changing Government priorities and a greater emphasis on social housing (as opposed to affordable housing) may have a direct impact on future new build projects.</i></p>	<p>Government policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	
<p><i>Innovation</i> <i>The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i></p>	<p>External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution.</p>	<p>A Housing Company has the potential to increase the available supply of affordable housing to support our residents.</p>
<p><i>Reputation</i> <i>Failure to complete major housing projects due to</i></p>	<p>Business planning tools with regular updates are</p>	

<i>lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	utilised to make sure resources are available to complete projects.	
<i>Other - None</i>		

11 SUPPORTING INFORMATION:

HRA Outturn 2017/18

- 11.1 Details of the financial performance for the HRA is shown in Appendices 1 and 2 with the re-forecast budget for 2018/19 in Appendix 3. Overall, the HRA produced a surplus of £117,705 in the year against an income of £29.10m before asset sales and interest receivable. The deficit in 2017/18 had been forecast at £3,070,751, leaving a variance of £3,188,456 for the year.

Appendix 1 provides a subjective summary of the outturn figures and the key variances to budgets. For premises, the main difference is due to reduced spend on responsive and cyclical works (see paragraph 11.2.g) below for more details). In supplies and services, there were under spends on IT consultancy and other services of £67k, new build professional services (see paragraph 11.2.c) below) of £71k and sheltered furniture and equipment and contracted services (see paragraph 11.2.f) below) of £127k. The other main variance is an increase in depreciation on fixed assets of £652k as detailed in paragraph 11.2.h).

- 11.2 Within the main service areas, the larger variances were:

- a) HRA General - £143k under – with £76k savings from vacancy management and £97k from supplies and services being the largest contributors. It is proposed that £100k of this saving is put aside as a provision for likely additional costs arising from the rollout of Universal Credit to the whole Winchester District area from July 2018 (recommendation 3 refers). This is in addition to the £138,000 Government grant already received to fund Discretionary Housing Payments (DHP).
- b) Tenants Information - £30k under – achieved through savings from employee costs and support services, mostly design and print. It is proposed to carry forward £20,000 of this saving to support a move to digital surveys for tenants and a campaign to promote the “My Council House” self service portal.
- c) New Build Programme Support - £120k under – from lower spending on legal/business planning advice for a Housing Company and savings from support service recharges following the transfer of staff costs to

the HRA. A forecast adjustment of £50,000 is proposed to further the work on setting up a Housing Company.

- d) Estate Maintenance - £49k under – with reduced spending on maintenance of communal areas. A forecast adjustment of £20,000 is proposed for additional works required on tree maintenance.
- e) Sewage Works – (£67k) over – the recharge from the Special Maintenance Team contributed £36k to this over spend with works maintenance and utility costs a further £28k over spent.
- f) Sheltered Housing - £78k under – the delay in completing Chesil Lodge meant that £80k put aside for furnishings and the catering contract remained unspent at the year end. A forecast adjustment of £70k is proposed to cover the furniture & kitchen equipment cost for Chesil Lodge in this year.
- g) Repairs Works - £263k under – in this mainly demand led budget area. The under spend was primarily due to ongoing efficiencies in the external painting & repair contracts and withdrawal of the discretionary works scheme. The forecast for 2018/19 has been adjusted to reflect new thinking on the budgets required for responsive repairs and cyclic works. For voids, the proposed increase in the budget to £950k includes an allowance for comprehensive void works to the Sussex Street hostel in readiness for a new partnership with a supported housing provider.
- h) Depreciation of Fixed Assets – (£652k) over – a new method of calculating depreciation in the HRA has been introduced into the accounts this year. This has required an analysis of costs and life cycles for itemised components such as kitchens, windows, roofs, etc. and the increase more accurately reflects the level of future investment that is required in the Council's housing stock. However, the net effect on the HRA is nil as the additional depreciation charge is then used towards the major works capital programme, offsetting the contribution from HRA surpluses and balances.

Other budget re-forecasts for 2018/19 include:

- i) Removal Incentive Scheme – an additional £10k has been added to the budget to support the costs of downsizing incentives for the Victoria Court new build scheme.
- ii) Repairs Administration – an extra £9k from the savings made in 2017/18 has been added to the budget to cover the cost of procurement review.
- iii) Interest Payable – this budget line reflects the cost of external interest on the Council's HRA borrowing and has been reduced by £14k as

there is no expected change to the external borrowing requirement this year.

- iv) Chesil Lodge – on the completion of this scheme, the Council will take on responsibility for the specialist maintenance of mechanical and electrical systems e.g. building management systems, CCTV, access controls, combined heat & power unit. Due to the complex nature of the various components it would make sense to use the contractor's original adviser and installer for the different systems. However, the quote for the first 12 months is above the amount allowed under the Council's Contract Procedure Rules without seeking further tenders. This report includes a recommendation (number 9) that these rules are waived to allow the Council to retain suitable expertise to ensure continuity in services at a critical time for this flagship scheme.

11.3 HRA Capital Programme Outturn 2017/18

- 11.4 Appendices 4 and 5 detail the spend in 2017/18 for both the Housing Services and New Build capital programmes against both the original budget and more recent forecasts.

- 11.5 Within Housing Services (Appendix 4), £7.165m was spent against a budget of £8.375m (85.5%), a variance of £1.21m on the year. The largest variances were for external building structure works at £976k – where forecasts had already been reduced and delayed starts to projects and difficulties with access to undertake works were the main reasons for the under spend – and kitchens and bathrooms – where an additional budget allocation was made to reflect anticipated levels of spend in the year. External ground works forecasts were reduced in anticipation of lower spending on fencing and discretionary works. Estate improvements were under spent by £132k at year end where the lack of a dedicated Estates Improvements Officer for the second half of the year caused delays to some projects and improvements to parking arrangements at Trussell Crescent were subject to further consultation. The disabled adaptations budget was under spent by £194k due to a combination of lower demand, delayed medical assessments and holding back some funds for works at Chesil Lodge and Victoria Court which will not be completed until this financial year. The sheltered wi-fi programme was postponed whilst the best value method of procurement was determined and is now due to commence later this summer.

- 11.6 For the new build capital programme (Appendix 5), £11.858m was spent against a final budget of £16.319m (72.7%) although the vast majority of this under spend is committed to existing schemes on site and will be spent early in 2018/19. The Hillier Way scheme was completed in November 2017 with costs coming in under the final budget. However, several other schemes have been subject to delays for a wide variety of reasons including contractor insolvency at Bailey Close, late approval for highways works at Mitford Road and having to retender the contract at The Valley. Victoria House (now known as Victoria Court) was scheduled to be completed before year end but

weather delays and the post year end failure of the contractor into administration has caused an increased re-forecast budget. For Chesil Lodge, full handover will have been completed by the time this report is considered by Committee but there was a large under spend on the expected costs for 2017/18. The sheltered conversions budget was slightly over spent at year end due to works at Drummond Close being completed earlier than expected, the new flat was first let from 9 April.

11.7 HRA Capital Programme Funding

11.8 Appendix 6 details the funding proposed for the capital programme for 2017/18. With reduced spend in both Housing Services and New Build capital programmes, £5.671m less was required in total, of which £3.634m is being held back in HRA balances. The approval of Homes England grant to fund the scheme at The Valley (from 2019/20) was a contributor to using less RTB 1-4-1 funds last year. The delayed completion of Victoria Court and Chesil Lodge resulted in lower sales income than forecast, this will now be utilised for funding the remaining costs of these schemes in 2018/19. Although the Chesil Street Extra Care scheme did not complete prior to 31 March, the Council were given dispensation to claim the Homes England practical completion grant request early so funds were available for this purpose in 2017/18. Finally, reference is made in paragraph 11.2.h) above to the increase in fixed assets depreciation in 2017/18, as can be seen in the appendix, the additional amount has been used to fund major works.

11.9 HRA Capital Programme Re-Forecast for 2018/19

11.10 Within the Housing Services area, an increase to the original capital programme budget of £1,045,400 is proposed, this compares to an overall under spend in 2017/18 of £1,210,308. Details of individual budgets can be seen in Appendix 7.

11.11 The additional monies requested are to help fund:

- a) An enhanced replacement of kitchens in voids (an extra £337k).
- b) Mechanical & electrical works (£965k), including a catch up on electrical testing, smoke detectors at Winnall flats and district heating network upgrades. This is in addition to the already planned boiler and Quantum heating system upgrades that took up much of the original budget.
- c) Disabled adaptations (£36k) to cover the cost of additional adaptations at Chesil Lodge and Victoria Court new build schemes.
- d) Estate improvements (£35k) to meet the remaining costs of the works at Trussell Crescent.

- e) Sheltered wi-fi (£105k) where full quotes for installation have now been received, these also incorporate adding wi-fi services to our temporary accommodation hostels.
- f) Members should note that the external ground works budget (that is used to fund external utility works (such as drain repairs) and fencing has been reduced from £933,000 to £500,000 to reflect current spend levels and to offset some of the increases to other budgets.

11.12 For the new homes programme, the variance on the year (shown in Appendix 5) was £4,460,894 under spent. The original budget for 2018/19 was set at £14.632m (CAB3016(HSG) refers) but revised forecasts now estimate the spend for this year to be £9.300m. The additional funds required or adjustments to budgets are shown in Appendix 7 and detailed below:

- a) Victoria House – in addition to the under spend of £266k last year, an allowance has been added to meet any extra costs arising from the administration of the contractor, HH Drew, to enable the completion of the scheme.
- b) Hillier Way – a carry forward of the under spend in last year (£10k) to meet any potential costs arising from the contractor going into administration during the defects liability period.
- c) Chesil Street Extra Care – in addition to the under spend of £1.223m in 2017/18, an allowance has been made for extra costs due to the delay whilst negotiations on liquidated damages are continuing.
- d) Mitford Road – the under spend of £24k in 2017/18, when added to the original budget of £267k does not accurately reflect the expected costs required to complete this scheme. A large part of the reason for the additional monies is due to a payment bond of £64,600 being made to Hampshire CC for highways works and additional landscaping costs. It is hoped that the payment bond will be returned on scheme completion later this year. Members should note that the total cost of this scheme is now estimated at £1.530m. This is nearly £100,000 more than 10% above the previously approved budget for the scheme of £1,303,750 (CAB2842(HSG) from 11 October 2016 refers), although the recovery of the highways bond will reduce this to approximately £35,000. Members are requested to confirm their approval under Recommendation 7 for the extra funds required to complete this project later this summer.
- e) The Valley – the design fees that were expected to be paid out in 2017/18 did not materialize due to a delay in contract tendering. It is now expected that the start on site will not happen until after March 2019 so the budget of £3,975,000 has been reduced to £850,000 for 2018/19.

- f) Mayles Lane – the under spend of £10k in 2017/18 has been carried into the new year with a start on site expected later this summer.
- g) Bailey Close – the unexpected financial failure of the contractor last September has led to delays in this project being completed and the under spend of £225k is being carried forward into 2018/19 in full.
- h) Rowlings Road – the original budget allowed for a start on site in Autumn 2018 but issues with existing access rights are likely to delay this timing so the budget has been adjusted accordingly.
- i) Meryon Road & Charles/Dyson – the original budgets allowed for starts on site during 2018/19 for both of these schemes, these have been adjusted to show expected fees costs for this year.
- j) Dolphin Hill – it was intended that these works would be completed this year. However, whilst works on the upgrade to the existing property have progressed well, it is now unlikely that the full scheme will be delivered in 2018/19.
- k) Hookpit, Kings Worthy – the budget has been adjusted to allow for a deposit payment to be made on this project, rather than the stage payments expected when the budget was being compiled.
- l) Winnall Flats – this has been added to the budget for 2018/19 to cover expected fees. This project had been left off the original budget for 2018/19 as it was initially unclear whether this scheme would be funded through the HRA.
- m) RTB 1-4-1 funded sites – after the allocation of RTB 1-4-1 receipts had been made for 2017/18, it was identified that £1.561m of 1-4-1 receipts needs to be spent in 2018/19 to avoid having to pay them over to HM Treasury. This will require spending on eligible new build schemes or acquisitions of over £5.2m in the year. Eligible new build schemes do not include those projects where the Council has either received Homes England grant or has had a bid for such a grant approved for example, Chesil Lodge and The Valley. After the re-forecast budgets for the new build schemes detailed in Appendix 7 are taken into account, further spending of around £1.3m (allowing for some cost slippage) will need to be made this year. This can be achieved by supporting housing provider partners with their new schemes and/or acquiring suitable properties on the open market to let at affordable rents. The Asset Management policy allows for the acquisition of properties by the HRA “where appropriate” with decisions taken under the Portfolio Holder decision notice procedure (CAB2791(HSG) refers). Members are requested to re-confirm their approval under Recommendation 8 to support the purchase of suitable properties in line with this policy.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 It would be possible not to include any carry forward requests into the budgets for 2018/19. However, this is likely to cause future requests for additional budgets later in the year.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB2791(HSG) Housing Revenue Account Housing Management Strategy – 22 March 2016

CAB2842(HSG) Authorisation for final approval to construct housing scheme at Mitford Road, Alresford – 11 October 2016

CAB2930(HSG) Housing Revenue Account 2016/17 Outturn and Key Performance Indicators – 6 July 2017

CAB2986(HSG) Housing Revenue Account Budget Options 2018/19 and Rent Setting – 22 November 2017

CAB3016(HSG) Housing Revenue Account Budget 2018/19 and Business Plan – 31 January 2018.

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2017/18 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2017/18 – Service Summary

Appendix 3 – Housing Revenue Account 2018/19 – Re-forecast Budget

Appendix 4 – Housing Capital Programme 2017/18 – Housing Services Outturn

Appendix 5 – Housing Capital Programme 2017/18 – New Build Outturn

Appendix 6 – Housing Capital Programme 2017/18 Funding

Appendix 7 – Housing Capital Programme 2018/19 – Re-forecast Budget

Winchester City Council Housing Revenue Account Outturn 2017/18					CAB3036(HSG)
		Revised			Appendix 1
		Forecast			
	Original	Budget per		Variance	
	Budget	CAB3016(HSG)	Outturn	to	
Housing Revenue Account:	2017/18	2017/18	2017/18	Revised Budget	
Subjective Summary	£	£	£	£	
Employees	(3,229,227)	(3,507,616)	(3,454,412)	53,204	
Premises	(5,104,791)	(4,836,431)	(4,594,548)	241,883	
Transport	(292,675)	(312,850)	(314,439)	(1,589)	
Supplies & Services	(871,214)	(1,005,633)	(664,246)	341,387	
Third Party Payments	(102,000)	(110,000)	(74,695)	35,305	
Support Services	(2,606,089)	(2,230,525)	(2,111,666)	118,859	
External Interest Payable	(5,192,090)	(5,206,090)	(5,167,926)	38,164	
Depreciation on Fixed Assets	(5,988,560)	(5,988,560)	(6,640,378)	(651,818)	
Amortisation of Intangibles	0	0	(14,574)	(14,574)	
External income	29,377,144	29,042,454	29,099,770	57,316	
Items included in I&E but reversed in Balance Sheet	0	28,441,246	28,258,749	(182,496)	See note below
Surplus for year on HRA Services	5,990,498	34,285,995	34,321,635	35,640	
Adjustments between accounting basis and funding basis under statute and transfers between reserves:	(9,310,200)	(37,290,446)	(33,174,763)	4,115,683	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(3,319,702)	(3,004,451)	1,146,872	4,151,323	
Transfer re Insurance Reserve	(66,300)	(66,300)	0	66,300	
Repaid Internal Borrowing	0	0	(1,029,167)	(1,029,167)	
Increase/(decrease) in HRA Balance	(3,386,002)	(3,070,751)	117,705	3,188,456	
HRA Working Balance					
Opening Balance	8,491,544	8,998,299	8,998,299	0	
Add (Deficit)/Surplus	(3,386,002)	(3,070,751)	117,705	3,188,456	
Balance at Year End	5,105,542	5,927,548	9,116,004	3,188,456	
Note:					
Items combined into the "I&E but reversed in balance sheet" line include stock revaluations, net sale of assets proceeds, IAS19 pension adjustments, capital grants and a transfer to the Major Repairs Reserve.					

Winchester City Council Housing Revenue Account Outturn 2017/18				CAB3036(HSG)	
		Revised Forecast		Appendix 2	
	Original Budget	Budget per CAB3016(HSG)	Outturn	Variance to	
Housing Revenue Account:	2017/18	2017/18	2017/18	Revised Budget	
Service Summary	£	£	£	£	<i>Notes</i>
Housing Management General					
Estate Management	(1,132,404)	(1,102,119)	(1,190,787)	(88,668)	
HRA General	(1,668,183)	(1,707,603)	(1,564,709)	142,894	Paragraph 11.2.a)
HRA Contribution to Non-Distributed Costs	(223,743)	(223,743)	(217,398)	6,345	
HRA Contribution to Democratic Core	(153,575)	(153,575)	(130,050)	23,525	
Removal Incentive Scheme	(50,000)	(50,000)	(39,798)	10,202	Paragraph 11.2.i)
Rent Accounting	(247,894)	(248,174)	(266,784)	(18,610)	
Tenants Information	(112,317)	(113,672)	(84,003)	29,669	Paragraph 11.2.b)
Vacant Dwellings	(9,200)	(9,200)	(16,250)	(7,050)	
New Build Programme Support	(743,026)	(774,963)	(655,447)	119,516	Paragraph 11.2.c)
	(4,340,342)	(4,383,049)	(4,165,226)	217,823	
Housing Management Special					
Communal Services	90,159	90,159	71,157	(19,002)	
Disabled Adaptations	(114,363)	(114,477)	(120,012)	(5,535)	
Estate Maintenance	(523,167)	(510,167)	(460,973)	49,194	Paragraph 11.2.d)
Homelessness	(8,044)	(75,582)	(72,954)	2,628	
Sewage Works	(200,736)	(191,246)	(258,245)	(66,999)	Paragraph 11.2.e)
Sheltered Housing	(696,158)	(770,547)	(692,555)	77,992	Paragraph 11.2.f)
	(1,452,309)	(1,571,860)	(1,533,582)	38,278	
Repairs					
Responsive Maintenance	(2,353,846)	(2,153,846)	(2,024,719)	129,127)
Voids	(590,000)	(575,000)	(560,380)	14,620) Paragraph 11.2.g)
Cyclic	(900,000)	(850,000)	(731,123)	118,877)
Sub - total Repairs Works	(3,843,846)	(3,578,846)	(3,316,222)	262,624	
Repairs Administration	(1,254,090)	(1,206,461)	(1,231,267)	(24,806)	Paragraph 11.2.ii)
	(5,097,936)	(4,785,307)	(4,547,489)	237,818	
Debt Management Expenses					
Debt Management Expenses	(18,297)	(18,297)	(24,922)	(6,625)	
External Interest Payable	(5,168,000)	(5,182,000)	(5,167,926)	14,074	Paragraph 11.2.iii)
Depreciation of Fixed Assets	(5,988,560)	(5,988,560)	(6,640,378)	(651,818)	Paragraph 11.2.h)
Amortisation of Intangibles	0	0	(14,574)	(14,574)	
	(11,174,857)	(11,188,857)	(11,847,800)	(658,943)	
Rents and Other Income					
Dwelling Rents	26,354,166	26,106,396	26,110,917	4,521	
Garage Rents	910,835	872,835	872,371	(464)	
Other Income	273,541	277,191	304,258	27,067	
Sheltered Charges	517,400	517,400	517,020	(380)	
	28,055,942	27,773,822	27,804,566	30,744	
Items included in I&E but reversed in Balance Sheet					
	0	28,441,246	28,611,166	169,920	See note below
Surplus for year on HRA Services					
	5,990,498	34,285,995	34,321,635	35,640	

		Revised		CAB3036(HSG)	
Housing Revenue Account:		Forecast		Appendix 2	
	Original	Budget per		(Cont)	
	Budget	CAB3016(HSG)	Outturn	Variance	
	2017/18	2017/18	2017/18	to Revised	
Service Summary (continued)	£	£	£	Budget	Notes
				£	
Adjustments between accounting basis and funding basis under statute and transfers between reserves	(9,310,200)	(37,290,446)	(33,174,763)	4,115,683	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(3,319,702)	(3,004,451)	1,146,872	4,151,323	
Transfer re Insurance Reserve	(66,300)	(66,300)	0	66,300	
Repaid Internal Borrowing	0	0	(1,029,167)	(1,029,167)	
Increase/(decrease) in HRA Balance	(3,386,002)	(3,070,751)	117,705	3,188,456	
HRA Working Balance					
Opening Balance	8,491,544	8,998,299	8,998,299	0	
Add (Deficit)/Surplus	(3,386,002)	(3,070,751)	117,705	3,188,456	
Balance at Year End	5,105,542	5,927,548	9,116,004	3,188,456	
Note:					
Items combined into the "I&E but reversed in balance sheet" line include stock revaluations, net sale of assets proceeds, IAS19 pension adjustments, capital grants and a transfer to the Major Repairs Reserve.					

Housing Revenue Account 2018/19 - Re-Forecast Budget				CAB3036 (HSG)
				Appendix 3
		Carry Fwds	18/19	
	18/19	& Other	Re-Forecast	
Service Summary	Original Budget	Changes	Budget	Report Note
	£	£	£	
Housing Management General				
Estate Management	(1,260,431)		(1,260,431)	
HRA General	(2,147,271)	(100,000)	(2,247,271)	Para. 11.2.a)
Removal Incentive Scheme	(50,000)	(10,000)	(60,000)	Para. 11.2.i)
Rent Accounting	(260,211)		(260,211)	
Tenants Information	(116,249)	(20,000)	(136,249)	Para. 11.2.b)
Vacant Dwellings	(9,200)		(9,200)	
New Build Programme Support	(668,468)	(50,000)	(718,468)	Para. 11.2.c)
	(4,511,830)	(180,000)	(4,691,830)	
Housing Management Special				
Communal Services	90,500		90,500	
Disabled Adaptations	(115,245)		(115,245)	
Estate Maintenance	(511,717)	(20,000)	(531,717)	Para. 11.2.d)
Homelessness	66,600		66,600	
Sewage Works	(185,179)		(185,179)	
Sheltered Housing	(760,988)	(70,000)	(830,988)	Para. 11.2.f)
	(1,416,029)	(90,000)	(1,506,029)	
Repairs				
Responsive Maintenance	(2,351,407)	151,407	(2,200,000))
Voids	(585,000)	(365,000)	(950,000)) Para. 11.2.g)
Cyclic	(850,000)	100,000	(750,000))
<i>Sub - total Repairs Works</i>	(3,786,407)	(113,593)	(3,900,000)	
Repairs Administration	(1,244,978)	(9,000)	(1,253,978)	Para. 11.2.ii)
	(5,031,385)	(122,593)	(5,153,978)	
Debt Management Expenses				
Debt Management Expenses	(18,297)		(18,297)	
Interest Payable	(5,182,000)	14,000	(5,168,000)	Para. 11.2.iii)
Depreciation of Fixed Assets	(6,044,100)		(6,044,100)	
	(11,244,397)	14,000	(11,230,397)	
Rents and Other Income				
Dwelling Rents	26,097,400		26,097,400	
Garage Rents	650,240		650,240	
Other Income	264,800		264,800	
Sheltered Charges	517,400		517,400	
Interest Receivable	21,000		21,000	
	27,550,840		27,550,840	
Surplus for year on HRA Services	5,347,199	(378,593)	4,968,606	

Housing Revenue Account 2018/19 - Re-Forecast Budget				CAB3036 (HSG) Appendix 3 (cont)
	18/19 Original Budget £	Carry Fwds & Other Changes £	18/19 Re-Forecast Budget £	Report Note
Capital Expenditure funded by HRA	(5,550,000)		(5,550,000)	
Right to Buy Admin Fees	20,800		20,800	
Net increase/(decrease) in HRA Balance before transfers to or from reserves	(182,001)	(378,593)	(560,594)	
Transfer re Insurance Reserve	(66,300)		(66,300)	
Increase/(decrease) in HRA Balance	(248,301)	(378,593)	(626,894)	
HRA Working Balance				
Opening Balance (from Outturn)	9,116,004		9,116,004	
Add Projected (Deficit)/Surplus	(248,301)		(626,894)	
Projected Balance at Year End	8,867,703		8,489,110	

Housing Capital Programme - 2017/18 Outturn					CAB3036(HSG)	
					Appendix 4	
					Variance to Original Budget	
Housing Services - Major Repairs	Original Budget	Revised Budget	Final Forecast	Actual Results		Report Note
	(CAB2930HSG)	(CAB2986HSG)	(CAB3016HSG)			
	£	£	£	£	£	
External Building Structure Works	(2,932,000)	(2,682,000)	(2,432,000)	(1,956,019)	975,981	Para. 11.5
External Windows/Doors/Screens	(445,000)	(445,000)	(445,000)	(328,153)	116,847	
Kitchen & Bathroom Renewals	(811,000)	(1,201,000)	(1,401,000)	(1,337,955)	(526,955)	
Mechanical & Electrical Services	(1,177,000)	(1,707,000)	(1,957,000)	(1,410,347)	(233,347)	Para. 11.5
Internal Structures & Finishes	(233,000)	(233,000)	(233,000)	(236,133)	(3,133)	
External Ground Works	(970,000)	(700,000)	(500,000)	(512,005)	457,995	
Sub-Total	(6,568,000)	(6,968,000)	(6,968,000)	(5,780,612)	787,388	
Improvements & Conversions						
Estate Improvements	(338,000)	(260,000)	(260,000)	(205,945)	132,055	Para. 11.5
Loft Conversion & Extensions	(422,000)	(360,000)	(360,000)	(369,733)	52,267	
Sheltered Upgrades	(100,000)	(60,000)	(60,000)	(91,203)	8,797	
Sub-Total	(860,000)	(680,000)	(680,000)	(666,881)	193,119	
Disabled Adaptations						
	(770,000)	(770,000)	(770,000)	(576,316)	193,684	Para. 11.5
Sheltered Wi-Fi Scheme	(77,000)	(77,000)	(77,000)	0	77,000	Para. 11.5
Sewage Treatment Works	(100,000)	(145,000)	(145,000)	(140,883)	(40,883)	
Major Works Total	(8,375,000)	(8,640,000)	(8,640,000)	(7,164,692)	1,210,308	

Housing Capital Programme - 2017/18 Outturn (Continued)					CAB3036(HSG)	
					Appendix 5	
					Variance to	
					Original	
New Build Programme	Original Budget	Revised Budget	Final Forecast	Actual Results	Budget	Report Note
	(CAB2930HSG)	(CAB2986HSG)	(CAB3016HSG)			
	£	£	£	£	£	
Completed schemes final payments	0	0	0	(949)	(949)	
Westman Road (Symonds Close)	(3,000)	(3,000)	(3,000)	(3,088)	(88)	
Victoria House	(2,648,000)	(2,590,000)	(2,590,000)	(2,323,646)	324,354	Para. 11.6
Hillier Way	(1,105,000)	(1,180,000)	(1,180,000)	(1,170,513)	(65,513)	
Chesil Street Extra Care	(8,360,000)	(8,340,000)	(7,780,000)	(6,557,241)	1,802,759	Para. 11.6
Mitford Road, New Alresford	(1,193,000)	(1,120,000)	(926,000)	(901,592)	291,408	
The Valley, Stanmore	(300,000)	(800,000)	(800,000)	(49,386)	250,614	Para. 11.6
Mayles Lane, Knowle	(200,000)	(70,000)	(70,000)	(60,047)	139,953	
Bailey Close, Stanmore	(729,000)	(680,000)	(460,000)	(235,412)	493,588	Para. 11.6
Rowlings Road, Weeke	(100,000)	(40,000)	(40,000)	(20,326)	79,674	
Wykeham Place, Stanmore	(100,000)	0	0	0	100,000	
Meryon Road, Alresford	0	0	0	(3,271)	(3,271)	
Charles/Dyson, Abbots Barton	0	0	0	(11,194)	(11,194)	
Dolphin Hill, Twyford	0	0	0	(6,349)	(6,349)	
Woodman Close, Sparsholt	0	0	0	(5,978)	(5,978)	
Hookpit, Kings Worthy	0	0	0	0	0	
Sheltered Conversions	(505,000)	(450,000)	(480,000)	(509,114)	(4,114)	Para. 11.6
Small Sites	(1,076,000)	0	0	0	1,076,000	
New Build Total	(16,319,000)	(15,273,000)	(14,329,000)	(11,858,106)	4,460,894	
Total Capital Programme	(24,694,000)	(23,913,000)	(22,969,000)	(19,022,798)	5,671,202	

Housing Capital Programme Funding 2017/18					CAB3036(HSG)	
					Appendix 6	
Funding Source	Original Budget	Revised Budget	Final Forecast	Actual Results	Variance to Original Budget	Report Note
	(CAB2930HSG)	(CAB2986HSG)	(CAB3016HSG)			
	£	£	£	£	£	
Right to Buy 1-4-1 Receipts	1,280,000	597,000	593,000	420,671	859,329	Para. 11.8
RTB Other Retained Receipts	872,000	999,000	1,200,000	1,200,000	(328,000)	
New Build Sales	3,280,000	3,324,000	1,286,000	300,000	2,980,000	Para. 11.8
Non Right to Buy Sales	0	0	500,000	500,000	(500,000)	
S.106 Contributions	829,000	940,000	940,000	949,438	(120,438)	
Homes England Grant	1,545,000	463,000	0	462,500	1,082,500	Para. 11.8
Hampshire County Council Extra Care Grant	736,000	1,303,000	567,000	566,667	169,333	
HRA Revenue Contribution to Capital	8,695,000	7,298,000	8,894,000	4,969,446	3,725,554	Para. 11.8
Additional Borrowing	1,027,000	3,000,000	3,000,000	3,000,000	(1,973,000)	
Renewable Heating Grants	0	0	0	0	0	
Major Repairs Reserve	6,430,000	5,989,000	5,989,000	6,654,077	(224,077)	Para. 11.8
Total Capital Funding	24,694,000	23,913,000	22,969,000	19,022,798	5,671,202	

Housing Capital Programme - Re-Forecast Budget 2018/19				CAB3036(HSG)
				Appendix 7
Housing Services	Original Budget (CAB3016(HSG))	Carry Forwards & Other Changes	Re-Forecast Budget 2018/19	Notes
	£	£	£	
Major Repairs				
External Building Structure Works	(2,942,000)	0	(2,942,000)	
External Windows/Doors/Screens	(417,000)	0	(417,000)	
Kitchen & Bathroom Renewals	(763,000)	(337,000)	(1,100,000)	Para. 11.11.a)
Mechanical & Electrical Services	(797,000)	(965,000)	(1,762,000)	Para. 11.11.b)
Internal Structures & Finishes	(231,000)	0	(231,000)	
External Ground Works	(933,000)	433,000	(500,000)	Para. 11.11.f)
Sub-Total	(6,083,000)	(869,000)	(6,952,000)	
Improvements & Conversions				
Estate Improvements	(250,000)	(35,000)	(285,000)	Para. 11.11.d)
Loft Conversions & Extensions	(60,000)	0	(60,000)	
Sheltered Upgrades	(100,000)	0	(100,000)	
Sub-Total	(410,000)	(35,000)	(445,000)	
Disabled Adaptations	(770,000)	(36,400)	(806,400)	Para.11.11.c)
Other Capital Works				
Sheltered Wi-Fi Scheme	(38,000)	(105,000)	(143,000)	Para. 11.11.e)
Sewage Treatment Works	(100,000)	0	(100,000)	
Sub-Total	(138,000)	(105,000)	(243,000)	
Major Works Total	(7,401,000)	(1,045,400)	(8,446,400)	

Housing Capital Programme - Re-Forecast Budget 2018/19 (Cont.)			CAB3036(HSG)	
				Appendix 7 (Cont.)
	Original Budget	Carry Forwards & Other Changes	Re-Forecast Budget 2018/19	Notes
New Build Programme	(CAB3016(HSG))			
	£		£	
Victoria House	0	(410,000)	(410,000)	Para. 11.12.a)
Hillier Way	0	(10,000)	(10,000)	Para. 11.12.b)
Chesil Street Extra Care	(560,000)	(1,420,000)	(1,980,000)	Para. 11.12.c)
Mitford Road, New Alresford	(267,000)	(158,000)	(425,000)	Para. 11.12.d)
The Valley, Stanmore	(3,975,000)	3,125,000	(850,000)	Para. 11.12.e)
Mayles Lane, Knowle	(1,530,000)	(10,000)	(1,540,000)	Para. 11.12.f)
Bailey Close, Stanmore	(300,000)	(225,000)	(525,000)	Para. 11.12.g)
Rowlings Road, Weeke	(680,000)	430,000	(250,000)	Para. 11.12.h)
Wykeham Place	(50,000)	0	(50,000)	
Meryon Road, Alresford	(250,000)	150,000	(100,000))
Charles/Dyson, Abbots Barton	(700,000)	600,000	(100,000)) Para. 11.12.i)
Dolphin Hill, Twyford	(500,000)	240,000	(260,000)	Para. 11.12.j)
Woodman Close, Sparsholt	(50,000)	0	(50,000)	
Hookpit, Kings Worthy	(3,750,000)	3,000,000	(750,000)	Para. 11.12.k)
Winnall Flats	0	(500,000)	(500,000)	Para. 11.12.l)
Sheltered Conversions	(200,000)	0	(200,000)	
RTB 1-4-1 Funded Sites	(1,820,000)	520,000	(1,300,000)	Para. 11.12.m)
Unallocated Sites	0	0	0	
New Build Total	(14,632,000)	5,332,000	(9,300,000)	
Total Capital Programme	(22,033,000)	4,286,600	(17,746,400)	