

Housing Revenue Account Business Plan and Budget 2009/10

SUMMARY

- 1.1 The Housing Revenue Account, HRA, remains financially robust in the short term but continues to face increasing pressure over time. 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 government has set up a long-term review of the HRA, which will report later this year. The outcome of this review could have a significant impact on the financial position of the HRA. As a result, the long-term forecasts for the HRA are somewhat uncertain until this review concludes.
- 1.3 A range of outcomes are possible from this review, and until these outcomes are known it is considered best to not deviate from the established plan of using balances generated in the last few years along with interest earned on those balances to sustain the HRA in the mid to longer term, once additional Arms Length Management Organisation – ALMO - funding ceases in 2011/12.
- 1.4 As a result, it is not proposed to change the business plan radically, despite a worsening overall financial position, as the HRA can sustain moderate losses in the short term while awaiting the outcome of the review. If the review is not favourable then action to reduce costs may become necessary in the next few years.
- 1.5 The proposals contained within this report should allow the continuation of the Estates Pride programme of works, with a view to supporting the £15m total programme over a number of years. The Council has already committed £11m of this programme, and it is suggested that the Council authorise further spending of £2m and the drawing up of plans for a further £2m. This would take the total committed to the full £15m allocated for the programme. An updated approved list for the existing programme is set out in Appendix 7.
- 1.6 The proposals also include additional funding for a desktop review of Stock Options proposed by the HRA strategic working party.

RECOMMENDATIONS

- 2.1 To approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3.
- 2.2 To approve the management fee for Derby Homes set out in Appendix 6.
- 2.3 To approve the proposals for Estates Pride, including £1.6m on the capital schemes listed at Appendix 8, and £337,000 on additional spending on the youth intervention project as detailed in Appendix 7.

REASON FOR RECOMMENDATIONS

- 2.4 The Estates Pride programme is central to achieving many estate improvements for tenants to match the improvements made to Council dwellings through the Homes Pride programme.
- 2.5 The longer term funding position of the HRA is much less attractive than the current position as the HRA is set to lose in excess of £5m a year of housing revenue account subsidy from 2011/12. At this point, services would suffer a huge downward budget pressure if pro active action had not been taken over the last few years. As a result, the HRA has been building up reserves to allow it to be able to mitigate the worst effects of that loss of funding. The hope is that the HRA review will lead to fundamental reforms that might release additional investment, but at this stage it is just as likely that reforms are either not sufficiently generous or are not beneficial to Derby. In that case further reductions in service would be required rather than improvements. The proposal is therefore to await this fundamental review in order to ensure that the strategy remains appropriate.

SUPPORTING INFORMATION

Review of HRA financial position 2008/09

- 3.1 The aim of the Housing Revenue Account, HRA's, financial strategy is to generate sufficient funding in the short term to allow a relatively smooth transition after the ending of substantial additional ALMO funding in 2011/12 of over £3m a year. In addition, the strategy involves the maintenance of an Estates Pride fund of £15m for improvements to estates and facilities available for the benefit of tenants.
- 3.2 This strategy continues to be valid in the short term; however, pending the outcome of the Governments review of the HRA this strategy may need to be revised.
- 3.3 The previous business plan approved last year anticipated that HRA expenditure would exceed income by around £0.3m but that interest earned on balances would turn this into a small surplus of a similar size. This remains the expected position for 2008/2009.
- 3.4 The longer-term position has deteriorated for reasons set out below. While it would appear necessary to reduce spending over the next few years in order to rebalance the longer term plan, it is proposed that any such action should be postponed until

after the HRA review, as to reduce services at this point, should the review be favourable could be seen as unnecessary within a year or so. To retain a fully funded 30 year plan would require reductions of around £0.5m to £0.6m on the current plans, as well as confirmation of a reduction in overall capital funding relating to the loss of government supported borrowing, SCER, of £1m a year. Together, such a plan is not attractive, especially if the outcome of the review were to be reasonably favourable, making such actions appear inappropriate within a year.

Future planning

- 4.1 The HRA budget has to be balanced each financial year, and the Council plans for the HRA over a period of thirty years. As stated in 3.3 above, this will now not be possible this year. The plan, as proposed, would remain in credit over the whole period, but balances at the end of the period would be significantly lower than they are now and with an ongoing yearly deficit.
- 4.2 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. Two further comparator plans are set out for information in Appendices 4 and 5. The first is an indication of the development of the plan should the funds assessed as necessary by Derby Homes, to maintain the HRA at an appropriate level in the longer term actually be spent. The position is a deficit in excess of over £200m and clearly cannot be sustained.
- 4.3 Appendix 5 represents the position should the government continue with a policy of not recycling additional funds from rents back to the HRA, known as rebasing, after the end of rent restructuring. This assumption, which is in accordance with current government policy but is unlikely to be sustainable in the long term at a national level, would also make the position considerably worse than the proposed plan. The proposed plan at Appendix 2 is therefore a relatively optimistic projection that has considerable financial sensitivity to both additional spending and / or further withdrawal of HRA subsidy in the future.

Previous plan

- 5.1 In the previous plan, key assumptions were made about rent levels, capital costs and funding, and housing subsidy levels.
 - **Rents:** it was assumed that the government would manage to complete restructuring of rents by the end of 2016/17 as suggested by them last year. The Council resolved last year to attempt to continue to complete restructuring by 2011/12 with the support of tenants in the consultation process.
 - **Capital:** it was assumed that the Estates Pride programme would be contained within the £15m 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, albeit supplemented until 2010/11 by £750,000 a year from HRA balances.
 - **Housing Subsidy:** it was assumed that Management and Maintenance Allowances would continue to increase in real terms by 0.2% a year until 2016/17, and by 0.4% a year thereafter.

Review of key assumptions

Rents

- 6.1 This year's subsidy determination has set out that guideline rents will increase by 6.2% in 2009/10 and by 6.1% in 2010/11. Actual rents are likely to increase by similar amounts. A separate consultation has taken place on a proposed 5.95% increase in average rents for 2009/10. At the current rate of inflation of 5.0% for September 2008 which must be used to set rents for next year, this would imply convergence would take until 2023/24 to complete.
- 6.2 The government's proposals for the HRA have again been drafted for one year only. While the government has been clear that guideline rents will increase by 6.1% next year, it is unclear at this point what the convergence point will be, although it is expected that – as inflation is likely to be much lower next year – that a 6.1% increase in guideline rents will result in a considerable move towards convergence and a consequent reduction in the time it might take to reach it. The government gives an exemplification using a 3% inflation figure which shows that convergence could take place in 2013/14.
- 6.3 The key point is that rents remain around 10% below the target rent and that this gap will need to be closed eventually in order to sustain the plan. The exact timetable for this gap to be closed remains unclear at this point.

Capital

- 7.1 One of the bigger risks in the budget remains the ability to maintain the existing stock within the anticipated funding from the Major Repairs Allowance, MRA, and the existing repairs account. The loss of Supported Capital Expenditure (Revenue) or borrowing approvals of £1m has been a major blow to the longer term sustainability of the capital programme as this had previously been used to fund adaptations to homes for those requiring this investment.
- 7.2 The HRA plan continues to assume that funding will be made available from reserves to maintain adaptations, but this funding will run out after 2010/11. The plan as drafted does not include any spending on this beyond that date. When this is added to the £0.6m deficit for the longer term mentioned in 3.3 above, the HRA business plan really already requires an additional £1.1m a year to stay where it is projected to be under the current rules. As before, this level of spending will be maintained while the HRA review is being considered in order not to pre judge the outcome. There is, however, serious pressure building up as a consequence.
- 7.3 In the longer term, maintenance of the decent homes standard will become difficult in some homes without increased funding. Last year's report indicated a deficit of around £200m in the business plan if adequate funding for the maintenance of a good standard was included. This remains the case, and has indeed increased to over £250m, and so the longer term issues therefore remain serious and have been exacerbated by the apparent permanent loss of SCE(R).
- 7.4 The outturn position for 2007/08 was around £1.5m better than expected. As a result, the HRA Strategic Working Party considered a number of proposals for

additional spending to be supported from those funds. Proposals for a three year programme of increased incentives for relocation relating to under occupancy of homes costing £200,000 have already been approved by Cabinet, along with a further proposal to commit £750,000 over two years to increasing the rate at which outdated heating systems can be replaced. It is also proposed that £550,000 be committed to renewal of sheltered accommodation at Rebecca House. These items taken together represent a considerable further investment in addition to the Estates Pride programme. It should be stressed again that continuation of these funding sources is not allowed for in the current plan and that continuation of the spending involved would need additional investment over and above the current plan.

Estates Pride

8.1 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 limits, revenue or capital constraints.

8.2 Consideration needs to be given to the exit strategy from the programme – particularly those additional services funded by the programme. These include the ‘Enthusiasm’ youth projects and neighbourhood working programmes.

8.3

Estates Pride	Latest Approved Budget	Revised Budget
Already Committed	£000	£000
Five year revenue programmes (total committed over five years)		
Neighbourhood working / Youth Inclusion	3,173	3,173
One off issues:		
Street Lighting Contribution	975	975
Contributions to capital schemes	6,856	6,856
Total commitment at this point	11,004	11,004
Funding available	15,000	15,000
Amount consulted upon:	3,996	3,996
Revenue projects extension – (Appendix 7)	1,700	337
New capital commitments (Appendix 8)		1,600
Balance for Capital / one off projects	2,296	2,059
Total	15,000	15,000
Total projected capital	9,385	10,748
Total projected revenue	5,615	4,252

8.4 Last year's report suggested a possible split of funding to be consulted upon by Derby Homes with tenants. The new proposals reflect the outcome of that consultation and propose an increased focus on capital and one off projects with a reduction in the support given to revenue projects. A full list is attached at Appendices 7 and 8. Effectively a balance of only £2m remains for consideration if the recommendations here are accepted.

Housing Subsidy

- 9.1 The future track of housing subsidy remains that it will continue to worsen each year. The national HRA has now moved into surplus and if current policies are maintained, it 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 2009/2010, but will become negative – paying over to the treasury - in 2010/11.
- 9.2 Once rents have converged with RSL rents at some point in the future, 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 each year 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 further to only 0.1% this year.
- 9.3 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 considerably worse than illustrated – this is shown in Appendix 5. If this scenario came about, then still further reductions in spending or increases in income would be required at some point in the future before the HRA goes into significant deficit. When this is taken along with the risks already outlined, the HRA is facing a very uncertain medium to longer term future.

Derby Homes' management fee

- 10.1 The basic principles of setting Derby Homes' management fee remain the same as previously agreed, however an amendment has been made to the assumptions for inflation in both 2010/11 and 2011/12. Inflation in these years has been reduced from 3% to 2.5% to bring in line with assumptions made in the Council's budget strategy. This reduction has been agreed with Derby Homes. In addition, the management fee is also reduced to take account of the number of homes no longer managed by Derby Homes, and the ending of a number of older leases.
- 10.2 The fee for 2009/2010 includes a one-off contribution towards the desktop review of HRA stock options proposed by the HRA strategic working party.
- 10.3 Given the worsening outlook and the existing pressures, no additional amounts are proposed to be added to the fee, nor are any reductions proposed to assist with rebalancing the HRA until the outcome of the HRA review makes the longer term clearer.
- 10.4 Appendix 6 sets out the fee proposed for Derby Homes for the next four years.

Conclusions

- 11.1 The overall outlook has worsened, but the short term financial position of the HRA remains robust thanks to the additional ALMO funding which has supported the Estates Pride programme.
- 11.2 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 very considerable risk to the HRA. The reliance on MRA is likely to prove to be inadequate in the future, and the repairs account continues to be under significant pressure. There are no funds from reserves set aside to support capital after 2010/11.
- 11.3 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 0.1% a year above inflation until 2016/17, and 0.4% thereafter. There is a risk that the government may not grant these levels of funding in the future, as rebasing appears to have reduced to almost nothing at present. Should this happen there would be a significant additional 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.

Consultation

- 12.1 A consultation paper on these issues has been widely circulated, including Derby Homes' Board and its senior management, the City Housing Consultative Group, and the Community Commission.
- 12.2 Tenants views are still being sort on these proposals but will be reported verbally to this meeting.

For more information contact:**Background papers:****List of appendices:**

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Determination of Housing subsidy and related emails.

Appendix 1 – Implications

Appendix 2 – HRA business plan

Appendix 3 – HRA budget 2009/10

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

- 1.1 Set out in the report

Legal

- 2.1 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

- 3.1 None directly

Equalities Impact

- 4.1 Many of the Council's tenants belong to the Council's equality target groups

Corporate objectives and priorities for change

- 5.1 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						Net Income/ (Expenditure)	General Reserves Balance Brought Forward	Interest	Balance Carried Forward	Overall Change In Year	
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						
2009/10	1	7,814	9,387	623	2,954	2,250	14,127	4,219	4,370	45,744	44,094	(7,663)	7,774	111	249	44,454	(1,290)	16,342	581	15,633	(709)
2010/11	2	8,023	9,794	639	2,771	750	14,226	4,231	4,437	44,872	46,597	(8,942)	7,774	(1,168)	259	45,688	816	15,633	481	16,931	1,297
2011/12	3	8,232	10,060	632	1,199	0	14,507	4,174	4,408	43,212	48,189	(10,008)	4,408	(5,599)	270	42,859	(353)	16,931	503	17,081	150
2012/13	4	8,439	10,293	643	247	0	14,786	4,140	4,370	42,918	49,641	(11,089)	4,370	(6,720)	280	43,201	283	17,081	603	17,966	886
2013/14	5	8,585	10,531	655	204	0	15,138	4,096	4,370	43,579	51,135	(12,090)	4,370	(7,721)	292	43,706	77	17,966	630	18,673	707
2014/15	6	8,733	10,774	666	0	0	15,555	4,090	4,370	44,186	52,673	(13,091)	4,370	(8,721)	303	44,255	69	18,673	655	19,397	723
2015/16	7	8,883	10,986	678	0	0	15,870	4,103	4,370	44,889	54,255	(14,108)	4,370	(9,739)	316	44,832	(57)	19,397	678	20,017	621
2016/17	8	9,036	11,202	690	0	0	15,915	4,136	4,370	45,349	55,884	(15,144)	4,370	(10,775)	328	45,438	88	20,017	702	20,808	791
2017/18	9	9,192	11,423	702	0	0	16,329	4,208	4,370	46,223	57,560	(16,120)	4,370	(11,751)	342	46,151	(72)	20,808	727	21,463	655
2018/19	10	9,350	11,648	714	0	0	16,701	4,243	4,370	47,026	59,285	(17,171)	4,370	(12,802)	355	46,838	(188)	21,463	748	22,023	560
2019/20	11	9,511	11,878	727	0	0	17,079	4,246	4,370	47,810	61,060	(18,295)	4,370	(13,925)	370	47,504	(306)	22,023	765	22,483	460
2020/21	12	9,675	12,112	739	0	0	17,522	4,248	4,370	48,665	62,886	(19,460)	4,370	(15,090)	385	48,181	(485)	22,483	778	22,777	294
2021/22	13	9,842	12,350	752	0	0	17,904	4,251	4,370	49,468	64,766	(20,667)	4,370	(16,297)	400	48,868	(600)	22,777	787	22,964	187
2022/23	14	10,011	12,593	765	0	0	18,331	4,254	4,370	50,325	66,700	(21,918)	4,370	(17,548)	416	49,568	(757)	22,964	790	22,997	33
2023/24	15	10,184	12,842	779	0	0	18,804	4,257	4,370	51,234	68,690	(23,214)	4,370	(18,845)	433	50,278	(956)	22,997	788	22,830	(167)
2024/25	16	10,359	13,094	792	0	0	19,217	4,260	4,370	52,092	70,380	(24,086)	4,370	(19,717)	451	51,114	(978)	22,830	782	22,634	(196)
2025/26	17	10,537	13,352	806	0	0	19,677	4,263	4,370	53,005	71,977	(24,846)	4,370	(20,477)	469	51,969	(1,036)	22,634	774	22,372	(262)
2026/27	18	10,719	13,615	820	0	0	20,183	4,266	4,370	53,973	73,611	(25,626)	4,370	(21,256)	488	52,842	(1,130)	22,372	763	22,005	(367)
2027/28	19	10,904	13,884	835	0	0	20,631	4,269	4,370	54,891	75,282	(26,425)	4,370	(22,055)	507	53,734	(1,157)	22,005	750	21,597	(407)
2028/29	20	11,091	14,157	849	0	0	21,145	4,272	4,370	55,884	76,990	(27,244)	4,370	(22,874)	528	54,644	(1,241)	21,597	734	21,091	(506)
2029/30	21	11,282	14,436	864	0	0	21,667	4,275	4,370	56,894	78,738	(28,083)	4,370	(23,714)	549	55,573	(1,321)	21,091	715	20,485	(606)
2030/31	22	11,477	14,721	879	0	0	22,150	4,279	4,370	57,875	80,525	(28,944)	4,370	(24,575)	571	56,522	(1,353)	20,485	693	19,825	(660)
2031/32	23	11,674	15,011	895	0	0	22,682	4,282	4,370	58,913	82,353	(29,827)	4,370	(25,457)	594	57,490	(1,423)	19,825	669	19,071	(754)
2032/33	24	11,875	15,306	910	0	0	23,262	4,285	4,370	60,009	84,223	(30,731)	4,370	(26,362)	618	58,479	(1,530)	19,071	641	18,182	(889)
2033/34	25	12,080	15,608	926	0	0	23,805	4,289	4,370	61,077	86,135	(31,659)	4,370	(27,289)	643	59,489	(1,588)	18,182	609	17,202	(980)
2034/35	26	12,288	15,915	943	0	0	24,356	4,293	4,370	62,164	88,090	(32,609)	4,370	(28,240)	669	60,520	(1,644)	17,202	573	16,132	(1,071)
2035/36	27	12,500	16,229	959	0	0	24,941	4,297	4,370	63,295	90,091	(33,584)	4,370	(29,214)	696	61,572	(1,722)	16,132	534	14,944	(1,188)
2036/37	28	12,715	16,548	976	0	0	25,543	4,300	4,370	64,452	92,136	(34,582)	4,370	(30,213)	724	62,647	(1,805)	14,944	491	13,630	(1,314)
2037/38	29	12,934	16,874	993	0	0	26,159	4,304	4,370	65,634	94,228	(35,606)	4,370	(31,237)	753	63,745	(1,890)	13,630	444	12,184	(1,446)
2038/39	30	13,157	17,207	1,010	0	0	26,834	4,309	4,370	66,886	96,368	(36,656)	4,370	(32,286)	783	64,865	(2,021)	12,184	391	10,554	(1,630)

Summary Revenue Budget 2009/2010 Housing Revenue Account

SERVICE ACTIVITY	Departmental Expenditure		Indirect Expenditure		Gross Expenditure 2009/10 £000's	Departmental Income		Support Services Income £000's	Gross Income 2009/10 £000's	Total Approved Budget 2009/10 £000's
	Employees	Running Costs	Capital Charges	Support Services Expenditure		Grants	Other Income			
	£000's	£000's	£000's	£000's		£000's	£000's			
Contribution to Repairs Account		9,387			9,387					9,387
Major Repairs Allowance		7,814			7,814					7,814
Supervision & Management:-										
Derby Homes		10,678		960	11,638					11,638
Derby Homes - Incentive Scheme		150			150					150
Special - Retained HRA	305	165			470		(378)		(378)	92
General - Retained HRA	1,133	385		854	2,372		(125)		(125)	2,247
Estates Pride		2,954			2,954					2,954
RCCO - Capital Programme			2,250		2,250					2,250
Provision for bad and doubtful debts		623			623					623
	1,438	32,156	2,250	1,814	37,658		(503)		(503)	37,155
<u>INCOME</u>										
Gross Rent							(44,094)		(44,094)	(44,094)
Housing Revenue Account Subsidy							(111)		(111)	(111)
Contributions - Community Facilities							(249)		(249)	(249)
							(44,454)		(44,454)	(44,454)
NET COST OF SERVICES	1,438	32,156	2,250	1,814	37,658		(44,957)		(44,957)	(7,299)
<u>Actual Capital Charges - Interest</u>										
Loan Charges - Interest			8,585		8,585					8,585
Interest Receivable							(581)		(581)	(581)
NET OPERATING EXPENDITURE	1,438	32,156	10,835	1,814	46,243		(45,538)		(45,538)	705
<u>Appropriations</u>										
Loan Charges - Minimum Revenue Provision			4		4					4
Change in Working Balances	1,438	32,156	10,839	1,814	46,247		(45,538)		(45,538)	709
Net Balance at start of year										(16,342)
NET BALANCE AT END OF YEAR										(15,633)

Derby City Council
Business Planning Assumptions

APPENDIX 4

30 Year Housing Revenue Account - including estimated resources needed to maintain stock at decent level

Expenditure										Income						General Reserves				
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)	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
2009/10	1	7,814	9,387	623	2,954	2,250	14,127	4,219	4,370	45,744	44,094	(7,663)	7,774	111	249	44,454	(1,290)	16,342	581	15,633 (709)
2010/11	2	8,023	9,794	639	2,771	750	14,226	4,231	4,437	44,872	46,597	(8,963)	7,774	(1,189)	259	45,667	795	15,633	481	16,909 1,276
2011/12	3	8,232	10,060	632	1,199	0	14,507	4,174	4,408	43,212	48,189	(10,051)	4,408	(5,643)	270	42,816	(396)	16,909	501	17,014 105
2012/13	4	8,439	10,293	643	247	3,800	14,786	4,140	4,370	46,718	49,641	(11,156)	4,370	(6,787)	280	43,134	(3,584)	17,014	533	13,963 (3,051)
2013/14	5	8,585	10,531	655	204	3,903	15,138	4,096	4,370	47,481	51,135	(12,182)	4,370	(7,812)	292	43,615	(3,917)	13,963	420	10,466 (3,497)
2014/15	6	8,733	10,774	666	0	4,008	15,555	4,090	4,370	48,194	52,673	(13,207)	4,370	(8,837)	303	44,139	(4,055)	10,466	295	6,706 (3,760)
2015/16	7	8,883	10,986	678	0	4,116	15,870	4,103	4,370	49,005	54,255	(14,250)	4,370	(9,880)	316	44,690	(4,315)	6,706	159	2,550 (4,156)
2016/17	8	9,036	11,202	690	0	4,227	15,915	4,136	4,370	49,577	55,884	(15,313)	4,370	(10,943)	328	45,269	(4,307)	2,550	14	(1,744) (4,293)
2017/18	9	9,192	11,423	702	0	4,341	16,329	4,208	4,370	50,564	57,560	(16,390)	4,370	(12,021)	342	45,881	(4,683)	(1,744)	(143)	(6,570) (4,826)
2018/19	10	9,350	11,648	714	0	4,459	16,701	4,243	4,370	51,485	59,285	(17,546)	4,370	(13,177)	355	46,464	(5,021)	(6,570)	(318)	(11,909) (5,339)
2019/20	11	9,511	11,878	727	0	4,579	17,079	4,246	4,370	52,389	61,060	(18,779)	4,370	(14,409)	370	47,020	(5,369)	(11,909)	(511)	(17,789) (5,879)
2020/21	12	9,675	12,112	739	0	4,703	17,522	4,248	4,370	53,368	62,886	(20,057)	4,370	(15,687)	385	47,584	(5,784)	(17,789)	(724)	(24,297) (6,508)
2021/22	13	9,842	12,350	752	0	4,830	17,904	4,251	4,370	54,298	64,766	(21,381)	4,370	(17,012)	400	48,154	(6,144)	(24,297)	(958)	(31,398) (7,102)
2022/23	14	10,011	12,593	765	0	4,960	18,331	4,254	4,370	55,285	66,700	(22,754)	4,370	(18,384)	416	48,732	(6,553)	(31,398)	(1,214)	(39,165) (7,767)
2023/24	15	10,184	12,842	779	0	5,094	18,804	4,257	4,370	56,328	68,690	(24,176)	4,370	(19,807)	433	49,316	(7,012)	(39,165)	(1,493)	(47,670) (8,505)
2024/25	16	10,359	13,094	792	0	5,232	19,217	4,260	4,370	57,323	70,380	(25,178)	4,370	(20,809)	451	50,022	(7,302)	(47,670)	(1,796)	(56,768) (9,098)
2025/26	17	10,537	13,352	806	0	5,373	19,677	4,263	4,370	58,378	71,977	(26,074)	4,370	(21,704)	469	50,742	(7,636)	(56,768)	(2,121)	(66,525) (9,757)
2026/27	18	10,719	13,615	820	0	5,518	20,183	4,266	4,370	59,491	73,611	(26,993)	4,370	(22,624)	488	51,475	(8,016)	(66,525)	(2,469)	(77,009) (10,484)
2027/28	19	10,904	13,884	835	0	5,667	20,631	4,269	4,370	60,557	75,282	(27,937)	4,370	(23,567)	507	52,221	(8,336)	(77,009)	(2,841)	(88,187) (11,177)
2028/29	20	11,091	14,157	849	0	5,820	21,145	4,272	4,370	61,704	76,990	(28,906)	4,370	(24,537)	528	52,981	(8,723)	(88,187)	(3,239)	(100,149) (11,962)
2029/30	21	11,282	14,436	864	0	5,977	21,667	4,275	4,370	62,871	78,738	(29,901)	4,370	(25,531)	549	53,755	(9,116)	(100,149)	(3,665)	(112,929) (12,780)
2030/31	22	11,477	14,721	879	0	6,138	22,150	4,279	4,370	64,013	80,525	(30,922)	4,370	(26,553)	571	54,543	(9,470)	(112,929)	(4,118)	(126,517) (13,588)
2031/32	23	11,674	15,011	895	0	6,304	22,682	4,282	4,370	65,217	82,353	(31,971)	4,370	(27,601)	594	55,346	(9,871)	(126,517)	(4,601)	(140,989) (14,472)
2032/33	24	11,875	15,306	910	0	6,474	23,262	4,285	4,370	66,483	84,223	(33,047)	4,370	(28,678)	618	56,163	(10,320)	(140,989)	(5,115)	(156,424) (15,435)
2033/34	25	12,080	15,608	926	0	6,649	23,805	4,289	4,370	67,726	86,135	(34,152)	4,370	(29,782)	643	56,995	(10,731)	(156,424)	(5,663)	(172,817) (16,393)
2034/35	26	12,288	15,915	943	0	6,829	24,356	4,293	4,370	68,992	88,090	(35,286)	4,370	(30,916)	669	57,843	(11,150)	(172,817)	(6,244)	(190,210) (17,393)
2035/36	27	12,500	16,229	959	0	7,013	24,941	4,297	4,370	70,308	90,091	(36,450)	4,370	(32,080)	696	58,706	(11,602)	(190,210)	(6,860)	(208,673) (18,462)
2036/37	28	12,715	16,548	976	0	7,202	25,543	4,300	4,370	71,655	92,136	(37,645)	4,370	(33,275)	724	59,585	(12,070)	(208,673)	(7,515)	(228,257) (19,584)
2037/38	29	12,934	16,874	993	0	7,397	26,159	4,304	4,370	73,031	94,228	(38,871)	4,370	(34,501)	753	60,480	(12,551)	(228,257)	(8,209)	(249,017) (20,760)
2038/39	30	13,157	17,207	1,010	0	7,597	26,834	4,309	4,370	74,483	96,368	(40,129)	4,370	(35,760)	783	61,391	(13,091)	(249,017)	(8,945)	(271,053) (22,036)

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account - with no rebasing

APPENDIX 5

Expenditure										Income						General Reserves					
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)	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	
2009/10	1	7,814	9,387	623	2,954	2,250	14,127	4,219	4,370	45,744	44,094	(7,663)	7,774	111	249	44,454	(1,290)	16,342	581	15,633	(709)
2010/11	2	8,023	9,794	639	2,771	750	14,226	4,231	4,437	44,872	46,597	(8,963)	7,774	(1,189)	259	45,667	795	15,633	481	16,909	1,276
2011/12	3	8,232	10,060	632	1,199	0	14,507	4,174	4,408	43,212	48,189	(10,051)	4,408	(5,643)	270	42,816	(396)	16,909	501	17,014	1,015
2012/13	4	8,439	10,293	643	247	0	14,786	4,140	4,370	42,918	49,641	(11,156)	4,370	(6,787)	280	43,134	216	17,014	599	17,829	815
2013/14	5	8,585	10,531	655	204	0	15,138	4,096	4,370	43,579	51,135	(12,182)	4,370	(7,812)	292	43,615	(14)	17,829	624	18,438	609
2014/15	6	8,733	10,774	666	0	0	15,555	4,090	4,370	44,186	52,673	(13,207)	4,370	(8,837)	303	44,139	(47)	18,438	645	19,035	597
2015/16	7	8,883	10,986	678	0	0	15,870	4,103	4,370	44,889	54,255	(14,250)	4,370	(9,880)	316	44,690	(199)	19,035	663	19,499	464
2016/17	8	9,036	11,202	690	0	0	15,915	4,136	4,370	45,349	55,884	(15,313)	4,370	(10,943)	328	45,269	(80)	19,499	681	20,100	601
2017/18	9	9,192	11,423	702	0	0	16,329	4,208	4,370	46,223	57,560	(16,390)	4,370	(12,021)	342	45,881	(342)	20,100	698	20,456	356
2018/19	10	9,350	11,648	714	0	0	16,701	4,243	4,370	47,026	59,285	(17,546)	4,370	(13,177)	355	46,464	(563)	20,456	706	20,600	143
2019/20	11	9,511	11,878	727	0	0	17,079	4,246	4,370	47,810	61,060	(18,779)	4,370	(14,409)	370	47,020	(790)	20,600	707	20,517	(82)
2020/21	12	9,675	12,112	739	0	0	17,522	4,248	4,370	48,665	62,886	(20,057)	4,370	(15,687)	385	47,584	(1,082)	20,517	699	20,135	(382)
2021/22	13	9,842	12,350	752	0	0	17,904	4,251	4,370	49,468	64,766	(21,381)	4,370	(17,012)	400	48,154	(1,314)	20,135	682	19,502	(632)
2022/23	14	10,011	12,593	765	0	0	18,331	4,254	4,370	50,325	66,700	(22,754)	4,370	(18,384)	416	48,732	(1,593)	19,502	655	18,564	(938)
2023/24	15	10,184	12,842	779	0	0	18,804	4,257	4,370	51,234	68,690	(24,176)	4,370	(19,807)	433	49,316	(1,918)	18,564	616	17,263	(1,301)
2024/25	16	10,359	13,094	792	0	0	19,217	4,260	4,370	52,092	70,380	(25,178)	4,370	(20,809)	451	50,022	(2,070)	17,263	568	15,760	(1,502)
2025/26	17	10,537	13,352	806	0	0	19,677	4,263	4,370	53,005	71,977	(26,074)	4,370	(21,704)	469	50,742	(2,264)	15,760	512	14,009	(1,752)
2026/27	18	10,719	13,615	820	0	0	20,183	4,266	4,370	53,973	73,611	(26,993)	4,370	(22,624)	488	51,475	(2,498)	14,009	447	11,958	(2,051)
2027/28	19	10,904	13,884	835	0	0	20,631	4,269	4,370	54,891	75,282	(27,937)	4,370	(23,567)	507	52,221	(2,669)	11,958	372	9,660	(2,298)
2028/29	20	11,091	14,157	849	0	0	21,145	4,272	4,370	55,884	76,990	(28,906)	4,370	(24,537)	528	52,981	(2,903)	9,660	287	7,044	(2,616)
2029/30	21	11,282	14,436	864	0	0	21,667	4,275	4,370	56,894	78,738	(29,901)	4,370	(25,531)	549	53,755	(3,139)	7,044	192	4,097	(2,947)
2030/31	22	11,477	14,721	879	0	0	22,150	4,279	4,370	57,875	80,525	(30,922)	4,370	(26,553)	571	54,543	(3,331)	4,097	85	851	(3,246)
2031/32	23	11,674	15,011	895	0	0	22,682	4,282	4,370	58,913	82,353	(31,971)	4,370	(27,601)	594	55,346	(3,567)	851	(33)	(2,748)	(3,600)
2032/33	24	11,875	15,306	910	0	0	23,262	4,285	4,370	60,009	84,223	(33,047)	4,370	(28,678)	618	56,163	(3,845)	(2,748)	(163)	(6,757)	(4,009)
2033/34	25	12,080	15,608	926	0	0	23,805	4,289	4,370	61,077	86,135	(34,152)	4,370	(29,782)	643	56,995	(4,082)	(6,757)	(308)	(11,147)	(4,390)
2034/35	26	12,288	15,915	943	0	0	24,356	4,293	4,370	62,164	88,090	(35,286)	4,370	(30,916)	669	57,843	(4,321)	(11,147)	(466)	(15,934)	(4,787)
2035/36	27	12,500	16,229	959	0	0	24,941	4,297	4,370	63,295	90,091	(36,450)	4,370	(32,080)	696	58,706	(4,589)	(15,934)	(638)	(21,160)	(5,227)
2036/37	28	12,715	16,548	976	0	0	25,543	4,300	4,370	64,452	92,136	(37,645)	4,370	(33,275)	724	59,585	(4,867)	(21,160)	(826)	(26,854)	(5,693)
2037/38	29	12,934	16,874	993	0	0	26,159	4,304	4,370	65,634	94,228	(38,871)	4,370	(34,501)	753	60,480	(5,155)	(26,854)	(1,030)	(33,038)	(6,185)
2038/39	30	13,157	17,207	1,010	0	0	26,834	4,309	4,370	66,886	96,368	(40,129)	4,370	(35,760)	783	61,391	(5,495)	(33,038)	(1,252)	(39,785)	(6,747)

Derby Homes Management Fee Projections

Appendix 6

	Core Fee	Leasing Insurance	Mod Fund	Total	max incentive scheme
2008/9 total	10,896	729	0	11,625	150
2009/2010					
Inflation 3%	318			318	
lease and insurance changes		-15		-15	
remove systems upgrade	-285			-285	
tenants manual update	20			20	
Stock options appraisal	45			45	
Stock Adjustment RTB 2009/10	-69			-69	
	29	-15	0	14	0
2009/10 total	10,924	714	0	11,638	150
2010/11					
Inflation 2.5%	271			271	
lease and insurance changes		-172		-172	
remove tenants manual update	-20			-20	
remove stock options appraisal	-45			-45	
Stock Adjustment RTB 2010/11	-6			-6	
	11,125	542	0	11,667	150
2011/12					
Inflation 2.5%	278			278	
lease and insurance changes		-45		-45	
LGPS	100			100	
remove additional tree maintenance	-106			-106	
Inspection Fees	35			35	
Stock Adjustment RTB 2011/12	-12			-12	
	11,420	497	0	11,917	150
2012/13					
Inflation 3%	341			341	
lease and insurance changes		-83		-83	
remove inspection fees	-35			-35	
Stock Adjustment RTB 2012/13	-18			-18	
	11,708	414	0	12,122	150

**Estates Pride Programme
Overall plan**

	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	Appendix 7 Total EP £000
Approved at this stage:									
Neighbourhood Working									
Contribution to overall scheme in five priority areas	233	240	247	254	262	-	-	-	1,236
Additional expansion of scheme to other areas	122	90	120	124	127	131	135	88	937
	355	330	367	378	389	131	135	88	2,173
YIP	188	194	200	206	212	-	-	-	1,000
Capital Works contributions approved:									
Sunnyhill Rec Multi User Games Area	20	45	-	-	-	-	-	-	65
Stockbrook Street Rec, Sportswall and footpaths	6.5	-	-	-	-	-	-	-	7
Sherwood Recreation play area and fencing	17.5	-	-	-	-	-	-	-	18
Church Street new play area and lighting	10.2	-	-	-	-	-	-	-	10
Cheviot Street Teen Area age 10 to 18	40.5	-	-	-	-	-	-	-	41
Chaddesden Park play area equipment / landscaping	-	50	-	-	-	-	-	-	50
Rykneld Rec	7.2	-	-	-	-	-	-	-	7
Tree work - Stockbrook Street additional works	15	-	-	-	-	-	-	-	15
Environmental work - fencing landscaping identified by the CSP, DH and Police (total £290,000):Stockbrook area	290	-	-	-	-	-	-	-	290
Total	407	95	-	-	-	-	-	-	502
Street Lighting contribution	-	975	-	-	-	-	-	-	975
Osmaston Park (exact amounts 06/07 £20k 07/08 £180k)	20	180							200
Warwick Avenue parking	15								15
Living Streets training	2								2
Burglary Reduction (exact amount 05/06 06/07£161,226)	161								161
CCTV revenue costs (city wide 05/06 06/07) exact amount £202,146	202								202
Management fee	90	90	90	90	90				450
CHIPS work	430								430
Sussex Circus		250							250
Sunny Hill CC			200						200
Local Housing Board allocation		300	300						600
Contingency			100	100	35				235
General estate based environmental improvements agreed by LHB			1,700						1,700
Total	920	820	2,390	190	125	-	-	-	4,445
Previously approved total funding 2007	1,870	2,414	2,957	774	726	131	135	88	9,095

Committed schemes for approval by cabinet

Further works approved March 2008

Refurbishment of all play areas within council estates	-	-	150	150	150	-	-	-	450
Repairs to fencing and garden work to vacant homes	-	-	100	100	100	-	-	-	300
Youth engagement work in areas not covered by YIP's	-	-	30	30	30	-	-	-	90
General estate based environmental Improvements agreed by LHB;	-	-	104	-	-	-	-	-	104
Local Housing Board allocation	-	-	-	250	250	250	-	-	750
Housing focus groups allocation	-	-	-	50	50	50	-	-	150
Contingency					65				65
Total approved	-	-	384	580	645	300	-	-	1,909

Total approved at this point	1,870	2,414	3,341	1,354	1,371	431	135	88	11,004
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Further works for approval

Capital

Possible further physical environmental improvements	-	-	-	1,600	-	-	-	-	1,600
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Revenue

YIP						109	112	116	337
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Total	-	-	-	1,600	-	109	112	116	1,937
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Further works to be drawn up later

Capital

Possible further physical environmental improvements					1,400	659			2,059
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Total	-	-	-	-	1,400	659	-	-	2,059
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Total programme plan	1,870	2,414	3,341	2,954	2,771	1,199	247	204	15,000
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Capital	1,035	1,800	2,654	2,250	2,050	959	-	-	10,748
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Revenue	835	614	687	704	721	240	247	204	4,252
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	1,870	2,414	3,341	2,954	2,771	1,199	247	204	15,000
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Key to other funding sources:

A = DCC Corporate funding

B = Urban

C = SRB 5

D = DCC St lighting PFI

E = Sports lottery

F = Landfill tax

G = NDC

H = Enthusiasm's match including Children's in need, Learning & skills council, LEA, YJB, Tudor Trust

I = DCC Highway and Maintenance Department

J = Section 106

K = ERDF

North area

AREA	WORK	COST
<u>Chaddesden</u>		£
Oakleigh/Lenton/Rushcliffe Avenue	Improvement to walkways and PIR lighting	50,000
Ashworth Ave/John Berrysford Close	Resurface car park/lighting	80,000
<u>Sussex Circus</u>		
Mayfield Road	Black metal fencing/gates to front of properties.	80,000
Huntingdon Green	Resurface car park / landscaping/fencing	80,000
Denbigh Street	Pathways to rear of bungalows for motorised scooter access	30,000
<u>Spondon</u>		
Craddock Avenue	Bungalows – Improve pathways to the front (disabled access), patio/garden areas to rear, recycling facilities and metal fencing to the front for defensible space/replace handrails	80,000
<u>Mackworth/Morley</u>		
Cobden Street area	Recycling facilities and improve drying areas/pathways	30,000
Hampstead/Streatham/Hanover/Camberwell/Wembley Gardens	Landscaping and fencing	30,000
Knightsbridge	Gated community, landscaping and fencing to front, remove shed areas and convert into pram/bike parks, recycling facilities.	70,000
<u>Brook Street</u>		
City Road/John Lombe Drive	Metal fencing, improve drying areas, landscaping, communal garden area, storage for mobility scooters(poss. extension of drying area)+recycling area	70,000
Centurion Walk/Marcus Street	Wooden privacy fence, rear landscaping	30,000

TOTAL

£ 630,000

South area

AREA	WORK	COST
Stockbrook		
		£
Flats –Osmaston Road, Oriel Court, Keble Close,	Fencing, lighting, landscaping, improve/remove drying areas, recycling facilities/play area to Oriel Court?	75,000
Chellaston/Shelton Lock		
Maple Drive	Improve drying areas, recycling facilities	20,000
Filbert Walk	Metal fencing to drying areas, recycling facilities, reroute pathways	100,000
Barley Croft	Metal fencing to recreation ground boundary, disabled parking bays, removal of steps/wall to front no.1, wooden fencing to 26-32, improve pathways, recycling facilities.	60,000
Merrill Way	Tarmac footpaths, improve drying areas, recycling facilities	50,000
Austin		
	Gates to houses (arches)/ one-off hedge cuts	60,000
Finsley Walk	Met, fencing around flats(12-16) & to replace wooden (71-81), & r/e & s/e (36-46).	20,000
Littleover		
Oaklands Ave	f/e 153-159 – metal fencing with gate to green area / metal fencing to fronts of bungalows 156-166/ metal fencing to front of green area (no.s 140-154) + return metal fencing to front of green area 131-151/ metal fencing to front of green area 132-138	40,000
Marston Close –	Remove knee rail fencing & replace with black metal bow top- also fencing to f/e of properties	35,000

