

Taunton Deane Borough Council

Executive – 6 February 2013

Draft Housing Revenue Account (HRA) Estimates 2013/2014

Report of the Financial Services Manager (Southwest One)

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

IMPORTANT – PLEASE NOTE:

In order for this item to be debated in the most efficient manner at the Executive meeting, Members who have queries with any aspect of the report are requested to contact the appropriate officer(s) named below before the meeting.

1 Executive Summary

This report presents the Executive's 2013/14 Draft Budget for the Housing Revenue Account (HRA) for recommendation to Full Council for approval on 26 February 2013. The draft budget is as presented to Corporate Scrutiny on 24 January 2013.

The Draft Budget follows the policies and priorities set out in the updated HRA Business Plan as approved by Full Council on 11 December 2012.

The Executive is proposing an **average weekly rent for dwellings of £77.21**. This represents an **increase of £3.61 or 4.9%**. This is in line with the Council's Rent Policy, and continues the path to convergence of social rents by 2015/16.

Other rents and charges are proposed to increase by 2.6% in line with inflation.

The annual **budget for the Social Housing Development Fund is increasing by £500k, to £800k** in 2013/14. The Fund will help to support proposed capital investment in new housing provision in the 2013/14 Capital Programme.

The HRA will also contribute **£7.7m revenue resources in 2013/14 towards costs of capital maintenance** for existing housing and other related assets, ensuring housing standards are maintained and improved.

The HRA remains on track to pay down a proportion of the £85.2m Self Financing Settlement Debt in 2013/14, in line with the original Business Plan.

2 Background

- 2.1 The purpose of this report is update and request comments from the Members on the Draft Housing Revenue Account (HRA) budget proposals 2013/14. The draft budget follows the priorities outlined in the updated HRA Business Plan (approved 11 December 2012), which in turn properly considers the links to the overall strategy of the Council.
- 2.2 This report also includes the proposed new rent charges for the year, which is in line with the approved Rent Policy within the Business Plan. The proposed increase allows sufficient funds to provide tenancy management services, maintain housing stock in good condition, continue the established programme of stock refurbishment, and invest in new housing; while also repaying self-financing housing debt
- 2.3 2013/14 will be the second year of operating the HRA under self financing arrangements. The Council remains on course to repay the settlement debt of £85.2m, taken on in March 2012, by 2030. Members will be aware from previous reports that eventual cost of borrowing was less than allowed for when the 2012/13 budget was set in February 2012. This lower cost of borrowing is reflected in the 2013/14 Draft Budget and has enabled the Council to fund the updated proposals in the HRA Business Plan and increase funding for housing development.

3 Housing Revenue Account 2013/14

- 3.1 The Proposed Budget is based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan that was approved by Full Council in December 2012. This report sets out the main elements of the budget proposals reflecting the latest Plan.
- 3.2 A summary of the overall Draft HRA Budget 2013/14 is included in Appendix A.
- 3.3 A more detailed analysis of Income and Expenditure is provided in Appendix B.

4 Dwelling Rent Levels for 2013/14

- 4.1 Dwelling rents for more than 6,000 properties provide annual income of over £23m for the HRA.
- 4.2 Local authorities have both the power and duty to set their own rent. However, in December 2000 central government set out a policy for social rents in England to be fair, affordable and less confusing for tenants; local authorities and housing associations were to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

- 4.3 The previous subsidy system required local authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/16, with a 'guideline rent' being the amount CLG assume should be charged, but to avoid unaffordable increases in any one year must not exceed the 'limit rent'. The Council continues to work towards the convergence date of 2015/16 and has taken this into account in the draft rent calculations.
- 4.4 With RPI for 2012 at 2.60%, increasing the actual average weekly rent paid by tenants to the target rent would make the rent paid higher than the guideline rent. It is therefore **proposed that the average weekly rent for dwellings for 2013/14 should be set at the guideline rent of £77.21, an increase of 4.9% or £3.61 per week (and the amount used by CLG when calculating TDBC's debt settlement under HRA self-financing)**. This will provide Taunton Deane with the funds expected to repay its settlement debt and keep rents charged within self-financing principles. It also **meets the Rent Policy as approved in the HRA Business Plan**.
- 4.5 The various rents for 2013/14 calculated from the formulae are:

		2012/13	2013/14	% increase
Average weekly rent	<i>actually paid by tenants</i>	£73.60		
Formula (target) rent	<i>'fair rent' charged by all social housing providers</i>		£79.93	8.60%
Guideline rent	<i>an affordable step towards formula (target) rent</i>		£77.21	4.90%
Limit rent	<i>maximum acceptable step towards formula (target) rent</i>		£78.18	5.82%
Proposed average weekly rent		£73.60	£77.21	
Total increase over previous year £p		£5.11	£3.61	
Total increase over previous year %		7.45%	4.90%	

- 4.6 Members could choose not to increase rents to the guideline amount. However, each 0.5% rent change costs (or saves) tenants an average of 37p per week (£19.14 per year) and brings in (or reduces) HRA income by around £114,600 per year. The £85.2m Self Financing debt settlement in March 2012, was predicated on the assumption that local authority landlords would reach rent convergence by 2015/16. Therefore if the rent increase for 2013/14 is lower, then either savings in HRA costs will need to be made or dwelling-rent increases in future years will need to be higher.

5 Other Income

- 5.1 Around 8% of HRA income, or some £1.97m in total, comes from non-dwelling rents (mainly garages but also shops, hostels and community centres), charges for services and facilities, and contributions to HRA costs from leaseholders and others. The proposed changes to specific budget lines are:

- 5.1.1 **Non Dwelling Rents:** a 2.6% increase, standard inflation (RPI) amount as at September 2012 (last year 5.6%), with garages rented by private tenants and owner occupiers increasing by 5%. Garages have been adjusted to allow 5% voids, with 48% rented to private tenants and 47% to HRA tenants. This increase was approved by Full Council on 11 December 2012.
- 5.1.2 **Charges for Services and Facilities:** a 2.6% increase (last year 5.6%). Budgets for service charges have been reset in line with the current stock, and budgets added for annual service charges to leaseholders and rechargeable repairs for current and former tenants. This increase was approved by Full Council on 11 December 2012.
- 5.1.3 **Supporting People Income:** a 2.6% increase in charges to individual subscribers to the service (last year 5.6%). This increase was approved by Full Council on 11 December 2012. Somerset County Council receives 'Supporting People' funding from CLG and uses it to purchase services from a range of providers including TDBC. Reductions in national funding have led to significant reductions in payments SCC make to providers, and a further reduction of 6% is expected for the Sheltered Housing support contracts for 2013/14. This is less than the anticipated 15% reduction included within the Business Plan.
- 5.1.4 **Contributions towards expenditure:** from the General Fund to cover a share of costs in the HRA for work done on estates where people have bought their homes under Right to Buy. There are approximately 4,000 privately-owned homes on HRA estates, compared to around 6,000 total HRA stock; those private households they pay their share of HRA estate-management costs through their council-tax and the General Fund. This has been updated to reflect current estimates for estates costs, resulting in the charge to the General Fund reducing by £77k.

6 Expenditure

- 6.1 Below are brief descriptions of the main areas of spending with explanations of any significant changes to the current budgets.
- 6.2 **Management Expenses:** These include the costs of the teams administering tenancies, collecting rents and arranging or planning maintenance work as well as a share of the Council's other relevant costs. Key points for 2013/14 are:
- a) The budget includes standard corporate inflation assumptions (6% utilities, 5% insurance and an increase of 1% on salaries).
 - b) The cost of the Development Team has been included in line with the HRA Business Plan
 - c) The budget for Transfer Removal Grants has been increased from £30k to £60k for 2 years.
- 6.3 **Maintenance:** The cost for 2013/14 is around £960 per property, based on the service's best estimate of work that can realistically be carried out and rising

from 2012/13 by inflation only (2.6%).

- 6.4 **Special services:** these are supported/sheltered housing and extra-care services. Income from individual clients is within the line 'charges for services and facilities' and the contribution from SCC is in the line 'Supporting People income'.
- 6.5 **Provision for bad debts:** matches the Business Plan rise from 0.5% to 3% of income for three years from 2013/14 due to the expected effects of Welfare Reform. The increase in provision is £80k in 2013/14.
- 6.6 **Depreciation:** cash reserved in the Major Repairs Allowance (MRA), increased in line with expected national accounting rules and used towards £7.7m capital work that maintains housing stock in good condition. No significant changes are included in the budget proposals – the budget remains in line with the Business Plan assumptions.
- 6.7 **Debt Management Expenses:** bank charges and the costs of managing cash flow, borrowing and investments. No significant changes are included in the budget proposals.
- 6.8 **Payment of Interest:** The 2013/14 budget for interest costs has reduced significantly compared to 2012/13, reflecting the actual (discounted) rates applied to the self financing debt settlement in March 2012. The Interest Payable budget has reduced by some £936k, to £2,937k in 2013/14. This cost is projected to reduce over the medium term as loans are repaid. This budget includes a payment of £174k to the General Fund for "internal" borrowing by the HRA from the General Fund.
- 6.9 **Interest receivable:** Interest income is based on average interest rates projected on to be receivable in relation to HRA balances during the year.

7 Appropriations

- 7.1 **Revenue Contributions to Capital (RCCO):** RCCO pays for capital work costing more than the £6.39m MRA noted in paragraph 6.6 above. The Business Plan capital programme is £7.71m for 2013/14 of which the remainder will be funded by £0.77m the Major Repairs Reserve (balance carried forward from 2012/13) and £0.55m from RCCO. Details of the Capital Programme are included in a separate report at this meeting.
- 7.2 **Transfers to General Fund:** This is the estimated procurement savings being achieved within the HRA through the Southwest One procurement team and recorded through the Benefits Tracking System (BTS). The savings are currently transferred to the General Fund to contribute to the cost of the Transformation Project. Any ongoing procurement savings will be retained by the HRA in future years once the Project costs have been fully funded.
- 7.3 **Social Housing Development Fund:** The HRA Business Plan allows for an annual Social Housing Development Fund, to provide resources to invest in

the provision of new properties – see section 8 of the Housing Revenue Account 30 Year Business Plan. The budgeted contribution to this fund has increased from £300k to £800k in 2013/14. The Fund Balance available in 2013/14 is therefore projected to be £1.1m.

- 7.4 ***Provision for Repayment of Borrowing:*** the budget proposal shows the amount that is expected to be available to repay both the new HRA self-financing settlement debt and the existing HRA share of overall capital borrowing taken out by the Council in previous years to fund capital work.

8 HRA Reserves

- 8.1 As set out in the HRA Business Plan the recommended minimum unearmarked reserve balance for the HRA is £1.8m (approx £300 per property). There are no budgeted transfers to or from this balance in 2013/14. The current projected balance in the current financial year is approx £2m, provided some flexibility to fund additional one off costs if required.

9 Corporate Scrutiny Comments

- 9.1 The Draft Budget was presented to Corporate Scrutiny on 24 January for review and comment, and for the committee to suggest any recommended amendments to the Executive's Draft Budget.
- 9.2 There were no specific amendments to the Draft Budget formally recommended by the Committee. The committee formally supported the recommended rent increase in line with the Business Plan, and welcomed the proposed investment in new housing through the Social Housing Development Fund.

10 Finance Comments

- 10.1 This is a finance report and there are no additional comments.

11 Legal Comments

- 11.1 Local housing authorities are required by Section 74 of the Local Government and Housing Act 1989 (the "1989 Act") to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The account must show income and expenditure coming from the Council's activities as landlord under Part II of the Housing Act 1985. Section 75 of the 1989 Act sets out an obligation for the HRA to show the major elements of housing revenue expenditure – maintenance, administration, and contributions to capital costs – and how these are met by rents, subsidy and other income.
- 11.2 The Local Government and Housing Act 1989 'ringfenced' the HRA: local authorities can only include items in the HRA for which there is statutory provision, and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. In essence, rents cannot be subsidised by transfers from the General Fund, and council

tax cannot be subsidised by transfers from the HRA.

- 11.3 The reform of council house financing is taking place under authority of Part 7 Chapter 3 of the Localism Act 2011 (November 2011).

12 Links to Corporate Aims

- 12.1 The draft budget proposals for 2013/14 have been prepared in line with the HRA Business Plan. The Housing Revenue Account is directly linked to the Affordable Housing corporate aim.

13 Environmental and Community Safety Implications

- 13.1 Environmental and community safety implications have been considered in arriving at the draft budget proposals.

14 Equalities Impact

- 14.1 A full Equalities Impact Assessment was included with the approved HRA Business Plan, upon which this budget is based.

- 14.2 The proposed rent increase will apply to all tenants and as such no potential discrimination amongst the protected groups has been identified. The Impact Assessment for the rent increase is included in Appendix D.

- 14.3 To help support tenants on low incomes Housing Services will continue to provide a number of initiatives to enable them to manage their finances and maximise their income:

- Publish clear information on rent which helps tenants to manage their own finances;
- Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;
- Take action to raise the awareness of accessing a range of welfare benefits; and
- Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim.
- Assist tenants in moving to more affordable accommodation which better meets their household needs;
- Provide assistance to tenants to help improve their money management skills;
- To enhance affordable warmth for tenants by continuing to invest in our housing assets.

15 Risk Management

- 15.1 The risks associated with the proposed budget have been considered, with a detailed risk analysis being undertaken through the update of the HRA Business Plan.

16 Partnership Implications

16.1 None for the purposes of this report.

17 Recommendations

17.1 The Executive recommends to Full Council the approval of the average rent increase of 4.9% for 2013/14.

17.2 The Executive recommends to Full Council the approval of the Draft Housing Revenue Account Budget 2013/14.

Background Papers

Executive 14 November 2012 – HRA Business Plan 2012 – 2042

Executive 5 December 2012 – Fees and Charges 2013/14

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DRAFT HOUSING REVENUE ACCOUNT 2013/14

	2012/13 Budget £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
Income						
Dwelling Rents	(23,159,070)	(23,706,600)	(24,611,800)	(25,715,700)	(26,870,900)	(27,629,100)
Non Dwelling Rents	(576,970)	(587,900)	(602,600)	(617,700)	(633,200)	(649,000)
Charges for services/facilities	-	(168,100)	(172,300)	(176,600)	(180,900)	(185,300)
Contributions from GF towards shared expenditure	(266,040)	(189,000)	(193,700)	(198,500)	(203,500)	(208,600)
Supporting People income	(254,090)	(299,100)	(149,600)	-	-	-
TOTAL INCOME	(24,256,170)	(24,950,700)	(25,730,000)	(26,708,500)	(27,888,500)	(28,672,000)
Expenditure						
Management	3,750,750	4,840,770	4,961,900	5,054,400	5,180,700	5,310,200
Maintenance	6,217,990	5,535,700	5,674,100	5,815,900	5,961,400	6,110,500
Special Services	1,172,060	1,254,500	1,285,900	1,318,100	1,351,100	1,385,000
Increase In Provision for Bad Debt	80,140	-	-	-	-	-
Depreciation (MRA)	6,269,770	6,385,200	6,535,900	6,690,200	6,849,200	6,240,700
Debt Management Expenses	8,000	8,200	8,400	8,600	8,800	9,000
TOTAL EXPENDITURE	17,498,710	18,024,370	18,466,200	18,887,200	19,351,200	19,055,400
NET COST OF SERVICES	(6,757,460)	(6,926,330)	(7,263,800)	(7,821,300)	(8,537,300)	(9,616,600)
Other Costs and Income						
Payment of Interest	3,872,760	2,936,700	2,830,900	2,737,100	2,719,100	2,685,600
Interest Income	(126,890)	(34,700)	(64,400)	(54,300)	(42,500)	(45,400)
NET OPERATING EXPENDITURE (INCOME)	(3,011,590)	(4,024,330)	(4,497,300)	(5,138,500)	(5,860,700)	(6,976,400)
Appropriations						
Revenue Contribution to Capital (RCCO)	-	550,000	1,594,700	1,565,600	1,534,400	2,380,600
Transfers to General Fund	-	381,700	123,500	148,100	177,300	12,800
Social Housing Development Fund	300,000	800,000	500,000	1,000,000	1,000,000	1,000,000
Provision for Repayment of Borrowing	2,223,660	2,292,630	2,279,100	2,424,800	3,149,000	3,583,000
HRA (SURPLUS) / DEFICIT	(487,930)	0	0	0	0	0

PROPOSED HOUSING REVENUE ACCOUNT 2013/14 (continued)

	2012/13 Budget £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £
HRA FUND BALANCE						
Estimated balance b/f 1 April (rounded)	(1,312,070)	(2,039,650)	(2,039,650)	(2,039,650)	(2,039,650)	(2,039,650)
Surplus Earmarked Reserves	(239,650)	0	0	0	0	0
HRA (surplus) / deficit each year	(487,930)	0	0	0	0	0
Estimated balance c/f 31 March (rounded)	<u>(2,039,650)</u>	<u>(2,039,650)</u>	<u>(2,039,650)</u>	<u>(2,039,650)</u>	<u>(2,039,650)</u>	<u>(2,039,650)</u>

NOTE:

The £1.8m minimum Fund Balance reserve figure is based on a minimum of approximately £300 per property for maintenance costs and an allowance for HRA debt settlement.

**DRAFT HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2013/14
REPAIRS AND MAINTENANCE EXPENDITURE SHOWING COST CENTRES**

Cost Centre	Expenditure	Original Budget 2012/13 £	Current Budget 2012/13 £	Forward Estimate 2013/14 £
103108	Associated Costs <i>Includes</i> consultants. Moved to Property Services	0	30,000	0
108915	General Maintenance <i>Includes</i> Responsive repairs: structural work; finishing and fittings, water and sanitary services, external site works, damp and condensation remedial work, re-instatement of aids and adaptations, enhancement of DAP accommodations, post-vandalism remedial work, felt roofing, metal windows and doors, fencing.	2,619,600	2,351,870	1,687,900
108916	Responsive Electrical <i>Includes</i> All non planned electrical repairs	1,407,350	230,000	342,000
108917	Underground Drainage	80,000	20,000	41,100
108918	Garage Maintenance	32,760	32,760	24,600
108919	Shops Maintenance	8,740	8,740	3,100
108920	Pre Planned Maintenance <i>Includes</i> All work done to a planned schedule.	300,000	313,450	321,600
108921	Specialist Works <i>Includes</i> Asbestos survey and register maintenance, smoke detector replacement, carbon monoxide detector installation and water-main repairs.	577,940	577,940	360,700
108922	Leasehold Flats <i>Includes</i> Work on leasehold (sold) flats	41,940	41,940	131,000
109437	Insurance - HRA <i>Includes</i> Repairs covered by insurance when the minimum value is reached.	0	200,000	200,000
110852	Voids (Relets) Major <i>Includes</i> All painting and maintenance work needed to bring void homes up to standard on voids with major work needed.	0	300,000	307,900
110853	Voids (Relets) Minor <i>Includes</i> All painting and maintenance work needed to bring void homes up to standard on voids with only minor work needed.	1,099,930	799,930	820,700
110854	Responsive Gas <i>Includes</i> All non planned gas repairs	0	548,250	562,500

Cost Centre	Expenditure	Original Budget 2012/13 £	Current Budget 2012/13 £	Forward Estimate 2013/14 £
110855	Planned Electrical <i>Includes All planned electrical work and servicing</i>	0	154,950	53,000
110856	Planned Gas <i>Includes All planned gas work and servicing</i>	0	545,000	559,200
110859	Planned Sewage	0	23,160	47,600
110860	Responsive Sewage	0	40,000	20,500
111101	HRA Void Costs <i>Includes Utility cost and council tax due on void properties, redecoration vouchers issued to tenants</i>	0	0	52,300
Maintenance		6,168,260	6,217,990	5,535,700

As part of the change into Self Financing a number of cost centres have been divided in order for management information to be improved. As a result of this more information is known and budgets are being continually refined.

**PROPOSED HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2013/14
COST CENTRE SUMMARY BY TYPE OF INCOME AND EXPENDITURE**

The tables below show how each line in Appendix A is made up, using the national comparison definitions for each type of income or expenditure. Cost centre usage was improved in late 2011/12 as part of preparation for HRA self-financing reform, and cost-centre descriptions have further improved during 2012/13 and into 2013/14 to improve management information.

Some movements in budget to note are:

- Garage rent income for 2012/13 is reduced based on the actual numbers expected to be rented;
- Dwelling rents include service charges.

Cost Centre	Heading	Original Budget 2012/13 £	Current Budget 2012/13 £	Forward Estimate 2013/14 £
Income				
102868	General needs housing	(22,735,410)	(19,344,520)	(19,586,600)
102903	Sheltered Accommodation	(109,910)	(3,345,590)	(3,627,700)
102910	Temporary Accommodation	0	(88,410)	(89,400)
102961	Extra Care Charges	0	(380,550)	(402,900)
Dwelling Rents		(22,845,320)	(23,159,070)	(23,706,600)
102912	Garages	(429,380)	(429,380)	(439,900)
102919	Shops	(124,080)	(124,080)	(124,500)
108950	land	0	(23,510)	(23,500)
Non Dwelling Rents		(553,460)	(576,970)	(587,900)
102921	Service charges	(280,990)	0	0
102994	Meeting Halls	0	0	(5,000)
103050	Rechargeable Repairs	0	0	(31,500)
103071	Leaseholders Charges	0	0	(131,000)
110967	HPS Income	0	0	(600)
Charges for services/facilities		(280,990)	0	(168,100)
103039	GF RTB HRA Amenities	(266,040)	(266,040)	(189,000)
Contributions from GF towards shared expenditure		(266,040)	(266,040)	(189,000)
103051	Contribution for Supporting People	(254,090)	(254,090)	(299,100)
Supporting People income		(254,090)	(254,090)	(299,100)
Total Income		(24,199,900)	(24,256,170)	(24,950,700)
Expenditure				
103120	HRA Policy & Management	2,032,410	1,877,910	2,495,170

Cost Centre	Heading	Original Budget 2012/13 £	Current Budget 2012/13 £	Forward Estimate 2013/14 £
103122	Property Services	141,590	387,750	654,400
103140	HRA Income Team	797,750	258,540	217,200
108931	Rentals on Property	443,850	0	0
108935	Insurance Costs	0	109,400	70,300
109649	Tenant Empowerment	67,440	64,990	68,000
110100	HRA Lettings Costs	0	0	32,800
110102	HRA Anti Social Behaviour	0	0	15,400
110103	Transfer removal grants	0	0	60,000
110104	HRA Temp Accommodation	0	0	67,000
110639	HRA Lettings Team	0	428,240	308,700
110640	Tenants' Forum	45,000	45,000	46,200
110794	Communities Team	0	163,910	139,900
110795	HRA Estates Team	0	415,010	400,500
111098	HRA Development Team	0	0	210,600
111099	HRA Estate Costs	0	0	54,600
Management		3,528,040	3,750,750	4,840,770
103108	Associated Costs	0	30,000	0
108915	General Maintenance	2,619,600	2,351,870	1,687,900
108916	Responsive Electrical	1,407,350	230,000	342,000
108917	Underground Drainage	80,000	20,000	41,100
108918	Garage Maintenance	32,760	32,760	24,600
108919	Shops Maintenance	8,740	8,740	3,100
108920	Pre Planned Maintenance	300,000	313,450	321,600
108921	Specialist Works	577,940	577,940	360,700
108922	Leasehold Flats	41,940	41,940	131,000
109437	Insurance - HRA	0	200,000	200,000
110101	HRA Void Costs	0	0	52,300
110852	Voids (Re-lets) Major	0	300,000	307,900
110853	Voids (Re-lets) Minor	1,099,930	799,930	820,700
110854	Responsive Gas	0	548,250	562,500
110855	Planned Electrical	0	154,950	53,000
110856	Planned Gas	0	545,000	559,200
110859	Planned Sewage	0	23,160	47,600
110860	Responsive Sewage	0	40,000	20,500
Maintenance		6,168,260	6,217,990	5,535,700
103205	Communal Heating	0	20,000	20,500
103209	Communal Lighting	0	61,990	41,200
103260	Lifts	0	20,000	10,300
108923	Grounds Maintenance	0	350,000	359,100
108928	Supported Housing Costs	602,420	499,720	660,700
108929	Extra Care Costs	785,810	220,350	150,900
110988	Meeting Halls Expenses	0	0	11,800
Special Services		1,388,230	1,172,060	1,254,500

Cost Centre	Heading	Original Budget 2012/13 £	Current Budget 2012/13 £	Forward Estimate 2013/14 £
103457	Bad Debt Provision increase	80,140	80,140	0
	Increase In Provision for Bad Debt	80,140	80,140	0
103382	Depreciation of Dwellings	6,269,770	6,269,770	5,972,000
103393	Depreciation of Other Assets	0	0	413,200
	Depreciation (MRA)	6,269,770	6,269,770	6,385,200
103467	Debt Management Costs	8,000	8,000	8,200
	Debt Management Expenses	8,000	8,000	8,200
101386	HRA Ext Int Payable	3,872,760	3,872,760	2,936,700
	Payment of Interest	3,872,760	3,872,760	2,936,700
101390	HRA Int & Invest Inc	(126,890)	(126,890)	(34,700)
	Interest Income	(126,890)	(126,890)	(34,700)
109786	Revenue Contribution to Capital(RCCO)	0	0	550,000
	Direct Revenue Funding of Capital (DRF)	0	0	550,000
110105	HRA Procurement Savings	0	0	381,700
	Transfers to General Fund	0	0	381,700
110987	Social Housing Development Fund	300,000	300,000	800,000
	Transfers to Social Housing Development Fund	300,000	300,000	800,000
109785	Provision for Repayment of Debt	2,223,660	2,223,660	2,292,630
	Provision for Repayment of Borrowing	2,223,660	2,223,660	2,292,630
	(SURPLUS) / DEFICIT	(487,930)	(487,930)	0

APPENDIX D

Equality Impact Assessment – Council Dwellings Rent Increase 2013/14

Responsible person	Stephen Boland	Job Title: Housing Services Lead
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	
	Change to Policy or Service	
	Budget/Financial decision – MTFP	√
	Part of timetable	
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	Annual rent increase 2013/14	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	To ensure continued investment in the management and maintenance of the housing stock to ensure it meets the needs of all tenants, and continued support for arrange of vulnerable groups.	
Which protected groups are targeted by the policy?	1. Age; 2. Disability; 3. Gender Reassignment; 4. Pregnancy and Maturity; 5. Race; 6. Religion or belief; 7. Sex; 8. Sexual Orientation; 9. Marriage and civil partnership	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	<p>Engagement</p> <p>Consultation and regular meetings with the Tenant Services Management Board and wider consultation with tenants, staff, members and other stakeholders in the development of the HRA Business Plan 2012 – 2042 throughout 2011. This Plan has been reviewed and an update approved by Council in December 2012. The business plan reflects the Council’s current rent policy which is unchanged from the original business plan. This reflects national social rent policy to move Council rents to a target rent based on property value and local earnings. The aim of this policy is that rents charged by all social landlords (whether council or housing association) converge. This business plan assumes convergence by 2015/16. Up until convergence, rents move gradually to target over 4 years, with maximum increases limited to inflation (RPI) + 0.5% + £2. After convergence with target, rents increase by inflation (RPI) + 0.5%. The financial viability of the business plan is dependent on annual rent increases being agreed in line with this policy. Any divergence from this policy will impact on business plan resources and on the deliverability of actions in this plan.</p>	

Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

The proposed rent increase will apply to all tenants and as such no potential discrimination amongst the protected groups has been identified. To help support tenants on low incomes Housing Services will continue to provide a number of initiatives to enable them to manage their finances and maximise their income:

- *Publish clear information on rent which helps tenants to manage their own finances;*
- *Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;*
- *Take action to raise the awareness of accessing a range of welfare benefits;*
- *Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim;*
- *Assist tenants in moving to more affordable accommodation which better meets their household needs;*
- *Provide assistance to tenants to help improve their money management skills;*
- *To enhance affordable warmth for tenants by continuing to invest in our housing assets.*

I have concluded that there is/should be:

No major change - no adverse equality impact identified	No major change as no adverse equality impact on the protected groups.
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions

Section four – Implementation – timescale for implementation

The proposed increase in rent will be applicable from April 2013

Section Five – Sign off

Responsible officer: Stephen Boland

Date: 16 January 2013

Management Team: Housing Services

Date:

Section six – Publication and monitoring

Published on	
Next review date	Date logged on Covalent

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	