

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUDGET 2022/23

17 FEBRUARY 2022

REPORT OF CABINET MEMBER: Cllr Kelsie Learney, Cabinet Member For Housing
And Asset Management

CONTACT OFFICER: DICK JOHNSON TEL NO: 01962 848136

EMAIL: DJOHNSON@WINCHESTER.GOV.UK

WARD(S): ALL

PURPOSE

This report requests approval for the proposed HRA revenue budget for 2022/23, as detailed in Appendices 1 and 2.

The report also requests approval for the capital programme budget proposal for 2022/23 and 10 year plan to 2031/32. These figures are detailed in Appendices 3 and 4, taking account of the funding shown in Appendix 5.

The report also proposes a 3.1% increase in rent (1% lower than the national Government formula), together with an additional revenue investment of £0.300m in HRA services and £0.500m in HRA repairs and maintenance in 2022/23, as detailed within the report.

The proposed HRA Business plan 2021/22 to 2050/51 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.

RECOMMENDATIONS:

That Cabinet recommend that Council :-

1. Approve the 2022/23 Housing Revenue Account budget as detailed in Appendices 1 and 2 to this report.
2. Approve the 10 Year indicative HRA capital programme as set out in appendices 3 and 4.
3. Approve capital expenditure in 2022/23 of £9.289m for the Maintenance, Improvement and Renewal programme as detailed in Appendix 3 of the report in accordance with Financial Procedure Rule 7.4
4. Approve the proposed indicative funding for the HRA Capital Programme, as detailed in Appendix 5.
5. Note the HRA Financial Plan operating account extract, including annual working balances, as detailed in Appendix 6.
6. Agree to support the proposal to fund £0.300m new initiatives around the Housing White Paper – “The charter for social housing residents” and invest additional resources in the capacity of the new homes delivery team, the decent homes team and Neighbourhood/Estate Management.
7. Agree to support the proposal to increase the revenue funding for planned and reactive repairs by £0.500m to reflect both increased budget pressures and the cost of delivering an improved void standard to properties prior to letting
8. Approve a rent increase of 3.1% from April 4th 2022 for Social and Affordable housing within the HRA.
9. Approve a cap on service charges for 2022/23 for all tenants at £5.00 per week.

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

The Business Plan and budget provision set out in this report includes £15.8m funding to support the retro-fitting of carbon reduction measures to existing homes and to develop new homes in accordance with Passivhaus or equivalent standards. The Plan also has capacity for additional investment in Carbon Neutrality measures in future years and specific proposals will be determined once the impact of existing measures has been assessed.

1.3 Homes for all

Assist with the increase of housing property stock across the Winchester district and in meeting the housing need of residents

1.4 Vibrant Local Economy

Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.

1.5 Living Well

The wellbeing of residents are considered within the design of new properties and any substitute properties will be viewed accordingly.

1.6 Your Services, Your Voice

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 These are fully detailed in Section 11 of the report and the accompanying appendices.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 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.

- 3.2 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.
- 3.3 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.
- 3.4 The proposed HRA budget fulfils these requirements. The report also 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. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance of dwellings may be considered consistent with the council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985.

4 WORKFORCE IMPLICATIONS

- 4.1 Some of the options for consideration for next year's budget will require additional staffing resources and further details regarding this are set out in section 11.4 and 11.5.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 In order to meet one of the key principles of the Council Plan, 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.

6 CONSULTATION AND COMMUNICATION

- 6.1 The current HRA budget proposals are unchanged and in line with the HRA Budget Options paper. This paper was discussed with the TACT Support Group on 4th November and presented to full TACT on 24th November. The TACT representatives expressed a preference for a rent increase in line with

CPI rather than the proposed CPI + 1%. They acknowledged the reduced investment in services that would result from a lower rent increase. TACT has reaffirmed that these comments represent their views.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 As set out above, the council has approved £15.8m of investment in retro fitting carbon reduction measures to existing homes and this report takes account of this. New Homes schemes are now being brought forward based on achieving net carbon neutral development or as close to it as is possible on specific sites.
- 7.2 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.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Cabinet approved a new Public Sector Equality Duty (PSED) policy and corporate approach for the Council on 19 January 2022. This new approach will require every service in the council to be reviewed with regards to the PSED.
- 8.2 This year the Equality Impact Assessment (EQIA) for service provision has relied on existing EQIA's at individual Service level. No service leads have highlighted any gaps in service provision for 2022/23.
- 8.3 Once the new and more consistent process for EQIA assessment is in place the equalities lead will have access to the overarching picture of our service impacts and will highlight to the S151 officer any needs in our service provision.
- 8.4 Proposals for a strategic service review, to commence in 2022 with a view to identifying appropriate measures to reduce net operating costs prior to finalising the 2023/24 budget, were set out in the HRA Business Plan and Budget Options paper in November 2021 (CAB3325). In preparation for doing this work, the council will carry out consultation to inform service delivery and all options will be assessed against the PSED; with Equality Impact Assessments undertaken where necessary.
- 8.5 The 2022/23 budget's operational decisions being presented in this paper include investment in maintaining decent homes and increasing the supply of affordable housing designed to have a positive impact on resident's tenants and residents. Other options designed to have a positive impact on council tenants include a rent reduction and a cap this year on service charges for all tenants.

9 DATA PROTECTION IMPACT ASSESSMENT

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

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.	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 new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.
<i>Timescales Delays to new build contracts may result in increased costs and lost revenue.</i>	New build contracts contain clauses to allow the council to recover damages if the project is delayed due to contractor actions.	
<i>Project capacity 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>	Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the council to manage resources effectively.	The council monitor's government announcements on the use of RTB receipts and potential capital grant funding.
<i>Staffing resources (not always in Housing) reduce</i>	Staffing resources have been reviewed to support	Given the challenging nature of the delivery

<i>the ability to push forward new schemes at the required pace.</i>	the delivery of the enhanced new build programme.	targets it may be necessary to review the resourcing requirements needed to successfully deliver this step change in anticipated activity
<i>Financial / VFM Risks, mitigation and opportunities are managed through regular project monitoring meetings</i>	New build schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM. 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. The HRA Minimum working balance is now based upon 5% of operating turnover and 10% of budgeted new homes capital spend.	
<i>Legal 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 of future new build projects.</i>	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>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 although not in itself a solution to enable large scale development nevertheless has the potential to support a more diverse housing offer to private residents.
<i>Reputation Failure to complete major housing projects due to</i>	Business planning tools with regular updates are	

<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 Revenue Budget Proposals

- 11.1 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 the long term maintenance costs of the new homes that are planned at the councils current decent homes standard plus.
- 11.2 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.
- 11.3 At its meeting in October an HRA budget options paper was considered this presented viable two rent options. Either increasing in line with the guideline at 4.1% or setting rents at 3.1%. After due consideration of the options the Cabinet has opted to set a rent increase of 3.1% for 2022-23 instead of the permitted maximum national of 4.1%. This is in recognition of a number of factors around significant inflationary increases elsewhere, such as energy costs, transport, food and the cost of living, as well as the ongoing impact of Covid 19. The impact of this is considered in the options considered but rejected (section 17).
- 11.4 In addition following last year's budget, the council has set aside £0.500m to fund a number of welfare support initiatives aimed at providing targeted tenancy support for the more vulnerable tenants within the HRA.
- 11.5 In order to further strengthen the capacity and capability of the HRA to meet the requirements of the Housing White Paper – “The charter for social housing residents” an additional £0.300m of investment is proposed, focused upon improving the capacity of the teams to support the new homes programme, the decent homes team and Neighbourhood/Estate Management. During lockdown many social housing tenants have struggled without green spaces to enjoy, others have dealt with loneliness, isolation and Anti-Social Behaviour. The proposed strengthening of staffing capacity within the housing service through two additional neighbourhood services officers will increase opportunities to invest in community development and tenant engagement, supporting our role as a landlord in keeping neighbourhoods

clean and safe to live in. The proposed additional Property Surveyor will ensure the council continues to provide good quality, decent homes and neighbourhoods, including access to green space and support for wellbeing. The additional post to support New Homes Delivery will focus on managing the range of alternative tenures now delivered through the programme, working closely with both New Homes and Leasehold teams.

- 11.6 It is also proposed to increase the revenue funding for planned and reactive repairs by £0.500m to reflect both increased budget pressures currently being experienced £0.300m as well as the cost of delivering an improved void standard to properties prior to letting £0.200m. Providing an opportunity to review and update the current minimum void standard. Beginning with existing sheltered and general need 2 bedroomed flats which have become difficult to let. The enhanced property void standard will make properties more appealing and attractive to advertise and provide local high quality council homes to rent.

12 Housing Revenue Account Budget 2022-23

- 12.1 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:
- a) Employees – The 2022-23 budget is £4.693m, an increase of £0.614m on the 2021-22 original budget. The employee budget includes the full year effect of the 2021-22 pay award and allowance for a similar pay award in 2022-23.
 - b) Premises – The 2022-23 budget is £7.056m, an increase of £1.111m on the 2021-22 original budget. The main changes in funding are on repairs £0.999m, and on energy costs £0.107m. The budget includes the financial plan assumptions reflecting growth and inflation on responsive, void & cyclical repairs. It also includes an adjustment to reflect the impact of a review of capitalised expenditure that identified some repairs costs that do not meet the accounting requirements to capitalise. This has led to the redirection of costs to revenue from capital. The budget also includes additional funding towards of £0.300m for planned and reactive repairs and £0.200m towards an improved voids specification. There has also been an increase in energy costs following recent announcements of material inflationary pressures.
 - c) Net Interest – The 2022-23 budget reflects the interest cost of anticipated HRA borrowing. It assumes an interest cost of £6.669m, an increase of £678k on the 2021-22 original budget. This is sufficient given likely PWLB interest rates of circa 2%-3% to fund the borrowing requirement in 2022-23 of an additional £34m of capital costs. This is in line with the HRA funding strategy to prudentially borrow at historically low rates of interest

- d) Depreciation – Is an estimate based on the prior year. The budget for 2022-23 is £8.635m, an increase of £90k on the original budget for 2021-22. 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.
- e) External Income – The 2022-23 budget is £29.836m, an increase of £0.720m on the original budget for 2021-22. It reflects a rent increase of 3.1% from April 2022, with service charges set to recover actual forecast costs. Garage rents and lifeline charges will not be increased in 2022-23.

13 Service Charges

- 13.1 The council's policy is to recover the actual cost of providing specific services to tenants (such as cleaning, grounds maintenance and communal costs for flats and sheltered housing) through their service charges. A review of the service charging process has now been concluded and it has been identified that in some instances the council is not recovering its full costs. Going forward the new service charge process will ensure that the Council reviews actual costs against estimated costs and uses this to inform the level of charging required in the following year.
- 13.2 In setting the estimated services charges for 2022-23 the council has sought to realign service charges with actual costs. This has resulted in some material increases especially energy costs which are expected to be significantly higher this last. As a result all increases in service charge costs have been "capped" to £5 a week for all tenants in 2022-23, at a cost to the HRA of £38k.
- 13.3 Applying the service charge cap alongside the rent reduction next year provides financial relief and support to those tenants who need it most. The impact of rising household and energy costs will hit those on low incomes the hardest due to spending a higher proportion of their expenditure on housing-related costs.

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 £79m 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%.

- 14.4 The updated HRA asset management strategy which was approved on the 8th December 2021, considers fire safety measures and 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 also addresses the council's 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, as well as any changes to the decent homes standard heralded in the recent white Paper "The charter for social housing residents".
- 14.6 A key element of the council's Climate Neutrality 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 funding towards Climate change of £15.861m, including provision for inflation.
- 14.7 The latest financial projection also includes an annual provision of £0.482m for Estate Improvements for the next 8 years. The scope of the programme includes environmental improvements resulting from the Climate Neutrality Change Action Plan, including electrical vehicle charging points in a number of council car Parks.
- 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 £3.300m of investment over the next 30 years with £1.600m within the next 10 years.

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 £258m. The projection includes known schemes £80m and an unallocated provision to cover additional schemes £177m 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 2022-23 contains £5.5m 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 2021-22 to 2031/32

17. OTHER OPTIONS CONSIDERED AND REJECTED

17.1 The option to have a nil increase in rents was also modelled. The impact of no increase would have a cumulative detrimental impact over the life of the plan. Modelling demonstrated that the proposed HRA 30 year business plan would not be financially viable nor financially sustainable in such a situation, with negative working balances from year 18. The net NPV cost to the HRA in today's prices over the 30 years would be a loss of £29.027m. The lost income could theoretically fund 152 new affordable homes. This option has therefore been discarded as being unviable.

17.2 The option to increase council rents by the permitted national guideline increase of 4.1% was also considered and rejected. The majority of council landlords and registered providers have kept with the higher increase in recognition of this being a key measure for funding long term business plans and of the several years of national rent reductions which reduced the cost of social housing compared to market housing.

17.3 The impact of a 4.1% increase would have been to generate additional financial headroom that could have allowed sufficient funds to finance an additional 58 new affordable homes and the lower increase will cost the HRA £7.5m over the life of the current plan. In addition, because the Government imposed real reductions of 1% between 2016-17 and 2019-20, the average annual increase in rents over the last 10 years would have still have been only 1.9%. It should be noted that a decision to set a rent lower than CPI+1% has no beneficial impact to residents in receipt of benefits or universal credit. All support payments are adjusted to reflect rent decisions up to the maximum of CPI+1% and the Government anticipate registered landlords setting rents in accordance with the national policy.

17.3 However the decision still means that the HRA is financially viable and that the 30 year business plan remains sustainable with general reserve levels above HRA minimum balances.

18. BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3264 – HRA Asset Management Plan - 8 Dec 2021

CAB3325- HRA Budget Options - 23 Nov 2021

CAB3275 – HRA Budget Business Plan and Budget Options-16 Dec 2020

CAB3111 – HRA Budget 2019-20 & Business Plan 2019/49 – 30 Jan 2019

19. APPENDICES:

Appendix 1: HRA 2022-23 Budget – Service Summary

Appendix 2: HRA 2022-23 Budget – Subjective Summary

Appendix 3: Housing Services Capital Programme 2022-23 to 2031/32

Appendix 4: New Build Housing Capital Programme 2022-23 to 2031/32

Appendix 5: HRA Capital Programme Funding 2022-23 to 2031/32

Appendix 6: HRA Financial Plan 2021-22 to 2050/51 Extract – Operating Account

APPENDIX 1: HRA 2022-23 BUDGET – SERVICE SUMMARY

<u>Housing Revenue Account</u>	21/22		21/22	22/23
	Original Budget per CAB3290	B/Fwd from 20/21/Adj Per CAB3308	Revised Budget	Original Budget
Service Summary	£	£	£	£
Housing Management General				
Estate Management	(1,381,655)	134,155	(1,247,500)	(1,278,227)
HRA General	(2,779,837)	(7,109)	(2,786,946)	(3,010,302)
New Build Programme Support	(856,510)	0	(856,510)	(917,989)
Removal Incentive Scheme	(65,000)	0	(65,000)	(65,000)
Rent Accounting	(86,506)	0	(86,506)	(71,040)
Tenants Information	(91,095)	0	(91,095)	(83,555)
Tenancy Sustainment	0	(356,225)	(356,225)	(424,805)
Vacant Dwellings	(25,400)	0	(25,400)	(31,400)
	(5,286,003)	(229,179)	(5,515,182)	(5,882,318)
Housing Management Special				
Communal Services	58,641	0	58,641	103,350
Disabled Adaptations	(135,521)	0	(135,521)	(136,621)
Estate Maintenance	(528,510)	0	(528,510)	(489,200)
Homelessness	(184,309)	41,688	(142,621)	(40,134)
Sewage Works	(399,100)	0	(399,100)	(331,723)
Sheltered Housing	(901,833)	(62,509)	(964,342)	(881,156)
	(2,090,632)	(20,821)	(2,111,453)	(1,775,484)
Repairs				
Responsive Maintenance	(2,115,352)	0	(2,115,352)	(2,872,972)
Voids	(1,234,000)	0	(1,234,000)	(1,490,000)
Cyclic	(927,000)	0	(927,000)	(957,000)
Sub - total Repairs Works	(4,276,352)	0	(4,276,352)	(5,319,972)
Repairs Administration	(1,150,374)	0	(1,150,374)	(1,400,538)
	(5,426,726)	0	(5,426,726)	(6,720,510)
Debt Management Expenses				
Debt Management Expenses	(10,000)	0	(10,000)	(7,242)
Interest Payable	(6,011,700)	0	(6,011,700)	(6,689,200)
Depreciation of Fixed Assets	(8,544,300)	0	(8,544,300)	(8,634,700)
	(14,566,000)	0	(14,566,000)	(15,331,142)
Rents and Other Income				
Dwelling Rents	27,600,000	0	27,600,000	28,225,543
Garage Rents	79,000	0	79,000	63,000
Other Income	248,491	0	248,491	249,291
Sheltered Charges	543,120	0	543,120	555,020
Interest Receivable	20,000	0	20,000	20,000
	28,490,611	0	28,490,611	29,112,854

APPENDIX 1: HRA 2022-23 BUDGET – SERVICE SUMMARY

<u>Housing Revenue Account</u>	21/22 Original Budget per CAB3290 £	B/Fwd from 20/21/Adj Per CAB3308 £	21/22 Revised Budget £	22/23 Original Budget £
Service Summary				
Surplus for year on HRA Services	1,121,250	(250,000)	871,250	(596,600)
Capital Expenditure funded by HRA	0	0	0	0
Right to Buy Admin Fees	28,600	0	28,600	28,600
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,149,850	(250,000)	899,850	(568,000)
Transfer re Insurance Reserve	(66,300)	0	(66,300)	0
(Increase)/ decrease in HRA Balance	1,083,550	(250,000)	833,550	(568,000)
HRA Working Balance				
Opening Balance	14,889,469		15,593,828	16,427,378
Add Projected Deficit/(Surplus)	1,083,550		833,550	(568,000)
Projected Balance at Year End	15,973,019		16,427,378	15,859,378

APPENDIX 2: HRA 2022-23 BUDGET – SUBJECTIVE SUMMARY

<u>Housing Revenue Account</u>	21/22 Original Budget per CAB3290 £	B/Fwd from 20/21/Adj Per CAB3308 £	21/22 Revised Budget £	22/23 Original Budget £
Subjective Summary				
Employees	(4,078,741)	(237,088)	(4,315,829)	(4,692,817)
Premises	(5,945,817)	0	(5,945,817)	(7,082,349)
Transport	(214,801)	0	(214,801)	(204,263)
Supplies & services	(1,272,122)	(154,000)	(1,426,122)	(1,346,272)
Third party payments	(223,978)	0	(223,978)	(171,000)
Support Services	(2,443,362)	141,088	(2,302,274)	(2,426,440)
Net Interest	(5,991,700)	0	(5,991,700)	(6,669,200)
Depreciation on Fixed Assets	(8,544,300)	0	(8,544,300)	(8,634,700)
External income	29,836,071	0	29,836,071	30,630,441
Surplus for year on HRA Services	1,121,250	(250,000)	871,250	(596,600)
Capital Expenditure funded by HRA	0	0	0	0
Right to Buy Admin Fees	28,600	0	28,600	28,600
Net (increase)/decrease in HRA Balance before transfers to or from reserves	1,149,850	(250,000)	899,850	(568,000)
Transfer re Insurance Reserve	(66,300)	0	(66,300)	0
(Increase)/ decrease in HRA Balance	1,083,550	(250,000)	833,550	(568,000)
HRA Working Balance				
Opening Balance	14,889,469		15,593,828	16,427,378
Add Projected Deficit/(Surplus)	1,083,550		833,550	(568,000)
Projected Balance at Year End	15,973,019		16,427,378	15,859,378

APPENDIX 3: HOUSING SERVICES CAPITAL PROGRAMME 2022-23 TO 2031/32

Housing Services Programme	2021/22 Original Budget	2021/22 Sept Revised	2021/22 Latest Forecast	2022/23 Budget.	2023/24 Budget.	2024/25 Budget.	2025/26 Budget.	2026/27 Budget.	2027/28 Budget.	2028/29 Budget.	2029/30 Budget.	2030/31 Budget.	2031/32 Budget.	Total Budget.
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Scheme Name/Description														
Major Repairs	(6,678)	(5,878)	(5,878)	(5,672)	(6,313)	(8,378)	(8,620)	(9,337)	(7,424)	(8,340)	(7,626)	(8,971)	(8,603)	(85,162)
Major Repairs	(6,678)	(5,878)	(5,878)	(5,672)	(6,313)	(8,378)	(8,620)	(9,337)	(7,424)	(8,340)	(7,626)	(8,971)	(8,603)	(85,162)
Estate Improvements	(507)	(507)	(150)	(226)	(239)	(460)	(474)	(488)	(503)	(518)	(533)	0	0	(3,590)
Sheltered Housing Upgrades	(135)	(227)	(50)	(74)	(76)	(79)	(81)	(83)	(86)	(89)	(91)	0	0	(709)
Improvements & Upgrades	(642)	(734)	(200)	(300)	(315)	(539)	(555)	(572)	(589)	(606)	(625)	0	0	(4,299)
Disabled Adaptations	(797)	(797)	(797)	(821)	(846)	(871)	(897)	(924)	(952)	(980)	(1,010)	(1,040)	(1,071)	(10,208)
Fire Safety Provision	(1,016)	(1,077)	(1,077)	(680)	0	0	0	0	0	0	0	0	0	(1,757)
Climate Change Emergency	(1,587)	(1,827)	(500)	(1,512)	(1,557)	(1,604)	(1,652)	(1,702)	(1,753)	(1,805)	(1,860)	(1,915)	0	(15,861)
Sewage Treatment Works	(308)	(327)	(140)	(304)	(114)	(118)	(121)	(125)	(129)	(133)	(137)	(141)	(145)	(1,605)
Other Capital Spending	(3,707)	(4,027)	(2,514)	(3,316)	(2,517)	(2,593)	(2,671)	(2,751)	(2,833)	(2,918)	(3,006)	(3,096)	(1,216)	(29,431)
Total HS Capital Programme	(11,028)	(10,640)	(8,592)	(9,289)	(9,145)	(11,509)	(11,846)	(12,659)	(10,846)	(11,864)	(11,257)	(12,067)	(9,819)	(118,893)

APPENDIX 4: NEW HOMES CAPITAL PROGRAMME 2021-22 TO 2031/32

New Build Programme & Other Capital	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total *
	Original Budget	Sept Revised	Latest Forecast	Budget										
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Scheme Name/Description														
Unallocated	(7,015)	(5,250)	(643)	(5,500)	(22,441)	(18,621)	(18,503)	(19,058)	(19,629)	(20,218)	(20,825)	(21,450)	(10,777)	(177,664)
Winnall	(8,641)	(8,641)	(4,600)	(8,755)	(5,730)									(19,085)
Barton Farm	(1,000)			(473)	(12,580)	(5,439)								(18,492)
North Whitely			(4,250)	(13,818)										(18,068)
Ravenswood	(800)			(800)	(2,625)	(6,300)	(3,675)							(13,400)
Wykeham Place	(169)	(0)			(177)	(1,692)	(1,654)							(3,522)
Southbrock Cottages	(1,155)	(250)	(200)	(1,066)										(1,266)
Dyson Drive	(1,222)	(50)	(50)	(1,586)										(1,636)
Woodman Close	(815)	(80)	(50)	(824)	(230)									(1,104)
the Valley	(2,681)	(2,118)	(1,045)											(1,045)
Witherbed lane	(302)	(30)	(30)	(609)	(351)									(990)
CornerHouse	(335)	(100)	(24)	(327)	(458)									(809)
Hookpit	(1,068)	(790)	(510)											(510)
Tower Street	(192)	(192)	(100)	(108)										(208)
Sheltered Housing Conversions	(55)	(55)	(55)											(55)
Wickham CLT	(410)	(205)	(205)											(205)
Total	(25,861)	(17,762)	(11,762)	(33,866)	(44,592)	(32,051)	(23,831)	(19,058)	(19,629)	(20,218)	(20,825)	(21,450)	(10,777)	(258,060)

* NB total is total of all scheme budgeted costs from 2021/22

APPENDIX 5: CAPITAL PROGRAMME FUNDING 2022-23 to 2031/32

HRA Capital Programme Funding	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
	Original Budget	Sept Revised Budget	Latest Forecast	Budget										
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Borrowing	25,728	24,760	16,856	34,429	48,695	1,289	0	12,598	11,598	9,492	11,930	14,104	934	161,926
RTB 141 Receipts	4,890	2,031	1,886	6,626	2,294	2,406	2,522	2,642	2,767	2,895	3,028	3,165	2,849	33,080
Other RTB Receipts	1,342			425	712	3,003	988	1,023	1,059	1,097	1,136	1,176	1,217	11,836
S106	250			0	0	800	2,600	1,400	4,400	3,000	0	0		12,200
CIL				755										755
Homes England Grant	2,004	1,611	1,611	919	306									2,836
Other Capital Receipts	2,555				354	21,449	4,042	3,137	283	4,852	4,851	3,531	3,637	46,135
Major Repairs Reserves	119				1,375	14,613	25,525	10,916	10,369	10,746	11,138	11,542	11,960	108,184
Funding Total	36,889	28,402	20,354	43,154	53,737	43,560	35,677	31,717	30,476	32,082	32,082	33,517	20,597	376,953
Housing Services	11,028	10,640	8,592	9,289	9,145	11,509	11,846	12,659	10,846	11,864	11,257	12,067	9,819	118,893
New Build	25,861	17,762	11,762	33,866	44,592	32,051	23,831	19,058	19,629	20,218	20,825	21,450	10,777	258,060
Capital Programme Total	36,889	28,402	20,354	43,154	53,737	43,560	35,677	31,717	30,476	32,082	32,082	33,517	20,597	376,953

APPENDIX 6 HRA FINANCIAL PLAN 2021-22 TO 2050-51 EXTRACT – OPERATING ACCOUNT

Year	Net rent Income £,000	Misc Income £,000	Total Income £,000	Managt. £,000	Deprec'n £,000	Resp. & Cyclical £,000	Total expenses £,000	Capital Charges £,000	Net Opex £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
1 2021.22	28,093	869	28,962	(10,142)	(8,183)	(4,615)	(22,941)	(5,404)	617	551	15,594	34.06	16,179
2 2022.23	28,806	890	29,696	(10,792)	(8,532)	(5,074)	(24,398)	(5,913)	(615)	(615)	16,179	40.15	15,604
3 2023.24	29,763	917	30,680	(10,503)	(8,752)	(5,248)	(24,502)	(7,908)	(1,730)	(1,730)	15,604	45.80	13,920
4 2024.25	32,148	945	33,093	(10,922)	(9,088)	(5,451)	(25,462)	(7,924)	(293)	(293)	13,920	44.84	13,672
5 2025.26	33,616	973	34,589	(11,353)	(9,529)	(5,646)	(26,528)	(7,934)	127	127	13,672	31.80	13,830
6 2026.27	35,054	1,002	36,056	(11,694)	(9,993)	(5,820)	(27,507)	(8,064)	485	485	13,830	19.13	14,334
7 2027.28	36,236	1,032	37,268	(12,045)	(10,369)	(5,995)	(28,408)	(8,417)	443	443	14,334	16.62	14,793
8 2028.29	37,419	1,063	38,482	(12,406)	(10,746)	(6,175)	(29,327)	(8,828)	327	327	14,793	17.02	15,138
9 2029.30	38,638	1,095	39,733	(12,778)	(11,137)	(6,361)	(30,276)	(9,173)	284	284	15,138	17.34	15,439
10 2030.31	40,660	1,128	41,788	(13,162)	(11,541)	(6,552)	(31,255)	(9,599)	933	933	15,439	17.97	16,390
11 2031.32	41,185	1,162	42,346	(13,557)	(11,960)	(6,749)	(32,266)	(9,885)	196	196	16,390	18.55	16,604
12 2032.33	42,352	1,197	43,549	(13,963)	(12,393)	(6,938)	(33,294)	(9,989)	265	265	16,604	18.80	16,888
13 2033.34	43,385	1,233	44,617	(14,382)	(12,776)	(7,131)	(34,290)	(10,131)	197	197	16,888	19.05	17,104
14 2034.35	44,443	1,270	45,713	(14,814)	(13,171)	(7,330)	(35,315)	(10,267)	130	130	17,104	19.23	17,253
15 2035.36	46,403	1,308	47,711	(15,258)	(13,578)	(7,535)	(36,371)	(10,371)	968	968	17,253	19.80	18,242
16 2036.37	46,640	1,347	47,986	(15,716)	(13,998)	(7,745)	(37,459)	(10,435)	93	93	18,242	20.35	18,355
17 2037.38	47,779	1,387	49,166	(16,187)	(14,430)	(7,962)	(38,579)	(10,475)	112	112	18,355	20.47	18,488
18 2038.39	48,947	1,429	50,376	(16,673)	(14,876)	(8,184)	(39,733)	(10,504)	140	140	18,488	20.62	18,648
19 2039.40	50,075	1,472	51,547	(17,173)	(15,336)	(8,412)	(40,921)	(10,524)	102	102	18,648	21.76	18,772
20 2040.41	51,301	1,516	52,817	(17,688)	(15,809)	(8,647)	(42,144)	(10,608)	64	64	18,772	21.87	18,858
21 2041.42	53,568	1,561	55,129	(18,219)	(16,298)	(8,888)	(43,405)	(10,693)	1,032	1,032	18,858	21.44	19,911
22 2042.43	53,845	1,608	55,454	(18,766)	(16,801)	(9,136)	(44,702)	(10,689)	62	62	19,911	22.00	19,995
23 2043.44	55,166	1,656	56,822	(19,329)	(17,320)	(9,390)	(46,039)	(10,687)	96	96	19,995	22.10	20,113
24 2044.45	56,520	1,706	58,226	(19,908)	(17,855)	(9,652)	(47,416)	(10,686)	124	124	20,113	22.24	20,259
25 2045.46	57,908	1,757	59,665	(20,506)	(18,407)	(9,921)	(48,834)	(10,686)	146	146	20,259	22.39	20,427
26 2046.47	59,331	1,810	61,141	(21,121)	(18,976)	(10,198)	(50,294)	(10,686)	161	161	20,427	22.57	20,611
27 2047.48	61,959	1,864	63,823	(21,754)	(19,562)	(10,482)	(51,798)	(10,681)	1,345	1,345	20,611	23.35	21,979
28 2048.49	62,286	1,920	64,206	(22,407)	(20,166)	(10,774)	(53,347)	(10,680)	180	180	21,979	24.13	22,183
29 2049.50	63,820	1,978	65,798	(23,079)	(20,789)	(11,074)	(54,942)	(10,678)	178	178	22,183	24.33	22,385
30 2050.51	65,393	2,037	67,430	(23,772)	(21,431)	(11,382)	(56,585)	(10,675)	170	170	22,385	24.53	22,580