



DERBY CITY COUNCIL

Council Cabinet
19 February 2008

ITEM 19

Cabinet Member for Neighbourhood, Social
Cohesion and Housing Strategy

HRA Business Plan and Budget 2008/09

SUMMARY

- 1.1 The HRA has a long term planning framework, with a three-year budget supplemented by a thirty-year business plan, known as the HRA Business Plan, or HRABP
- 1.2 The overall position of the HRA remains robust in the short term as a result of additional funding agreed by the government for Round 1 ALMOs until 2011. Once this additional funding is lost, a severe loss of income is expected.
- 1.3 The strategy has therefore been to utilise the additional ALMO funding to support a £15m programme called Estates Pride, supporting a mix of revenue and capital items.
- 1.4 The proposals contained in the report include the continuation of that policy and to consider whether to extend the period of the Estates Pride programme, focussing on maintaining some developments for a while longer where possible.
- 1.5 The proposals also include additional funding for Derby Homes to allow a continuation of support for social activities in common rooms, as well as provision to cover any increase in pension costs as a result of an increased contributions required by the County Council as pension fund administrators.
- 1.6 In the longer term, the HRA faces some serious financial pressure as a result of anticipated gradual withdrawal of HRA subsidy from the current positive amount to a large contribution to the Treasury.
- 1.7 The government has announced a national review of the subsidy system and will be undertaking this review with a view to making proposals during 2009. As a result, the longer term future of the HRA is very unclear until this report is made, and longer term planning is clearly difficult. It is therefore proposed to continue to plan on existing arrangements at least until the outcome of that review is made clear.
- 1.8 Subject to any issues raised at the meeting, I support the following recommendations:

RECOMMENDATIONS

- 2.1 To approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 to the report of the Corporate Director – Corporate and Adult Services.
- 2.2 To approve the management fee for Derby Homes set out in Appendix 6 to the report of the Corporate Director – Corporate and Adult Services.
- 2.3 To approve the programme of works relating to Estates Pride detailed in Appendices 7 and 8 to the report.

REASONS FOR RECOMMENDATIONS

- 3.1 To allow the continuation and extension of the Estates Pride programme.
- 3.2 To continue to manage the expected loss of HRA subsidy in future by careful management of existing resources.
- 3.3 To continue to support a thirty year balanced business plan approach to the HRA

For more information contact: Officer: David Enticott Tel: 255318 email: David.Enticott@derby.gov.uk
Background papers: Draft determination November 07
List of appendices: Appendix 1 – Implications
Appendix 2 – HRA 30 year plan – core forecast
Appendix 3 – HRA Budget 2008/09
Appendix 4 – HRA 30 year plan - additional maintenance
Appendix 5 – HRA 30 year plan - no rebasing
Appendix 6 – Derby Homes' management fee
Appendix 7 – Estates Pride programme
Appendix 8 – Estates Pride detailed schemes

IMPLICATIONS

Financial

1. Set out in the report.

Legal

2. The Council is required to set a budget for its Housing Revenue Account that balances and that charges costs appropriately to either the HRA or to the General Fund.

Personnel

3. None directly.

Equalities impact

4. Many of the Council's tenants belong to the Council's equality target groups.

Corporate objectives and priorities for change

5. The objectives of making us proud of our neighbourhoods and giving you excellent services and value for money are enhanced by the improvements in council house standards as a result of Decent Homes, and by any improvements possible through the Estates Pride programme.



DERBY CITY COUNCIL

**Council Cabinet
19 February 2008**

Report of the Corporate Director – Corporate
and Adult Services

ITEM XX

Housing Revenue Account Business Plan and Budget 2008/09

SUPPORTING INFORMATION

- 1.1 The Housing Revenue Account, HRA, remains financially robust in the short term but faces some significant uncertainties going forward. The recent draft subsidy determinations have added to these uncertainties and as a result the current HRA business plan should be viewed cautiously.
- 1.2 The current position for the HRA has improved significantly to that reported last year the principal reasons being:
- Lower than anticipated capital financing charges
 - Lower Leasing costs as a result of termination negotiations
 - Increased HRA reserves on which interest is earned

The current year's projected outturn is anticipated to be underspent by around £0.2m, due mainly to the interest earned on higher than anticipated HRA balances.

- 1.3 The proposals allow for the continuation of the Estates Pride programme of works with a view to supporting a £15m total programme over a number of years. The Council has already committed £9.095m of this programme. Consultation has suggested a number of possible ways in which the balance of funding of around £6m could be used, and it is suggested that the Council authorise the drawing up of plans for a further £1.909m of Estates Pride funding on enhancements detailed in Appendix 8 which would take the total committed to £11.004m, and consider together with Derby Homes, tenants and other interested parties in more detail the extent to which the balance of around £4m additional funding might be made available for further improvements whether by extending current programmes or in further enhancements to physical improvements. An illustrative split is included at Appendix 8 to stimulate that debate.
- 1.4 The proposals also include additional funding of £285k to cover the replacement Housing Management system identified by Derby Homes and an enhancement to the repairs account of £55k relating to the production of Energy Performance Certificates, EPCs. Any announced increase in pension contributions as a result of the three yearly actuarial review of pension contributions by the County Council will also be met.

2. Review of HRA financial position 2007/08

- 2.1 The aim of the Housing Revenue Account, HRA's, financial strategy remains to generate sufficient funding in the short term to allow a relatively smooth transition at the end of substantial additional ALMO funding in 2011/12 of over £2.5m a year. In addition, the Estates Pride fund of £15m for improvements to estates and facilities available for the benefit of tenants also needs to be supported.
- 2.2 This strategy continues to be valid, with expectations of future government subsidy funding being confirmed in this year's settlement or determination as it is known.
- 2.3 Monitoring of the position so far this year indicates that the budget could be underspent by around £0.2m. This year's variance is made up of the following anticipated movements:

Budget variance Housing Revenue Account	Forecast year end £000	One off / Ongoing	Comments
Repairs account	** (121)	One off	* See commentary at 4 below
Derby Homes Management Fee	80	One off	Additional Management fee to meet the costs of Alvaston area office closure
Capital Financing Charges	(443)	Ongoing	Lower than anticipated borrowing costs
HRA Subsidy	315	Ongoing	Impact of reduced borrowing costs on subsidy payable
Interest on HRA Balances	(150)	Ongoing	Increased HRA balances has attracted additional interest
Total HRA	** (198)		** excludes Repairs under spend which will be earmarked

- 2.4 Following problems encountered in previous years, the Repairs Account was included in the Council's list of risk budgets. As a result, the account has been monitored more closely than in previous years. Latest forecasts indicate that the current year appears to be under control, as it was last year.
- 2.5 As part of the review of Local Area offices, the Alvaston office was deemed surplus to requirements. The office was originally two shop premises which were made into one unit, by the Council, to create the Area Office. The shops were leased to the Council and as part of the lease agreement; it was a requirement to return the premises to their original condition – i.e. two shop units. Latest estimates for the costs of this work are in the region of £80k. The management fee to Derby Homes is therefore increased on a one off basis to cover the costs of this work.
- 2.6 The HRA, like the General Fund, has to bear the financing costs of its borrowings, used in support of the HRA capital programme. A restructuring of these borrowing costs has led to a reduction in both the current year and going forward. The majority of this saving is effectively removed as a result of equivalent changes to the subsidy system.
- 2.7 General HRA balances at the end of 2006/07 stood at £13.68m with a further £1.8m of Earmarked funds also held. The general balances were £1.64m higher than was expected due to increased rental income as a result of lower than anticipated stock losses and a reduced contribution to the bad debt provision.

3. **Future planning**

- 3.1 The HRA budget has to be balanced each financial year, and the Council has to plan for the HRA over a period of thirty years. The proposed HRABP for the next thirty years is set out at Appendix 2. A more detailed budget for the HRA for next year is set out at Appendix 3.

4. **Previous plan**

- 4.1 In the previous plan, key assumptions were made about rent levels, capital costs and funding, and housing subsidy levels.
- **Rents:** it was assumed that rent restructuring would continue until 2012. It was also assumed that the Council would be fully compensated within the subsidy system for restraining average rents to 5% overall as required by the government, requiring higher rent increases of around 4% above RPI a year after the cap is lifted should the target of 2012 be required to be reached, and that any extension to rent capping would continue to be compensated in the subsidy system.
 - **Capital:** it was assumed that the Estates Pride programme would start during 2006/07 and that it would be contained within the £15m provisionally set aside for the programme, and that thereafter costs could be contained within funding levels made available by the government through the Major Repairs Allowance, MRA.
 - **Housing Subsidy:** it was assumed that MMAs would continue to increase in real terms by 0.75% a year until 2012, and by 0.5% a year thereafter.

Review of key assumptions

Rents

- 4.2 This year's subsidy determination has caused significant uncertainty with regard to rent levels and future funding. Under the previous determinations the rent convergence point was 2011/2012. In the autumn, CLG went out to consultation on proposals to remove the cap. The options for consideration were;
- Return to basic rent restructuring with deadline confirmed as 2012 or
 - Extend the period of rent restructuring beyond 2012 to keep rent increases at a more affordable level

The Council's preferred option was to extend the period of rent restructuring to keep rent increases at an affordable level.

- 4.3 The government's proposals for the HRA have been drafted for one year only – 2008/09. The previously imposed a cap on average rent increases of 5% a year for 2006/07 and 2007/08 has now been lifted, leaving Councils in our position – where rents have fallen behind where they should have been by a long way – in a difficult position. The simplistic solution would be to inflate rents back to the level that they would have been without rent capping, but this would lead to rent increases of an average of 12%. If this is smoothed over the remainder of the original rent restructuring period, the rent increase would be 8.2%, with increases of 4% above

inflation. A longer period has been assumed – for this year only – by the government in calculating the guideline rent for subsidy purposes. A lowest option of 7.4% average increases was also considered which would leave the HRA worse off by around £0.2m in 2008/09.

- 4.4 Rents have been modeled in the plan at this point on the basis of the middle option of an average 8.2% increase in rents, but should another option be chosen by the Council then this plan will need to be amended accordingly.

5. Capital

- 5.1 One of the bigger risks in the budget remains the ability to manage to maintain the existing stock within the anticipated funding from the Major Repairs Allowance, MRA, and the existing repairs account. Repairs' spending was under spent last year by £374k; however, this was achieved by unsustainable reductions in service. Derby Homes have expressed their concerns about their ability to continue to deliver reductions of this level on what is already seen as a very tight budget. In addition, it has long been a concern that the MRA alone would not be sufficient to maintain the Decent Home Standard in the future.
- 5.2 Following substantial investment in the Housing stock the Council was able to declare its stock decent some 4 years ahead of the target date of 2010. The funding for this investment was a 'one-off' and was designed to achieve the prescribed level of decency - in fact the Council went beyond this by achieving decency plus. However, after this funding ended the only resources available to maintain this standard have been the MRA and Borrowing approvals of approximately £1m per year. As mentioned previously, it has long been a concern that these resources alone would make it very challenging to maintain the stock in its present state. The government has now announced that the £1m of Supported Capital Expenditure (Revenue) or borrowing approvals that have previously been awarded to the Council for the maintenance of the stock is to be withdrawn as a result of the Council completing the Decent Homes. This adds significantly to the pressure on the HRA as a result.
- 5.3 Derby Homes have completed an asset management plan that indicates that spending ought to be increased on capital in order to maintain the stock in an appropriate state in the longer term, by around £3.8m a year above the MRA. The impact of such an increased level of spending can be seen in Appendix 4, if that sum were added from 2012/13 to illustrate the financial impact of increasing spending to that 'realistic lifestyle' level. Unfortunately this level of spending is clearly unaffordable, with the HRA moving immediately into yearly deficits, and running out of funds within 5 years, and with a deficit of around £200m at the end of 30 years.
- 5.4 If 'opting out' of subsidy were to arise, it might at face value appear tempting in order to avoid such a long term deficit. The Council will of course continue to monitor developments in this area, but the current discussions are around 'fiscally neutral' options – where the government does not increase funding as a result - which could in effect mean locking into assumptions about the future that are similar to this expected track of subsidy. On the current assumptions, therefore, this option is unlikely to offer significant benefits to the Council nor tenants.

- 5.5 The government has also announced a review of the HRA subsidy system to take place this year and to report next year. This again may change the business planning environment significantly either for the better or the worse. Long term planning is therefore difficult, but has been drawn up on current information without taking major changes into account at this point.

6. Estates Pride

- 6.1 The Estates Pride programme is revenue funded by the HRA and can therefore be used on either revenue or capital. It can be used in a completely flexible manner, with no time, revenue or capital constraints. This ability to be used flexibly has been particularly helpful when considering external matched funding bids which are often set against very tight timescales and where it is normally difficult to find the funds to allow the matched funding to be offered, thus attracting the grant.
- 6.2 The total approval to the programme last year amounted to some £9.095m of both capital and revenue schemes. Revenue resources of £3.5m were already committed for five years to both neighbourhood working and a youth inclusion programme run by Enthusiasm which is attracting national attention. The balance of £5.545m were committed to a series of developments, including supporting the Street Lighting PFI project, contributions to proposed grant schemes and a sum of £1.7m for Derby Homes to allocate to the greatest priorities that it identified.
- 6.3 Appendix 7 lists those projects now proposed to be funded from this source. These projects have been drawn up by Derby Homes in consultation with tenants groups and have undergone a lengthy consultation process to reach this stage. The total value of schemes requesting approval is £1.7m, leaving a balance of just under £4m to be consulted upon more fully.
- 6.4 Consultation responses on Estates Pride suggested a number of possible ways in which the remaining balance of £6m could be committed – to more physical improvements to estates, to continuing neighbourhood working for a longer period than 5 years or to a combination of both. It is suggested that an appropriate response at this point is to approve a further specific list of improvements – listed in Appendix 8 – amounting to £1.909m - and to consult further about the balance of £4m with a view to reaching a conclusion next year as to the best use of those resources.
- 6.5 The revised budget below indicates that almost £6m of the £9m committed to date has been approved for physical improvements to estates. If this pattern were continued, the balance of £6m might be split £4m to these and £2m to revenue projects. If the £1.9m listed in Appendix 8 is approved, then the balance remaining of £4m could be split in next year's report in any manner that the Council chooses following further consultation over the next year. A suggested split of £1.7m revenue and £2.3m capital has been put forward as an initial position to be discussed, being roughly based on capital projects being considered at this point and a potential extension of funding for revenue projects beyond the current five years. The table below sets out the current position on Estates Pride.

Estates Pride	Latest Approved Budget	Revised Budget
Already Committed	£000	£000
Five year revenue programmes (total committed over five years)		
Neighbourhood working / Youth Inclusion	3108	3108
One off issues:		
Street Lighting Contribution	1210	975
Contributions to capital schemes	3077	3312
Funding Committed to 2007/2008	9095	9095
Further improvements - Appendix 8		1909
Total commitment at this point	9095	11004
Funding available		15000
Suggested consultation for the future:		3996
Possible Revenue projects extension?		1700
Possible Balance for Capital / one off projects?		2296
Total		15000
Total projected capital		9385
Total projected revenue		5615

7 Housing Subsidy

- 7.1 The future track of housing subsidy appears to be that it will continue to worsen each year. The national HRA has now moved into surplus on all measures, and if current policies are maintained, will move into greater surplus each year, as rents now exceed all forms of spending within the national HRA. Derby's own subsidy remains a positive amount for now, but will become negative in a few years' time. Once rents have converged with RSL rents at some point, current expectations are that rents will continue to increase in line with RSL rents – that is at 0.5% above the rate of inflation. This gives the government more resources than it costs to increase the Management and Maintenance Allowances, MMAs, and the Major Repairs Allowance, MRA in line with inflation. During rent restructuring, the government has been recycling an element of these additional resources back into MMAs to allow some limited real terms growth in funding. Unfortunately, this level of 'rebasings' as it is known, has been reduced to only 0.2% this year.
- 7.2 Once rent restructuring is complete, the government's policy appears to be that no further rebasing will take place. The current plan in Appendix 2 is set on the basis that post rent restructuring, there will continue to be some rebasing of around 0.4% a year, which should be affordable for the government given rent increases in real terms of 0.5% a year. Should this not take place, then the position would be as set out in Appendix 5 – with a less sustainable financial position for the HRA in the longer term, with the HRA moving into annual deficit in around 16 years time, and into overall deficit in about 30 years time. The level of risk is therefore less than that surrounding the cost of maintaining the stock itself, but still material. If this scenario came about, then further efficiencies would be required at some point in the future before the HRA goes into significant deficit.

8 Derby Homes' management fee

- 8.1 The basic principles of setting Derby Homes' management fee remain the same as previously agreed, and involve an increase for inflation of 3% and reductions relating to the number of homes no longer managed by Derby Homes, and the ending of a number of older leases.
- 8.2 The fee for 2008/2009 includes a one-off increase of £285k, which is the Council's contribution towards the costs of a replacement Housing Management system for Derby Homes. The HRA strategic working party recommended that the Council meet half the costs of this development in the form of such an increase.
- 8.3 In addition, two other specific increases are proposed to the fee for next year. Firstly, a commitment to increase the fee commensurate with any increase in employers' pension contributions as a result of LGPS contributions relating to staff transferred from the Council. An illustrative figure of £191,000 a year has been included, but it is hoped that a lower figure should be required when the final contribution rates are made known by the County Council's actuaries. Funding for this purpose will be reduced when the contribution rate falls in the future as the deficit on the fund is eventually erased. A reduction of £10,000 will be applied to the increase this year to reflect a pension contribution loss to the Council as a result of the change of grounds maintenance contractor to an outside contractor.
- 8.4 There is also a commitment to continue funding social activities within sheltered housing now that the warden service has been restructured as a consequence of Supporting People funding changes. As a result, £58,000 has been added to the base management fee.
- 8.5 Appendix 6 sets out the fee proposed for Derby Homes for the next three years subject to amendment relating to the actual costs of pensions mentioned in 8.3 above.

9 Conclusions

- 9.1 The latest determination from the government has made the outlook for the HRA very uncertain indeed. The proposals in this consultation suggest continuing with the current policy and maintaining the estates pride programme to its conclusion, despite the loss of funding as a result of the ending of the rental constraint allowance that used to compensate us for the loss of rental income as a result of rent capping. This involves a risk in terms of assuming that real terms increases in MMAs will continue in future. Should this not be the case, the HRA could face considerable downward pressure on spending at the same time as continued upwards pressure on rents.
- 9.2 Whether the funds set aside for long-term maintenance and repairs will be sufficient to maintain the standards that have been set by the Homes Pride programme in the longer term is a considerable risk to the HRA. The reliance on MRA might prove to be inadequate in the future, and the repairs account continues to be under significant pressure.

- 9.3 There is an assumption within the given figures that the government will be able to afford to recycle or 'rebase' funds into MMAs from the increase in rents nationally. This has been assumed as 0.2% a year above inflation for the next few years, and 0.4% thereafter. There is a risk that the government may not continue to abide by these levels of funding at some point in the future. Should this happen there would be a significant problem for the HRA at that point, as funding would cease to increase in real terms per home in the way that it has for the last few years.

10 Consultation

- 10.1 A consultation paper detailing these issues was widely distributed, including to Derby Homes' Board and its senior management, tenants through consultative bodies, and the Community Commission. The feedback received has informed the proposals made in this report.

For more information contact:

Background papers:

List of appendices:

Officer: David Enticott Tel 255318 e-mail david.enticott@derby.gov.uk
Determination of Housing subsidy and related emails.

Appendix 1 – Implications

Appendix 2 – HRA business plan

Appendix 3 – HRA budget 2008/9

Appendix 4 – HRA business plan with Asset Management spending increased

Appendix 5 – HRA business plan without rebasing after rent restructuring

Appendix 6 – Derby Homes' management fee

Appendix 7 – Detailed Estates Pride Programme for approval

Appendix 8 – Estates Pride new projects for approval

IMPLICATIONS

Financial

1. Set out in the report.

Legal

2. The Council is required to set a budget for its Housing Revenue Account that balances and that charges costs appropriately to either the HRA or to the General Fund.

Personnel

3. None directly.

Equalities impact

4. Many of the Council's tenants belong to the Council's equality target groups.

Corporate objectives and priorities for change

5. The objectives of **making us proud of our neighbourhoods, leading Derby towards a better environment and giving you excellent services and value for money** are all enhanced by the improvements in council house standards as a result of Decent Homes, and by any improvements possible through the Estates Pride programme, as well as through other services and investments made possible through the HRA.

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account

APPENDIX 2

Expenditure										Income						General					
Year	Major Repairs Allowance	Contribution to Repairs Account (net)	Provision for bad & doubtful debts	Estates Pride	RCCO (Cap Prog)	Supervision and Management	Capital Financing Mainstream	Capital Financing ALMO	Total Expenditure	Gross Rent	HRA Subsidy Receivable/ (Payable) (Mainstream)	HRA Subsidy Receivable (ALMO)	HRA Subsidy Receivable/ (Payable) (Total)	Community Facilities & Other Income	Total Income	Net Income/ (Expenditure)	Reserves Balance Brought Forward	Interest	Balance Carried Forward	Overall Change In Year	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2007/08	2	7,504	8,800	592	2,512		13,949	4,557	4,564	42,479	38,678	(3,782)	7,774	3,992	231	42,901	422	15,482	667	16,571	1,089
2008/09	3	7,729	9,020	608	3,368	0	13,875	4,562	4,564	43,726	41,329	(5,881)	7,774	1,893	239	43,461	-265	16,571	699	17,005	434
2009/10	4	7,847	9,198	623	2,810	750	13,883	4,403	4,564	44,078	42,877	(6,987)	7,774	787	249	43,913	-165	17,005	719	17,559	554
2010/11	5	7,982	9,568	639	2,422	750	14,002	4,351	4,564	44,277	44,393	(8,012)	7,774	-238	259	44,414	137	17,559	749	18,445	886
2011/12	6	8,120	9,756	632	990	0	14,203	4,321	4,564	42,586	45,954	(9,052)	4,564	-4,488	270	41,736	-850	18,445	766	18,362	-84
2012/13	7	8,260	9,948	643	710	0	14,409	4,324	4,564	42,858	47,564	(10,097)	4,564	-5,533	280	42,311	-546	18,362	769	18,584	223
2013/14	8	8,402	10,144	655	300	0	14,752	4,280	4,564	43,096	49,224	(11,229)	4,564	-6,666	292	42,850	-296	18,584	784	19,071	487
2014/15	9	8,547	10,344	666	0	0	15,158	4,274	4,564	43,552	50,934	(12,366)	4,564	-7,802	303	43,436	-117	19,071	808	19,762	691
2015/16	10	8,694	10,548	678	0	0	15,464	4,287	4,564	44,233	52,697	(13,524)	4,564	-8,960	316	44,052	-182	19,762	836	20,417	655
2016/17	11	8,844	10,756	690	0	0	15,498	4,320	4,564	44,670	54,513	(14,706)	4,564	-10,143	328	44,699	29	20,417	868	21,314	897
2017/18	12	8,996	10,968	702	0	0	15,901	4,392	4,564	45,522	55,750	(15,172)	4,564	-10,608	342	45,484	-38	21,314	905	22,181	867
2018/19	13	9,151	11,184	714	0	0	16,262	4,427	4,564	46,301	57,015	(15,687)	4,564	-11,123	355	46,247	-54	22,181	942	23,068	887
2019/20	14	9,308	11,404	727	0	0	16,629	4,430	4,564	47,061	58,309	(16,249)	4,564	-11,686	370	46,993	-68	23,068	979	23,979	911
2020/21	15	9,469	11,629	739	0	0	17,060	4,432	4,564	47,892	59,632	(16,826)	4,564	-12,262	385	47,754	-138	23,979	1,016	24,857	878
2021/22	16	9,632	11,858	752	0	0	17,430	4,435	4,564	48,670	60,985	(17,418)	4,564	-12,854	400	48,531	-139	24,857	1,053	25,771	914
2022/23	17	9,798	12,091	765	0	0	17,845	4,438	4,564	49,501	62,369	(18,024)	4,564	-13,461	416	49,325	-176	25,771	1,092	26,687	916
2023/24	18	9,967	12,329	779	0	0	18,306	4,441	4,564	50,385	63,785	(18,647)	4,564	-14,083	433	50,135	-250	26,687	1,129	27,566	879
2024/25	19	10,138	12,572	792	0	0	18,707	4,443	4,564	51,217	65,233	(19,285)	4,564	-14,721	451	50,962	-255	27,566	1,166	28,477	911
2025/26	20	10,313	12,820	806	0	0	19,154	4,446	4,564	52,103	66,713	(19,939)	4,564	-15,376	469	51,806	-297	28,477	1,204	29,384	907
2026/27	21	10,490	13,073	820	0	0	19,646	4,449	4,564	53,043	68,227	(20,611)	4,564	-16,047	488	52,668	-374	29,384	1,241	30,251	866
2027/28	22	10,671	13,330	835	0	0	20,079	4,453	4,564	53,932	69,776	(21,299)	4,564	-16,735	507	53,548	-383	30,251	1,278	31,145	894
2028/29	23	10,855	13,593	849	0	0	20,579	4,456	4,564	54,896	71,360	(22,005)	4,564	-17,441	528	54,447	-449	31,145	1,314	32,010	865
2029/30	24	11,042	13,860	864	0	0	21,086	4,459	4,564	55,875	72,980	(22,729)	4,564	-18,165	549	55,364	-511	32,010	1,350	32,849	838
2030/31	25	11,232	14,134	879	0	0	21,555	4,462	4,564	56,826	74,637	(23,471)	4,564	-18,907	571	56,301	-525	32,849	1,385	33,709	860
2031/32	26	11,426	14,412	895	0	0	22,070	4,466	4,564	57,832	76,332	(24,232)	4,564	-19,669	594	57,257	-575	33,709	1,420	34,554	846
2032/33	27	11,622	14,696	910	0	0	22,634	4,469	4,564	58,895	78,065	(25,013)	4,564	-20,449	618	58,234	-662	34,554	1,454	35,347	793
2033/34	28	11,823	14,985	926	0	0	23,160	4,473	4,564	59,931	79,837	(25,813)	4,564	-21,250	643	59,231	-701	35,347	1,487	36,134	787
2034/35	29	12,026	15,281	943	0	0	23,695	4,477	4,564	60,985	81,650	(26,634)	4,564	-22,071	669	60,249	-736	36,134	1,520	36,918	784
2035/36	30	12,233	15,582	959	0	0	24,263	4,480	4,564	62,082	83,505	(27,476)	4,564	-22,912	696	61,288	-794	36,918	1,552	37,676	759
2036/37	31	12,444	15,889	976	0	0	24,848	4,484	4,564	63,205	85,401	(28,339)	4,564	-23,775	724	62,349	-855	37,676	1,583	38,404	728
2037/38	32	12,659	16,202	993	0	0	25,447	4,488	4,564	64,352	87,340	(29,224)	4,564	-24,660	753	63,433	-919	38,404	1,613	39,098	694

Summary Revenue Budget 2008/2009 Housing Revenue Account

[illegible]

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account

APPENDIX 4

Year	Expenditure									Income						Net Income/ (Expenditure)	General Reserves Balance Brought Forward	Interest	Balance Carried Forward	Overall Change In Year	
	Major Repairs Allowance	Contribution to Repairs Account (net)	Provision for bad & doubtful debts	Estates Pride	RCCO (Cap Prog)	Supervision and Management	Capital Financing Mainstream	Capital Financing ALMO	Total Expenditure	Gross Rent	HRA Subsidy Receivable/ (Payable) (Mainstream)	HRA Subsidy Receivable (ALMO)	HRA Subsidy Receivable/ (Payable) (Total)	Community Facilities & Other Income	Total Income						
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000						
2007/08	2	7,504	8,800	592	2,512	0	13,949	4,557	4,564	42,479	38,678	(3,782)	7,774	3,992	231	42,901	422	15,482	667	16,571	1,089
2008/09	3	7,729	9,020	608	3,368	0	13,875	4,562	4,564	43,726	41,329	(5,881)	7,774	1,893	239	43,461	-265	16,571	699	17,005	434
2009/10	4	7,847	9,198	623	2,810	750	13,883	4,403	4,564	44,078	42,877	(6,987)	7,774	787	249	43,913	-165	17,005	719	17,559	554
2010/11	5	7,982	9,568	639	2,422	750	14,002	4,351	4,564	44,277	44,393	(8,012)	7,774	-238	259	44,414	137	17,559	749	18,445	886
2011/12	6	8,120	9,756	632	990	0	14,203	4,321	4,564	42,586	45,954	(9,052)	4,564	-4,488	270	41,736	-850	18,445	766	18,362	-84
2012/13	7	8,260	9,948	643	710	3,800	14,409	4,324	4,564	46,658	47,564	(10,097)	4,564	-5,533	280	42,311	-4,346	18,362	688	14,703	-3,658
2013/14	8	8,402	10,144	655	300	3,903	14,752	4,280	4,564	46,999	49,224	(11,229)	4,564	-6,666	292	42,850	-4,199	14,703	536	11,040	-3,663
2014/15	9	8,547	10,344	666		4,008	15,158	4,274	4,564	47,560	50,934	(12,366)	4,564	-7,802	303	43,436	-4,125	11,040	382	7,297	-3,743
2015/16	10	8,694	10,548	678		4,116	15,464	4,287	4,564	48,350	52,697	(13,524)	4,564	-8,960	316	44,052	-4,298	7,297	219	3,218	-4,079
2016/17	11	8,844	10,756	690		4,227	15,498	4,320	4,564	48,898	54,513	(14,706)	4,564	-10,143	328	44,699	-4,199	3,218	48	-933	-4,151
2017/18	12	8,996	10,968	702		4,341	15,901	4,392	4,564	49,863	55,750	(15,172)	4,564	-10,608	342	45,484	-4,380	-933	-133	-5,446	-4,512
2018/19	13	9,151	11,184	714		4,459	16,262	4,427	4,564	50,760	57,015	(15,687)	4,564	-11,123	355	46,247	-4,513	-5,446	-327	-10,286	-4,840
2019/20	14	9,308	11,404	727		4,579	16,629	4,430	4,564	51,640	58,309	(16,249)	4,564	-11,686	370	46,993	-4,647	-10,286	-536	-15,469	-5,183
2020/21	15	9,469	11,629	739		4,703	17,060	4,432	4,564	52,595	59,632	(16,826)	4,564	-12,262	385	47,754	-4,841	-15,469	-760	-21,070	-5,601
2021/22	16	9,632	11,858	752		4,830	17,430	4,435	4,564	53,500	60,985	(17,418)	4,564	-12,854	400	48,531	-4,969	-21,070	-1,001	-27,040	-5,970
2022/23	17	9,798	12,091	765		4,960	17,845	4,438	4,564	54,461	62,369	(18,024)	4,564	-13,461	416	49,325	-5,136	-27,040	-1,258	-33,435	-6,394
2023/24	18	9,967	12,329	779		5,094	18,306	4,441	4,564	55,479	63,785	(18,647)	4,564	-14,083	433	50,135	-5,344	-33,435	-1,535	-40,313	-6,878
2024/25	19	10,138	12,572	792		5,232	18,707	4,443	4,564	56,448	65,233	(19,285)	4,564	-14,721	451	50,962	-5,486	-40,313	-1,830	-47,629	-7,316
2025/26	20	10,313	12,820	806		5,373	19,154	4,446	4,564	57,476	66,713	(19,939)	4,564	-15,376	469	51,806	-5,669	-47,629	-2,145	-55,443	-7,814
2026/27	21	10,490	13,073	820		5,518	19,646	4,449	4,564	58,560	68,227	(20,611)	4,564	-16,047	488	52,668	-5,892	-55,443	-2,482	-63,817	-8,374
2027/28	22	10,671	13,330	835		5,667	20,079	4,453	4,564	59,598	69,776	(21,299)	4,564	-16,735	507	53,548	-6,050	-63,817	-2,841	-72,708	-8,891
2028/29	23	10,855	13,593	849		5,820	20,579	4,456	4,564	60,716	71,360	(22,005)	4,564	-17,441	528	54,447	-6,269	-72,708	-3,223	-82,200	-9,492
2029/30	24	11,042	13,860	864		5,977	21,086	4,459	4,564	61,852	72,980	(22,729)	4,564	-18,165	549	55,364	-6,488	-82,200	-3,631	-92,319	-10,120
2030/31	25	11,232	14,134	879		6,138	21,555	4,462	4,564	62,964	74,637	(23,471)	4,564	-18,907	571	56,301	-6,663	-92,319	-4,065	-103,048	-10,728
2031/32	26	11,426	14,412	895		6,304	22,070	4,466	4,564	64,136	76,332	(24,232)	4,564	-19,669	594	57,257	-6,879	-103,048	-4,526	-114,453	-11,405
2032/33	27	11,622	14,696	910		6,474	22,634	4,469	4,564	65,370	78,065	(25,013)	4,564	-20,449	618	58,234	-7,136	-114,453	-5,016	-126,605	-12,152
2033/34	28	11,823	14,985	926		6,649	23,160	4,473	4,564	66,580	79,837	(25,813)	4,564	-21,250	643	59,231	-7,350	-126,605	-5,537	-139,491	-12,887
2034/35	29	12,026	15,281	943		6,829	23,695	4,477	4,564	67,813	81,650	(26,634)	4,564	-22,071	669	60,249	-7,565	-139,491	-6,089	-153,145	-13,654
2035/36	30	12,233	15,582	959		7,013	24,263	4,480	4,564	69,095	83,505	(27,476)	4,564	-22,912	696	61,288	-7,807	-153,145	-6,675	-167,626	-14,481
2036/37	31	12,444	15,889	976		7,202	24,848	4,484	4,564	70,407	85,401	(28,339)	4,564	-23,775	724	62,349	-8,058	-167,626	-7,295	-182,979	-15,353
2037/38	32	12,659	16,202	993		7,397	25,447	4,488	4,564	71,749	87,340	(29,224)	4,564	-24,660	753	63,433	-8,316	-182,979	-7,953	-199,248	-16,269

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account

APPENDIX 2

Expenditure										Income						General					
Year	Major Repairs Allowance	Contribution to Repairs Account (net)	Provision for bad & doubtful debts	Estates Pride	RCCO (Cap Prog)	Supervision and Management	Capital Financing Mainstream	Capital Financing ALMO	Total Expenditure	Gross Rent	HRA Subsidy Receivable/ (Payable) (Mainstream)	HRA Subsidy Receivable (ALMO)	HRA Subsidy Receivable/ (Payable) (Total)	Community Facilities & Other Income	Total Income	Net Income/ (Expenditure)	Reserves Balance Brought Forward	Interest	Balance Carried Forward	Overall Change In Year	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
2007/08	2	7,504	8,800	592	2,512		13,949	4,557	4,564	42,479	38,678	(3,782)	7,774	3,992	231	42,901	422	15,482	667	16,571	1,089
2008/09	3	7,729	9,020	608	3,368	0	13,875	4,562	4,564	43,726	41,329	(5,881)	7,774	1,893	239	43,461	-265	16,571	699	17,005	434
2009/10	4	7,847	9,198	623	2,810	750	13,883	4,403	4,564	44,078	42,877	(6,987)	7,774	787	249	43,913	-165	17,005	719	17,559	554
2010/11	5	7,982	9,568	639	2,422	750	14,002	4,351	4,564	44,277	44,393	(8,012)	7,774	-238	259	44,414	137	17,559	749	18,445	886
2011/12	6	8,120	9,756	632	990	0	14,203	4,321	4,564	42,586	45,954	(9,052)	4,564	-4,488	270	41,736	-850	18,445	766	18,362	-84
2012/13	7	8,260	9,948	643	710	0	14,409	4,324	4,564	42,858	47,564	(10,097)	4,564	-5,533	280	42,311	-546	18,362	769	18,584	223
2013/14	8	8,402	10,144	655	300	0	14,752	4,280	4,564	43,096	49,224	(11,229)	4,564	-6,666	292	42,850	-296	18,584	784	19,071	487
2014/15	9	8,547	10,344	666	0	0	15,158	4,274	4,564	43,552	50,934	(12,366)	4,564	-7,802	303	43,436	-117	19,071	808	19,762	691
2015/16	10	8,694	10,548	678	0	0	15,464	4,287	4,564	44,233	52,697	(13,524)	4,564	-8,960	316	44,052	-182	19,762	836	20,417	655
2016/17	11	8,844	10,756	690	0	0	15,498	4,320	4,564	44,670	54,513	(14,706)	4,564	-10,143	328	44,699	29	20,417	868	21,314	897
2017/18	12	8,996	10,968	702	0	0	15,901	4,392	4,564	45,522	55,750	(15,269)	4,564	-10,705	342	45,387	-135	21,314	903	22,082	768
2018/19	13	9,151	11,184	714	0	0	16,262	4,427	4,564	46,301	57,015	(15,885)	4,564	-11,321	355	46,049	-252	22,082	933	22,763	681
2019/20	14	9,308	11,404	727	0	0	16,629	4,430	4,564	47,061	58,309	(16,552)	4,564	-11,988	370	46,691	-370	22,763	960	23,352	589
2020/21	15	9,469	11,629	739	0	0	17,060	4,432	4,564	47,892	59,632	(17,237)	4,564	-12,673	385	47,344	-549	23,352	981	23,784	432
2021/22	16	9,632	11,858	752	0	0	17,430	4,435	4,564	48,670	60,985	(17,941)	4,564	-13,377	400	48,008	-662	23,784	997	24,119	335
2022/23	17	9,798	12,091	765	0	0	17,845	4,438	4,564	49,501	62,369	(18,664)	4,564	-14,100	416	48,685	-816	24,119	1,008	24,311	192
2023/24	18	9,967	12,329	779	0	0	18,306	4,441	4,564	50,385	63,785	(19,407)	4,564	-14,844	433	49,374	-1,010	24,311	1,012	24,312	1
2024/25	19	10,138	12,572	792	0	0	18,707	4,443	4,564	51,217	65,233	(20,171)	4,564	-15,607	451	50,076	-1,141	24,312	1,009	24,180	-132
2025/26	20	10,313	12,820	806	0	0	19,154	4,446	4,564	52,103	66,713	(20,955)	4,564	-16,392	469	50,790	-1,313	24,180	1,000	23,868	-313
2026/27	21	10,490	13,073	820	0	0	19,646	4,449	4,564	53,043	68,227	(21,761)	4,564	-17,197	488	51,518	-1,525	23,868	982	23,325	-543
2027/28	22	10,671	13,330	835	0	0	20,079	4,453	4,564	53,932	69,776	(22,589)	4,564	-18,025	507	52,258	-1,673	23,325	956	22,607	-717
2028/29	23	10,855	13,593	849	0	0	20,579	4,456	4,564	54,896	71,360	(23,439)	4,564	-18,875	528	53,013	-1,883	22,607	921	21,645	-962
2029/30	24	11,042	13,860	864	0	0	21,086	4,459	4,564	55,875	72,980	(24,312)	4,564	-19,749	549	53,781	-2,095	21,645	875	20,425	-1,220
2030/31	25	11,232	14,134	879	0	0	21,555	4,462	4,564	56,826	74,637	(25,209)	4,564	-20,646	571	54,563	-2,263	20,425	820	18,982	-1,443
2031/32	26	11,426	14,412	895	0	0	22,070	4,466	4,564	57,832	76,332	(26,131)	4,564	-21,567	594	55,359	-2,473	18,982	754	17,263	-1,719
2032/33	27	11,622	14,696	910	0	0	22,634	4,469	4,564	58,895	78,065	(27,077)	4,564	-22,513	618	56,170	-2,726	17,263	676	15,213	-2,050
2033/34	28	11,823	14,985	926	0	0	23,160	4,473	4,564	59,931	79,837	(28,048)	4,564	-23,485	643	56,996	-2,936	15,213	584	12,862	-2,351
2034/35	29	12,026	15,281	943	0	0	23,695	4,477	4,564	60,985	81,650	(29,046)	4,564	-24,483	669	57,837	-3,148	12,862	480	10,194	-2,668
2035/36	30	12,233	15,582	959	0	0	24,263	4,480	4,564	62,082	83,505	(30,071)	4,564	-25,507	696	58,693	-3,388	10,194	361	7,166	-3,027
2036/37	31	12,444	15,889	976	0	0	24,848	4,484	4,564	63,205	85,401	(31,123)	4,564	-26,559	724	59,565	-3,639	7,166	227	3,754	-3,412
2037/38	32	12,659	16,202	993	0	0	25,447	4,488	4,564	64,352	87,340	(32,203)	4,564	-27,640	753	60,454	-3,898	3,754	77	-68	-3,822

Derby Homes Management Fee Projections

Appendix 6

	Core Fee	Leasing Insurance	Mod Fund	Total	max Supp People	max incentive scheme
	£000	£000	£000	£000	£000	£000
2007/8 total	10,211	765	0	10,976	350	150
2008/9						
Inflation 3%	304			304		
remove Alvaston office repairs	-80			-80		
one off contribution to systems upgrade	285			285		
lease and insurance changes		-36		-36		
Social Activity	58			58		
Pension revaluation actual cost up to	181			181		
Stock Adjustment 2006/7	-63			-63		
	685	-36	0	649	0	0
2008/9 total	10,896	729	0	11,625	0	150

Appendix 7

Estates Pride

Schemes for approval within existing allocation for improvements £1.7m

North Area

<u>Chaddesden Links</u> Shannon Square Waterford Drive Coleraine Close	Recycling facilities, landscaping, block paving, ramped access, removal/development of drying areas, metal fencing, general redevelopment	£180,000
<u>Sussex Circus/Derwent</u> Nairn Avenue Kinross Avenue (phase 1)	Remove grassed areas and replace with cobbled paving, landscaping and fencing.	£30,000
Berwick Avenue/Shetland Close/Moray Walk <u>Spondon</u> Church Street/West Road	Landscaping works/ seal block paving to prevent weeds Improvements to pathways – bonded gravel, landscaping, redevelopment of drying areas, metal fencing, recycling facilities	£75,000 £100,000
<u>Mackworth/Morley</u> Fenchurch Walk/Enfield Road	Metal fencing to rear of properties – defensible space (metal fencing to create garden areas with patios), ramped access, improvements to pathways, improvements to drying areas, increased lighting.	£165,000
Harringay Gardens	Ramped access, metal fencing, patios to gardens/seating areas	£20,000
<u>Riverside West</u> Pigeon proofing	Netting with zips and spikes to cill to all flats with balconies – for health and cost effectiveness	£55,000
Whitecross Gardens/House	Landscaping, recycling facilities, improve fencing & drying areas	£75,000

South Area

<u>New City</u>		
Flats – Gerard Street, Osmaston Road, Oriel Court, Keble Close, Rauche Court, Lambe Court	Fencing, lighting, landscaping, improve/remove drying areas, recycling facilities	£150,000

<u>Chellaston</u>		
Saddleworth Walk	Extend car park, remove footpaths	£50,000
Queensferry Gardens/ Morningside Close	Metal fencing, tarmac paths, improve drying areas, recycling facilities	£50,000
Darwin Avenue	Improve footpaths and drying areas, recycling facilities	£25,000
Sheldon Court	Improve pathways, lighting, metal fencing, recycling facilities	£20,000
Aston Close	Block pave fronts to 21-39	£25,000
<u>Village</u>		
Marlowe Court	Resurface car park (to include dropped kerb), improve drying areas, recycling facilities	£25,000
Repton Avenue	Metal fencing 62-70	£4,000
Holly Court / Madeley Court	Improve drying areas, recycling facilities	£8,000
Finsley Walk / Caxton Street	Improve pathways/ alleyways	£30,000
<u>Old/New Sinfin</u>		
Shakespeare Street/Carlyle Street/Thackeray Street/Cowper Street	Metal bow top fencing to front of properties	£150,000
<u>Osmaston</u>	Reduce front/rear hedges over entire estate	£80,000
Victory Road	Metal fencing and parking facilities to front of properties	£80,000
<u>Alvaston/Boulton</u>		
Harvey Road	Choice of brick walls /black metal fencing to front of properties./ Landscape to front to prevent parking on verge (remove wooden bollards)	£150,000
<u>Allenton</u>		
Harvey Road, Terry Place, Jefferson Place, Mellor Street, Rowland Street, Bingham Street	Choice of brick walls /black metal fencing to front of properties./ Landscape to front to prevent parking on verge (remove wooden bollards)	£120,000
Field Lane flats	Metal fencing, improve drying area- recycling facilities, landscaping	£33,000

Estates Pride

January 2008 update

Overall plan

652 671.56 691.7068 712.458

Appendix 8
Approved at this stage:
Neighbourhood Working

Contribution to overall scheme in five priority areas

Additional expansion of scheme to other areas

YIP
Capital Works contributions approved:

Sunnyhill Rec Multi User Games Area
 Stockbrook Street Rec, Sportswall and footpaths
 Sherwood Recreation play area and fencing
 Church Street new play area and lighting
 Cheviot Street Teen Area age 10 to 18
 Chaddesden Park play area equipment / landscaping
 Rykneld Rec
 Tree work - Stockbrook Street additional works
 Environmental work - fencing landscaping identified by the CSP, DH and Police (total £290,000):Stockbrook area

Total
Street Lighting contribution

Osmaston Park (exact amounts 06/07 £20k 07/08 £180k)
 Warwick Avenue parking
 Living Streets training
 Burglary Reduction (exact amount 05/06 06/07£161,226)
 CCTV revenue costs (city wide 05/06 06/07) exact amount £202,146
 Management fee
 CHIPS work
 Sussex Circus
 Sunny Hill CC
 Local Housing Board allocation
 Contingency
 General estate based environmental improvements agreed by LHB

Total
Previously approved total funding 2007
Further works for approval

Refurbishment of all play areas within council estates
 Repairs to fencing and garden work to vacant homes
 Youth engagement work in areas not covered by YIP's
 General estate based environmental Improvements agreed by LHB;
 Local Housing Board allocation
 Housing focus groups allocation
 Contingency

Total for approval
Total proposed approved at this point
Further works to be drawn up during 2008
Capital

Possible further physical environmental improvements

Revenue

Possible extension of Neighbourhood Working

Total
Total programme plan
Capital
Revenue

2005/06 2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Total EP £000
233	240	247	254	262	-	-	-	1,236
122	206	212	219	178	-	-	-	937
355	446	459	473	440	-	-	-	2,173
188	194	200	206	212	-	-	-	1,000
20	45	-	-	-	-	-	-	65
6.5	-	-	-	-	-	-	-	7
17.5	-	-	-	-	-	-	-	18
10.2	-	-	-	-	-	-	-	10
40.5	-	-	-	-	-	-	-	41
-	50	-	-	-	-	-	-	50
7.2	-	-	-	-	-	-	-	7
15	-	-	-	-	-	-	-	15
290	-	-	-	-	-	-	-	290
407	95	-	-	-	-	-	-	502
-	975	-	-	-	-	-	-	975
20	180							200
15								15
2								2
161								161
202								202
90	90	90	90	90				450
430								430
	250							250
		200						200
	300	300						600
		100	100	35				235
		1,700						1,700
920	820	2,390	190	125	-	-	-	4,445
1,870	2,530	3,049	869	777	-			9,095
-	-	150	150	150	-	-	-	450
-	-	100	100	100	-	-	-	300
-	-	30	30	30	-	-	-	90
-	-	104	-	-	-	-	-	104
-	-	-	250	250	250	-	-	750
-	-	-	50	50	50	-	-	150
-	-	-	-	65	-	-	-	65
-	-	384	580	645	300	-	-	1,909
1,870	2,530	3,433	1,449	1,422	300	-	-	11,004
-	-	-	1,296	1,000	-	-	-	2,296
					690	710	300	1,700
-	-	-	1,296	1,000	690	710	300	3,996
1,870	2,530	3,433	2,745	2,422	990	710	300	15,000
1,035	1,800	2,654	1,946	1,650	300	-	-	9,385
835	730	779	799	772	690	710	300	5,615
1,870	2,530	3,433	2,745	2,422	990	710	300	15,000