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**HOUSING REVENUE ACCOUNT – MTFP 2014/15 TO 2018/19**

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**Responsible Cabinet Member - Councillor Veronica Copeland,  
Adult Social Care and Housing Portfolio**

**Responsible Director - Paul Wildsmith,  
Director of Neighbourhood Services & Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2014/15 in the context of the HRA Medium Term Financial Plan to 2018/19 and the 30 year business plan.

**Summary**

2. The key decision regarding the HRA is the balance between rent levels and investment in the housing stock. Recent changes to the HRA financial regime has increased flexibility in how finances can be managed generally although some new restrictions are now in place on borrowing. The report recommends the continuation of past practice to increase rents in line with the maximum allowed by government to ensure sufficient funds for investment in the housing stock. The Tenants Board are supportive of this approach.
3. There is the potential for the Council to bid to remove the borrowing limits placed on the HRA to increase investment and delegations are sought to submit a bid if appropriate.
4. The Business Plan for investment included in the report proposes the building of 160 new properties.

**Recommendation**

5. It is recommended that :-
  - (a) An average weekly rent increase for 2014/15 of 4.89% (£3.29) be implemented.
  - (b) Garage rents and service charges are increased as shown in Table 3.
  - (c) The budget at **Appendix 1** is approved.
  - (d) The Housing Business Plan **Appendix 2** is agreed.

(e) That delegation be given to the Director of Neighbourhood Services & Resources in consultation with the Cabinet Members for Adults & Housing and Efficiencies and Resources to submit a bid through the Local Enterprise Partnerships (LEP) to remove the HRA Borrowing Limit.

(f) The report is referred to Council for approval.

## Reasons

6. The recommendations are supported to enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

**Paul Wildsmith**  
**Director of Neighbourhood Services & Resources**

## Background Papers

### CLG Rent Restructuring Guidance

Pauline Mitchell: Ext 2505

S17 Crime and Disorder	The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.
Health and Well Being	There are no issues relating to health and well-being which this report needs to address
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity issues
Wards Affected	This will have an effect on the majority of the Wards in the Borough.
Groups Affected	All Council Tenants and Lifeline Service Users
Budget and Policy Framework	The issues contained within this report require Council approval and the report will be presented to Council on 27 February 2014.
Key Decision	This is a key decision because agreement to the recommendations will result in the Local Authority incurring expenditure which is significant. There will also be a significant effect on the communities living or working in an area comprising two or more wards within the area of the local authority.
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council on 27 February 2014 will be required.

One Darlington: Perfectly Placed	The report has no particular implications for the Sustainable Community Strategy.
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service.

## MAIN REPORT

### Setting the MTFP from the HRA

7. The changes to how the HRA is financed gives Councils more flexibility when deciding the balance between the levels of service provided to tenants and the levels of rent charged.
8. In the past, rent setting has been pretty much pre-determined by government policy so service level decisions could only be made within the budget envelope created by the pre-determined rent levels. Councils now have the ability to set rents up to a maximum level determined by the DWP; this is known as the limit rent. In Darlington for 2014/15 the maximum average increase allowed will be 4.89%. The maximum increase is in line with prior year increases and this has enabled tenants to continue to receive a good level of service and provide funding for investment in existing and new properties. The MTFP as described in the following sections assumes that the Council will continue to increase rent levels to the maximum level to ensure the standard of service offered remains high in the context of the HRA having relatively low rents and that 73% of tenants are in receipt of housing benefits which will cover the increased rents. A later section however gives Members further options for rent levels and explains the differing impacts on future investment plans.

### 9. Analysis of Expenditure within the HRA

#### (a) Management £5.477m

This includes all staffing costs associated with the provision of a housing management service, central support service and ground maintenance recharges and other associated support costs such as ICT and insurance. These costs have been benchmarked and show our costs of £563 per property compare very favourably with our Comparator Group average of £735 per property.

#### (b) Maintenance - Revenue Repairs - £3.9m

This covers the on-going general repairs to the Councils 5,300 properties at a rate of approximately £680 per property per year. This level represents an average spend and reflects the overall good condition of the stock due to sustained capital investment. Benchmarks indicate we provide good value for money when compared to the overall average of £826 per property. The continued investment in a good repairs service is essential to maintaining our stock at a good level for current and future tenants.

#### (c) Capital Financing Costs

This is the cost of paying for previous borrowing undertaken to fund capital expenditure.

#### (d) Bad Debts Provision

A provision to cover rents that are deemed unrecoverable.

#### (e) Revenue Contributions to Capital Programme - £11.643m

The Council cannot borrow to finance major refurbishments and the building of new houses due to the current restriction on HRA borrowing therefore all capital expenditure needs to be funded from revenue. The budget acknowledges this

and allows for revenue contributions each year. In addition over recent years contributions have been set aside to fund significant investment such as Red Hall Estate regeneration.

10. When considering rent levels Members will appreciate that expenditure items (a) to (d) are relatively fixed and the main variable is the level of funding available for capital investment. The proposed Business Plan is discussed in the following section and this explains where future capital investment is planned.

### **Housing Business Plan**

11. The purpose of the Housing Business Plan 2014 is to ensure that the Housing Service has a financial plan which is sustainable and focuses investment towards strategic priorities. During the development of the business plan it has become clear that there were a number of strategic investment priorities that are particularly pressing and have significant financial implications for both the Housing Revenue Account and the Council's General Fund.
12. The following proposals will outline these strategic priorities, the resources available to deliver on these priorities (subject to final decisions on rent levels) and how resources will be aligned against the priorities.

### **Regeneration of Red Hall**

13. Over the last 15 years the Housing Service has undertaken a strategic plan to regenerate key housing estates within the borough. Skerne Park was the first estate to be regenerated followed by Firthmoor, Parkside and Cockerton. Red Hall is the final estate identified for regeneration work, primarily because of low demand and high repair costs within the 'Courts' area of the estate.
14. The regeneration of the Red Hall estate has become an increasingly strategic issue for the Council and local area as it is situated in close proximity to three major development opportunities at 'Lingfield Point', the 'Eastern Urban Fringe' and a 4.3 hectare greenfield site, in Council ownership at North Red Hall, known previously as Red Hall stables. The regeneration of Red Hall will support the wider master plan for the area and potentially increase the capital receipt the Council will receive for future land sales within the area.
15. Initial consultation with residents of Red Hall concerning the proposed regeneration work was completed in July 2013. Based on the core values developed as part of this wider master planning consultation, a number of investment proposals were prepared for further consultation with Red Hall residents in December 2013. The feedback from the consultation event was positive and the investment plan for the area has now been finalised with the key elements outlined below:
  - (a) Demolish 56 properties within the courts area of Red Hall. This includes the demolition of all properties at Elland and Epsom Courts (42 properties) and partial demolition of Aintree and Anfield Courts (14 properties).
  - (b) Environmental works to improve the front and rear access to the properties remaining at Aintree and Anfield Courts (22 properties)

- (c) Replacement of remaining electric storage heaters with gas central heating systems (12 properties)
  - (d) External cladding to all properties on the estate that would benefit from this work (approximately 200 properties)
  - (e) Provision of double glazed windows and composite doors to properties within the courts area of Red Hall (151 properties)
  - (f) Provide new rear dividing fencing between properties where appropriate within the courts area of Red Hall (151 properties)
  - (g) Complete environmental works across the estate to improve public areas such as improved street lighting and public pathways.
16. It is anticipated that work resulting from the investment outlined above will be phased over two years from 2014 and will cost £3m. These investments are identified as phase one of the wider master planning work at Red Hall which is likely to take place over a much longer period. We are also exploring opportunities for a more ambitious programme of energy efficiency measures throughout the estate rather than restricting work to mainly the court areas. This would be subject to funding from Energy Company Obligations (ECO) and unfortunately there are some uncertainties around the extent of these obligations in the future.
17. All households affected by the demolition works will be given compensation in line with statutory guidelines and be supported by Housing Services to secure alternative accommodation.

### **New Build**

18. The Strategic Housing Market Assessment completed for the Tees Valley in 2012 identified that there is a shortfall of over 300 affordable dwellings across the Borough of Darlington each year. When taking into consideration with the Council's recent regeneration work, which has resulted in the loss of 107 council houses, and proposed regeneration work at Red Hall which may result in the loss of further properties, there is a clear need for the Council to build new affordable housing.
19. Not only is there a need to build affordable dwellings to meet local need, it is also a business need for the Housing Service. The Business Plan is underpinned by the rents received from Council properties and the loss of rents as a result of regeneration works and right to buy sales would significantly reduce income for the Housing Service if these properties were not replaced. Similarly the impact for New Homes Bonus of overall reductions in property numbers needs to be taken into account.
20. As a result of the implementation of the government's self-financing initiative introduced from April 2012 and savings delivered in the Capital Works fund it has been possible to create an Investment Fund. It is proposed that this will be primarily used to deliver the regeneration of Red Hall and a new build programme. From 2014 to 2017 a total of £16m is available for the development of new council housing, leading to approximately 160 new homes.
21. Four Council-owned sites have currently been identified as those most suitable for housing development however these have not yet been finalised and further sites will need to be considered (as described in a report to Cabinet on the 4/2/14).

22. The property mix for each of these sites is yet to be finalised but will focus on smaller units of accommodation to reflect current demand and support existing tenants needing to downsize as a result of the Welfare Reforms.

### **Housing for Vulnerable People**

23. Strategic reviews are currently taking place to determine how housing and support could be more effectively provided to Adult Social Care Clients who have a support need with a particular focus on people with a Learning Disability or at risk of homelessness as well as Leaving Care clients.
24. It is anticipated that, with some minor structural alterations and changes to the allocations policy, the existing housing stock could more effectively meet most of these needs. As a result the Housing Services have committed to re-designate up to 50 units of older persons accommodation where we have an over-supply between 2014 and 2016.
25. The strategic reviews may also identify the need for some new build accommodation for particular client groups. These needs could be met from our own new build programme or in partnership with other Registered Providers.
26. Each year Housing Services complete a range of minor and major adaptations to individual Council properties where a need has been identified by an Occupational Therapist. In 2012/13 over 250 properties received adaptations works through this route and works ranged from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts and ground floor extensions. The adaptations budget is fundamental in supporting households to remain in independent living and preventing a premature movement into a more supported form of accommodation. Adaptations play a key role in reducing demands on Adult Social Care budgets and to reflect this, the Business Plan is committed to investing £300k per year on adaptations.

### **Existing Stock Investment and Responsive Repairs**

27. In 2008 Savills were commissioned to undertake a Public Sector Stock Condition Survey. Savills concluded that DBC's stock had been 'well maintained on a day to day basis and is in very good condition when compared to local authority housing stock of a similar size and nature'. This conclusion was supported by the thirty year forecast with total expenditure to maintain the stock and related assets at the lower end of the expected benchmark totals. These findings reflect that the stock has been subject to significant investment over the last 10 years (2003-2013) with a structured programme for both ongoing capital improvements and maintenance resulting in:
  - (a) All stock meeting the Decent Homes Standard by 2006.
  - (b) A proactive approach to capital improvement work ensuring all stock is maintained to a standard above the Decent Homes Standard, locally known as the Darlington Standard.
  - (c) An average SAP rating of 69 across the Council housing stock indicating an above average level of thermal comfort. This can be largely attributed to a central heating programme which has installed over 2,500 A rated combi-boilers and a planned maintenance programme which ensures all properties suitable benefit from cavity wall insulation and 300mm of loft insulation.

- (d) £98m, or £9.8m per year, being spent on capital improvements including the regeneration of Cockerton and Parkside and the rebuilding or remodelling of all sheltered and extra care schemes.
28. The Business Plan identifies a capital works budget of £41m over the next five years and £229m budget for capital works over the next 30 years. This budget will ensure all works identified within the stock condition survey can be completed alongside additional works to maintain properties to the Darlington Standard and complete regeneration works where appropriate.
29. The Council's housing stock is well maintained as a result of a structured capital investment programme. This has resulted in DBC's Housing Service being identified by the Audit Commission as a high performing authority with one of the lowest average maintenance cost per dwelling of all stock retained authorities in England.
30. A wide range of actions within the Business Plan are anticipated to reduce the level of expenditure on responsive repairs. These include:
- (a) The Energy Efficiency budget will provide new composite doors which do not fluctuate in shape following changes in temperature or heavy rainfall and will reduce responsive repair requests. As 'ease and adjust timber door' was the second most common repair request from tenants in 2012/13, with over 600 over time, this will mean a significant reduction on responsive repair works.
  - (b) Roofing and Energy Efficiency budget will replace items that require painting on a cyclical basis, for example, cast iron and lead gutters and downpipes or timber doors with PVC equivalents that do not require regular painting.
  - (c) The current provision of stores which is used for the majority of responsive repairs and a significant portion of capital works is being re-tendered with the new stores service going live in March 2014. The current stores service is delivered in house and it is anticipated that an external provision will lead to savings on material costs and improve the number of repairs that can be completed at first visit.
31. The Business Plan anticipates responsive repairs will remain at historical levels and so allocates a budget of £21m for responsive and cyclical repairs within the five year investment plan and £129m within the 30 year investment plan.

### **Energy Efficiency**

32. The Standard Assessment Procedure (SAP) is an industry standard used to evaluate the energy efficiency of a property. While the average SAP rating of the Council's housing stock is 69, is in line with the national average, some housing stock have poor levels of thermal comfort.
33. The five year investment plan directs £5.5m towards investment in A rated combination boilers and £33m to heating replacement over 30 Year Business Plan period. A further £3m has been allocated to Energy Efficiency measures within the five year investment plan for the replacement of PVCu windows and the installation of composite doors to properties identified as the hardest to treat in relation to other basic retro fit measures. The 30 Year Business Plan allocates £18.5m of investment in Energy Efficiency measures.



34. To supplement the investment identified within the Business Plan, Housing Services are currently working with Warm Up North and other funding providers to leverage additional grant funding to complete a wider range of energy efficiency improvements. Potential projects include:
- (a) Provision of external cladding, double glazing and composite doors to 39 System Built properties with an average SAP rating of 64.
  - (b) Provision of external cladding, double glazing and composite doors to 398 Wimpey No Fines and System Built properties with an average SAP rating of 54.
35. Attached at **Appendix 2** is the 30 year Investment Plan and at **Appendix 3** the detailed 5 year investment plan.
36. Members will appreciate that the investment plan is underpinned by annual rises at the maximum levels which are estimated to be the Consumer Price Index (CPI) plus 1%.

### Rent Level Options

37. The main objective of the Government's policy on rent restructuring is that rents should be fair and affordable for tenants in the social rented sector. The policy sets out a common basis on which all rents in the social sector should be set. This means that the rent for a house or flat (known as the formula rent) is linked to its capital value, size, location, condition and local earnings so that tenants can make a proper choice between how much they pay and the size and quality of the property they live in.
38. The assumed level of rent increases over the next five years are set out below together with the level of funding available to fund capital investment e.g. Red Hall regeneration and new build.

**Table 1: Assumed Level of Rent Increases over the Next 5 Years**

Year	Average % increase	Available for Capital Investment £m's
2014/15	4.89 (2)	14.2
2015/16	3.0	5.7
2016/17	3.0	5.8
2017/18	3.0	5.9

(1) Includes brought forward of £7.5m

(2) Includes final year of rent convergence

39. Should Members feel the level of rent increases should be lower with a consequential reduction in funding available for capital investment then the following table demonstrates the potential impacts on the five year investment programme. Clearly Members only make annual decisions on rent levels however they need to do so understanding the impact on future plans. The table below shows the impact of a 1% reduction in estimated rent levels on the 5 year and 30 year plan.

**Table 2: Impact of 1% Reduction in Estimated Rent Levels on 5 Year and 30 Year Plan**

	<b>Impact of 1% reduction in year £'000s</b>	<b>Impact on 5 year plan 2014-2018 £'000s</b>	<b>Impact on 30 year plan £'000s</b>
2014/15	183	758	5,512
2015/16	188	574	5,333
2016/17	189	383	5,071
2017/18	193	193	4,884
<b>Cumulative Impact of a 1% reduction each year</b>	<b>753</b>	<b>1,908</b>	<b>20,800</b>

If the rent increase for 2014/15 was reduced from 4.89% to 2.0%, for example, the following would apply:

- The average rent for 2014/15 would be £68.58;
- The average rent increase would be £1.34;
- The amount of income lost in 2014/15 would be £528k;
- The amount of income lost over the life of the 30 year business plan would be £16m.

40. The impact of rent convergence ending prematurely in 2015/16 represents an annual loss of £0.5m which will already impact significantly on the Housing Business Plan over its 30 year period and this is one of the reasons for recommending the full guideline increase for 2014/15.
41. The above information has been considered by leading Members in the production of this report and their view is that given the context in which this decision is being taken and tenants desire to see continued investment in the stock that the increase for 2014/16 should be 4.89% with future increases planned at CPI at 1%. Example rents for 2014/15 are attached at **Appendix 4**.
42. The additional costs will be covered by Housing Benefits and where appropriate Supporting People grant for the 73% of tenants who are eligible. It should be noted that during the current year around 60 tenants have chosen to move to smaller property in the private sector due to the Bedroom Tax. As a result they have less security and are paying a higher rent for a smaller property by building more smaller Council housing we will be able to offer a more secure option to those whose only alternative option is the private sector. We have also introduced a Money Advice Service to address the financial challenges facing a number of Council tenants and this service is designed to target those most at risk and to work with them to find achievable solutions.

### **Garage Rents and Service Charges**

43. The budget at Appendix 1 includes the financial effect of the proposed increases. The proposed service charges provide for achieving full recovery of costs from those tenants who directly benefit from the services provided. In most instances this means a small inflationary increase is necessary but in some instances such as the cleaning

of standard flats and scheme heating costs no increase is needed to maintain current levels of service. Last financial year, due to changes in the role of Warden Services, the general fund contribution to the HRA for welfare services was stopped. This had an impact of increasing the “Lifeline – Sheltered and Extra Care” service charge. To limit the increase to tenants, it was decided to phase in the additional cost over two years; with 2014/15 being the final year and so the full cost of warden services is now being recovered. Details are shown at Table 3.

**Table 3: Garage Rents and Service Charges**

Description	Current Weekly Charge (13/14)	Proposed Weekly Charge (14/15)
	£	£
Garage Rents	6.48	6.65
Building Cleaning – Flats	1.57	1.57
Building Cleaning – Sheltered Schemes	3.11	3.15
Building Cleaning – Extra Care	9.78	9.89
Grounds Maintenance – General Housing	1.43	1.46
Grounds Maintenance – Blocks of Flats	1.43	1.46
Heating – Comprehensive schemes	11.46	11.46
Heating - Blocks of flats	1.10	1.16
Administration – Leaseholders	78.62	80.74
Furnishings and Fittings – Comprehensive Schemes	1.62	1.66
Furnishings and Fittings – Good Neighbour Schemes	0.73	0.75
Lifeline Response	5.09	5.21
Lifeline - Sheltered and Extra Care Housing	13.85	14.98
Pavement Crossings and Hard standings	3.46	3.56
Mid-day Meal – Extra Care (Residents only)	30.89	31.64
Mid-day Meal – Extra Care (Non-Residents only)	37.07	37.97
Furnished Tenancies - 1 bed flat	27.76	28.51
Furnished Tenancies - 2 bed flat	28.87	29.65
Furnished Tenancies - 2 Bed House	44.76	45.97
Furnished Tenancies - 3 Bed House	46.84	48.10
Furnished Tenancies - White Goods	5.98	6.10
Guest Rooms in Sheltered Schemes	75.25	77.00
Door Entry Systems	0.56	0.58
TV Aerials	0.16	0.16

## Consultation

44. The Annual Review of the HRA Business Plan is developed in consultation with Council tenants through the Tenants Board and associated sub-groups supplemented with surveys, focus groups, bespoke meetings and marketing tools such as mystery shopping.

45. The Tenants Board continue to be proactive and have had a significant workload during the year in terms of reviewing and improving service delivery within the Housing Revenue Account. Major areas of work include:-
- (a) Board members on the Repairs and Maintenance task and finish group continue to contribute to the action plan to identify improvements needed to the repairs and maintenance service. They have also agreed that the first project undertaken by the Tenant Scrutiny Group will be an in depth examination of the void process.
  - (b) The Streetscene Group have reviewed the Grounds Maintenance Specification working in partnership with Street Scene to do this.
  - (c) Members are keen to ensure that they are up to date with changes to housing policy and procedures and they update their skills to ensure they have the knowledge and ability to fulfil their role. During the year they have taken part in consultations on Sheltered Housing and the Pet Policy, attended a Welfare Rights conference and received training on Equality and Diversity, Safeguarding Adults and Tenant Scrutiny.
  - (d) Board members took part in their annual estate inspection visiting Minors Crescent at Cockerton to see the improvement work and several sites that may be used in the future to provide new affordable homes. They stopped at Red Hall Community Centre to view the proposed plans for regenerating the estate and they also toured Kings Church to learn more about the Furniture Scheme and Food Bank operating from there.
  - (e) They have worked in partnership with the Dogs Trust to promote good dog ownership, attending a joint event offering free micro-chipping for dogs. This links to the review of the Pet Policy which now allows pets in some sheltered and extra care schemes.
46. This report will be considered by the Tenant's Board on the 12 February 2014 and their views will be presented at the Cabinet meeting.

### **Financial Implications**

47. The estimates included in this report represent a fair view of ongoing plans and commitments although Members will appreciate some budget are subject to volatility and will continue to be monitored closely.
48. The level of revenue balances projected in this report represent an adequate level given the level of risk

### **Relaxation of the HRA Borrowing Gap**

49. As highlighted earlier the Government limits the amount that can be borrowed by the HRA regardless of whether further borrowing is affordable. This is very much at odds with the Prudential Borrowing code in place in the general fund. Currently Darlington cannot take on any additional borrowing. The Government recently announced that the Growth Fund available to LEP's would no longer be in part funded by deduction

from Local Authority New Homes Bonus (NHB). To “replace” the funding LEP’s can apply to the Government for the removal of the HRA borrowing cap to help Councils stimulate growth.

50. For Darlington the removal of the borrowing cap would mean the HRA could speed up its investment plans in particular in relation to new build programmes. An estimated additional £27m could be invested in the next five years.
51. The process for applying for the removal of the borrowing cap is not yet clear and quite often such processes are quite short therefore permission is sought for the Director of Revenue and Neighbourhood Services in consultation with the Cabinet Portfolio holders for Efficiency and Resources and Adult Social Care and Housing to apply as appropriate and report back to Cabinet.

## HRA Estimates

	2013/14		2014/15	2015/16	2016/17	2017/18
	Budget	Projection	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
<b><u>INCOME</u></b>						
Rent of HRA Dwellings (Gross)	(18,722)	(18,900)	(19,230)	(19,683)	(20,161)	(20,645)
Sundry Rents (including Garages & Shops)	(379)	(380)	(368)	(375)	(382)	(389)
Charges for Services & Facilities	(2,383)	(2,503)	(2,450)	(2,450)	(2,450)	(2,450)
Contribution towards Expenditure	(455)	(431)	(391)	(391)	(391)	(391)
Interest Receivable	(25)	(40)	(25)	(25)	(25)	(25)
<b>Total Income</b>	<b>(21,964)</b>	<b>(22,254)</b>	<b>(22,465)</b>	<b>(22,924)</b>	<b>(23,409)</b>	<b>(23,900)</b>
<b><u>EXPENDITURE</u></b>						
Management	5,336	5,192	5,477	5,567	5,730	5,889
Maintenance - Revenue Repairs	3,745	3,844	3,900	4,095	4,299	514
Revenue Contribution to Capital	5,648	7,516	11,643	12,752	9,879	6,903
Capital Financing Costs	3,669	3,690	3,802	3,815	3,774	3,735
Increase in Bad Debt Provision	250	250	250	250	250	250
Contribution to/(from) balance	3,316	1,762	(2,606)	(3,555)	(523)	2,609
<b>Total Expenditure</b>	<b>21,964</b>	<b>22,254</b>	<b>22,466</b>	<b>22,924</b>	<b>23,409</b>	<b>23,900</b>
<b>(Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
Opening Balance	5,738	8,354	10,116	7,510	3,955	3,432
Contribution to / (from) balance	3,316	1,762	(2,606)	(3,555)	(523)	2,609
Closing Balance	9,054	10,116	7,510	3,955	3,432	6,041
Estimated Closing Dwelling Numbers	<b>5,330</b>	<b>5,349</b>	<b>5,319</b>	<b>5,289</b>	<b>5,259</b>	<b>5,229</b>
Closing Balance per Dwelling	1,698.69	1,891.19	1,411.92	747.78	652.60	1,155.29

## THIRTY YEAR INVESTMENT FORECAST

	<b>Years 1 to 10 (£000)</b>	<b>Years 11- 20 (£000)</b>	<b>Years 21 - 30 (£000)</b>	<b>Total Spend (£000)</b>
Adaptations	3,650	3,800	3,800	11,250
Communal Works	500	500	500	1,500
Decoration following IPM	352	482	459	1,293
External works (footpaths, fencing, etc.)	5,000	5,000	5,000	15,000
Garage Improvements	750	750	750	2,250
Heating Replacements	11,336	11,089	10,568	32,992
Internal Planned Maintenance	21,809	20,791	19,814	62,415
Repairs before painting	1,000	1,000	1,000	3,000
Roof work	4,080	4,000	4,000	12,080
Structural Repairs	1,280	1,200	1,200	3,680
Warden Link & Sheltered Housing	800	800	800	2,400
Walls/Canopies	1,795	3,590	3,590	8,975
Lifts	207	230	230	667
Energy Efficiency	5,972	6,100	6,300	18,372
Professional Fees	2,500	2,500	2,500	7,500
Smoke / Fire Alarms	500	500	500	1,500
Door entry	300	300	300	900
New build and regeneration capital investment	23,000	13,000	15,000	51,000
<b>Total expenditure</b>	<b>76,831</b>	<b>75,632</b>	<b>76,311</b>	<b>228,774</b>

## FIVE YEAR INVESTMENT PLAN

Business Plan – Draft 5 Year Investment Plan					
	2014/15	2015/16	2016/17	2017/18	2018/19
	£000's	£000's	£000's	£000's	£000's
<b><u>Scheme / Project</u></b>					
Adaptations	330	330	330	380	380
Heating replacement programme	1,035	1,051	1,170	1,174	1,168
Structural works	120	140	140	140	140
Lifeline Services	80	80	80	80	80
Repairs before painting	100	100	100	100	100
Roofing	400	420	420	420	420
Garages	75	75	75	75	75
External Works (footpaths, fencing, etc.)	500	500	500	500	500
Smoke detection	50	50	50	50	50
Pavement Crossing	25	25	25	25	25
Energy efficiency	572	600	600	600	600
Door entry	30	30	30	30	30
IPM works	2,210	2,220	2,230	2,202	2,189
Communal Works	50	50	50	50	50
Lifts		23	23	23	23
Red Hall Regeneration	1,000	1,000	1,000		
New build	5,000	6,000	3,000	1,000	1,000
Fees	250	250	250	250	250
<b>Total spend</b>	<b>11,827</b>	<b>12,944</b>	<b>10,073</b>	<b>7,099</b>	<b>7,080</b>
<b><u>Resourced by:</u></b>					
Capital Receipts	184	192	194	196	198
Revenue contribution to capital outlay (RCCO)	11,643	12,752	9,879	6,903	6,882
<b>Total resources</b>	<b>11,827</b>	<b>12,944</b>	<b>10,073</b>	<b>7,099</b>	<b>7,080</b>
Closing HRA Working balance	7,505	3,945	3,418	6,020	8,463



## EXAMPLES OF WEEKLY RENT INCREASES FOR 2014/15

Area	Property Type	Approved Rent 2013/14	Proposed Rent 2014/15	Increase between 13/14 & 14/15	Increase between 13/14 & 14/15
		£	£	£	%
<u>Middleton St George</u>					
	1 Bedroom Bungalow	66.14	69.16	3.02	4.57%
	2 Bedroom House	71.92	75.32	3.40	4.73%
	3 Bedroom House	81.12	85.43	4.31	5.31%
<u>Cockerton</u>					
	1 Bedroom Flat	59.70	62.36	2.66	4.46%
	2 Bedroom House	69.64	72.89	3.25	4.67%
	3 Bedroom House	74.37	78.18	3.81	5.12%
	3 Bedroom House	94.66	100.16	5.50	5.81%
<u>Haughton</u>					
	1 Bedroom Flat	60.13	62.84	2.71	4.51%
	2 Bedroom Flat	67.87	71.06	3.19	4.70%
	1 Bedroom Bungalow	66.22	69.21	2.99	4.52%
	2 Bedroom House	71.61	74.87	3.26	4.55%
	3 Bedroom House	78.82	83.06	4.24	5.38%
<u>Branksome</u>					
	1 Bedroom Flat	59.76	62.44	2.68	4.48%
	1 Bedroom Bungalow	66.06	69.04	2.98	4.51%
	2 Bedroom House	68.59	71.64	3.05	4.45%
	3 Bedroom House	77.19	81.04	3.85	4.99%
<u>Lascelles</u>					
	1 Bedroom Flat	58.59	61.47	2.88	4.92%
	2 Bedroom Flat	64.86	68.30	3.44	5.30%
	2 Bedroom House	66.85	70.25	3.40	5.09%
	3 Bedroom House	73.23	77.36	4.13	5.64%
<u>Bank Top</u>					
	1 Bedroom Flat	60.12	62.82	2.70	4.49%
	3 Bedroom House	76.57	80.26	3.69	4.82%

## EXAMPLES OF WEEKLY RENT INCREASES FOR 2014/15

Area	Property Type	Approved Rent 2013/14	Proposed Rent 2014/15	Increase between 13/14 & 14/15	Increase between 13/14 & 14/15
		£	£	£	%
<u>Redhall</u>					
	1 Bedroom Flat	57.26	60.06	2.80	4.89%
	2 Bedroom Flat	62.82	65.96	3.14	5.00%
	1 Bedroom Bungalow	60.69	63.67	2.98	4.91%
	2 Bedroom House	64.66	67.66	3.00	4.64%
	3 Bedroom House	70.36	73.86	3.50	4.97%
<u>Eastbourne</u>					
	1 Bedroom Flat	56.04	58.88	2.84	5.07%
	2 Bedroom Flat	62.51	65.63	3.12	4.99%
	2 Bedroom House	65.05	68.33	3.28	5.04%
	3 Bedroom House	69.70	73.59	3.89	5.58%
<u>Skerne Park</u>					
	2 Bed House	65.36	68.88	3.52	5.39%
	3 Bed House	70.25	74.23	3.98	5.67%
<u>Parkside</u>					
	1 Bedroom Flat	59.38	62.49	3.11	5.24%
	2 Bedroom House	68.33	71.78	3.45	5.05%
	3 Bedroom House	75.19	79.16	3.97	5.28%
<u>North Road</u>					
	1 Bedroom Bungalow	61.68	64.17	2.49	4.04%