Council Report

Report of Director of Community Services

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Housing Revenue Account Budget 2018-19

Executive Summary

The report outlines the proposed Housing Revenue Account (HRA) budget for 2018-19.

Since the introduction of HRA self-financing in 2012, the revenue budget and capital investment programme has mirrored the ambitions and priorities set out in the HRA Business Plan.

The 2018-19 estimates are predicated on the assumptions contained in the business plan. Uncertainty remains around the detailed regulation accompanying The Welfare Reform and Work Act 2016 and The Housing and Planning Act 2016, which both potentially have material impacts for the 30 year business plan.

The Welfare Reform and Work Act 2016 required social housing providers in England to reduce social rents by 1% per annum for four years from 1 April 2016. The Government indicated in October 2017 that post-2020 there would be a return to an inflation linked rent settlement.

A 4% increase in garage rents is proposed from April 2018, based on the Consumer Price Index (CPI) plus 1%.

The report sets out progress with the new build programme together with the proposed investment programme in tenants' homes.

The estimates continue to be informed by the business plan, which attaches a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement. An updated HRA business plan will be submitted to the Executive for consideration in the first part of 2018.

At its meeting held on 23 January 2018, the Executive considered this report and resolved as follows:

Subject to Council approving the budget on 7 February 2018:

(1) That the projects forming the HRA major repair and improvement programme, as set out in Appendix 3 to this report, be approved.

(2) That the Director of Community Services be authorised, in consultation with the Lead Councillor for Housing and Environment, to reallocate funding between approved schemes to make best use of the available resources.

The Executive also endorsed the recommendation to Council below:

Recommendation to Council:

(1) That the HRA revenue budget, as set out in Appendix 1 to this report, be approved.

(2) That the 1% rent reduction required by the Welfare Reform and Work Act 2016 be implemented.

(3) That the fees and charges for HRA services, as set out in Appendix 2 to this report, be approved.

(4) That a 4% increase in garage rents be approved.

(5) That the Housing investment programme as set out in Appendix 4 to this report (current approved and provisional schemes), be approved.

Reason for Recommendation:
To enable the Council to set the rent change for HRA property and associated fees and charges, along with authorising the necessary revenue and capital expenditure to implement a budget, this is consistent with the objectives outlined in the HRA Business Plan.

1. Purpose of Report

1.1 This report provides a position statement on the 2018-19 draft budget and makes recommendations to the Council on both the HRA revenue and capital programme budget.

2. Corporate Plan

2.1 The budget underpins the delivery of our Corporate Plan.

3. Background

3.1 The self-financing arrangements introduced in 2012 enable the Council to manage its social housing service in the broadest sense. The Housing Revenue Account Business Plan agreed by the Executive sets the framework upon which the revenue budget and proposed Housing Investment Programme are prepared. This plan sets out our ambitions and priorities for the service.

4. Housing Revenue Account Business Plan

4.1 The resources available following the move to self-financing gave the Council the opportunity to be strategic in its approach to its housing stock for the first time. It was possible, and essential, to not only consider the existing housing stock, but also wider issues such as community development, improving the environment and the potential to build new Council homes to address the increasing demand for affordable housing.

4.2 The Business Plan not only concentrates on the financial related strategy and objectives, but also the service priorities of the Council's Landlord function to its tenants and leaseholders. The longer-term perspective is crucial to ensure that the service and its primary assets, the housing stock, are fit for purpose for the whole period and beyond.

4.3 However, the extent of the changes contained in the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016 have a significant impact on the Council's Housing Revenue Account Business Plan and, by definition, the revenue budget and capital investment programme.

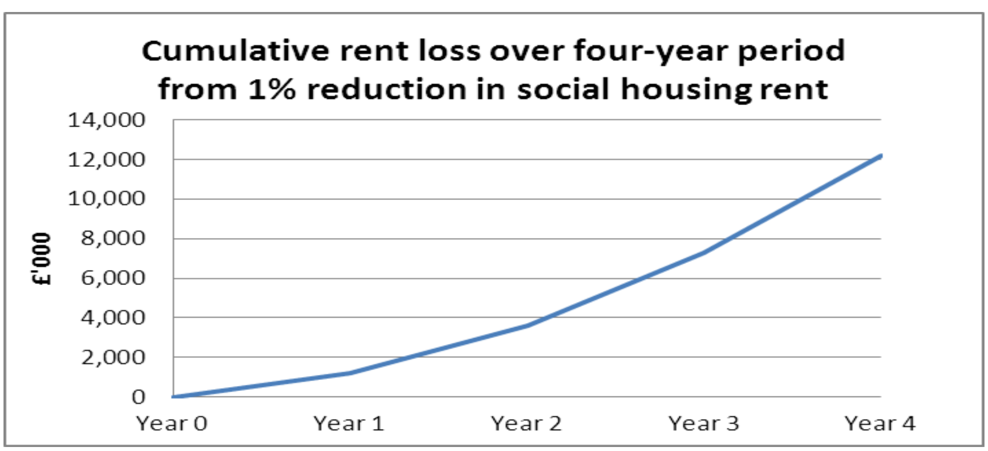
4.4 There remains a lack of clarity around the Government's proposal to fund the extension of the Right to Buy to Housing Association tenants and importantly the 'High Value levy' on councils. However, officers continue to stress test the current Business Plan to determine what actions are likely to be required to mitigate some of the impact arising from these legislative changes. The extent of the uncertainty means that any updates of the Business Plan can only capture some of the potential impacts.

5. Legislative changes

5.1 The Welfare Reform and Work Act 2016 and Housing and Planning Act 2016 will have a significant impact on the Council's Housing Revenue Account, both immediately and in the longer term if implemented in full.

5.2 The Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for four years. The requirement applied from 1 April 2016. In each of four 'relevant years' we must reduce the total rent payable by a tenant in year by 1%.

5.3 The impact of the 1% rent reduction against the assumptions contained in the last business plan is shown in the graph below:



Enforced sale of higher value vacant property

5.4 The Housing and Planning Act 2016 introduced primary legislation to extend the Right to Buy to Housing Association tenants. Housing Associations are to be reimbursed for the discounts given to tenants through a levy raised by the compulsory sale of higher-value council housing. The Department for Communities and Local Government (DCLG) are currently considering how the legislation will be implemented under the framework set out in the Housing and Planning Act 2016. However, to implement the proposal the Government has to introduce secondary legislation, which will require approval by both Houses of Parliament. DCLG have confirmed no payments will be required from us in 2017-18 and this working assumption continues for 2018-19.

5.5 A redistributive basis has yet to be determined for the centrally pooled receipt, but this will not be a local system and is unlikely to reflect local housing need.

5.6 If a payment into a central pool is required it is likely to be determined by reference to a yet to be defined DCLG formula that reflects a number of factors including the level of vacant or void properties, property values, number of bedrooms and tenancy turnover.

5.7 Until more detail is known regarding the required payment from us, it is difficult to make accurate assumptions as to the impact on our Business Plan. It is possible that we could have to sell a significant number of void properties for a defined period, resulting in a reduction of rental income moving forward and a reduction in the ability to meet housing need.

5.8 It is anticipated that we will be able to offset the debt attributable to each unit prior to pooling, but it remains unclear whether this compensation will take account of the contribution the unit would have made over the course of the 30-year settlement period.

5.9 The HRA has a sufficient operating surplus to fund a levy payment in the short term, and if necessary to draw down from reserves and other usable capital receipts to fund the payment in the medium term. However, in the longer term this may limit the stated ambitions of the last published HRA Business Plan to deliver a new build programme.

5.10 A comprehensive review of the Business Plan will be submitted to the Executive for approval once detailed regulations are published on several key measures contained in the Housing and Planning Act.

5.11 The estimates, consistent with the business plan, continue to attach a lower priority to the repayment of debt principal inherited as part of the self-financing HRA settlement, reflecting the Council's determination to provide new additional affordable homes.

6. Preparation of the revenue and capital programme budget for 2018-19

6.1 The changes that could result from the enforced sale of higher value housing would be considerable. However, much of the detail has yet to be published and without this, it is not possible to model the impact on the HRA with any degree of certainty. We have therefore prepared the 2018-19 budget without this potential impact until more detail is published.

6.2 Although the impact of the high-value asset levy is not included in the detailed estimates, changes in other funding streams are included in the 2018-19 estimates, and proposals designed to mitigate some of the impact are included in both the revenue budget and capital investment programme.

6.3 We are therefore taking a cautious approach in terms of committing future expenditure whilst attempting to safeguard front-line services as far as possible. The measures we are taking include:

Capital expenditure: The proposed investment in our existing property base takes account of the downward pressure on our income stream. It also reflects the latest information we have on the condition of the stock. Some expenditure has been deferred until there is greater certainty on the long-term financial picture. Our commitment to maintaining properties to the enhanced Guildford decent homes standard is not affected by this approach.

Revenue expenditure: We have already taken a number of steps to limit our ongoing revenue commitments until we fully understand the implications of the challenges we face. These include:

- We will continue to evaluate all posts that fall vacant to determine whether it is appropriate to reappoint or whether an alternative approach is considered.
- Facilitate channel shift through increased use of IT software. Not only will this benefit our tenants to access services at a time that suits them, but it will also reduce our transaction costs. In 2016, we moved to 'Allpay' as our provider of rent payment services. Not only have we achieved cost savings but we are now able to offer more flexibility in terms of payment dates. This will be important as more tenants move across to Universal Credit. We will also be able to offer mobile payment facilities.
- Introduction of rent collection analytics technology to support the work of our estate and tenancy management team. This will increase the efficiency of the team, helping them to manage their increasingly demanding workload.
- On 26 October 2017, Surrey County Council's Cabinet approved a proposal that from 1 April 2018 it would no longer provide funding for housing related support for older people (sheltered housing). The costs arising from the provision of sheltered and supported housing management are borne by the Housing Revenue Account and recovered through rent and service charges. Officers have designed a floating management and support service to act as a link between clients with eligible needs under the Care Act eligibility criteria and care providers in order to mitigate the impact of the reduction in funding.

7. HRA Revenue Budget 2018-19

Assumptions

7.1 The total HRA debt stands at £197 million. It is projected that the interest charge for 2018-19 will be £5,138,210. No provision is included in the budget for the repayment of debt during 2018-19 in line with the Executive's decision that debt repayment is not a priority. The 2017 Autumn Budget included proposals to lift Housing Revenue Account borrowing caps for Councils in areas of high affordability pressure, so they can build more council homes. Local Authorities will be invited to bid for an increase in their caps from 2019-20 up to a total of £1 billion nationwide by the end of 2021-22.

Information regarding what constitutes an area of 'high affordability pressure' has yet to be published.

7.2 The revenue budget for 2018-19 is predicated around a number of key assumptions. The most important are set out in the table below:

Item	Assumption
Opening stock	5,251 units of accommodation
HRA Debt	£197 million
Average cost of capital	2.6%
Rent decrease	1% reduction in social rents to be applied until March 2020
Garage income increase	4%
Bad debt provision 2018-19	£300,000
Void rate	1%
Service charge increases	Linked to contractual arrangements of suppliers
Housing units lost through Right to Buy (RTB)	25 per annum
Retained receipts	Held in reserves
HRA ring fence	Policy of strong ring fence continues
Debt repayment	No provision made for the repayment of debt
Operating balance	£2.5 million

Summary of Revenue Account Budget 2018-19

7.3 The table below summarises the proposed 2018-19 revenue budget, which reflects our current Treasury Management Strategy – in effect an interest only mortgage rather than a repayment mortgage. The timing of debt repayment will largely be a treasury management decision taking into account the overarching objectives of the previously stated Business Plan.

Expenditure	£
Management and maintenance	10,213,090
Interest payments	5,138,210
Depreciation	6,500,000
Contribution to reserves from surplus	9,821,240
Other items	243,590
	31,916,130
Income	
Rents – dwellings	(29,314,780)
Rents – other	(1,134,280)
Service charges	(1,008,040)
Supporting people funding	(82,000)
Miscellaneous income	(377,030)
	(31,916,130)

7.4 Based on the assumptions contained in the currently approved Business Plan and detailed in paragraph 7.2, the HRA will have an operating surplus of £9.82 million for 2018-19. The size of the surplus reflects a number of factors:

- the prevailing borrowing rate

- the decision not to make debt repayments
- the impact of historically high levels of investment in the stock over past years maintaining stock condition
- good income collection performance
- strong rental stream with many properties at or close to target rent levels

Expenditure

7.5 The main headings are summarised below:

Subjective Heading	2017-18 Budget	2018-19 Budget
	£	£
General Management	4,949,740	4,963,620
Responsive and planned maintenance	5,167,820	5,249,470
Interest payable	5,143,050	5,138,210
Depreciation	5,000,000	6,500,000
Cost of democracy	238,230	251,530

7.6 **General Management**: Budgeted expenditure on delivering continuing HRA services remains at 2017-18 levels, which reflects the review of revenue commitments outlined in paragraph 6.3 above.

7.7 **Repairs and maintenance:** Budgeted expenditure on revenue-funded works is approximately 1.6% higher in cash terms. The headline increase is modest, as the budget has been reviewed to reflect historic levels of expenditure. Consequently, it masks the inflationary pressure in construction industry tender prices. There continues to be concerns around the availability of skilled labour, coupled with above inflation increases in the materials supply chain. At the same time, demand for construction related services is strong in the London and the South East.

7.8 **Interest payable:** Approximately 75% of the loan portfolio consists of fixed interest loans, whilst the remaining portfolio is on a variable rate arrangement. Though the variable rate loans are subject to prevailing market conditions it is likely that interest rates will remain low in the short to medium term. The table below sets out our current loan portfolio.

Loan Type	Principal	Remaining years	Rate
Variable	£45,000,000	5	0.75%
Fixed	£2,070,000	4	3.60%
Fixed	£10,000,000	7	2.70%
Fixed	£10,000,000	8	2.80%
Fixed	£10,000,000	9	2.92%
Fixed	£10,000,000	10	3.01%
Fixed	£25,000,000	12	3.15%
Fixed	£25,000,000	15	3.30%
Fixed	£25,000,000	20	3.44%
Fixed	£15,000,000	24	3.49%
Fixed	£17,435,000	25	3.50%

7.9 **Depreciation:** To safeguard future rental streams, we need to ensure our properties and assets are adequately maintained. This will involve the replacement of ageing components at the appropriate time.

In order to do so, it is important that we set aside adequate funds each year to meet future liabilities. The depreciation charge is one of the key mechanisms we use to do this. The proposed 2018-19 charge represents, in officers' view, a realistic amount having regard to the outcome of the stock condition survey. A charge of £6,500,000 is considered both appropriate and affordable.

Income

Rent decrease

7.10 The Welfare Reform and Work Act 2016 requires us to reduce our social housing rents by 1% a year for four years starting from April 2016. The previous stated formula, upon which the self-financing settlement was predicated allowed for an annual increase in rents of CPI inflation + 1% each year. Consequently, our social rents are expected to be 12% lower than they would otherwise have been by April 2020. This is illustrated by the chart in paragraph 5.3 above.

7.11 The table below shows a breakdown of the 1% rent decrease in social and affordable rents. All tenants will see a reduction in rent, with the reductions ranging from £0.77 to £2.42 per week.

Rent reduction per week	Number of Tenants
£0.77 and £0.99	1,553
£1.00 and £1.49	3,409
£1.50 and £1.99	64
£2.00 and £2.42	16

7.12 The requirement to reduce rents represents a transfer from social landlords to the exchequer, rather than to social tenants. This is because the reduction in social rents will automatically trigger an offsetting fall in housing benefit entitlements for approximately 50% of our tenants in receipt of housing benefit. The remaining 50% of tenants will benefit from the 1% reduction.

7.13 Officers are proposing an increase in garage rents of 4% from April 2018.

Welfare Reform and Universal Credit

7.14 The Department for Work and Pensions announced in November 2016 the next stage of the roll-out programme for the introduction of Universal Credit (UC). UC brings together a number of existing legacy benefits into a single monthly payment. Under the latest timetable, implementation of the full service for new claims of UC was scheduled to commence in the Guildford area in July 2018. Following the recent budget, the rollout in the Guildford area has now been further delayed to October 2018. At the current time, only new UC claims for single claimants with no children are being considered in the Guildford area. This will now end from 1 January 2018 and single claimants will be asked to claim the former legacy benefits such as Jobseekers Allowance or Employment and Support Allowance. The new claim process will then start again in October 2018 for all new claims and not just single people. The remaining existing claimants are due to migrate to UC from 2018-19 and this process will continue until 2022 when it is anticipated that all working age claimants will have transferred to UC.

7.15 Whilst it is difficult to predict with accuracy what the impact will be, early indications are that a sizeable proportion of tenants may struggle under Universal Credit either to manage their financial affairs or to engage with the new system. The changes coupled with the general economic situation will be particularly challenging for our more vulnerable tenants. Consequently, collection costs and arrears are likely to increase across the sector. The move to 'Allpay' allows more flexibility in terms of payment arrangements which may help some tenants to manage their financial affairs under the new benefit system.

7.16 A provision for bad debt charge of £300,000 is included in the estimates. This charge will remain under review, but it is considered appropriate as it represents 1% of the annual tenanted income.

Right to Buy sales (RTB)

7.17 RTB activity has remained steady during 2017-18. Contributory factors include easier access to loan finance and the increase in the maximum discount allowance to £78,600.

7.18 The table below outlines activity as at December 2017.

Activity	Number
Properties sold since 1 April 2017	13
Applications being processed	36

7.19 Under the government's one-for-one replacement scheme (not to be confused with the enforced sale of high value properties), we are able to retain the majority of the capital receipt provided it is re-invested in additional affordable housing or regeneration schemes within three years. Only a third of the cost can be financed from this source - we must finance the balance from capital receipts or other sources including reserves accruing from the appropriation of revenue account surpluses. Our current development plan fully commits the one-for-one retained receipts we have accumulated to date. The ambition remains to utilise the receipts we are anticipating in future years.

7.20 On current levels of activity, we project a net loss of units to be in the region of 25 units per year. Our new build programme is mitigating the impact of the ongoing right-to-buy programme.

7.21 Increasing sales has three negative impacts. It:

- reduces the number of affordable homes
- removes the long term positive contribution each property makes to our annual surplus
- increases the unit costs of managing and maintaining properties. Invariably tenants buy the better properties.

HRA Borrowing Cap

7.22 As part of the self-financing settlement, the government set each individual local authority Housing Revenue Account a debt cap. The difference between this debt cap and the actual debt held by the HRA is referred to as "headroom".

7.23 Ours was one of a few HRAs whose debt cap offered no "headroom", this means that we are unable to borrow additional monies to support housing investment without specific government consent. Consequently, we are currently financing our new build schemes from rental streams, qualifying capital receipts, revenue savings or HRA reserves. Paragraph 7.1 of this report outlines the Government's plan to invite those local authorities in areas of high affordability pressure to bid for an increase in their debt cap. Information regarding what constitutes an area of 'high affordability pressure' has yet to be published.

7.24 In 2016-17, a Homes and Communities Agency (HCA) scheme enabled us to lift our debt cap by £360,000 for the development at the old Corporation Club site, Slyfield Green.

8. HRA Capital Programme and Reserves

8.1 The willingness of government to impose changes on the HRA has the potential to require a significant reshaping of our capital programme. Apart from the obvious financial pressures, how we maintain our existing properties will be influenced by the 'enforced sales' policy, as will our new build programme.

8.2 It is difficult to be specific at this point on how we should respond to the nature and extent of the changes. The indications are, however, that we are less likely to be able to continue investing on the scale we have to date under the self-financing regime. The autumn budget statement demonstrated the Government's commitment to deliver new homes with a range of various policy initiatives. At a local level, we are committed to meeting local housing need so far is possible. It is for this reason we continue to express our commitment through the ambition, set out for sites in the town centre and Slyfield. We do though have to recognise that we are relying on a supportive approach from the Government to deliver on these ambitions, although this may prove not to be the case.

8.3 We will continue to assess a range of different delivery mechanisms for new homes. Whilst these will introduce a greater degree of complexity, the indications are that they will provide additional freedoms. The housing market in the borough does not work for many and a wider range of interventions are needed, beyond those that the HRA is able to make. The section below sets out what the HRA can do over the coming year.

8.4 Currently, there are four potential strands forming our HRA capital programme under the self-financing regime. In the past, not all have been viable options but that position has changed. The four strands are:

- replacing ageing components such as roofs and kitchens
- improving and enhancing existing properties – for example, installing double glazing
- stock rationalisation – the most common example to date being the decommissioning of outdated sheltered units
- expansion – the provision of new additional affordable homes.

8.5 The funding sources enabling us to deliver a capital programme are as follows:

- HRA rental stream
- Capital receipts generated from the disposal of HRA assets including land
- HRA reserves
- HRA approved borrowing.

8.6 The HRA has built up significant revenue reserves and as at 31 March 2018 are estimated to be in the region of £82.6 million – excluding capital receipts. These can be used for specific HRA related purposes. It is proposed that these reserves are set aside to support the major repairs and improvements and new build programme. The HRA also has usable capital receipts, generated from the sale of HRA land and housing assets. The balance of usable capital receipts is expected to be over £26 million as at 31 March 2018. These funds can only be used to support capital expenditure.

8.7 The table below shows the available reserves that can support the HRA Business Plan and they reflect only the schemes currently included in the provisional or approved programme, and the decision not to repay debt. The contribution into the reserve for future capital programmes is maintained.

Year ending	Reserve for future capital works	Major repairs reserve	New Build Reserve	**Total**	Usable capital receipts	Usable Capital Receipts (one-for-one receipts) 1	Usable Capital Receipts (HRA debt repayment)	**Total usable capital receipts**	**Total reserves/ receipts**
	£000	£000	£000	**£000**	£000	£000	£000	**£000**	**£000**
Mar-18	30,829	8,277	43,496	**82,602**	15,872	6,641	3,851	**26,364**	**108,966**
Mar-19	33,329	9,777	34,575	**77,681**	2,102	2,753	4,515	**9,370**	**87,051**
Mar-20	35,829	10,777	24,156	**70,762**	1,696	(1,730)	5,201	**5,167**	**75,929**
Mar-21	38,329	11,777	23,306	**73,412**	1,293	(2,063)	5,910	**5,140**	**78,552**
Mar-22	40,829	12,777	26,306	**79,912**	893	(701)	6,642	**6,834**	**86,746**
Mar-23	43,329	13,777	28,606	**85,712**	496	418	7,398	**8,312**	**94,024**

Potential reserve commitments - Illustrative example	
Potential repayment of loans falling due within five years	**47,070**
Cumulative reserve balance	**46,954**

8.8 Looking ahead, the Slyfield Area Regeneration Project (SARP) offers a unique opportunity to deliver significant additional affordable homes. If we assume a provision of 40% affordable housing in the project, an investment in the region of £120 million will be required to make this a reality. Our current financial position places us in a good position to make this happen.

8.9 The anticipated level of reserves needs to be balanced against a rapidly changing financial and legislative environment, with changes likely to flow from Welfare Reform, right-to-buy and other changes, which pose a real threat to our income and operating surplus.

8.10 The business plan is most sensitive to the following assumptions:

- income trends
- legislative changes
- inflation rates
- cost of debt
- capital investment
- right-to-buy sales

8.11 The degree to which a development programme can be financed will largely be determined by a continued willingness to attach a lower priority to debt repayment coupled with a proactive policy to release land for such purposes.

8.12 One-for-one receipts are being applied to current and proposed new build schemes to minimise the risk of repayment. This will enable the retention of future one-for-one receipts, with a reduced risk of repayment, pending the identification of new sites[1]

8.13 A combination of usable one-for-one receipts and the new build reserve will be used to fund a number of schemes on the approved capital programme. These include schemes at Guildford Park, Ladymead, the former Apple Tree pub site, Bright Hill, and various garage sites. An update on the current status of the above schemes is provided below.

8.14 **Bright Hill (Ward: Holy Trinity)** - this site, held by the HRA is used as a temporary car park and is supplementing the provision at Tunsgate Square, currently being refurbished. Once we appoint a multi-storey car park construction contractor for Guildford Park the focus will then become the Bright Hill site. It is a challenging site in terms of location, topography and the relationship with surrounding properties. We plan to return to the Executive later in the year regarding this project.

8.15 **Guildford Park (Ward: Onslow) –** work on the project continues to progress. Thames Water Utilities have relocated a significant section of a large water main running through the site. Contractors have been appointed to carry out a variety of works including the rebuilding of the access road into the site and construction of retaining walls to enable the project to proceed. These works will continue to summer 2018. Tenders are currently being obtained to deliver the new multi-storey car park, construction of which will start once the enabling works are complete.

8.16 **Slyfield (Ward: Stoke) -** We had planned to invest around £50 million in the Slyfield area regeneration project and we hope this may still be possible. However until we see the details of the government's policy changes it would be unwise to commit to this approach at this point.

8.17 **Ladymead (Ward: Friary and St Nicolas) –** We have now reached agreement with Surrey County Council regarding the transfer of the land necessary for the project to proceed. Tenders have been received within the available budget which will allow the project to start during the final quarter of 2017-18.

8.18 **Former Apple Tree Pub Site (Ward: Westborough)** – Contractors have been appointed under the provisions of a design and build contract. We anticipate that the

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[1] The Council has entered into an agreement with the Secretary of State whereby it is allowed to retain an element of the capital receipts that it receives from Right to Buy sales. Under the terms of the agreement these receipts must be used to finance up to 30% of the cost of replacement social housing within three years, otherwise the retained receipts must be repaid to the DCLG with interest.

demolition of the pub will take place during quarter four of 2017-18 with the construction of the 18 flats following on shortly afterwards. A build period of 12 months is anticipated.

8.19 **Various garage sites:** Construction is underway on five sites with scheduled completion during the first quarter of 2018-19.

8.20 **Additional sites:** Initial studies are in hand in respect of sites at Ash and Westborough; however these are not at a significant stage to set a provisional budget. We therefore plan to bring a separate report for consideration by the Executive during the first part of 2018.

8.21 **Existing housing stock:** Based on an analysis of our stock condition data and the detailed knowledge the Property Manager has of the stock, a proposed investment programme is set out in Appendix 2. The proposed programme reflects earlier years with a continual focus on improved energy efficiency reflecting the impact of rising fuel prices. Schemes completed during 2017-18, including the installation of air-source heat pump, have resulted in better comfort levels at reduced cost and impact on the environment. This approach is best suited to previously electrically heated dwellings.

8.22 We are awaiting the outcome of the initial findings into the tragedy at Grenfell before reaching any conclusions on the remedial works to our high-rise schemes in the town centre. The cladding proposed has therefore been placed on hold with the agreement of the Lead Councillor for Housing and Environment. We are hoping, along with other social housing landlords, for greater clarity on the level and nature of fire protection measures that are needed in such developments. Not only will this allow informed decisions to be made, but enable solutions to be delivered throughout the development and include leasehold dwellings. Currently our ability to do so is very limited.

8.23 Authority is sought to transfer the equity share repurchase and cash incentives schemes for 2018-19 currently shown on the provisional capital scheme list of Appendix 4 to the approved programme list.

9. Robustness of the Budget and Adequacy of Reserves

9.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget and adequacy of the proposed financial reserves.

9.2 The budget process started in May 2017. Paragraph 7.2 above details the assumptions used in the preparation of the 2018-19 budget.

9.3 Staffing costs have been included based on the Full Time Equivalents (FTEs) included in the approved establishment of 68.03.

9.4 Throughout the budget process the Corporate Management Team, the Leader and relevant lead councillors have been involved in what is considered to be a deliverable budget.

9.5 A prudent assessment of income has been made and only income that has a high level of certainty of being received is included within the budget. The 2018-19 budget includes a bad debt provision of £300,000. This provision reflects the economic climate and continuing welfare reform changes. The level of operating balance remains unchanged at £2.5 million.

9.6 Surrey County Council funding in respect of Sheltered Housing services has been removed from the budget for 2018-19. It assumes a continuation in the funding of supported housing of £82,000.

9.7 Service level risk assessments have been undertaken for both existing major areas of the budget and changes arising from the self-financing regime and legislative changes.

9.8 The corporate risks will be included in the corporate risk register, whilst service risk registers are available along with comprehensive guidance about how to identify and score risks.

9.9 The overarching HRA business plan reflects the changing financial environment in which it needs to operate and to ensure the business plan remains fit for purpose. The HRA will continue to need to balance tenant needs and expectations in the context of its financial situation.

9.10 The value of all housing related reserves as at 1 April 2018 is projected to be around £109 million. The estimated value of all HRA reserves for the period up to 31 March 2023 is shown in paragraph 8.7 above. The HRA has a significant level of reserves and working balance.

10. Legal Implications

10.1 The HRA is a separate account that all local authorities with housing stock are required to maintain. This account contains all transactions relating to local authority owned housing. The Local Government and Housing Act 1989 prohibits the Council operating its HRA at a deficit. The proposed balanced budget meets this obligation.

10.2 Notices of any increase in rent have to be sent to tenants at least 28 days in advance of the new charges coming into effect.

11. Human Resource Implications

11.1 The decision to review and where necessary to freeze or delete vacant posts is outlined in paragraph 6.3 above.

12. Conclusion

12.1 The proposed HRA revenue budget not only meets our obligation to deliver a balanced budget but also delivers opportunities to improve services to tenants. It also enables the Council to provide new affordable homes at a time when access to housing is increasingly difficult.

12.2 The proposed HRA capital programme sets out to maintain and improve our existing assets. It is essential we do so, not only to meet our regulatory obligations but also to safeguard future income streams.

13. Background Papers

- Outline budget book 2018-19
- HRA Business Plan 2015-2045

14. Appendices

Appendix 1: Draft HRA Revenue Budget
Appendix 2: HRA Fees and Charges
Appendix 3: HRA Investment Programme
Appendix 4: Housing investment programme, resources and funding statement

Housing Revenue Account Summary **Draft Estimate 2018-19** **Appendix 1**

2015-16 Actual £	2016-17 Actual £	Analysis	2017-18 Estimate £	2017-18 Probable £	2018-19 Estimate £
		Borough Housing Services			
684,835	654,594	Income Collection	661,540	625,248	695,740
961,285	1,004,169	Tenants Services	935,150	924,833	959,890
94,149	71,395	Tenant Participation	139,110	88,983	137,940
71,964	68,906	Garage Management	71,080	68,959	72,390
63,133	62,795	Elderly Persons Dwellings	63,530	63,746	63,930
566,292	489,812	Flats Communal Services	410,770	515,792	433,580
414,610	473,413	Environmental Works to Estates	540,570	489,663	541,170
4,752,742	5,088,818	Responsive & Planned Maintenance	5,167,820	5,167,820	5,249,470
136,164	149,529	Sale of Council Houses & Equity Share	133,290	124,850	138,690
7,745,173	**8,063,430**		**8,122,860**	**8,069,895**	**8,292,800**
		Strategic Housing Services			
398,983	393,556	Advice, Registers & Tenant Selection	348,620	349,360	349,880
191,815	199,230	Void Property Management & Lettings	170,650	199,643	191,190
7,360	10,098	Homelessness Hostels Management	9,130	9,122	9,700
217,176	200,681	Supported Housing Management	202,710	180,209	164,170
430,396	593,967	Strategic Support	387,900	382,821	425,970
1,245,728	**1,397,533**		**1,119,010**	**1,121,155**	**1,140,910**
		Community Services			
897,939	822,862	Sheltered Housing	875,690	814,275	779,380
		Other Items			
6,437,625	6,703,540	Depreciation	5,000,000	5,000,000	6,500,000
(1,156,635)	2,661,783	Impairment	0	0	0
85,409	147,485	Debt Management	159,440	159,440	160,590
0	0	Rent Rebates	0	0	0
154,476	154,218	Other Items	649,220	649,220	635,960
15,409,715	**19,950,851**	**Total Expenditure**	**15,926,220**	**15,813,984**	**17,509,640**
(32,592,728)	(32,623,860)	Income	(31,749,670)	(32,198,166)	(31,916,130)
(17,183,014)	**(12,673,009)**	**Net Cost of Services(per inc & exp a/c)**	**(15,823,450)**	**(16,384,181)**	**(14,406,490)**
241,764	**259,861**	HRA share of CDC	**238,230**	**238,230**	**251,530**
(16,941,250)	**(12,413,148)**	**Net Cost of HRA Services**	**(15,585,220)**	**(16,145,951)**	**(14,154,960)**
(332,979)	(508,072)	Investment Income	(364,250)	(364,250)	(804,490)
5,173,010	5,022,423	Interest Payable	5,143,050	5,143,050	5,138,210
(12,101,219)	**(7,898,797)**	**Deficit for Year on HRA Services**	**(10,806,420)**	**(11,367,151)**	**(9,821,240)**
0	0	REFCUS - Revenue expenditure funded from capital	75,000	75,000	75,000
2,500,000	2,500,000	Contrib to/(Use of) RFFC	2,500,000	2,500,000	2,500,000
8,435,425	7,966,069	Contrib to/(Use of) New Build Reserve	8,231,420	8,792,151	7,246,240
0	0	CERA - Capital Expenditure from Revenue	0		0
31,451	121,431	Tfr (fr) to Pensions Reserve	0		0
1,165,390	(2,648,007)	Tfr (from)/to CAA re: Impairment/Revaluation	0		0
0	(25,420)	Tfr (from)/to CAA re: REFCUS	0		0
(8,755)	(13,775)	Tfr (from)/to CAA re: Intangible assets	0		0
(22,292)	(1,500)	Tfr (from)/to CAA re: rev. inc. from sale of asset	0		0
(0)	**0**	**HRA Balance**	**0**	**(0)**	**0**
(2,500,000)	(2,500,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)
(2,500,000)	**(2,500,000)**	**Balance Carried Forward**	**(2,500,000)**	**(2,500,000)**	**(2,500,000)**

2015-16 Actual £	2016-17 Actual £	Analysis	2017-18 Estimate £	2017-18 Probable £	2018-19 Estimate £
		Income			
(29,937,928)	(29,850,855)	Rent Income - Dwellings	(29,062,000)	(29,609,990)	(29,314,780)
(203,864)	(213,964)	Rent Income - Rosebery Hsg Assoc	(203,860)	(205,553)	(209,980)
(194,792)	(194,263)	Rents - Shops, Buildings etc	(181,000)	(194,366)	(194,300)
(661,341)	(677,827)	Rents - Garages	(730,000)	(705,327)	(730,000)
(30,997,925)	**(30,936,909)**	**Total Rent Income**	**(30,176,860)**	**(30,715,236)**	**(30,449,060)**
(300,297)	(345,764)	Supporting People Funding	(250,000)	(265,693)	(82,000)
(970,273)	(961,529)	Service Charges	(978,680)	(971,320)	(1,008,040)
(27,549)	(5,155)	Legal Fees Recovered	(28,000)	(28,000)	(28,840)
0	0	Council Tax Recovered	0	0	0
(39,590)	(40,025)	Service Charges Recovered	(54,550)	(40,275)	(76,310)
(257,094)	(334,477)	Miscellaneous Income	(261,580)	(177,641)	(271,880)
(32,592,728)	**(32,623,860)**	**Total Income**	**(31,749,670)**	**(32,198,166)**	**(31,916,130)**

Housing Revenue Account - Fees and Charges 2018-19

Appendix 2

		2017-18 £ From 1 April 2017	2018-19 £ From 1 April 2018	Increase %	
To be approved by Council					
Sheltered Units					
Guest Room Fees;					
Dray Court		17.60	18.50	5.1%	
Japonica Court		19.20	20.15	4.9%	
St Martin's Court		21.60	22.70	5.1%	
St Martha's Court		21.30	22.40	5.2%	
Tarragon Court		20.80	21.85	5.0%	
Millmead Court		18.50	19.40	4.9%	
Per subsequent night					
Function Room Hire					
Voluntary /Charity Organisations	- Per Hour	12.80	13.50	5.5%	
	- Per Day	64.00	67.00	4.7%	
Education/Social Services	- Per Hour	15.30	16.00	4.6%	
	- Per Day	96.00	100.00	4.2%	
Social/Private Hire	- Per Hour	19.20	20.15	4.9%	
	- Per Day	102.40	107.50	5.0%	
Total charge					
Dray Court		63.11	63.11	0.0%	#
Japonica Court		68.75	68.75	0.0%	#
St Martha's Court		65.54	65.54	0.0%	#
Millmead Court		61.11	61.11	0.0%	#
St Martin's Court		65.58	65.58	0.0%	#
Tarragon Court		57.21	57.21	0.0%	#
Friary House (61 flats)					
Heating, Electricity, Cleaning, Caretaking and Security Services		16.98	16.39	-3.5%	
Garages (on Housing Estates) (*VAT is applied at the standard rate on private lets only*)					
High demand area (non residents)		18.27	19.00	4.0%	
High demand area		11.12	11.56	4.0%	
Elsewhere		9.13	9.50	4.1%	
Castle Cliffe					
Gas and Electricity Charges - per week		10.08	9.08	-9.9%	
Malthouse Court					
Gas and Electricity Charges - per week		11.29	12.94	14.6%	
Pound Court					
Electricity; Grounds Maintenance		5.36	6.49	21.1%	
Flats					
Where cleaning provided to communal areas;					
Three times per week					
Once per week					
Sandmore (Laundry and Communal Facilities)		4.42	4.50	1.8%	
Decorating charge *(Note: charge is per room)*		1.55	1.58	1.9%	
Supported Housing					
William Swayne House;					
- Shared Accommodation					
- Self Contained bedsits		100.19	100.19	0.0%	#
- Self Contained flat		102.37	102.37	0.0%	#
William Swayne Place		35.19	35.19	0.0%	#
Dene Road		67.32	67.32	0.0%	#
79 York Road		29.54	29.54	0.0%	#
Caxtons		52.28	52.28	0.0%	#
Dene Court		73.61	73.61	0.0%	#
Sold Flats Service Charges - Solicitors' Enquiry					
Sales/purchases		128.60	132.50	3.0%	
Remortgages		66.20	68.20	3.0%	
Sold Flats Service Charge Management Fee		168.00	173.00	3.0%	

The 2018-19 supported and sheltered housing charges have been restated at the 2017-18 level pending recalculation of the charges following the reduction in funding from Surrey County Council. The Director of Community Services has delegated authority to make in-year adjustments in respect of charges and will revisit them once the position is clarified.

2018/19 Housing Capital Investment Programme **Appendix 3**

Category		Project	Budget
Schemes			
Retentions & Minor carry-forward		Retentions & minor carry forwards from 2017/18	£30,000
Modern Homes			
Kitchens & Bathrooms *Various locations*		Replacement of old kitchens and bathrooms along with electrical upgrading works.	£725,000
Void properties *Various locations*		Refurbishment and/or conversion of dwellings on an individual basis to enable them to be re-let, includes improvements and structural repairs.	£300,000
Doors & Windows			
Replacement Doors and Windows *Various locations*		Replacement of old doors and windows with high performance units.	£60,000
Structural			
Conversion to provide new homes *Malthouse Court Hall, Guildford*		Conversion of an under used hall to provide two self-contained dwellings - subject to planning consent.	£325,000
Repairs associated with structural movement. *Various locations*		Structural works to various properties identified via report, inspection or the cyclical works maintenance programme.	£300,000
Roofing *Kingston Avenue E Horsley*		Pitched roof replacement including asbestos containing soffits and rainwater goods	£700,000
Roofing *Westborough and Park Barn*		Pitched roof replacement following survey assessment	£150,000
Mechanical & Electrical			

Category		Project	Budget
Boiler upgrades *Various locations*		Upgrade domestic gas central heating systems with high efficiency boilers	£220,000
Water Mains Renewal North Road & Derwent Avenue, Ash		Replacement of old black plastic water pipes with new plastic (MDPE) pipes due to frequent bursts.	£50,000
Boiler upgrade and associated work *Friary House*		Replace Boiler	£185,000
Central heating upgrades *Eagle Road, Falcon Road, Guildford* *Hornhatch, Hornhatch Close, Chilworth and Carfax Avenue, Tongham*		Replacement of old electric storage heating systems with high efficiency air source heat pump systems	£750,000
Dray/Japonica/St Martin's Court		Renew alarm call systems (ECAS), existing parts obsolete	£100,000
Fire detection and protection *Various locations*		Provisional sum to carry out works to upgrade levels of fire protection in blocks of flats as identified by a rolling programme of fire risk assessments.	£175,000
Lift refurbishment *Bedford House*		Initial phase of a programme to replace obsolete lift controllers.	£20,000
Lift refurbishment St Martin's Court E Horsley		Renew lift as part of the 5 year programme	£80,000
Lighting Upgrade *Various*		Continuation of a five year programme upgrading communal lighting with high efficiency LED fittings	£40,000
Renewal of electrical distribution board *St Martha's Court, Chilworth*		Replacement of panel & distribution board to prevent electrical failure occurring due to obsolete parts.	£85,000

Category		Project	Budget
General			
Garage compounds – resurfacing *Various locations*		Renewal of hard surface to garage compound sites	£100,000
Disabled adaptations *Various locations*		Works to alter, adapt Council owned dwellings for the benefit of people with disability.	£600,000
Environmental improvements *Various locations*		General environmental improvements at sites to be agreed.	£50,000
Business software upgrades		Provision to upgrade essential business software - includes reporting tools	£75,000
Programme support.		Programme support & development to support delivery of the HRA Business Plan.	£80,000
		Total	**£5,200,000**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2017-18 to 2021-22: HRA APPROVED PROGRAMME											APPENDIX 4
	Project Budget	2016-17 Actual	Project Spend at 31-03-17	2017-18 Estimate	2017-18 Projected Outturn	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	Total Project Exp
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Acquisition of Land & Buildings	3,302	0	0	0	502	2,800					3,302
10 Mount Court											
New Build											
New Road, Gomshall	4,250	56	4,122	0	0	0	0	0	0	0	4,122
Lakeside Close, Ash	5,100	336	4,991	0	0	0	0	0	0	0	4,991
Guildford Park	75	25	25	0	0	0	0	0	0	0	25
Appletree pub site	3,200	381	424	2,400	300	2,476	0	0	0	0	3,200
Slyfield Green (Corporation Club)	2,448	1,853	1,853	350	500	200	0	0	0	0	2,553
Willow Way	1,000	0	0	975	700	300	0	0	0	0	1,000
Garage sites-	2,500	0	0	2,000		1,100	0	0	0	0	1,100
Pond Meadow					450						450
Rowan Close					500						500
Great Goodwin Drive					450						450
The Homestead	500	0	0	500	450	50	0	0	0	0	500
Fire Station/Ladymead	2,000	0	0	1,200	200	1,800	0	0	0	0	2,000
Bright Hill	500	0	0	500	25	475	0	0	0	0	500
Various small sites & feasibility/Site preparation	1,000	0	0	0	0	0	0	0	0	0	0
Schemes to promote Home-Ownership											
Equity Share Re-purchases	annual	0	annual	400	400						annual
Major Repairs & Improvements											
Retentions & minor carry forwards	annual	0	annual	30	30						annual
Kitchens & Bathrooms	annual	793	annual	1,350	950						annual
Doors and Windows	annual	245	annual	400	402						annual
Structural	annual	1,102	annual	850	740						annual
Energy efficiency: Central heating	annual	779	annual	650	1,079						annual
General	annual	924	annual	1,220	1,418						annual
Grants											
Cash Incentive Scheme	annual	0	annual	75	75						annual
TOTAL APPROVED SCHEMES	**25,875**	**6,496**	**11,416**	**12,900**	**9,172**	**9,201**	**0**	**0**	**0**	**0**	**24,695**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2017-18 to 2021-22: HRA PROVISIONAL PROGRAMME											APPENDIX 4
	Project Budget £000	2016-17 Actual £000	Project Spend at 18/12/2017 £000	2017-18 Estimate £000	2017-18 Projected Outturn £000	2018-19 Estimate £000	2019-20 Estimate £000	2020-21 Estimate £000	2021-22 Estimate £000	2022-23 Estimate £000	Total Project Exp £000
Acquisition of Land & Buildings	6,000	0	0	6,000	0	0	0	0	0	0	0
New Build											
Guildford Park	16,000	0	0	1,320	0	4,830	11,170	0	0	0	16,000
Bright Hill	16,500	0	0	0	0	3,000	8,000	5,500	0	0	16,500
Slyfield (from 2022/23)	0	0	0	0	0	0	0	0	0	1,000	1,000
Schemes to promote Home-Ownership											
Equity Share Re-purchases	annual		annual			400	400	400	400	400	annual
Major Repairs & Improvements											
Major Repairs & Improvements	annual		annual			5,000	5,500	5,500	5,500	5,500	annual
Retentions & minor carry forwards	annual		annual								annual
Modern Homes: Kitchens and bathrooms	annual		annual								annual
Doors and Windows	annual		annual								annual
Structural	annual		annual								annual
Energy efficiency: Central heating	annual		annual								annual
Mount court & Bishops court cladding	3,500	0	0	1,750	0	0	0	0	0	0	0
General	annual		annual								annual
Grants											
Cash Incentive Scheme	annual		annual			75	75	75	75	75	annual
Total Expenditure to be financed	**42,000**	**0**	**0**	**9,070**	**0**	**13,305**	**25,145**	**11,475**	**5,975**	**6,975**	**33,500**

GUILDFORD B.C. - HOUSING INVESTMENT PROGRAMME 2017-18 to 2022-23: HRA RESOURCES & FUNDING STATEMENT — APPENDIX 4

	2016-17 Actual	2017-18 Estimate	2017-18 Projected Outturn	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE								
Approved programme	6,496	12,900	9,172	9,201	0	0	0	0
Provisional programme	0	9,070	0	13,305	25,145	11,475	5,975	6,975
Total Expenditure	**6,496**	**21,970**	**9,172**	**22,506**	**25,145**	**11,475**	**5,975**	**6,975**
FINANCING OF PROGRAMME								
Capital Receipts	1,794	400	400	400	400	400	400	400
1-4-1 recepits	860	4,574	1,223	5,109	5,751	1,650	0	300
Contribution from Housing Revenue a/c (re cash incentives)	0	75	75	75	75	75	75	75
Future Capital Programme reserve	0	0	0	0	0	0	0	0
Major Repairs Reserve	3,843	6,250	4,619	5,000	5,500	5,500	5,500	5,500
New Build Reserve	0	10,672	2,856	11,922	13,419	3,850	0	700
Grants and Contributions	0	0	0	0	0	0	0	0
Total Financing (= Total Expenditure)	**6,497**	**21,970**	**9,172**	**22,506**	**25,145**	**11,475**	**5,975**	**6,975**
RESERVES - BALANCES	**2016-17 Actual**	**2017-18 Estimate**	**2017-18 Projected Outturn**	**2018-19 Estimate**	**2019-20 Estimate**	**2020-21 Estimate**	**2021-22 Estimate**	**2022-23 Estimate**
	£000	£000	£000	£000	£000	£000	£000	£000
Reserve for Future Capital Programme (U01035)								
Balance b/f	25,829	28,329	28,329	30,829	33,329	35,829	38,329	40,829
Contribution in year	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Used in year	0	0	0	0	0	0	0	0
Balance c/f	**28,329**	**30,829**	**30,829**	**33,329**	**35,829**	**38,329**	**40,829**	**43,329**
Major Repairs Reserve (U01036)								
Balance b/f	3,536	4,488	6,396	8,277	9,777	10,777	11,777	12,777
Contribution in year	6,704	5,000	6,500	6,500	6,500	6,500	6,500	6,500
Used in Year	(3,843)	(6,250)	(4,619)	(5,000)	(5,500)	(5,500)	(5,500)	(5,500)
Balance c/f	**6,396**	**3,238**	**8,277**	**9,777**	**10,777**	**11,777**	**12,777**	**13,777**
New Build Reserve (U01069)								
Balance b/f	29,390	33,528	37,356	43,496	34,575	24,156	23,306	26,306
Contribution in year	7,966	8,995	8,995	3,000	3,000	3,000	3,000	3,000
Used in Year	0	(10,672)	(2,855)	(11,922)	(13,419)	(3,850)	0	(700)
Balance c/f	**37,356**	**31,852**	**43,496**	**34,575**	**24,156**	**23,306**	**26,306**	**28,606**
Usable Capital Receipts: 1-4-1 receipts (T01011)								
Balance b/f	3,887	4,555	6,211	6,641	2,753	(1,730)	(2,063)	(701)
Contribution in year	3,184	1,191	1,653	1,221	1,268	1,317	1,362	1,419
Used in Year	(860)	(4,574)	(1,223)	(5,109)	(5,751)	(1,650)	0	(300)
Balance c/f	**6,211**	**1,173**	**6,641**	**2,753**	**(1,730)**	**(2,063)**	**(701)**	**418**
Note: a contribution to this reserve is dependent on the number of RTB sales in the year determined in the HRA self financing model. There are many variables to the calculation of the 1:4:1 contribution. As an estimate, I have used a model provided by Sector which is based on our assumption of RTB sales								
Usable Capital Receipts - HRA Debt Repayment (T01010)								
Balance b/f	2,623	3,467	3,428	3,851	4,515	5,201	5,910	6,642
Contribution in year	805	659	423	664	686	709	732	756
Used in Year	0	0	0	0	0	0	0	0
Balance c/f	**3,428**	**4,126**	**3,851**	**4,515**	**5,201**	**5,910**	**6,642**	**7,398**
Note: each RTB sale generates a contribution to this reserve toward debt repayment determined in the HRA self financing model. A small number of sales are anticipated each year.								
Usable Capital Receipts - pre 2013-14 (T01008)								
Balance b/f	17,276	14,201	14,861	13,361	(0)	(0)	(0)	(0)
Contribution in year	0	0	0	0	0	0	0	0
Used in Year (HRA = above)	0	0	0	0	0	0	0	0
Used in Year (GF Housing)	(2,400)	(5,500)	(1,500)	(13,361)	0	0	0	0
Used in Year (GF Housing - DFG)	(15)	0	0	0	0	0	0	0
Balance c/f	**14,861**	**8,701**	**13,361**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by GBC policy								
Usable Capital Receipts - post 2013-14 (T01012)								
Balance b/f	3,449	3,151	2,938	2,511	2,102	1,696	1,293	893
Contribution in year	1,418	200	283	286	289	292	295	298
Used in Year (HRA = above)	(1,794)	(475)	(475)	(475)	(475)	(475)	(475)	(475)
Used in Year (GF Housing)	(135)	(220)	(235)	(220)	(220)	(220)	(220)	(220)
Balance c/f	**2,938**	**2,656**	**2,511**	**2,102**	**1,696**	**1,293**	**893**	**496**
Note: Can only be used for HRA capital expenditure, affordable housing and regeneration schemes as set by the Government								