

Amendments following announcement of the final self-financing debt settlement on 1st February 2012

Amendments to HRA Self-Financing Business Plan, Asset Management Plan and Budget Covering Report

Paragraph 1.3

Delete:

To facilitate this change, Cambridge City Council are required to pay the Department for Communities and Local Government (CLG) the sum of £214,384,000 on 28th March 2012, based upon the draft HRA Self-Financing debt settlement.

Replace with:

To facilitate this change, Cambridge City Council are required to pay the Department for Communities and Local Government (CLG) the sum of £213,572,000 on 28th March 2012, based upon the final HRA Self-Financing debt settlement.

Paragraph 3.4

Delete:

Following a formal consultation period, which ended on 6th January 2012, the final settlement figure for Cambridge City Council is anticipated shortly. Confirmation of the final settlement value will allow Council to set the final budget for the HRA for 2012/13, following consideration by HMB and Community Services.

Replace with:

Following a formal consultation period, which ended on 6th January 2012, the final settlement figure for Cambridge City Council was confirmed as £213,572,000 on 1st February 2012. This now allows the Council to set the final budget for the HRA for 2012/13, following consideration by HMB and Community Services. The table below compares the indicative debt settlement figures provided at earlier stages in the consultation process with the final figures, confirmed on 1st February 2012.

	Indication in February 2011	Draft for Consultation in November 2011	Final February 2012
Opening Debt Allocation	£230,060,000	£224,858,000	£224,045,000
Debt Settlement	£219,586,000	£214,384,000	£213,572,000
Debt Cap	£230,060,000	£231,651,000	£230,839,000
Debt per Dwelling	£31,067	£30,737	£30,660

Paragraph 3.14

Loan Value (£)	Loan Rate (%)	Loan Term (Years)	Maturity Date
10,678,600	3.17	25	28/03/2037
10,678,600	3.19	26	28/03/2038
10,678,600	3.20	27	28/03/2039
10,678,600	3.22	28	28/03/2040
10,678,600	3.23	29	28/03/2041
10,678,600	3.25	30	28/03/2042
10,678,600	3.26	31	28/03/2043
10,678,600	3.27	32	28/03/2044
10,678,600	3.27	33	28/03/2045
10,678,600	3.27	34	28/03/2046
10,678,600	3.29	35	28/03/2047
10,678,600	3.29	36	28/03/2048
10,678,600	3.29	37	28/03/2049
10,678,600	3.29	38	28/03/2050
10,678,600	3.29	39	28/03/2051
10,678,600	3.28	40	28/03/2052
10,678,600	3.28	41	28/03/2053
10,678,600	3.28	42	28/03/2054
10,678,600	3.27	43	28/03/2055
10,678,600	3.27	44	28/03/2056

Amendments to HRA Business Plan 2012/13 to 2041/42 and HRA Asset Management Plan 2012/13 to 2041/42

Section 9, Page 49

Delete:

The final determination, anticipated to be announced in January 2012, follows formal consultation on a draft self-financing determination, which commenced in November 2011.

Replace with:

The final determination, announced on 1st February 2012, follows formal consultation on a draft self-financing determination, which commenced in November 2011.

Section 9, Page 50

Delete:

Based on the draft information provided, the Council will be required to fund a payment of £214,384,000 to the Government on 28 March 2012.

Replace with:

Based on the final self-financing determination, the Council will be required to fund a payment of £213,572,000 to the Government on 28 March 2012

Section 9, Page 57

Delete:

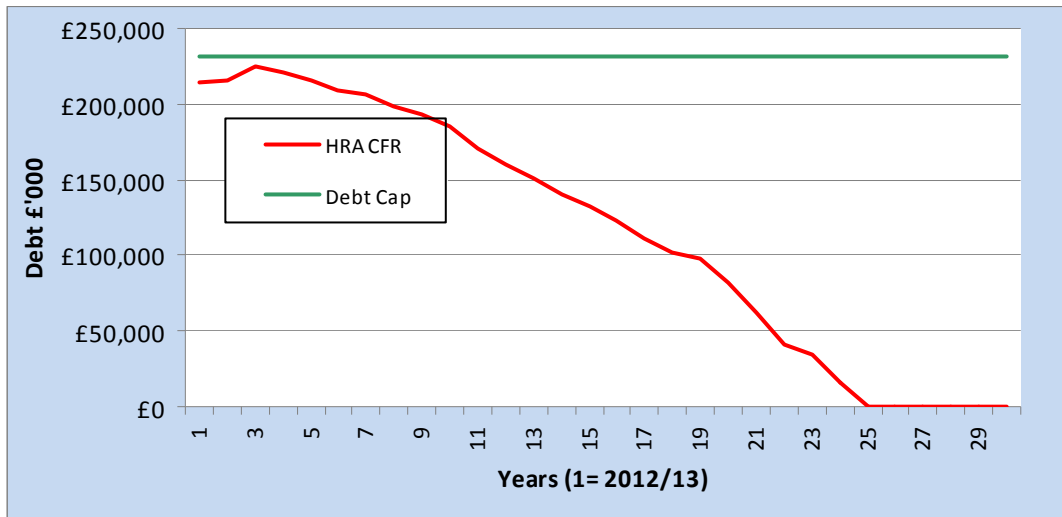
Based on each loan being for a similar amount in order to smooth the risk curve, this would result in each loan being for £10,719,200.

Replace with:

Based on each loan being for a similar amount in order to smooth the risk curve, this would result in each loan being for £10,678,600.

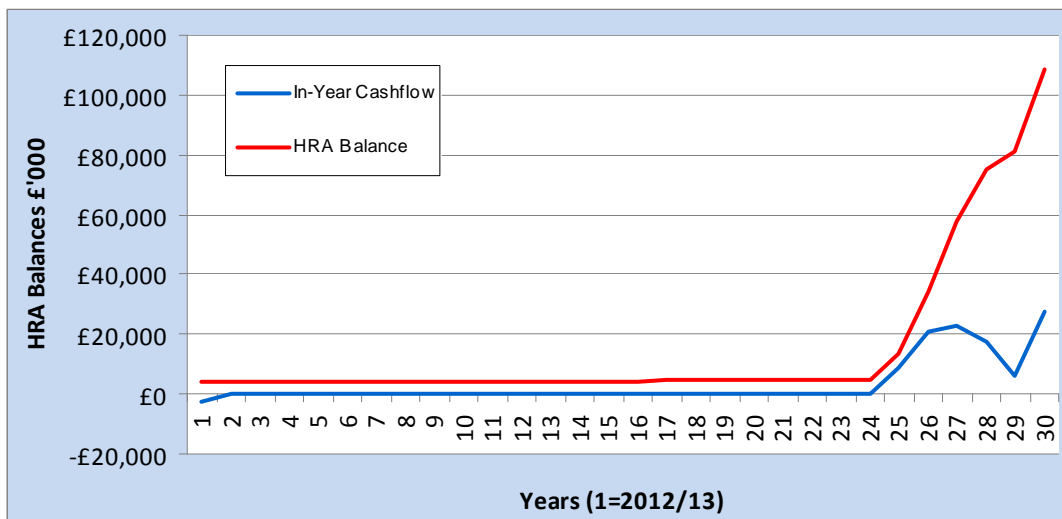
Section 10, Base Model Graphs

Graph 1a – Base Assumption Model Debt Curve if Debt Repayment is Maximised



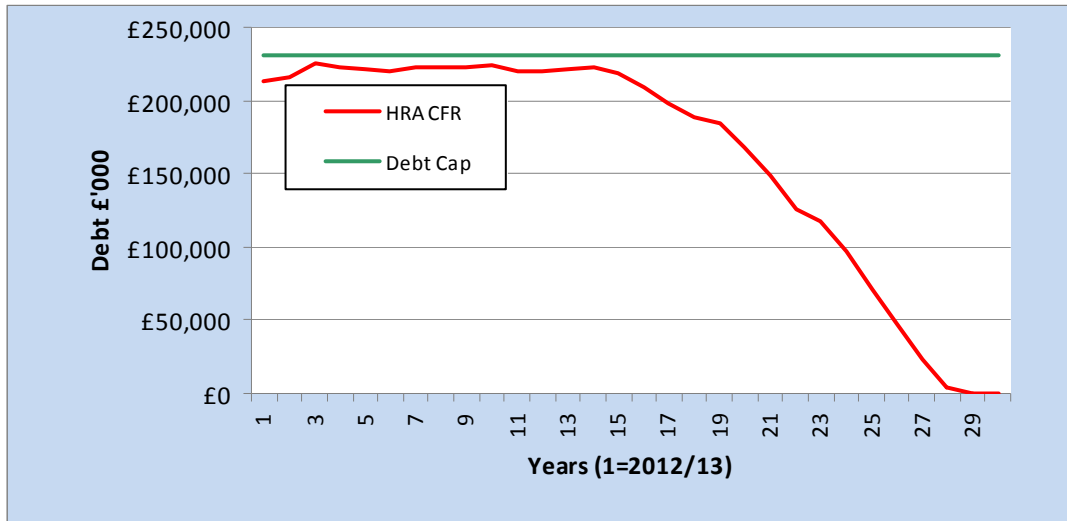
The graph above also shows the maximum level of debt that the Housing Revenue Account would be allowed to hold at any point in time. This debt cap figure was confirmed as part of the final HRA self-financing settlement announcement at the level of £230,839,000.

Graph 1b – Base Assumption Model Cashflow Assumptions

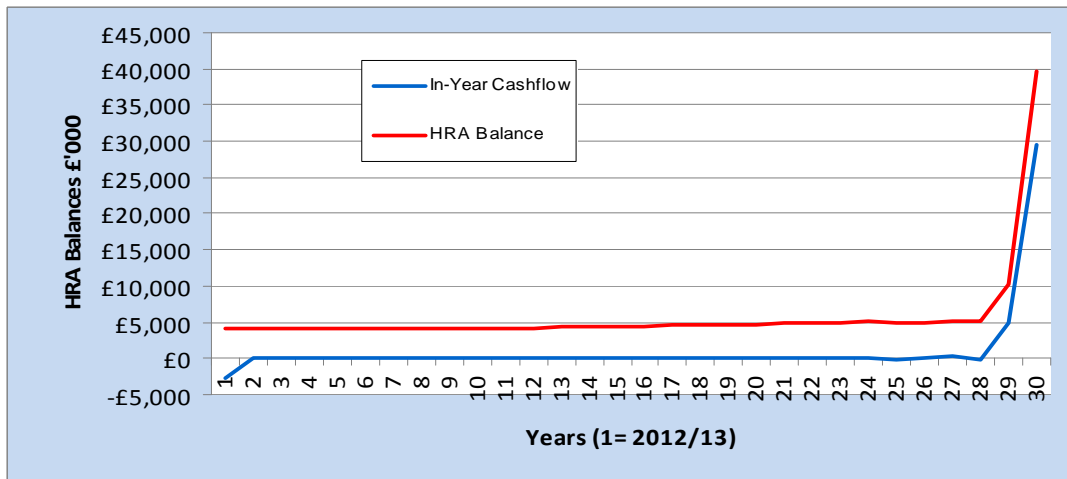


Section 10, Aspirational Model Graphs

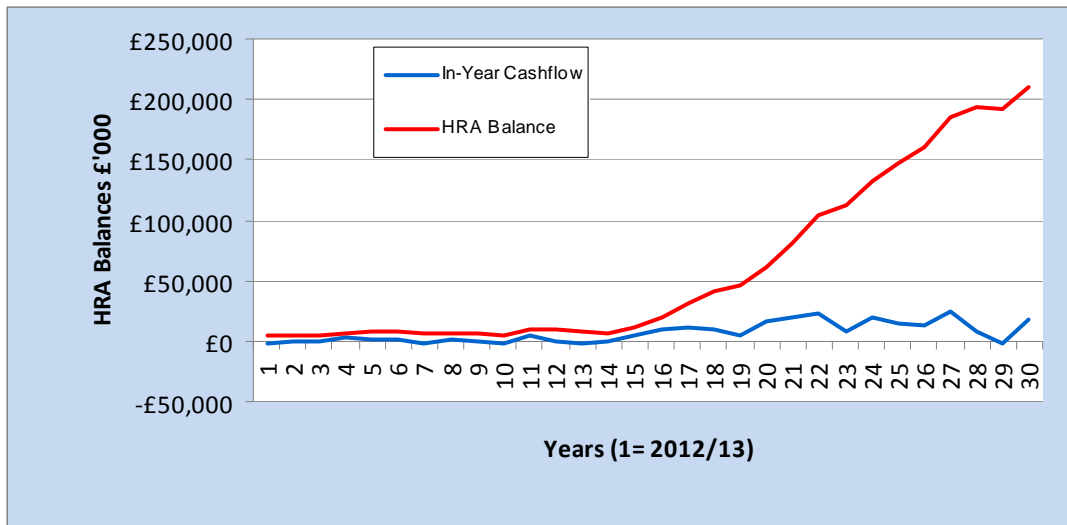
Graph 2a – Aspirational Option Model Debt Curve if Debt Repayment is Maximised



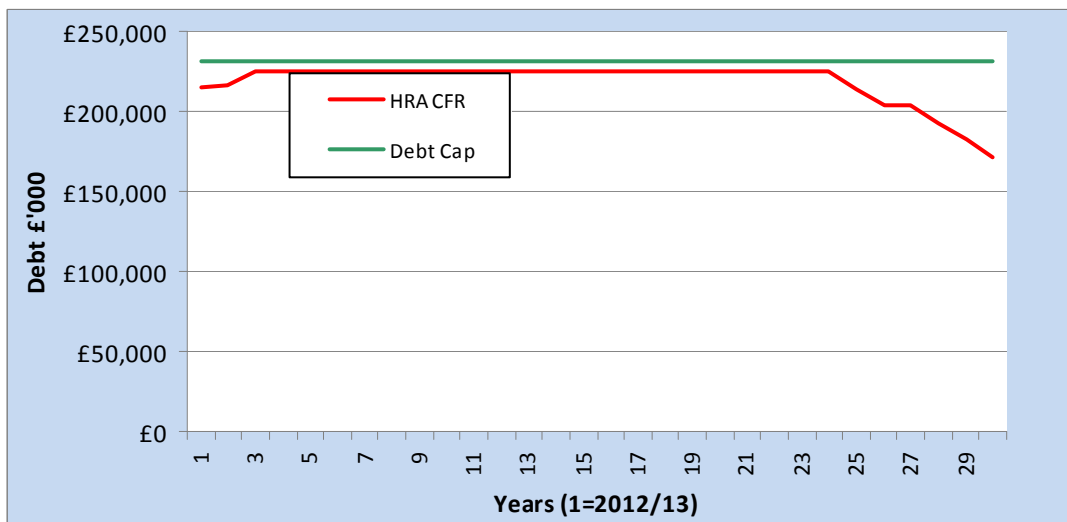
Graph 2b- Aspirational Option Cashflow



Graph 2c – Aspirational Option Model with Cashflow Matched to Loan Profile



Graph 2d - Aspirational Option Model Debt Profile



Appendix G (Section 10)

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)	(32,828)	(34,609)	(36,359)	(38,848)	(40,564)
Rental Income (Other)	(1,023)	(1,049)	(1,075)	(1,102)	(1,130)
Service Charges	(2,309)	(2,361)	(2,414)	(2,468)	(2,523)
Contribution towards Expenditure	(481)	(488)	(497)	(505)	(514)
Other Income	(28)	(31)	(36)	(36)	(36)
Total Income	(36,669)	(38,538)	(40,381)	(42,959)	(44,767)
Expenditure					
Supervision & Management - General	4,704	4,993	5,172	5,381	5,592
Supervision & Management - Special	2,426	2,665	2,591	2,676	2,765
Repairs & Maintenance	6,763	7,091	7,427	7,913	8,398
HRA Subsidy	0	0	0	0	0
Depreciation – t/f to Major Repairs Res.	9,289	9,4307	9,655	10,017	10,249
Debt Management Expenditure	151	155	159	163	167
Other Expenditure	312	521	545	571	592
Total Expenditure	23,645	24,855	25,549	26,721	27,763
Net Cost of HRA Services	(13,024)	(13,683)	(14,832)	(16,238)	(17,004)
HRA Share of operating income and expenditure included in Whole Authority I&E Account					
Interest Receivable	(110)	(135)	(153)	(153)	(152)
Mortgage Interest Receipts	(1)	0	0	0	0
(Surplus) / Deficit on the HRA for the Year	(13,135)	(13,818)	(14,985)	(16,391)	(17,156)
Items not in the HRA Income and Expenditure Account but included in the movement on HRA balance					
Loan Interest	6,982	6,985	7,093	7,144	7,057
Debt Redemption Premium	301	0	0	0	0
Housing Set Aside	1,090	0	0	3,156	5,490
Depreciation Adjustment	(1,969)	(1,989)	(2,024)	(2,070)	(2,118)
Direct Revenue Financing of Capital	9,333	8,778	9,918	8,183	6,741
(Surplus) / Deficit for Year	2,602	(44)	2	22	14
Balance b/f	(4,559)	(1,957)	(2,001)	(1,999)	(1,977)
Total Balance c/f	(1,957)	(2,001)	(1,999)	(1,977)	(1,963)

Appendix H (Section 10) (Appendix F in Asset Management Plan)

Housing Capital Investment Plan (5 Year Detailed Investment Plan)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	2,760	37	0	0	0	0
Disabled Facilities Grants	582	550	550	550	550	550
Private Sector Housing Grants and Loans	195	195	195	195	195	195
Long Term Vacants	20	20	20	20	20	20
Total General Fund Housing Capital Spend	3,557	802	765	765	765	765
HRA Capital Spend						
Decent Homes						
Kitchens	665	691	255	618	598	292
Bathrooms	120	196	128	522	525	119
Boilers / Central Heating	1,553	2,024	1,316	618	2,450	1,688
Insulation / Energy Efficiency	58	100	100	100	100	100
External Doors	378	16	28	129	108	63
PVCU Windows	130	3	339	1,002	1,350	912
Wall Structure	0	15	36	621	63	114
Wall Finishes	479	284	196	319	230	115
Wall Insulation	0	100	100	100	100	100
External Painting	0	0	0	0	0	0
Roof Structure	0	307	300	800	300	322
Roof Covering	934	1,130	544	215	210	274
Chimneys	0	51	39	12	2	1
Electrical / Wiring	304	279	83	91	181	317
Smoke Detectors	0	3	5	19	109	9
Sulphate Attacks	125	102	102	102	102	102
Major Voids	59	56	53	51	48	53
HHSRS Contingency	140	150	150	100	100	100
Other Health and Safety Works	464	50	50	50	50	50

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
(Balconies)						
Other External Works	0	0	0	3	5	0
Rising Damp / Penetrating Damp	20	0	0	0	0	0
Professional Fees	377	377	377	377	377	377
External Professional Fees	0	19	19	19	19	19
Decent Homes Backlog	0	2,131	3,907	2,131	1,065	3,019
Planned Maintenance Contractor Overheads	0	970	975	960	971	978
Total Decent Homes	5,806	9,054	9,102	8,959	9,063	9,124
Other Spend on HRA Stock						
Garages	66	300	300	300	300	300
Asbestos Contingency	200	200	200	200	200	200
Disabled	915	878	878	878	878	878
TIS Schemes	25	21	21	21	21	21
Communal Areas Uplift	0	546	546	546	546	546
Fire Prevention / Fire Safety Works	1,424	300	300	300	300	300
Hard surfacing on HRA Land - Health and Safety Works	270	150	250	250	150	150
Hard surfacing on HRA Land - Recycling	199	100	0	0	0	0
Communal Areas Floor Coverings	207	100	100	0	0	0
Professional Fees	104	104	104	104	104	104
Lifts and Door Entry Systems	13	13	13	13	13	13
Fencing	116	100	100	100	100	100
Cemetery Lodge	0	50	0	0	0	0
Hanover / Princess Laundry	3	0	0	0	0	0
East Road Garages - Lighting Controls	0	4	0	0	0	0
TV Aerials	8	0	0	0	0	0
Planned Maintenance Contractor Overheads	0	344	337	325	313	313
Total Other Spend on HRA stock	3,550	3,210	3,149	3,037	2,925	2,925
HRA New Build / Re-Development						
Teversham Drift	115	0	0	0	0	0
Cockerell Road	14	0	0	0	0	0

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Harris Road	5	0	0	0	0	0
Church End	319	0	0	0	0	0
Roman Court	165	578	591	41	0	0
Seymour Court	1,153	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	0	4,510	10,761	2,859	0	0
Clay Farm	0	0	0	10,046	3,617	0
Total HRA New Build	1,771	5,088	11,352	12,946	3,617	0
Cambridge Standard Works						
Cambridge Standard Works	455	200	200	200	200	200
Total Cambridge Standard Works	455	200	200	200	200	200
Sheltered Housing Capital Investment						
Emergency Alarm Service	96	0	0	0	0	0
Talbot House	5	0	0	0	0	0
Ditchburn Place	634	3,224	0	0	0	0
Brandon Court	3,045	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,780	3,224	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	34	227	0	0	0	0
Low Cost Home Ownership	300	300	300	300	300	300
RFR Buy Back	0	330	330	330	0	0
Commercial Property	68	30	30	30	30	30
Total Other HRA Capital Spend	402	887	660	660	330	330
Total HRA Capital Spend	15,764	21,663	24,463	25,802	16,135	12,579
Total Housing Capital Spend at Base Year Prices	19,321	22,465	25,228	26,567	16,900	13,344
Inflation Allowance for Future Years	0	0	835	1,709	2,010	2,343
Total Inflated Housing Capital Spend	19,321	22,465	26,063	28,276	18,910	15,687

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Description	£'000	£'000	£'000	£'000	£'000	£'000
Housing Capital Resources						
Right to Buy Receipts	-344	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	-5,119	0	0	0	0	0
Major Repairs Reserve	0	-7,673	-7,398	-7,529	-7,702	-7,881
Direct Revenue Financing of Capital	-2,972	-9,333	-8,778	-9,918	-8,183	-6,741
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-349	-3,507	-6,596	-1,826	-2,260	-300
Disabled Facilities Grant	-262	-262	-262	-262	-262	-262
Developer's Contributions (Affordable Housing)	-331	0	0	0	0	0
Prudential Borrowing	-283	0	-2,526	-8,238	0	0
Total Housing Capital Resources	-9,660	-20,775	-25,560	-27,773	-18,407	-15,184
Net (Surplus) / Deficit of Resources	9,661	1,690	503	503	503	503
Capital Balances b/f	-13,794	-5,036	-3,346	-2,843	-2,340	-1,837
Use of / (Contribution to) Balances in Year	9,661	1,690	503	503	503	503
Use of balance previously ear-marked for affordable housing	-903	0	0	0	0	0
Capital Balances c/f	-5,036	-3,346	-2,843	-2,340	-1,837	-1,334

Appendix I (Section 10) (Appendix G in Asset Management Plan)

Housing Capital Investment Plan (30 Year Summary Investment Plan)

Description	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Housing Capital Spend						
Assessment Centre	37	0	0	0	0	0
Disabled Facilities Grants	2,750	2,174	1,310	1,310	1,310	1,310
Private Sector Housing Grants and Loans	975	430	0	0	0	0
Long Term Vacants	100	40	0	0	0	0
Total General Fund Housing Capital Spend	3,862	2,644	1,310	1,310	1,310	1,310
HRA Capital Spend						
Decent Homes						
Kitchens	2,454	2,911	6,025	10,458	2,062	2,911
Bathrooms	1,490	1,952	756	1,050	1,619	6,236
Boilers / Central Heating	8,096	13,916	13,698	11,324	13,765	9,206
Insulation / Energy Efficiency	500	500	500	500	500	500
External Doors	344	436	331	766	462	582
PVCU Windows	3,606	6,031	4,020	7,890	388	3,585
Wall Structure	849	639	189	1,797	2,265	1,998
Wall Finishes	1,144	1,438	1,257	1,302	1,164	804
Wall Insulation	500	500	0	0	0	0
External Painting	0	0	600	600	200	1,000
Roof Structure	2,029	1,514	7	7	0	0
Roof Covering	2,373	3,404	4,451	3,204	2,020	6,370
Chimneys	105	2	5	7	60	127
Electrical / Wiring	951	1,247	848	1,723	2,246	4,028
Smoke Detectors	145	245	548	145	245	548
Sulphate Attacks	510	510	510	0	0	0
Major Voids	261	269	270	270	270	270

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
HHSRS Contingency	600	500	500	500	500	500
Other Health and Safety Works (Balconies)	250	250	250	250	250	250
Other External Works	8	34	13	32	326	616
Rising Damp / Penetrating Damp	0	0	0	0	0	0
Professional Fees	1,885	1,885	1,885	1,885	1,885	1,885
External Professional Fees	95	95	95	95	95	95
Decent Homes Backlog	12,253	5,505	0	0	0	0
Planned Maintenance Contractor Overheads	4,854	5,254	4,410	5,256	3,639	4,982
Total Decent Homes	45,302	49,037	41,168	49,061	33,961	46,493
Other Spend on HRA Stock						
Garages	1,500	500	500	500	500	500
Asbestos Contingency	1,000	500	500	500	500	500
Disabled	4,390	4,390	4,390	4,390	4,390	4,390
TIS Schemes	105	105	105	105	105	105
Communal Areas Uplift	2,730	2,730	2,730	2,730	2,730	2,730
Fire Prevention / Fire Safety Works	1,500	1,200	0	0	0	0
Hard surfacing on HRA Land - Health and Safety Works	950	750	750	750	750	750
Hard surfacing on HRA Land - Recycling	100	0	0	0	0	0
Communal Areas Floor Coverings	200	0	0	300	200	0
Professional Fees	520	520	520	520	520	520
Lifts and Door Entry Systems	65	65	65	65	65	65
Fencing	500	500	500	500	500	500
Cemetery Lodge	50	0	0	0	0	0
Hanover / Princess Laundry	0	0	0	0	0	0
East Road Garages - Lighting Controls	4	0	0	0	0	0
TV Aerials	0	0	0	0	0	0
Planned Maintenance Contractor Overheads	1,632	1,349	1,205	1,241	1,229	1,205
Total Other Spend on HRA stock	15,246	12,609	11,265	11,601	11,489	11,265
HRA New Build / Re-Development						

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Teversham Drift	0	0	0	0	0	0
Cockerell Road	0	0	0	0	0	0
Harris Road	0	0	0	0	0	0
Church End	0	0	0	0	0	0
Roman Court	1,210	0	0	0	0	0
Seymour Court	0	0	0	0	0	0
3 Year Affordable Housing Programme (Excl. Seymour Court)	18,130	0	0	0	0	0
Clay Farm	13,663	0	0	0	0	0
Total HRA New Build	33,003	0	0	0	0	0
Cambridge Standard Works						
Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Total Cambridge Standard Works	1,000	1,000	1,000	1,000	1,000	1,000
Sheltered Housing Capital Investment						
Emergency Alarm Service	0	0	0	0	0	0
Talbot House	0	0	0	0	0	0
Ditchburn Place	3,224	0	0	0	0	0
Brandon Court	0	0	0	0	0	0
Total Sheltered Housing Capital Investment	3,224	0	0	0	0	0
Other HRA Capital Spend						
Orchard Upgrade / Open Contractor / Mobile Working / ASB Database	227	0	0	0	0	0
Low Cost Home Ownership	1,500	1,500	1,500	1,500	1,500	1,500
RFR Buy Back	990	0	0	0	0	0
Commercial Property	150	150	150	150	150	150
Total Other HRA Capital Spend	2,867	1,650	1,650	1,650	1,650	1,650
Total HRA Capital Spend	100,642	64,296	55,083	63,312	48,100	60,408

	2012/13 to 2016/17	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42
Description	£'000	£'000	£'000	£'000	£'000	£'000
Total Housing Capital Spend at Base Year Prices	104,504	66,940	56,393	64,622	49,410	61,718
Inflation Allowance for Future Years	6,897	19,387	26,982	44,219	46,916	65,588
Total Inflated Housing Capital Spend	111,401	86,327	83,375	108,841	96,326	127,306
Housing Capital Resources						
Right to Buy Receipts	0	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	0	0	0	0
Major Repairs Allowance (MRA)	0	0	0	0	0	0
Major Repairs Reserve	-38,183	-53,423	-58,674	-66,988	-72,951	-83,805
Direct Revenue Financing of Capital	-42,953	-28,760	-21,891	-39,043	-20,565	-40,691
Other Capital Resources (Grants / Shared Ownership / R&R Funding)	-14,489	-1,500	-1,500	-1,500	-1,500	-1,500
Disabled Facilities Grant	-1,310	-1,310	-1,310	-1,310	-1,310	-1,310
Developer's Contributions (Affordable Housing)	0	0	0	0	0	0
Prudential Borrowing	-10,764	0	0	0	0	0
Total Housing Capital Resources	-107,699	-84,993	-83,375	-108,841	-96,326	-127,306
Net (Surplus) / Deficit of Resources	3,702	1,334	0	0	0	0
Capital Balances b/f	-5,036	-1,334	0	0	0	0
Use of / (Contribution to) Balances in 5-Year Period	3,702	1,334	0	0	0	0
Use of balance previously ear-marked for affordable housing	0	0	0	0	0	0
Capital Balances c/f	-1,334	0	0	0	0	0