

Item

GREEN AND INDEPENDENT AMENDMENT TO : 2022/23 HOUSING REVENUE ACCOUNT BUDGET SETTING REPORT

To:

Councillor Mike Todd-Jones, 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 Green and Independent Group to the Housing Revenue Account Budget Setting Report 2022/23, presented to Housing Scrutiny on 20 January 2022 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 24 February 2022.
- 1.2 The appendices to this report incorporate the Green and Independent Group budget proposals in relation to specific revenue or capital budget items for the HRA, with the resulting financial implications as follows:
 - a) To include additional revenue expenditure from 2022/23 onwards.
 - b) To include additional revenue income from 2023/24 onwards.
 - c) To include additional capital expenditure in 2022/23.

- d) 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 (bold purple italics in the re-stated HRA BSR sections)**. In most cases the sub-section or appendix has been re-stated for ease of reference.

1.3 The Green and Independent Group states that its budget amendment addresses the following key areas:

- ***“Generation Rent” Compact Homes Survey***

A proposal to include a revenue bid of £40,000 to fund a project to explore alternative housing delivery options, with a focus on the delivery of smaller homes, such as:

POD homes for retention in the HRA and the potential for conversion of existing unused office and retail space into residential accommodation: and

Delivery models that include smaller self-contained accommodation on co-living principles to provide safe, affordable, sociable and sustainable living space.

This could include shared communal facilities such as laundry rooms, guest rooms, co working space and social meeting space which could also be available to the wider community.

The project has been conceived with the particular needs of young key workers and care leavers in mind but could be adapted to suit more diverse groups of residents.

The project will cover market research, feasibility work, site identification, a review of vacant office and retail space in the city and liaison with planning.

- ***“ Generation Rent” Compact homes Pilot Site***

A proposal to include a capital bid of £600,000 to allow a pilot site to be taken forward and delivered following the exploration project of alternative delivery models. This

funding is anticipated to allow a site of approximately 6 homes to be delivered by the HRA. This costing is based on the existing pod homes sites in Cambridge. Costings for office /retail conversions and co living projects are variable.

- ***Modern alternative reporting initiative***

A proposal to set up a small volunteer cross party working group to work on a short, focussed overview of the HRA Medium Term Financial Strategy and Budget Setting Reports.

Popular ways to do this include:

Use of Key Questions

Graphical presentation

Benchmarking

This would facilitate more effective scrutiny by all councillors and clearer communication to city residents.

A cost figure is not provided for this recommendation because the HRA's accounting function already produces a very full range of high quality key performance indicator reports and benchmarking. The proposed new overview report is an introductory guided tour that assists users to engage with the main report and put it in context.

- ***Retrofit and 2030 carbon emissions target***

A requirement to provide a high level estimated costing for a full retrofit of the HRA housing stock and the associated finance costs together with a comparison of the HRA retrofit budget and a clear statement of the resulting shortfall and limited ability to increase that budget without additional funding being made available by central government.

1.4 The resulting recommendations refer to the strategy outlined in the HRA Budget Setting Report, as amended by this Green and Independent 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 3.1%, measured by the Consumer Price Index (CPI) at September 2021, plus 1%, resulting in rent increases of 4.1%, with effect from 4 April 2022. This equates to an average rent increase of £4.21 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 3.1%, measured by the Consumer Price Index (CPI) at September 2021, plus 1%, resulting in rent increases of up to 4.1%. 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 4.1% increase. As the Local Housing Allowance was increased significantly in late March 2020, affordable rent increases will be capped at 4.1% from April 2022, which is still well below the 2022/23 Local Housing Allowances levels.
- c) Approve that rents for shared ownership properties are reviewed and amended from April 2022, in line with the specific requirements within the lease for each property.
- d) Approve that garage and parking space charges for 2022/23, are increased by inflation at 2% 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 any resulting charges 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 2022/23, 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 services, 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 2021 (3.1%) plus 1%, wherever possible.
- h) Approve the updated HRA Rent Setting Policy, included at Appendix M to the HRA Budget Setting Report.

Revenue – HRA

Revised Budget 2021/22:

- i) 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 reduction in the use of HRA reserves for 2021/22 of £262,870.

Budget 2022/23:

- j) 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.**
- k) 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.**
- l) Approve the resulting Housing Revenue Account revenue budget as summarised in the Housing Revenue Account Summary Forecast 2021/22 to 2026/27 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

- m) *Approve the revised 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 funding for delivery of a net 1,000 new homes over a 10-year timeframe.***
- n) Recognise that the constitution delegates Treasury Management to the Head of Finance (Part 3, para 5.11), with Part 4F, C16 stating; 'All executive decisions on borrowing, investment or financing shall be delegated to the Head of Finance, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- o) 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

- p) *Approval of capital bids, as detailed in Appendix D (3) and Appendix E of the HRA Budget Setting Report.***
- q) *Approval of the latest Decent Homes and Other HRA Stock Investment Programme, to include reduced expenditure for wall structure and fire safety works, an increase in new build decent homes budgets in line with an increase in stock numbers and re-phasing of other elements of the programme into later years, as detailed in Appendix E of the HRA Budget Setting Report.***
- r) Approval of the latest budget sums, profiling and associated financing for all new build schemes, including revised scheme budgets for Colville III, Fen Road, Ditton Fields, Aragon Close, Sackville Close and Borrowdale based upon the latest cost information from the Cambridge Investment Partnership (CIP) and a reduction in unit numbers at Aylesborough Close, as detailed in Appendices E and H, and summarised in Appendix K, of the HRA Budget Setting Report.

- s) Approval of allocation of funds from the budget ear-marked for the delivery of 1,000 net new homes to allow buy back of leasehold dwellings and relocation of tenants from Princess and Hanover Court over the next two years, in advance of a final recommendation for the future of the estate which will be presented once the options appraisal and consultation work has been concluded.
- t) ***Approval of the revised Housing Capital Investment Plan as shown in Appendix K of the HRA Budget Setting Report.***

General

- u) Approval of inclusion of Disabled Facilities Grant expenditure and associated grant income from 2022/23 onwards, based upon 2021/22 net grant received, 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.
- v) 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, for the wider benefit of the Shared Home Improvement Agency.
- w) 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.
- x) Approval of delegation to the Strategic Director to review, agree and enter into a revised Shared Home Improvement Agency Shared Service Agreement, in line with recommendations made by the Shared Home Improvement Agency Board.
- y) 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 reserves 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 deadlines

for the use of retained right to buy receipts or to facilitate future site redevelopment.

- z) Approval of delegation to the Head of Finance, as Section 151 Officer, to make any necessary technical amendments to detailed budgets in respect 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 2022.

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 2022/23, 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 2022/23, 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 2022/23, 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 2022/23, appended to this report.

4. Background papers

Background papers used in the preparation of this report:

Housing Revenue Account Budget Setting Report 2022/23

Housing Revenue Account Medium Term Financial Strategy 2021/22

5. Appendices

The Housing Revenue Account Budget Setting Report 2022/23 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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Version 2b
Green and
Independent
Group Alternative
Budget

Housing Revenue Account Budget Setting Report 2022/23



January
2022

Version Control

Version	for:	Anticipated Content
1	Draft	Draft content for consultation
2	Housing Scrutiny Committee 20 January 2022	Member Scrutiny Tenant and Leaseholder Representative Input Amendments to Executive proposals Opposition budget amendment proposals Rents and Service Charges approved Revenue budgets considered and approved
2a	Housing Scrutiny Committee 20 January 2022	Liberal Democrat Group Alternative Budget Proposals
2b	Housing Scrutiny Committee 20 January 2022	Green and Independent Group Alternative Budget Proposals
3	Council Meeting 24 February 2022	The Executive Councillor for Housing's recommended final budget proposals Capital budgets considered and approved
4	FINAL	Final version for publication following Council

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Section 1

Introduction

Foreword by the Green and Independent Spokesperson

What are the Green and Independent proposals?

Our proposals are:

The Retrofit Shortfall “Proposal”

The Generation Rent Compact Homes Proposal

The Alternative Reporting Proposal

Why have you put these proposals forward?

Each proposal is intended to facilitate a key group objective:

The Retrofit Shortfall “proposal” addresses how far short we are falling in dealing with the climate emergency and makes some simple high level recommendations.

The Compact Homes proposal is intended to promote fairness and financial inclusion but may also reduce emissions from commuter journeys. Further details of this proposal are given below but we wish to be clear that the Group continues to advocate for improved regulatory standards for permitted residential development of commercial properties and in no way endorses such development except in the very limited circumstances set out below.

The Alternative Reporting proposal is intended to make it easier for a wider group of users (including residents) to understand the HRA's finances and facilitate wider community involvement and effective scrutiny.

An overview of the Retrofit Shortfall "Proposal"

We recognise that domestic emissions are not the only emissions made from HRA activity. However, it is clearly a very substantial contributor to those emissions.

In a better world, our proposal would be to fund the full retrofit of the HRA housing stock by 2030 to support the city's declared target of reaching net zero emissions. Section 5 of the main report explains why this is not achievable.

Instead, we call upon HRA to maintain a high-level estimate of the cost of retrofitting the entire HRA housing stock. This estimate should include:

The estimated cost for the retrofit of conventional homes as per the Fielden and Mawson report. This has been estimated at £511,580,250.

An estimate of the additional finance cost of borrowing for the retrofit of conventional homes. This is additional borrowing required to support the interest payments on the borrowing for the above investment. This has been estimated at £376,707,750.

An estimate for the cost of retrofitting the HRA stock of non-conventional homes (including over 500 post WW2 prefabs). No estimate is currently included for these homes because they were not covered by the Fielden and Mawson report. In the absence of a detailed study, we suggest that the retrofit cost is estimated at 125% of the cost of a conventional home. We understand that another council (Glasgow) has commissioned a pilot scheme for one type of prefab ("BISF") and hope to reflect the information from this study at a later date.

An estimate of the additional finance cost of borrowing for the retrofit of non-conventional homes. This has not yet been estimated.

A very high level estimate of the cost of retrofitting the HRA commercial property portfolio and associated finance costs.

We acknowledge that whatever retrofit activities that are carried out are strongly influenced by external grants made available which will usually dictate the type of retrofit activity carried out. We also recognise the importance of carrying out pilot studies of whole building retrofit. This ensures that skill and supply gaps and other barriers can be identified, and we have confirmation that the actual retrofit costs are in accordance with our estimates.

However, subject to the constraints imposed by external grant funding, we call upon the council to obtain maximum emissions reductions from whatever funds can be found by prioritising the most cost-effective retrofit technologies (such as insulation) and carrying out partial retrofits on a larger number of homes rather than whole building retrofits on a smaller number of properties.

We also note that no estimate has been made of retrofitting the HRA commercial property portfolio or garages.

We assume that there is little scope for retrofitting garages although perhaps some might be suitable for siting solar panels.

However, there may be scope for identifying opportunities for retrofitting commercial properties. We note the current availability of “Green grants” of up to £10,000 for business rates-payers and call upon the council to write to all its business rate paying tenants and urge them both to apply for the grants and to act as community ambassadors to encourage wider take up of these grants by the local business community.

Otherwise given the short window during which the grants remain open, the number of critical issues facing local businesses and negative past experiences of grants could mean that some of these grants go unclaimed and the opportunity to reduce emissions is lost.

We also recommend that any feedback from this scheme be used to provide a high level estimate of the cost of such a retrofit rather than commissioning an independent study.

An overview of the Generation Rent Compact Homes Proposal

The inspiration for this proposal has come from many sources. It comes from listening to young residents and former Cambridge residents, from elderly residents whose families can't afford to live near them, from local businesses and essential services struggling to recruit or losing staff who choose to relocate to cheaper areas. I have also read analyses from sources as diverse as Savills and the Resolution Foundation.

Housing options for young people are very limited in Cambridge with young care leavers and young key workers being particularly hard hit. Although a small number of young people can call on the Bank of Mum and Dad, for most the options are long commutes and/or high rental costs, often in crowded and poorly maintained HMOs. Poor public transport means that young key workers who try to commute in from family homes are often forced to run a car and face high insurance costs.

The combination of high housing costs and low savings makes it easy for this generation to slip into hidden homelessness such as sofa surfing. The problem is not unique to Cambridge but is exacerbated by Cambridge's growth agenda and rising property prices.

We don't have figures for the numbers affected because these are people who are unlikely to register for council housing.

Young residents (and sadly young former residents) have urged us to look at compact housing and co-living to find better options for them.

We have called upon the council to explore three compact housing options. These are:

The Solohaus "pods" currently used for housing for homeless residents; and

Conversion of surplus office or retail space.

Building on top of an existing low rise retail development such as a supermarket.

Special rules relate to permitted residential development on former commercial sites and they are not fully regulated in the way that normal new residential developments are. They have been

opportunistic and ill-considered developments leading to cramped homes with poor insulation and inadequate lighting.

We need to be very clear that all group members continue to campaign for better regulation of this type of development. We also need to be clear that if this type of development is selected for the pilot scheme that it should be used to set out an example of best practice for this type of development.

For example, if homes are compact, they should be well designed and private space supplemented by communal social space and facilities, as in the co-housing development at Marmalade Lane.

One option might be to explore adding a residential floor to an existing retail space such as a supermarket. This option has proved popular in London.

However, a check on a random commercial property website (Carter Jonas) revealed just one empty office building in Cambridge (Logic House in Newmarket Road) which suggests that it may be easier to find a site to erect a small pod group.

The Alternative Reporting Proposal

We want to be clear that this proposal is no criticism of the current HRA accounting reports which provide excellent and detailed management information and amply fulfil the needs of HRA officers and of this spokesperson. The reason for this proposal is that HRA's work is of great importance to a wide variety of people. Lengthy accounting reports can be daunting particularly when you are short of time and using alternative reporting formats can help people to access the main report and understand the HRA's work. As a working accountant, I know that many people are very uncomfortable with purely numerical information and find other reporting forms, such as graphs, key performance indicators, frequently asked question lists and benchmark reports can help them get to grips with the main report.

To be clear, we are not proposing to replace the main report but to provide a short supplementary report to help readers with questions to find their way to the answers in the main report. I would

very much welcome input from other users on this project which is why I have proposed setting up a volunteer working party. I also enclose an example of how a frequently asked questions format might be used to help users navigate their way around the budget reports below.

Councillor Naomi Bennett.

Green and Independent Spokesperson for Housing

Frequently Asked Questions

HRA BSR and HRA MTFS

1 How good is the budget as a guide to what actually happens?

In a normal year, the budget will be a good predictor of what actually happens.

Since covid it has become harder to predict what will happen because the future is more uncertain.

This particularly affects maintenance costs These have been lower than expected because it hasn't been possible to carry out all the planned maintenance work.

Although this means that the council has spent less, this is not a good outcome. The maintenance work still needs to be done and the cost of materials has gone up.

2 What factors are expected to affect the reliability of the budget in 2022/23?

These are outlined in the main report, with external factors in section 2, income risks in section 3 and housing investment challenges outlined in section 5.

3 What assumptions are the budget based on?

These are listed in Appendix A of the main report.

4 How would you describe the budget?

The picture painted is that the underlying housing management and maintenance activities will continue very much as in the past. There are a few small changes and it's very much steady as it goes. There is a large programme of capital investment in new homes included and also some pilot funding for retrofit of existing homes.

5 Why are rents being raised?

Inflation means that costs will increase, with maintenance and capital costs increasing most significantly. The level of inflation for November was 4.6% (CPI) and 7.1% (RPI) The maximum rate of rent increase proposed by the government is 4.71% (3.71% inflation plus 1%).

The rents charged by the council will still be much lower than private market rents. A comparison table of current rent levels is given in Strategic Housing Key Facts, in tables PR1 (a) and CH3 on pages 14 and 23 respectively.

<https://www.cambridge.gov.uk/housing-research>

The main financial pressure on council tenants will come from rising fuel prices. Some experts (Energy UK) predict that average bills will double. If this is the case, weekly fuel bills could rise by £40 per week over the next year, nearly 10 times the average rent increase.

Tenants could be helped to reduce their fuel costs if their homes were retrofitted to make them more energy efficient. This would also reduce CO2 emissions and help prevent global warming as well as reducing fuel poverty.

6 What is the council doing to reduce tenants' fuel costs and tackle climate change on HRA?

The council has researched what it would cost to retrofit its housing stock. These costs are commented on in section 5 of the main report.

The council has obtained some government grants that cover small amounts of retrofit work and some to cover works in the wider community and has applied for further grant specifically for HRA homes. The Council continues to be dependent on government finance to carry out further work.

Even if the council could obtain funds to retrofit its entire housing stock, it is still only 15% of the city's housing stock.

Section 4

Housing Revenue Account Budget

Overall Budget Position - 2022/23 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 2026/27 provided in **Appendix D (2)**:

Targets Set	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Efficiency Savings	0	(147,000)	(147,000)	(147,000)	(147,000)	(147,000)
Strategic Investment Fund	0	147,000	147,000	147,000	147,000	147,000
Net Change Required	0	0	0	0	0	0

Summary of Proposals	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
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Unavoidable Revenue Bids	0	280,140	262,640	262,640	262,640	262,640
Reduced Income Proposals	84,810	10,000	10,000	10,000	10,000	10,000
Unavoidable	84,810	290,140	272,640	272,640	272,640	272,640

Savings Proposals	0	(300,980)	(233,020)	(233,020)	(233,020)	(233,020)
Increased Income Proposals	0	(214,990)	(209,700)	(229,670)	(235,340)	(374,260)
Bids	0	139,780	108,350	108,540	108,700	108,880
Discretionary	0	(376,190)	(334,190)	(354,150)	(359,660)	(498,400)
Non-Cash Limit Adjustments	(347,680)	106,980	166,750	(110,660)	29,400	258,550

Total Revenue Proposals	(262,870)	20,930	105,020	(192,170)	(57,6200)	32,790
Under / (Over) Achievement against Target	(262,870)	20,930	105,020	(192,170)	(57,620)	32,790
Cumulative Under / (Over) Achievement against Target	(262,870)	(241,940)	(136,920)	(329,090)	(386,710)	(353,920)

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 2022/23 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 2022/23 there is a cash limit adjustment to recognise that the funding for a bid for employing two additional multi-skilled operatives is already built into the overall finances for the HRA and so will not affect the bottom line. There are also non-cash limit adjustments in respect of depreciation, 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 £147,000 was included in the HRA forecasts for 2022/23 as part of the HRA Medium Term Financial Strategy approved in September 2021. 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 2022/23 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 under-achievement against the targets set of £20,930 in 2022/23, moving to an under-achievement in 2023/24 of £105,020, an over-achievement in 2024/25 of £192,170 and in 2025/26 of £57,620, before moving to an ongoing under-achievement of £32,790 from 2026/27. Details of the net savings can be found in Appendix D (2).*

If approved on this basis, the budget proposals for 2022/23 onwards result in a net ongoing contribution from HRA reserves, at £32,790 per annum from 2026/27, which will ultimately adjust the borrowing requirement on the HRA for the delivery of 1,000 new homes.

Corporate costs and overheads have been reviewed again in line with the new basis agreed from 2021/22, 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 financial impact of this incorporated into the Housing Revenue Account budget process. This may be subject to further change as the General Fund finalises its budget proposals, but any resulting changes will be built into the HRA as part of the 2022/23 Medium-Term Financial Strategy process.

Further efficiency targets have been incorporated from 2023/24 for four years, also at the level of £147,000 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 2021, approval was given to retention of the Strategic Investment Fund at £147,000 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 2022/23 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 2021 at 96%, with 279 properties that were considered to be non-decent (in addition to 1,376 refusals).

Following a fundamental review of investment in the existing housing stock, an updated Asset Management Strategy was approved in September / October 2019. The outstanding, or in progress items on the Asset Management Action Plan, 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 was on hold for much of 2020/21 due to COVID-19. Surveys have resumed in July 2021 and a new programme is under development that takes account of footpath surveys and new build properties
Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements	In 2021/22 detailed surveys are being carried out at Hanover and Princess Court, flats / maisonettes in the South Arbury area and Fanshawe and Davy Road. These schemes have been delayed and amended as a result of questions surrounding the long-term future of some of these sites. A brief for works at Bermuda Terrace flats is being developed.

Reduce the electrical inspection cycle to five years in line with best practice	This has been implemented from April 2021 and a transition plan is under way
Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules	Implementation project in progress with target completion by April 2022.
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 is now in place to lead in this area, with an interim Risk and Compliance Manager and a fixed term Asbestos Officer in post. The new team are progressing 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 was procured but this has now been cancelled due to poor performance. A new procurement is now underway, with survey work planned to complete by Spring 2022. There are 5,000 doors on the inspection schedule. If new fire door repair / replacement works are required as a result of these surveys, then details will be added to the MTFS report in Autumn 2022.
Review maintenance requirements for flat roofs and sheds replacement and repair	A programme has been identified and implemented from 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, and began in 2020/21

Following changes to fire risk regulations, dwellings continue to have heat and smoke detection upgrades and the Council expect complete the delivery of these works during 2022/23, following delays caused by the coronavirus pandemic and a level of no access into properties. There are a significant number of “no access” properties. Where there is “no access” then work will be added to future planned work programmes.

Following receipt of structural surveys and fire risk reports in respect of the blocks of flats at Kingsway, Princess and Hanover Court, a decision was taken to remove all gas supplied to these blocks, replacing both heating and cooking sources where gas was previously utilised by a small number of the residents, both tenants and leaseholders. At the time of writing, just two leaseholders have refused to allow access to have gas capped off and the Council is reviewing options including legal action as a last resort. Nineteen residents have gas heating systems that will need to be replaced with electric heating and all properties have been surveyed. New electric cookers have been ordered for all residents who had gas cookers.

As a result of the issues identified in respect of these specific blocks, and the investment required to future proof these buildings, a review of options has been carried out, and initial consultation with residents has taken place. The review has explored options to either refurbish or demolish and re-develop each of the schemes. The recommendations also inform decisions about short-term investment requirements.

As part of the HRA Medium Term Financial Strategy, £5,000,000 was ear-marked in 2022/23 to undertake fire compartmentalisation, and other fire safety works to these large flat blocks, should the works be required. The requirement for this investment has been reviewed as part of the consultation and options appraisal work being carried out in respect of the future of flats at Princess Court, Hanover Court and Kingsway. Initial recommendations, which are the subject of a separate report in this committee cycle, suggest that the authority should progress the potential redevelopment of Princess and Hanover Court initially, with Kingsway to be retained for the medium term, with recommendations for the future of this estate considered later. As a result of this recommendation, £1,200,000 has been retained in 2022/23 to undertake the required fire compartmentalisation works at Kingsway, with £650,000 re-phased into 2025/26 for further fire safety works there if required. The balance of funding has been removed from the programme at this stage.

We are continuing the programme of structural surveys of flat blocks in order to implement a programme of work for older flats and houses with structural concrete elements. Work programmes are approved at Hazelwood and Molewood Close, and a number of blocks of flats in the South Arbury Area. Structural surveys and investigations are planned at the Bermuda Terrace estate in 2022/23. As well as a programme of actual structural works, we are developing a programme of structural monitoring to check on blocks where structural works have been completed to ensure structural issues have not re-emerged. Procurement of this work is planned in early 2022. Again, as part of the proposal to move forward with the options appraisal work for the redevelopment of Princess and Hanover Court, funding of £780,000 incorporated for structural works to these blocks has been removed from the programme at this stage.

The Council remains fully committed to increasing energy efficiency, reducing the carbon footprint and improving sustainability across the asset portfolio, with the HRA stock representing a proportion of the portfolio.

Work is progressing well in respect of a pilot programme of works to 150 solid wall properties (1935 build type and 'D' rated) to improve them to a 'B' rating by undertaking external wall insulation and solar panels, with approximately 60 completed at the time of writing this report, and the remaining 90 expected to be complete by March 2022. There are in the region of 1,000 further homes that could benefit from this investment, subject to available resources. We continue to work towards the target of homes being at least 'C' rated by 2035 (2030 for fuel-poor homes).

Fielden and Mawson have now concluded their engagement to undertake a high-level analysis of 3 sustainability investment options, across 7 archetypes, for improving energy performance in the housing stock, with the data from their final report now included in the tables below. 521 non-traditional properties and hostels have been excluded as the costs to achieve the desired standards in these are considered unpredictable with a need to explore these separately.

Based upon the final Fielden and Mawson Report, the anticipated investment required, is between £365 million and £512m depending upon the option selected.

Archetype	Description	Retrofit Plus	EnerPHit	Net Zero Carbon
1	2 Bed Maisonette	18,240,040	24,136,840	22,134,840
2	1 Bed Low rise flat	105,516,670	144,801,270	145,242,670
3	1 Bed Medium rise Flat	43,724,710	63,416,810	57,643,210
4	1 Bed Post War Bungalow	11,120,890	15,070,990	16,596,690
5	2 / 3 Bed Semi Pre 1945	103,052,220	146,309,820	151,266,420
6	2 / 3 Bed semi-detached Post 1945	74,481,050	105,088,050	105,329,050
7	2 Bed Terrace Pre 1945	8,988,840	12,006,440	13,367,640
Total		365,124,420	510,830,220	511,580,520

The challenge facing the Housing Revenue Account remains how to finance this required level of expenditure by 2050. The HRA does not have sufficient resource to meet this commitment and either needs to secure external financial support in the form of grants or government funding or to consider borrowing. As highlighted previously, the HRA has a significant amount of borrowing planned to facilitate the delivery of new homes, but with the cost of new build borrowing met from the rental income from the new homes. This would not be expected to be the case in respect of borrowing to finance energy works in the existing housing stock, with the works not impacting the level of rent charged, or therefore the rental income.

Potential cost mitigations include:

- The ability to increase social rents in recognition of this investment, using the 5% flexibility that exists as part of the rent restructuring target rent formula, recognising this would only generate a fraction of the resource required to support the required borrowing, and would only be applicable at tenancy change.
- Exploration of implementing a 'comfort' charge as a service charge alongside the rent, recognising not only the investment being made by the landlord, but also the anticipated reduction in utility bills that will be realised by the tenant. However, to recover the average investment required to retrofit a property to Net Zero Carbon over a 30-year period, the authority would need to levy a weekly service charge of approximately £49.00, which would exceed any anticipated utility saving for the tenant.

- Exploration of the potential to lever in external finance, either from Central Government or through other national and local funding bodies.

Re- modelling the impact of borrowing to deliver each of the 3 options, using the costs in the final report are summarised in the table below. The further option to deliver Net Zero Carbon in only those properties in the above data set that have an assumed EPC 'D' rating has also been re-presented. Note that the excluded non-traditional properties are also likely to be 'D' rated.

Energy Investment Option	Up-Front Investment	Total Increased Borrowing Required	Business Plan Impact
Retrofit Plus	365,124,420	699,156,000	Unable to set an HRA budget from Year 17, with borrowing required to pay interest on borrowing
EnerPHit	510,830,220	887,401,000	Unable to set an HRA budget from Year 8, with borrowing required to pay interest on borrowing
Net Zero Carbon	511,580,520	888,288,000	Unable to set an HRA budget from Year 8, with borrowing required to pay interest on borrowing
Net Zero Carbon – Assumed 'D' Rated Properties in above data only	145,258,390	311,150,000	Additional borrowing requirement over and above the initial investment of £166 million to allow delivery of existing commitments

The authority is not able to finance achieving Net Zero Carbon in all of its traditional build homes, or even to tackle the 'D' rated traditional build homes in the first instance. The HRA is not in a position to borrow to fund this level of investment without a significant negative impact on the future of the HRA.

It is clear from the table above that in order to borrow to retrofit the existing housing stock, the authority would need to borrow significantly higher sums than the level of actual investment in the stock. This is because the HRA would need to borrow extra to be able to meet the annual interest payments on the borrowing required for the retrofit works. This is because there is no direct financial return on this investment. In the case of borrowing for new build housing for example, the rental income from the new homes is used to make the interest payments on the borrowing.

As part of this HRA Medium Term Financial Strategy a sum of £5,000,000 was approved in 2022/23 to allow a pilot programme of 50 homes to be retrofit to achieve as near to Net Zero Carbon as possible. This programme is being developed currently, with surveys underway. It is anticipated that a number of homes will be retrofit in one archetype to demonstrate whether costs efficiencies can be delivered, and individual homes will be retrofit in some of the other archetypes to demonstrate whether the estimated costs in the Fielden and Mawson report are realistic and achievable.

The programme will also provide a strong evidence base upon which to lobby government and other bodies, in an attempt to secure external investment and will allow further exploration of the potential to use the 5% flexibility in the rent restructuring formula and / or to introduce a 'comfort' charge for tenants. There is also a skills shortage in this industry currently, and the approach should also allow local providers to upskill their workforce.

New Build Affordable Housing

General Approach

The Council's approach to building new homes continues to develop, with both Passivhaus and Net Zero Carbon pilot schemes now approved. A report considered at Housing Scrutiny Committee in January 2021 set out a commitment to delivering sustainable homes, with an updated Sustainable Housing Design Guide. An Estate Regeneration Policy was also approved in September 2021.

New Build Schemes Completed – Devolution 500 Programme Onwards

At the time of writing this report 138 new homes had been completed since the beginning of 2018 as part of the Devolution 500 Programme, with a net gain of 107 council rented homes.

The table below details the new build schemes completed as part of this programme to date:

Scheme	Date Completed	Total Social Housing / SO Units	Gain in Social Housing Units	External Funding Source	Percentage Social Housing on Site
Uphall Road	February 2018	2	2	RTB Receipts & Devolution Grant	100%
Nuns Way/Cameron Road	September 2019	7	7	RTB Receipts & Devolution Grant	100%
Wiles Close	September 2019	3	3	RTB Receipts & Devolution Grant	100%
Ditchburn Place	September 2019	2	2	RTB Receipts & Devolution Grant	100%
Queensmeadow	June 2020	2	2	RTB Receipts & Devolution Grant	100%
Anstey Way	June 2020	56	29	RTB Receipts & Devolution Grant	100%
Colville Road Garages	July 2020	3	3	RTB Receipts & Devolution Grant	100%
Gunhild Way	July 2020	2	2	RTB Receipts & Devolution Grant	100%
Wulfstan Way	September 2020	3	3	RTB Receipts & Devolution Grant	100%
Markham Close	September 2020	5	5	RTB Receipts & Devolution Grant	100%

Scheme	Date Completed	Total Social Housing / SO Units	Gain in Social Housing Units	External Funding Source	Percentage Social Housing on Site
Mill Road	October 2020	4	4	RTB Receipts & Devolution Grant	50%
Ventress Close	February 2021	15	13	RTB Receipts & Devolution Grant	100%
Mill Road	May 2021	1	1	RTB Receipts & Devolution Grant	50%
Akeman Street	May 2021	14	12	RTB Receipts & Devolution Grant	100%
Cromwell Road	October 2021	4	4	RTB Receipts & Devolution Grant	40%
Mill Road	October 2021	15	15	RTB Receipts & Devolution Grant	50%
Total		138	107		

New Build Schemes On Site – Devolution 500 Programme

Sites where work is in progress in respect of the 500 Programme are summarised in the table below, with details of the latest anticipated costs and number of units that will be delivered on each site once complete:

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Devolution Grant / S106 Funding	Net Capital Cost to the HRA
Mill Road	98 (20 taken)	98 (20 taken)	24,965,630	(7,489,690)	(17,475,940)	0
Kingsway	4	4	554,000	(166,200)	0	387,800
Cromwell Road	114 (4 taken)	114 (4 taken)	24,865,800	(5,997,920)	(17,141,400)	1,726,470
Colville Road II	67	47	14,467,580	(2,743,430)	(6,343,880)	5,380,270

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Devolution Grant / S106 Funding	Net Capital Cost to the HRA
Meadows and Buchan	106	106	25,929,000	(7,778,700)	(8,626,120)	9,524,180
Campkin Road	75	50	18,063,260	(3,243,930)	(7,949,970)	6,869,360
Total	464	419				

New Build Schemes On Site – New 1,000 Homes Programme

Sites where work is in progress in respect of the New 1,000 Homes Programme are summarised in the table below, with details of the latest anticipated costs and number of units that will be delivered on each site once complete:

Scheme	Approved Indicative Social Housing Units	Gain in Affordable Housing Units	Latest Budget Approved / for Approval	RTB Receipt / Sales Receipt Funding	Homes England Grant	Net Capital Cost to the HRA
Histon Road	10	10	1,978,000	(224,680)	0	1,753,320
L2	30	30	6,207,000	(620,700)	0	5,586,300
Total	40	40				

New Build Schemes in the Pipeline- Devolution 500 Programme

There are two small sites in the 500 Programme, which have scheme specific approval, but at the time of writing this report, were not on site. They are both HRA sites where the intention is for the HRA to deliver affordable housing. The site at Clerk Maxwell, where the HRA will acquire the affordable homes from Hill is also delayed, and yet to formally start on site for the affordable housing element. The table below detail the latest budget requirements either approved or for approval as part of the HRA Budget Setting Report and the assumed number of new homes which can be delivered, recognising that this may still be subject to both planning approval and procurement of a contractor or transfer to CIP.

Scheme	Approved Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Devolution Grant / Section 106 Funding / Assumed Homes England Grant	Net Capital Cost to the HRA
Tedder Way	1	1	506,000	(151,800)	0	354,200
Kendal Way	1	1	524,000	(157,200)	0	366,800
Clerk Maxwell Road	14	14	3,046,760	(914,030)	(2,132,730)	0
Total	16	16				

New Build Schemes in the Pipeline- New 1,000 Homes Programme

The table below detail the latest budget requirements either approved or for approval as part of the HRA Budget Setting Report and the assumed number of new homes which can be delivered, recognising that this may still be subject to both planning approval and procurement of a contractor or transfer to CIP. The latest budget approvals for sites identified for transfer to CIP are based upon the most recent cost estimates provided by CIP but will not be finalised until the Affordable Housing Agreement or design and build contract is entered into.

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Assumed Homes England / ERDF Grant	Net Capital Cost to the HRA
Colville Road III	48	32	12,649,000	0	(3,200,000)*	9,449,000
Fen Road	12	12	3,931,000	0	(1,200,000)*	2,731,000
Ditton Fields	6	6	2,061,000	0	(600,000)*	1,461,000
Aragon Close	7	7	1,988,000	0	(700,000)*	1,288,000
Sackville Close	7	7	1,988,000	0	(700,000)*	1,288,000
Borrowdale	3	3	914,000	0	(300,000)*	614,000
Aylesborough Close	70	37	19,030,000	0	(3,700,000)*	15,330,000
St Thomas's Road	8	8	2,105,000	0	(800,000)* (141,000)**	1,164,000

Scheme	Approved / Indicative Affordable Housing Units	Gain in Affordable Housing Units	Latest Budget for Approval	RTB Receipt and Sales Receipt Funding	Assumed Homes England / ERDF Grant	Net Capital Cost to the HRA
Paget Road	7	7	1,842,000	0	(700,000)* (124,000)**	1,018,000
Total	168	119				

*Homes England Grant is assumed at £100,000 per unit in line with the 1,000 Homes Programme strategic partnership bid assumptions, assuming CME bids will be submitted instead.

** Assumed European Regional Development Fund (ERDF) Grant through Eastern New Energy to build to Net Zero Carbon, with Passivhaus to be delivered if grant bid is unsuccessful.

Where either the budgets, or the number of units planned for delivery, for specific schemes are being proposed for amendment as part of this Budget Setting Report the original approval level and number of units anticipated is compared to the revised budget and number of units included as part of this report is summarised in the table below. This incorporates the latest cost estimates for the current number of units being proposed on each site and the latest contract values.

The scheme at Colville III has suffered increased costs due to labour and materials shortages and resulting price increases, the need to pile the site due to ground conditions and an increase in the costs of air source heat pumps. The Passivhaus schemes at Fen Road, Ditton Fields, Aragon Close, Sackville Close and Borrowdale all require additional budget based upon the latest cost estimates, for similar reasons as at Colville III. The number of units anticipated to be deliverable at Aylesborough Close has reduced by 2, but the budget has been retained in full to offset labour and materials price increases.

Scheme	Previous Budget Approval	Original Estimated Units	Latest Budget Approval Request	Revised Estimated Units
Colville III	11,780,000	48	12,649,000	48
Aylesborough Close	19,030,000	72	19,030,000	70
Fen Road	3,658,000	12	3,931,000	12
Ditton Fields	1,918,000	6	2,061,000	6

Scheme	Previous Budget Approval	Original Estimated Units	Latest Budget Approval Request	Revised Estimated Units
Aragon Close	1,850,000	7	1,988,000	7
Sackville Close	1,850,000	7	1,988,000	7
Borrowdale	875,000	3	914,000	3

The table below confirms the current status for each pipeline scheme:

Scheme	Site Type	Status	Potential New Build Units
Tedder Way	In-fill	Pre-planning	1
Kendal Way	In-fill	Pre-planning	1
Clerk Maxwell	Section 106	Planning approved	14
Colville Road III	Existing HRA Housing	Planning submitted	48
Fen Road	Land Acquisition	Planning approved	12
Ditton Fields	Land Acquisition	Planning submitted	6
Aragon Close	Existing HRA Garages	Pre-planning	7
Sackville Close	Existing HRA Garages	Pre-planning	7
Borrowdale	Existing HRA Garages	Planning approved	3
Aylesborough Close	Existing HRA Housing	Feasibility Stage	70
St Thomas's Road	Existing HRA Garages	Feasibility Stage	8
Paget Road	Existing HRA Garages	Feasibility Stage	7
Princess / Hanover Court	Existing HRA Housing	Land Assembly Only	TBC

The Housing Capital Investment Plan, an updated version of which is attached at **Appendix K**, incorporates the funding for new build schemes as identified in the tables above. It recognises the need for gross spend on the housing scheme, land values, devolution grant, other grant and right to buy receipts to be shown separately, arriving at the net cash cost to the Council as per

the tables above. For these purposes the use of retained right to buy receipt is treated as an external funding source, recognising that failure to utilise it as statutorily required, would result in the need to pay the receipt over to Central Government.

Tedder Way

This scheme now anticipates delivering a single, very large, mobility adapted dwelling on the site to meet an identified need on the housing register. The ability to proceed is now subject to securing planning approval, which is now anticipated to be submitted in December 2021.

Kendal Way

This scheme now anticipates delivering a single, very large, mobility adapted dwelling on the site to meet an identified need on the housing register. The ability to proceed is now subject to both resolving a historic boundary dispute and securing planning approval. A planning application is expected to be submitted by January 2022.

Clerk Maxwell

The authority will acquire 14 affordable homes from Hill Residential, on a site where planning approval has been granted. The scheme budget includes resource to improve the specification above that approved through the planning process. Work on the affordable housing will commence as soon as the authority enters into contract which is anticipated by January 2022.

Colville Road III

This site comprises 16 HRA properties, 2 leasehold flats and 4 shops. The proposed development will deliver 48 new or replacement homes alongside the re-provision of the commercial space. At the time of writing this report 15 tenanted households had been relocated and 1 leasehold flat had been re-acquired, leaving 1 tenant and 1 leaseholder still to relocate, with a compulsory purchase order now issued in respect of the leasehold dwelling.

The commercial property that currently exists on the site of the Colville Road III development is held in the Council's General Fund, with the benefit of the rental income also being recorded there. The budget for the commercial aspects of the development is held within the General

Fund Capital Plan, with the residential element budgeted for in the HRA, using the latest indicative scheme costs, which have increased since the scheme was given approval.

Fen Road

This site was acquired by the HRA in 2020/21. The scheme will result in the demolition of two derelict existing buildings which previously provided shared accommodation replacing them with an anticipated 12 new homes, two of which will be larger wheelchair accessible homes. The scheme has now been granted planning approval, with start on site anticipated in February 2022.

Ditton Fields

This site was acquired by the HRA in 2020/21 and is a garden in-fill site. The scheme will provide 6 new homes, with planning approval granted in October 2021 and start on site anticipated in February 2022.

Borrowdale

The site at Borrowdale is an existing HRA garage site, where an anticipated 3 new homes can be provided. Planning approval was granted in November 2021, with anticipated start on site in March 2022.

Aragon Close and Sackville Close

The two sites at Aragon Close and Sackville Close comprise existing HRA garage and parking bay provision, with an anticipated 14 new homes to be provided across both sites. Planning submission is anticipated in December 2021.

Aylesborough Close

This scheme comprises the redevelopment of 33 existing tenanted and 3 leasehold properties, to deliver a provisional 72 new homes, depending upon the final mix decided for the planning submission. This scheme, which is part of a Passivhaus for flats pilot project, will be submitted for planning in March 2022.

St Thomas's Road

This is an existing HRA garage and in-fill site, which involves the demolition of 20 garages, with a view to delivering at least 8 homes and the re-provision of public amenity space on the site, will be part of a net zero carbon pilot project subject to a successful ERDF grant bid, and is anticipated to be submitted for planning in March 2022.

Paget Road

This is an existing HRA garage and in-fill site, which involves the demolition of 34 garages, with a view to delivering at least 7 homes on the site, will be part of a net zero carbon pilot project and is anticipated to be submitted for planning in March 2022.

Princess and Hanover Court

In line with a separate report being presented as part of this committee cycle, and following a process of options appraisal and resident consultation, this iteration of the HRA business plan includes approval for the use of resource to buy back leasehold dwellings and re-locate all tenants in both Princess Court and Hanover Court. Sufficient funding to facilitate this already exists in the HRA Business Plan as part of the assumptions for the delivery of the 1,000 homes programme but the use of it will be brought forward significantly as part of this report. The funding has been incorporated over a two-year period, 2022/23 and 2023/24 so that the site can be vacated in stages. Options for the future redevelopment of the site will be brought back to a future Housing Scrutiny Committee once all of the feasibility work and options appraisals have been concluded. The timing of funding for the vacation of the scheme has been brought forward to coincide with the availability of new homes at both Mill Road and Cromwell Road, to ensure that residents have options to relocate in the surrounding area, should this be their preference. Buy backs and relocation of tenants will commence in advance of the final decision for the future of the estate, by agreement with the residents only.

General Fund Sites

Where any General Fund sites are taken forward for development with the potential for the HRA to acquire the affordable homes, there is the need to consider the impact of the transfer of land between the General Fund and the HRA and any resulting impact of the HRA Capital Financing Requirement. Legislatively, any increase in this results in increased interest costs to the HRA. If General Fund sites are built out by the Cambridge Investment Partnership, with the intention of

the Council being to exercise the break clause in a lease in order to acquire the affordable homes, it is considered necessary for this land to be appropriated between the General Fund and the HRA at market value, taking account of the intended use for the site, prior to lease to the Cambridge Investment Partnership.

Pilot Compact New Homes Project

As part of this iteration of the HRA Business Plan, to complement revenue resource that has been incorporated to allow exploration of compact new homes, a capital bid of £600,000 has been incorporated to allow a small pilot delivery project to be taken forward.

The project will explore the use of POD homes for retention in the HRA, the potential to convert existing vacant office space into residential accommodation, and other options for the delivery of smaller homes to meet a specific identified housing need.

The £600,000 capital budget is anticipated to allow a site of 6 POD style homes to be delivered but could alternatively fund the conversion of a small commercial site if an appropriate site can be identified.

1,000 Homes New Build Programme

The current key assumptions now made in respect of the 1,000 homes programme are:

- 1,000 net additional council rented homes delivered over 10 years from 2022.
- To deliver 800 initial net new council rented homes, 1,091 gross rented homes will be delivered in the first phase with other tenures where required (current assumption is that we will also build 75 shared ownership homes, 625 rent to buy homes and 450 market homes)
- Rent to buy homes would be purchased by a wholly owned council company, which would need registered provider status.
- Shared ownership homes could be sold to another registered provider with more experience in this market, but alternative options include retention in the HRA or purchase by the wholly owned council company.
- The balance of 200 net new homes would be delivered in a second phase.

- A range of delivery routes may be adopted, Joint Venture, Section 106, land led schemes, existing HRA sites or off the shelf purchases.
- A build cost of £2,950 per square metre, which assumes building to Passivhaus standards, by allowing a £500 uplift per square metre on the standard rate of £2,450, has been assumed for all sites where building to Passivhaus is considered feasible.
- A land acquisition costs for land led schemes of £65,000 per plot.
- Net new homes and 50% of re-provided homes are all let at council affordable rent levels using 60% of market rent (or the Local Housing Allowance if lower) in line with policy approved at Housing Scrutiny Committee in June 2021
- 50% of the number of rented homes demolished on existing HRA sites are all totalled, with this number of new homes assumed to be let at target social rents, allowing an assumed proportion of residents to return after redevelopment.
- Homes England grant of £100,000 per unit across all affordable tenures (except L2).
- Retained right to buy receipts continue to be available for re-investment but can't be appropriately reinvested in addition to Homes England Grant, and instead would be utilised for any site where grant was not awarded.
- Borrowing has been assumed at 2.5%, based upon Link (treasury advisors) projections of the PWLB rate for the medium term, at the time of writing this report.
- Delivery of 800 phase one net council rented homes assumes the need to demolish and re-provide 291 existing properties as part of site regeneration schemes, delivering a total of 1,091 rented homes.
- Investment profile is spread across the 10-year programme based upon indicative schemes incorporated into the strategic partnership grant bid for years 1 to 5.
- Annual servicing and maintenance costs have been increased by £130 per unit, recognising the need to maintain solar pv installations and a mechanical ventilation with heat recovery (MVHR) unit in each dwelling.
- Future replacement costs have been increased by an average of £457 per annum to allow for the replacement of the additional components required to deliver a Passivhaus dwelling.

This currently requires an estimated £348,000,000 of borrowing over the life of the plan.

Sites and schemes are brought forward for formal consideration and approval individually as opportunities arise.

Taking into consideration site constraints and the delivery vehicle adopted for each scheme as it is identified for inclusion in the programme, different recommendations may be made in respect of tenure mix and sustainability standards. The option currently incorporated into the plan assumes new homes will be built to Passivhaus standard wherever possible, but there is a commitment to move towards zero-carbon during the life of the programme, where it is feasible and viable to do so.

The programme, as incorporated currently, is still dependent upon securing Homes England Grant funding for all of the council rented and shared ownership units, and failure to achieve this will mean that the programme will need to be reviewed to identify alternative sources of funding, to increase the amount of market sale or shared ownership housing provided, to reduce build standards or to reduce the number of council rented homes delivered overall. This may mean pulling out of schemes that have already been granted scheme specific approval.

Opportunities to secure additional future funding through the Combined Authority, Homes England or DLUHC are being fully explored, as this will mitigate the amount of resource that the HRA needs to borrow.

The HRA needs to undertake a review of borrowing options in the coming months. Currently, the PWLB is offering reduced rates for lending to local authorities, but this rate may change before the end of the 1,000 programme. The authority will explore other borrowing routes to ensure that borrowing decisions are made with the benefit of comprehensive market information.

The resource ear-marked in the business plan is reviewed and re-profiled as the programme develops, with borrowing options explored and decisions to be made as part of the Medium Term Financial Strategy or budget setting process for any year in which borrowing is deemed necessary. The first year that borrowing is currently anticipated is 2022/23, with the need to consider alternative options such as institutional investment or bond issuance during the coming year.

Updated expenditure and funding sources, on a cashflow basis, for all new build schemes are detailed at **Appendix H**.

Capital Bids, Savings and Re-Phasing

There is only one formal capital bid incorporated as part of the 2022/23 HRA Budget Setting Report, but there are also a number of areas of updated new build costs, budget re-allocation and re-phasing.

Detailed changes are presented in **Appendix E**, with the overall financial and presentational impact of the following items being incorporated into the Housing Capital Investment Plan presented at **Appendix K**:

- Inclusion of a capital bid for £50,000 in 2022/23 to allow the purchase of a new Estate Services van, with the new vehicle anticipated to be an electric vehicle.
- *Inclusion of a capital bid of £600,000 to fund a pilot compact new homes project.*
- Changes to new build budgets, where scheme specific approval is already in place, with an increase of £869,000 in respect of Colville III in recognition of increased contract (materials and labour) costs at the point of entering into contract, coupled with the need to pile the site.
- Changes to new build budgets, where scheme specific approval is already in place, with an increase of £273,000 in respect of Fen Road, £143,000 in respect of Ditton Fields, £138,000 in respect of both Aragon Close and Sackville Close and £39,000 in respect of Borrowdale in recognition of increased anticipated build costs due to market forces, site constraints, and location and size of each of the sites,
- Allocation of £8,888,000 of resource in 2022/23 and £5,664,000 in 2023/24 to allow the buy back of leasehold dwellings and the relocation of tenants at both Princess Court and Hanover Court.
- Removal of budgets of £780,000 in 2021/22, for structural works at Princess and Hanover Court.

- Reduction and re-allocation of budget for fire safety works in flat blocks, with the £5,000,000 budget in 2022/23, reduced to £1,200,000, with £650,000 re-phased into 2025/26.
- Re-phasing of budgets for decent homes works, and other capital works to the existing HRA stock, as identified in **Appendix E**
- Re-phasing of new build schemes as identified in **Appendix E**.
- Adjustment to the level of inflation held in the capital programme, recognising the anticipated increased in building costs in the medium-term.
- Adjustment to the level of resources held for future works to new build dwellings recognising the increased sustainability build standards and to meet the cost of inflation, as a result of the changes above.

Section 6

HRA Treasury Management

Background

Statutorily, the Housing Revenue Account is required to set a balanced budget, including recognition of the revenue implications that arise from capital financing decisions.

The Housing Capital Investment Plan provides an indication of the borrowing requirement in any year, ensuring that this can be incorporated into the Council's overall borrowing assumptions and Treasury Management Strategy.

There is currently no constraint on the level of borrowing that the HRA can take out, but the authority must ensure that it can demonstrate the resource is being utilised in the provision of social or affordable rented housing, it is able to identify the revenue resource to support the borrowing and must give due regard to the need to repay or re-finance the debt at the end of any initial borrowing term.

A risk to the HRA's ability to borrow remains the Local Authority Investment Guidance which states that any authority making an investment that is classified as an 'investment asset primarily for yield', will not be able to access loans from the PWLB in the financial year in which it makes this investment. Local authorities need to submit a 3-year capital investment strategy to be able to borrow, and the Section 151 Officer needs to certify that none of the capital projects are classified as investments primarily for yield. Investment in housing, regeneration, preventative action (ie; buying an asset of community value) and treasury management (ie; re-financing existing debt) are acceptable, but investment for yield, such as investment in land or buildings to be let at market rates is prohibited. There is therefore the potential for any investment decisions made by the General Fund to detriment the HRA's ability to borrow from the PWLB in any given

year. This would not stop the HRA borrowing but would mean that an alternative lending source would need to be identified, with rates potentially not being as preferential.

HRA Borrowing

As at 1 April 2021, the Housing Revenue Account supported external borrowing of £213,572,000 in 20 maturity loans with the Public Works Loans Board (PWLB), with rates ranging between 3.46% and 3.53% depending upon the term of the loan. The loans have varying maturity dates, with the first £10,678,600 due to be repaid on 28th March 2038, and the last on 28th March 2057.

At April 2021, the external loans attributable to the HRA, were notionally reduced as part of the HRA Capital Financing Requirement by the sum of £4,917,608 in recognition of the balance of the land acquisition costs which the HRA met in respect of the land site at Cromwell Road. In the short term, the General Fund is required to pay the HRA annual interest on this sum, at a reasonable rate, as part of the Item 8 Debit or Credit to the HRA. Once the scheme is complete, and CIP has repaid the loan to the Council for land purchase, this arrangement will no longer exist, and the HRA will return to the previous position where there is a small sum of notional internal borrowing from the General Fund, with interest payable in the same way in return.

If the HRA acquires housing built on General Fund land, the land has to be appropriated (transferred) to the HRA, increasing the HRA Capital Financing Requirement and the resulting interest due to the General Fund. This transfer takes place at market value, but taking into account the intended future use for the site, i.e.; as social or affordable housing.

This iteration of the business plan assumes that the authority will re-invest all revenue resource that has been previously set-aside for potential debt redemption or re-investment, prior to undertaking the additional borrowing, currently estimated at £251,000,000 to deliver the 1,000 homes programme from 2022/23. Borrowing of a further £97,000,000 is required over the life of the plan, to ensure that new homes are maintained at Passivhaus standards and that the small ongoing programme of new homes continues to be delivered at this standard where possible.

The HRA financial forecasts assume that the initial borrowing requirement in 2022/23 is met by borrowing from the Public Works Loan Board (PWLB), assuming the reduced base rates for local

authority planned borrowing. Borrowing is assumed at 2.5% on an ongoing basis, using Link's medium-term projections.

Alternative borrowing routes will be explored during 2022/23 as the authority is required to borrow significantly greater sums, building on the work that has recently been done to secure funding for the Park Street project. Consideration will also be given to internal borrowing, inter-authority borrowing, market borrowing and bond issuance. All of these borrowing routes have been explored previously, but the preferential rates available from the PWLB mean that they have previously been ruled out.

The 2021/22 HRA Budget Setting Report does not review the potential sources of lending, types of borrowing, lengths of loans or alternative rates available for taking out any additional borrowing at this stage, with the current rate of PWLB lending of 2.50% being adopted as a default. Further review will need to be undertaken during 2022/23 before significant borrowing is undertaken.

Section 7

Summary and Overview

Conclusion

Overview

The budget for 2022/23 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 the challenge to identify 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. Progress in both of these areas can be made during 2022/23 with both Passivhaus and Net Zero Carbon pilot projects for new homes and funding identified for a pilot of 50 retrofits of existing stock. A longer-term programme needs to be developed and costed once the pilot activity is concluded.

Currently, the building trade is experiencing both materials and labour shortages, with delays and increased costs being experienced as a direct result.

The authority still awaits details of how the Housing White Paper will impact service delivery, with the Regulator of Social Housing currently developing the framework in which we will need to operate going forward, with a review of the decent home's standard, improved regulation and routine inspection of social housing providers all anticipated. The Fire Safety Act also increases the authority's responsibility in respect of fire safety and fire prevention in any property with two or more sets of domestic premises.

The rollout of Universal Credit continues to contribute to uncertainty for the Housing Service, with the full impact of direct payment on rent collection and rent arrears, still to be realised.

Conclusion Summary

Work undertaken as part of the 2022/23 budget process has resulted in the development of proposals for setting the budget for the Housing Revenue Account.

In January 2022 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 2021/22 to 2030/31 to Council for consideration and approval.

The HRA Budget Setting Report recommends approval of, where applicable:

- Property rents, garage and parking space rents and service charges
- Revised budget proposals
- Unavoidable revenue pressure proposals
- Reduced income proposals
- Revenue bids
- Savings proposals
- Increased income proposals
- Non-cash limit items
- Capital bids, capital savings, revised scheme costs and timings
- Capital resource re-allocation

The meeting of Council in February 2022 will consider the final proposed Housing Capital Budget as identified in this report for approval.

Savings identified in the HRA from 2022/23 include removal of inflation in non-contractual areas of planned revenue maintenance and general management services, savings in the costs of temporary propping hire for blocks with structural issues as work is completed, savings in waste disposal costs with more efficient collection regimes, savings in pension costs and recharges from the General Fund for corporate and support services and a reduction in the budget for legionella testing to bring the budget in line with the contract value.

Increased income is anticipated from rents due to the level of CPI at September 2021, in service charges due to the number of properties in stock and the higher level of services being provided to new build homes, in commercial rent income as a result of the new units at Akeman Street and in fee income for services provided by HRA staff.

Savings and increased income are partially offset by unavoidable revenue pressures, predominantly due to increased costs of fire protection equipment and macerator servicing, electrical lighting maintenance, garden clearances, national insurance for all employees and ensuring CCTV statutory compliance. The need to identify resource to meet the difference between the level of inflation incorporated at 2% in the HRA Medium-Term Strategy and the latest prediction for 2022/23 of 3.7%, results in an additional revenue pressure item to ensure that contractual commitments can be met.

A reduction in emergency alarm income is anticipated due to declining customer numbers.

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 increase staffing in the Home Ownership Team and to employ 2 additional Multi-Skilled Operatives, initially to work as part of the Voids Team. The latter does not require new resource as it will be funded from the existing budget in the business plan that recognises an increase in the housing stock and therefore in associated costs.

There are non-cash limit adjustments to reflect the use of existing resource to fund the 2 Multi-Skilled Operatives, and also in respect of interest received, interest paid, the required contribution to the bad debt provision, which is linked to the anticipated rental income, in depreciation and in respect of direct revenue financing of capital expenditure, where this has been increased to mitigate the impact of the lower level of depreciation for 2022/23.

The overall position for the HRA by 2022/23 (including non-cash limit adjustments) is a cumulative over-achievement of £241,940, fluctuating in future years, but arriving at a cumulative over-achievement of £353,920 by 2026/27.

There is currently an assumption that efficiency savings of £147,000 per annum will be sought for a further 4 years, allowing the continuation of a corresponding Strategic Investment Fund for the same period. Effectively, any increase in revenue costs or investment in new revenue 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, with significant additional borrowing planned, there needs 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 107 additional homes handed over and a further 419 additional homes on site at the time of writing this report. The authority also has a number of schemes approved as part of the new 1,000 homes programme, with 40 homes on site at the time of writing this report.

The biggest single risk to the business plan currently is the assumption that the authority will be successful in securing Homes England Grant on a scheme by scheme basis, with assumptions that all but one of the 1,000 homes programme sites will have grant funding to allow them to proceed. If the authority is unsuccessful in securing grant, each scheme will need to be revisited before entering into contract to ensure that the HRA can borrow sufficient funds to proceed.

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.

2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Unavoidable Revenue Pressure

URP4846	RTB Valuer Bid	5,600	5,600	5,600	5,600	5,600	Nil	No Impact
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It is proposed to recruit to a 0.5 FTE post to undertake RTB valuations, with the costs shared jointly with South Cambridge shire District Council. This will result in the need for an increased budget as the number of applications has recently increased. The additional cost will be experienced irrespective of whether we continue to externalise this work or recruit to deliver the function in-house. .

Anna Hill

Housing (HRA) Portfolio

URP4852	Fire Protection Equipment Servicing	20,000	20,000	20,000	20,000	20,000	Nil	No Impact
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The cost of servicing fire protection equipment in HRA assets has increased over recent years as new installations have taken place. Additional resource is required to met this statutory responsibility.

Gareth Basterfield

Housing (HRA) Portfolio

URP4853	Emergency Lighting Maintenance	5,000	5,000	5,000	5,000	5,000	Nil	No Impact
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The cost of servicing emergency lighting has increased as installations have increased in HRA assets. Additional resource is required to meet this statutory requirement.

Gareth Basterfield

Housing (HRA) Portfolio

URP4854	Ventress Close Pumping Station	2,000	2,000	2,000	2,000	2,000	Nil	No Impact
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As part of the delivery of new homes at Ventress Close a sewage pumping station has been introduced which is causing operational issues. Assuming that a macerator can be installed in 2021/22, this funding will be required to monitor, service and maintain the solution.

John Conroy

Housing (HRA) Portfolio

URP4866	Sheltered CCTV Compliance	17,500	0	0	0	0	Nil	Low Positive Impact
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To ensure compliance with legislation the authority needs to connect all CCTV in sheltered housing to the CCTV control centre. There will be ongoing monitoring costs, but these will be met by tenant service charges.

Laura Adcock

Housing (HRA) Portfolio

2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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URP4872	Increased Garden Clearance Costs	22,000	22,000	22,000	22,000	22,000	Nil	No Impact
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Based upon the condition in which gardens in void properties are being returned to us in, and the costs incurred in 2021/22 to date, it is anticipated that an increased ongoing budget will be required

Paul
Connolly

Housing (HRA) Portfolio

URP4886	Increase in Employer's National Insurance	52,400	52,400	52,400	52,400	52,400	Nil	No Impact
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An increase of 1.25% in employer's national insurance is anticipated from April 2022 as part of national changes to close the gap caused by the pandemic and help fund social care. To be replaced by the Social Care Levy from April 2023.

Julia Hovells

Housing (HRA) Portfolio

URP4980	Inclusion of additional 1.7% inflation	155,640	155,640	155,640	155,640	155,640	Nil	No Impact
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CPI is now forecast to increase by 3.7% for 2022/23, compared to the 2% allowed for in the HRA MTFS. This provision for the additional 1.7% will allow allocation of resource to meet any inflationary increases realised by the HRA, particularly in contractual costs.

Julia Hovells

Housing (HRA) Portfolio

Total Unavoidable Revenue Pressure	280,140	262,640	262,640	262,640	262,640
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Reduced Income

RI4879	Reduction in Emergency Alarm income	10,000	10,000	10,000	10,000	10,000	Nil	No Impact
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A reduction in customer numbers results in an inability to achieve the budgeted level of income. This service will be reviewed in light of digitalisation and the County Council now making a similar offer.

Laura
Adcock

Housing (HRA) Portfolio

Total Reduced Income	10,000	10,000	10,000	10,000	10,000
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Revenue Bids

B4856	Home Ownership Team Staffing Increase	15,170	15,170	15,170	15,170	15,170	Nil	No Impact
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An increase in both RTB applications and lease extension requests has resulted in an increased workload for the team. This bid would increase staffing resource by 0.35 FTE and would be partly funded by increased fee income.

Anna Hill

Housing (HRA) Portfolio

B4875	Recruitment of 2 additional Multi Skilled Operatives	84,610	84,610	84,610	84,610	84,610	Negative/Low Impact	No Impact
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It is proposed to utilise resource already incorporated into the HRA Business Plan to employ 2 additional Multi Skilled Operatives recognising both increased stock holding and increased void activity.

Paul Connolly

Housing (HRA) Portfolio

G&IB1	Feasibility project for Compact New Homes	40,000	0	0	0	0	Nil	No Impact
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It is proposed to fund a project to explore innovative ways to deliver smaller homes to meet a specific housing need, with POD homes for retention in the HRA, vacant office space for conversion to residential accommodation and community living options all being considered.

Claire Flowers

Housing (HRA) Portfolio

G&IB2	Management and maintenance costs for Compact New Homes	0	8,570	8,760	8,920	9,100	Low Impact	No Impact
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The delivery of 6 new homes will result in an increase in revenue management and repairs and maintenance costs. These, and other costs associated with the assets, will be met from the new rental income.

Claire Flowers

Housing (HRA) Portfolio

Total Revenue Bids	139,780	108,350	108,540	108,700	108,880
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Pressures & Bids Total:	429,920	380,990	381,180	381,340	381,520
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Savings

S4868	Removal of inflation in planned revenue repairs	(32,260)	(32,260)	(32,260)	(32,260)	(32,260)	Nil	No Impact
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It is proposed to remove inflation from non-contractual budgets to deliver savings for strategic reinvestment

Martin
Donnelly

Housing (HRA) Portfolio

S4869	Savings in temporary propping costs	(19,890)	(19,890)	(19,890)	(19,890)	(19,890)	Nil	No Impact
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The authority has purchased some temporary propping, which can now be relocated as required, reducing the need to hire in external structural supports.

Martin
Donnelly

Housing (HRA) Portfolio

S4877	Reduction in costs of waste disposal at Cowley Road	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	Positive/Low Impact	No Impact
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The move from Mill Road to Cowley Road resulted in changes in waste disposal processes, which have delivered a saving to the HRA.

Paul
Connolly

Housing (HRA) Portfolio

S4883	Saving in HRA Salary Costs	(24,030)	(24,030)	(24,030)	(24,030)	(24,030)	Nil	No Impact
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Savings are anticipated in salary costs as a result of retention of staff, who are at top of their pay scales and will not receive incremental pay progression.

Anna Hill

Housing (HRA) Portfolio

S4888	Reduction in budget for Legionella Testing	(12,810)	(12,810)	(12,810)	(12,810)	(12,810)	Nil	No Impact
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It is proposed to reduce this budget in line with current contracted legionella testing prices. The programme of testing will not be impacted in any way by taking this saving.

Gareth
Basterfield

Housing (HRA) Portfolio

S4889	Remove additional inflation in General HRA Services	(30,620)	(30,620)	(30,620)	(30,620)	(30,620)	Nil	No Impact
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A reduction has been made in respect of the inflation allowed for in General HRA Services for 2022/23 onwards

Anna Hill

2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Housing (HRA) Portfolio

S4977	Reduction in unfunded pension costs	(17,710)	(17,710)	(17,710)	(17,710)	(17,710)	Nil	No Impact
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Resource required to meet the cost of unfunded pensions reduces as those in receipt of the top up are no longer claiming a pension.

Julia Hovells

Housing (HRA) Portfolio

S4978	Reduction in pension deficit costs	(67,960)	0	0	0	0	Nil	No Impact
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Agreeing a multi-year arrangement in respect of meeting pension deficit costs resulted in an overspend in 2020/21, but will mean that a lower sum is due in 2022/23. n

Julia Hovells

Housing (HRA) Portfolio

S4979	Reduction in Recharges to the HRA	(75,700)	(75,700)	(75,700)	(75,700)	(75,700)	Nil	No Impact
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A review of recharges based upon the latest costs available result in an anticipated reduction in recharges to the HRA

Anna Hill

Housing (HRA) Portfolio

Total Savings	(300,980)	(233,020)	(233,020)	(233,020)	(233,020)
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Increased Income

II4855	Leasehold Fee Income	(7,760)	(7,760)	(7,760)	(7,760)	(7,760)	Nil	No Impact
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Income for RTB lease extensions and freeholder covenants is increasing as leases age. This recognises an anticipated increase in fee income based upon 2021/22 activity to date.

Anna Hill

Housing (HRA) Portfolio

II4871	Recharge to General Fund for Staff Management Services	(11,920)	(11,920)	(11,920)	(11,920)	(11,920)	Nil	No Impact
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Management of General Fund policy and performance and housing support is now being delivered by staff in the HRA, resulting in an increase in income. The cost to the General Fund is being met within existing staffing budgets.

Laura Adcock

Housing (HRA) Portfolio

II4881	Increased Commercial Property Rental Income	(49,920)	(49,920)	(49,920)	(49,920)	(49,920)	Nil	Low Positive Impact
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An increase in commercial property rental income is anticipated due to letting new commercial units at Akeman Street and expected rent review outcomes for existing units.

Julia Hovells

Housing (HRA) Portfolio

II4882	Increased Service Charge Income	(14,060)	(14,060)	(14,060)	(14,060)	(14,060)	Nil	Low Positive Impact
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A net increase in service charge income is anticipated based upon current stock numbers and service charge costs

Julia Hovells

Housing (HRA) Portfolio

II4973	Increased dwelling rent income	(131,330)	(126,040)	(146,010)	(151,680)	(290,600)	Nil	Negative Impact
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The level of CPI for September 2021 was higher than estimated, with rent increases of 4.1% proposed. This increased rent is partially offset by delays in handover for new homes on a number of sites, coupled with earlier than anticipated decant of homes that have been ear-marked for potential re-development..

Julia Hovells

Housing (HRA) Portfolio

Total Increased Income	(214,990)	(209,700)	(229,670)	(235,340)	(374,260)
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Savings Total:	(515,970)	(442,720)	(462,690)	(468,360)	(607,280)
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Non-Cash Limit Items

NCL4876	Resource for the recruitment of 2 additional Multi Skilled Operatives	(84,610)	(84,610)	(84,610)	(84,610)	(84,610)	Nil	No Impact
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This adjustment reallocates resource already built into the business plan to allow the recruitment of 2 new posts

Lynn
Thomas

Housing (HRA) Portfolio

NCL4974	Increase in Bad Debt Provision	1,260	1,490	1,730	1,740	1,750	Nil	Low Positive Impact
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The level of contribution to the bad debt provision is based upon a proportion of rental income, with any change in this impacting the annual contribution.

Julia Hovells

Housing (HRA) Portfolio

NCL4975	Reduction in depreciation	(136,760)	(136,760)	(132,120)	(132,030)	(131,930)	Nil	No Impact
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The level of depreciation from 2022/23 is less than anticipated based upon an assumption of revised remaining asset lives, combined with the latest stock holding projections.

Julia Hovells

Housing (HRA) Portfolio

NCL4976	Increase in Direct Revenue Financing of Capital Expenditure (DRF)	136,760	143,090	74,200	138,830	138,210	Nil	No Impact
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The level of DRF is proposed to be adjusted to offset the initial impact of depreciation changes, to ensure funding for the capital programme is unaltered. It is also altered for the impact of the proposal to build 6 additional pilot homes, which will marginally impact cashflow and borrowing assumptions, which in turn affects the level of revenue funding available for capital purposes.

Julia Hovells

Housing (HRA) Portfolio

NCL4981	Increase in Interest Paid	213,680	255,890	41,190	105,470	335,130	Nil	No Impact
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Based upon assumed additional borrowing in 2022/23, and an increased borrowing rate, the level of interest payable will increase.

Julia Hovells

Housing (HRA) Portfolio

NCL4982	Increase in Interest Received	(23,350)	(12,350)	(11,050)	0	0	Nil	No Impact
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2022/23 Budget – HRA Proposals – by Type

Appendix D (2)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Rating	Poverty Ratings & Contact
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Investment income for the HRA is anticipated to be marginally higher as a result of forecast cash balances that will be held.

Julia Hovells

Housing (HRA) Portfolio

<i>Total Non-Cash Limit Items</i>	<i>106,980</i>	<i>166,750</i>	<i>(110,660)</i>	<i>29,400</i>	<i>258,550</i>
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<i>Non - Cash Limit Items Total:</i>	<i>106,980</i>	<i>166,750</i>	<i>(110,660)</i>	<i>29,400</i>	<i>258,550</i>
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2022/23 Budget – HRA Proposals – by Type

Appendix D (3)

Reference	Item Description	2022/23 Budget £	2023/24 Budget £	2024/25 Budget £	2025/26 Budget £	2026/27 Budget £	Climate Effect	Poverty Ratings & Contact
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Capital Bids

HRACAP1	Estate Services Van	50,000	0	0	0	0	Low	No Impact
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It is proposed to purchase a new electric vehicle to replace the previous Estate Services van, which was unfortunately stolen in November 2021. Any funds recovered via the insurance for the vehicle stolen will be used to help meet the cost of the replacement vehicle.

Anna Hill

Housing (HRA) Portfolio

G&I1CAP1	Compact New Homes	600,000	0	0	0	0	Low	No Impact
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It is proposed to deliver a pilot project of in the region of 6 homes following work undertaken to explore the use of POD homes for retention in the HRA, the use of vacant office space for conversion to residential accommodation and the potential for community living.

Claire
Flowers

Housing (HRA) Portfolio

Total Capital Bids	50,000	0	0	0	0	0		
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Appendix E

2021/22 Capital Budget Amendments Summary

Area of Expenditure and Change	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Total Housing Capital Plan Expenditure per HRA MTFs	68,656	87,204	77,185	150,757	195,580
General Fund Housing					
Adjustment to DFG budget from 2022/23 in line with current net DFG Grant	0	(2)	(2)	(2)	(2)
Decent Homes and Other HRA Stock Investment					
Re-phase structural works in line with planned delivery timescales	(218)	218	0	0	0
Remove budget for structural works at Princess and Hanover Court	(780)	0	0	0	0
Re-phase boiler works recognising 'no access' issues	(400)	0	0	400	0
Re-phase and reduce decent homes contractor overheads in line with planned delivery timescales	(184)	89	0	44	0
Remove budget for fire safety works in flat blocks, particularly at Princess and Hanover Court	0	(3,800)	0	0	650
Re-phase external painting works to 2028/29	(350)	0	0	0	0
Re-phase communal electrical work in line with planned delivery timescales	(200)	200	0	0	0
Re-phase and reduce other works contractor overheads in line with planned delivery timescales	(22)	(43)	0	0	0
Adjustment to the Decent Homes New Build Allocation	0	(110)	(94)	12	13
New Build					
Re-phase budget for Mill Road	(826)	826	0	0	0
Rephase budget for Colville Road II	(1,826)	1,710	116	0	0
Re-phase budget for Clerk Maxwell	(426)	426	0	0	0
Re-phase budget for Campkin Road	(1,424)	1,355	69	0	0
Re-phase budget for Histon Road	(18)	18	0	0	0
Rephase budget for L2	(833)	(33)	866	0	0
Rephase and increase budget for Colville Road III	119	394	339	17	0
Re-phase and increase budget for Fen Road	(406)	36	643	0	0

Area of Expenditure and Change	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Re-phase and increase budget for Ditton Fields	(85)	(92)	320	0	0
Re-phase and increase budget for Aragon Close	(326)	(178)	642	0	0
Re-phase and increase budget for Sackville Close	(326)	(177)	641	0	0
Re-phase and increase budget for Borrowdale	(123)	(160)	322	0	0
Re-phase budget for Aylesborough Close	(492)	988	1,521	(2,017)	0
Include resource for buy backs and decant at Princess and Hanover Court	0	8,888	5,664	0	0
Re-allocation of land acquisition and 1,000 homes budget in line with changes to scheme specific approvals	2,472	(778)	(19,846)	2,000	0
Include budget for Compact New Homes	0	600	0	0	0
Sheltered Housing					
No changes	0	0	0	0	0
Other HRA Capital Spend					
Bid to purchase an Estate Van	0	50	0	0	0
Inflation Allowance					
Adjustment in inflation allowed as spend changes	0	75	119	413	548
Total Housing Capital Plan Expenditure per HRA BSR	61,982	97,704	68,505	151,624	196,789

New Build Investment Cashflow

Appendix H

New Build / Re-Development Scheme	2021/22 £'0000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
New Build / Acquisition / Re-Development Cash Expenditure										
Anstey Way	93	0	0	0	0	0	0	0	0	0
Tedder Way	50	400	41	0	0	0	0	0	0	0
Kendal Way	50	400	41	0	0	0	0	0	0	0
Queensmeadow	1	0	0	0	0	0	0	0	0	0
Wulfstan Way	1	0	0	0	0	0	0	0	0	0
Akeman Street	95	0	0	0	0	0	0	0	0	0
Wyentress Close	50	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	1	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	1,957	826	0	0	0	0	0	0	0	0
Sunhild Way	1	0	0	0	0	0	0	0	0	0
Cromwell Road	3,684	3,247	378	0	0	0	0	0	0	0
Kingsway Clinic Conversion	368	0	0	0	0	0	0	0	0	0
Colville Road II	5,331	5,734	116	0	0	0	0	0	0	0
Meadows and Buchan Street	3,589	9,075	8,893	3,025	0	0	0	0	0	0
Clerk Maxwell Road	1,391	1,638	0	0	0	0	0	0	0	0
Campkin Road	6,066	7,337	1,001	0	0	0	0	0	0	0
L2	1,897	3,194	1,114	0	0	0	0	0	0	0
Colville Road III	1,724	5,709	4,911	245	0	0	0	0	0	0
Histon Road	212	1,632	0	0	0	0	0	0	0	0
Fen Road	394	2,436	993	0	0	0	0	0	0	0
Ditton Walk	265	1,108	648	0	0	0	0	0	0	0
Aragon Close	24	1,022	940	0	0	0	0	0	0	0
Sackville Close	24	1,023	940	0	0	0	0	0	0	0

Borrowdale	127	440	345	0	0	0	0	0	0	0
New Build / Re-Development Scheme	2021/22 £'0000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Aylesborough Close	653	4,283	10,724	3,370	0	0	0	0	0	0
St Thomas's Road	82	690	1,333	0	0	0	0	0	0	0
Paget Road	72	604	1,166	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	3,631	0	0	0	0	0	0	0	0	0
POD Homes	10	0	0	0	0	0	0	0	0	0
Compact New Homes	0	600	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	3,148	8,888	5,664	0	0	0	0	0	0	0
1,000 New Build Programme	3,677	10,631	12,107	122,886	166,327	200,169	90,954	22,641	16,250	16,250
Total New Build/ Re-Development Expenditure	38,668	70,917	51,355	129,526	166,327	200,169	90,954	22,641	16,250	16,250
New Build Devolution Grant Funding / DLUHC Rough Sleeper Next Steps Grant Funding / Assumed Homes England Grant / Assumed ERDF Grant										
Anstey Way	(33)	0	0	0	0	0	0	0	0	0
Tedder Way	10	0	0	0	0	0	0	0	0	0
Kendal Way	22	0	0	0	0	0	0	0	0	0
Queensmeadow	(1)	0	0	0	0	0	0	0	0	0
Wulfstan Way	(1)	0	0	0	0	0	0	0	0	0
Akeman Street	(23)	0	0	0	0	0	0	0	0	0
Ventress Close	(30)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	(1)	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(1,370)	(578)	0	0	0	0	0	0	0	0
Gunhild Way	(1)	0	0	0	0	0	0	0	0	0
Cromwell Road	(2,579)	(2,273)	0	0	0	0	0	0	0	0
Kingsway Clinic Conversion	130	0	0	0	0	0	0	0	0	0
Colville Road II	(2,618)	(2,816)	0	0	0	0	0	0	0	0
Meadows and Buchan Street	(2,511)	(5,145)	0	0	0	0	0	0	0	0
Clerk Maxwell Road	(974)	(1,147)	0	0	0	0	0	0	0	0
Campkin Road	(2,776)	(3,424)	0	0	0	0	0	0	0	0

Colville Road III	0	(1,600)	(1,600)	0	0	0	0	0	0	0
Fen Road	0	(600)	(600)	0	0	0	0	0	0	0
New Build / Re-Development Scheme	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'0000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ditton Walk	0	(300)	(300)	0	0	0	0	0	0	0
Aragon Close	0	(350)	(350)	0	0	0	0	0	0	0
Sackville Close	0	(350)	(350)	0	0	0	0	0	0	0
Borrowdale	0	(150)	(150)	0	0	0	0	0	0	0
Aylesborough Close	0	(1,850)	0	(1,850)	0	0	0	0	0	0
St Thomas's Road	0	(447)	(494)	0	0	0	0	0	0	0
Paget Road	0	(391)	(433)	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	(1,730)	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	0	(25,667)	(53,821)	(55,612)	0	0	0	0	0
Total New Build / Re-Development Funding	(14,487)	(21,421)	(29,944)	(55,671)	(55,612)	0	0	0	0	0
Use of Retained Right to Buy Funding										
Anstey Way	(15)	0	0	0	0	0	0	0	0	0
Tedder Way	(15)	(120)	(12)	0	0	0	0	0	0	0
Kendal Way	(15)	(120)	(12)	0	0	0	0	0	0	0
Queensmeadow	0	0	0	0	0	0	0	0	0	0
Wulfstan Way	0	0	0	0	0	0	0	0	0	0
Akeman Street	(10)	0	0	0	0	0	0	0	0	0
Ventress Close	(13)	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	0	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	(587)	(248)	0	0	0	0	0	0	0	0
Gunhild Way	0	0	0	0	0	0	0	0	0	0
Cromwell Road	(368)	(325)	(38)	0	0	0	0	0	0	0
Kingsway Clinic Conversion	(110)	0	0	0	0	0	0	0	0	0
Colville Road II	(1,122)	(1,207)	(25)	0	0	0	0	0	0	0
Meadows and Buchan Street	(1,077)	(2,723)	(2,669)	(908)	0	0	0	0	0	0

Clerk Maxwell Road	(417)	(491)	0	0	0	0	0	0	0	0
Campkin Road	(1,191)	(1,467)	(200)	0	0	0	0	0	0	0
L2	(190)	(319)	(111)	0	0	0	0	0	0	0
Histon Road	(21)	(163)	0	0	0	0	0	0	0	0
Acquisition or New Build (Unallocated)	0	0	0	0	0	0	0	0	0	0
1,000 New Build Programme	0	0	0	0	0	0	0	(4,875)	(4,875)	(4,875)
Total Use of Retained Right to Buy Funding	(5,151)	(7,183)	(3,066)	(908)	0	0	0	(4,875)	(4,875)	(4,875)
<i>Total to be funded from HRA Resources (DRF & MRR) and Sales Receipts</i>	19,030	22,577	18,345	29,945	27,827	26,955	90,954	17,766	11,375	2,487
<i>Total HRA Borrowing</i>	(0)	19,737	0	43,003	82,888	173,214	0	0	0	8,888

HRA Summary 2021/22 to 2026/27

Appendix J

Description	2021/22 £0	2022/23 £0	2023/24 £0	2024/25 £0	2025/26 £0	2026/27 £0
Income						
Rental Income (Dwellings)	(38,832,330)	(41,313,920)	(44,143,690)	(47,052,670)	(49,406,600)	(51,767,680)
Rental Income (Other)	(1,271,080)	(1,346,410)	(1,377,380)	(1,404,920)	(1,433,020)	(1,461,680)
Service Charges	(3,135,570)	(3,368,420)	(3,441,560)	(3,506,620)	(3,572,990)	(3,640,680)
Contribution towards Expenditure	(575,730)	(570,020)	(583,130)	(594,790)	(606,680)	(618,820)
Other Income	(458,110)	(464,010)	(473,040)	(482,500)	(492,150)	(501,990)
Total Income	(44,272,820)	(47,062,780)	(50,018,800)	(53,041,500)	(55,511,440)	(57,990,850)
Expenditure						
Supervision & Management - General	4,106,690	4,199,310	4,391,460	4,575,530	4,743,940	4,913,360
Supervision & Management - Special	3,191,720	3,392,300	3,459,310	3,538,640	3,619,860	3,703,020
Repairs & Maintenance	9,435,180	8,115,740	8,472,950	8,884,560	9,291,060	9,739,560
Depreciation - t/f to Major Repairs Res.	10,574,480	11,143,730	11,928,850	12,702,760	13,246,880	13,672,530
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	4,062,010	4,103,170	4,250,570	4,401,320	4,546,900	4,695,910
Total Expenditure	31,370,080	30,954,250	32,503,140	34,102,810	35,448,640	36,724,380
Net Cost of HRA Services	(12,902,740)	(16,108,530)	(17,515,660)	(18,938,690)	(20,062,800)	(21,266,470)
HRA Share of operating income and expenditure included in Whole Authority I&E Account						
Interest Receivable	(125,960)	(207,900)	(124,600)	(133,740)	(142,260)	(167,380)
HRA (Surplus) / Deficit for the Year	(13,028,700)	(16,316,430)	(17,640,260)	(19,072,430)	(20,205,060)	(21,433,850)
Items not in the HRA Income and Expenditure Account but in the movement on HRA balance						
Loan Interest	7,473,890	7,724,430	8,008,670	8,539,350	10,111,400	13,279,630
Housing Set Aside	(9,763,000)	(4,941,510)	0	0	0	0

Appropriation from Ear-Marked Reserve	0	0	0	0	0	0
<i>Direct Revenue Financing of Capital</i>	29,417,230	14,610,590	<i>5,865,140</i>	<i>14,027,990</i>	<i>9,589,150</i>	<i>6,998,630</i>
<i>(Surplus) / Deficit for Year</i>	14,099,420	<i>1,077,080</i>	<i>(3,766,450)</i>	<i>3,494,910</i>	<i>(504,510)</i>	<i>(1,155,590)</i>
<i>Balance b/f</i>	(18,419,720)	(4,320,300)	<i>(3,243,220)</i>	<i>(7,009,670)</i>	<i>(3,514,760)</i>	<i>(4,019,270)</i>
<i>Total Balance c/f</i>	(4,320,300)	<i>(3,243,220)</i>	<i>(7,009,670)</i>	<i>(3,514,760)</i>	<i>(4,019,270)</i>	<i>(5,174,860)</i>

Housing Capital Investment Plan

Appendix K

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend										
Disabled Facilities Grants	707	705	705	705	705	705	705	705	705	705
Private Sector Housing Grants and Loans	195	195	195	195	195	195	195	195	195	195
Total General Fund Housing Capital Spend	902	900	900	900	900	900	900	900	900	900
HRA Capital Spend										
Decent Homes										
Kitchens	1,011	265	429	539	722	1,383	688	1,328	1,226	1,581
Bathrooms	967	176	50	160	612	609	149	54	391	1,007
Central Heating / Boilers	1,616	2,912	1,678	1,842	2,179	2,712	1,477	1,121	1,937	3,394
Insulation / Energy Efficiency / Wall Finishes	1,933	900	687	655	568	424	960	179	1,176	792
Energy Efficiency Pilot / Retrofit	1,500	6,000	0	0	0	0	0	0	0	0
External Doors	1,252	21	10	22	96	76	48	17	63	247
PVCU Windows	949	482	237	768	538	949	377	324	1,099	772
Wall Structure	2,760	224	6	19	3	270	92	541	682	1,126
External Painting	80	357	357	357	357	357	357	707	357	357
Roof Structure	500	300	300	300	300	300	300	300	300	300
Roof Covering (including chimneys)	1,160	1,079	200	682	1,987	1,645	1,000	1,061	898	416
Electrical / Wiring	355	255	308	334	395	160	262	4	19	403
Sulphate Attacks	102	102	102	102	102	102	102	102	102	102
HHSRS Contingency	296	150	500	300	100	100	100	100	100	100
Other Health and Safety Works	103	50	50	0	0	3	0	0	0	0

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capitalised Officer Fees - Decent Homes	403	505	505	505	505	505	505	505	505	505
Decent Homes Backlog	0	4,424	4,424	4,424	4,424	4,424	3,875	3,875	3,875	3,875
Decent Homes Planned Maintenance Contractor Overheads	1,311	1,525	540	669	876	1,000	650	643	918	1,166
Decent Homes New Build Allocation	0	679	1,234	1,816	2,257	2,715	3,190	3,684	3,878	4,079
Total Decent Homes	16,298	20,406	11,617	13,494	16,021	17,734	14,132	14,545	17,526	20,222
Other Spend on HRA Stock										
Garage Improvements	100	100	100	100	100	100	100	100	100	100
Asbestos Removal	54	23	50	50	50	50	50	50	50	50
Disabled Adaptations	1,008	808	808	808	808	808	808	808	808	808
Communal Areas Uplift	182	100	100	100	100	100	100	100	100	100
Communal Electrical Installations / Fire Systems / Communal Lighting	96	350	150	150	150	150	150	150	150	150
Communal Entrance / Enclosure Doors + Glazing	400	121	121	121	121	145	121	121	121	121
Fire Prevention / Fire Safety Works	929	1,250	50	50	700	50	50	50	50	50
Hard surfacing on HRA Land - Health and Safety Works	282	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	124	9	0	38	28	75	0	0	40	40
Estate Investment Scheme	1,753	1,000	806	0	0	0	0	0	0	0
Capitalised Officer Fees - Other HRA Stock Spend	141	141	114	114	114	114	114	114	114	114
Other Spend on HRA Stock Planned Maintenance Contractor Overheads	377	253	276	192	191	198	187	187	192	192
Total Other Spend on HRA stock	5,546	4,480	2,900	2,048	2,687	2,115	2,005	2,005	2,050	2,050

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development										
Anstey Way	93	0	0	0	0	0	0	0	0	0
Tedder Way	50	400	41	0	0	0	0	0	0	0
Kendal Way	50	400	41	0	0	0	0	0	0	0
Queensmeadow	1	0	0	0	0	0	0	0	0	0
Wulfstan Way	1	0	0	0	0	0	0	0	0	0
Akeman Street	95	0	0	0	0	0	0	0	0	0
Ventress Close	50	0	0	0	0	0	0	0	0	0
Colville Road (Garage Site)	1	0	0	0	0	0	0	0	0	0
Mill Road (Phase I and II)	1,957	826	0	0	0	0	0	0	0	0
Gonhild Way	1	0	0	0	0	0	0	0	0	0
Cromwell Road	3,684	3,247	378	0	0	0	0	0	0	0
Kingsway Clinic Conversion	368	0	0	0	0	0	0	0	0	0
Colville Road Phase II	5,331	5,734	116	0	0	0	0	0	0	0
Meadows and Buchan Street	3,589	9,075	8,893	3,025	0	0	0	0	0	0
Clerk Maxwell Road	1,391	1,638	0	0	0	0	0	0	0	0
Campkin Road	6,066	7,337	1,001	0	0	0	0	0	0	0
Histon Road	212	1,632	0	0	0	0	0	0	0	0
L2	1,897	3,194	1,114	0	0	0	0	0	0	0
Colville Road Phase III	1,724	5,709	4,911	245	0	0	0	0	0	0
Fen Road	394	2,436	993	0	0	0	0	0	0	0
Ditton Fields	265	1,108	648	0	0	0	0	0	0	0
Aragon Close	24	1,022	940	0	0	0	0	0	0	0
Sackville Close	24	1,023	940	0	0	0	0	0	0	0

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowdale	127	440	345	0	0	0	0	0	0	0
Aylesborough Close	653	4,283	10,724	3,370	0	0	0	0	0	0
St Thomas's Road	82	690	1,333	0	0	0	0	0	0	0
Paget Road	72	604	1,166	0	0	0	0	0	0	0
Acquisition (Incl. for New Build)	3,148	8,888	5,664	0	0	0	0	0	0	0
1,000 New Build Programme (Unallocated)	3,677	10,631	12,107	122,886	166,327	200,169	90,954	22,641	16,250	16,250
Hill POD Homes	10	0	0	0	0	0	0	0	0	0
Compact New Homes	0	600	0	0	0	0	0	0	0	0
Rough Sleeper Acquisitions	3,631	0	0	0	0	0	0	0	0	0
Total HRA New Build	38,668	70,917	51,355	129,526	166,327	200,169	90,954	22,641	16,250	16,250
Sheltered Housing Capital Investment										
No current schemes	0	0	0	0	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	0	0	0	0	0	0	0	0	0	0
Other HRA Capital Spend										
Orchard Replacement / Mobile Working	238	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	50	30	30	30	30	30	30	30	30
Estate Service Van	0	50	0	0	0	0	0	0	0	0
Total Other HRA Capital Spend	568	400	330	330	330	330	330	330	330	330
Total HRA Capital Spend	61,080	96,203	66,202	145,398	185,365	220,348	107,421	39,521	36,156	38,852
Total Housing Capital Spend at Base Year Prices	61,982	97,103	67,102	146,298	186,265	221,248	108,321	40,421	37,056	39,752

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Inflation Allowance and Stock Reduction Adjustment for Future Years	0	601	1,403	5,326	10,524	17,156	10,849	5,147	5,530	6,711
Total Inflated Housing Capital Spend	61,982	97,704	68,505	151,624	196,789	238,404	119,170	45,568	42,586	46,463
Housing Capital Resources										
Right to Buy Receipts	(483)	(488)	(493)	(498)	(503)	(508)	(513)	(518)	(523)	(529)
Other Capital Receipts (Land & Dwellings, incl. Market, Rent to Buy and SO Sales)	(1,838)	(88)	(16,379)	(23,808)	(33,945)	(43,004)	(150,352)	(58,878)	0	0
Major Repairs Reserve	(5,133)	(30,233)	(11,929)	(12,703)	(13,247)	(13,674)	(12,126)	(16,709)	(15,249)	(15,595)
Direct Revenue Financing of Capital	(29,417)	(14,611)	(5,866)	(14,028)	(9,589)	(6,999)	0	(9,321)	(20,934)	(15,571)
Devolution Grant / Homes England Grant (assumed)	(14,487)	(21,331)	(29,767)	(55,671)	(55,612)	0	0	0	0	0
Disabled Facilities Grant	(707)	(705)	(705)	(705)	(705)	(705)	(705)	(705)	(705)	(705)
Other Capital Resources (Grants / Shared Ownership Re-Sale / R&R Funding)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Retained Right to Buy Receipts	(5,151)	(7,183)	(3,066)	(908)	0	0	0	(4,875)	(4,875)	(4,875)
Prudential Borrowing	0	(19,137)	0	(43,003)	(82,888)	(173,214)	44,826	45,738	0	(8,888)
Total Housing Capital Resources	(57,516)	(94,076)	(68,505)	(151,624)	(196,789)	(238,404)	(119,170)	(45,568)	(42,586)	(46,463)
Net (Surplus) / Deficit of Resources	4,466	3,028	0	0	0	0	0	0	0	0
Capital Balances b/f	(8,577)	(4,111)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)
Use of / (Contribution to) Balances in Year	4,466	3,028	0	0	0	0	0	0	0	0
Capital Balances c/f	(4,111)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)	(1,083)

Description	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Capital Balances (Opening Balance 1/4/2021)										
Major Repairs Reserve	(13,647)	Utilised in future years to fund investment in the housing stock								
Retained 1-4-1 Right to Buy Receipts	(7,333)	Utilised in 2021/22 and 2022/23 above								
Right to Buy Receipts for Debt Redemption	(10,121)	Retained for future debt repayment								
Devolution Grant	(28,140)	Utilised between 2021/22 and 2023/24 above								
Total Other Capital Balances	(59,241)									

Equalities Impact Assessment Appendix L



Cambridge City Council Equality Impact Assessment (EqIA)

Cambridge City Council Equality Impact Assessment (EqIA)

This tool helps the Council ensure that we fulfil legal obligations of the Public Sector Equality Duty to have due regard to the need to –

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Guidance on how to complete this tool can be found on the Cambridge City Council intranet. For specific questions on the tool email Helen Crowther, Equality and Anti-Poverty Officer at equalities@cambridge.gov.uk or phone 01223 457046.

Once you have drafted the EqIA please send this to equalities@cambridge.gov.uk for checking. For advice on consulting on equality impacts, please contact Graham Saint, Strategy Officer, (graham.saint@cambridge.gov.uk or 01223 457044).

1. Title of strategy, policy, plan, project, contract or major change to your service

Housing Revenue Account Budget Setting Report – HRA Bids and Savings 2022/23

2. Webpage link to full details of the strategy, policy, plan, project, contract or major change to your service (if available)

Documents will be published here:

<https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=414&MId=3978&Ver=4>

3. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

This EqIA considers equality impacts of budget proposals for the HRA at the point that they go to Housing Scrutiny Committee.

An EqIA is undertaken on the proposals in order to enable the City Council to set a balanced Housing Revenue Account budget for 2022/23 that reflects the Council's vision and takes into account councillors' priorities in its proposals for achieving the efficiency savings required to allow the strategic reinvestment of resource into new areas.

This EqIA assesses the equality impacts of the Housing Revenue Account element of the City Council's budget.

4. Responsible service

The Finance service manages the budget process, but a range of Council Services are responsible for the individual bid proposals included in this EqIA.

5. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick all that apply)	<input checked="" type="checkbox"/> Residents <input checked="" type="checkbox"/> Visitors <input checked="" type="checkbox"/> Staff
<p>Please state any specific client group or groups (e.g. City Council tenants, tourists, people who work in the city but do not live here):</p> <p>This EqIA specifically considers any equalities impact for City Council tenants and leaseholders, or for staff associated in delivery of services to this client group.</p>	
6. What type of strategy, policy, plan, project, contract or major change to your service is this?	<input checked="" type="checkbox"/> New <input checked="" type="checkbox"/> Major change <input checked="" type="checkbox"/> Minor change
7. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service? (Please tick)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>If 'Yes' please provide details below:</p> <p>This is an assessment of the Council's Housing Revenue Account budget proposals and therefore covers all of our landlord related services, and as such will involve multiple council departments.</p>	
8. Has the report on your strategy, policy, plan, project, contract or major change to your service gone to Committee? If so, which one?	
<p>All revenue budget bid proposals included in this EqIA are being presented to Housing Scrutiny Committee on 20th January 2022 and capital bids to Council on 24th February 2022.</p>	
9. What research methods/ evidence have you used in order to identify equality impacts of your strategy, policy, plan, project, contract or major change to your service?	
<p>This information is based on feedback from Council Officers that lead on the individual budget bid proposals and any EqIA's they may have produced.</p>	

10. Potential impacts

For each category below, please explain if the strategy, policy, plan, project, contract or major change to your service could have a positive/ negative impact or no impact. Where an impact has been identified, please explain what it is. Consider impacts on service users, visitors and staff members separately.

(a) Age - Please also consider any safeguarding issues for children and adults at risk

Sheltered CCTV Compliance

Connection of CCTV equipment in sheltered housing to the CCTV Control Centre will not only ensure statutory compliance but will also allow more proactive monitoring of any anti-social behaviour activity in the vicinity of our sheltered housing that will be of benefit in safeguarding children and adults at risk.

Reduction in Emergency Alarm Income

A reduction in emergency alarm income is being recognised due to reducing customer numbers. Although the City Council is not changing the service provided, there is a concern that there may be older people in their own homes who are not now being supported as they once were. The County Council now offer a similar service and so some residents may be receiving support through an alternative route.

Pilot Compat New Homes Project

A project that is anticipated to result in 6 new smaller homes has the potential to particularly benefit younger people who will be one of the intended client groups for this accommodation.

(b) Disability

Increase in maintenance costs for fire protection equipment and emergency lighting

Increased installations of both fire protection equipment and emergency lighting, which in turn require servicing and result in increased costs, benefit all residents, but have the potential to particularly benefit disabled residents who may have visual impairments or mobility issues that can make them at greater risk of trips and falls or that may hinder them from exiting the building quickly in the event of a fire.

Sheltered CCTV Compliance

Connection of CCTV equipment in sheltered housing to the CCTV Control Centre will not only ensure statutory compliance but will also allow more proactive monitoring of any anti-social behaviour activity in the vicinity of our sheltered housing, where there may be a number of disabled residents. Anti-social behaviour can include hate crime motivated by hostility or prejudice towards someone's disability.

Reduction in Emergency Alarm Income

A reduction in emergency alarm income is being recognised due to reducing customer numbers. Although the City Council is not changing the service provided, there is a concern that there may be disabled people in their own homes who are not now being supported as they once were. The County Council now offer a similar service and so some residents may be receiving support through an alternative route.

(c) Gender reassignment

Sheltered CCTV Compliance

Connection of CCTV equipment in sheltered housing to the CCTV Control Centre will not only ensure statutory compliance but will also allow more proactive monitoring of any incidents of anti-social behaviour and hate crime, including that motivated by hostility or prejudice towards someone's transgender identity.

(d) Marriage and civil partnership

There are no equality impacts identified specific to this protected characteristic

(e) Pregnancy and maternity

There are no equality impacts identified specific to this protected characteristic

(f) Race – Note that the protected characteristic 'race' refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Sheltered CCTV Compliance

Connection of CCTV equipment in sheltered housing to the CCTV Control Centre will not only ensure statutory compliance but will also allow more proactive monitoring of any anti-social behaviour activity in the vicinity of our sheltered housing, which may be of particular benefit to any experiencing hate crimes or racial abuse.

(g) Religion or belief

There are no equality impacts identified specific to this protected characteristic

(h) Sex

There are no equality impacts identified specific to this protected characteristic

(i) Sexual orientation

Sheltered CCTV Compliance

Connection of CCTV equipment in sheltered housing to the CCTV Control Centre will not only ensure statutory compliance but will also allow more proactive monitoring of any anti-social behaviour activity in the vicinity of our sheltered housing, which may include hate crime motivated by prejudice and hostility towards someone's sexual orientation.

(j) Other factors that may lead to inequality – in particular, please consider the impact of any changes on:

Low-income groups or those experiencing the impacts of poverty

Groups who have more than one protected characteristic that taken together create overlapping and interdependent systems of discrimination or disadvantage. (Here you are being asked to consider intersectionality, and for more information see: https://media.ed.ac.uk/media/1_159kt25q).

Impacts relating to intersectionality:

Increase in maintenance costs for fire protection equipment and emergency lighting

Increased installations of both fire protection equipment and emergency lighting, which in turn require servicing and result in increased costs, benefit all residents, but have the potential to particularly benefit older residents who may be more likely to have visual impairments or mobility issues that can make them at greater risk of trips and falls or that may hinder them from exiting the building quickly in the event of a fire.

Reduction in Emergency Alarm Income

A reduction in emergency alarm income is being recognised due to reducing customer numbers. Although the City Council is not changing the service provided, there is a concern that there may be older people in their own homes who are not now being supported as they once were, including older people with disabilities or long-term health conditions. The County Council now offer a similar service and so some residents may be receiving support through an alternative route.

Impacts relating to poverty or low income:

Recruitment of 2 additional Multi-Skilled Operatives

Increasing the number of operatives is anticipated to improve the turnaround time for void properties, thus providing homes for rent for vulnerable residents on low incomes more quickly.

11. Action plan – New equality impacts will be identified in different stages throughout the planning and implementation stages of changes to your strategy, policy, plan, project, contract or major change to your service. How will you monitor these going forward? Also, how will you ensure that any potential negative impacts of the changes will be mitigated? (Please include dates where possible for when you will update this EqIA accordingly.)

Reduction in Emergency Alarm Income

Although the City Council has no control over customers choosing to leave the emergency alarm service, and many accounts may be terminated due to the customer passing away,

there is a risk that clients have cancelled for financial reasons and may now not be receiving support in their own home. New customers are not coming forward as the population ages, which may be due to the County Council offering a similar service. An action will be taken forward to liaise with Social Care officers to avoid vulnerable residents falling through the cracks.

12. Do you have any additional comments?

This EqlA provides an overall assessment of the equality impacts of budget proposals included in the Housing Revenue Account budget proposed for 2022/23, which are going to SLT / Exec. Services shall update budget bid proposals that are agreed by SLT / Exec and their respective EqlAs. Any proposals not approved shall be deleted from this EqlA, with those remaining informing councillors' decisions at Committee.

13. Sign off

Name and job title of lead officer for this equality impact assessment:

Julia Hovells, Assistant Head of Finance and Business Manager

Names and job titles of other assessment team members and people consulted:

- Helen Crowther, Equality and Anti-Poverty Officer
- Catherine Buckle, Business Development Manager
- Lynn Thomas, Head of Housing Maintenance and Assets
- David Greening, Head of Housing
- Claire Flowers, Head of Housing Development Agency

Date of EqlA sign off: 22/10/2021

Date of next review of the equalities impact assessment: After 24/02/2022

Date to be published on Cambridge City Council website: Published for proposals to be considered by Housing Scrutiny Committee on 20th January 2022 and Council on 24th February 2022 as part of the HRA Budget Setting Report.

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