



Public Document Pack

Cambridge City Council

HOUSING MANAGEMENT BOARD

To: Scrutiny Committee Members: Councillors Blackhurst (Chair), Bird, Brierley, Johnson, Pippas, Pogonowski, Price and Rosenstiel

Alternates: Councillors Blencowe and Tucker

Tenants and Leaseholders: Diane Best (Vice Chair – Leaseholder Representative), Kay Harris (Tenant Representative), John Marais (Tenant Representative), Terry Sweeney (Tenant Representative), Diana Minns (Tenant Representative) and Allen Champion (Tenant Representative).

Executive Councillor for Housing: Councillor Smart

Despatched: Thursday 6 September 2012

Date: Tuesday, 18 September 2012

Time: 5.30 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: James Goddard

Direct Dial: 01223 457015

AGENDA

- 7 HOUSING REVENUE ACCOUNT (HRA) MID-YEAR BUSINESS PLAN UPDATE** (*Pages 1 - 8*)

Information for the Public

Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

Public Participation Some meetings may have parts that will be closed to the public, but the reasons for excluding the press and public will be given.

Most meetings have an opportunity for members of the public to ask questions or make statements.

To ask a question or make a statement please notify the Committee Manager (details listed on the front of the agenda) prior to the deadline.

- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

Speaking on Planning Applications or Licensing Hearings is subject to other rules. Guidance for speaking on these issues can be obtained from Democratic Services on 01223 457013 or democratic.services@cambridge.gov.uk.

Further information about speaking at a City Council

meeting can be found at;

<http://www.cambridge.gov.uk/public/docs/Having%20your%20say%20at%20meetings.pdf>

Cambridge City Council would value your assistance in improving the public speaking process of committee meetings. If you any have any feedback please contact Democratic Services on 01223 457013 or democratic.services@cambridge.gov.uk.

**Filming,
recording
and
photography**

The Council is committed to being open and transparent in the way it conducts its decision-making. Recording is permitted at council meetings, which are open to the public. The Council understands that some members of the public attending its meetings may not wish to be recorded. The Chair of the meeting will facilitate by ensuring that any such request not to be recorded is respected by those doing the recording.

Full details of the City Council's protocol on audio/visual recording and photography at meetings can be accessed via:

www.cambridge.gov.uk/democracy/ecSDDisplay.aspx?NAME=SD1057&ID=1057&RPID=33371389&sch=doc&cat=13203&path=13020%2c13203.

Fire Alarm

In the event of the fire alarm sounding please follow the instructions of Cambridge City Council staff.

**Facilities for
disabled
people**

Level access to the Guildhall is via Peas Hill.

A loop system is available in Committee Room 1, Committee Room 2 and the Council Chamber.

Accessible toilets are available on the ground and first floor.

Meeting papers are available in large print and other formats on request prior to the meeting.

For further assistance please contact Democratic Services on 01223 457013 or

democratic.services@cambridge.gov.uk.

Queries on reports If you have a question or query regarding a committee report please contact the officer listed at the end of relevant report or Democratic Services on 01223 457013 or democratic.services@cambridge.gov.uk.

General Information Information regarding committees, councilors and the democratic process is available at www.cambridge.gov.uk/democracy.

Agenda Item 7

Meeting of the Housing Management Board on 18 September 2012

Item 7: HOUSING REVENUE ACCOUNT (HRA) MID YEAR BUSINESS PLAN UPDATE

HMB EXECUTIVE COUNCILLOR AMENDMENT – Amendment to approval required:

Revenue

- 2.2 To agree the revised HRA revenue, funding and reserves projections as shown in Appendix E, and the associated decision in section 9 (pages 84 to 97 refer), of the HRA Mid-Year Business Plan Update document.

Amendment required:

Section 9, page 88

Delete:

- £150,000 reduction in void property repairs, recognising the reduction in void numbers in 2011/12 and continuation of this trend in the early part of 2012/13. As a responsive budget, this may be subject to change as part of the January 2013 revised budget process, depending upon activity between now and then.

Section 9, page 86

Amend to read:

- £28,700 assumed reduction in interest on HRA balances in 2012/13, due to an adverse rate change, with the impact partially offset by an increased level of balances at 31/3/2012.

Section 9, page 91

Amend to read:

The revised projection of the use of reserves in the current year (2012/13) now indicates that there is expected to be a net use of reserves of £4,707,190. This includes the effective transfer of funding for the approved level of carry forward items (primarily reflecting the re-profiling of capital resources and expenditure). These have been built into the latest projection.

The current HRA forecast contains the assumption that balances will be reduced to and maintained at the target level of £3m (plus inflation in future years) and a minimum level of £2m, by making additional direct revenue financing (DRF) of capital contributions in 2012/13.

Delete:

Appendices E and F and replace with those attached to the amendment.

Background:

As part of the HMB Final version of the HRA Mid-Year Business Plan Update, an in-year saving of £150,000 was incorporated in respect of void repairs.

This amendment seeks to retract the proposal made, leaving the void repairs budget for 2012/13 at the level originally approved, pending further detailed work, to culminate in a revised proposal to be presented as part of the revised budget process in the January committee cycle, if appropriate.

The proposed saving in 2012/13 was based upon a combination of the reduced level of void activity experienced during 2011/12 and the early part of 2012/13 and the anticipated impact of some operational changes, either recently implemented, or planned for future implementation.

A number of factors have brought about the proposed amendment:

- Further investigation into the level of activity during 2012/13, has highlighted a greater volume of work in progress than might usually be experienced, which when recharged internally will result in higher costs than anticipated.
- The average cost per void job in 2012/13, based upon those jobs that have been fully internally recharged is approximately £3,290.
- The financial impact of the operational changes made or being made is not yet quantifiable in respect of the reduction the changes may have on the level of void expenditure in 2012/13. It is possible that the benefit of some of the changes will not be fully realised until 2013/14. As an example, with effect from September 2012, emergency works to council dwellings, previously carried out by staff undertaking responsive repairs, are now being carried out by staff in the voids team, where staff can be re-directed at short notice without a direct impact on the responsive repair appointments made with existing tenants.
- The reduction in void works anticipated over the winter months, may not occur as new build properties become available on the growth sites to the south of the city.

Financial Impact

The re-inclusion of the £150,000 will have a direct impact on the level of balances anticipated at 31/3/2013, and therefore the amount of interest that the HRA can expect to earn on these balances.

The change has been incorporated recognising that, to maintain the current level of revenue funding for capital expenditure whilst not increasing the level of additional borrowing currently incorporated, revenue balances will be required to dip marginally below the £3m target level until 2015/16. This will be re-visited as part of the 2012/13 (revised) and 2013/14 (original) budget processes, with a view to returning balances to £3m.

Appendix E (Section 9)

HRA Summary Forecast 2012/13 to 2016/17

Description	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000
Income					
Rental Income (Dwellings)	(32,843)	(34,591)	(36,279)	(38,696)	(40,334)
Rental Income (Other)	(1,023)	(1,048)	(1,074)	(1,101)	(1,128)
Service Charges	(2,291)	(2,340)	(2,393)	(2,447)	(2,502)
Contribution towards Expenditure	(440)	(448)	(456)	(465)	(473)
Other Income	(40)	(58)	(68)	(68)	(68)
Total Income	(36,637)	(38,485)	(40,270)	(42,777)	(44,505)
Expenditure					
Supervision & Management - General	4,662	4,927	5,115	5,362	5,614
Supervision & Management - Special	2,326	2,533	2,441	2,521	2,604
Repairs & Maintenance	7,285	7,054	7,217	7,583	7,907
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,289	9,417	9,624	9,968	10,182
Debt Management Expenditure	20	20	21	22	22
Other Expenditure	425	713	819	932	1,044
Total Expenditure	24,007	24,664	25,237	26,388	27,373
Net Cost of HRA Services	(12,630)	(13,821)	(15,033)	(16,389)	(17,132)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(83)	(65)	(79)	(80)	(98)
Mortgage Interest Receipts (Incl. above)	0	0	0	0	0
(Surplus) / Deficit on the HRA for the Year	(12,713)	(13,886)	(15,112)	(16,469)	(17,230)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	7,516	7,612	7,853	7,971	7,817
Debt Redemption Premium	301	0	0	0	0
Housing Set Aside	1,090	0	0	2,444	5,047
Depreciation Adjustment	(1,969)	(1,986)	(2,017)	(2,060)	(2,104)
Direct Revenue Financing of Capital	10,482	7,740	9,284	7,880	6,458
(Surplus) / Deficit for Year	4,707	(520)	8	(230)	(3)
Balance b/f	(6,974)	(2,267)	(2,787)	(2,779)	(3,009)
Total Balance c/f	(2,267)	(2,787)	(2,779)	(3,009)	(3,012)

Appendix F (Section 9)

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

Description	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend					
Assessment Centre	1,111	0	0	0	0
Disabled Facilities Grants	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195
Long Term Vacants	20	20	20	20	20
Total General Fund Housing Capital Spend	1,876	765	765	765	765
HRA Capital Spend					
Decent Homes					
Kitchens	691	255	618	598	292
Bathrooms	196	128	522	525	119
Boilers / Central Heating	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	108	100	100	100	100
External Doors	179	28	129	108	63
PVCU Windows	36	339	1,002	1,350	912
Wall Structure	15	36	621	63	114
Wall Finishes	784	196	319	230	115
Wall Insulation	100	100	100	100	100
External Painting	0	0	0	0	0
Roof Structure	387	300	800	300	322
Roof Covering	1,224	544	215	210	274
Chimneys	51	39	12	2	1
Electrical / Wiring	326	83	91	181	317
Smoke Detectors	3	5	19	109	9
Sulphate Attacks	204	102	102	102	102
Major Voids	56	53	51	48	53
HHSRS Contingency	263	150	100	100	100

Description	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000
Other Health and Safety Works (Balconies)	510	50	50	50	50
Other External Works	0	0	3	5	0
Rising Damp / Penetrating Damp	4	0	0	0	0
Professional Fees	556	556	556	556	556
External Professional Fees	19	19	19	19	19
Decent Homes Backlog	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	791	796	781	792	799
Total Decent Homes	10,658	9,102	8,959	9,063	9,124
Other Spend on HRA Stock					
Garages	316	300	300	300	300
Asbestos Contingency	260	200	200	200	200
Disabled	924	878	878	878	878
TIS Schemes	28	21	21	21	21
Communal Areas Uplift	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,239	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	212	250	250	150	150
Hard surfacing on HRA Land - Recycling	298	0	0	0	0
Communal Areas Floor Coverings	276	100	0	0	0
Professional Fees	155	155	155	155	155
Lifts and Door Entry Systems	26	13	13	13	13
Fencing	100	100	100	100	100
Cemetery Lodge	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0
East Road Garages - Lighting Controls	4	0	0	0	0
TV Aerials	0	0	0	0	0
Planned Maintenance Contractor Overheads	293	286	274	262	262
Total Other Spend on HRA stock	4,730	3,149	3,037	2,925	2,925

Description	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000
HRA New Build / Re-Development					
Teversham Drift	4	0	0	0	0
Cockerell Road	0	0	0	0	0
Harris Road	0	0	0	0	0
Church End	16	0	0	0	0
Roman Court	692	591	41	0	0
Seymour Court	554	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	4,485	10,761	2,859	0	0
Clay Farm	0	0	10,046	3,617	0
Total HRA New Build	5,751	11,352	12,946	3,617	0
Cambridge Standard Works					
Cambridge Standard Works	506	200	200	200	200
Total Cambridge Standard Works	506	200	200	200	200
Sheltered Housing Capital Investment					
Emergency Alarm Service	110	0	0	0	0
Talbot House	4	0	0	0	0
Ditchburn Place	42	3,800	0	0	0
Brandon Court	508	0	0	0	0
Total Sheltered Housing Capital Investment	664	3,800	0	0	0
Other HRA Capital Spend					
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	260	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300
RFR Buy Back	330	330	330	0	0
Commercial Property	62	30	30	30	30
Total Other HRA Capital Spend	952	660	660	330	330
Total HRA Capital Spend	23,261	28,263	25,802	16,135	12,579

Description	2012/13	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000	£'000
Total Housing Capital Spend at Base Year Prices	25,137	29,028	26,567	16,900	13,344
Inflation Allowance for Future Years	0	991	1,708	2,030	2,379
Total Inflated Housing Capital Spend	25,137	30,019	28,275	18,930	15,723
Housing Capital Resources					
Right to Buy Receipts	(261)	(293)	(354)	(363)	(372)
Other Capital Receipts (Land and Dwellings)	(0)	(0)	(0)	(0)	(0)
Major Repairs Reserve	(4,780)	(11,099)	(7,505)	(7,664)	(7,828)
Direct Revenue Financing of Capital	(10,482)	(7,740)	(9,284)	(7,880)	(6,458)
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	(3,507)	(6,589)	(1,825)	(2,258)	(300)
Disabled Facilities Grant	(262)	(262)	(262)	(262)	(262)
Developer's Contributions (Affordable Housing)	(0)	(0)	(0)	(0)	(0)
Prudential Borrowing	(0)	(3,533)	(8,542)	(0)	(0)
Total Housing Capital Resources	(19,292)	(29,516)	(27,772)	(18,427)	(15,220)
Net (Surplus) / Deficit of Resources	5,845	503	503	503	503
Capital Balances b/f	(9,190)	(3,345)	(2,842)	(2,339)	(1,836)
Use of / (Contribution to) Balances in Year	5,845	503	503	503	503
Capital Balances c/f	(3,345)	(2,842)	(2,339)	(1,836)	(1,333)

This page is intentionally left blank