

REPORT TITLE: HOUSING REVENUE ACCOUNT BUDGET 2021/22 AND
PROCUREMENT OF TERM MAINTENANCE CONTRACTS

11 FEBRUARY 2021

REPORT OF CABINET MEMBER: Cabinet Member for Housing and Asset
Management

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WARD(S): ALL

PURPOSE

This report requests approval for the proposed HRA revenue budget for 2021/22, as detailed in Appendices 1 and 2.

The report also requests approval for the capital programme budget proposal for 2021/22 and 10 year plan to 2030/31. These figures are detailed in Appendices 3 and 4, taking account of the funding shown in Appendix 5.

The proposed HRA Business plan 2020/21 to 2049/50 was reported to Cabinet in December, and this confirmed that the HRA Business plan was both viable and sustainable. A summary extract of the 30 year revenue operating account is included in Appendix 6.

The report includes details of the HRA term maintenance contracts and seeks Cabinet approval for the proposed procurement actions requested.

RECOMMENDATIONS:

That Cabinet recommend that Council

1. Approve the 2021/22 Housing Revenue Account budget as detailed in Appendices 1 and 2 to this report.
2. Approve a rent increase in 2021/22 in accordance with the Government's national rent standard (September CPI + 1%) resulting in an average rent increase of 1.5%.
3. Approve the HRA capital programme as set out in appendices 3 and 4
4. Approve capital expenditure in 2021/22 of £11.027m for the Maintenance, Improvement and Renewal programme as detailed in Appendix 3 of the report, in accordance with Financial Procedure Rule 7.4
5. Approve funding for the HRA Capital Programme, as detailed in Appendix 5
6. Approve the HRA Financial Plan operating account extract, including annual working balances, as detailed in Appendix 6.
7. Approve the creation of an Energy Officer post to facilitate the council's carbon reduction agenda and embed it within the current and future housing stock at a cost of £53k.
8. Agree to support the proposed increase in capital funding of £2.5m in retro fitting capital funding which will increase the funding available for climate change initiatives over the next 10 years to £15.675m (including inflation) .
9. Agree to support the proposal for a £10m investment in the purchase of a potential site for new housing development, as well as £0.5m for nitrate mitigation offset measures.
10. Agree to support the allocation of an additional £0.2m of investment as described at paragraph 17.2 of this report for sewage treatment works.

That Cabinet:

11. Approve the increase in budgetary provision of £0.064m to support the increase in costs of the current 1 year Orchard contract and enable officers to procure a longer term 3 year contract.

12. Approve that, subject to the agreement of the contractor, the housing term maintenance contracts (Lot 1 - day to day responsive repairs and Lot 2 - repair and re-instatement of empty properties), currently awarded to Osborne Property Services Ltd, be extended for a further and final period of five years (from 1/8/2021 to 31/7/2026) in accordance with Exception to Contract Procedure Rules 41.1(e).
13. Agree that, the current contract (with British Gas T/A PH Jones) for heating appliance servicing and responsive repairs not be extended beyond 30/9/2021 and that, for the new contract, delegated authority be given to the Strategic Director - Services following consultation with the Cabinet Member for Housing and Asset Management to:
 - a. select a suitable competitive procurement option
 - b. Select and subscribe to (if deemed appropriate and necessary) an existing external Framework agreement to procure these works.
 - c. select and invite contractors to be invited to tender or mini-competition
 - d. evaluate tenders
 - e. select a preferred bidder and prepare, award and enter into the contract
14. Approve that the evaluation for heating appliance servicing and responsive repairs tender be assessed on the basis of Most Economically Advantageous Tender and the tender model utilised to be 50% Cost, 50% Quality.
15. Agree that authority is delegated to the Service Lead – Legal to prepare and enter into the contracts to enable the extension of the contract with Osborne and a contract for the heating appliance servicing and responsive repairs of the city councils housing stock.

IMPLICATIONS:

1 SUPPORTING INFORMATION:

2 COUNCIL PLAN OUTCOME

- 2.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community. In particular
- 2.2 Tackling the Climate Emergency and Creating a Greener District
- a) Carbon Neutrality measures will be implemented across existing housing stock and include within the design and construction of new properties, and feasibility considered in the purchase of any substitute properties
- 2.3 Homes for all
- a) Assist with the increase of housing property stock across the Winchester district
- 2.4 Vibrant Local Economy
- a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.
- 2.5 Living Well
- a) The wellbeing of residents are considered within the design of new properties and any substitute properties will be viewed accordingly.
- 2.6 Your Services, Your Voice
- a) Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular digital engagement processes. The service continues to review options to provide an improved customer experience, increase opportunities for digital engagement and to ensure satisfaction with services provided by the Council remains high.

3 FINANCIAL IMPLICATIONS

- 3.1 These are fully detailed in Section 12 of the report and the accompanying appendices.

4 LEGAL AND PROCUREMENT IMPLICATIONS

- 4.1 Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.
- 4.2 The Council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.
- 4.3 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.
- 4.4 The report seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. In particular the maintenance of dwellings must be considered to be consistent with the Council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985.
- 4.5 The extension to the Osborne contracts and the re-procurement of the heating appliance servicing works will be carried out in accordance with the Council's standard contract procedure rules.

5 WORKFORCE IMPLICATIONS

- 5.1 Some of the options for consideration for next year's budget will require an additional staffing resource. These options are detailed within Section 17 as relevant but in summary will include up the creation of new Energy officer post to help facilitate the retro fitting project.

6 PROPERTY AND ASSET IMPLICATIONS

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

7 CONSULTATION AND COMMUNICATION

- 7.1 The Business Plan and HRA Budget Options were presented to TACT at their meeting on 13th January 2021 Tenant representatives will also be at Cabinet to give verbal feedback to Members on the report.
- 7.2 The Scrutiny Committee discussed the report at its meeting held on 2 February 2021. At the conclusion of questions and debate, the Committee agreed that there were no particular matters that it wished to raise for Cabinet to consider further.

8 ENVIRONMENTAL CONSIDERATIONS

- 8.1 The Housing Service considers environmental factors when preparing and developing major projects e.g. working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

9 EQUALITY IMPACT ASSESSEMENT

This document is part of the budget consultation process and the public sector equality duty is considered alongside any relevant budget options

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

11 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.	Self-Financing provides certainty around future resource allocations and facilitates better supply chain management
<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	Positive consultation brings forward alternative options that may otherwise not have been considered.

	new build schemes.	
<p><i>Timescales</i> <i>Delays to new build contracts may result in increased costs and lost revenue.</i></p>	New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.	
<p><i>Project capacity</i> <i>The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising and repay debt in the future.</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 monitor's government announcements on the use of RTB receipts and potential capital grant funding.</p> <p>Given the challenging nature of the delivery targets it may be necessary to review the resourcing requirements needed to successfully deliver this step change in anticipated activity</p>
<p><i>Financial / VFM</i> <i>Risks, mitigation and opportunities are managed through regular project monitoring meetings</i></p>	<p>New build Schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM.</p> <p>In addition Total Scheme Costs contain provision for 5% contingency on build and 10% on fees for new build developments that take account of potential residual development and sales risk.</p>	
<p><i>Legal</i> <i>The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and considered within planning</i></p>	Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.	To create new housing developments within new guidelines and drawing on innovative thinking.

<i>of future new build projects.</i>		
<i>Innovation The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.</i>	External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	A Housing Company has the potential to increase the available supply of affordable housing to support our residents.
<i>Reputation Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction and the Council's reputation.</i>	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	
<i>Other – None</i>		

12 Budget Options

12.1 The proposed HRA Business plan is based upon the investment requirements from the asset management plan which in turn is informed by the component lifecycle replacement costs of maintaining both the current stock and importantly funding the long term maintenance costs of the new homes that are planned at the councils current decent homes standard plus.

12.2 In order to both maintain homes at decent homes and to fund the delivery of the new homes required, the HRA will need to undertake increased levels of prudential borrowing over both the medium and long term. A major part of the prudential assessment is having sufficient ongoing revenue funds to service the cost of borrowing undertaken. As identified previously the HRA does not have a legal requirement to set aside funds for the repayment of debt (MRP) as the assets held in the HRA are maintained as part of self- financing.

12.3 In order to further strengthen the capacity and capability of the HRA to facilitate and embed the carbon reduction agenda the plan allows for the further investment of £2.5m in the retro fitting programme on top of the current future allocation of £10.7m. In addition it allows for the creation of an energy officer post to support this important programme at a cost of £53k.

12.4 The ongoing investment requirements of the HRA sewage treatment works is currently being reviewed by officers with the aim of creating a robust future asset management strategy around these assets. In the meantime the plan allows for a minimum of £3.1m of investment over the next 30 years. An additional allocation of £200k is now required in 2021-22 to purchase & equip a

new sewage vehicle, allow for the reinstatement of a collapsed sewer and to facilitate some minor urgent backlog investment.

12.5 The investment plan allows for an additional £10m investment in the purchase of a new site for new housing, as well as £500k for nitrate mitigation offset measures.

12.6 The costs of running the current housing management system Orchard have increased and the offering now includes a number of new modules that are required by the business. The increase in costs is approximately £64k and it proposed that future budgetary provision be allowed for this increase. This will allow officers to look at options to extend the current 1 year contract to 3 years

13 Housing Revenue Account Budget 2021/22

13.1 Details of the proposed budgets are shown in Appendices 1 and 2 and the larger item adjustments highlighted in the subjective summary in Appendix 2 are shown below:

13.2 Employees – The 2021/22 budget position is £4.78m, an increase of £220k on the 2020/21 original budget. The employee budget includes the full year effect of the 2020/21 pay award and the impact of the energy officer post

13.3 Premises – The 2021/22 budget is £5.95m, an increase of £214k on the 2020/21 original budget. The main changes in funding are on repairs, cleaning and energy. The budget includes the financial plan assumptions reflecting inflation on response, void & cyclical repairs of £139k. It also includes additional funding towards of £60k for cleaning, partly reflecting the impact of increased cleaning costs as a result of Covid measures. There has also been an adjustment to the energy budget to realign the budget with actual costs.

13.4 Net Interest – The 2021/22 budget reflects the interest cost of anticipated HRA borrowing. It assumes an interest cost of £5.99m, an increase of £28k on the 2020/21 original budget. This is sufficient given likely PWLB interest rates of 1.8% to fund the cost of borrowing an additional £44.23m

13.5 Depreciation – Is an estimate based on the prior year. The budget for 2020/21 is £8.544, a reduction of £27k on the original budget for 2020/21. The actual cost of depreciation will reflect the value of the HRA operational assets, the anticipated capital spend and the changes in the number and value of HRA dwellings and non-HRA dwellings at year end.

13.6 External Income – The 2021/22 budget is £28.49m, an increase of £525k on the original budget for 2020/21. It reflects a rent increase of 1.5% from April 2021. Garage rents will increase by 3% in 2021/22, with service charges set to recover actual forecast cost.

14 Housing Services Capital Programme

- 14.1 The 10 year forward financial projection for major repairs is based on the latest stock condition survey. A detailed analysis is shown at Appendix 3.
- 14.2 All HRA properties are maintained to decent homes standard with the property services team managing the upkeep of properties taking into consideration the stock condition survey information. In order to manage the maintenance, improvement and renewal programme effectively, the property services team need to have the flexibility to substitute projects and re-balance expenditure between repair budgets. The 10 year housing services capital programme allocates £74.2m towards the upkeep and maintenance of HRA dwellings based on the investment requirements of the asset management plan, this includes the provision of inflation at an annualised rate of 3%.
- 14.3 The 10 year housing services capital programme includes a fire safety provision of £2.1m. In anticipation of the full recommendations arising from the Hackett review, a detailed fire safety review is in progress.
- 14.4 The asset management strategy will be updated in 2021/22 to reconsider fire safety measures and identify climate change emergency initiatives. This could potentially include the replacement of gas boilers with low-carbon heating systems and the installation of solar panels in sheltered schemes to provide heating and power to communal areas. The strategy would also address our policy on nitrate neutrality, including water efficiency measures.
- 14.5 The stock condition survey will be updated in due course to include additional costs arising from fire safety and climate change emergency measures once the position is clearer.
- 14.6 A key element of the Council's Climate Emergency Action Plan includes additional investment in the Council's housing stock to improve energy efficiency and help tenants reduce their carbon emissions. The 10 year housing services capital programme includes additional funding towards Climate change of £2.5m, and towards nitrate mitigation £0.5m. This brings the budgeted total resources devoted to Climate Change initiatives to £15.675m, including provision for inflation.
- 14.7 The latest financial projection also includes an annual provision of £400k for Estate Improvements for the next 10 years. The scope of the programme includes environmental improvements resulting from the Climate Change Emergency Action Plan, including electrical vehicle charging points in a number of Council Car Parks. The HRA could afford to increase the £400k annual level if there is an identified need.
- 14.8 The ongoing investment requirements of the HRA sewage treatment works is currently being reviewed by officers with the aim of creating a robust future asset management strategy around these assets. In the meantime the plan allows for a minimum of £3.1m of investment over the next 30 years. An additional allocation of £200k is now required in 2021-22 to purchase & equip a

new sewage vehicle, allow for the reinstatement of a collapsed sewer and to facilitate some minor urgent backlog investment.

15 New Build Capital Programme

15.1 The “Homes for All” Council Plan priority continues the Council’s commitment to new homes and the HRA New Build programme forms a key and important element of new homes provision. The Plan set out in appendix 4 includes funding of current projects and provision for emerging opportunities. It provides the financial support to enable the achievement of the Councils target to deliver 1,000 new Council homes over the next 10 years. The 10 year forward financial projection has identified a capital expenditure requirement of £254m. The projection includes known schemes £78m and an unallocated provision to cover additional schemes £176m in the future. A breakdown of the schemes is shown at Appendix 4. Application for additional housing grant will be considered for all future developments where appropriate.

15.2 A key factor in the delivery a future pipeline of new homes is the identification and acquisition of suitable land and appropriate sites to develop upon. The new build programme assumes steady delivery of unallocated schemes and small sites over the next 10 years to maximise available funding within the HRA. The budget for 2020/21 contains in addition to the £10m funding for land acquisition and £0.5m for nitrate mitigation, a further provision of £11.5m towards the delivery of new and as yet unidentified housing development schemes.

16. HRA Capital Programme Funding

16.1 Appendix 5 gives full details of how it is proposed to fund the Housing Services & New Build Budgets from 2020/21 to 2030/31

17 Term Maintenance Contracts (carried out by Osborne and PH Jones)

17.1 The responsive repairs and void (empty property) servicing contracts are currently carried out by Osborne Property Services Ltd. The initial contract term was for five years (from 1/8/2011 to 31/7/2016), with the option to extend by up to a further ten years (to 31/7/2026) should both parties mutually agree to do so (CAB2135 refers). Approval to award the second 5-year tranche of the contract (to 31/7/2021) was approved following continuing good performance by Osborne (CAB2743 refers). The overall tenant feedback on the service provided by Osborne remains very positive and there is clearly an ongoing desire and commitment from Osborne to provide WCC tenants with a high quality service.

17.2 The intention is to retain Osborne and award the third and final tranche of 5 years (from 1/8/2021 to 31/7/2026). Although these works could be re-procured from scratch, there is a risk of reduced performance and a real risk that costs might increase above current levels (approx. £4.5m per annum). In these very uncertain times, there are very significant benefits in maintaining stability and certainty (in both quality and costs) for these two key service areas. In support

of the extension, Osborne have also proposed a number of service and vfm improvements which officers are currently reviewing as part of normal and ongoing contract negotiations.

- 17.3 The contract for heating appliance servicing and responsive repairs (approx. £600/£700k per annum) is currently carried out by British Gas T/A PH Jones (CAB2907 refers). This was following a tenant scrutiny review into a prolonged period of unsatisfactory performance from the previous contractor (Liberty). The initial contract term was three years (from 1/10/2017 to 30/9/2020), with the option to extend by up to a further three years (to 30/9/2023) should both parties mutually agree to do so. To date, the contract has been extended by just one year (to 30/9/2021).
- 17.4 Performance by PH Jones is considered to have been inconsistent from the start of the contract, and continues to rely on significant Council resources to drive and maintain performance - the opportunity is therefore being taken now to review and modernise the specification to strengthen performance measures and reflect tenant suggestions from the latest digital survey returns.
- 17.5 Given the important nature of this contract it is vital that the sound maintenance of the council's housing stock is reflected in the tender evaluation model recommended to be of 50% Cost, 50% Quality as this is deemed most appropriate to deliver the required outcomes.
- 17.6 The proposal is therefore not to extend the current contract with PH Jones beyond 30/9/2021, but to re-procure and award from new using a suitable competitive procurement option. The proposed term for the new contract will be just under five years (from 1/10/2021 to 31/7/2026) so as to coincide with the end date of the Osborne final 5-year tranche mentioned previously - so broader procurement re-packaging can be considered for Housing services at that time. For these services, industry feedback suggests three years is generally regarded as the minimum term that is likely to attract most competitive interest.

18 OTHER OPTIONS CONSIDERED AND REJECTED

18.1 HRA Budget and Business Plan

Indicative modelling has demonstrated that if the new housing delivery target is reduced by 1,112 units that the need to borrow would reduce from an extra £250m to only £26m over the life of the plan with debt at year 30 reduced to £200m. However the remaining level of new build would be insufficient to use all the expected RTB 1-4-1 receipts and c. £94m would need to be repaid to central government.

18.2 Housing term Contracts

In respect of the term maintenance repair contracts (currently with Osborne and PHJ) a number of possible future packaging options have been considered. Although the PH Jones contract (for heating appliance servicing and responsive repair works) is currently due to come to an end on 30/9/2021, it could still be extended for further one or two years without the need for a new procurement. As with all contracts, it was hoped that this contract would run for the full term (i.e. until 30/9/2023) - but for a number of operational reasons, and the need to modernise the specification, now is considered the right time to re-procure these works.

Consideration was given to awarding the heating appliance servicing and responsive repair works to Osborne as a variation and addition to their general works/voids contracts. Although this option offered a number of significant benefits and a “good fit” operationally, this option was considered and rejected due to concerns of legal challenge for not following the Contract Procedure Rules and Public Contract Regulations 2015 by openly re-tendering these works.

Both the OPSL and PHJ contracts could be re-procured from scratch - offering a number and range of new package variants for consideration. This runs the risk of losing Osborne and paying more - and possibly for a poorer service. This option was considered and rejected because the Council already has a good contractor in place (and already with the option to extend for another five years) and does not want to put this at risk.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[CAB3275 – HRA Budget Business Plan and Budget Options](#)

[CAB3111 – HRA Budget 2019-20 & Business Plan 2019/49 – 30 Jan 2019](#)

[CAB3016 \(HSG\) – HRA Budget 2018/19 & Business Plan 2018/48 – 31 Jan 2018](#)

APPENDICES:

Appendix 1: HRA 2021/22 Budget – Service Summary

Appendix 2: HRA 2021/22 Budget – Subjective Summary

Appendix 3: Housing Services Capital Programme 2020/21 to 2030/31

Appendix 4: New Build Housing Capital Programme 2020/21 to 2030/31

Appendix 5: HRA Capital Programme Funding 2020/21 to 2030/31

Appendix 6: HRA Financial Plan 2020/21 to 2050/51 Extract – Operating Account

APPENDIX 1: HRA 2021/22 BUDGET – SERVICE SUMMARY

<u>Housing Revenue Account</u>	20/21 Original Budget per CAB3214 £	B/Fwd from 19/20 Per CAB3241 £	20/21 Revised Budget £	20/21 Forecast £	21/22 Original Budget £
Service Summary					
Housing Management General					
Estate Management	(1,381,884)	(8,220)	(1,390,104)	(1,273,922)	(1,381,655)
HRA General	(2,127,090)	(27,989)	(2,155,079)	(2,377,854)	(2,779,837)
Removal Incentive Scheme	(60,000)	0	(60,000)	(60,000)	(65,000)
Rent Accounting	(155,539)	(338)	(155,877)	(119,568)	(86,506)
Tenants Information	(94,320)	(455)	(94,775)	(92,362)	(91,095)
Vacant Dwellings	(24,550)	0	(24,550)	(24,500)	(25,400)
New Build Programme Support	(1,048,121)	(2,524)	(1,050,645)	(683,160)	(856,510)
	(4,891,504)	(39,526)	(4,931,030)	(4,631,366)	(5,286,003)
Housing Management Special					
Communal Services	85,461	0	85,461	81,657	58,641
Disabled Adaptations	(127,336)	(240)	(127,576)	(134,133)	(135,521)
Estate Maintenance	(564,525)	0	(564,525)	(508,909)	(528,510)
Homelessness	18,583	(833)	17,750	(137,688)	(184,309)
Sewage Works	(391,459)	0	(391,459)	(375,875)	(399,100)
Sheltered Housing	(818,440)	(2,351)	(820,791)	(804,469)	(901,833)
	(1,797,716)	(3,424)	(1,801,140)	(1,879,417)	(2,090,632)
Repairs					
Responsive Maintenance	(2,234,162)	0	(2,234,162)	(2,234,044)	(2,115,352)
Voids	(1,184,496)	0	(1,184,496)	(1,311,000)	(1,234,000)
Cyclic	(900,000)	0	(900,000)	(900,000)	(927,000)
Sub - total Repairs Works	(4,318,658)	0	(4,318,658)	(4,445,044)	(4,276,352)
Repairs Administration	(1,155,995)	(7,050)	(1,163,045)	(1,057,413)	(1,150,374)
	(5,474,653)	(7,050)	(5,481,703)	(5,502,457)	(5,426,726)
Debt Management Expenses					
Debt Management Expenses	(14,172)	0	(14,172)	(10,000)	(10,000)
Interest Payable	(5,961,000)	0	(5,961,000)	(5,244,300)	(6,011,700)
Depreciation of Fixed Assets	(8,570,000)	0	(8,570,000)	(8,570,000)	(8,544,300)
	(14,545,172)	0	(14,545,172)	(13,824,300)	(14,566,000)
Rents and Other Income					
Dwelling Rents	26,842,975	0	26,842,975	26,757,975	27,600,000
Garage Rents	217,465	0	217,465	217,465	79,000
Other Income	331,392	0	331,392	241,196	248,491
Sheltered Charges	552,700	0	552,700	542,428	543,120
Interest Receivable	21,000	0	21,000	22,600	20,000
	27,965,532	0	27,965,532	27,781,664	28,490,611
Surplus for year on HRA Services					
	1,256,487	(50,000)	1,206,487	1,944,124	1,121,250
Capital Expenditure funded by HRA					
Capital Expenditure funded by HRA	0	0	0	0	0
Right to Buy Admin Fees	26,000	0	26,000	28,600	28,600
Net (increase)/decrease in HRA Balance before transfers to or from reserves					
	1,282,487	(50,000)	1,232,487	1,972,724	1,149,850
Transfer re Insurance Reserve					
Transfer re Insurance Reserve	(66,300)	0	(66,300)	(66,300)	(66,300)
(Increase)/ decrease in HRA Balance					
	1,216,187	(50,000)	1,166,187	1,906,424	1,083,550
HRA Working Balance					
Opening Balance	11,766,060		12,983,045	12,983,045	14,889,469
Add Projected Deficit/(Surplus)	1,216,187		1,166,187	1,906,424	1,083,550
Projected Balance at Year End					
	12,982,247		14,149,232	14,889,469	15,973,019

APPENDIX 2: HRA 2021/22 BUDGET – SUBJECTIVE SUMMARY

<u>Housing Revenue Account</u>	20/21 Original Budget per CAB3214 £	B/Fwd from 19/20 Per CAB3241 £	20/21 Revised Budget £	20/21 Forecast £	21/22 Original Budget £
Subjective Summary					
Employees	(3,859,253)	0	(3,859,253)	(3,859,253)	(4,078,741)
Premises	(5,732,060)	0	(5,732,060)	(5,946,363)	(5,945,817)
Transport	(211,138)	0	(211,138)	(200,519)	(214,801)
Supplies & services	(1,189,780)	(50,000)	(1,239,780)	(961,347)	(1,272,122)
Third party payments	(121,000)	0	(121,000)	(136,000)	(223,978)
Support Services	(2,412,389)	0	(2,412,389)	(2,262,366)	(2,443,362)
Net Interest	(5,964,090)	0	(5,964,090)	(5,221,700)	(5,991,700)
Depreciation on Fixed Assets	(8,570,000)	0	(8,570,000)	(8,570,000)	(8,544,300)
External income	29,316,197	0	29,316,197	29,101,672	29,836,071
Surplus for year on HRA Services	1,256,487	(50,000)	1,206,487	1,944,124	1,121,250
Capital Expenditure funded by HRA	0	0	0	0	0
Right to Buy Admin Fees	26,000	0	26,000	28,600	28,600
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,282,487	(50,000)	1,232,487	1,972,724	1,149,850
Transfer re Insurance Reserve	(66,300)	0	(66,300)	(66,300)	(66,300)
(Increase)/ decrease in HRA Balance	1,216,187	(50,000)	1,166,187	1,906,424	1,083,550
HRA Working Balance					
Opening Balance	11,766,060		12,983,045	12,983,045	14,889,469
Add Projected Deficit/(Surplus)	1,216,187		1,166,187	1,906,424	1,083,550
Projected Balance at Year End	12,982,247		14,149,232	14,889,469	15,973,019

APPENDIX 3: HOUSING SERVICES CAPITAL PROGRAMME 2020/21 TO 2030/31

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Housing Services Programme	Original Budget	Sept Revised	Latest Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
Scheme Name/Description	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Major Repairs	(5,669)	(4,121)	(4,021)	(6,678)	(6,775)	(5,993)	(6,173)	(6,462)	(6,656)	(6,856)	(7,062)	(7,274)	(10,230)	(74,180)
Major Repairs	(5,669)	(4,121)	(4,021)	(6,678)	(6,775)	(5,993)	(6,173)	(6,462)	(6,656)	(6,856)	(7,062)	(7,274)	(10,230)	(74,180)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estate Improvements	(400)	(400)	(400)	(507)	(419)	(431)	(444)	(457)	(471)	(485)	(500)	0	0	(4,114)
Sheltered Housing Upgrades	(100)	(100)	(100)	(135)	(105)	(54)	(56)	(57)	(59)	(61)	(62)	0	0	(688)
Improvements & Upgrades	(500)	(500)	(500)	(642)	(523)	(485)	(500)	(515)	(530)	(546)	(562)	0	0	(4,803)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disabled Adaptations	(770)	(624)	(700)	(797)	(899)	(830)	(855)	(881)	(907)	(934)	(962)	(991)	(1,021)	(9,776)
Fire Safety Provision	(1,030)	(400)	(400)	(1,016)	(660)	0	0	0	0	0	0	0	0	(2,076)
Climate Change Emergency	(1,030)	(300)	(100)	(1,587)	(1,428)	(1,415)	(1,457)	(1,501)	(1,546)	(1,592)	(1,640)	(1,689)	(1,740)	(15,695)
Sewage Treatment Works	(106)	(106)	(106)	(308)	(108)	(111)	(114)	(118)	(121)	(125)	(129)	(133)	(133)	(1,505)
Other Capital Spending	(2,936)	(1,430)	(1,306)	(3,707)	(3,095)	(2,356)	(2,426)	(2,499)	(2,574)	(2,651)	(2,731)	(2,813)	(2,894)	(29,053)
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total HS Capital Programme	(9,105)	(6,051)	(5,827)	(11,027)	(10,393)	(8,834)	(9,099)	(9,476)	(9,761)	(10,053)	(10,355)	(10,086)	(13,124)	(108,036)

APPENDIX 4: NEW HOMES CAPITAL PROGRAMME 2020/21 TO 2030/31

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
New Build Programme & Other Capital	Original Budget	Sept Revised	Latest Forecast	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.	Budget.
Scheme Name/Description	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
The Valley, Stanmore	(5,713)	(6,924)	(6,969)	(2,681)										(9,650)
Rowlings Road, Weeke	(1,129)	(1,237)	(821)											(821)
Wykeham Place, Stanmore	(446)	(25)	(25)	(169)	(2,857)									(3,052)
Dyson Drive (Abbotts Barton)	(954)	(45)	(55)	(1,222)	(426)									(1,703)
Dolphin Hill, Twyford	(184)	(268)	(268)											(268)
Woodman Close, Sparsholt	(762)			(815)	(381)									(1,196)
Hookpit, Kings Worthy	(4,965)	(5,288)	(5,542)	(1,068)										(6,610)
Winnall Flats	(7,551)	(600)	(600)	(8,641)	(8,541)									(17,783)
Wickham CLT	(205)			(410)										(410)
Witherbed Lane				(302)	(384)									(686)
Barton Farm - Extra Care				(1,000)	(11,256)	(5,628)								(17,884)
SouthBrook Cottages		(70)	(70)	(1,155)										(1,225)
Ravenswood				(800)	(2,625)	(6,300)	(3,675)							(13,400)
Small sites / unallocated programme	(3,000)	(3,041)	(941)	(2,641)	(17,698)	(14,257)	(12,805)	(13,667)	(14,077)	(14,499)	(14,934)	(15,382)	(6,584)	(127,484)
Sites funded by RTB 1-4-1 receipts	(2,000)	(2,000)		(4,374)	(2,445)	(5,037)	(5,188)	(5,344)	(5,504)	(5,669)	(5,840)	(6,015)	(3,098)	(48,514)
New Homes Major Works									(106)	(449)	(510)	(613)	(721)	(2,399)
Corner House		(22)	(22)	(335)	(162)									(519)
Tower Street		(33)	(33)	(192)										(225)
Mews rd Purchase		(255)	(265)											(265)
Sheltered Conversions		(55)	(55)	(55)										(110)
Emmaus Grant		(50)	(50)											(50)
Total New Build Programme	(26,909)	(19,914)	(15,716)	(25,861)	(46,775)	(31,222)	(21,668)	(19,011)	(19,687)	(20,618)	(21,283)	(22,009)	(10,403)	(254,254)

APPENDIX 5: CAPITAL PROGRAMME FUNDING 2020/21 to 2030/31

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Total
HRA Capital Programme Funding	Original Budget	Sept Revised Budget	Latest Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	15,500	8,186	3,508	25,728	44,364	20,300	11,750	12,500	10,200	12,000	13,500	2,264	6,643	162,757
Garage Appropriation to GF	1,858	1,858	3,500											
RTB 141 Receipts	3,188	3,330	1,999	4,890	4,143	2,247	2,327	2,410	2,493	2,580	2,671	2,762	2,323	30,845
Other RTB Receipts			0	1,342	697	719	742	765	789	814	839	865	892	8,462
S106	250	1,372	1,548	250	250	1,600	3,500	2,600	1,400	4,400	3,000	0	0	18,548
Homes England Grant	1,611		0	2,004	1,031	0	0	0	0	0	0	0	0	3,036
Other Capital Receipts	950	3,040	2,012	393	0	0	0	0	0	0	0	0	0	2,405
Capital Receipts Sales	4,300		275	2,162	2,972	6,300	3,119	649	1,596	1,835	1,890	1,947	2,005	24,750
Major Repairs Reserves	8,357	8,182	8,701	119	3,711	8,891	9,330	9,563	12,970	9,042	9,739	24,258	11,663	107,986
Funding Total	36,014	25,968	21,543	36,888	57,168	40,056	30,768	28,487	29,448	30,671	31,638	32,096	23,526	362,290
Housing Services	9,105	6,051	5,827	11,027	10,393	8,834	9,099	9,476	9,761	10,053	10,355	10,086	13,124	108,036
New Build	26,909	19,917	15,716	25,861	46,775	31,222	21,668	19,011	19,687	20,618	21,283	22,009	10,403	254,254
Capital Programme Total	36,014	25,968	21,543	36,888	57,169	40,056	30,768	28,487	29,448	30,671	31,638	32,096	23,527	362,290

APPENDIX 6 HRA FINANCIAL PLAN 2020/21 TO 2049/50 EXTRACT – OPERATING ACCOUNT

Year	Net rent Income £,000	Other income £,000	Misc Income £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Responsive & Cyclical £,000	Total expenses £,000	Capital Charges £,000	Net Operating (Expenditure) £,000
1 2020.21	28,097	213	334	28,644	(9,848)	(8,193)	(4,237)	(22,278)	(5,239)	1,127
2 2021.22	28,475	216	338	29,029	(9,957)	(8,256)	(4,284)	(22,497)	(5,602)	930
3 2022.23	29,046	221	346	29,614	(10,206)	(8,678)	(4,418)	(23,302)	(6,194)	118
4 2023.24	30,728	227	355	31,310	(10,461)	(8,925)	(4,572)	(23,958)	(6,652)	699
5 2024.25	33,277	232	364	33,874	(10,722)	(9,361)	(4,741)	(24,824)	(6,917)	2,132
6 2025.26	33,921	238	373	34,532	(10,990)	(9,857)	(4,867)	(25,715)	(7,288)	1,530
7 2026.27	34,918	244	382	35,545	(11,265)	(10,187)	(4,996)	(26,449)	(7,748)	1,348
8 2027.28	35,957	250	392	36,599	(11,547)	(10,538)	(5,129)	(27,214)	(8,163)	1,221
9 2028.29	37,027	257	402	37,685	(11,835)	(10,903)	(5,266)	(28,004)	(8,630)	1,051
10 2029.30	38,126	263	412	38,801	(12,131)	(11,279)	(5,407)	(28,817)	(9,092)	892
11 2030.31	39,884	270	422	40,576	(12,435)	(11,667)	(5,535)	(29,636)	(9,249)	1,690
12 2031.32	40,037	276	433	40,746	(12,745)	(11,997)	(5,666)	(30,409)	(9,481)	857
13 2032.33	40,948	283	443	41,674	(13,064)	(12,337)	(5,800)	(31,201)	(9,718)	755
14 2033.34	41,862	290	454	42,606	(13,391)	(12,671)	(5,938)	(31,999)	(9,962)	645
15 2034.35	42,796	298	466	43,559	(13,725)	(13,014)	(6,079)	(32,818)	(10,218)	523
16 2035.36	44,593	305	477	45,376	(14,069)	(13,366)	(6,223)	(33,658)	(10,435)	1,283
17 2036.37	44,729	313	489	45,531	(14,420)	(13,728)	(6,371)	(34,520)	(10,496)	515
18 2037.38	45,728	320	502	46,551	(14,781)	(14,100)	(6,523)	(35,403)	(10,569)	578
19 2038.39	46,750	328	514	47,593	(15,150)	(14,481)	(6,678)	(36,310)	(10,733)	550
20 2039.40	47,796	337	527	48,659	(15,529)	(14,873)	(6,838)	(37,240)	(10,905)	514
21 2040.41	48,864	345	540	49,750	(15,917)	(15,275)	(7,001)	(38,194)	(11,056)	500
22 2041.42	50,918	354	554	51,825	(16,315)	(15,688)	(7,169)	(39,172)	(11,011)	1,642
23 2042.43	51,075	363	568	52,005	(16,723)	(16,113)	(7,341)	(40,176)	(10,971)	857
24 2043.44	52,218	372	582	53,171	(17,141)	(16,548)	(7,517)	(41,206)	(11,116)	849
25 2044.45	53,387	381	596	54,364	(17,570)	(16,996)	(7,697)	(42,263)	(11,269)	832
26 2045.46	54,583	390	611	55,584	(18,009)	(17,455)	(7,882)	(43,346)	(11,425)	813
27 2046.47	55,805	400	626	56,832	(18,459)	(17,927)	(8,072)	(44,458)	(11,583)	790
28 2047.48	58,153	410	642	59,205	(18,921)	(18,411)	(8,267)	(45,599)	(11,747)	1,859
29 2048.49	58,335	420	658	59,413	(19,394)	(18,908)	(8,467)	(46,769)	(11,923)	721
30 2049.50	59,643	431	675	60,748	(19,879)	(19,419)	(8,671)	(47,968)	(12,109)	671