

**BUSINESS SUPPORT**  
**OVERVIEW AND SCRUTINY COMMITTEE**  
**31 JANUARY 2017**  
**HOUSING REVENUE ACCOUNT**  
**CAPITAL AND REVENUE BUDGETS 2017/18**

Report from: Phil Watts, Chief Finance Officer  
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**Summary**

This report presents the Housing Revenue Account (HRA) capital and revenue budgets for 2017/18 and provides details of proposed rent and service charge levels for 2017/18.

The report also contains the latest revised forecasts of the HRA Business Plan.

The comments of this Committee will be collated for onward despatch to the Cabinet on 7 February 2017 and Council on 23 February 2017

**1. Budget and Policy Framework**

- 1.1 The Council is required by law to carry out a review of Council rents from time to time and to ensure that the HRA does not fall into a deficit position.

**2. Background**

- 2.1 The 'self-financing' regime for the HRA came into place on the 1 April 2012 and the previous subsidy regime and the complex calculations that accompanied it have now been abolished. For the most part, at the time, this left the HRA free of Government intervention and with the responsibility for managing and its maintaining the Council's housing stock within the rental stream that the stock generates. This report concentrates on proposals for 2017/18 including:

- Rent and Service Charges
- Performance Management – voids, welfare reform and debt collection
- Expenditure assumptions
- Housing repairs
- Capital Budget
- Revised forecasts of the HRA Business Plan
- Borrowing and headroom
- New House Building Programme update
- Revenue Budget for 2017/18

### **3. Rent**

- 3.1 As members will be aware, the Government introduced new rent setting measures under the 'Welfare Reform and Work Bill 2015', for social housing landlords to reduce the rent payable by individual tenants each year between 2016 and 2019. This superseded Government's previous 10 year rent increase policy implemented in April 2015.
- 3.2 The main change was to move the annual weekly rent increase from the previous arrangement of Consumer Price Index (CPI), plus a maximum of 1% to reduce current weekly rent by 1%, starting from 2016/17 rent year and so on for the following 3 years.
- 3.3 The HRA Business Plan was last formally revised in December 2014 and was based on an assumption of a 3% increase in rental income year on year. The new directive of a 1% reduction for each of the four years means a total estimated income loss of approximately £5.7 million. Additionally, since the introduction of HRA self financing, the Government has introduced a number of other policy changes, which are set out in section 8 of this report
- 3.4 Appendix A, attached, has the details of the proposed average rent decrease by property type, based on social housing rent, and is in line with Government guidance as detailed above.
- 3.5 The proposed charges will give an average rent of £82.66 (based on the 1% reduction to 2016/17 proposed weekly rent) per week, based on 52 weekly payments.
- 3.6 Rents under this arrangement exclude service charges, which are charged separately and are based on actual expenditure. Details are set out in section 5 of this report.
- 3.7 As of 1 April 2017, with the proposed decreases implemented, Medway HRA will have moved 98.4% of their rent to formula rent. This will leave 1.6% or 47 properties below the formula rent.
- 3.8 The Government put in place powers in the Housing and Planning Act 2015 to require local authorities to set higher rents for higher income council tenants (households earning over £40,000 a year in London and £31,000 a year in the rest of the country). In November 2016 the Government, in a written statement, announced that they will not proceed with this policy in its compulsory form. However, local authorities will continue to have the powers on a voluntary basis. Medway Council has already adopted a policy of charging higher rent where a tenant has a taxable income of more than £60,000 per annum. There are currently no plans to lower the threshold.

### **4. Garage Rents**

- 4.1 The current rent charged for garages is £333.32 (£6.41 x 52 weeks) per annum for Council tenants and £443.56 (£8.53 x 52 weeks) per annum, plus VAT for other residents.
- 4.2 It is proposed that garage rents will increase by 5% from April 2017 and the new charge will be £349.96 (£6.73 x 52 weeks) per annum for council tenants and £465.92 (£8.96 x 52 weeks) per annum, plus VAT for other residents.

It is estimated that this will generate an additional income of approximately £8,600 based on current letting rates.

- 4.3 As part of this proposal, officers have undertaken analysis of the impact of this increase for tenants. Where a tenant rents only one garage, aligned to their property rent decrease, no tenant is worse off. Only where a tenant rents more than one garage, there is a potential net overall increase in their rental costs to the Council.

## **5. Service Charges**

- 5.1 Service charges for 2017/18 have been calculated using estimated costs based on actual charges for previous years and any known increases or decreases.
- 5.2 Guidance states that whilst increases should be confined to inflation (plus 1%), they also state that providing charges are fair, transparent and set at a level where they cover costs for a particular service, without profit or subsidising another, then the authority can use its discretion to charge a rate where costs are fully recovered.
- 5.3 It is acknowledged that Members preference has been not to increase any individual charge by more than 15% in any given year, even if a larger increase is needed to fully recover costs.
- 5.4 As part of the previous year's budget report it was highlighted that there were several service charge areas where cost was not being fully recovered and therefore above inflation increases were applied. All service charges are now expected to fully recover costs.
- 5.5 The average service charge increase for 2017/18 (excluding housing related support eligible charges), is £0.12 pence per week. Appendix B details the percentage increase required against each type of projected weekly service charge in comparison to 2016/17.
- 5.6 Some charges for Sheltered Housing are funded through a Housing Related Support fund via a Service Level Agreement (SLA). If this fund is discontinued, the charges will be payable by the tenants. As at 25 November 2016, this would affect 210 tenants.
- 5.7 As part of the on going review of service charges and given the current challenging position of the HRA Business Plan, various other areas have been reviewed where service charges could be levied. New charges are to be applied as identified in appendix B and where applicable, can be covered by Housing Benefit for those residents in receipt of this benefit.
- 5.8 As per previous years', it is proposed to continue the process of rounding service charges to the nearest 5p or 10p for 2017/18. This exercise results in a small loss of income (less than £500), but saves 24 hours of administration time.

## **6. Performance Management**

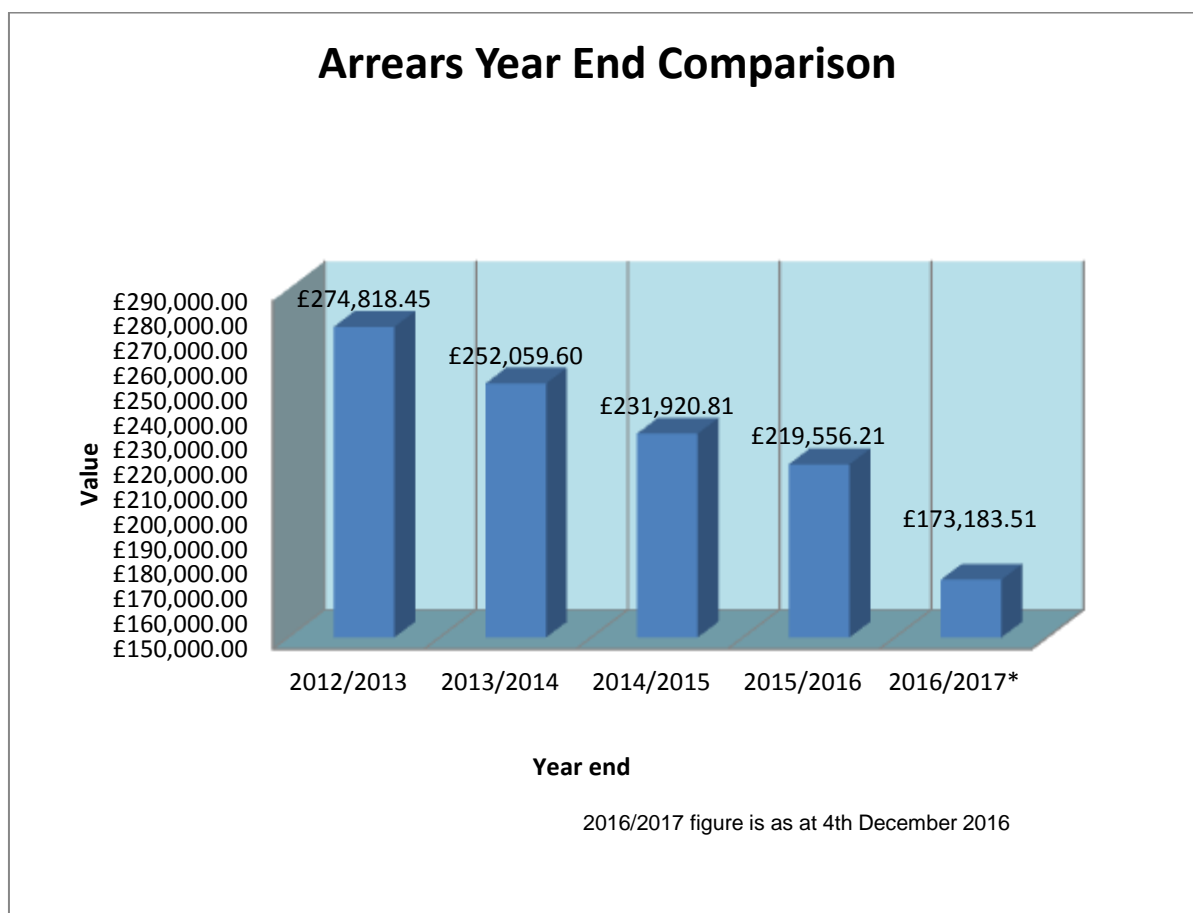
- 6.1 The financial management of the HRA is directly linked to key performance in a number of operational areas (void management, rent collection and arrears recovery).

## 6.2 Void Management

- 6.2.1 There is a direct correlation between the time a property remains void and the rent foregone.
- 6.2.2 Target for void property rent loss for 2016/17 was set at 0.51% of the rent debit, equating to £67,601. As at 7 November 2016 performance was actually at 0.33%, which would produce an improved financial rent loss than anticipated of around £28,769, if performance remains at this level for the remaining 2016/17.
- 6.2.3 Provision for void rent loss for 2017/18 has been set at 0.46%, against the 2017/18 rent debit or in financial terms £59,905. This gives a slightly higher rent loss, comparable with November 2016 performance, as noted in paragraph above, but lower than the current years target and remains in top quartile.

## 6.3 Rent Collection/Bad Debt Provision

- 6.3.1 The collection rate for rent and service charges and the performance in managing rent debt is critical to the financial position of the HRA and has a direct impact on the amount of bad debt provision that has to be set aside.
- 6.3.2 The rent collection rates and current arrears position within the HRA is very favourable in terms of performance against other similar organisations. This is having a positive impact in terms of income. The chart below shows the year on year decrease.



- 6.3.3 It has been calculated, as at 7 November 2016 that the estimated collection level of rent and service charges for 2016/17 will be £14,133,000, which will result in estimated current tenant rent arrears at 1 April 2017 of approximately £211,000. However, it is projected that total arrears, both current and former HRA tenants, will be in the region of £623,000. This is an improvement compared to last years forecast of £743,600.
- 6.3.4 As at 31 March 2017, the projected yearly requirement for bad debt provision will be £35,000. As a result of the current favourable collection rate and effective income management, the bad debt provisions budget for 2017/18 has been reduced to £75,000 from £105,000. This budget is set at higher than current bad debt provisions requirement to take into account the impact of Universal Credit being rolled out fully over the next 18 months.

#### 6.4 Universal Credit (UC)

- 6.4.1 UC was introduced in Medway on a cascade approach on 12 October 2015. There has been a delay by the Department of Works and Pensions (DWP) in fully implementing UC. As of 7 November 2016, there were 14 tenants receiving UC. Due to delays in payments by DWP, arrears of £2,000 (as at 25 November 2016) has been identified for all of these tenants. UC is currently expected to be rolled out across all claimants and will be fully implemented in Medway by 2018. This will have a direct impact on the income to the HRA and to its tenants in Medway.
- 6.4.2 UC will be paid directly to tenants in equal 12 monthly payments across the year.

#### 6.5 Direct Payments – Housing Benefit (HB)

- 6.5.1 Currently all payments of HB (excluding 14 tenants in receipt of UC) for working aged HRA tenants are credited directly to rent accounts at no cost. The introduction of UC will include a gradual shift of the current arrangement of payments of state assistance in respect of housing costs directly to tenants, which will then have to be collected by the HRA. Based on the current roll-out plans, there is potential for an impact through the 2017/18 financial year. The Department of Works and Pensions has advised that the full roll out of UC will commence from February 2018.
- 6.5.2 UC in its current form would only affect working age claimants. Currently the HRA receives approximately 68% of rental income via Housing Benefit, of which 43% is in respect of working age tenants, and 25% of which is in respect of state pension age tenants resulting in £5,517,500 and £3,263,974 respectively for 2017/18 budgeted income.
- 6.5.3 As described above, the proposed changes would result in housing benefit being paid directly to working aged tenants and it is estimated that in 2017/18, the additional cost to the Authority to collect this rent from tenants, in terms of transaction payments, will be approximately £10,000. This would be a new additional cost to the HRA. These transaction costs will increase as UC is fully rolled out over the next eighteen months. It is also likely that arrears and the consequent provision for bad debt will increase.
- 6.5.4 Work is continuing by the HRA team to prepare both the service and tenants for these proposed changes. This includes the HRA housing team being a prominent member of the corporate Welfare Reform Steering Group where

partnership working has been developed with DWP, work streams agreed around communication, identifying vulnerable customers, and the development of digital inclusion initiatives.

## **7. HRA Expenditure**

- 7.1 Generally, all expenditure will remain at 2016/17 levels for 2017/18 to reflect the current economic climate and reduction in rental income, in line with the Medium Term Financial Plan, including any corporate determination of staff salaries.
- 7.2 The only exceptions to this will be contracts that are subject to contractual annual uplifts and contracts which are due to be re-tendered.
- 7.3 For 2017/18, it has been agreed that there will be no uplift to the existing SLA recharges between the HRA and the General Fund (GF) services. This is as a result of a comprehensive review in 2015/16, that looked in detail at the time spent on various SLAs' between the HRA and the GF services to reflect the level of service and the management support provided to ensure that the HRA operates effectively. This increase excluded management fees for the planned decorating and capital maintenance programme, which is currently an 8% and 12.5% respectively on the actual programme delivery. These charges are reviewed annually internally.
- 7.4 The cost of Housing Benefits under Rent Rebate limitation is the responsibility of the HRA. Based on an estimated Rent Rebate limit for 2017/18, it is projected that the cost of this will be nil, however as the actual Rent Rebate Limit cap (set by the Government) will not be available until the beginning of 2017, a provision of £50,000 has been made in the budget.

## **8. Housing Repairs**

- 8.1 Members will be aware that following formal tendering, a new repairs and maintenance contract was formally awarded to Mears Ltd for five years, from 1 September 2014. The second year of the contract has performed well.
- 8.2 On 1 September 2016, Mears were contractually due a financial uplift on their costs. Officers entered into negotiations with Mears and agreement was reached for no uplift to be applied to the repairs, voids and gas maintenance aspects of the contract until at least 1 September 2017. This has brought savings of circa £50,000. Additionally Mears also accepted a delay of the uplift until April 2017 on some aspects of the capital works programme bringing further savings on Planned Capital Programme.
- 8.3 Housing repairs expenditure covers both planned and responsive maintenance, some of which is capital funded. Government guidelines have stated that local authorities should be moving away from responsive repairs and towards increased planned maintenance expenditure, to achieve a spend ratio of 30:70.
- 8.4 Based on the proposed combined capital and revenue work programmes, the financial split in 2017/18 is anticipated as follows:
  - Responsive maintenance £2.181 million,
  - Planned/Capital maintenance £5.554million,

This split will equate to a 28:72 spend ratio for 2017/18. This meets good practise guidelines of 30:70.

## 8.5 Responsive Repairs and Voids Budget

- 8.5.1 The revenue expenditure budget funds all general day to day repairs, emergency repairs, repairs to void properties, lift maintenance, estate improvements, repairs programme and central heating maintenance.

## 8.6 Three-Year Capital Works Budget

- 8.6.1 Prior to 2015/16, the capital works budget was set on an annual basis. This approach led to initial on site delays of some projects, as officers could not formally instruct contractors or the Building and Design Team (who project manage works on behalf of the HRA Service) until formal budget approval was obtained. This approach also led to lost opportunities of not being able to produce contracts for longer periods of time for the same work streams, which should otherwise give a greater value for money in terms of procurement for those tendering, to bring savings via reduction in longer term work programmes and overheads, as well as reduction in administrative costs. In 2015/16, based on the December 2014 revised HRA Business Plan, which identified that the Business Plan was financially robust, a three-year capital works programme budget was approved by the Members (HRA Capital and Revenue Budget 2015/16 Report).
- 8.6.2 Whilst the detailed plan for capital works for 2017/18 is currently being revised in conjunction with the Asset Management Strategy, the table below shows the approved 3 year (2015/16 to 2017/18) HRA capital works programme budget (including disabled adaptations, but excluding the new house building programme). Any under-spend on the 2016/17 capital programme will be added to the 2017/18 capital programme. Round 2 capital budget monitoring forecast for 2016/17 predicts savings of £651,000 on the capital programme, mainly due to residents declining kitchen and bathroom works and signing disclaimers (waivers) as well as a proposed boiler programme not being required on further investigation. This will be carried forward and will be in addition to the approved budget provisions detailed below for 2017/18.

### 8.6.3 3-Year approved Capital Programme Budget

	15-16	16-17	17-18
Planned Maintenance	£4,630 million	£4,338 million	£4,648 million
Disabled Adaptations	£0.200 million	£0.250 million	£0.255 million
Total	£4,830 million	£4,588 million	£4,903 million

#### 8.6.4 3-Year Capital Programme Projected Funding:

	15-16	16-17	17-18
Depreciation through Major Repairs Reserves	£3,576 million	£3,650 million	£3,737 million
Contribution from Revenue	£1,254 million	£0.938 million	£1,016 million
Contribution from 1-4-1 Capital Receipts			0.150 Million
Total	£4,830 million	£4,588 million	£4,903 million

#### HRA Business Plan Update

- 8.7 Local authorities are required to produce and maintain a HRA Business Plan that meets the Government's 'fit for purpose' criteria. The Business Plan is also a statement of the viability of the Council's HRA. It does not set the budget for the HRA but reports on the plans already agreed, including those reported to Members in this HRA Budget Report.
- 8.8 An interim revision of the HRA Business Plan was last undertaken in autumn 2015, to establish the impact of the proposed 4 year rent reduction (1% each year).
- 8.9 The housing stock represents one of Council's highest value assets and its repairs and maintenance is a significant liability, therefore planning for its sustainable future is important.
- 8.10 Effective and efficient management of the housing assets play an important part in delivering many of Council's corporate priorities and strategic objectives and the Asset Management Strategy (AMS) provides the long term planning, provision and viability of assets.
- 8.11 The Council maintains a set of long term financial forecasts for its Housing Revenue Account. These forecasts inform the HRA Business Plan, and enable the Authority to model the impact of potential changes on Authority's ability to manage its housing stock as well as identifying and helping to mitigate the potential risks it faces.
- 8.12 In addition to the changes set out in section 3 of this report, the Government has also introduced provision for a further policy in the Housing and Planning Act 2016, which if implemented has the potential to impact on local authority housing finances. Under this policy, the local authorities would be required to pay a levy to the Government from the expected sales of their 'higher value assets' (HVAs) when vacant. If an authority decides not to sell high value assets, the levy will have to be paid from within their available resources. There has been no firm directive from the Government yet on this proposed legislative policy.
- 8.13 The regulations that empower this proposed new policy have yet to be published. However in November 2016, the Housing Minister confirmed this would not be introduced during the 2017/18 financial year. If ever implemented this has the potential to impact negatively on the financial health of the Council's HRA if implemented from April 2018.



- 8.14 Once a clear directive from the Government is received and the regulations are published and fully understood, a report to Members will be provided to seek approval and a strategy.
- 8.15 In the meantime, the HRA Business Plan has recently been formally revised with the assistance of the Chartered Institute of Housing (CIH) and details of the 30 year business Income and expenditure charts can be found at Appendix E. Given there is uncertainty around this policy there are two scenarios. The first assumes a higher value subsidy figure payment from April 2018 of £1.5million based on advice from the CIH. The second shows a scenario where the Higher Value Subsidy policy is never introduced.
- 8.16 In undertaking the review of BP, a number of key assumptions, not just about the HVA subsidy, were made as set out below:
- That rent will be permitted to rise at the end of the current 4 year rent decrease period by CPI plus a maximum of 1%.
  - That the higher value asset subsidy will not exceed £1.5 million per annum from April 2018. (for the second scenario).
  - Members approve the reduction in the repayment of debt from 2% per annum of the opening HRA debt to annuity basis.
  - The Members wish the current HRA operational front line service model to be sustained.
  - Increase in garage rents for 2017/18 by 5% is approved.
  - Service charge levies set out in this report be approved.
  - The financial Asset Management data is based on known data within the Planned Maintenance Module of future stock investment requirements with data continually being improved upon.
- 8.17 As can be seen, the position of the future capital financing in future years is challenging, even without the introduction of the HVA subsidy. The forecast shows the HRA Business Plan cannot sustain any future directly funded new build house programmes and a review of future capital investment and programme delivery may be required.
- 8.18 Accordingly, officers have engaged with the Chartered Institute of Housing to conduct a high level assessment of the strategic options that are available to safeguard the sustainable provision of social housing, with a view to using the conclusions to help shape more detailed work on authority's business case for future delivery.

## **9. Nationwide Benchmarking**

- 9.1 As part of the HRA business plan review, the HRA service took part in a nation wide benchmarking exercise with Housemark, a well known and respected benchmarking organisation. The purpose was to understand costs and performance levels against other similar sized housing organisations. Medway results were compared with 35 other similar sized organisations and a summary of results is as follows:
1. Void time – top quartile – and Medway was placed in 1<sup>st</sup> position.
  2. Repairs and Planned Maintenance were placed in top performing low cost categories.
  3. Repairs and Void costs – were placed in top quartile 2<sup>nd</sup> position.
  4. Gas Safety compliancy – top quartile – 1<sup>st</sup> position.
  5. Customer Satisfaction with repairs – top quartile.

6. Void rent loss – top quartile.
7. Leaseholder service charge collection rates – top quartile – 2<sup>nd</sup> in position.
8. Tenants satisfied their rent is VFN – top quartile 3<sup>rd</sup> position.
9. Total direct costs (contract costs) for repairs and maintenance – top quartile.
10. Total cost per property including overheads and SLA costs – top quartile.
11. Average number of repairs per property – top quartile – 3<sup>rd</sup> position.
12. % of properties that are non decent – top quartile.

## **10. House Building Development Programme**

- 10.1 The Council agreed to the new house building programme on the 17 October 2013, which required investment of £8.56 million over four years, to be funded from borrowing by making use of available headroom and ring fenced Right to Buy (RTB) 1-4-1 capital receipts.
- 10.2 It is estimated that the total spend for the completion of the current new build programme will be £7.72 million, with savings of £0.840 million on total approved budget of £8.56 million.
- 10.3 The second phase of this development programme is now almost complete. There is one final dwelling to be completed and let in February 2017. The programme will have delivered 56 new council homes.
- 10.4 As set out in paragraph 8.17 the recent review of the HRA Business Plan shows that the Council cannot deliver any further directly built homes from the available HRA resources. This is based on the assumption that the priority is to sustain the current operational front line services and the planned and capital maintenance programmes as well as setting aside an estimated payment of £1.5 million Higher Value Assets levy payments to the Government from the available HRA reserves and borrowing to pay this levy from 2018/19, leaving no borrowing capacity within the HRA for any further new house building.

## **11. HRA Working Balances**

- 11.1 There is a requirement to maintain a working balance to safeguard against unplanned and unavoidable increases in expenditure or losses of income. As of April 2016, the working balance stood at £2.817million. For a number of years the actual HRA balance has exceeded the recommended good practice guideline of £450,000.
- 11.2 Round 2 (2016/17) budget monitoring predicts a balance as at 31 March 2017 of £3.304 million, which is similarly in excess of the guidelines, however, given that the balance of reserves is also to cater for future investment and possibly the live subsidy, it is recommended that a minimum reserve balance of £750,000 would be appropriate.
- 11.3 The proposed 2017/18 HRA Budget, which includes contribution to fund the capital programme of £1 million, as presented at Appendix C, produces a projected surplus of £0.22 million for the year leaving the forecasted revenue working balances of £3.525 million as at 31 March 2018.

## **12. New Self-Finance Arrangements - Borrowing and Headroom**

- 12.1 Each year the Council is required to calculate the 'Capital Financing Requirement', which forms the Council's ceiling for prudent borrowing. For the HRA, the Government set each local authority a borrowing cap limit and in Medway's case this amounts to £45.846 million. The difference between the

borrowing cap and the actual amount of borrowing is the 'headroom' for further borrowing, which can only be used on creating, improving or maintaining HRA assets or services.

12.2 In 2012 the HRA began a programme of repaying its debt by a minimum revenue payment (MRP). This payment is calculated at 2% on the HRA opening outstanding debt, however to be in line with Medway Council's provisions for debt repayment policy, the HRA debt repayment from 2017/18 will be based on annuity basis, therefore 2017/18 estimated MRP repayment will be £0.3 million.

12.3 As at 1 April 2017, the estimated 'headroom' for the HRA will be £1.84 million, subject to repayment of 2016/17 MRP payment of £0.811million.

### 13. Engagement and Information

13.1 The Housing Act 1985 requires the issue of written notification to each tenant, a minimum of four weeks in advance of the date any rent charge adjustments become operative. For 2017/18 the latest date for posting the notices is 1 March 2017.

13.2 The Council has developed a resident engagement strategy detailing how officers consult and engage with tenants in partnership with tenants' forums. In order to support this commitment, a meeting to present the proposals within this report to tenants was held on 16 January 2017 and feedback from residents at the meeting will be provided to members.

### 14. Risk Management

Risk	Description	Action to avoid or mitigate risk
HRA Balance.	There is a requirement to ensure that the balance on the HRA does not fall into deficit and a business plan is required to model this need over a thirty-year period. The major factor with the potential to impact on this requirement, is the level of expenditure required for housing repairs.	Ongoing stock condition surveys undertaken to provide a sound basis on which to model future repairs investment.  Regular monitoring by senior officers of the budgets and actions agreed to avoid deficit occurring.
Changes brought about by Welfare Reform.	If fully implemented Government proposals to introduce UC would mean approximately £5.68 million (based on current figures) being paid direct to tenants, that is currently paid via housing benefit directly to the HRA rent account. This may mean a significant increase in arrears and also additional transaction costs for the HRA of around £10,000 to recoup this income.	Welfare reform team in place who are working with most vulnerable residents.  Key partners being engaged in process.  Money management training being organised for Tenants and Debt Advice sign posting in place.

No up to date Business Plan in place.	Local authorities are required to produce and maintain a HRA business plan that meets the Governments 'fit for purpose' criteria.	The adoption of the business plan following the full implications of the housing and planning bill, as understood, would allow the Council to continue to meet this requirement.
Significant change in income from rent or service charges affects business plan.	Arrears escalate above predicted 'bad debt' provision.  The reduction by 1% each year from 2016/17 until 2019/20 for rent charging will reduce previously predicted income to the HRA business plan. Along with any significant increase in arrears, this may impact on the ability to deliver current services or staffing structural models.	Dedicated team in place to manage income.  Weekly reports produced to robustly monitor performance and take prompt and effective action.  Monthly reporting in place for arrears and other income.  HRA business plan reviewed annually.  Regular reviews undertaken of alternative methods of delivery, which may improve customer service and value for money.
Change of stock Number	Significant change in stock numbers due to increase in Right To Buy or Strategies to review stock retention and assets such as garages.	Significant changes will be monitored and business plan refreshed as necessary.
Subsidy payment for high value assets.	High value assets above defined threshold will be subject to a subsidy payment back to Central Government.	A review of affected stock to be undertaken with a strategic decision on retention of high value assets, once the regulations are published.

## 15. Financial and Legal Implications

15.1 The financial implications are contained within the body of this report and the appendices.

15.2 Under Section 76 of the Local Government and Housing Act 1989, the Council is required, in advance of the financial year, to formulate proposals which satisfy the requirement that on certain stated assumptions, the HRA for that year does not show a debit balance. The Council is obliged to implement those proposals and from time to time to determine whether the proposals satisfy the 'break even' requirement. If not, then the Council shall make such provisions, as are reasonably practicable, towards securing that the proposals, as revised, shall satisfy the requirement.

15.3 Under Section 24 of the Housing Act 1985, the Council can make such reasonable charges as it determines for the tenancy or occupation of its houses.

The Council is obliged, from time to time, to review rents charged and make such changes, as circumstances may require. This is a decision for Full Council as it forms part of the Council's budget and policy framework.

- 15.4 A decision to adjust rent constitutes a variation of the terms of a tenancy. Under Section 103 of the Housing Act 1985, in respect of secure tenancies, a notice of variation (specifying the variation and date on which it takes effect) must be served on each tenant. For non-secure tenancies (excluding introductory tenancies), a notice must be served that complies with Section 25 of the Housing Act 1985.
- 15.5 In considering the recommended rent adjustments and other matters proposed in this report, and making its recommendations to the Cabinet, this Committee is exercising a public function. It must therefore comply with the duties in section 149 Equality Act 2010 to have 'due regard' to the need to eliminate discrimination, advance equality, and foster good relations between those with a protected characteristic (pregnancy and maternity, age discrimination, disability, gender reassignment, marriage and civil partnerships, race, religion or belief, sex and sexual orientation) and those who do not share it. A Diversity Impact Assessment is annexed to the report to assist committee members to fulfil these duties.
- 15.6 The committee must consider tenants' human rights, in particular Article 8 of the European Convention on Human Rights (right to respect for a person's home) and Article 1 of the First Protocol (right to peaceful enjoyment of possessions), when considering what recommendations to make to Cabinet. Members will need to consider whether the proposals strike a fair balance between the rights of the individuals who may be adversely affected by them, and the legitimate aims of the Council, setting a balanced budget, targeting social housing at those who are most in need and generating income that can be invested back into social housing so that more people in need can benefit from it.

## **16. Recommendations**

- 16.1 The Committee is asked to recommend to the Cabinet:
- a) A proposed rent decrease of 1% for the housing stock as set out in Appendix A (based upon 52 collection weeks).
  - b) A rent increase of 5% for garages.
  - c) That the current policy of charging higher rent where a tenant has a taxable income per annum of £60,000 be retained and no change to the threshold.
  - d) That the service charges and increases as set out in Appendix B of the report for 2017/18 be approved.
  - e) That the revenue budget for the HRA Service for 2017/18 as per Appendix C be approved.
  - f) That the future provision for the repayment debt be based on annuity based payment as opposed to minimum revenue payment of 2% on the HRA opening outstanding debt.
  - g) To use remaining allowable balance of 1-4-1 capital receipts (for the capital receipts received during 2017/18 from RTB sales) to be used to fund towards the 2017/18 HRA planned capital programme.

- h) That members approve the revised 30 year HRA Business Plan model as attached at appendix E.

**17. Lead officer contacts**

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**18. Background Papers**

None

**19. Appendices:**

Appendix A – Average Rent Decreases by Property Type

Appendix B – HRA Service Charges Summary

Appendix C – Revenue Budgets for HRA Service for 2017/18

Appendix D – Diversity Impact Assessment

Appendix E - Summary Report of HRA 30 year Business Plan.

## AVERAGE RENT DECREASES BY PROPERTY TYPE (52 WEEKS)

### AVERAGE RENT BY PROPERTY TYPE (52 WEEKS)

Property Type	No of Properties	Proposed Rent 2016/17	Formula Rent 2016/17	Proposed Rent 2017/18	Formula Rent 2017/18	Average Decrease 2016/2017 to 2017/2018	Average Percentage Decrease 2016/2017 to 2017/2018
Bedsit Bungalow	45	£66.23	£66.32	£65.57	£65.66	(£0.66)	-1.0%
Bedsit Flat	67	£62.78	£62.78	£62.15	£62.15	(£0.63)	-1.0%
1 Bedroom Bungalow	199	£76.92	£77.21	£76.15	£76.44	(£0.77)	-1.0%
1 Bedroom Flat	483	£72.77	£72.78	£72.04	£72.05	(£0.72)	-1.0%
2 Bedroom Bungalow	20	£94.06	£94.06	£93.12	£93.12	(£0.94)	-1.0%
2 Bedroom House	504	£88.40	£88.43	£87.52	£87.55	(£0.88)	-1.0%
2 Bedroom Flat	540	£81.25	£81.25	£80.43	£80.43	(£0.81)	-1.0%
3 Bedroom Bungalow	2	£94.43	£94.43	£93.49	£93.49	(£0.94)	-1.0%
3 Bedroom House	742	£98.53	£98.53	£97.54	£97.54	(£0.99)	-1.0%
3 Bedroom Flat	110	£91.48	£91.73	£90.57	£90.81	(£0.91)	-1.0%
4 Bedroom House	29	£107.03	£107.03	£105.96	£105.96	(£1.07)	-1.0%
5 Bedroom House	2	£119.61	£123.30	£118.41	£122.06	(£1.20)	-1.0%
Sheltered Bedsit for the Disabled	8	£60.89	£60.89	£60.28	£60.28	(£0.61)	-1.0%
Sheltered Bedsit	184	£60.89	£60.89	£60.28	£60.28	(£0.61)	-1.0%
1 Bedroom Sheltered	71	£68.68	£68.69	£68.00	£68.01	(£0.68)	-1.0%
2 Bedroom Sheltered	6	£79.45	£79.75	£78.66	£78.95	(£0.80)	-1.0%
1 Bedroom Sheltered Bungalow	17	£71.28	£71.37	£70.57	£70.66	(£0.71)	-1.0%
<b>Overall Average*</b>	<b>3,029</b>	<b>£83.50</b>	<b>£83.54</b>	<b>£ 82.66</b>	<b>£ 82.70</b>	<b>(£0.84)</b>	<b>-1.0%</b>
*(Total rental income / total number of properties)							

## HOUSING REVENUE ACCOUNT - SERVICE CHARGES SUMMARY (52 Weeks)

	Average Weekly Service Charge 2016/17 £	Proposed Percentage Increase for 2017/2018 %	Proposed Average Weekly Service Charge 2017/2018 £	Projected Weekly Variation 2016/2017 to 2017/2018 £
<b>a) Eligible for Housing Benefit</b>				
Adult Services Facilities	0.00	0.0%	0.00	0.00
Estate Services (Caretaking)	4.87	3.7%	5.05	0.18
Communal Electricity	1.03	0.0%	1.03	0.00
Grounds Maintenance	0.73	(0.1%)	0.73	(0.00)
Sheltered Helpline	3.22	(1.8%)	3.14	(0.08)
Sheltered Management	21.58	0.0%	21.58	0.00
Window Cleaning	0.30	(0.1%)	0.30	(0.00)
Council Tax	9.37	3.8%	9.73	0.36
<b>b) New Charges</b>				
Laundry Room Sheltered	0.00	0.0%	0.50	0.00
Laundry Room General	0.00	0.0%	0.77	0.00
Communal Lifts	0.00	0.0%	0.36	0.00
Communal TV Aerials	0.00	0.0%	0.07	0.00
CCTV	0.00	0.0%	1.40	0.00
<b>c) Not Eligible for Housing Benefit</b>				
Cooker	0.35	0.0%	0.35	0.00
Fridge	0.36	0.0%	0.36	0.00
Communal Heating	8.25	(18.6%)	6.72	(1.53)
Water Rates	3.81	2.3%	3.89	0.09
<b>Average sections a &amp; b (52 Weeks)</b>	<b>3.17</b>		<b>3.29</b>	<b>0.12</b>
<b>d) Housing Related Support Eligible Charges</b>				
Community Alarm	8.63	0.0%	8.63	0.00
SP Helpline	2.37	0.0%	2.37	0.00
Sheltered Support	5.40	0.0%	5.40	0.00
<b>Average sections c</b>	<b>5.47</b>		<b>5.47</b>	<b>0.00</b>
<b>Average all sections (52 Weeks)</b>	<b>3.51</b>		<b>3.62</b>	<b>0.11</b>



HRA working balance B/F & 2017/18 Budget

Appendix C

Description	Budget 2016/17			R2 Forecast 2016/17			Proposed Budget 2017/18		
	Exp	Income	Net	Exp	Income	Net	Exp	Income	Net
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>HRA Working Balance B/F</b>			<b>(2,280)</b>			<b>(2,817)</b>			<b>(3,304)</b>
HOUSING MAINTENANCE	2,204	0	2,204	2,193	0	2,193	2,293	0	2,293
HOMES FOR INDEPENDANT LIVING	608	(2)	606	576	(2)	574	603	(2)	601
TENANCY SERVICES	1,685	0	1,685	1,534	0	1,534	1,578	0	1,578
ESTATE SERVICE	515	(4)	511	478	(4)	474	540	(4)	536
COMMUNITY DEVELOPMENT	130	0	130	157	0	157	120	0	120
CENTRALISED ACCOUNTS	253	0	253	184	0	184	197	0	197
CLIENT SIDE	1,860	0	1,860	1,806	0	1,806	1,895	0	1,895
CAPITAL DEVELOPMENT PROGRAMME	98	0	98	7	0	7	0	0	0
HOUSING BENEFITS	50	0	50	0	0	0	50	0	50
CAPITAL FINANCING	6,395	(12)	6,384	6,365	(12)	6,354	6,973	(12)	6,962
RENTAL INCOME	0	(14,390)	(14,390)	0	(14,427)	(14,427)	0	(14,239)	(14,239)
OTHER INCOME	0	(198)	(198)	0	(231)	(231)	0	(213)	(213)
<b>Total HOUSING REVENUE ACCOUNT</b>	<b>13,798</b>	<b>(14,606)</b>	<b>(808)</b>	<b>13,301</b>	<b>(14,676)</b>	<b>(1,375)</b>	<b>14,250</b>	<b>(14,470)</b>	<b>(220)</b>
Revenue Contribution to Capital Expenditure			<b>938</b>			<b>887</b>			<b>0</b>
Non Dwellings Impairment			<b>24</b>			<b>0</b>			<b>0</b>
<b>HRA Working Balance C/F</b>			<b>(2,126)</b>			<b>(3,304)</b>			<b>(3,525)</b>



TITLE	HRA Budget Setting 2017/18
DATE	December 2016
LEAD OFFICER	Emma Ditton

## 1 Summary description of the proposed change

- *What is the change to policy/service/new project that is being proposed?*
- *How does it compare with the current situation?*

In setting its budget, the Council is exercising a public function and must therefore comply with the duties in section 149 Equality Act 2010.

The Budget report for 2017/2018 presents the Housing Revenue Account (HRA) revenue budget for 2017/2018 and:

- provides details of proposed rent and service charges levels for 2017/2018;
- provides an update on the HRA Business Plan that is an integral part of the strategic planning and setting of priorities for the HRA Service.

Only the parts of the report that will have a direct financial impact on existing tenants are included for comment in this DIA. The main budgetary changes that will impact on tenants over the coming year and which the budget report and DIA will consider are:

- The ongoing roll out of Universal Credit in Medway (introduced by The Welfare Reform Act 2013)
- The benefit cap (introduced by The Welfare Reform and Work Act 2016)
- Dwelling rent decrease by 1% (introduced by The Welfare Reform and Work Act 2016)
- Garage rent increase by 5% (internal decision)
- Service Charges (internal decision)

### **Exceptions**

The following items have been included in the budget report as they have an effect on the business plan, however they have not been included for consideration in the DIA as they do not have a direct effect on existing tenants or have to date not been implemented by Government.

### **Pay to stay scheme**

The Government included measures within the Housing and Planning Act 2016 to bring into force the Pay to Stay scheme. This scheme will make higher rents compulsory for Council tenants earning over £40,000 in London and £31,000 elsewhere. In November 2016 the Government, in a written statement, announced that this proposal was not to be taken forward and that the policy would be voluntary. The Council has decided not to take part in the voluntary scheme as it is felt that to introduce it would go against the Council's objectives of sustaining people in employment and accommodation. As such this scheme will not be considered within the DIA.

### **Vacant High Value Local Authority Housing**

The Housing and Planning Act 2016 introduces provisions for the Vacant High Value Local Authority Housing payments to the Secretary of State. Local Authorities will have to make an annual payment to the Secretary of State for high value properties that are predicted to

become vacant during the year. This will place a duty on Local Authorities to consider selling off High Value vacant assets that become void. In November 2016 the Government announced that the higher value subsidy would not be brought into effect in 2017/18. Therefore this scheme will not be considered in the DIA for this financial year.

## **Headroom budget**

Whilst there are no direct financial implications for tenants, the constraints on the headroom budget in 2017/18 means it is unlikely that any new property development will commence in 2017/18. Discontinuation of the Development Programme will not have a direct effect on existing tenants as they will already have secured accommodation.

## **Government implementations and changes to the budget that will directly impact on residents.**

### **Universal Credit in Medway**

Universal Credit is a Government initiative introduced in Medway from October 2015. Universal Credit is a new single payment for people who are looking for work on a low income and will replace a number of existing welfare payments. Tenants who currently have Housing Benefit payed directly to Housing Services will now be responsible for managing their universal credit payment (that may include a housing element towards their rent) ensuring their rent is paid in full and on time.

### **Dwelling rent decrease**

The Welfare Reform and Work Act 2016 introduced measures that meant that from April 2016 registered social housing providers rent should decrease by 1% each year between 2016 and 2019, exclusive of service charges. Housing Services will continue to decrease its rents by 1% in 2017/18.

### **Garage rents**

It is proposed that all garage rents will increase by 5% from April 2017 and the new charges will be as follows:

Occupier	Current Annual Rent	New Weekly rent	New Annual rent
Council tenant	£333.32	£6.73	£349.96
Non Council tenant	£443.56+ VAT	£8.96+ VAT	£465.92+ VAT

Based on current letting rates it is estimated that this will generate an additional income of approximately £8,600 per annum. The garage rent charges will remain consistent across all Council sites.

### **Service Charges**

The average service charge increase for 2017/18, excluding Housing Related Support eligible charges and charges for new properties (releasing in 2017/18), is 2.1% or £0.12 per week. The service charge summary (Appendix B) identifies that the only service charges to increase in 2017/18 are Estate Services and Council Tax (which would both be covered by Housing Benefit) and Water rates which is chargeable for people in HFIL.

Various other areas have been reviewed where service charges could be levied. New charges have been applied as identified below.

Service Charge	Total cost	Total households effected	Cost per household, per week
Communal Laundry Rooms (Sheltered)	£7,400.00	282	£0.51
Communal Laundry Rooms (General Need)	£700.00	19	£0.67
Communal Lifts	£5,000.00	282	£0.34
Communal TV aerials	£4,000.00	1077	£0.07
CCTV	£5,000.00	54	£1.62

A review has also been undertaken to review the charge levied to allow residents who request a licence to cross HRA land to generally park in their front gardens. The proposal is to increase the charge from April 2017 to £2 per week when a licence is issued from the current £1 per week charge. This increase will cover more realistically the administration costs involved than the current charge.

### The Benefit Cap

The benefit cap is a limit on the total amount of income from certain benefits a household can receive if they are working age. It will only affect people receiving Housing Benefit or Universal Credit and households that receive more than the benefit cap allows will have their Housing Benefit or Universal Credit allowance reduced until they are brought back within the cap.

From 7 November 2016, there are different rates for the Benefit cap - one for Greater London and one for the rest of the country.

For Households receiving Housing Benefit, the cap **outside Greater London** is:

- £384.62 a week if you're a couple - with or without dependent children
- £384.62 a week if you're a lone parent with dependent children
- £257.69 a week if you're a single person without children

Where households do not receive enough Housing Benefit, the cap won't be applied in full.

The benefits included in the benefit cap are:

- Housing Benefit
- Child Benefit
- Child Tax Credit
- Jobseeker's Allowance
- Incapacity Benefit
- Income Support
- Employment and Support Allowance (except when in the support group)
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance & Bereavement Allowance

Council Tax Support, the replacement for Council Tax Benefit, is not included in the cap. One-off payments like the social fund are also not included.

Households will not be affected by the cap if:

- they are over pension age
- they are in work and entitled to Working Tax Credit (even if they do not receive a payment because their income is too high)
- they have recently been in work
- they, their partner or a child receives a disability benefit
- they live in supported exempt accommodation
- they do not receive Housing Benefit (unless you claim Universal Credit)
- they receive Carer's Allowance (in Northern Ireland from 31 May and in England, Scotland and Wales from 7 November)

## 2 Summary of evidence used to support this assessment

### **Consultation**

A tenant and leaseholder budget consultation event is held annually and the next one is planned for January 2017. Invitations will be sent to residents and also promoted via our Facebook page and in Housing Matters.

The Housing Act 1985 requires the issue of written notification to each tenant a minimum of four weeks in advance of the date that rent changes become operative. For 2017/18 the latest date for posting the notices is 1 March 2017.

### **Universal Credit in Medway**

Universal Credit will only affect claimants of working age. Currently the HRA receives approximately 69% of rental income via Housing Benefit of which 57% is in respect of working age tenants and 43% of which is in respect of state pension age tenants or £4,757,500 and £3,659,939 respectively for 2017/18 budgeted income. As of October 2016 around 66% (1261/2988) of lead tenants were of working age and in receipt of some form of Housing Benefit.

Universal credit will go on a phased roll out so it will not impact on all affected tenants at once. It is currently expected to be rolled out across all claimants and fully implemented in Medway by 2018. As of November 2016 we are aware of 14 active recipients of UC, of those 14 there was a total arrears of £2,000 (as at 25 November 2016) due to delays in payments by DWP has resulted.

Our 2015 star survey asked tenants if they felt they would be affected by universal credit, and if so would they be able to do an application on line by themselves. Results show 69% of people were satisfied with advice about claiming housing benefit and other welfare benefits (27% were neither satisfied nor dissatisfied). 69% of people were satisfied with the advice given on Managing their finances and paying rent and service charges (28% were neither satisfied nor dissatisfied).

### **Dwelling rent decrease**

Although this is likely to have a positive impact on residents paying rent, this change will affect the HRA Business Plan forecasts in terms of the budgets allocated to delivering the service. It has been calculated that the rent reduction introduced in April 2016, will mean a 5.7 million impact on delivery on services from April 2016 to March 2020. The HRA will manage this impact within current resources.

### **Garage Rents**

As of September 2016 there were 161 garages let to Council tenants and 280 garages let to non-Council tenants. All garage tenants will be informed in writing at least 4 weeks prior to the increase informing them of payment changes. Garage rents will be increased for

everyone renting a garage, not just specific customers.

Analysis conducted in September 2016 on Council tenants that rent garages identifies that with the 1% rent decrease and 5% rent garage increase the majority tenants will still be a couple of pence better of next year (excluding service charge increases).

However there are some Council tenants that have more than one garages linked to their tenancy. In some cases these people are slightly worse off but only at the most by a pound.

## Service Charges

Service charges are applied to all applicable residents regardless of protected characteristics. Where applicable service charges can be covered by Housing Benefit for those residents whom receive it.

In October 2016:

32.5% (973/2988) of our current tenants pay their rent without any contribution from Housing Benefit. A breakdown of their age is to the right:

Under 20	3
20 to 29	97
30 to 39	139
40 to 49	180
50 to 59	213
60 to 65	89
65+	185
Unknown	67

34.1% (1019/2988) of our current tenants pay their rent with a partial (between 1%-99%) contribution from Housing Benefit. A breakdown of their age is to the right:

Under 20	1
20 to 29	67
30 to 39	95
40 to 49	129
50 to 59	147
60 to 65	114
65+	457
Unknown	9

33.3% (996/2988) of our current tenants have 100% of their rent paid via Housing Benefit. A breakdown of their age is to the right:

Under 20	3
20 to 29	156
30 to 39	132
40 to 49	156
50 to 59	185
60 to 65	107
65+	249
Unknown	8

The following tables identify some of the specific service charges that have increased or been added in 2017/18 and the number of households that will be affected by them.

### Increased service charges

Service Charge	Total properties	Total occupied properties at 13.12.16	Total on Full HB	Total on Partial HB	No HB	Extra charge for those not receiving HB (per year)	Notes
Care taking	1178	1165	391	443	331	£9.88	
Council Tax	4	4	0	4	0	£18.72	Analysis identifies these people will have a reduction in their heating service charge plus the 1% basic rent decrease which would offset any negative expense

### Increased service charges – Home for independent living only

Service Charge	Total properties	Total occupied properties at 13.12.16	Total on Full or Partial HB	No HB	Extra charge for those not receiving HB (per year)	Notes
Water	273	272	206	66	£4.16	Analysis identifies these people will have a reduction in their heating service charge plus the 1% basic rent decrease which would offset any negative expense

## New service charges for 2017/18

Service Charge	Total properties	Total occupied properties at 13.12.16	Total on Full or Partial HB	No HB	Extra charge for those not receiving HB (per year)	Notes
Laundry (HFIL)	282	281	201	80	£26.00	Analysis identifies that these people will have a reduction in their heating service charge plus the 1% basic rent decrease which would offset any negative expense
Communal Lift (HFIL)	282	281	201	80	£18.72	Analysis identifies that these people will have a reduction in their heating service charge plus the 1% basic rent decrease which would offset any negative expense
Laundry GEN	19	18	12	6	£40.04	Analysis identifies that these people will have a reduction in their heating service charge plus the 1% basic rent decrease which would offset any negative expense
Communal Aerial	1077	1065	765	300	£3.64	
CCTV	54	54	36	18	£72.80	

Analysis has identified that the households most affected by the additional service charges are the 18 households that are not on Housing Benefit that need to pay the CCTV service charge. This will add an additional £72.80 to their annual gross rent. However the majority of this cost would be offset by the 1% decrease in rent that will come into effect in April 2017, so overall these tenants will not be too negatively affected financially.

### The benefit Cap

The benefit Cap will only affect people that are of working age and receiving Housing Benefit or Universal Credit. As of October 2016 around 66% (1261/2988) of our lead tenants were of working age and in receipt of some form of Housing Benefit. Of these 42.5% (536/1261) were on partial HB and 57.5% (725/1261) were on full HB. In addition there were 14 active cases of tenants receiving Universal Credit.

Analysis has shown that the benefit cap will mostly affect households with three children or more. Households with two children may be very slightly affected depending on the rent liability of the household. Households with three children or more may be significantly affected. As of October 2016 analysis identifies that only 23 HRA tenants will be affected by the benefits cap. It is therefore not significantly impacting on the service in its current form.

### 3 What is the likely impact of the proposed change?

*Is it likely to :*

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	✓		
Disability			
Gender reassignment			
Marriage/civil partnership			
Pregnancy/maternity	✓		
Race			
Religion/belief			
Sex			



<b>Sexual orientation</b>			
<b>Low income groups</b>	✓		



#### 4 Summary of the likely impacts

- *Who will be affected?*
- *How will they be affected?*

### **Specific impacts**

#### **Universal Credit in Medway**

Working age tenants are more likely to be impacted by Universal Credit and in turn more likely to be at risk of rent arrears etc. Resources and support will need to be targeted to ensure they are not adversely affected.

Universal Credit is not currently having a significant impact on the service in its current phase, but the impact could be more significant as it is rolled out further. Additionally evidence is starting to identify that those receiving UC may be more susceptible to rent arrears due to delays in payments

Universal Credit will have to be claimed on line. This may mean that some of our residents with barriers to internet access will struggle to make UC claims.

#### **The benefit Cap**

It is likely that families with 3 dependant children that fall under the benefit cap will be affected. This means that they may struggle to pay their rent to the Council and be more susceptible to evictions. However in its current phase the benefit cap is not having a significant impact on our tenants (only 23 cases predicted).

#### **Garage rent increase**

Analysis conducted in September 2016 shows that the majority of Council tenants with garages will not be adversely affected by the 5% rent garage increase. However there are some Council tenants that have more than one garage linked to their tenancy that may be slightly worse off, by a pound. Non Council tenants renting a garage may be negatively affected but the increase would be minimal, by less than a pound per week.

#### **Service Charges**

Service charges will be applied to all applicable residents regardless of protected characteristics. Whilst some of the service charges are optional for tenants the majority of charges are for a necessary service that would be charged for regardless of the characteristics of the household or the type of housing provider.

There are service charges for additional support services received by residents in the Homes for Independent Living schemes including the Community Alarm, Supporting People helpline and Sheltered Support, but these charges are currently covered by Housing Related Support

It is recognised that there may be a few households that may be negatively impacted due additional or increased service charges. However the average increase in service charges is minimal and if claimed will be covered by Housing Benefit. For those households that receive either partial or no Housing Benefit, in the majority of cases increases or additional service charges would be offset by a decrease in another service charge or the 1% rent decrease.

### **Summary of impacts**

The majority of changes that will be brought into effect in the 2017/18 Budget Report will not

impact on our tenants in terms of the protected characteristics. Changes to charges and service delivery will be applied to all relevant tenants, not on an individual basis.

Where service charges and Garage rents have been increased there may be some negative impact on lower income groups, but this is expected to be minimal and where applicable covered by Housing benefit.

Legislation brought in by Government around Universal Credit and the Benefit Cap may also have a negative impact on working age residents and lower income household. Whilst these changes are however outside our jurisdiction it will be up to the Council to implement the necessary mitigating actions to reduce this impact.

#### 5. What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

The majority of the changes being implemented are Government directed, and out of Medway Councils control. Housing Services will follow Government process in order to ensure that compliance is met, and implement the following mitigating action to ensure that any negative impacts are kept to a minimum.

##### **Consultation**

To ensure tenants are informed of the changes tenants will be consulted on any changes to their rents and service changes in the January Annual budget meeting.

Additionally each tenant will receive a written notification a minimum of four weeks in advance of the date any rent charge adjustments become operative.

##### **Universal Credit and the benefit cap**

Where Universal Credit, benefit cap or financial problems impact on our tenants we will signpost them to the HRA Welfare Reform Team who will provide them with help and advice. This team can also sign post tenants to other debt advice agencies. The HRA also has a communications strategy via the internet, leaflets and tenants handbook for advertising the impact of benefit changes. The HRA Housing Team is also a prominent member of the Corporate Welfare Reform Steering Group where partnership working has been developed with the Department of Works and Pensions and work streams agreed around communication, identifying vulnerable customers and development of digital inclusion initiatives.

Where residents struggle to claim UC through barriers to internet access Housing Services will provide training through MACLS. In addition to signposting to free internet access sites like libraries. Housing Services will also work with providers to get resident help and guidance to get back into employment.

##### **Rent and Service Charges**

Any household struggle with rent payments or requiring debt advice will be signposted to our Welfare Reform Team. Housing Service also produces publications, such as the tenants' handbook, Housing Matters and Christmas rent campaign that promote debt advice helplines. We also have our own website and Facebook page that tenants can access for help and advice.

Tenant and Leaseholders who pay services charges will be written to informing them of the exact changes to their contributions.

Leaseholders can also apply to Housing Services for a mandatory or discretionary loan to help them manage the payback of their service charges.

**6 Action plan**  
 • *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Update DIA with Service Charge analysis once Service Charges for 2017/18 have been calculated - <b>Completed</b>	Jan 2017	Policy and Business Development Manager
If changes agreed, update the Rent Setting Policy to reflect everything highlighted in HRA Budget Report.	Mar 2017	Policy and Business Development Manager
Consult with residents on changes and potential impact	Jan 2017	Policy and Business Development Manager
Continue to identify, support and prevent financial hardship	Ongoing	Income Manager/Welfare Reform Team
Review HRA Business Plan in light of proposed changes	2017/18	Policy and Business Development Manager

**7 The recommendation by the lead officer should be stated below. This may be:**  
 • *to proceed with the change, implementing action plan if appropriate*  
 • *consider alternatives*  
 • *gather further evidence*  
*If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.*

The recommendation is to proceed with implementing the proposed budget and the mitigating actions in this DIA and review this DIA once 2017/18 Service Charges have been calculated.

**8 Authorisation**  
*The authorising officer is consenting that:*  
 • *the recommendation can be implemented*  
 • *sufficient evidence has been obtained and appropriate mitigation is planned*  
 • *the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Date

Contact your Performance and Intelligence hub for advice on completing this assessment  
 RCC: phone 2443 email: [annamarie.lawrence@medway.gov.uk](mailto:annamarie.lawrence@medway.gov.uk)  
 C&A: (Children's Social Care) contact your normal P&I contact  
 C&A (all other areas): phone 1481 email: [paddy.cahill@medway.gov.uk](mailto:paddy.cahill@medway.gov.uk)  
 BSD: phone 2472/1490 email: [corppi@medway.gov.uk](mailto:corppi@medway.gov.uk)  
 PH: phone 2636 email: [david.whiting@medway.gov.uk](mailto:david.whiting@medway.gov.uk)  
 Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication ([corppi@medway.gov.uk](mailto:corppi@medway.gov.uk))





## Medway Council

### HRA Business Plan Financial Projections

#### January 2017 Review

#### 1. Introduction

- 1.1 CIH consultancy have been commissioned to update the Council's HRA Business Plan and report on the latest projections arising.
- 1.2 This review of this model incorporates the latest forecasts for 2016/17 and the proposed budgets for 2017/18.

#### 2. Future Assumptions

- 2.1 The model uses the latest forecasts for forecasting expenditure and income forward whilst adding general RPI inflation increases (gradually rising to 2.5% in year 5 and remaining at that level for the remainder of the plan). There are exceptions to these and are detailed further in this report.

##### Rental Income

- 2.2 As part of the business planning process we have forecast rents based on the 1% decrease from the Welfare Reform and Work Act 2016 for each year until 2019/20 with rents reverting to CPI + 1% for 2020/21 and the following years.

CPI inflation is assumed to be consistently 1% below RPI.

##### High Value Assets Determination

- 2.3 The plan evaluates two scenarios in regards to the levy on High Value Assets:
  - i) Assuming no high value asset levy.

- ii) Assuming a high value asset levy of £1.5m per year from 2018/19. No sales of assets to fund this levy are assumed.

#### Pay to Stay

- 2.4 Although the facility to increase rents for higher income earners was catered for in the Housing and Planning Act 2016, the government announced in the 2016 Autumn Statement that this will be voluntary. Therefore, no assumptions about Pay to Stay have been included in the business plan.

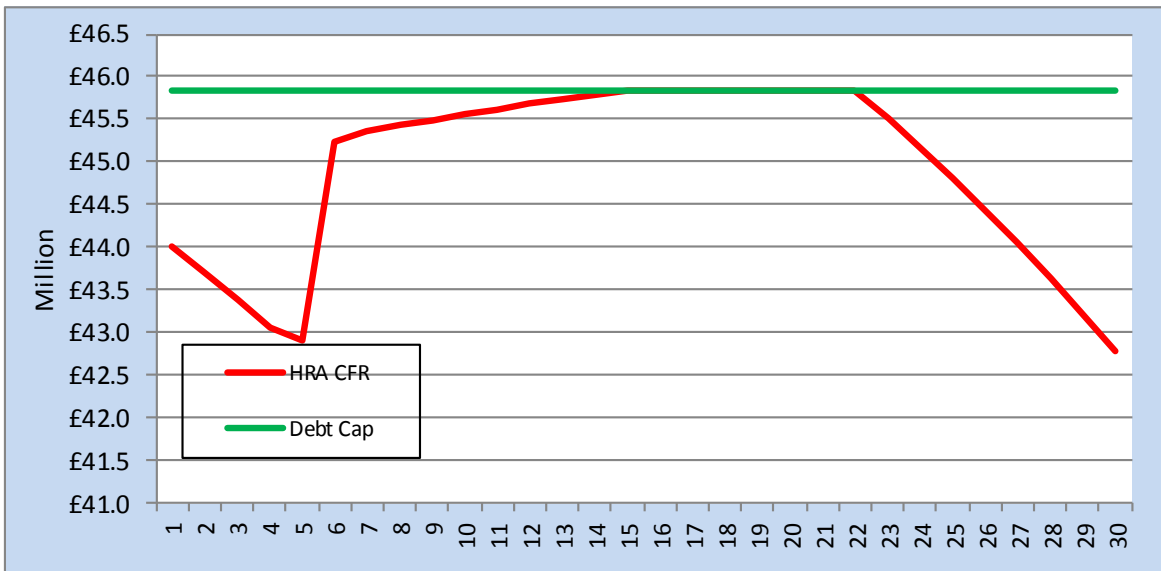
#### Bad debt

- 2.5 No increase in bad debt due to the roll out of Universal Credit has been assumed in the model. The proposed budget figure of £75k has been used for 2017/18 which equates to 0.61% of the rental income. This is been assumed to be stable for the years up until 2020/21. After 2020/21 adjustments for inflation and stock changes are included.

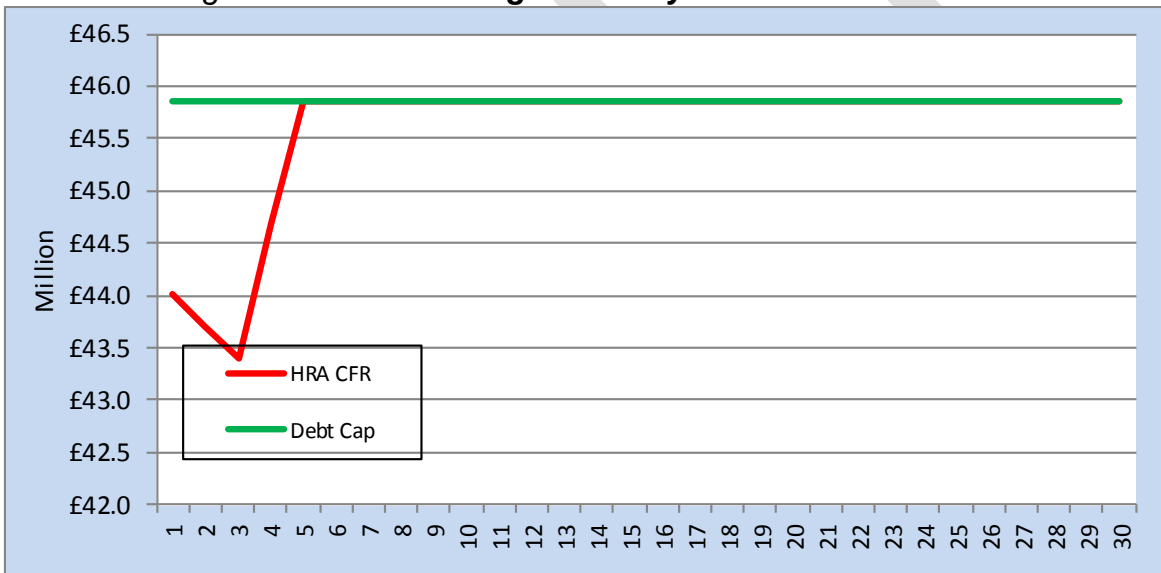
#### Treasury Management

- 2.6 The Council is maintaining a 'one-pool' approach which means that loans are not split between the HRA and General Fund and therefore there is an average rate of interest charged and no prescript loan repayment strategy for the HRA.
- 2.7 The interest charged to the HRA is based on the mid-year HRA CFR balance at an interest rate of 4.22% which is not forecast to change through the duration of the plan.
- 2.9 The Council does however make provision for debt repayment through a voluntary payment (Minimum Revenue Provision) calculated on an annuity basis, which in effect reduces debt and increases borrowing headroom.
- 2.10 The 2 graphs below show the financing position of the HRA, under each scenario:

#### ***HRA Financing Position - Assuming no HVA Levy***



**HRA Financing Position - Assuming HVA Levy from 2018/19**



2.11 The accounting debt of the HRA (HRA CFR), starts at £40.566m under both scenarios.

2.12 The two graphs are then similar in that they both constrained by the debt cap early in the programme. The graph without the levy meets the debt cap in year 16. The second graph hits the cap after only 5 years

**3. Capital Projections**

3.1 The forecast expenditure based on the latest stock condition survey has been used in the model. This equates to £37,181 per unit over the 30 year period (excluding disabled adaptation, fees and inflation for comparison).

New Build

3.2 In addition to the investment in existing stock referred to above, the plan also includes the phase 2 new build schemes:

- i) Beatty Avenue Bungalows
- ii) Garage sites

Both schemes are in their final year and will contribute 56 new units to the HRA.

Right to Buy Receipts

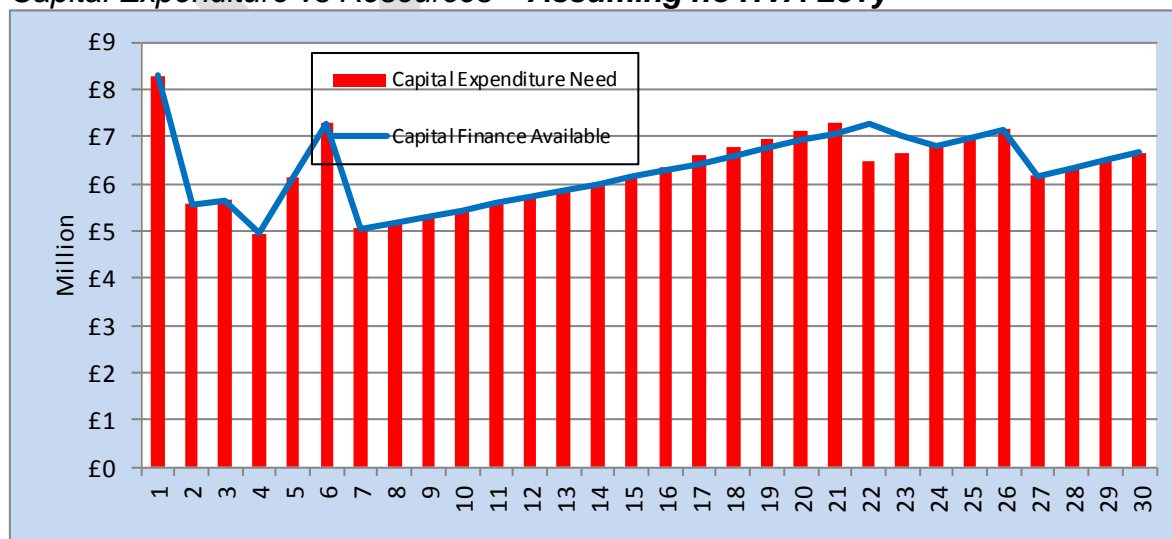
3.3 Medway has seen sales in 2016.17 exceed those in previous 4 (and those assumed within the self-financing settlement). The plan assumes for 2017/18 and 2018/19 sales are at 15 per year and then reduce gradually to 10 for year 8 and onwards.

3.4 The result of the increased volume of sales affects the Plan not only with loss of income but also has enabled the Council to retain the balance of the receipts (after some initial deductions).

3.5 At the start of 2016/17, the Council had spent more on new build than was required by the RTB “1-4-1” agreement. The Council plans to finance this expenditure retrospectively with RTB “1-4-1” receipts once they are received. After all eligible deductions and assumed usage of the receipts, the Council is estimated to have £0.62m of net receipts available as at the end of March 2017. Regulations state that this can be used for up to 30% of new build within 36 months of the receipt arising. These receipts can be required to be paid to DCLG with compounded interest if they are not utilised within 36 months of receipt.

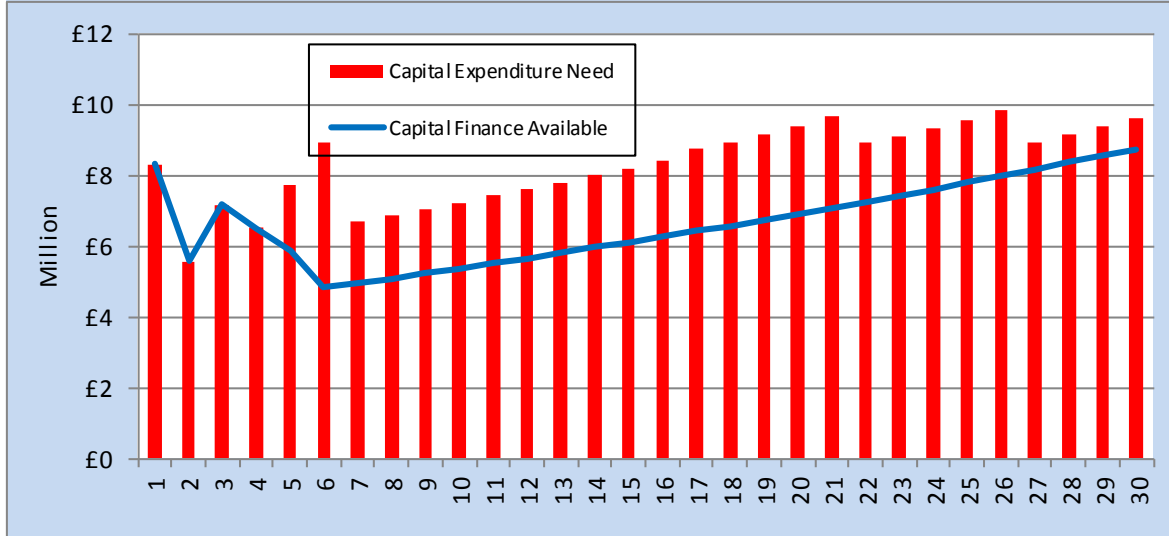
3.6 The graph below demonstrates the capital expenditure (in the thick red vertical bars) for each year including inflation. The available resources are shown (using the thin blue horizontal line).

**Capital Expenditure vs Resources – Assuming no HVA Levy**





**Capital Expenditure vs Resources – Assuming HVA Levy from 2018/19**

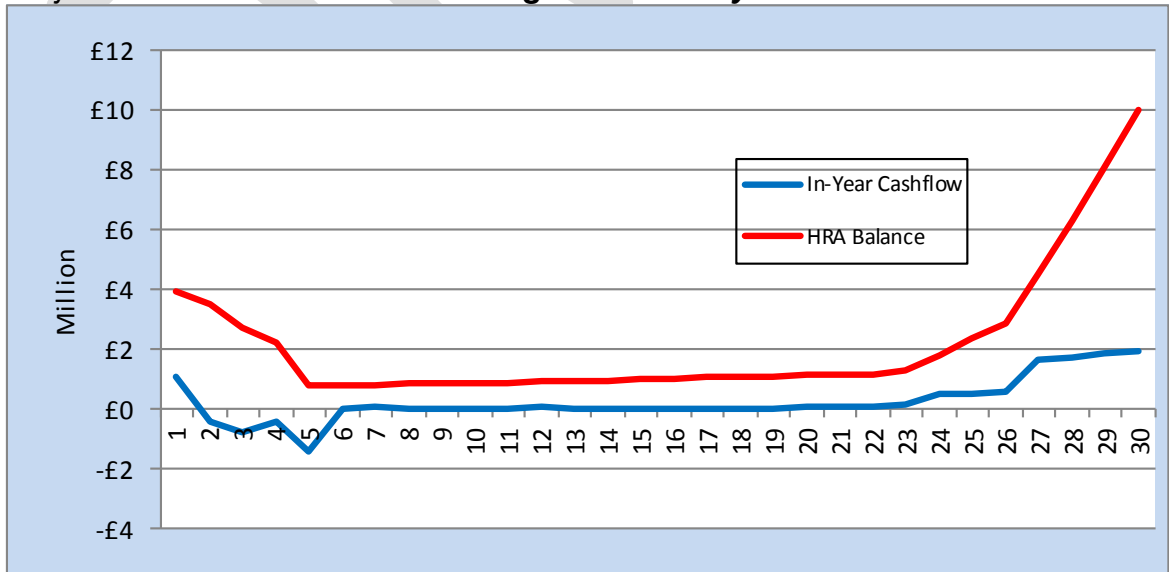


3.7 Both graphs show capital expenditure needs exceeding the available capital finance for much of the time period. In the first graph, the shortfall is approximately £0.1m to £0.2m per year from years 17 to 22. The graph then shows that eventually the in-year expenditure is affordable and completely funds the backlog. The second graph shows fewer resources available due to the HVA levy. The capital programme becomes unaffordable early in the programme and remains so.

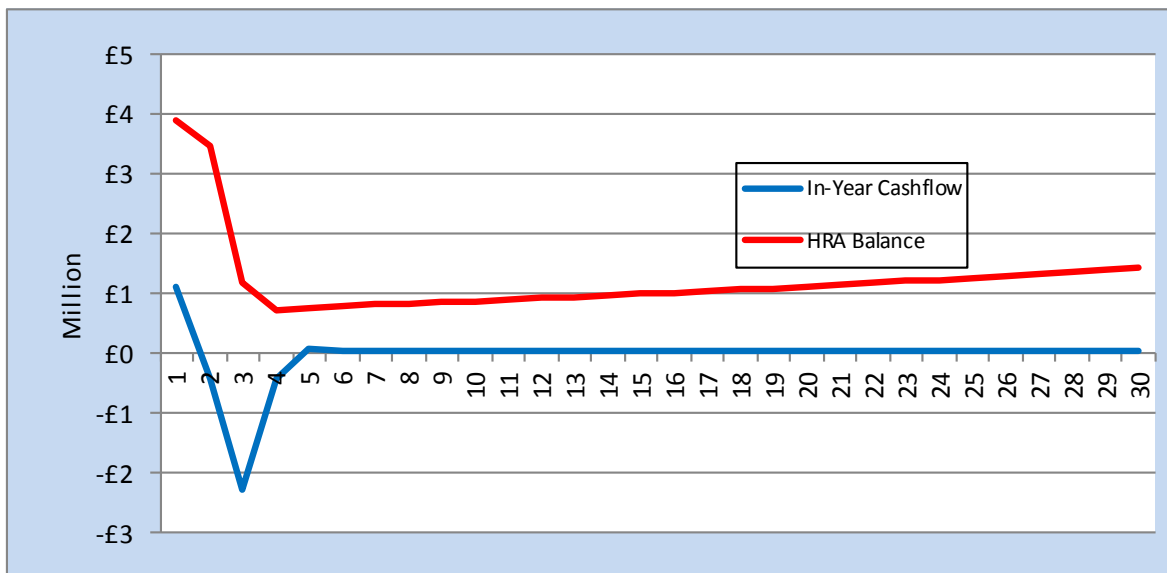
**4. HRA Revenue Balance Projections**

4.1 The projected balances for the HRA are as follows:

**Projected HRA Balances - Assuming no HVA Levy**



**Projected HRA Balances - Assuming HVA Levy from 2018/19**



4.2 The HRA is set with a minimum reserve balance of £0.750million within the model. The balance is impacted by the need to meet the demands of the capital programme. Both graphs show negative cashflow in the early years of the plan, while balances are utilised to pay for the capital programme.

4.3 Both graphs then show the HRA balance levelling off at close to £1m. Without an HVA levy, the situation starts to improve from year 23, as debt is repaid. With an HVA levy, HRA balances are kept at the minimum level for the life of the plan.

## 5. Summary

5.1 This review shows the plan without the HVA levy has a shortfall in capital financing between years 17 and 22, which should be recoverable over the 30 year period. Options for addressing this funding gap will need to be considered. The plan with the HVA levy shows a more severely unaffordable programme. Additional options will need to be available in the event a HVA determination is levied on the Council.

5.2 A summary of the HRA and capital 30 year projections for the HRA without the HVA levy are shown in Appendix 1.

5.3 A summary of the HRA and capital 30 year projections for the HRA with the HVA levy are shown in Appendix 2.

Anthony Wilkinson

January 2017

Year	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
£Million	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>INCOME:</b>															
Rental Income	13.1	13.0	12.8	12.6	12.9	13.2	13.4	13.7	14.0	14.3	14.6	15.0	15.3	15.6	16.0
Void Losses	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service Charges	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.6
Non-Dwelling Income	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Grants & Other Income	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	0.0
<b>Total Income</b>	<b>14.6</b>	<b>14.4</b>	<b>14.2</b>	<b>14.0</b>	<b>14.3</b>	<b>14.6</b>	<b>14.9</b>	<b>15.3</b>	<b>15.6</b>	<b>15.9</b>	<b>16.3</b>	<b>16.7</b>	<b>17.0</b>	<b>17.4</b>	<b>17.8</b>
<b>EXPENDITURE:</b>															
General Management	-3.7	-3.7	-3.8	-3.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.4	-4.5	-4.7	-4.8	-4.9	-5.0
Special Management	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5
Other Management	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Rent Rebates	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	0.0
Bad Debt Provision	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Responsive & Cyclical Repairs	-2.2	-2.3	-2.3	-2.3	-2.3	-2.4	-2.5	-2.5	-2.6	-2.6	-2.7	-2.7	-2.8	-2.9	-2.9
<b>Total Revenue Expenditure</b>	<b>-7.0</b>	<b>-7.3</b>	<b>-7.3</b>	<b>-7.4</b>	<b>-7.6</b>	<b>-7.8</b>	<b>-8.0</b>	<b>-8.2</b>	<b>-8.4</b>	<b>-8.6</b>	<b>-8.8</b>	<b>-9.0</b>	<b>-9.2</b>	<b>-9.4</b>	<b>-9.6</b>
Interest Paid	-1.8	-1.9	-1.8	-1.8	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9
Finance Administration	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Interest Received	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	0.0
Depreciation	-3.7	-3.7	-3.8	-3.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.3	-4.4	-4.5	-4.6	-4.7	-4.8
<b>Net Operating Income</b>	<b>2.1</b>	<b>1.5</b>	<b>1.2</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>
<b>APPROPRIATIONS:</b>															
FRS 17/Other HRA Reserve Adj	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	0.0
Revenue Provision (HRACFR)	-0.8	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2
Revenue Contribution to Capital	-0.2	-1.7	-1.7	-1.0	-2.1	-0.6	-0.5	-0.6	-0.6	-0.6	-0.6	-0.9	-0.9	-1.0	-1.0
<b>Total Appropriations</b>	<b>-1.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-1.3</b>	<b>-2.4</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.3</b>
<b>ANNUAL CASHFLOW</b>	<b>1.1</b>	<b>-0.4</b>	<b>-0.8</b>	<b>-0.5</b>	<b>-1.5</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Opening Balance	2.8	3.9	3.5	2.7	2.2	0.8	0.7	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0
<b>Closing Balance</b>	<b>3.9</b>	<b>3.5</b>	<b>2.7</b>	<b>2.2</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

Year	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46
£Million	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
<b>INCOME:</b>															
Rental Income	16.3	16.6	17.0	17.4	17.7	18.1	18.5	18.9	19.3	19.7	20.2	20.6	21.0	21.5	21.9
Void Losses	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service Charges	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4
Non-Dwelling Income	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Grants & Other Income	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	0.0
<b>Total Income</b>	<b>18.2</b>	<b>18.6</b>	<b>19.0</b>	<b>19.4</b>	<b>19.8</b>	<b>20.2</b>	<b>20.7</b>	<b>21.1</b>	<b>21.6</b>	<b>22.1</b>	<b>22.5</b>	<b>23.0</b>	<b>23.5</b>	<b>24.1</b>	<b>24.6</b>
<b>EXPENDITURE:</b>															
General Management	-5.1	-5.3	-5.4	-5.5	-5.7	-5.8	-6.0	-6.1	-6.3	-6.4	-6.6	-6.8	-6.9	-7.1	-7.3
Special Management	-1.6	-1.6	-1.7	-1.7	-1.7	-1.8	-1.8	-1.9	-1.9	-2.0	-2.0	-2.1	-2.1	-2.2	-2.2
Other Management	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Rent Rebates	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	0.0
Bad Debt Provision	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Responsive & Cyclical Repairs	-3.0	-3.1	-3.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.6	-3.6	-3.7	-3.8	-3.9	-4.0	-4.0
<b>Total Revenue Expenditure</b>	<b>-9.9</b>	<b>-10.1</b>	<b>-10.4</b>	<b>-10.6</b>	<b>-10.9</b>	<b>-11.1</b>	<b>-11.4</b>	<b>-11.7</b>	<b>-11.9</b>	<b>-12.2</b>	<b>-12.5</b>	<b>-12.8</b>	<b>-13.1</b>	<b>-13.4</b>	<b>-13.8</b>
Interest Paid	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.8	-1.8	-1.8
Finance Administration	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Interest Received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Depreciation	-4.9	-5.0	-5.1	-5.3	-5.4	-5.5	-5.6	-5.7	-5.8	-6.0	-6.1	-6.2	-6.4	-6.5	-6.6
<b>Net Operating Income</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>
<b>APPROPRIATIONS:</b>															
FRS 17/Other HRA Reserve Adj	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	0.0
Revenue Provision (HRACFR)	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Revenue Contribution to Capital	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.0	-1.0	-1.1	0.0	0.0	0.0	0.0
<b>Total Appropriations</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>
<b>ANNUAL CASHFLOW</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>
Opening Balance	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.3	1.8	2.3	2.9	4.5	6.3	8.1
<b>Closing Balance</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.8</b>	<b>2.3</b>	<b>2.9</b>	<b>4.5</b>	<b>6.3</b>	<b>8.1</b>	<b>10.0</b>

Year	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
£Million	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>EXPENDITURE:</b>															
Planned Variable Expenditure	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	0.0
Planned Fixed Expenditure	-6.2	-5.3	-4.9	-4.3	-5.3	-6.3	-4.3	-4.5	-4.6	-4.7	-4.8	-4.9	-5.0	-5.1	-5.3
Disabled Adaptations	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Other Capital Expenditure	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	0.0
New Build Expenditure	-1.7	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
Procurement Fees	0.0	0.0	-0.5	-0.4	-0.5	-0.7	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5
Previous Year's B/F Shortfall	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	0.0
<b>Total Capital Expenditure</b>	<b>-8.3</b>	<b>-5.6</b>	<b>-5.6</b>	<b>-4.9</b>	<b>-6.1</b>	<b>-7.3</b>	<b>-5.0</b>	<b>-5.2</b>	<b>-5.3</b>	<b>-5.4</b>	<b>-5.6</b>	<b>-5.7</b>	<b>-5.8</b>	<b>-6.0</b>	<b>-6.1</b>
<b>FUNDING:</b>															
Major Repairs Reserve	3.7	3.7	3.8	3.8	3.9	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.7	4.8
Right to Buy Receipts	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	0.0
HRA CFR Borrowing	4.3	0.0	0.0	0.0	0.2	2.7	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.3
Other Receipts/Grants	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	0.0
HRA Reserves	0.1	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Contributions	0.2	1.7	1.7	1.0	2.1	0.6	0.5	0.6	0.6	0.6	0.6	0.9	0.9	1.0	1.0
<b>Total Capital Funding</b>	<b>8.3</b>	<b>5.6</b>	<b>5.6</b>	<b>4.9</b>	<b>6.1</b>	<b>7.3</b>	<b>5.0</b>	<b>5.2</b>	<b>5.3</b>	<b>5.4</b>	<b>5.6</b>	<b>5.7</b>	<b>5.8</b>	<b>6.0</b>	<b>6.1</b>
<b>In-Year Net Cashflow</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cumulative Position</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Year	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46
£Million	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
<b>EXPENDITURE:</b>															
Planned Variable Expenditure	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Planned Fixed Expenditure	-5.4	-5.6	-5.8	-5.9	-6.1	-6.2	-5.5	-5.6	-5.8	-5.9	-6.1	-5.2	-5.3	-5.5	-5.6
Disabled Adaptations	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5
Other Capital Expenditure	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	0.0
New Build Expenditure	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	0.0
Procurement Fees	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.5
Previous Year's B/F Shortfall	0.0	-0.1	-0.2	-0.4	-0.7	-0.9	-1.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Capital Expenditure</b>	<b>-6.3</b>	<b>-6.7</b>	<b>-7.0</b>	<b>-7.4</b>	<b>-7.8</b>	<b>-8.2</b>	<b>-7.6</b>	<b>-7.0</b>	<b>-6.8</b>	<b>-7.0</b>	<b>-7.1</b>	<b>-6.2</b>	<b>-6.3</b>	<b>-6.5</b>	<b>-6.6</b>
<b>FUNDING:</b>															
Major Repairs Reserve	4.9	5.0	5.1	5.3	5.4	5.5	5.6	5.7	5.8	6.0	6.1	6.2	6.3	6.5	6.6
Right to Buy Receipts	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	0.0
HRA CFR Borrowing	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Receipts/Grants	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	0.0
HRA Reserves	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	0.0
Revenue Contributions	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.0	1.0	1.1	0.0	0.0	0.0	0.0
<b>Total Capital Funding</b>	<b>6.3</b>	<b>6.4</b>	<b>6.6</b>	<b>6.7</b>	<b>6.9</b>	<b>7.1</b>	<b>7.2</b>	<b>7.0</b>	<b>6.8</b>	<b>7.0</b>	<b>7.1</b>	<b>6.2</b>	<b>6.3</b>	<b>6.5</b>	<b>6.6</b>
<b>In-Year Net Cashflow</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cumulative Position</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Year	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
£Million	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>INCOME:</b>															
Rental Income	13.1	13.0	12.8	12.6	12.9	13.2	13.4	13.7	14.0	14.3	14.6	15.0	15.3	15.6	16.0
Void Losses	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service Charges	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.6
Non-Dwelling Income	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Grants & Other Income	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	0.0
<b>Total Income</b>	<b>14.6</b>	<b>14.4</b>	<b>14.2</b>	<b>14.0</b>	<b>14.3</b>	<b>14.6</b>	<b>14.9</b>	<b>15.3</b>	<b>15.6</b>	<b>15.9</b>	<b>16.3</b>	<b>16.7</b>	<b>17.0</b>	<b>17.4</b>	<b>17.8</b>
<b>EXPENDITURE:</b>															
General Management	-3.7	-3.7	-3.8	-3.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.4	-4.5	-4.7	-4.8	-4.9	-5.0
Special Management	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3	-1.3	-1.4	-1.4	-1.4	-1.5	-1.5	-1.5
Other Management	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Rent Rebates	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	0.0
Bad Debt Provision	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Responsive & Cyclical Repairs	-2.2	-2.3	-2.3	-2.3	-2.3	-2.4	-2.5	-2.5	-2.6	-2.6	-2.7	-2.7	-2.8	-2.9	-2.9
<b>Total Revenue Expenditure</b>	<b>-7.0</b>	<b>-7.3</b>	<b>-7.3</b>	<b>-7.4</b>	<b>-7.6</b>	<b>-7.8</b>	<b>-8.0</b>	<b>-8.2</b>	<b>-8.4</b>	<b>-8.6</b>	<b>-8.8</b>	<b>-9.0</b>	<b>-9.2</b>	<b>-9.4</b>	<b>-9.6</b>
Interest Paid	-1.8	-1.9	-1.8	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9
Finance Administration	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Interest Received	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	0.0
Depreciation	-3.7	-3.7	-3.8	-3.8	-3.9	-4.0	-4.1	-4.2	-4.3	-4.3	-4.4	-4.5	-4.6	-4.7	-4.8
<b>Net Operating Income</b>	<b>2.1</b>	<b>1.5</b>	<b>1.2</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>
<b>APPROPRIATIONS:</b>															
FRS 17 /Other HRA Reserve Adj	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	0.0
Revenue Provision (HRACFR)	-0.8	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.2	-0.2	-0.2	-0.2
Revenue Contribution to Capital	-0.2	-1.7	-3.2	-1.0	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.9	-0.9	-1.0	-1.0
<b>Total Appropriations</b>	<b>-1.0</b>	<b>-2.0</b>	<b>-3.5</b>	<b>-1.3</b>	<b>-0.8</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>	<b>-1.3</b>
<b>ANNUAL CASHFLOW</b>	<b>1.1</b>	<b>-0.4</b>	<b>-2.3</b>	<b>-0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Opening Balance	2.8	3.9	3.5	1.2	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0
<b>Closing Balance</b>	<b>3.9</b>	<b>3.5</b>	<b>1.2</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

Year	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46
£Million	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
<b>INCOME:</b>															
Rental Income	16.3	16.6	17.0	17.4	17.7	18.1	18.5	18.9	19.3	19.7	20.2	20.6	21.0	21.5	21.9
Void Losses	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Service Charges	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4
Non-Dwelling Income	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Grants & Other Income	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	0.0
<b>Total Income</b>	<b>18.2</b>	<b>18.6</b>	<b>19.0</b>	<b>19.4</b>	<b>19.8</b>	<b>20.2</b>	<b>20.7</b>	<b>21.1</b>	<b>21.6</b>	<b>22.1</b>	<b>22.5</b>	<b>23.0</b>	<b>23.5</b>	<b>24.1</b>	<b>24.6</b>
<b>EXPENDITURE:</b>															
General Management	-5.1	-5.3	-5.4	-5.5	-5.7	-5.8	-6.0	-6.1	-6.3	-6.4	-6.6	-6.8	-6.9	-7.1	-7.3
Special Management	-1.6	-1.6	-1.7	-1.7	-1.7	-1.8	-1.8	-1.9	-1.9	-2.0	-2.0	-2.1	-2.1	-2.2	-2.2
Other Management	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Rent Rebates	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	0.0
Bad Debt Provision	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Responsive & Cyclical Repairs	-3.0	-3.1	-3.1	-3.2	-3.3	-3.3	-3.4	-3.5	-3.6	-3.6	-3.7	-3.8	-3.9	-4.0	-4.0
<b>Total Revenue Expenditure</b>	<b>-9.9</b>	<b>-10.1</b>	<b>-10.4</b>	<b>-10.6</b>	<b>-10.9</b>	<b>-11.1</b>	<b>-11.4</b>	<b>-11.7</b>	<b>-11.9</b>	<b>-12.2</b>	<b>-12.5</b>	<b>-12.8</b>	<b>-13.1</b>	<b>-13.4</b>	<b>-13.8</b>
Interest Paid	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9	-1.9
Finance Administration	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Interest Received	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	0.0
Depreciation	-4.9	-5.0	-5.1	-5.3	-5.4	-5.5	-5.6	-5.7	-5.8	-6.0	-6.1	-6.2	-6.4	-6.5	-6.6
<b>Net Operating Income</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>2.1</b>	<b>2.1</b>
<b>APPROPRIATIONS:</b>															
FRS 17/Other HRA Reserve Adj	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	0.0
Revenue Provision (HRACFR)	-0.2	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
Revenue Contribution to Capital	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3	-1.3	-1.4	-1.4	-1.5	-1.5	-1.5	-1.6	-1.6	-1.7
<b>Total Appropriations</b>	<b>-1.3</b>	<b>-1.4</b>	<b>-1.4</b>	<b>-1.5</b>	<b>-1.5</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.1</b>
<b>ANNUAL CASHFLOW</b>															
Opening Balance	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4
<b>Closing Balance</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>



Year	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
£Million	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>EXPENDITURE:</b>															
Planned Variable Expenditure	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	0.0
Planned Fixed Expenditure	-6.2	-5.3	-6.4	-5.8	-6.9	-7.9	-6.0	-6.2	-6.3	-6.5	-6.6	-6.8	-7.0	-7.1	-7.3
Disabled Adaptations	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Other Capital Expenditure	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	0.0
New Build Expenditure	-1.7	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
Procurement Fees	0.0	0.0	-0.5	-0.4	-0.5	-0.7	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5
Previous Year's B/F Shortfall	0.0	0.0	0.0	0.0	0.0	-1.9	-6.1	-8.1	-10.2	-12.3	-14.5	-16.8	-19.2	-21.8	-24.4
<b>Total Capital Expenditure</b>	<b>-8.3</b>	<b>-5.6</b>	<b>-7.2</b>	<b>-6.5</b>	<b>-7.7</b>	<b>-10.8</b>	<b>-12.9</b>	<b>-15.0</b>	<b>-17.2</b>	<b>-19.5</b>	<b>-21.9</b>	<b>-24.4</b>	<b>-27.0</b>	<b>-29.7</b>	<b>-32.6</b>
<b>FUNDING:</b>															
Major Repairs Reserve	3.7	3.7	3.8	3.8	3.9	4.0	4.1	4.2	4.3	4.3	4.4	4.5	4.6	4.7	4.8
Right to Buy Receipts	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	0.0
HRA CFR Borrowing	4.3	0.0	0.0	1.6	1.5	0.4	0.4	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.2
Other Receipts/Grants	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	0.0
HRA Reserves	0.1	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Contributions	0.2	1.7	3.2	1.0	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.9	0.9	1.0	1.0
<b>Total Capital Funding</b>	<b>8.3</b>	<b>5.6</b>	<b>7.2</b>	<b>6.5</b>	<b>5.9</b>	<b>4.8</b>	<b>4.9</b>	<b>5.1</b>	<b>5.2</b>	<b>5.4</b>	<b>5.5</b>	<b>5.6</b>	<b>5.8</b>	<b>5.9</b>	<b>6.1</b>
<b>In-Year Net Cashflow</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.9</b>	<b>-6.0</b>	<b>-7.9</b>	<b>-9.9</b>	<b>-12.0</b>	<b>-14.1</b>	<b>-16.4</b>	<b>-18.8</b>	<b>-21.2</b>	<b>-23.8</b>	<b>-26.5</b>
<b>Cumulative Position</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.9</b>	<b>-6.0</b>	<b>-7.9</b>	<b>-9.9</b>	<b>-12.0</b>	<b>-14.1</b>	<b>-16.4</b>	<b>-18.8</b>	<b>-21.2</b>	<b>-23.8</b>	<b>-26.5</b>

Year	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46
£Million	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
<b>EXPENDITURE:</b>															
Planned Variable Expenditure	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Planned Fixed Expenditure	-7.5	-7.8	-8.0	-8.2	-8.4	-8.6	-7.9	-8.1	-8.3	-8.5	-8.7	-7.9	-8.1	-8.3	-8.5
Disabled Adaptations	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.5	-0.5
Other Capital Expenditure	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	0.0
New Build Expenditure	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	0.0
Procurement Fees	-0.5	-0.5	-0.5	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	-0.5
Previous Year's B/F Shortfall	-27.1	-30.0	-33.1	-36.4	-39.8	-43.3	-47.1	-49.9	-52.9	-56.0	-59.2	-62.6	-64.9	-67.3	-69.9
<b>Total Capital Expenditure</b>	<b>-35.5</b>	<b>-38.7</b>	<b>-42.1</b>	<b>-45.6</b>	<b>-49.2</b>	<b>-53.0</b>	<b>-55.9</b>	<b>-59.0</b>	<b>-62.2</b>	<b>-65.6</b>	<b>-69.0</b>	<b>-71.5</b>	<b>-74.0</b>	<b>-76.7</b>	<b>-79.4</b>
<b>FUNDING:</b>															
Major Repairs Reserve	4.9	5.0	5.1	5.3	5.4	5.5	5.6	5.7	5.8	6.0	6.1	6.2	6.4	6.5	6.6
Right to Buy Receipts	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	0.0
HRA CFR Borrowing	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Other Receipts/Grants	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	0.0
HRA Reserves	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	0.0
Revenue Contributions	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7
<b>Total Capital Funding</b>	<b>6.3</b>	<b>6.4</b>	<b>6.6</b>	<b>6.7</b>	<b>6.9</b>	<b>7.1</b>	<b>7.2</b>	<b>7.4</b>	<b>7.6</b>	<b>7.8</b>	<b>8.0</b>	<b>8.2</b>	<b>8.3</b>	<b>8.5</b>	<b>8.7</b>
<b>In-Year Net Cashflow</b>	<b>-29.3</b>	<b>-32.3</b>	<b>-35.5</b>	<b>-38.8</b>	<b>-42.3</b>	<b>-45.9</b>	<b>-48.7</b>	<b>-51.6</b>	<b>-54.6</b>	<b>-57.8</b>	<b>-61.1</b>	<b>-63.3</b>	<b>-65.7</b>	<b>-68.2</b>	<b>-70.7</b>
<b>Cumulative Position</b>	<b>-29.3</b>	<b>-32.3</b>	<b>-35.5</b>	<b>-38.8</b>	<b>-42.3</b>	<b>-45.9</b>	<b>-48.7</b>	<b>-51.6</b>	<b>-54.6</b>	<b>-57.8</b>	<b>-61.1</b>	<b>-63.3</b>	<b>-65.7</b>	<b>-68.2</b>	<b>-70.7</b>