



Housing Revenue Account Business Plan and Budget 2007/08

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 overall financial position for the HRA is very similar to that reported last year, and the balance of risks and funding can be maintained at a similar level for another year. This means that there is no need to change the course currently set, but neither are there significant opportunities to expand service provision except for a few exceptions. The current year's projected outturn is anticipated to be underspent by around £0.1m, due mainly to slippage in the Estates Pride programme.
- 1.3 The proposals contained within the report of the Corporate Director of Resources and Housing should allow 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 £6.345m of this programme, and it is suggested that the Council authorise further spending of £1.05m and the drawing up of plans for a further £1.7m. This would take the total committed to £9.095m. An updated approved list for the existing programme is set out in Appendix 5 to the report of the Corporate Director of Resources & Housing. The remaining balance of the Estates Pride programme will be reviewed each year in the light of the financial position as it is then.
- 1.4 The proposals also include additional funding to cover a loss of income as a result of the restructuring of the sheltered housing support service from wardens attached to a set of properties to a floating support service.
- 1.5 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 Director of Resources and Housing.
- 2.2 To approve the management fee for Derby Homes set out in Appendix 4 to the report of the Corporate Director of Resources and Housing.

- 2.3 To approve the proposals for Estates Pride, including £1.05m on three schemes – Sussex Circus, Sunnyhill, and Local Housing Board allocations – and to ask Derby Homes to draw up draft proposals for a further £1.7m of spending for the Estates Pride programme in 2008/09, for consultation and subsequent approval by Cabinet at the appropriate time.

REASON FOR RECOMMENDATIONS

- 3.1 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.
- 3.2 The HRA business plan remains in overall balance over the thirty-year plan period as long as the assumptions made continue to hold.

**Housing Revenue Account Business Plan and Budget 2007/08****SUPPORTING INFORMATION****Review of HRA financial position 2006/07**

- 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, and in the meantime to enable the creation of an Estates Pride fund of £15m for improvements to estates and facilities available for the benefit of tenants.
- 2 This strategy continues to be valid, with expectations of future government subsidy funding being confirmed in this year's settlement.
- 3 Monitoring of the position so far this year indicates that the budget could be underspent by around £0.1m. This year's variance is made up of the following anticipated movements:

	Forecast year end £000	One off / Ongoing	Comments
Budget variance Housing Revenue Account			
Repairs account	*	Ongoing	* See commentary below
Estates Pride	(130)	One off	Slippage of capital items into later years
Debt Management expenses	50	Ongoing	Due to additional borrowing as a result of the Homes Pride Programme
Total HRA	(80)		

The repairs account was overspent in 2005/06 by a total of £1.2m of which £0.8m related to the 2005/06 financial year, and the balance from previous years. This budget was therefore included in the Council's list of risk budgets this year and has been subject to regular monitoring by Derby Homes with monthly checks from Council officers. The latest forecast position by Derby Homes indicates that the action plan put in place to reduce overall spending is working and the budget will remain in balance at the year-end. There are, however, considerable risks in taking a part year position on this account at face value, as repairs traditionally have a much higher level of spending in the second half of the year. This year end 'surge' should be counteracted to some extent this year by actions taken within the action plan which are also more concentrated in the second half of the year. Whether the budget will eventually be in balance is therefore not certain at this stage, although the forecasts appear good and actions have been taken to address the underlying

issues. If material overspending were to continue, there would be a need to review the viability of the proposed business plan.

Slippage in the Estates Pride programme is unsurprising as much of the funding is committed to programmes which take time to implement, including the Council's street lighting PFI and capital schemes which are leveraging in further investment from elsewhere. The funding will be reprofiled into later years, so that the total budget remains at the planned £15m. Slippage might be considerably higher, leading to a higher nominal balance on the HRA at outturn that would be reversed later once that spending has been incurred – if this is the case, it will be noted in the outturn report.

Future planning

- 4 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 the next three years is set out at Appendix 3.

Previous plan

- 5 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, and that the government's proposals about further rent restructuring advanced last year would be implemented. 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% a year above the Retail Prices Index, RPI, 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 through the Rental Constraint Allowance, RCA.
 - **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

- 6 This year's subsidy settlement is the second of a two-year settlement, and is therefore much more stable than those experienced in recent years when considerable variances in projected subsidies have happened. This year's subsidy for each dwelling is £4.58 a year better than previously expected for 2007/08.
- 7 In terms of rents, the previous expectation – based on inflation of 2.5% a year - was for an average rent in 2011/12 of £67.56 a week. The new guidance increases this to £68.34 a week, if future inflation is 2.5% a year. The increased total is due to an

increased rate of inflation, of 3.6% for the year to September 2006. If anything, this level of average rent will be still higher as inflation has continued to increase and RPI now stands at 3.9%, meaning that there is less chance of the rate reducing back to 2.5% by next September. This would result in still higher rents as the rent restructuring regime imposes increases in real terms – that is above the rate of inflation – of around 4% a year from now on.

- 8 The report on the HRA Business plan in February 2006 indicated that the HRA needed to increase rents well above inflation over the remainder of the rent-restructuring period to 2012. The government has imposed a cap on average rent increases of 5% a year for 2006/07 and 2007/08, but has not reduced the target rent for 2011/2012. If and when the cap is lifted, Councils in Derby's position will then have to increase rents over the remaining four year period from 2008/09 to 2011/2012 by at least 4% a year above the inflation rate if rent restructuring is to be completed by 2012.
- 9 The cap on rents also creates a funding gap in the HRA, but the government has to date successfully compensated Councils including Derby for the loss of income through an adjustment to the subsidy system, known as Rental Constraint Allowance, RCA. The subsidy determination for 2007/08 indicates that Derby will not benefit from the RCA in future, but on investigation this appears to be due to a data error that will be corrected at outturn. Assuming this is the case, Derby will continue to benefit from the RCA. Once the rent cap is lifted, Council tenants are likely to be faced with very steep rent increases, unless the government continues some form of transitional protection for those Councils and their tenants who were previously capped. Other options for the government would be to extend the rent cap and compensation for one or more years, or to extend the rent-restructuring period beyond 2012. So far the government have not indicated which option they will adopt.
- 10 For the moment, therefore, the plan assumes that the Council will effectively be required to phase in real terms increases above inflation evenly over the remaining four years of rent restructuring, but will receive transitional compensation for our losses as a result. This is by no means certain, as the government have specifically said that there is no guarantee that full compensation will be paid beyond 2007/08. This introduces a large element of uncertainty into later years of the plan. If the government does not fully compensate for the capping process, the extent of possible losses will depend on the government's future capping policy and whether it extends the period of rent restructuring. Losses from the assumed position could be millions of pounds overall should capping remain without compensation, but this position would become rapidly untenable at a national level. It is therefore difficult to plan other than for full compensation to be payable. This issue should be borne in mind when viewing what otherwise appears to be a relatively healthy balance on the HRA.
- 11 One of the larger 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 overspent last year by a cumulative £1.2m of which £0.8m related to 2005/06, and an action plan is being implemented by Derby Homes with a view to eliminating the overspend. The business plan relies on the action plan achieving a reduction back to planned spending. Should this not happen, then the business plan would need to be reconsidered, and changes would need to be made. Derby Homes' action plan

relies to a considerable extent on actions put in place in the first half of this year, but which will result in reduced spending in the second half of the year and beyond. The plan continues to be closely monitored, and it is assumed for now that the outcome will be successful. Should the overspending persist into next year, there would clearly be a major issue for the HRA which would need to be addressed, and which might therefore be a threat to the Estates Pride programme.

Estates Pride

- 12 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.
- 13 The initial approval to the programme last year amounted to some £6.345m of both capital and revenue schemes. Revenue resources of £3.5m were committed for five years to both neighbourhood working and a youth inclusion programme. The balance of £2.845m were committed to a series of developments, including supporting the Street Lighting PFI project from 2007/08, contributions to proposed grant schemes and a sum of £0.76m for Derby Homes to allocate to the greatest priorities that it identified.
- 14 There are some proposed changes from the original planned spending, as a result of a delay to the implementation of neighbourhood working plans, and also a reduction in their projected additional cost. Some of the initial planned capital contributions have been revised downwards in scale, leading to funds being placed into the balance for further works. The overall proposed programme is now as set out below, and a fuller list appended at Appendix 5.

	Original	Revised
Committed last year	£000	£000
Five year revenue programmes (total committed over five years)		
Neighbourhood working	2500	2173
Youth Inclusion Project	1000	1000
One off issues:		
Street Lighting Contribution – maximum	1210	1210
Appendix 5 contributions to capital schemes	874	502
Balance for capital works including management of the programme	761	1460
Funding Committed 2006/07	6345	6345
Further proposals for approval		1050
Total commitment at this point	6345	7395
Further plans to be drawn up during 2007		1700
Total including plans being drawn up	6345	9095
Projected funding available	15000	15000
Balance for later projects assuming funding remains available	8655	5905

- 15 In addition to the updated use of the £6.345m approved last year, Derby Homes are proposing a further series of commitments for 2007/08 amounting to £1,050,000. These are:
- remodelling works at Sussex Circus in Chaddesden, match funding New Deal for Communities funding in an area of predominantly Council housing, up to a maximum of £250,000
 - a contribution of £200,000 towards the overall cost of around £560,000 for the redevelopment of Sunnyhill Community Centre
 - £150,000 a year each for the two Local Housing Boards for the next two years to approve smaller schemes of the greatest need based on a bidding process to each Board.
- 16 In addition, Derby Homes will continue to develop further schemes for approval by the Council at a later date as the funding position relating to repairs and the RCA is clarified. The first £1.7m of proposals would then be implemented in 2008/09, subject to further approval from the Council, with proposals for the balance of £5.905m being developed for later years.
- 17 The expected position is set out in Appendix 5, subject to the funding remaining available.

Derby Homes' management fee

- 18 The basic principles of setting Derby Homes' management fee were agreed two years ago, and involve an increase for inflation and reductions relating to the number of homes no longer managed by Derby Homes, and the ending of a number of older leases.
- 19 In addition, Derby Homes have been supporting Derbyloans with a grant of £15,000 a year for the last couple of years, which was added to the fee for those two years to allow them to make such a grant without detriment to other services. This funding has now come to an end. Also, additional support arrangements were put in place for the loss of Supporting People income relating to the change from a warden based service to a floating support service no longer tied to specific properties. This funding was previously agreed as £680,000 for 2006/07 and £350,000 for 2007/08. In these cases the proposed fee confirms the previously agreed principles.
- 20 Derby Homes have requested that the initial proposals be amended as follows ...
- Additional funding for the maintenance of three housing offices at Chaddesden Park, Osmaston and Cowsley. It is proposed to continue to contribute towards their full cost a sum of £2,000 a month.
 - Additional funds for the continuation of a range of social activities for tenants including luncheon clubs affected by the restructuring of Supporting People funded activities. This is costed at £58,000 a year for two additional members of staff and travel costs. This could be afforded within the current projections for the HRA. This would, if approved, apply from 2008/09 onwards after the transitional funding for Supporting People had ended.
 - To enhance the budget for furniture packs from the current level by using additional income generated from service charge increases. It is proposed to increase this by £24,000 over and above general inflation added to Derby

Homes' fee, bringing the total funding within the fee for this purpose to £300,000 a year.

- Additional funding for energy costs. Derby Homes has experienced additional costs as a result of increasing energy costs. Service Charges in this area have not been reviewed other than for general inflation, and need to be reviewed. Such a review may show that inflation in this area is greater than normal and a specific increase in service charges related to energy costs might be required. It is proposed that Derby Homes conduct such a review, and that increased costs recovered through higher service charges could then be passed on to Derby Homes to contribute towards the additional energy costs that they are incurring.
- Derby Homes are proposing that they will reduce their fee by 50% of a saving that they are making on Council Tax for empty homes, saving the HRA £11,000 a year.
- Leasing costs are also now anticipated to fall even faster than previously forecast and this has been reflected as a saving for the next few years.
- In addition to these ongoing costs and savings, Derby Homes would also like permission to retain a one off saving of £20,000 from backdated Council Tax savings to cover the cost of refurbishing three co-located offices to allow joint working with the Council and others at Sinfin and Alvaston libraries, New Browning Circle. It is proposed that this be allowed.

- 21 Appendix 4 sets out the fee proposed for Derby Homes for the next three years.
- 22 Service charge income has been reduced downwards in this latest version of the plan by around £40,000 a year as a result of a limitation on increases by the government to a maximum of the retail prices index, RPI, plus 0.5% a year and to lower charges to tenants as a result of the new sheltered accommodation service.
- 23 It is also proposed to increase the retained HRA – costs that do not form part of the Derby Homes management fee – by £25,000 a year to allow an ongoing contribution to be made to the additional costs of the Street Lighting PFI scheme for the Council as a whole.

Conclusions

- 24 The balance of the plan remains very similar to the previous plan, reflecting relative stability in HRA funding over the last year. The last few years of the plan remain a concern, as they are moving into an operating deficit, although the deficit remains covered by interest on reserves. The main risks within the plan are now long term maintenance and repair costs, the Rental Constraint Allowance, and future 'rebasings' of MMAs.
- 25 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 is clearly under significant pressure.
- 26 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 0.75% a year above inflation for the next few years, and 0.5% thereafter. There is a risk that the government may not continue to abide by

these promised levels of funding at some point in the future. Should this happen there would be a significant problem for the HRA at that point.

Consultation

- 27 A consultation paper on these issues has been widely consulted upon, including with Derby Homes' Board and its senior management, the City Housing Consultative Group, and the Community Commission.

For more information contact:	Officer: David Enticott Tel 255318 e-mail david.enticott@derby.gov.uk
Background papers:	Draft determination of Housing subsidy and related emails.
List of appendices:	Appendix 1 – Implications Appendix 2 – HRA business plan Appendix 3 – HRA budget 2007/8 to 2009/10 Appendix 4 – Derby Homes' management fee Appendix 5 – Estates Pride programme detail.

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 priorities

5. The objectives of **strong and positive neighbourhoods, protecting and supporting people**, and a **healthy environment** 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.

Derby City Council
Business Planning Assumptions
30 Year Housing Revenue Account

APPENDIX 2

Expenditure									Income						General Reserves					
Year	Major Repairs Allowance	Contributor to Repairs account	Provision for bad & doubtful debts	Estates Pride	Supervisor 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	
2006/07	1	7,465	8,635	576	1,574	13,441	4,823	4,944	41,458	37,086	(2,510)	7,774	5,264	221	42,571	1,113	10,476	469	12,058	1,582
2007/08	2	7,504	8,778	592	2,965	13,835	4,872	5,066	43,612	38,412	(3,549)	7,774	4,226	231	42,868	-744	12,058	497	11,811	-248
2008/09	3	7,566	8,951	608	2,749	13,524	4,827	5,093	43,318	40,507	(4,950)	7,774	2,824	241	43,571	254	11,811	507	12,572	761
2009/10	4	7,678	9,127	623	3,769	13,729	4,879	5,058	44,864	42,717	(6,394)	7,774	1,380	252	44,350	-514	12,572	523	12,581	9
2010/11	5	7,791	9,495	639	3,647	13,923	4,931	4,855	45,280	45,006	(7,958)	7,774	-184	264	45,086	-194	12,581	531	12,917	336
2011/12	6	7,906	9,682	654	0	14,080	4,983	4,855	42,160	47,419	(9,638)	4,855	-4,783	275	42,912	752	12,917	565	14,234	1,317
2012/13	7	8,023	9,872	669	0	14,374	5,035	4,855	42,828	48,360	(9,930)	4,855	-5,075	288	43,573	745	14,234	621	15,600	1,366
2013/14	8	8,141	10,067	683	0	14,718	5,088	4,855	43,552	49,319	(10,255)	4,855	-5,400	301	44,220	668	15,600	677	16,945	1,346
2014/15	9	8,261	10,265	698	0	15,126	5,140	4,855	44,344	50,297	(10,612)	4,855	-5,757	315	44,855	510	16,945	731	18,187	1,241
2015/16	10	8,383	10,467	712	0	15,431	5,192	4,855	45,040	51,295	(10,977)	4,855	-6,122	329	45,502	462	18,187	783	19,431	1,244
2016/17	11	8,507	10,674	726	0	15,416	5,245	4,855	45,422	52,312	(11,349)	4,855	-6,494	344	46,162	740	19,431	842	21,012	1,581
2017/18	12	8,632	10,884	739	0	15,820	5,297	4,855	46,227	53,350	(11,730)	4,855	-6,875	360	46,835	607	21,012	906	22,525	1,513
2018/19	13	8,759	11,098	753	0	16,182	5,350	4,855	46,997	54,408	(12,119)	4,855	-7,264	376	47,521	523	22,525	968	24,017	1,492
2019/20	14	8,889	11,317	766	0	16,549	5,402	4,855	47,778	55,488	(12,516)	4,855	-7,661	393	48,220	443	24,017	1,030	25,490	1,473
2020/21	15	9,020	11,540	779	0	16,980	5,455	4,855	48,628	56,589	(12,921)	4,855	-8,066	411	48,933	305	25,490	1,090	26,884	1,395
2021/22	16	9,153	11,767	792	0	17,350	5,507	4,855	49,425	57,712	(13,335)	4,855	-8,480	430	49,661	236	26,884	1,148	28,268	1,384
2022/23	17	9,288	11,999	805	0	17,766	5,560	4,855	50,273	58,857	(13,758)	4,855	-8,903	449	50,403	129	28,268	1,204	29,602	1,333
2023/24	18	9,425	12,235	818	0	18,227	5,613	4,855	51,173	60,025	(14,190)	4,855	-9,335	470	51,159	-14	29,602	1,258	30,846	1,244
2024/25	19	9,564	12,476	830	0	18,628	5,666	4,855	52,019	61,216	(14,632)	4,855	-9,777	491	51,931	-89	30,846	1,309	32,066	1,220
2025/26	20	9,705	12,722	842	0	19,075	5,719	4,855	52,918	62,431	(15,082)	4,855	-10,227	513	52,718	-201	32,066	1,359	33,224	1,158
2026/27	21	9,848	12,973	854	0	19,568	5,772	4,855	53,870	63,671	(15,542)	4,855	-10,687	537	53,520	-350	33,224	1,405	34,279	1,055
2027/28	22	9,993	13,228	866	0	20,001	5,825	4,855	54,769	64,935	(16,012)	4,855	-11,157	561	54,338	-430	34,279	1,448	35,296	1,017
2028/29	23	10,141	13,489	878	0	20,501	5,878	4,855	55,742	66,224	(16,492)	4,855	-11,637	586	55,173	-568	35,296	1,488	36,216	920
2029/30	24	10,290	13,755	889	0	21,008	5,931	4,855	56,728	67,539	(16,982)	4,855	-12,127	613	56,024	-704	36,216	1,524	37,036	820
2030/31	25	10,442	14,026	900	0	21,477	5,985	4,855	57,684	68,880	(17,483)	4,855	-12,628	641	56,893	-792	37,036	1,557	37,802	766
2031/32	26	10,596	14,302	911	0	21,992	6,038	4,855	58,695	70,248	(17,994)	4,855	-13,139	670	57,779	-916	37,802	1,587	38,473	671
2032/33	27	10,752	14,584	922	0	22,556	6,092	4,855	59,761	71,643	(18,516)	4,855	-13,661	701	58,682	-1,079	38,473	1,612	39,006	533
2033/34	28	10,911	14,871	933	0	23,082	6,145	4,855	60,798	73,066	(19,049)	4,855	-14,194	732	59,604	-1,194	39,006	1,632	39,444	438
2034/35	29	11,072	15,164	944	0	23,617	6,199	4,855	61,850	74,517	(19,594)	4,855	-14,739	766	60,544	-1,307	39,444	1,649	39,786	342
2035/36	30	11,235	15,463	954	0	24,049	6,253	4,855	62,809	75,997	(20,150)	4,855	-15,295	801	61,503	-1,306	39,786	1,663	40,143	357

HOUSING REVENUE ACCOUNT BUDGET 2007/2008

Latest Budget 2006/2007 £000's	SERVICE ACTIVITY	Departmental Expenditure		Indirect Expenditure		Gross Expenditure 2007/2008 £000's	Departmental Income		Support Services Income £000's	Gross Income 2007/2008 £000's	Total Budget 2007/2008 £000's
		Employees £000's	Running Costs £000's	Capital Charges £000's	Support Services Expenditure £000's		Grants £000's	Other Income £000's			
	<u>EXPENDITURE</u>										
8,635	Contribution to Repairs Account		8,778	-		8,778				0	8,778
7,465	Major Repairs Allowance		7,504	-		7,504				0	7,504
	Supervision & Management:-			-		0				0	0
11,549	Derby Homes		10,402	-	960	11,362				0	11,362
(68)	Special - Retained HRA	291	155	-		446		(352)		(352)	94
1,960	General - Retained HRA	1,068	846	-	749	2,663		(284)		(284)	2,379
1,574	Estates Pride		2,965			2,965					2,965
20,400	Capital Charges Notional Interest			20,600		20,600				0	20,600
576	Provision for bad and doubtful debts		592	-		592				0	592
52,091		1,359	31,242	20,600	1,709	54,910	-	(636)	-	(636)	54,274
	<u>INCOME</u>										
(37,086)	Gross Rent					0		(38,412)		(38,412)	(38,412)
(5,264)	Housing Revenue Account Subsidy					0	(4,226)			(4,226)	(4,226)
(221)	Contributions - Community Facilities					0		(231)		(231)	(231)
(42,571)		-	0	-	0	0	- 4,226	(38,643)	-	(42,869)	(42,869)
9,520	NET COST OF SERVICES	1,359	31,242	20,600	1,709	54,910	- 4,226	(39,279)	-	(43,505)	11,405
(20,400)	Capital Charges Notional Interest (Reversal)			- 20,600		(20,600)				0	(20,600)
	<u>Actual Capital Charges - Interest</u>										
9,666	Loan Charges - Interest			9,837		9,837				0	9,837
(469)	Interest Receivable							(496)		(496)	(496)
(1,683)	NET OPERATING EXPENDITURE	1,359	31,242	9,837	1,709	44,147	(4,226)	(39,775)	-	(44,001)	146
	<u>Appropriations</u>										
101	Loan Charges - Minimum Revenue Provision			101		101				0	101
(1,582)	Change in Working Balances	1,359	31,242	9,938	1,709	44,248	(4,226)	(39,775)	0	(44,001)	247
(10,476)	Net Balance at start of year										(12,058)
(12,058)	NET BALANCE AT END OF YEAR	1,359	31,242	9,938	1,709	44,248	(4,226)	(39,775)	0	(44,001)	(11,811)

Derby Homes Management Fee Projections

Appendix 4

	Core Fee £000	Leasing Insurance £000	Mod Fund £000	Total £000	max Supp People £000	max incentive scheme £000
2006/7						
Inflation 3%	290			290		
leases and insurance - sec leases lower savings		44		44		
IT funding ends			-200	-200		
Inspection Cost one off 2005/6	-33			-33		
Incentive Fee funding	-100			-100		150
Tree maintenance	106			106		
Stock Adjustment 210 2004/5	-104			-104		
Supporting people - actual up to:				0	680	
	159	44	-200	3	680	150
2006/7 total	9,885	835	0	10,720	680	150
2007/8						
Inflation 3%	296			296		
Derby loans funding ends	-15			-15		
lease and insurance changes		-106		-106		
Stock Adjustment 2005/6 138	-72			-72		
Real terms increase in Furniture packs	24			24		
Additional support for offices	24			24		
Council Tax reductions	-11			-11		
Supporting people - actual up to:					350	
	246	-106	0	140	350	0
2007/8 total	10,131	729	0	10,860	350	150
2008/9						
Inflation 3%	304			304		
lease and insurance changes		-1		-1		
Social Activity	58			58		
Inspection Cost	35			35		
Pension revaluation	191			191		
Stock Adjustment 1% RTB 2006/7	-109			-109		
	479	-1	0	478	0	0
2008/9 total	10,609	728	0	11,337	0	150
2009/2010						
Inflation 3%	317			317		
lease and insurance changes		-83		-83		
Inspection Cost	-35			-35		
tenants manual update	20			20		
Stock Adjustment 1% RTB 2007/8	-78			-78		
plus b /court	224	-83	0	141	0	0
2009/10 total	10,834	645	0	11,479	0	150

	2005/06 2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	Total EP £000	Other funding £000	TOTAL Scheme Costs £000	Other Funding Source
Approved at this stage:										
Neighbourhood Working										
Contribution to overall scheme in five priority areas	233	240	247	254	262		1,236		1,236	
Additional expansion of scheme to other areas	122	206	212	219	178		937		937	
	355	446	459	473	440	-	2,173		2,173	
YIP	188	194	200	206	212	-	1,000	200	1,200	H
Capital Works contributions approved:										
Sunnyhill Rec Multi User Games Area	20	45					65	-	65	
Stockbrook Street Rec, Sportswall and footpaths	6.5						7	10	17	J
Sherwood Recreation play area and fencing	17.5						18	88	106	A,B,C,J
Church Street new play area and lighting	10.2						10	99	109	
Cheviot Street Teen Area age 10 to 18	40.5						41	10	51	J
Chaddesden Park play area equipment / landscaping		50					50	-	50	
Ryknel Rec	7.2						7		7	
Tree work - Stockbrook Street additional works	15						15	19	34	
Environmental work - fencing landscaping identified by the CSP, DH and Police (total £290,000):Stockbrook area	290						290	115	405	
Total	407	95					502	340	842	
Street Lighting contribution		1,210					1,210		1,210	D
Osmaston Park (exact amounts 06/07 £20k 07/08 £180)	20	180					200		200	
Warwick Avenue parking	15						15	45	60	I
Living Streets training	2						2		2	
Burglary Reduction (exact amount 05/06 06/07£161,22)	161						161		161	
CCTV revenue costs (city wide 05/06 06/07) exact amo	202						202		202	
Management fee	90	90	90	90	90		450		450	
CHIPS work	430						430		430	
Total	920	270	90	90	90	-	1,460	45	1,505	-
Previously approved total funding 2006	1,870	2,215	749	769	742	-	6,345	585	6,930	
Committed schemes for approval by cabinet										
Sussex Circus		250					250	250	500	G
Sunny Hill CC		200					200	360	560	A,L
Local Housing Board allocation		300	300				600		600	
Total for further approval	-	750	300	-	-	-	1,050	610	1,660	
Total proposed approved at this point	1,870	2,965	1,049	769	742	-	7,395	1,195	8,590	
Further works - plans to be drawn up during 2007										
Physical environmental improvements			1,700				1,700			
Total including plans being drawn up	1,870	2,965	2,749	769	742	-	9,095			
Further works - plans to be drawn up later										
Physical environmental improvements				3,000	2,905		5,905			
Total programme plan	1,870	2,965	2,749	3,769	3,647	-	15,000			
Capital	427	2,235	2,000	3,000	2,905		10,567			
Revenue	1,443	730	749	769	742		4,433			
	1,870	2,965	2,749	3,769	3,647		15,000			

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

L = Sports Council