

Item

LIBERAL DEMOCRAT AMENDMENT TO : 2021/22 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

- 1.1 This report sets out amendments proposed by the Liberal Democrat Group to the Housing Revenue Account Budget Setting Report 2021/22, presented to Housing Scrutiny on 19 January 2021 for decision in respect of the revenue aspects of the report by the Executive Councillor for Housing, and consideration of the capital aspects, prior to recommendation to Council on 25 February 2021.
- 1.2 The appendices to this report incorporate the Liberal Democrat Group budget proposals in relation to specific revenue and capital budget items for the HRA, with the resulting financial implications as follows:
 - a) To include additional revenue expenditure from 2021/22 onwards
 - b) To incorporate the resulting revenue and capital borrowing impact of these changes on the HRA as a whole.

The proposals are presented as amendments to the published HRA Budget Setting Report, with the changes identified in ***bold italics***. In most cases the sub-section or appendix has been re-stated for ease of reference.

1.3 The Liberal Democrat Group states that its budget amendment addresses the following key areas:

- ***A proposal to include a revenue bid of £30,000 to fund a project to review responsive and void repairs service standards, with the aim to improve service levels for council property maintenance, to manage tenant expectations and reduce complaints.***
- ***A proposal to include a revenue bid for £50,000 to fund a project to explore water conservation options for the existing housing stock, recognising that the findings from the project, once fully explored and quantified, are likely to result in a future capital bid to facilitate the desired investment in the housing stock.***
- ***A proposal to extend the funding for the Energy Assessor post, from the current two year fixed term funding, for a further three years (at a cost of £47,200 per annum), to ensure that energy improvements can be considered for a greater number of existing council homes, recognising that the work of the Energy assessor is likely to result in future capital bids to facilitate the required investment in the housing stock.***

1.4 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report, as amended by this Liberal Democrat Amendment.

2. Recommendations

Changes to recommendations in the original report are highlighted in ***bold italics***. All of the recommendations have been re-stated in full for clarity.

Under Part 1 of the agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee, to:

Review of Rents and Charges

- a) Approve that council dwellings rents for all social rented properties be increased by inflation of 0.5%, measured by the Consumer Price Index (CPI) at September 2020, plus 1%, resulting in rent increases of 1.5%, with effect from 5 April 2021. This equates to an average rent increase at the time of writing this report of £1.52 per week.
- b) Approve that affordable rents (inclusive of service charge) are reviewed in line with rent legislation, to ensure that the rents charged are no more than 80% of market rent, with rents for existing tenants increased by no more than inflation of 0.5%, measured by the Consumer Price Index (CPI) at September 2020, plus 1%, resulting in rent increases of up to 1.5%. Local policy is to cap affordable rents (inclusive of all service charges) at the Local Housing Allowance level, which would usually result in rent variations in line with any changes notified to the authority in this level if these result in a lower than 1.5% increase. As the Local Housing Allowance was increased significantly in late March 2020, affordable rent increases will be capped at 1.5% from April 2021.
- c) Approve that rents for shared ownership properties are reviewed and amended from April 2021, in line with the specific requirements within the lease for each property.
- d) Approve that garage and parking space charges for 2021/22, are increased by inflation at 0.9% in line with the level of inflation incorporated into the HRA as part of the Medium Term Financial Strategy process, and that charges for parking permits are reviewed, with resulting charges as summarised in Section 3 of the HRA Budget Setting Report.
- e) Approve the proposed service charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.
- f) Approve the proposed leasehold administration charges for 2021/22, as detailed in Appendix B of the HRA Budget Setting Report.
- g) Approve that caretaking, building cleaning, window cleaning, estate services, grounds maintenance, temporary housing premises and utilities, sheltered scheme premises and utilities, digital television aerial, gas maintenance, door entry systems, lifts, electrical and mechanical maintenance, flat cleaning, third party management, specialist

equipment and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report, recognising that local authorities should endeavour to limit increases to inflation as measured by CPI at September 2020 (0.5%) plus 1%, wherever possible.

Revenue – HRA

Revised Budget 2020/21:

- h) Approve with any amendments, the Revised Budget identified in Section 4 and Appendix D (1) of the HRA Budget Setting Report, which reflects a net increase in the use of HRA reserves for 2020/21 of £550.

Budget 2021/22:

- i) ***Approve with any amendments, any Non-Cash Limit items identified in Section 4 of the HRA Budget Setting Report or shown in Appendix D (2) of the HRA Budget Setting Report.***
- j) ***Approve with any amendments, any Savings, Increased Income, Unavoidable Revenue Bids, Reduced Income Proposals and Bids, as shown in Appendix D (2) of the HRA Budget Setting Report.***
- k) ***Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2020/21 to 2025/26 shown in Appendix J of the HRA Budget Setting Report.***

Under Part 2 of the agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

Treasury Management

- l) Approve the need to borrow over the 30-year life of the business plan, with the first instance of this anticipated to be in 2022/23, to sustain the proposed level of investment, which includes ear-marking of funding for delivery of a net 1,000 new homes over a 10 year timeframe.
- m) Recognise that any decision to borrow further will impact the authority's ability to set-aside resource to redeem 25% of the value of the housing

debt by the point at which the loan portfolio matures, with the approach to this to be reviewed before further borrowing commences.

Housing Capital

- n) Approval of the latest Decent Homes Programme, to include updated decent homes expenditure for new build dwellings to recognise the increased ongoing costs of maintaining homes at Passivhaus standards, as detailed in Appendix E of the HRA Budget Setting Report.
- o) Approval of the latest budget sums, profiling and associated financing for all new build schemes, including revised scheme budgets for Tedder Way, Kendal Way, Clerk Maxwell, Campkin Road, Colville Road and Kingsway, based upon the latest cost information from the Cambridge Investment Partnership (CIP) or direct procurements, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.
- p) Approval of allocation of funds from the budget ear-marked for the delivery of 1,000 net new homes to the five schemes at Fen Road, Ditton Walk, Aragon Close, Sackville Close, and Borrowdale in line with the scheme specific reports presented to Housing Scrutiny Committee in the committee cycle.
- q) Recognition of removal of the budget and associated MHCLG grant income for the acquisition of property to accommodate rough sleepers, following confirmation that the authority was unsuccessful in the 2020/21 round of the Next Steps Grant bid process.
- r) ***Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.***

General

- s) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2021/22 onwards, based upon 2020/21 original grant levels, with approval of delegation to the Head of Finance, as Section 151 Officer, to approve an in year increase or decrease in the budget for disabled facilities grants in any year, in direct relation to any increase or decrease in the capital grant funding for this purpose, as received from the County Council through the Better Care Fund. Approval of delegation to the Head of Finance, as Section 151 Officer,

to determine the most appropriate use of any additional Disabled Facilities Grant funding announced in year, for the wider benefit of the Shared Home Improvement Agency.

- t) Approval of delegation to the Strategic Director to review and amend the level of fees charged by the Shared Home Improvement Agency for disabled facilities grants and repair assistance grants, in line with any decisions made by the Shared Home Improvement Agency Board.
- u) Approval of delegation to the Strategic Director, in consultation with the Head of Finance, as Section 151 Officer, to draw down resource from the ear-marked reserve for potential debt redemption or re-investment, for the purpose of open market land or property acquisition or new build housing development, should the need arise, in order to meet quarterly deadlines for the use of retained right to buy receipts or to facilitate future site redevelopment.
- v) Approval of delegation to the Head of Finance, as Section 151 Officer, to include both expenditure and income budgets in respect of any grant bid made to MHCLG as part of the Next Steps Grant Programme, recognising that any net impact for the HRA will need to be retrospectively incorporated as part of the HRA Medium Term Financial Strategy in 2021/22.
- w) Approval of delegation to the Head of Finance, as Section 151 Officer, to make the necessary technical amendments to detailed budgets in respect of the outcome of the review of recharges between the General Fund and the HRA, with any change in impact for the HRA to be incorporated as part of the HRA Medium Term Financial Strategy in September 2021.

3. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have staffing, equal opportunities, environmental and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) Financial Implications

The financial implications associated with decisions are outlined in the HRA Budget Setting Report 2021/22, appended to this report, for consideration by both Housing Scrutiny Committee and Council.

(b) Staffing Implications

Any direct staffing implications are summarised in the HRA Budget Setting Report 2021/22, appended to this report.

(c) Equality and Poverty Implications

An Equalities Impact Assessment has been undertaken in respect of new budget proposals where any impact (positive or negative) is anticipated. The consolidated assessment is presented at Appendix L of the HRA Budget Setting Report.

(d) Environmental Implications

Where relevant, officers have considered the environmental impact of budget proposals, with any impact highlighted in the HRA Budget Setting Report 2021/22, appended to this report.

(e) Procurement Implications

Any procurement implications arising directly from revenue or capital bids will be considered and addressed as part of each individual project.

(f) Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) Community Safety

Any community safety implications are outlined in the HRA Budget Setting Report 2021/22, appended to this report.

4. Background papers

Background papers used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2021/22

5. Appendices

The Housing Revenue Account Budget Setting Report 2021/22 is appended to this report.

6. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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**Alternative Budget
Version
(Re-Stated and
Amended Text
Only)**

Housing Revenue Account Budget Setting Report 2021/22



**January
2021**

Section 1

Introduction

Foreword by the Opposition Spokesperson for Housing

With the pressures of COVID-19 and the climate crisis, it is now more critical than ever for the Council to define and act on its priorities. For our group, this means ensuring that Cambridge's housing crisis is addressed in a sustainable way and guaranteeing that current tenants are not left behind. Despite current financial uncertainties, our proposals are robust and affordable.

If the Council is to help avert climate breakdown, improving the sustainability of the over 7,000 dwellings it manages is not just desirable, but necessary. Reflecting that this is a long-term priority for the Council we have extended the funding for the Energy Surveyor and, for the first time, introduced funding aimed at elucidating a plan to deal with the water crisis in our region. Both of these items will, ultimately, lead to efficient use of capital to limit our environmental impact.

Our city's housing crisis, inextricably linked to tragic and rising levels of rough sleeping, remains in need of a solution. Having proposed a new building programme of 1000 homes in 2019, our group remains both supportive of this endeavour and saddened by the delay. Nonetheless, it is critical that current tenants are not left feeling that the focus on new houses has distracted the Council from providing them with good quality homes. With complaints about housing maintenance rising 39% from 2018 to 2019 and then by 41% from 2019 to 2020, we would therefore fund a proactive review of our repairs standards to arrest this decline.

Councillor Anthony Martinelli

Opposition Spokesperson for Housing

Section 4

Housing Revenue Account Budget

Overall Budget Position - 2021/22 onwards

Overall Budget Position

The overall revenue budget position for the Housing Revenue Account is summarised in the table below and at **Appendix J**, with detail for the period to 2025/26 provided in **Appendix D (2)**:

Targets Set	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Efficiency Savings	0	(136,000)	(136,000)	(136,000)	(136,000)	(136,000)
Strategic Investment Fund	0	136,000	136,000	136,000	136,000	136,000
Net Change Required	0	0	0	0	0	0

Summary of Draft Proposals	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
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Unavoidable Revenue Bids	0	73,000	21,000	21,000	21,000	21,000
Reduced Income Proposals	0	105,000	105,000	105,000	105,000	105,000
Unavoidable	0	178,000	126,000	126,000	126,000	126,000

Savings Proposals	0	(414,100)	(414,100)	(414,100)	(414,100)	(414,100)
Increased Income Proposals	0	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)
Bids	0	304,600	293,400	293,400	293,400	246,200
Discretionary	0	(120,300)	(131,500)	(131,500)	(131,500)	(178,700)

Non-Cash Limit Adjustments	550	(102,220)	(102,220)	(102,220)	(102,220)	(102,220)
Total Revenue Proposals	550	(44,520)	(107,720)	(107,720)	(107,720)	(155,160)
Under / (Over) Achievement against Target	550	(44,520)	(107,720)	(107,720)	(107,720)	(155,160)
Cumulative Under / (Over) Achievement against Target	550	(43,970)	(151,690)	(259,410)	(367,130)	(522,290)

Non-Cash Limit Budgets

Non-Cash Limit items are those that do not relate directly to the cost of service provision, including for example direct revenue funding of capital expenditure (DRF), interest and depreciation. These items are treated outside of the 2021/22 cash limit, with the implications built into the financial forecasts for the HRA as part of the budget process, informing future budget strategy, savings targets and investment priorities. For 2021/22 there are non-cash limit adjustments in respect of interest received based upon the latest balances and rate assumptions, in the required contribution to the bad debt provision and in Direct Revenue Financing of capital expenditure.

Performance against Net Savings Target

An efficiency savings target of £136,000 was included in the HRA forecasts for 2021/22 as part of the HRA Medium Term Financial Strategy approved in September 2020. The efficiency target was set in the context of the ability to deliver a balanced HRA budget, recognising the need to borrow to build new homes from 2022/23 and to maintain delivery of quality housing services whilst also allow resource for strategic reinvestment in new initiatives.

The savings identified in the table above, included for decision as part of the HRA Budget Setting Report, are detailed in **Appendix D (2)**.

The savings and increased income that have been identified for 2021/22 are partially offset by the HRA reacting to unavoidable revenue pressures and reductions in income and considering

strategic investment fund bids. The net position is an over-achievement against the targets set of £44,520 in 2021/22, increasing to £107,720 from 2022/23 for 3 years before increasing to £155,160 on an ongoing basis from 2025/26. Details of the net savings can be found in Appendix D (2).

If approved on this basis, the budget proposals for 2021/22 onwards result in a net ongoing contribution to HRA reserves, at £155,160 per annum from 2025/26, which has been used to reduce the borrowing requirement on the HRA for the delivery of 1,000 new homes, or alternatively could be reinvested in future years towards meeting the sustainability investment requirements in the existing housing stock once the costs of this have been quantified.

Corporate costs and overheads have been reviewed for the first time in a number of years to take account of changes in the incidence of employee numbers and to standardise the basis for apportioning overheads across the authority. The impact of the change in costs recharged between the General Fund and HRA has been quantified, with the initial financial impact of this incorporated into the Housing Revenue Account budget from April 2021.

Further efficiency targets have been incorporated from 2022/23 for four years, also at the level of £136,000 per annum. This will allow continued strategic re-investment at the same level each year, to be in a position to respond to challenges presented by changes in local and national housing and welfare policy and also in construction regulations.

Strategic Investment Fund

As part of the HRA Medium Term Financial Strategy, approved in September 2020, approval was given to retention of the Strategic Investment Fund of £136,000 per annum, to be directly offset by efficiency savings identified in the HRA each year, for the next 5 years.

Bids against this fund have been identified as part of the 2021/22 budget process, with the proposals detailed in **Appendix D(2)** and incorporated into the table above.

Transformation Fund

An ongoing budget of £120,000 per annum is still retained in the HRA to allow investment in service transformation projects, spend to save initiatives and to allow a quick response to in-year

changes in legislation or major change in national housing policy. The fund can be allocated to one-off projects or to meet ongoing commitments, recognising that if committed on an ongoing basis, there will be less capacity in future years to respond to arising issues.

The responsibility for identification and approval of funding for suitable projects, whether one-off, or ongoing in nature, is delegated to the Strategic Director, who is responsible for ensuring that the authority continues to meet statutory obligations and has a housing offer which is fit for purpose.

Section 5

Housing Capital Budget

Stock Condition and Decent Homes

The housing service reported achievement of decency in the housing stock as at 31 March 2020 at 93%, with 515 properties that were considered to be non-decent (in addition to 1,022 refusals). A further 217 properties were estimated to become non-decent during 2020/21.

Following a fundamental review of investment in the existing housing stock, an updated Asset Management Strategy was approved in September / October 2019.

The resulting programme of new initiatives and actions, subject to funding bids when costs have been quantified in some cases, include:

Initiative / Action	Current Status
Implement a new rolling programme of stock condition surveys so properties are inspected every five years	This commenced in 2019/20 but has been on hold for much of 2020 due to COVID-19. Resources have been re-allocated to external surveys and surveys of communal areas including footpaths
Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements	In 2020/21 detailed surveys are being commissioned for Hanover and Princess Court, flats / maisonettes in the South Arbury area and Fanshawe and Davy Road flats
Reduce the electrical inspection cycle to five years in line with best practice	Bid included as part of this report to allow commencement of a 5-year programme from April 2021

Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules	Implementation project in progress with completion by September 2021
Develop a methodology which identifies high cost investment properties across the stock and calculates net present values – using new software in Orchard Asset	This will follow the implementation of Orchard Asset and the housing stock performance module.
Implement a programme of estate investment projects	Estate Investment Programme in progress over a 5-year period from April 2020
Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset	A new Risk and Compliance team has been set up following the Estates and Facilities services review. An Asbestos Surveyor has been recruited and the Risk and Compliance Manager is in the process of being recruited. The new team will take forward this action
Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)	A fire door inspection programme has been procured and mobilisation is underway. There are 5,000 doors on the inspection schedule
Review maintenance requirements for flat roofs and sheds replacement and repair	A programme has been identified and will be included on the 5-year programme starting in April 2021
Develop a replacement programmes for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting	Programmes of work have been implemented in 2020/21
Review the cyclical decoration programme and reduce the external masonry painting programme to a 7- year cycle to tie in with the painting and repair cycle	This is complete and the new 7-year cycle has been implemented.

Recognising the climate emergency, declared by the Council in February 2019, there is a strong commitment to increasing energy efficiency, reducing the carbon footprint and improving sustainability across the asset portfolio, with the HRA stock representing a significant proportion of this portfolio. Government plans for a Future Homes Standard and other policy changes and initiatives are also likely to impact the housing stock and maintenance of it in the future.

Additional resources were identified in the budget for 2020/21 (£500,000 in 2020/21, £1,000,000 in 2021/22 and £1,000,000 in 2022/23) to allow a pilot programme of energy efficiency measures to be developed and delivered. The programme is now underway to accelerate work on our stock and to collect the data required for the development of up a more detailed programme of investment in improving energy efficiency and environmental sustainability of our Council housing stock. This will inform a strategy for the improvement of energy in Council homes and consideration of future policies, for example in relation to heating sources. At this stage the financial impact of such a strategy still can't be incorporated into the financial forecasts but will be built in as part of the 2021/22 Medium Term Financial Strategy.

Both the role of Corporate Energy Manager and Energy Surveyor have now been successfully recruited to, and this will allow the programme of energy works to be specified and delivered effectively. ***This iteration of the HRA Budget Setting report includes a bid to extend the funding for the Energy Surveyor / Assessor role from the previous two years, to allow the post to be in place for five years, increasing the number of council homes that might be identified to receive energy improvements. Any resulting additional capital funding will be bid for once work to identify the possible options has been concluded. An additional bid (£50,000) is also incorporated to allow a project to be undertaken to explore water conservation options for the existing housing stock. Again this project is expected to result in future capital bids to carry out any proposed investment, but the twin tacking of this exploration with the energy conservation work, may allow a number of areas of investment to be carried out in a property at the same time.***

Work is in progress to raise Council dwellings with the lowest energy efficiency ratings (EPC rating of E, F and G) to at least a C rating. We are also implementing projects to identify the work and associated costs to improve the energy efficiency of all our older solid wall properties (the majority of these are currently D rated.) Housing Scrutiny Committee approved a programme of works to 140 homes (1935 build type) to improve them to a B rating by undertaking external wall

insulation and solar panels. There are approximately 1,000 further homes that could benefit from this investment, subject to proof of concept and approval of resource in future years. Work is underway to better understand the challenges posed by other building types in Cambridge, and what is possible in terms of improving the SAP rating (ideally to B), reducing carbon emissions and tenant bills.

Work is proposed to explore alternative heat sources across the existing housing stock, reviewing how existing gas boilers could be replaced with more sustainable heat sources in the future. There are a number of alternatives, but these options may not be suitable in every dwelling, and a programme that considers the viable options for each dwelling type across the housing stock will need to be developed and costed before any decisions can be made. The Asset Management Team have been working closely with the Housing Development Team to analyse the performance and associated maintenance and tenant based costs of the renewable technologies being considered for heating sources within the new build properties to establish what might be viable to replace gas as a heating source in our existing homes.

Across the stock, work is in progress in the current financial year to understand the level of investment that will be required to meet our aspirations and to move existing homes towards Passivhaus or net zero carbon standards through retrofit, so that this can be balanced against the aspiration to also deliver new build homes to the highest sustainability standards possible. The HRA has limited resource and will be required to borrow to meet increased investment costs, whether they are in respect of new dwellings or existing homes, with the need to ensure that the borrowing is fully supportable.

It must be noted, that upgrading existing homes does not currently lead to any increase in rental income, as rent increases are constrained by the rent standard, making borrowing for this purpose a far greater business risk. Consideration could be given to levying new service charges for some aspects of any increased ongoing costs.

Financial assumptions are currently constructed based on a partial investment standard, but with some lifecycles reduced to improve stock condition and funding included to tackle the decent homes backlog over the next 10 years.

Section 7

Summary and Overview

Conclusion

Overview

The budget for 2021/22 seeks to achieve a balance in investment against current priorities:

- Investment required to maintain decency in the existing housing stock
- Spend on landlord services (i.e. housing management, responsive and void repairs)
- The need to support, and potentially set-aside for repayment of, housing debt
- Investment in new affordable housing
- A commitment to reach net zero carbon in Cambridge by 2050.
- Investment in income generating activities and discretionary services (i.e. support)
- The ability to respond quickly to changes in both housing and building legislation

There remains a very strong focus on identifying resource to allow improvement to the energy efficiency of the existing housing stock, whilst also ensuring that new build homes meet high energy efficiency standards. Resource has been incorporated into the HRA financial forecasts to go some way towards meeting this aspiration in respect of new homes, but a longer-term programme needs to be developed and costed in respect of meeting the aspiration in the existing housing stock.

This report has been constructed amidst continued uncertainty in respect of regulation for some proposed changes in national housing policy, with the outcome of the government consultation on the use and application of right to buy receipts still awaited at the time of writing this report.

Following the outcome of an earlier consultation, the detailed impact of constraints on local authority borrowing also need to be explored and fully quantified. Publication of the Housing White Paper 'The Charter for Social Housing Residents' has provided details of the government's commitment to future provision and regulation of social housing, but there is still detail awaited in respect of a review of the decent homes standard and the application of commitments to improved regulation and routine inspection of social housing providers, alongside the Fire Safety Bill, which is anticipated in early 2021. The rollout of Universal Credit continues to contribute to uncertainty for the Housing Service, with the full impact of direct payment still anticipated to have a significant negative impact on rent collection levels and arrears. These uncertainties are further compounded by the impact of the coronavirus pandemic, with any longer-term impact for the HRA impossible to predict at this stage.

Summary and Conclusions

Work undertaken as part of the 2021/22 budget process has resulted in the development of proposals for setting the budget for the Housing Revenue Account.

In January 2021 Housing Scrutiny Committee will consider the budget proposals, prior to the Executive Councillor for Housing making decisions in respect of the revenue aspects of the budget, making recommendation for the housing capital budget for 2020/21 to 2025/26 to Council for consideration and approval.

The HRA Budget Setting Report recommends, in summary:

- Approval of property rents, garage and parking space rents and service charges
- Approval of any revised budget proposals
- Approval of any unavoidable revenue pressure proposals
- Approval of any reduced income proposals
- Approval of any savings proposals
- Approval of any increased income proposals
- Approval of any non-cash limit items
- Approval of any capital bids, capital savings, revised scheme costs and timings
- Approval of capital resource re-allocation

The meeting of Council in February 2021 will consider the final proposed Housing Capital Budget as identified in this report for approval.

Savings identified in the HRA from 2021/22 include a reduction in recharges for corporate costs and overheads, a reduction in the costs of customer service, anticipated to follow a service review and restructure and the closure of cashiers, reduction in the resident involvement budget as more residents opt to receive Open Door on line, savings in the costs of street light maintenance as more lamps are replaced with LED's and in the costs of Ditchburn Place, where the Council is now acting solely as landlord, and no longer as care provider.

Increased service charge income is anticipated from 2021/22 due to the number of properties in stock and the higher level of services being provided to some of them.

Savings and increased income are partially offset by unavoidable revenue pressures, predominantly due to increased costs of heating servicing in sheltered housing and the electrical testing programme, where contract costs have increased and the one-off cost to mobilise a new building cleaning contractor in communal areas of housing blocks and sheltered schemes.

A reduction in rent income is also anticipated as the rate of CPI, upon which rent increases are based was 0.5% in September 2020, compared with the 0.9% assumed when the HRA MTFS was constructed.

Any net saving delivered allows for the creation of a Strategic Investment Fund as approved in the HRA Medium Term Financial Strategy, with bids proposed to move the 10 year electrical testing programme to 5 years, as identified in the latest Asset Management Strategy, for continuation of a full time post to support securing vacant possession on HRA redevelopment sites as more sites are brought forward, to meet the up-front feasibility costs for potential HRA new build sites, to continue a small contribution towards the Financial Inclusion Officer employed in Revenues and Benefits for one further year, to extend the Energy Surveyor / Assessor post for a further 3 years, to undertake a water conservation feasibility project and to conduct a review of responsive and void repairs standards.

There are non-cash limit adjustments in respect of interest received, the required contribution to the bad debt provision which is linked to the anticipated rental income and in respect of direct revenue financing of capital expenditure, where this has been reduced to mitigate the impact of the lower level of rental income anticipated from 2021/22.

The overall position for the HRA by 2021/22 (including non-cash limit adjustments) is a cumulative over-achievement of £43,970, increasing by £107,720 for the following 3 years, before reaching £155,160 per annum thereafter.

There is currently an assumption that efficiency savings of £136,000 per annum will be sought for a further 4 years, allowing the creation of a corresponding Strategic Investment Fund for the same period. Effectively, any increase in costs or investment in new areas of priority will need to be funded through the identification of efficiency savings or increased income elsewhere across the service.

The HRA's approach to long-term financial planning has previously incorporated the assumption that surplus resource will be set-aside so that 25% of the self-financing loan portfolio can be redeemed at maturity. Now that the authority has committed to further expansion of its new build programme, which will require significant additional borrowing, there will need to be a fundamental review of the overall approach to future debt redemption.

The HRA is making significant progress in delivering over 500 additional homes using Devolution Grant, with 62 additional homes handed over and a further 308 additional homes on site at the time of writing this report. A net increase in the housing stock is anticipated over this period, with new homes outweighing those anticipated to be lost through the right to buy.

One of the key challenges for the HRA remains the ability to invest in new homes, using Devolution Grant and retained right to buy receipts, quickly enough to avoid the need to hand any right to buy receipts to central government, with interest penalties attached.

The delegation to the Strategic Director, to allow revenue resource previously transferred into the potential debt redemption / new build reserve to be drawn down to allow the strategic acquisition of land or market housing for use for affordable rented homes is retained and

extended. This will continue to mitigate the risk that delay, or lead in, to the delivery of new homes may result in a requirement to pay retained right to buy receipts over to central government, with an interest penalty attached.

Any review of the need to identify savings in future years will need to consider not only sustaining a 30 year business plan, supporting borrowing and taking account of the impact of any emerging housing legislation, but also considering the authorities commitment to the delivery of new build housing and aspiration to improve the sustainability standards of existing housing, whilst also being mindful of the approach to set-aside of any resource for the redemption housing debt.

2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Unavoidable Revenue Pressure

URP4747	Housing Repairs Heating / Boiler Servicing	10,000	10,000	10,000	10,000	10,000	Nil	No Impact
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This budget relates to the servicing of communal boilers in sheltered schemes and related repairs arising from the service. As the boilers are aging, the need to repair is increasing, but repairs extend the life cycle of the boiler and reduce the potential for a total breakdown resulting in the need to replace the boiler as an emergency.

John Conroy

Housing (HRA) Portfolio

URP4748	Electrical safety testing (Hard wire testing).	11,000	11,000	11,000	11,000	11,000	Nil	No Impact
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The current programme of testing electrical installations in properties and communal areas of blocks of flats is based upon a 10 year cycle. The current budget does not include sufficient allowance for the inspection of the communal areas and needs to be increased by £11,000 to enable these essential works to be undertaken. There is a separate bid for Members to consider which would reduce this programme from a 10 year cycle to a 5 year cycle as recommended by Industry best practise guidelines.

Lynn Thomas

Housing (HRA) Portfolio

URP4802	Building Cleaning Contract Mobilisation Costs	52,000	0	0	0	0	Nil	Low Impact
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The transfer of building cleaning services to a new contractor results in contract mobilisation costs which will not be passed on to residents in the form of service charges and will need therefore to be met from the HRA directly.

Sandra Farmer

Housing (HRA) Portfolio

Total Unavoidable Revenue Pressure	73,000	21,000	21,000	21,000	21,000
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Reduced Income

RI4793	Reduction in rent income from 2021/22	105,000	105,000	105,000	105,000	105,000	Nil	No Impact
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Rent increases are based upon the rate of CPI at September each year. In the HRA MTFs a rate of 0.9% was assumed, but once announced, the rate had fallen to 0.5%, resulting in lower rent income from April 2021 than anticipated.

Julia Hovells

Housing (HRA) Portfolio

Total Reduced Income	105,000	105,000	105,000	105,000	105,000
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Bids

B4693	Continuation of the Housing Officer (Re-Development) role on a full time basis	12,600	46,900	46,900	46,900	46,900	Nil	No Impact
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This bid would allow the Housing Officer (Re-Development) role to be made full time from August 2021 for the remainder of the financial year, and to be continued on a full time basis from April 2022 onwards. This post will continue to support tenants and leaseholders on re-development sites to find alternative accommodation and to support the handover of new council homes once completed. This role is key to supporting the future new housing delivery and also to support residents when they first move into their homes. The scale of handovers from August 2022 cannot be met with existing HO/HA resources.

Sandra Farmer

Housing (HRA) Portfolio

B4697	Financial Inclusion Officer (HRA share - 35% of post) 0.8 FTE	12,700	0	0	0	0	Nil	No Impact
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Extension of Financial Inclusion Officer - This existing post provides support and hands on assistance in helping people affected by welfare reforms to maximise their income, reduce their costs and explore options for improving their lives moving forward. The client group tends to be those on lowest incomes, the most vulnerable claimants and families with complex needs and often chaotic lifestyles. This bid relates to the revised HRA share for this post (35%) and subject to confirmed General Fund funding for the balance of the post, allows extension of the role until 31/3/2022.

Sandra Farmer

Housing (HRA) Portfolio

B4749	Electrical safety testing (Hard wire testing) accelerate to 5 year programme	99,300	99,300	99,300	99,300	99,300	Nil	No Impact
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The current programme of testing electrical installations is based upon a 10 year cycle. However, industry best practice recommends that this work is undertaken every 5 years. This enhanced timescale is not a legislative requirement but enhances safety through the early identification of potential or actual faults to the wiring of a property or block of flats. It should be noted that this programme does encounter access difficulties. To reduce the cycle to 5 years would require additional funding of £99,340 assuming full access can be achieved. (A separate bid has been made to increase the current base budget in line with costs associated with the 10 year programme)

Lynn Thomas

Housing (HRA) Portfolio

B4804	Increase in new build feasibility funding	100,000	100,000	100,000	100,000	100,000	Nil	No Impact
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Following approval of a commitment to deliver 1,000 homes in the next new build programme, an increase in the budget for feasibility work is required, to meet the cost of up-front investment prior to formal scheme decision.

Julia Hovells

Housing (HRA) Portfolio

2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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LDB1	Funding to review Repairs Standards	30,000	0	0	0	0	Nil	No Impact
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This bid would facilitate a project to review responsive and void repairs service standards, with the aim to improve service levels for council property maintenance, to manage tenant expectations and reduce complaints.

Julia Hovells

Housing (HRA) Portfolio

LDB2	Funding to review options for Water Conservation	50,000	0	0	0	0	Nil	No Impact
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This bid would fund a project to explore water conservation options for the existing housing stock, recognising that the findings from the project, once fully explored and quantified, are likely to result in a future capital bid to facilitate the desired investment in the housing stock.

Julia Hovells

Housing (HRA) Portfolio

LDB3	Extension of the Energy Assessor post for 3 years	0	47,200	47,200	47,200	0	Nil	No Impact
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This bid would extend the funding for the Energy Assessor post, from the current two year fixed term funding, for a further three years, to ensure that energy improvements can be considered for a greater number of existing council homes, recognising that the work of the Energy Assessor is likely to result in future capital bids to facilitate the required investment in the housing stock..

Julia Hovells

Housing (HRA) Portfolio

Total Bids	304,600	293,400	293,400	293,400	246,200
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Pressures & Bids Total:	482,600	419,400	419,400	419,400	372,200
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Savings

S4694	Reduction in funding required for Holiday Pay	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	Nil	No Impact
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An allowance was made in the HRA to meet the costs of holiday pay due to employees in respect of overtime worked. A reduction in the amount of overtime paid has resulted in an over-provision in the funds held to meet the cost of holiday pay, with a resulting saving delivered. Julia Hovells

Housing (HRA) Portfolio

S4695	Savings resulting from a review of the Resident Involvement (RI) Budget	(8,100)	(8,100)	(8,100)	(8,100)	(8,100)	Nil	No Impact
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A review of the RI budget has concluded that it is possible to save £4,000 from the annual printing and postage costs of Open Door due to more copies now being sent electronically, and a previous reduction from 4 issues to 3 annually. In addition, it is also possible to save £1,000 by reducing the provision for Resident Association Grants based on previous years applications. A further £3,100 can be saved by reducing the amount budgeted for other areas of work including digital grants, whilst still leaving enough of a fund to carry out the work planned for this area. Laura Adcock

Housing (HRA) Portfolio

S4698	Closure of Housing Cashiers	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	Nil	No Impact
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This proposal would see the permanent closure of the cashiering service at 171 Arbury Road, following its temporary closure from March 2020. The saving of £41,400 would be shared between the General Fund and the Housing Revenue Account, with the HRA share totalling £10,100. The General Fund will benefit from a saving of £31,300 as the full recharge for the cost of the cashiers service including all management costs and overheads would be deleted, but some of these management costs and overheads will need to be retained in the HRA, with only the direct costs of service provision ceasing. Sandra Farmer

Housing (HRA) Portfolio

S4761	Customer Services service review - Provisional HRA allocation	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	Positive/Low Impact	No Impact
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To implement a restructure of Customer Services including introduction of new digital self-service channels, enhanced assisted self-service provision, a new (cashless) face to face model, and improved service quality. The impact of this proposal should be to reduce the recharge from Customer Services to the HRA by the specified amount and for the HRA budget to be reduced by the same amount. Julia Hovells

Housing (HRA) Portfolio

S4762	Savings arising from reconfiguration of services post the transfer of care	(16,800)	(16,800)	(16,800)	(16,800)	(16,800)	Nil	No Impact
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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services to an alternative provider

Following transfer of care services at Ditchburn Place to Radis from February 2020, the remaining services being delivered at Ditchburn Place have been reviewed. The post of Housing Services Manager has been reduced from 37 to 29.6 hours per week, with the vacant 7.4 hours offered as a saving, building security is being addressed at night by Radis and cleaning services are now being delivered during the day, which result in reduced costs.

Laura
Adcock

Housing (HRA) Portfolio

S4784	Maintenance of Street Lighting columns	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	Nil	No Impact
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To reduce the annual budget for the inspection and maintenance of street lighting columns on HRA land, taking into consideration the impact of the programme to upgrade lighting lanterns with LEDs that have a longer life cycle and the expectation that this programme will be carried out by a contractor offering a 10 year guarantee. As the replacement programme is completed, there should be a corresponding reduction in the level of failures.

John Conroy

Housing (HRA) Portfolio

S4803	Review of Corporate Overheads and Recharges	(263,100)	(263,100)	(263,100)	(263,100)	(263,100)	Nil	No Impact
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A corporate review of overheads and recharges has resulted in a reduction in net costs to be recharged to the HRA.

Julia Hovells

Housing (HRA) Portfolio

Total Savings	(414,100)	(414,100)	(414,100)	(414,100)	(414,100)
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Increased Income

II4792	Increased service charge income	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)	Nil	No Impact
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Based upon the latest data available, a marginal increase in the level of service charge income is anticipated from April 2021.

Julia Hovells

Housing (HRA) Portfolio

Total Increased Income	(10,800)	(10,800)	(10,800)	(10,800)	(10,800)
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Savings Total:	(424,900)	(424,900)	(424,900)	(424,900)	(424,900)
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2021/22 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2021/22 Budget £	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	Climate Effect	Poverty Ratings & Contact
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Non-Cash Limit Items

NCL4794	Reduction in the level of Direct Revenue Financing (DRF) of capital	(105,000)	(105,000)	(105,000)	(105,000)	(105,000)	Nil	No Impact
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A reduction in the level of rent income anticipated from April 2021, will mean a lower level of rental surplus available to transfer into the Housing Capital Programme over the same period. Capital expenditure will instead need to be funded from other capital resources or borrowing. Julia Hovells

Housing (HRA) Portfolio

NCL4795	Reduction in Contribution to the HRA Bad Debt Provision	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	Nil	No Impact
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The contribution to the HRA Bad Debt Provision is linked to rental income, with a reduction in anticipated rental income from 2021/22 driving a small reduction in the level of contribution required. Julia Hovells

Housing (HRA) Portfolio

NCL4796	Reduction in interest due to the HRA	9,030	9,030	9,030	9,030	9,030	Nil	No Impact
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A reduction in the level of interest anticipated to be due to the HRA results from all of the other changes incorporated into the HRA Budget Setting Report Julia Hovells

Housing (HRA) Portfolio

Total Non-Cash Limit Items	(102,220)	(102,220)	(102,220)	(102,220)	(102,220)
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Non - Cash Limit Items Total:	(102,220)	(102,220)	(102,220)	(102,220)	(102,220)
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New Build Investment Cashflow

Appendix H

New Build / Re-Development Scheme	2020/21 £'0000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
New Build / Acquisition / Re-Development Cash Expenditure										
Anstey Way	100	0	0	0	0	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Teddar)	15	490	0	0	0	0	0	0	0	0
Kendal Way	5	490	0	0	0	0	0	0	0	0
Queensmeadow	28	0	0	0	0	0	0	0	0	0
Wulfstan Way	289	0	0	0	0	0	0	0	0	0
Akeman Street	2,566	68	0	0	0	0	0	0	0	0
Ventress Close	1,479	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	113	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	8,899	2,747	0	0	0	0	0	0	0	0
Gunhild Way	129	0	0	0	0	0	0	0	0	0
Markham Close	116	0	0	0	0	0	0	0	0	0
Cromwell Road	3,503	3,791	3,263	198	0	0	0	0	0	0
Kingsway Clinic Conversion	165	310	0	0	0	0	0	0	0	0
Colville Road	3,867	7,425	2,064	0	0	0	0	0	0	0
Meadows and Buchan Street	1,733	8,000	8,000	7,000	1,900	0	0	0	0	0
Clerk Maxwell Road	604	2,343	100	0	0	0	0	0	0	0
Campkin Road	4,700	6,381	6,341	0	0	0	0	0	0	0
L2	400	3,540	2,267	0	0	0	0	0	0	0
Colville Road III	600	2,522	5,043	2,939	0	0	0	0	0	0
Histon Road	151	832	530	0	0	0	0	0	0	0
Fen Road	100	1,779	1,779	0	0	0	0	0	0	0
Ditton Walk	100	909	909	0	0	0	0	0	0	0
Aragon Close	100	875	875	0	0	0	0	0	0	0

New Build / Re-Development Scheme	2020/21 £'0000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Sackville Close	100	875	875	0	0	0	0	0	0	0
Borrowdale	100	388	387	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	1,901	0	0	0	0	0	0	0	0	0
Keepmoat Defect Management	28	0	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	2,482	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	500	2,000	48,064	63,236	65,758	65,758	65,758	65,758	65,758	65,758
Total New Build/ Re-Development Expenditure	34,873	45,765	80,497	73,373	67,658	65,758	65,758	65,758	65,758	65,758
New Build Devolution Grant Funding / MHCLG Rough Sleeper Next Steps Grant Funding										
Anstey Way	(36)	0	0	0	0	0	0	0	0	0
2015/16 Garage & In-Fill Sites	(11)	(343)	0	0	0	0	0	0	0	0
Kendal Way	(3)	(343)	0	0	0	0	0	0	0	0
Queensmeadow	(20)	0	0	0	0	0	0	0	0	0
Wulfstan Way	(202)	0	0	0	0	0	0	0	0	0
Skeman Street	(1,191)	(12)	0	0	0	0	0	0	0	0
Ventress Close	(876)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	(79)	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(6,229)	(1,923)	0	0	0	0	0	0	0	0
Gunhild Way	(90)	0	0	0	0	0	0	0	0	0
Markham Close	(81)	0	0	0	0	0	0	0	0	0
Cromwell Road	(2,452)	(2,654)	(2,284)	(139)	0	0	0	0	0	0
Kingsway Clinic Conversion	(116)	(217)	0	0	0	0	0	0	0	0
Colville Road	(1,580)	(3,646)	(1,014)	0	0	0	0	0	0	0
Meadows and Buchan Street	(1,213)	(5,600)	(5,600)	(434)	0	0	0	0	0	0
Clerk Maxwell Road	(423)	(1,640)	(70)	0	0	0	0	0	0	0
Fen Road	0	(420)	(420)	0	0	0	0	0	0	0
Ditton Walk	0	(210)	(210)	0	0	0	0	0	0	0
Aragon Close	0	(245)	(245)	0	0	0	0	0	0	0

New Build / Re-Development Scheme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'0000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sackville Close	0	(245)	(245)	0	0	0	0	0	0	0
Borrowdale	0	(105)	(105)	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	0	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	0	(6,593)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)
Total New Build / Re-Development Funding	(14,603)	(17,603)	(16,785)	(9,616)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)
Use of Retained Right to Buy Funding										
Anstey Way	(16)	0	0	0	0	0	0	0	0	0
2015/16 Garage & In-Fill Sites	(5)	(147)	0	0	0	0	0	0	0	0
Kendal Way	(2)	(147)	0	0	0	0	0	0	0	0
Queensmeadow	(8)	0	0	0	0	0	0	0	0	0
Wulfstan Way	(87)	0	0	0	0	0	0	0	0	0
Akeman Street	(511)	(5)	0	0	0	0	0	0	0	0
Ventress Close	(375)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	(34)	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(2,670)	(824)	0	0	0	0	0	0	0	0
Gunhild Way	(39)	0	0	0	0	0	0	0	0	0
Markham Close	(35)	0	0	0	0	0	0	0	0	0
Cromwell Road	(350)	(379)	(327)	(20)	0	0	0	0	0	0
Kingsway Clinic Conversion	(49)	(93)	0	0	0	0	0	0	0	0
Colville Road	(678)	(1,563)	(434)	0	0	0	0	0	0	0
Meadows and Buchan Street	(519)	(264)	(72)	(945)	(57)	0	0	0	0	0
Clerk Maxwell Road	(181)	(703)	(30)	0	0	0	0	0	0	0
Campkin Road	(629)	(1,276)	(1,268)	0	0	0	0	0	0	0
L2	(40)	(354)	(227)	0	0	0	0	0	0	0
Colville Road III	(69)	(293)	(585)	(341)	0	0	0	0	0	0
Histon Road	(15)	(83)	(53)	0	0	0	0	0	0	0

Acquisition or New Build (Unallocated)	(390)	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	0	0	(2,400)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)
Total Use of Retained Right to Buy Funding	(6,702)	(6,131)	(2,996)	(3,706)	(2,857)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)
Total to be funded from HRA Resources (DRF & MRR) and Sales Receipts	13,567	22,031	8,614	25,264	23,815	23,419	26,047	25,237	22,776	17,992
Total HRA Borrowing	0	0	52,233	34,841	31,999	30,500	27,873	28,682	31,144	35,928

HRA Summary 2020/21 to 2025/26

Appendix J

Description	2020/21 £0	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0	2025/26 £0
Income						
Rental Income (Dwellings)	(38,006,650)	(39,077,680)	(41,765,880)	(44,898,390)	(46,694,000)	(48,676,510)
Rental Income (Other)	(1,256,680)	(1,301,130)	(1,327,150)	(1,353,700)	(1,380,770)	(1,408,380)
Service Charges	(3,028,520)	(3,085,630)	(3,142,760)	(3,201,040)	(3,260,480)	(3,321,110)
Contribution towards Expenditure	(658,690)	(667,770)	(681,120)	(694,750)	(708,640)	(722,820)
Other Income	(460,530)	(458,110)	(466,540)	(475,870)	(485,390)	(495,090)
Total Income	(43,411,070)	(44,590,320)	(47,383,450)	(50,623,750)	(52,529,280)	(54,623,910)
Expenditure						
Supervision & Management - General	3,928,910	4,023,820	4,068,310	4,251,400	4,394,880	4,541,150
Supervision & Management - Special	3,153,450	3,238,530	3,263,930	3,343,350	3,424,850	3,508,500
Repairs & Maintenance	8,147,100	8,555,110	8,415,960	8,716,580	8,997,750	9,310,770
Depreciation - t/f to Major Repairs Res.	10,636,970	10,792,810	11,174,660	11,831,340	12,285,780	12,645,760
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	5,277,990	3,916,400	4,072,610	4,239,470	4,390,450	4,548,550
Total Expenditure	31,144,420	30,526,670	30,995,470	32,382,140	33,493,710	34,554,730
Net Cost of HRA Services	(12,266,650)	(14,063,650)	(16,387,980)	(18,241,610)	(19,035,570)	(20,069,180)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(375,370)	(230,510)	(129,370)	(113,450)	(114,410)	(117,700)
HRA (Surplus) / Deficit for the Year	(12,642,020)	(14,294,160)	(16,517,350)	(18,355,060)	(19,149,980)	(20,186,880)
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,452,250	7,471,700	7,927,800	8,746,790	9,363,340	9,938,500
Housing Set Aside	(3,905,000)	(5,858,000)	(4,941,510)	0	0	0

Appropriation from Ear-Marked Reserve	0	0	0	0	0	0
Direct Revenue Financing of Capital	15,078,520	19,133,030	13,381,020	9,434,220	9,812,980	10,203,760
(Surplus) / Deficit for Year	5,983,750	6,452,570	(150,040)	(174,050)	26,340	(44,620)
Balance b/f	(15,478,891)	(9,495,141)	(3,042,571)	(3,192,611)	(3,366,661)	(3,340,321)
Total Balance c/f	(9,495,141)	(3,042,571)	(3,192,611)	(3,366,661)	(3,340,321)	(3,384,941)

Housing Capital Investment Plan

Appendix K

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend										
Disabled Facilities Grants	935	707	707	707	707	707	707	707	707	707
Private Sector Housing Grants and Loans	195	195	195	195	195	195	195	195	195	195
Hill POD Homes	140	0	0	0	0	0	0	0	0	0
Total General Fund Housing Capital Spend	1,270	902	902	902	902	902	902	902	902	902
HRA Capital Spend										
Decent Homes										
Kitchens	682	303	466	621	753	1,136	747	1,474	1,367	1,799
Bathrooms	1,049	188	47	158	650	653	146	67	363	1,222
Central Heating / Boilers	1,888	2,816	2,050	2,525	2,675	1,902	2,129	2,315	1,685	3,711
Insulation / Energy Efficiency / Wall Finishes	1,384	891	807	676	519	420	970	181	1,184	807
Energy Efficiency Pilot / Retrofit	500	1,000	1,000	0	0	0	0	0	0	0
External Doors	270	52	72	20	58	52	75	57	58	162
PVCU Windows	689	467	241	855	538	1,062	380	328	1,111	776
Wall Structure	2,567	2,708	6	19	2	250	94	505	681	1,057
External Painting	357	357	357	357	357	357	357	357	357	357
Roof Structure	300	300	300	300	300	300	300	300	300	300
Roof Covering	869	1,106	200	690	1,918	1,647	994	1,058	935	398
Chimneys	2	0	0	2	2	0	0	0	7	0
Electrical / Wiring	296	274	445	388	483	209	266	4	19	559
Sulphate Attacks	102	102	102	102	102	102	102	102	102	102
HHSRS Contingency	457	100	100	100	100	100	100	100	100	100

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Health and Safety Works	90	50	50	50	50	50	50	50	50	50
Capitalised Officer Fees - Decent Homes	330	330	330	330	330	330	330	330	330	330
Decent Homes Backlog	0	4,716	4,716	4,716	4,716	4,716	3,811	3,811	3,811	3,811
Decent Homes Planned Maintenance Contractor Overheads	1,308	1,096	576	754	936	906	738	759	915	1,254
Decent Homes New Build Allocation	0	975	1,184	1,546	1,843	2,151	2,469	2,800	3,142	3,795
Total Decent Homes	13,140	17,831	13,049	14,209	16,332	16,343	14,058	14,598	16,517	20,590
Other Spend on HRA Stock										
Garage Improvements	100	100	100	100	100	100	100	100	100	100
Asbestos Removal	50	50	50	50	50	50	50	50	50	50
Disabled Adaptations	808	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	100	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	150	150	150	150	150	150	150	150	150	150
Communal Entrance / Enclosure Doors + Glazing	329	71	76	136	71	140	71	73	185	161
Fire Prevention / Fire Safety Works	954	300	50	50	50	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety Works	225	225	225	225	225	225	225	225	225	225
Communal Areas Floor Coverings	100	100	100	100	100	100	100	100	100	100
Lifts and Door Entry Systems	231	9	0	38	28	75	0	0	40	40
Estate Investment Scheme	1,238	970	1,000	806	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	114	114	114	114	114	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	344	183	182	193	185	197	182	182	199	196
Total Other Spend on HRA stock	4,743	3,180	2,955	2,870	1,981	2,109	1,950	1,952	2,121	2,094

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development										
Anstey Way	100	0	0	0	0	0	0	0	0	0
2015/16 Garage & In-Fill Sites (Nuns & Cameron / Wiles / Teddar)	15	490	0	0	0	0	0	0	0	0
Kendal Way	5	490	0	0	0	0	0	0	0	0
Queensmeadow	28	0	0	0	0	0	0	0	0	0
Wulfstan Way	289	0	0	0	0	0	0	0	0	0
Akeman Street	2,566	68	0	0	0	0	0	0	0	0
Ventress Close	1,479	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	113	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	8,899	2,747	0	0	0	0	0	0	0	0
Gonhild Way	129	0	0	0	0	0	0	0	0	0
Markham Close	116	0	0	0	0	0	0	0	0	0
Cromwell Road	3,503	3,791	3,263	198	0	0	0	0	0	0
Kingsway Clinic Conversion	165	310	0	0	0	0	0	0	0	0
Colville Road Phase II	3,867	7,425	2,064	0	0	0	0	0	0	0
Meadows and Buchan Street	1,733	8,000	8,000	7,000	1,900	0	0	0	0	0
Clerk Maxwell Road	604	2,343	100	0	0	0	0	0	0	0
Campkin Road	4,700	6,381	6,341	0	0	0	0	0	0	0
L2	400	3,540	2,267	0	0	0	0	0	0	0
Colville Road Phase III	600	2,522	5,043	2,939	0	0	0	0	0	0
Histon Road	151	832	530	0	0	0	0	0	0	0
Fen Road	100	1,779	1,779	0	0	0	0	0	0	0
Ditton Walk	100	909	909	0	0	0	0	0	0	0

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Aragon Close	100	875	875	0	0	0	0	0	0	0
Sackville Close	100	875	875	0	0	0	0	0	0	0
Borrowdale	100	388	387	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	1,901	0	0	0	0	0	0	0	0	0
Keepmoat Defect Management (10 Schemes)	28	0	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	2,482	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	500	2,000	48,064	63,236	65,758	65,758	65,758	65,758	65,758	65,758
Total HRA New Build	34,873	45,765	80,497	73,373	67,658	65,758	65,758	65,758	65,758	65,758
Sheltered Housing Capital Investment										
Donburn Place	15	0	0	0	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	15	0	0	0	0	0	0	0	0	0
Other HRA Capital Spend										
Orchard Replacement / Mobile Working	422	0	0	0	0	0	0	0	0	0
Shared Ownership Repurchase	300	300	300	300	300	300	300	300	300	300
Commercial and Administrative Property	30	30	30	30	30	30	30	30	30	30
Total Other HRA Capital Spend	752	330	330	330	330	330	330	330	330	330
Total HRA Capital Spend	53,523	67,106	96,831	90,782	86,301	84,540	82,096	82,638	84,726	88,772
Total Housing Capital Spend at Base Year Prices	54,793	68,008	97,733	91,684	87,203	85,442	82,998	83,540	85,628	89,674
Inflation Allowance and Stock Reduction Adjustment for Future Years	266	739	1,066	1,410	3,085	4,677	6,067	7,761	9,684	11,954
Total Inflated Housing Capital Spend	55,059	68,747	98,799	93,094	90,288	90,119	89,065	91,301	95,312	101,628

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing Capital Resources										
Right to Buy Receipts	(405)	(478)	(483)	(483)	(483)	(483)	(483)	(483)	(513)	(518)
Other Capital Receipts (Land / Dwellings)	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve	(7,860)	(22,630)	(11,914)	(11,832)	(12,286)	(12,645)	(13,015)	(13,395)	(13,784)	(14,182)
Direct Revenue Financing of Capital	(15,079)	(19,133)	(13,381)	(9,434)	(9,813)	(10,204)	(10,758)	(11,142)	(11,596)	(12,036)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(2,334)	(300)	(300)	(22,475)	(23,100)	(23,737)	(24,386)	(25,049)	(25,725)	(26,414)
Devolution Grant	(14,603)	(17,603)	(16,785)	(9,616)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)	(9,043)
Retained Right to Buy Receipts	(6,702)	(6,131)	(2,996)	(3,706)	(2,857)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)
Disabled Facilities Grant	(651)	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)	(707)
Prudential Borrowing	0	0	(52,233)	(34,841)	(31,999)	(30,500)	(27,873)	(28,682)	(31,144)	(35,928)
Total Housing Capital Resources	(47,634)	(66,982)	(98,799)	(93,094)	(90,288)	(90,119)	(89,065)	(91,301)	(95,312)	(101,628)
Net (Surplus) / Deficit of Resources	7,425	1,765	0	0	0	0	0	0	0	0
Capital Balances b/f	(10,006)	(2,581)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)
Use of / (Contribution to) Balances in Year	7,425	1,765	0	0	0	0	0	0	0	0
Capital Balances c/f	(2,581)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)	(816)
Other Capital Balances (Opening Balance 1/4/2020)										

Description	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve	(9,801)	Utilised in future years to fund investment in the housing stock								
Retained 1-4-1 Right to Buy Receipts	(10,635)	Utilised between 2020/21 and 2021/22 above								
Right to Buy Receipts for Debt Redemption	(9,856)	Retained for future debt repayment								
Total Other Capital Balances	(30,292)									

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