

**Committee: Council**

**Agenda Item**

**Date: 23 February 2017**

**12**

**Title: Housing Revenue Account 2017/18 Budget and 5 year Business Plan Strategy**

**Portfolio Holders: Councillor Simon Howell**

Item for decision

**Councillor Julie Redfern**

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## Summary

1. This report sets out the following:
  - A proposed Housing Revenue Account (HRA) budget and reserves position for 2017/18.
  - A proposed 5 year financial forecast for the period from 2017/18 to 2021/22.
2. The Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015 to 2016 baseline and to comply with maximum rent requirements for new tenancies. This is the second year of rent decrease to general needs properties and the first year for supported accommodation.
  - a. HRA rents for general needs properties are decreased by 1% in line with new government guidance.
  - b. HRA rents for supported accommodation are decreased by 1% in line with government guidance.
  - c. All dwelling rents to be revised to the formula rent level when the property is re-let.
3. Other income and service charges for 2017/18 are as follows;
  - a. Garage rents are increased by 2% in line with RPI as at September 2016.
  - b. Heating, Service and Sewerage charges are increased in line with actual costs.
  - c. Lifeline charges are increased by 2% in line with RPI as at September 2016.
  - d. Housing related support and Intensive Housing Management charges are increased by 2% in line with RPI as at September 2016.
  - e. Protection for Tenants at 31<sup>st</sup> March 2003 who are eligible for supporting people grant assistance to cease as no tenants will be receiving supporting people (HRS) grant funding from April 2017.
  - f. Service charges for common services in sheltered schemes continue to be subsidised for tenants at 31<sup>st</sup> March 2012 who are not in receipt of housing benefit. Subsidy reducing by 25% annually.
4. The Housing Board and the Tenants Forum have reviewed the housing rent and service charge proposals and recommended these for approval by Cabinet and Full Council.

5. The Housing Board has reviewed the Housing Revenue Budget and 5 year financial strategy and recommended the reports for approval by Cabinet and Full Council.
6. The proposals were endorsed by the Scrutiny Committee on 7 February and approved by the Cabinet on 16 February for recommendation to the Council tonight.

### **Recommendations**

7. Council is recommended to approve the HRA Revenue Budget and 5 Year Financial Strategy.

### **Financial Implications**

8. Financial implications are included in the body of this report.

### **Background Papers**

9. None

### **Impact**

Communication/Consultation	Tenants Forum reviewed the rent and heating, service and sewerage charges
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	Affordable rent levels and appropriate housing supply are an important factor in the sustainability of local communities and in particular rural communities
Ward-specific impacts	None
Workforce/Workplace	None

### **Background**

10. The HRA budget for 2017/18 reflects the service arrangements and investments in relation to the council's housing services for the sixth year under 'Self Financing'.
11. The new financial arrangements enable the service to stand alone financially and take 'local' decisions for housing services.
12. Decisions about the level of expenditure in the Housing Revenue Account continue to be made in the context of a 30 year HRA Business Plan.

13. The fully updated Business Plan, approved at Cabinet in January 2016, sets the financial strategy and the budget proposals are reflected in this report.
14. The Business Plan has been framed in the light of:
- Estimated rental income is in line with the Government's guidance
  - Appropriate capital investment in maintaining the quality of the housing stock through planned maintenance and replacement works
  - The new build programme
  - One for one replacement of Right to Buy sales
  - Servicing and repaying debt so that new borrowing is available for future maintenance works or investment in further new build schemes
  - Remodelling and modernising sheltered housing schemes
  - Service improvements
15. Following government policy changes the authority no longer has discretion to set rents at a local level, but instead are required to comply with a national approach where rents will be reduced by 1% per year, for four years, from April 2016,
16. This change, alongside other national changes in housing policy, significantly reduces the council's flexibility over longer-term decision making.
17. Income and expenditure is budgeted on an incremental and inflationary basis to reflect the financial and operational needs of the housing service.

### **Housing Revenue Account Budget 2017/18**

18. The budget identifies a net operating surplus of £648,000 made up of total income of £15,222,000 and total expenditure of £14,574,000. The surplus has been allocated to fund agreed projects as detailed in the Business Plan.
19. The net operating surplus has reduced by £2.767m in 2017/18 compared to 2016/17; this is due in the main to this being the first year of the principal repayment of the Self Financing loan, a sum of £2m. This is being funded from the Capitals receipts reserve so there is a net nil bottom line effect.
20. The remaining difference is the reduction in rental income, due to the 1% decrease as per the government policy. There is an increase in the central service and corporate core recharge which includes the HRA share of the pension deficit triannual payment. Full details of the budget movements can be seen in point 33

21. The table below summarises the HRA budget for 2016/17, a more detailed breakdown is shown in Appendix A.

<b>HRA SUMMARY - 2017/18</b>	<b>2016/17 Original Budget £'000</b>	<b>2016/17 Restated Budget £'000</b>	<b>2017/18 Original Budget £'000</b>	<b>Increase / (Decrease) £'000</b>
Dwelling Rents	(14,335)	(14,335)	(14,160)	175
Rents and Charges (other)	(1,120)	(1,120)	(1,062)	58
<b>Service Income</b>	<b>(15,455)</b>	<b>(15,455)</b>	<b>(15,222)</b>	<b>233</b>
Housing Finance & Business Management	179	179	197	18
Housing Maintenance and Repairs Service	3,032	3,032	3,026	(6)
Housing Management and Homelessness	1,029	1,029	1,022	(7)
<b>Service Expenditure</b>	<b>4,240</b>	<b>4,240</b>	<b>4,245</b>	<b>5</b>
Recharge from General Fund	1,666	1,666	1,958	292
Depreciation and Impairment	3,427	3,492	3,564	72
Interest/Costs re HRA Loan	2,625	2,625	4,625	2,000
Other (net)	17	17	182	165
<b>Non-Service Expenditure</b>	<b>7,735</b>	<b>7,800</b>	<b>10,329</b>	<b>2,529</b>
<b>Operating Surplus</b>	<b>(3,480)</b>	<b>(3,415)</b>	<b>(648)</b>	<b>2,767</b>
Capital Receipts Reserve (for HRA Loan)	0	0	(2,000)	(2,000)
Funding of Capital Programme from HRA	7,503	9,228	2,449	(6,779)
Transfers to/from(-) Reserves	(4,023)	(5,813)	199	6,012
<b>HRA (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

22. The average weekly rent in 2016/17 was £99.81 and in 2017/18 has decreased to £98.80, a decrease of £1.01 per week.

23. The council manages a total of 453 garages; current weekly rental is £9.70 and will increase to £9.89 (excluding VAT).

24. Last year the council reviewed all support charges in preparation for further cuts to HRS funding made by Essex County Council.

25. The review resulted in the introduction of an Intensive Housing Management (IHM) charge to recover a proportion of the reduction of funding from ECC. The IHM charge is covered by Housing Benefit and its introduction therefore lessened the impact of the cuts to HRS for those tenants on benefits who previously have not contributed to support costs.

26. Tenants on housing benefit were also expected to pay the remaining proportion of the reduction of funding from ECC that could not be recovered through IHM. Last year this charge was minimal to those on housing benefit.
27. Essex County Council (ECC) has confirmed that all HRS funding will now cease from April 2017. This will result in the full cost of the support charge having to be recovered from all sheltered tenants. The rationale that ECC makes for these cuts is that people who require this type of support can claim appropriate benefits to pay for it themselves.
28. It is proposed to increase by RPI of 2% the charges for the council's sheltered housing scheme management service (made up from a support charge and an IHM charge) and lifeline services. The charges to be set at one level of service:
  - i. Sheltered plus: £18.15 per week
  - ii. Protection for tenants at 31st March 2003 who are ineligible for supporting people grant assistance to cease as no tenants will be receiving grant funding from April 2017
  - iii. Lifeline service: 4.30 per week
29. The Council manages leasehold and freehold properties where service and sewerage charges are payable and these will continue to be calculated and charged in line with actual costs.
30. General needs and sheltered housing service charges are calculated on the same basis as Leasehold/freehold properties.
31. Heating charges will be calculated and charged in line with actual costs.
32. Service charges for tenants as at 31<sup>st</sup> March 2012 in sheltered accommodation and not in receipt of Housing Benefit will continue to be partially subsidised from the HRA. The subsidy for these charges is reduced by 25% annually.

## Budget Movements

33. The table below details budget movements for 2017/18.

<b>Service Movement</b>	<b>Description of Movement</b>	<b>£' 000</b>
Housing Rents	Continuation and extension of 1% reduction in housing rents set by Centyral Government	175
Housing Repairs	Legionella management better value for money contract	(36)
	Reduction in need for agency	(3)
	Asbestos Management surveys reduced due to capacity to deliver planned programme	(30)
	Less materials purchase due to outsourcing of jobs	(22)
	Travel costs for fully recruited team	8
Housing Services	Service contract cost reduction	(5)
	Publication of survey not taking place in year	(8)
	Removal of unused budget for subscriptions	(6)
	Training Course fees	5
Sheltered Housing	Supporting People funding ceased in 17-18	100
	Reduction in lifeline users	8
	Increase in support cost income	(51)
	Reduction in transitional relief of service charges	(25)
Various Services	Natural reduction in transitional relief of support charges	(7)
	Inflationary increase in staffing costs	72
	Net saving on utility costs	(37)
	Salary increases	69
	Other immaterial changes	29
		<b>238</b>
<b>Other Movements</b>		
Bad Debt Provision	Increase due to cessation in support people grant, possible risk of arrears	128
Depreciation	Increase in asset values	72
Pension	Pension deficit 3 year payment	158
Investment Income	Reduced due to low rates of return on investments	37
GF Recharge	Increase to match the increased cost of Central Services and Corporate core	135
		<b>530</b>
<b>Total Movements</b>		<b>768</b>

## 5 Year Budget Summary

34. The 5 year financial forecast identifies the HRA's ability to make revenue contributions to the housing development programme are significantly reduced now that the principal loan repayment becomes due as from 2017/18. The detailed 5 year forecast is shown in Appendix B.
35. In 2017/18 the loan repayment has been matched by drawing down on the capital receipts reserve, but due to the specific criteria surrounding the capital receipts this source of funding is also reduced in future years.
36. The capital receipts are the monies that the council are allowed to keep from the sale of council houses as part of the right to buy scheme.
37. The capital receipts are ringfenced to the replenishing of the housing stock on the basis of a one for one replacement of sold properties.

38. The Council can only use up to the maximum of 30% of these receipts on any one project, so the Council is required to fund 70% out of its own resources.
39. There is a risk that the council may have to repay to government any Capital Receipts monies that are not spend with 13 quarters of receiving this income.
40. Due to the reducing resources within the HRA it is unlikely that there will be enough funds to support further developments. This can be seen in the capital programme where there are no projects identified from 2018/19. Full details of the capital programme are shown in Appendix C.
41. The Council is carrying out a review with their independent financial consultants, Arclingclose to refinance the current loan over a longer period and release funds to enable the continuation of its programme of housing development.
42. A further risk to the HRA financial planning relates to the Sale of high value properties once they become vacant. This is not planned for 2017/18 but there is a risk that this will be implemented in April 2018.
43. The HRA is facing the potential loss of high value voids or a government levy as part of the government's policy to fund the Right To Buy (RTB) discounts of Housing Associations.

## Movement in Reserves

44. The table below details the movement in reserves and this includes the Major Repairs Reserve.

Reserve	Balance 01-Apr-16	Forecast transfer from HRA	Forecast transfer to HRA	Transfers between Reserves	Estimated Balance 31-Mar-17	Forecast transfer from HRA	Forecast transfer to HRA	Transfers between Reserves	Estimated Balance 31-Mar-18
<b>£'000</b>									
<b><u>RINGFENCED RESERVES</u></b>									
Working Balance	463	10			473				473
	<b>463</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>473</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>473</b>
<b><u>USABLE RESERVES</u></b>									
<u>Revenue Reserves</u>									
Major Repairs Reserve	190	146	(67)		269	208			477
Revenue Projects	60				60				60
Transformation Reserve	180				180				180
	430	146	(67)	0	509	208	0	0	717
<u>Capital Reserves</u>									
Capital Projects	3,538		(5,037)	1,499	0	516			516
Potential Projects Reserve	2,998		(776)	(1,499)	723				723
Sheltered Housing Projects Reserve	318		0		318		(318)		0
	6,854	0	(5,813)	0	1,041	516	(318)	0	1,239
<b>TOTAL USABLE RESERVES</b>	<b>7,284</b>	<b>146</b>	<b>(5,880)</b>	<b>0</b>	<b>1,550</b>	<b>724</b>	<b>(318)</b>	<b>0</b>	<b>1,956</b>
<b>TOTAL RESERVES</b>	<b>7,747</b>	<b>156</b>	<b>(5,880)</b>	<b>0</b>	<b>2,023</b>	<b>724</b>	<b>(318)</b>	<b>0</b>	<b>2,429</b>



## HRA Business Plan and 5 Year Strategy

45. The Housing Service prepared a 30 year HRA Business Plan in line with the Self-Financing Agreement; from this business plan a 5 year working plan has been extracted detailing specific priorities/projects up until 2020/21. This is a rolling programme and is continuously updated, a detailed action plan is attached in Appendix D.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Changes in legislation may alter the assumptions contained in the proposed 2015/16 Budget and HRA Business Plan	2	2	Prudent budget management and assumptions are built into the budget predictions. This is supported by the minimum operational balance and earmarked reserves to provide a short term contingency
Rent arrears increase	2 – due to the withdrawal of the supporting people grant and the benefit cap	2 – increased arrears and resources needed to support tenants to manage their payments	Housing officers provide Tenant support for those in financial difficulty.
Vulnerable people at risk due to loss of supporting people grant and discontinued support from ECC for Lifeline alarms	3 – residents may struggle financially to self-fund	3 – extra support from officers and possible increased claims for benefits and/or hardship grants	Increased officer support for those tenants affected - will need help with their finances. Residents on HB can claim for supported services within their claim.
Failure to deliver major housing and development projects	2 – the council has an ambitious development programme	3 – schemes do not progress	Robust project planning and resources aligned to deliver projects
Increase in interest rates	1 – not anticipated that rates will increase in the next year	3 – increase in loan repayment	Prudent budget management. To closely manage the situation with the support of our Financial Consultants, Arlingclose and consider fixed rate alternatives
HCA Funding for	1 – it is	3 – shortfall in	Close monitoring of the

Reynolds Court development may have to be repaid	expected that the project will complete on time	funding will have to be found within current resources	project
Increases in Right to Buy discounts present a risk as the Council may be unable to replace stock at the same rate as sales	2 – Sales are already higher than estimated in the business plan	2 – Repayment of capital receipt to government	Continuous review of the Business Plan and possible options for new build housing

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Appendices

Appendix A – 2017/18 Summary Budget

Appendix B – 5 year Budget Summary (2017/18 – 2021/22)

Appendix C – HRA 5 year Capital Programme and Financing

Appendix D – Business Plan – Action Plan 2016 - 2021

## APPENDIX A

### HRA Budget Summary 2017/18

£'000	2016/17 Original Budget	2016/17 Restated Budget	2017/18 Original Budget	Increase / (Decrease)
<b>Housing Revenue Income</b>				
Dwelling Rents	(14,335)	(14,335)	(14,160)	175
Garage Rents	(208)	(208)	(206)	2
Other Rents etc	(3)	(3)	(3)	0
Charges for Services & Facilities	(908)	(908)	(853)	55
Contributions towards Expenditure	0	0	0	0
<b>TOTAL INCOME</b>	<b>(15,455)</b>	<b>(15,455)</b>	<b>(15,222)</b>	<b>232</b>
<b>Housing Finance &amp; Business Management</b>				
Business & Performance Management	103	103	122	20
Rents, Rates & Other Property Charges	76	76	75	(1)
	179	179	197	18
<b>Housing Maintenance &amp; Repairs Service</b>				
Common Service Flats	226	226	189	(37)
Estate Maintenance	145	145	147	2
Housing Repairs	2,324	2,324	2,321	(4)
Housing Sewerage	53	53	53	(1)
Newport Depot	11	11	17	6
Property Services	273	273	300	28
	3,032	3,032	3,026	(5)
<b>Housing Management &amp; Homelessness</b>				
Housing Services	394	394	399	5
Sheltered Housing Services	635	635	623	(12)
	1,029	1,029	1,022	(7)
<b>Total Service Expenditure</b>	<b>4,240</b>	<b>4,240</b>	<b>4,245</b>	<b>6</b>
<b>Other Costs</b>				
Bad Debt Provision	50	50	178	128
Depreciation -transferred to MRR	3,427	3,492	3,564	72
Impairment - Other Assets	0	0	0	0
Interest/Costs re HRA Loan	2,625	2,625	2,625	0
Repayment of HRA Loan	0	0	2,000	2,000
Investment Income	(52)	(52)	(15)	37
Pension Costs - Added Years	19	19	19	0
Pension Deficit - Triannual payment	0	0	158	158
Recharge from General Fund	1,330	1,330	1,507	177
HRA Share of Corporate Core	335	335	293	(42)
<b>Total Non-Service Expenditure</b>	<b>7,735</b>	<b>7,800</b>	<b>10,329</b>	<b>2,529</b>
<b>TOTAL EXPENDITURE</b>	<b>11,975</b>	<b>12,039</b>	<b>14,574</b>	<b>2,535</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(3,480)</b>	<b>(3,415)</b>	<b>(648)</b>	<b>2,767</b>
Funding from Capital Receipts Reserve for HRA Loan	0	0	(2,000)	(2,000)
<b>Funding of Capital Programme from HRA</b>				
Capital Schemes Funded from Revenue	7,503	9,228	2,449	(6,779)
	7,503	9,228	2,449	(6,779)
<b>Transfers to/(from) Reserves</b>				
Capital Projects	(3,613)	(5,037)	516	5,553
Change Management Reserve	0	0	0	0
Potential Developments	(92)	(776)	0	776
Sheltered Housing Reserve	(318)	0	(317)	(317)
Transformation Reserve	0	0	0	(0)
Working Balance	0	0	0	0
	(4,023)	(5,813)	199	6,012
<b>(SURPLUS)/DEFICIT</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

**APPENDIX B**

**HRA Summary – 5 Year Forecast 2017/18 – 2021/22**

	<b>2017/18 Original Budget</b>	<b>2018/19 Original Budget</b>	<b>2019/20 Original Budget</b>	<b>2020/21 Original Budget</b>	<b>2021/22 Original Budget</b>
<b>£ '000</b>					
Dwelling Rents	(14,160)	(14,019)	(14,229)	(14,442)	(14,659)
Garage Rents	(206)	(208)	(210)	(212)	(214)
Other Rents etc	(3)	(3)	(3)	(4)	(4)
Charges for Services & Facilities	(853)	(862)	(870)	(879)	(888)
Contribution towards expenditure	0	0	0	0	0
<b>Total Income</b>	<b>(15,222)</b>	<b>(15,091)</b>	<b>(15,312)</b>	<b>(15,537)</b>	<b>(15,764)</b>
<b>Housing Finance &amp; Business Management</b>					
Business & Performance Management	122	124	125	126	127
Rents, Rates & Other Property Charges	75	75	76	77	78
	197	199	201	203	205
<b>Housing Maintenance &amp; Repairs Service</b>					
Common Service Flats	189	191	193	195	197
Estate Maintenance	147	148	150	151	153
Housing Repairs	2,321	2,344	2,367	2,391	2,415
Housing Sewerage	53	53	54	54	55
Newport Depot	17	17	17	17	17
Property Services	300	303	306	309	312
	3,026	3,057	3,087	3,118	3,149
<b>Housing Management &amp; Homelessness</b>					
Housing Services	399	403	407	411	415
Sheltered Housing Services	623	625	631	637	644
	1,022	1,027	1,038	1,048	1,059
<b>Other Costs</b>					
Bad Debt Provision	178	180	182	183	185
Depreciation -transferred to MRR	3,564	3,599	3,635	3,672	3,708
Impairment - Other Assets	0	0	0	0	0
Interest/Costs re HRA Loan	2,625	2,651	2,678	2,705	2,732
Repayment of HRA Loan	2,000	2,000	2,000	2,000	2,000
Investment Income	(15)	(15)	(15)	(15)	(16)
Pension Costs - Added Years	19	19	19	20	20
Pension Deficit - Triannual payment	158	0	0	170	172
Recharge from General Fund	1,507	1,522	1,537	1,553	1,568
HRA Share of Corporate Core	293	296	299	302	305
<b>Total Non-Service Expenditure</b>	<b>10,329</b>	<b>10,253</b>	<b>10,335</b>	<b>10,589</b>	<b>10,675</b>
<b>Total Expenditure</b>	<b>14,574</b>	<b>14,536</b>	<b>14,661</b>	<b>14,958</b>	<b>15,087</b>
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(648)</b>	<b>(556)</b>	<b>(651)</b>	<b>(579)</b>	<b>(677)</b>
Transfer to/(from) Capital receipts	(2,000)	(413)	(200)	(200)	(200)
<b>Revenue balance available for capital financing</b>	<b>(2,648)</b>	<b>(969)</b>	<b>(851)</b>	<b>(779)</b>	<b>(877)</b>
<b>Capital Schemes Funded from Revenue</b>	<b>2,449</b>	<b>1,588</b>	<b>1,905</b>	<b>1,156</b>	<b>1,170</b>
<b>Transfers to/(from) Reserves</b>					
Capital Projects	516	84	(462)	(43)	(109)
Change Management Reserve	0	0	0	0	0
Potential Developments	0	(709)	0	0	0
Sheltered Housing Reserve	(317)	0	0	0	0
Transformation Reserve	0	0	0	0	0
Major Repairs Reserve - Other	0	0	(598)	(340)	(190)
Working Balance	0	0	0	0	0
	199	(625)	(1,060)	(383)	(299)
<b>(SURPLUS)/DEFICIT</b>	<b>(0)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>

## HRA – Capital Programme 2017/18 – 2021/22

## HOUSING REVENUE ACCOUNT

	2016-17 Current Budget £	2016-17 Forecast Spend P6 £	2017-18 Forecast £	2018-19 Forecast £	2019-20 Forecast £	2020-21 Forecast £	2021-22 Forecast £	Total £
<b><u>HRA Fund</u></b>								
HRA Capital Repairs	3,180,000	3,180,000	3,255,000	3,345,000	3,295,000	3,435,000	3,435,000	19,945,000
UPVC Fascia's and Guttering	251,000	200,000	151,000	100,000	100,000	100,000	100,000	751,000
Cash Incentive Scheme Grants	50,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000
			0					
Light Vans Replacement programme	0	0	87,000	96,000	0	0	0	183,000
<b><u>HRA Business Plan Schemes</u></b>								
<b><u>New builds</u></b>								
Unidentified Sites	198,000	0	1,398,000	2,060,000	2,650,000	1,580,000	1,600,000	9,288,000
Catons Lane	310,000	288,000	22,000	0	0	0	0	310,000
Sheds Lane	600,000	150,000	450,000	0	0	0	0	600,000
			0					
<b><u>Redevelopments</u></b>								
Mead Court - Phase 2	642,000	642,000	0	0	0	0	0	642,000
Newton Grove	0	3,000	0	0	0	0	0	3,000
			0					
<b><u>Sheltered Redevelopments</u></b>								
Reynolds Court	6,174,000	2,844,000	4,452,080	0	0	0	0	7,296,080
Hatherley Court	1,707,000	300,000	1,407,000	0	0	0	0	1,707,000
Walden Place	410,000	0	810,000	0	0	0	0	810,000
<b><u>Other Schemes</u></b>								
Energy Efficiency improvement schemes	252,000	252,000	0	0	0	0	0	252,000
Internet cafes in sheltered schemes	2,000	3,400	0	0	0	0	0	3,400
Resurfacing access roads	150,000	150,000	0	0	0	0	0	150,000
<b><u>ICT</u></b>								
Housing Mobile devices IT	65,000	20,000	45,000	0	0	0	0	65,000
Housing contractors portal & SAM - (Now just SAM)	46,000	46,000	0	0	0	0	0	46,000
<b>HRA Housing</b>	<b>14,037,000</b>	<b>8,128,400</b>	<b>12,127,080</b>	<b>5,651,000</b>	<b>6,095,000</b>	<b>5,165,000</b>	<b>5,185,000</b>	<b>42,351,480</b>

## HRA Capital Financing 2017/18 – 2021/22

	2016-17	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-22
<u>Financing - Housing Revenue Account</u>	Current	Forecast	Forecast	Budget	Budget	Budget	Budget
	Budget	Spend	Budget +	Budget	Budget	Budget	Budget
	£	£	Slippage	£	£	£	£
			£				
<u>Business Plan Schemes</u>							
Funded from reserves	(5,743,000)	(3,373,500)	(2,229,000)	(640,000)	(1,024,000)	(340,000)	(170,000)
HRA Revenue Funding - RCCO	(3,377,600)	0	(5,744,080)	(948,000)	(831,000)	(758,000)	(856,000)
HCA grant funding	(1,103,000)	(1,103,000)	0	0	0	0	0
Capital Receipts - RTB	(332,400)	(131,400)	(561,000)	(618,000)	(795,000)	(474,000)	(480,000)
Other MRR reserve cont	0	0	0	(13,000)	(50,000)	(58,000)	(144,000)
	(10,556,000)	(4,607,900)	(8,534,080)	(2,219,000)	(2,700,000)	(1,630,000)	(1,650,000)
<u>Other Schemes</u>							
Major Repairs Reserve Contribution	(3,280,000)	(3,280,000)	(3,255,000)	(3,432,000)	(3,395,000)	(3,535,000)	(3,535,000)
Other MRR reserve cont	(151,000)	(190,000)	(151,000)		0	0	0
HRA Revenue Funding	(50,000)	(50,500)	(187,000)				
Sub total	(3,481,000)	(3,520,500)	(3,593,000)	(3,432,000)	(3,395,000)	(3,535,000)	(3,535,000)
<b>TOTAL FINANCING</b>	<b>(14,037,000)</b>	<b>(8,128,400)</b>	<b>(12,127,080)</b>	<b>(5,651,000)</b>	<b>(6,095,000)</b>	<b>(5,165,000)</b>	<b>(5,185,000)</b>
<b>Funding deficit (Borrowing outside of HRA required internal from cash or external)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Housing Revenue Business Plan Action List – 2016 – 2021

Action	Timescale	Resources	Outcome	Update January 2017
<b>1. Operate a sound and viable housing business in a professional and cost effective manner</b>				
Continue to develop business plan financial model to inform investment and service planning	Ongoing	Within existing resources	HRA that continues to be managed on sound business principles	Business plan financial model has been updated and shows that the HRA business plan remains viable
Prepare for supporting people funding reductions	Mar-17	Within existing resources	Options identified to enable key services to continue to be delivered	Introduced 2 new levels of service – sheltered and sheltered plus Introduced new Intensive Housing Management (IHM) charge – this can be included in Housing Benefit claim to reduce impact on residents receiving this service
Improve performance management systems in housing services	Mar-17	Within existing resources	PI targets based on a combination of performance of peer LA's in HouseMark benchmarking group and historic UDC performance data	All PIs and targets reviewed. PI's continually monitored through new Housing Performance Management process
Maximise income to the HRA by achieving high collection rates for rents, service charges, sewage charges, garage rents and miscellaneous invoices	Ongoing	Within existing resources	Rent arrears action taken at an earlier stage to prevent arrears from escalating. Providing debt support and signposting to tenants/leaseholders who are struggling. Corporate approach to rent collection to ensure join-up with individual cases	Income collection has been separated from the debt support work resulting in a significant reduction in rent arrears
Implement re-chargeable repairs	Apr-16	Within existing resources	Improve recovery of costs of repairs which are tenants' responsibility	New re-charge policy in place and working well

Action	Timescale	Resources	Outcome	Update January 2017
policy				
Evaluate the alternative options available for the delivery of housing services through strategic and /or operational partnerships	Apr-17	Within existing resources	Options identified for step change improvement in value for money	No progress to date
Review the arrangements for the management of non-housing assets	Oct-16	Within existing resources	Rationalisation of management responsibilities and clarification of development potential	Complete - new structure in place
Ensure the void turnaround figures do not exceed targets to minimise rent losses	Ongoing	Within existing resources	Rent loss through voids minimalised	Further review of the void processes carried out in October 2016 following recommendations from the Housing Regulatory Panel (HRP). Review shows that new processes that have been implemented are working well
<b>2. Ensure that all the council's tenants live in a decent home in settled communities for as long as needed, consistent with the council's Tenant Strategy</b>				
Review tenant strategy to ensure that local housing need is met and assets are used effectively, utilising all available flexibilities	Apr-17	Within existing resources	Updated strategy	Complete - strategy has been reviewed. No change to policy recommended at this time
Create a tenancy sustainment team	Aug-16	Within existing resources	Increased support for vulnerable tenants. A failed tenancy costs the Council several thousands of pounds	Complete - team in place. Successful Tenancy Sustainment Programme implemented. We have been able to



Action	Timescale	Resources	Outcome	Update January 2017
			so the success of this team will ultimately save money for re-investment in the housing stock	prevent evictions, organise sustainable repayment programmes and tenancies, and help individuals who have been previously unable to engage with us and many other support organisations
Improve the information on the housing stock	Apr-17	Within existing resources	Accessible up to date stock data	New stock data management system (SAM) has been implemented – estimated to go live in April 2017. Work is progressing on collecting stock data - it is anticipated that a 100% stock condition survey will be achieved on a rolling 5 year basis
Continue to manage and maintain the housing stock effectively and efficiently ensuring that properties meet, as a minimum, the decent homes standard	Ongoing	Within identified resources - approximately £5.3m pa	Well maintained homes and assets to minimum decent homes standard	Ongoing - planned works programmes are progressing well and to budget - the authority is continuing to deliver a significant programme of investment in the stock
Deliver an improved repairs and maintenance service through: 1. Enhancement of mobile technology for repairs and voids teams; 2. Electronic van stocking of operatives' vehicles 3. Online reporting of repairs	Aug-16	£120k	Homes well maintained Improved tenant satisfaction More efficient and responsive deployment of personnel	Project plan in place to deliver IT improvements. 1. Handhelds have been selected and are currently being trialled - will be rolled out to all operatives by April 2017 2. Decision made not to implement new electronic stock system following unsuccessful trials 3. Schedule Board to enable on-line scheduling of repairs jobs currently being tested by users – to go live by April 2017

Action	Timescale	Resources	Outcome	Update January 2017
Improve average energy efficiency for council properties	Apr-17	£530k	Reduced fuel costs for residents	All works identified in Phase I, II and III now complete and included: air source heat pumps/external wall cladding/solar panels. Further properties identified for improvement works and budgets being prepared for works to be carried out in 2017/18
Continue to fund disabled adaptations for tenants and improve the delivery process	Ongoing	£260k pa	Reduction in the time people have to wait for adaptations	Disabled adaptations continue at a high demand – currently able to meet all requests within a reasonable timescale
Undertake fundamental review of policies and procedures to ensure service is 'Fit for Purpose'	Ongoing	Within existing resources	Policies in place that reflect best practice/current legislation	All policies and procedures regularly reviewed. Changes identified are brought to the tenant forum and housing board for approval
<b>3. Help tenants and leaseholders get involved with decisions about their housing</b>				
Continue to develop Housing Regulatory Panel to scrutinise the performance of the Housing Service and to undertake service reviews	Ongoing	5k pa - training for members	A Housing Regulatory Panel that deliver in-depth challenging inspections - achieving improvements that really matter to tenants	The HRP have carried out a review of the sheltered housing service following their successful review of the Void process. Report has been presented to officers and progress with implementing the recommendations will be reported to the HRP and Housing Board
Review the approach to gathering tenant feedback and satisfaction	Mar-17	Within existing resources	Refreshed approach to assessing tenant satisfaction to inform service improvement planning	Online satisfaction survey has been designed so that tenants can feed back immediately after repair is carried out. New STAR tenant satisfaction/feedback survey to be sent to all tenants in

Action	Timescale	Resources	Outcome	Update January 2017
				January 2017
Link tenant participation with opportunities for skill development	Ongoing	Within existing resources	Skilled Tenant Forum and Tenant Regulatory Panel members	Training programme in place
Publish annual tenants report	Ongoing	£3k pa	Annual report published	Annual report published in November 2016
Benchmark service with other landlords through HouseMark	Ongoing	Within existing resources	Core benchmarking data uploaded to HouseMark for full organisational review	Core benchmarking data has been submitted – performance data and comparison with other authorities reviewed by officers at section heads meeting
<b>4. Regenerate the stock/estates and build new affordable rented council housing in an efficient and effective manner</b>				
Deliver the new homes programme	Mar-21	£6.898m	New homes to replace those lost through RTB sales - approximately 6 -10 per year	Development programme on track: Holloway Crescent Phase I & II - 13 properties Mead Court Phase I & II – 29 properties Catons Lane – 6 properties <b>48 properties completed</b>  Planning permission obtained for development of garage sites in Sheds Lane – 3 properties (due to complete December 2017) <b>3 properties</b>
Deliver Sheltered scheme re-development programme	Mar-18	£11.5m	Fit for purpose accommodation for the elderly	Development programme on track: Reynolds Court Phase I – 14 properties (due to complete June 2017) Reynolds Court Phase II – 27 properties (due to complete August 2018) <b>41 properties</b>

Action	Timescale	Resources	Outcome	Update January 2017
				Hatherley Court – remodelling (26 properties) and new build (1 property) – tenders being evaluated
Review housing asset management strategy	Apr-18	Within existing resources	Established a clear policy on the use of HRA assets, regeneration and development	No progress
Develop and implement initiatives for improving estates	Ongoing	Within existing resources	Delivery of new estate improvement/ regeneration initiatives as part of the housing asset management strategy. Delivery of resident led improvements	Regular trailer events being held / estate inspection; projects identified for estate regeneration
Carry out development appraisals of identified sites and review business plan capacity to develop	Apr-17	Revenue cost of £50k pa for surveyor to co-ordinate works	Established housing development programme	Proposals/plans being drawn up for sites at The Moors, Little Dunmow (16 properties); Newton Grove, Great Dunmow (4 properties); Frambury Lane, Newport (5 properties) <b>25 properties</b>  A number of garage and infill sites and excess garden land are being assessed for development viability, or for the opportunity to sell in order to cross-subsidise the development programme <b>20 properties</b>