

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) OUTTURN 20/21

21 JULY 2021

REPORT OF CABINET MEMBER: CLLR KELSIE LEARNEY – CABINET MEMBER FOR HOUSING AND ASSET MANAGEMENT

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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 2020-21 and the associated HRA capital programme. It also requests approval for revised budget forecasts to the 2021/22 HRA revenue budget and capital programme to reflect updated costs and take account of capital programme slippage. In addition, it seeks approval to draw down approved set aside funding for the welfare support measures identified within this paper.

RECOMMENDATIONS:

That Cabinet

1. Notes the provisional HRA Outturn figures for 2020/21, these are provisional subject to audit as detailed in Appendices 1 and 2;
2. Approves the carry forward of £0.044m of HRA revenue funding from 2020/21 as detailed in Paragraph 11.4;
3. Notes the Housing capital programme outturn for Major Works and New Build developments as detailed in Paragraphs 11.5 to 11.8 and Appendices 3 & 4;
4. Approves the funding of the 2020/21 HRA capital programme as detailed in Paragraph 11.9 & 11.10 and Appendix 5;

5. Approves the re-forecast capital programme budget of £28.402m for 2021/22 as detailed in Paragraphs 11.12 & 11.13 and Appendix 6 & 7 that takes account of potential programme slippage;
6. Approves the drawdown of £0.412m of the agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives as identified in paragraph 12 over the next two years. Which was agreed by full Council to provide additional targeted support for tenants during this difficult period. This includes the appointment of two temporary full time tenancy sustainment officers and one temporary admin support for a period of up to 24 months to provide the needed additional capacity to deliver these support measures.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

- 1.1 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
- 1.2 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
- 1.3 Homes for all
- a) Assist with the increase of housing property stock across the Winchester district
- 1.4 Vibrant Local Economy
- a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.
- 1.5 Living Well
- a) The wellbeing of residents is considered within the design of new properties and any substitute properties will be viewed accordingly.
- 1.6 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.

2 FINANCIAL IMPLICATIONS

- 2.1 Full details are included in paragraph 11 but, briefly, the Council achieved a net surplus on its HRA revenue account of £2.611m for 2020/21, an increase on that originally budgeted of £1.455m. This increases the HRA general balance as at 31.3.2021 from £12.983m to £15.594m. Current HRA cash balances as at 31.3.2021 are shown in Appendix 5, together with current HRA borrowing.

- 2.2 It is proposed to carry forward to 2021/22 £0.044m of unspent revenue budget from 2020/21 to further support the Housing Company set up process. Further details are provided in Paragraph 11.
- 2.3 It is also proposed to drawdown £0.401m of the agreed £0.500m HRA reserve balances set aside to fund the specific welfare support initiatives agreed by full Council to provide targeted support to tenants during this difficult period as identified in paragraph 12 over the next two years.
- 2.4 Total expenditure in the Housing capital programme for 2020/21 was £20.412m, some £5.556m lower than the Revised Budget of £25.968m. The original budget for the year was £36.014m.
- 2.5 It is proposed to carry forward to 2021/22 £2.636m of capital budget slippage from 2020/21. In addition, the approved budgets for 2021/22 are being re-profiled and as a result reduced by £11.123m to realign them with anticipated activity and achievable forecast spend. The ten year HRA indicative approved capital programme will be amended in the forthcoming budget cycle process for 2022/23 -2031/32 to reflect these changes in the timing of proposed project milestones and also the capacity of the council to resource these activities.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council, as a local housing authority, is required to maintain a Housing Revenue Account (HRA) with a positive working balance and keep borrowing levels within prudential rule guidelines, in accordance with s74 of the Local Government & Housing Act 1989 (the "1989 Act") prohibiting the Council to operate its HRA at a deficit. Effective management of the HRA is necessary to ensure that statutory requirements are met. The proposed balanced budget meets this obligation.
- 3.2 HRA capital projects will ensure that authorities required are in compliance with the Council constitution which includes that a project with costs in excess of £0.250m will be subject to a financial appraisal, Financial Procedure Rules and the subject of a Member decision.

4 WORKFORCE IMPLICATIONS

- 4.1 There are a number of fixed term contracts that are necessary in order to enable the council to have the capacity to support the delivery of the proposed welfare support package initiatives identified within para 12.

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

7 The Outturn Report was presented verbally to TACT support Group at their meeting on the 8th July 2021. They noted that the HRA was in a good financial position but acknowledged the impact of Covid on the delivery of some capital schemes and some services. It was also suggested that where the Council was perceived to be sitting on some sites for a period of time that it consider using its improved resources to move these along. The paper itself will be circulated to TACT for comment and feedback at the same time that it is sent to Scrutiny to note and for their comments

8 ENVIRONMENTAL CONSIDERATIONS

8.1 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.

9 EQUALITY IMPACT ASSESSEMENT

9.1 Whilst there are no actions which arise directly from this report, officers have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken at the time of implementation on any specific recommendations.

9.2 The purpose of the specific welfare support initiatives identified in this report is to assist the council to support tenants who are facing housing problems and are vulnerable to becoming homeless. The individuals who share certain protected characteristic are more likely to be the beneficiary of the implementation of such schemes made possible through the recommended grant allocations and are therefore likely to be affected in a positive way through the approval of the recommendations within this report.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 None required.

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.	
<i>Community Support Lack of consultation will</i>	Regular communication	Positive consultation

<p><i>affect tenant satisfaction and cause objections to planning applications for new build developments.</i></p>	<p>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.</p>	<p>brings forward alternative options that may otherwise not have been considered.</p>
<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. 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 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>In light of recent departures from this team the opportunity to reconfigure it and bring in different skill sets is being reviewed.</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>Whilst interest rates are at historically low rates it is advantageous to look at fixing loans over a long time frame</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</i></p>	<p>Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.</p>	<p>To create new housing developments within new guidelines and drawing on innovative thinking.</p>

<i>considered within planning 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 options for housing tenure and to help to meet unmet demand.
<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.	Its important to ensure that a whole of life approach to developing affordable high quality sustainable housing is considered from the outset
<i>Other – None</i>		

12 SUPPORTING INFORMATION:

12 HRA Outturn 2020/21

Details of the 2020/21 financial performance are analysed in Appendix 1 (subjective summary) and Appendix 2 (service summary).

- 12.1 Overall, the HRA produced a surplus of £2.611m. The outturn surplus is £1.445m higher than the £1.166m revised forecast budget (CAB3241).
- 12.2 Within the subjective summary (Appendix 1), the material variances were:
- a) Premises - £0.379m over. This is largely down to a higher than budgeted spend on responsive repairs of £0.313m and on voids maintenance £0.114m partly offset by a lower than budgeted spend on cyclical maintenance of £0.098m. These are demand led budgets.
 - b) Other Costs - £0.724m under. This is made up of a large number of variances; the key ones contributing to this are an underspend on professional and consultancy budget of £0.311m, a lower than budgeted spend on purchase of furniture £0.146m and additional income from recharges not budgeted for £0.121m (in relation to the management and maintenance of the garages transferred to the general fund and £0.055m of new homes staff capitalisations). Lastly

there is an underspend of £0.101m on travel related to staff mileage claims and car park permits largely as a result of Covid restrictions on travel.

- c) Net Interest and Depreciation- £1.172m under. This is caused by two key factors, interest payments on debt and depreciation charges. The budget for interest payments on debt had assumed a higher level of previous year capital spend financed by debt and higher debt financing charges (£0.779m under). Depreciation is an estimate based on the prior year; actual depreciation is affected by a number of factors such as the annual valuation of the council's housing stock and will therefore vary from forecast (£0.369m under).
- d) External Income – (£0.162m) under. This is largely down to an increase in voids on the general stock £0.086m and on temporary accommodation £0.049m as a direct result of the impact of Covid on new lettings as well as the loss of rent on garages as a result of the decision to transfer all of the remaining sites to the General fund in 2020-21 £0.101m. This is offset by £0.065m additional income recoded from elsewhere within the accounts for a number of reasons. (Budgets will be adjusted next year to reflect this (see 11.3 j) 3. below)).

12.3 Within the service summary (Appendix 2), the material variances were:

- a) Estate management (£0.210m) under. This is largely down to a change in accounting for support services which has seen some of the costs centralised under HRA General (£0.122m), together with staffing underspends (£0.056m) and a reduction car mileage claims and car permits as a result of Covid travel restrictions (£0.028m)
- b) HRA General +£0.213m over. There are a number of variances that make this up including the change in accounting for support services (+£0.300m), the net cost of re-procuring the housing management system (+£0.109m), offset by an underspend in the supplies and services budget (£0.160m) of which the professional consultancy budget (£0.106m) and subscriptions budget (£0.021m) made the largest contributions
- c) The New Build Programme Support staff – under (£0.277m). This is largely down to a lower than budgeted spend on the professional consultancy budget £0.191m), combined with the unbudgeted staffing capitalisation (£0.056m) and staffing vacancies (£0.038m)
- d) Estate Improvements - (£0.172m) under. This is down to a lower than budgeted spend on estate maintenance and grounds maintenance (£0.031m) and an increase in the amount recharged to the general fund (£0.028m), the change in accounting for support services (£0.058m), and additional income from costs recovered (£0.058m).

- e) Sheltered Housing – £0.099k under This underspend is made up of a number of variances including, a premises overspend (£0.049m) offset by the change in accounting for support services (+£0.0.38m), an underspend in furniture and equipment purchases and in computing and communications of a net (£0.089m) additional external income (£0.015m) and car allowances (£0.013m)
- f) Repairs (+£0.225m) over. As mentioned in para 11.2 a) above these budgets are largely demand led and therefore outturns often fluctuate either side of the set budget.
- g) Repairs administration (£0.190m) under. This is largely down to the change in accounting for support services (+£0.121m), an underspend in essential user car payments and in car mileage claims (£0.054m) as a result of Covid, together with an underspend on furniture and equipment of (£0.011m).
- h) Interest Payable - (£0.779m) under. See explanation in 11.2 c) above
- i) Depreciation of Fixed Assets – (£0.369m) under. see explanation in 11.2 c)
- j) Rent and Other Income - £0.344m under. There are a number of reasons for the overall variance;
 - (a) In terms of dwellings (£0.146m), the original budget assumed an increase in rent from affordable dwellings. However, this was impacted by delays and slippage. In addition, the void budget overspent by £0.086m as a result of Covid and issues re-letting void property which was offset in a reduction of bad debts written off again as a result of Covid
 - (b) Garages (£0.109m) this was largely down to the decision to transfer the remaining garages to the General Fund in 2020-21, which wasn't originally budgeted for
 - (c). Other income - (£0.089m) this was largely the result of a review of a number of income budgets where some items of income needed to be recoded elsewhere within the accounts for a number of reasons. (Budgets will be amended next year to reflect this)

12.4 HRA Revenue Carry Forwards from 2020/21 to 2021/22

The only proposed HRA Revenue Carry Forward from 2020/21 to 2021/22 is £0.044m underspend from the other professional services & consultancy fee budget to continue to support anticipated Housing Company setup costs during 2021/22.

12.5 HRA Capital Programme Outturn 2020/21

12.6 Appendices 3 & 4 detail the expenditure in 2020/21 for both the Housing Services and New Build capital programmes against both the Original Budget and the Revised Budget position.

12.7 Overall within Housing Services (Appendix 3), £5.076m was spent against a Revised Budget of £6.106m, a favourable variance of £1.030m on the year.

The material variances were as follows:

- a) Major Repairs - £0.606m under. This reflects the difficulty experienced in operating normally during the Covid lockdown periods.
- b) Estate Improvements - £0.207 under. Due to limited staffing capacity which meant that projects could not be progressed as quickly as normal. Also delays to projects starting due to the pandemic and one project being delayed/put on hold due to public concerns.
- c) Sheltered Housing upgrades £0.092m under - The underspend was the result of bringing forward and completing an additional conversion in 2020-21
- d) Disabled Adaptations - £0.165m over. Although the original budget was £770k, this was adjusted down in the early part of the year due to the anticipated impact of Covid. Clearly, the anticipated downturn in demand did not materialise with the final outturn very close to the original budget, which would suggest the demand and need for these adaptations outweighed any concern over Covid.
- e) Fire safety Provision - £0.061m under There have been much extended lead times on the material supplies for fire doors due to Covid.
- f) Climate Change Emergency £0.240m under. Only 50% of the Swedish project was complete by year-end. This was due to a number of factors:- Covid, wet weather, labour and material supply delays (incl. materials being stolen) and other contractor delays.

12.8 For the New Build capital programme (Appendix 4), £15.336m was spent against a Revised Budget of £19.862m, a favourable variance on the year of £4.526m.

The material variances were as follows:

- a) The Valley - £0.177m under. The completion of the scheme was adversely affected by the impact of Covid, which presented significant challenges in terms of additional health and safety working requirements, access to sites, and supply chain problems

- b) Rowlings Road - £0.326m under. Total scheme costs were lower than originally budgeted and the New Homes programme had not been amended to reflect this.. The scheme has now completed with an outturn final cost of £1.316m against an approved Total Scheme Cost (TSC) of £1.430m, an underspend of £0.114m against the approved TSC budget.
- c) Hookpit - £0.217m under. The completion of the scheme was again adversely affected by the impact of Covid, which presented significant challenges in terms of additional health and safety working requirements, access to sites, and supply chain problems,
- d) Small Sites/Unallocated programme - £2.224m under. The ability to identify development opportunities for investment was limited in 2020-21 and restricted to largely focussing upon a number of individual property acquisitions where these were assessed as meeting housing need and representing VFM.
- e) Sites funded from 1-4-1 receipts. This budget wasn't required in 2020-21, as the Council achieved its 1-4-1 spend targets through the delivery of the approved programme together with the ad-hoc acquisitions funded from the small sites/unallocated programme

12.9 HRA Capital Programme Funding

- 12.10 Appendix 5 details the actual funding for the capital programme in 2020/21. The funding requirement for the year was £5.556m less than previously anticipated in setting the Revised Budget. The Housing Services programme was underspent by £1.030m, with the New Build capital programme being £4.526m underspent. A decision was made towards the year end to take advantage of what were considered to be historically low interest rates, and to fix £10m of the long-term borrowing requirement of the HRA by taking out a 50 year PWLB maturity loan at 1.95%. The impact of this on the average HRA cost of capital is shown here together with current HRA reserves/resources. These resources are largely constrained in their use with the exception of the general reserve but provide a degree of mitigation against future new homes development and sales risk.
- 12.11 The proposed funding of the programme therefore firstly applies all required 1-4-1 RTB funding of £1.199m to maximise the council's position on these resources. The remaining £18.393m was unfinanced and, after taking account of the final transfer of the all the remaining HRA garages to the GF (totalling £3.075m), the net movement on the HRA's Capital Financing Requirement (CFR) was an increase of £15.318. The HRA CFR has increased from £162.859m to £178.177m.

12.12 HRA Capital Programme Re-Forecast for 2021/22

Within the capital programme, there is an increase due to slippage to the original budget of £2.636m combined with the reduction due to the re-profiling

of £11.123m into future years, which is proposed in Appendix 6 & 7. The impact of these changes on the original budget of £36.889m, is a net reduction in approved budget for 2021/22 of £8.487m,

- 12.13 The proposed Housing Services programme carry forward of £0.412m. This reflects the anticipated need to spend on ongoing programmes and the carry forward of funding for key Council priorities such as climate change and fire safety. In addition, the external envelope works budget is reduced in line with expected programmed works and the expected capacity to deliver.
- 12.14 The profiling of all the New Homes scheme capital projects has also been reviewed in light of changes in both individual programme delivery timeframes and the capacity of the team to resource these projects. As a result, it is not proposed to bring forward any underspends at this time, but rather to ensure that the approved revised budget envelopes for 2021-22 are both realistic and achievable. The Overall impact of this on the HRA 10 year indicative programme will be identified during the next year's budget preparation process.

12. **The proposed 2021/22 HRA Welfare Fund spending plan.**

- 12.1 This additional one off sum of £0.500m funded from the existing HRA balance was approved at full council on 24 February 2021. The proposed spending plans are brought forward in discussion with TACT and tenants.
- 12.2 The pandemic has had a detrimental impact on many households financial security. Studies have shown an increase in the characteristics of vulnerability for adults including poor health, low financial resilience and negative life events. There has been a significant rise in people losing their jobs, being forced to take salary cuts or accept reduced hours because of the pandemic. Working-age adults have been disproportionately hit by the virus, in particular younger adults, black, Asian and minority ethnic adults and the self-employed.
- 12.3 Financial hardship and poor mental health often go hand in hand and can result in the threat of homelessness. Public Health England research into the impact of the pandemic on the mental health and wellbeing of adults has shown an increase in those experiencing anxiety, stress and low mood a long with sleep problems. And it is likely that the effects of the pandemic on such households will be felt for months or even years to come.
- 12.4 £0.500m has been allocated as a one off sum from the HRA budget to fund additional support services to help with recovery for those tenants most adversely affected. The fund will also provide practical financial support to tenants facing hardship to help sustain tenancies and prevent homelessness.

12.5 **Details of the Proposal**

- 12.6 The Welfare Fund budget of £0.500m funded from the existing HRA balance was allocated to provide additional support for council tenants in consultation

with TACT and tenants. Consultation took place with involved tenants and TACT Members on 17th March 2021 and with the Portfolio Holder for Housing and Asset Management. The feedback document from the consultation event can be found in Background Documents.

- 12.7 **Strategic Commissioning:** Commissioning of local support services enabling the council to allocate resources and procure partner agencies already active in our communities. To help provide specialist help and support services that will deliver priority outcomes set out in operational service plans. Areas of additional support will include employment support to help with job searches, CV writing, life coaching and confidence building. Therapeutic services for those with poor mental health including befriending services. To support people struggling to afford to pay energy bills to take advantage of benefits, grants and help offered by the government and energy suppliers. Financial support for tenants moving into a new home to tackle appliance and furniture poverty. To prevent tenants falling in to debt by borrowing from high-interest loan providers to buy essential furnishings. Proposed spending budget of £0.100m over a two year programme.
- 12.8 **Digital Inclusion:** The pandemic highlighted the importance of digital inclusion but there are still significant levels of digital exclusion with people lacking the basic skills to use the internet effectively. This can be as result of unemployment, fewer educational qualifications, and people living with disabilities and is often associated with those living in social housing. The fund will support those tenants in receipt of Universal Credit, seeking employment or participating in training who are on low incomes. Providing training opportunities to help not just with computer skills but to help build confidence and awareness of opportunity. Proposed spending budget of £0.040m over a two year programme.
- 12.9 **Welfare Personalisation Budget:** To enable housing officers to be reactive through an emergency fund which is readily available to meet crisis need when tenants do not have sufficient funds to meet their basic need. It can act as an engagement tool to help support the more hard reach and complex need tenants and those involved in antisocial behaviour incidents. The budget will be used flexibly to meet a need that is not currently met through the government welfare benefit system. Providing bespoke support that enhances a tenant's choice. Proposed spending budget of £0.080m over a two year programme.
- 12.10 **Increased Welfare Support Capacity:** The Tenancy Sustainment team was first established in 2019 as an in house support service to help tenants to live well. During the pandemic there was a substantial increase in tenant referrals to the team needing support and assistance. With increased demand in specialist areas such as mental health support and money and benefit assistance. Existing officers during 202/21 supported 60 tenants with mental health support and 150 tenants with money and benefit advice with successful outcomes helping to keep tenants in their home preventing the threat of homelessness. The need continues to grow and there are many more tenants

who will benefit from the tenancy sustainment support service. To meet the resource demand and to support as many tenants in need as possible it is proposed to increase the capacity of the team by appointing two temporary full time tenancy sustainment officers. There is also a need to employ temporary administrative support to proactively manage the referral process coming into the tenancy support Service. This increase in resources will enable each additional officer to support another 50 to 60 tenants and will enable the service to accept another 100 plus referrals. Proposed spending budget of £0.192m for the period 2021/22 and 2022/23.

13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 In connection with the proposed Welfare support package discussions took place to offer a reduction in rent to all tenants in the form of a rent free week during 2021/22. But this would not have benefited the most in need tenants as those tenants in receipt of welfare benefits including Housing Benefit and Universal Credit would not receive any financial gain from a rent free week. To keep the money in reserve is not recommended as support for tenants is needed now to enable and assist the council's recovery work.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3290 Housing Revenue Account Budget 2021 22. 11 Feb 2021

CAB3275 Housing Revenue Account Budget, Business Plan and Budget Options. 16 Dec 2020

CAB3266 HRA Acquisitions. 21 Oct 2020

CAB3241 HRA Outturn. 9 July 2020

The Background Documents:-

Tenant Welfare Consultation & Feedback Document

APPENDICES:

Appendix 1 – Housing Revenue Account Outturn 2020/21 – Subjective Summary

Appendix 2 – Housing Revenue Account Outturn 2020/21 – Service Summary

Appendix 3 – Housing Capital Programme 2020/21 – Housing Services Outturn

Appendix 4 – Housing Capital Programme 2020/21 – New Build Outturn

Appendix 5 – Housing Capital Programme 2020/21 Funding, Resources and Debt

Appendix 6 – Housing Capital Programme 2021/22 – Re-forecast Budget Major Works

Appendix 7 – Housing Capital Programme 2021/22 – Re-forecast Budget New Build

APPENDIX 1

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
Employees	(3,859)	(3,859)	(3,818)	41	
Premises	(5,732)	(5,732)	(6,111)	(379)	11.2 a).
Other Costs	(3,934)	(3,984)	(3,261)	724	11.2 b).
Net Interest and Depreciation	(14,555)	(14,555)	(13,383)	1,172	11.2 c).
External income	29,316	29,316	29,154	(162)	11.2 d).
Surplus for year on HRA Services	1,235	1,185	2,582	1,397	
Right to Buy Admin Fees	26	26	23	(3)	
Interest receivable	21	21	6	(15)	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,282	1,232	2,611	1,379	
Transfer re Insurance Reserve	(66)	(66)		66	
(Increase)/ decrease in HRA Balance	1,216	1,166	2,611	1,445	
HRA Working Balance					
Opening Balance	(11,766)	(12,983)	(12,983)		
Add Projected Deficit/(Surplus)	(1,216)	(1,166)	(2,611)	(1,445)	
Projected Balance at Year End	(12,982)	(14,149)	(15,594)	(1,445)	

APPENDIX 2

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
Service Summary					
Housing Management General					
Estate Management	(1,382)	(1,390)	(1,180)	210	11.3 a)
HRA General	(2,127)	(2,155)	(2,368)	(213)	11.3 b)
Removal Incentive Scheme	(60)	(60)	(73)	(13)	
Rent Accounting	(156)	(156)	(67)	89	
Tenants Information	(94)	(95)	(48)	47	
Vacant Dwellings	(25)	(25)	(56)	(31)	
New Build Programme Support	(1,048)	(1,051)	(774)	277	11.3 c)
	(4,892)	(4,931)	(4,566)	365	
Housing Management Special					
Communal Services	85	85	103	18	
Disabled Adaptations	(127)	(128)	(133)	(5)	
Estate Improvements	(565)	(565)	(393)	172	11.3 d)
Homelessness	19	18	(16)	(33)	
Sewage Works	(391)	(391)	(382)	9	
Sheltered Housing	(818)	(821)	(722)	99	11.3 e)
	(1,798)	(1,801)	(1,542)	259	
Repairs					
Responsive Maintenance	(2,234)	(2,234)	(2,421)	(187)	
Voids	(1,184)	(1,184)	(1,317)	(132)	
Cyclic	(900)	(900)	(806)	94	
Sub - total Repairs Works	(4,319)	(4,319)	(4,544)	(225)	11.3 f)
Repairs Administration	(1,156)	(1,163)	(973)	190	11.3 g)
	(5,475)	(5,482)	(5,517)	(36)	
Debt Management Expenses					
Debt Management Expenses	(14)	(14)	(11)	3	
Interest Payable	(5,961)	(5,961)	(5,182)	779	11.3 h)
Depreciation of Fixed Assets	(8,570)	(8,570)	(8,201)	369	11.3 i)
	(14,545)	(14,545)	(13,394)	1,151	
Rents and Other Income					
Dwelling Rents	26,843	26,843	26,697	(146)	
Garage Rents	217	217	109	(109)	
Other Income	331	331	311	(20)	
Sheltered Charges	553	553	483	(69)	
	27,945	27,945	27,600	(344)	11.3 j)
Surplus for year on HRA Services	1,235	1,185	2,582	1,396	

APPENDIX 2

HRA - INDICATIVE OUTTURN 2020/21

	Original Budget £000	Revised Budget £000	Indicative Outturn £000	Variance Outturn to Revised Budget £000	Report Notes
Service Summary					
Right to Buy Admin Fees	26	26	23	(3)	
Interest Receivable	21	21	6	(15)	
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,282	1,232	2,611	1,378	
Transfer re Insurance Reserve	(66)	(66)		66	
(Increase)/ decrease in HRA Balance	1,216	1,166	2,611	1,445	
HRA Working Balance					
Opening Balance	(11,766)	(12,983)	(12,983)		
Add Projected Deficit/(Surplus)	(1,216)	(1,166)	(2,611)	(1,445)	
Projected Balance at Year End	(12,982)	(14,149)	(15,594)	(1,445)	

HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2020/21

	2020/21 Original Budget £000	2020/21 Revised Budget £000	2020/21 Indicative Outturn £000	2020/21 Variance Outturn to Revised Budget £000	Report Notes
<u>Housing Services Programme</u>					
<u>Major Repairs</u>					
External Envelope Works	(2,617)	(1,579)	(1,275)	(304)	
External Ground Works	(302)	(191)	(208)	17	
External Window/Door/Screens	(392)	(372)	(175)	(197)	
Internal Structure & Finishes	(66)	(145)	(121)	(24)	
Kitchen & Bathroom Renewals	(709)	(663)	(676)	13	
Mechanical & Electrical Services	(1,584)	(1,171)	(1,060)	(111)	
	(5,669)	(4,121)	(3,515)	(606)	11.7 a).
<u>Improvements & Conversions</u>					
Estate Improvements	(400)	(400)	(183)	(217)	11.7 b).
Sheltered Housing Conversions		(55)	(95)	40	
Sheltered Housing Upgrades	(100)	(100)	(8)	(92)	11.7 c).
	(500)	(555)	(286)	(269)	
<u>Other Capital Spending</u>					
Disabled Adaptations	(770)	(624)	(789)	165	11.7 d).
Fire Safety Provision	(1,030)	(400)	(339)	(61)	11.7 e).
Climate Change Emergency	(1,030)	(300)	(60)	(240)	11.7 f).
Sewage Treatment Works	(106)	(106)	(87)	(19)	
Total HS Capital Programme	(9,105)	(6,106)	(5,076)	(1,030)	

HRA CAPITAL PROGRAMME INDICATIVE OUTTURN 2020/21

	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Indicative Outturn	2020/21 Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
New Build Programme & Other Capital					
The Valley, Stanmore	(5,713)	(6,924)	(6,747)	(177)	11.8 a)
Rowlings Rd, Weeke	(1,129)	(1,237)	(911)	(326)	11.8 b)
Wykeham Place, Stanmore	(446)	(25)	(11)	(14)	
Dyson Drive	(954)	(45)	(11)	(34)	
Dolphin Hill, Twyford	(184)	(268)	(270)	2	
Woodman Close, Sparsholt	(762)		(18)	18	
Hookpit, Kings Worthy	(4,965)	(5,288)	(5,505)	217	11.8 c)
Winnall Flats	(7,551)	(600)	(605)	5	
Wickham CLT	(205)				
Tower Street		(33)	(10)	(23)	
Southbrook Cottages		(70)	(91)	21	
Cornerhouse		(22)	(19)	(3)	
Mews Rd-purchase		(255)	(265)	10	
Emmaus Hampshire		(50)	(50)		
Victoria House		(3)	(3)		
Mitford Rd		(1)	(1)		
Mayles Lane, Knowle			(2)	2	
Small Sites/Unallocated Programme	(3,000)	(3,041)		(3,041)	
Dennett House-purchase			(129)	129	
9 Wykham Place			(330)	330	
Blanchard Rd-purchase			(283)	283	
Trinity Capital Grant			(75)	75	
Total Small Sites	(3,000)	(3,041)	(817)	(2,224)	11.8 d)
Sites funded by 1-4-1 receipts	(2,000)	(2,000)		(2,000)	11.8 e)
Total New Build Programme	(26,909)	(19,862)	(15,336)	(4,526)	
Total HRA Capital Programme	(36,014)	(25,968)	(20,412)	(5,556)	

HRA CAPITAL PROGRAMME INDICATIVE FUNDING 2020/21

Funding Source	Original Budget	Revised Budget	Indicative Outturn	Variance Outturn to Revised Budget	Report Notes
	£000	£000	£000	£000	
Right to Buy Other Retained receipts					
Right to Buy 1-4-1 Receipts	3,188	3,330	2,019	(1,311)	
Other capital receipts	950	3,040		(3,040)	
S.106 Contributions	250	1,372		(1,372)	
Homes England Grant	1,611				
New Build Sales	4,300				
HRA Borrowing	15,500	8,186	15,318	7,132	
Garage Transfers to General Fund	1,858	1,858	3,075	1,217	
Major Repairs Reserve	8,357	8,182		(8,182)	
TOTAL	36,014	25,968	20,412	(5,556)	11.10

HRA Usable Reserves/Resources	Bal 31.3.2020	Bal 31.3.2021	Change
	£000	£000	£000
HRA Revenue Reserves	12,983	15,594	2,611
Major Repairs Reserve	12	8,211	8,199
Right to Buy 1-4-1 Receipts	4,698	3,885	(813)
Other Capital Receipts	4,222	5,406	1,184
S.106 Contributions	1,342	1,921	579
TOTAL	23,257	35,017	11,760

HRA Capital Financing Requirement (Level of Underlying Borrowing)

	£000	£000	£000
CFR	162,859	178,177	15,318
Annual Cost of Debt	5,199	5,592	393
Average Cost of Capital	3.19%	3.14%	-0.05%

HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2021/22

	2021/22 Original Approved Budget. £000	2021/22 Other Budget Changes £000	2020/21 Proposed B/fwd £000	2021/22 Revised Budget £000	Report Notes
<u>Housing Services Programme</u>					
<u>Major Repairs</u>					
External Envelope Works	(2,800)	800		(2,000)	
External Ground Works	(400)			(400)	
External Window/Door/Screens	(500)			(500)	
Internal Structure & Finishes	(350)			(350)	
Kitchen & Bathroom Renewals	(1,028)			(1,028)	
Mechanical & Electrical Services	(1,600)			(1,600)	
	(6,678)	800		(5,878)	
<u>Improvements & Conversions</u>					
Estate Improvements	(507)			(507)	
Sheltered Housing Conversions	(55)			(55)	
Sheltered Housing Upgrades	(135)		(92)	(227)	11.12 a).
	(697)		(92)	(789)	
<u>Other Capital Spending</u>					
Disabled Adaptations	(797)			(797)	
Fire Safety Provision	(1,016)		(61)	(1,077)	11.12 b).
Climate Change Emergency	(1,587)		(240)	(1,827)	11.12 c).
Sewage Treatment Works	(308)		(19)	(327)	
Total HS Capital Programme	(11,083)	800	(412)	(10,695)	

Appendix 7

HRA CAPITAL PROGRAMME PROPOSED REVISED BUDGETS 2021/22

	2021/22 Original Approved Budget. £000	2021/22 Other Budget Changes £000	2020/21 Proposed Bfwd £000	2021/22 Revised Budget £000	Notes
New Build Programme & Other Capital					
Dyson Drive	(1,222)	1,172		(50)	
The Valley, Stanmore	(2,681)	563		(2,118)	
Wykeham Place, Stanmore	(169)	169		(0)	
Woodman Close, Sparsholt	(815)	735		(80)	
Hookpit, Kings Worthy	(1,068)	278		(790)	
Winnall Flats	(8,641)			(8,641)	
Wickham CLT	(410)	205		(205)	
Tower Street	(192)			(192)	
Southbrook Cottages	(1,155)	905		(250)	
Cornerhouse	(335)	235		(100)	
Witherbed Lane, Segensworth	(302)	272		(30)	
Barton Farm Extra Care	(1,000)	1,000			
Ravenswood	(800)	800			
Small Sites/Unallocated Programme	(2,641)	615	(2,224)	(4,250)	11.13 a).
Sites funded by 1-4-1 receipts	(4,374)	3,374		(1,000)	
Total New Build Programme	(25,806)	10,323	(2,224)	(17,707)	
Total HRA Capital Programme	(36,889)	11,123	(2,636)	(28,402)	