

## Appendix 1 – Overview of HRA Revenue Budget

	2016/17 Budget	2017/18 Proposed Budget
	£	£
<b>Expenditure</b>		
Management (staff, overheads and service charge costs)	12,257,200	12,429,400
Repairs (incl. staff costs)	12,531,900	11,317,900
Discretionary Housing Payments	300,000	300,000
Rent, Rates & Taxes	77,300	77,900
Debt Management fees and Debt Rescheduling Premium	60,000	60,000
<b>Gross Expenditure</b>	<b>25,226,400</b>	<b>24,185,200</b>
<b>Income</b>		
Rents	(43,190,000)	(43,211,200)
Voids and Bad debts	732,900	723,200
Service Charges	(3,948,200)	(3,838,800)
Other Income (garages, commercial property, Homeline)	(3,649,200)	(2,418,400)
<b>Gross Income</b>	<b>(50,054,500)</b>	<b>(48,745,200)</b>
<b>Net Cost of Services</b>	<b>(24,828,100)</b>	<b>(24,560,000)</b>
Net Interest costs (after interest receivable has been deducted)	4,127,600	3,764,500
Contribution to Capital Expenditure and loan repayment	5,000,000	5,000,000
Contribution from General Reserves		(742,500)
<b>Projected (surplus) / deficit for the year</b>	<b>(15,700,500)</b>	<b>(16,538,000)</b>
<b>Use of operating Surplus with £5m Loan Repayment</b>		
Capital Charges - depreciation council dwellings	14,870,000	16,528,000
Capital Charges - depreciation council vehicles	0	10,000
Revenue Contribution to Capital Outlay (RCCO) - Charged	830,500	0
<b>Use of Operating Surplus</b>	<b>15,700,500</b>	<b>16,538,000</b>

## **Appendix 2 – Service charges for 2017/18**

	<b>Current Charge 2016/17</b>	<b>Proposed Charge 2017/18</b>
	<b>£</b>	<b>£</b>
<b><u>Flats (Communal entrance)</u></b>		
Service Charge - Staircase Lighting	0.60	0.61
Multi Storey service charge	13.58	13.54
Neighbourhood Wardens Low & medium rise blocks service charge	2.03	1.96
Neighbourhood Wardens General stock service charge	1.18	1.09
Townsend House	11.67	11.67
<b><u>Sheltered Housing</u></b>		
Sheltered service charge	24.37	24.86
Heating charge - private use	10.02	4.77
Heating charge - communal use	3.26	1.54
Water charge	3.74	3.84
Guest room charge	13.00	13.00
Guest flat charge	15.00	15.00
<b><u>Other</u></b>		
Cable TV charge	2.04	2.04
Communal TV aerials	1.13	1.13
Home contents insurance (per £100 of cover)	0.11	0.00
Grass Cutting	1.31	1.38
Hedge	1.31	1.38
Furniture Charge - Full Flat	5.00	5.00
Emergency Room Service Charge	19.83	16.00
<b><u>Support Charges</u></b>		
Sheltered housing support charge	3.13	3.13
Sheltered transitional protection	-1.67	-1.67
Homeline Charge	4.19	4.40
Homeline transitional protection	-0.30	-0.30
Homeline Charge - private tenants	5.74	6.50
Homeline Plus level 1	12.85	12.85
Homeline Plus level 2	14.30	14.30
Homeline Plus level 3	16.22	16.22

## **Appendix 2 – Service charges for 2017/18 (continued)**

	<b>Current Charge 2016/17</b>	<b>Proposed Charge 2017/18</b>
	<b>£</b>	<b>£</b>
<b><u>Garage / Parking Charges</u></b>		
Garage rent	7.51	7.89
Account Garage + VAT	8.30	8.72
Parking space	2.54	2.67
Cross over - existing tenants	2.28	2.39
Cross over - new tenants	4.45	4.68
Cross over - new build properties (2 spaces)	8.91	9.35
Account parking space + VAT	2.83	2.97
Premium Garage + VAT	9.96	10.46
Premium parking space + VAT	6.23	6.54
<b><u>Supported Housing</u></b>		
Service Charge	39.19	41.15
Heating charge - private use	8.43	5.63
Heating charge - communal use	2.96	1.98
Water charge	4.40	4.69
Electricity	7.00	5.69
<b><u>Small Housing Schemes</u></b>		
Service charge - Moredon Road	35.58	36.29
Service charge - William Robins Court - LD clients	25.26	23.56
Service charge - William Robins Court - General needs	11.58	11.81
Service charge - Baileys Farm Gardens - General needs	13.94	13.89
Service charge - Baileys Farm Gardens - General needs water	3.53	3.99
Service charge - Marlowe Avenue	24.58	25.07
Service charge - Twyford Close	8.40	8.57
Service charge - Evelyn House	22.66	23.11
Service charge - Tyndale Gardens	28.22	28.78
Service charge - Kimmerfield Court (SBC element)	7.80	7.80
Service charge - Kimmerfield Court - Private heating charge	9.26	5.38
Service charge - Kimmerfield Court - Communal heating charge	3.04	1.75
Service charge - Sussex Place	1.37	1.37

## **Appendix 3 - Leaseholder Charges**

	<b>Current Charge 2016/17</b>	<b>Proposed Charge 2017/18</b>
	<b>£</b>	<b>£</b>
Ground Rent - Annual Charge	10.00	10.00
Leaseholder management charge - all properties	153.65	161.33
Leaseholder management charge - properties with communal areas	184.00	193.20
Service Charge - Staircase Lighting adjusted to actual charge during annual review	30.95	34.36
Multi Storey service charge	582.11	574.80
Administration charge for dealing with the re-sale of leasehold interest	155.00	162.75
In addition leaseholders pay property insurance based on the insured value of their property and a contribution to any repairs carried out on their block of flats		

## Appendix 4 - Detailed HRA Budget 2017/18

Item		2016/17 Budget	2017/18 Proposed Budget
		£	£
	<b><u>EXPENDITURE</u></b>		
1	S&M General	6,511,900	6,752,000
2	S&M Special	5,745,300	5,677,400
3	Repairs Administration	1,348,600	1,266,200
4	Contribution to Repairs Account	11,183,300	10,051,700
5	Rent, Rates & Taxes	77,300	77,900
	<b><u>Capital Financing</u></b>		
6	Capital Charges - depreciation council dwellings	14,870,000	16,528,000
	Capital Charges - depreciation council vehicles	0	10,000
7	Capital Charges - debt rescheduling premium	0	0
8	Revenue Contribution to Capital Outlay (RCCO) - Charged	830,500	0
9	Debt Management	60,000	60,000
10	Discretionary Housing Payments	300,000	300,000
<b>11</b>	<b>TOTAL EXPENDITURE</b>	<b>40,926,900</b>	<b>40,723,200</b>
	<b><u>INCOME</u></b>		
	<b><u>Rent income</u></b>		
12	Dwellings	(43,190,000)	(43,211,200)
13	Provision for Bad Debts	300,000	300,000
14	Less voids	432,900	423,200
15	Garages	(1,070,400)	0
16	Shops / Commercial	(264,000)	(64,000)
17	Support charges - Sheltered	(216,000)	(216,000)
18	Sheltered Housing Service Charges	(2,220,900)	(2,734,800)
19	Supported Housing Service Charge	(444,800)	(433,600)
		<b>(46,673,200)</b>	<b>(45,936,400)</b>
20	Miscellaneous Properties Rent	(94,400)	(80,000)
21	Service Charges - Flats	(78,600)	(78,600)
22	Sheltered Housing Heating Charges	(987,900)	(375,800)
23	Homeline	(911,300)	(972,600)
24	Other Service Charges / Other income	(1,309,100)	(1,301,800)
25	Contribution from General Reserves	0	(742,500)
		<b>(3,381,300)</b>	<b>(3,551,300)</b>
<b>26</b>	<b>TOTAL INCOME</b>	<b>(50,054,500)</b>	<b>(49,487,700)</b>
<b>27</b>	<b>NET COST OF SERVICES</b>	<b>(9,127,600)</b>	<b>(8,764,500)</b>
28	Loan Charges - Interest	4,331,600	3,968,500
29	Interest on balances (interest receivable)	(204,000)	(204,000)
30	Right to buy mortgage interest (interest receivable)	0	0
<b>31</b>	<b>NET OPERATING EXPENDITURE</b>	<b>(5,000,000)</b>	<b>(5,000,000)</b>
32	Loan repayments	5,000,000	5,000,000
<b>33</b>	<b>PROJECTED (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>0</b>	<b>0</b>

## **Appendix 5 - Proposed HRA Capital Budget 2017/18**

Item		2016/17 Budget	2017/18 Proposed Budget
		£	£
	<b><u>HRA Capital Schemes</u></b>		
1	Capital Projects (including vehicle replacement) and Planned Maintenance Programme	15,700,000	15,700,000
2	Carried forward from previous year's Programme	15,657,100	11,000,000
3	Regeneration and Acquisition Programme	1,000,000	1,000,000
4	Non-Core Works	0	0
5	<b>Total Capital Programme</b>	<b>32,357,100</b>	<b>27,700,000</b>
	<b><u>HRA Capital Funding Applied</u></b>		
6	Depreciation - transfer to MRR to fund capital	14,870,000	16,538,000
7	In year Capital receipts	0	0
8	S106 Funding	0	0
9	Direct Revenue Financing	830,500	0
10	In year resources available	15,700,500	16,538,000
	<b><u>HRA Capital Reserves</u></b>		
11	Usable Capital Receipts		
12	Prudential Borrowing		
13	RTB Funding Used	2,000,000	3,000,000
14	HRA Capital Reserves	18,868,300	4,211,700
15	In year resources available	20,868,300	7,211,700
16	<b>Total HRA Capital Funding</b>	<b>36,568,800</b>	<b>23,749,700</b>
	<b><u>RTB retained funding</u></b>		
17	Brought forward	2,190,100	2,890,100
18	Used in year	(2,000,000)	(3,000,000)
19	Additional funding from in year sales	2,700,000	2,700,000
20	Resources carried forward	2,890,100	2,590,100

## Appendix 6 - Proposed 5 year Capital Programme

Element	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
<b>Components #</b>	8,798.0	8,324.5	8,199.0	8,323.5	8,325.0
<b>Vehicle Replacement Programme</b>	250.0	250.0	250.0	250.0	250.0
<b>Related Assets</b>	150.0	150.0	150.0	150.0	150.0
<b>Contingent Major Repairs</b>	426.0	426.0	426.0	426.0	426.0
<b>Cyclical Planned Maintenance</b>	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
<b>Aids &amp; Adaptations</b>	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
<b>Exceptional Extensive</b>	2,216.0	2,589.5	2,715.0	2,590.5	2,589.0
<b>Improvements</b>	360.0	460.0	460.0	460.0	460.0
<b>Regeneration, acquisition &amp; New Build</b>	1,000.0				
<b>Grand Total</b>	<b>16,700.0</b>	<b>15,700.0</b>	<b>15,700.0</b>	<b>15,700.0</b>	<b>15,700.0</b>
<i># - Component costs typically cover the replacement of kitchens, bathrooms, roofs, windows, doors, boilers, central heating, rewiring etc</i>					

All budgets are shown at 2016/17 prices.

Any shortfall between the Capital Programme planned expenditure shown above and the funding available as indicated in the business plan at Appendix 8, will be addressed as part of budget setting at the start of each year.

## **Appendix 7 - Proposed HGF Rents & Service Charges** **2017/18**

	<b>Current Charge 2016/17</b>	<b>Proposed Charge 2017/18</b>
	<b>£</b>	<b>£</b>
<b><u>Hay Lane Caravan Site</u></b>		
Caravan Site Pitch Rent	50.26	51.26
Caravan Site Workpen Rent Size 1	4.28	4.36
Caravan Site Workpen Rent Size 2	8.56	8.73
Caravan Site Workpen Rent Size 3	10.70	10.91
Caravan Site Workpen Rent Size 4	12.82	13.08
Caravan Site Workpen Rent Size 5	1.07	1.09
<b><u>Christopher House, Marlowe Avenue</u></b>		
Service Charge	14.97	11.43
<b><u>David Murray John Building</u></b>		
Heating charge - 1 bed property	9.89	9.89
Heating charge - 2 bed property	11.63	11.63
Service charge - 1 bed property	22.70	22.70
Service charge - 2 bed property	26.71	26.71
<b><u>PSL rents</u></b>		
1 Bed	148.28	103.44
2 Bed	169.04	127.51
3 Bed	195.00	157.56
4 Bed	200.00	198.11
Private Sector Landlord Rents have been reduced in response to Government removing the previous weekly management fee. The fee is to be replaced during 2017/18 by non ring-fenced funding, the value of which has yet to be confirmed by Government.		



## **Appendix 8 - Comparison of Business Plans showing the impact of the 1% rent reduction and the asset transfers over for the next 4 years**

<b>Current HRA Business Plan - 1% reduction 2016/17 through to 2019/20</b>											
		<b>Income</b>							<b>Net Available for Investment</b>		
Year	Year	Rental Income	Voids & Bad Debts	Net Rental Income	Other income	Total Income	Total expenses	Debt Interest	Net Operating Expenditure	Debt Repayment	Available for Capex
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2017.18	42,492	(719)	41,772	7,493	49,265	(24,084)	(4,186)	20,995	(5,000)	15,995
2	2018.19	41,781	(707)	41,074	7,716	48,789	(24,806)	(4,020)	19,963	(5,000)	14,963
3	2019.20	41,910	(710)	41,200	7,945	49,145	(25,551)	(3,854)	19,740	(5,000)	14,740
4	2020.21	41,882	(709)	41,173	8,181	49,353	(26,317)	(3,688)	19,348	(5,000)	14,348
	<b>Totals</b>	<b>168,064</b>	<b>(2,845)</b>	<b>165,219</b>	<b>31,334</b>	<b>196,553</b>	<b>(100,758)</b>	<b>(15,749)</b>	<b>80,046</b>	<b>(20,000)</b>	<b>60,046</b>
<b>Revised 2017/18 Business Plan reflecting Asset transfers, new development and use of reserves</b>											
		<b>Income</b>							<b>Net Available for Investment</b>		
Year	Year	Rental Income 1% cut YoY	Voids & Bad Debts	Net Rental Income	Other income	Total Income	Total expenses	Debt Interest	Net Operating Expenditure	Debt Repayment	Available for Capex
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2017.18	43,211	(723)	42,488	6,264	48,752	(23,932)	(4,028)	20,791	(5,000)	15,791
2	2018.19	42,475	(711)	41,764	6,163	47,927	(24,411)	(3,862)	19,654	(5,000)	14,654
3	2019.20	42,548	(712)	41,835	6,346	48,181	(25,143)	(3,696)	19,342	(5,000)	14,342
4	2020.21	42,776	(716)	42,060	6,534	48,594	(25,897)	(3,530)	19,166	(5,000)	14,166
	<b>Totals</b>	<b>171,009</b>	<b>(2,862)</b>	<b>168,147</b>	<b>25,307</b>	<b>193,454</b>	<b>(98,052)</b>	<b>(15,118)</b>	<b>78,954</b>	<b>(20,000)</b>	<b>58,954</b>
<b>Business Plan variations</b>											
		<b>Income</b>							<b>Net Available for Investment</b>		
Year	Year	Rental Income 1% cut YoY	Voids & Bad Debts	Net Rental Income	Other income	Total Income	Total expenses	Debt Interest	Net Operating Expenditure	Debt Repayment	Available for Capex
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2017.18	720	(4)	716	(1,229)	(514)	152	158	(204)	0	(204)
2	2018.19	693	(4)	690	(1,552)	(862)	396	158	(309)	0	(309)
3	2019.20	638	(3)	635	(1,599)	(964)	408	158	(398)	0	(398)
4	2020.21	894	(7)	887	(1,647)	(760)	420	158	(182)	0	(182)
	<b>Totals</b>	<b>2,945</b>	<b>(17)</b>	<b>2,928</b>	<b>(6,027)</b>	<b>(3,099)</b>	<b>1,375</b>	<b>631</b>	<b>(1,093)</b>	<b>0</b>	<b>(1,093)</b>

## **Appendix 9 - Use of Housing Funds for 2017/18**

(Responses received to 28/12/16)

We consulted with a cross section of our tenants on the following options:

<b>Option</b>		<b>Agree</b>	<b>Disagree</b>
<b>Option A</b>	<b>Use some of our savings in the bank.</b> These are known as 'reserves' in case there is an emergency which affects our housing stock on a large scale. We currently have a comfortable amount saved for it to be a sensible use of our resources.		
Do you agree with this approach?	Agree = 73% of responses received to this question.  Disagree = 27% of responses received to this question.	154	58
<b>Option B</b>	<b>Reduction in Planned Debt Repayment of £5m.</b> We currently pay £5m each year in debt repayment. If reduced, this would mean the long-term interest repayable on this debt would grow, increasing the total amount owed but would give us an opportunity to spend what we need in the short term		
Do you agree with this approach?	Agree = 52% of responses received to this question.  Disagree = 48% of responses received to this question.	110	100
<b>Option C</b>	<b>A combination of option A and B.</b>		
Do you agree with this approach?	Agree = 74% of responses received to this question.  Disagree = 27% of responses received to this question.	185	64
<b>Assets</b>	<b>The Asset Transfer</b> includes moving the management and maintenance costs of shops, houses, garages, amenity land and parts of the highway between the General Fund and the Housing Revenue Fund.		
Do you agree with this approach?	Agree = 66% of responses received to this question.  Disagree = 34% of responses received to this question.	158	79

Our consultation with tenants took varied formats.

- Officers met with Swindon Tenants Voice (STV) and TASH where presentations were given by Mike Ash, Ian Burbidge and Karl Read. The results from these meetings:

TASH elected representatives agreed that:

*'The current consultation is unrepresentative and time allowed for responses far too short. This should therefore be extended to mid-January 2017 and put out to the wider tenant population.'*

Officers were mindful of the short consultation period and after discussion with tenants extended the deadline to 1<sup>st</sup> January 2017.

STV at their consultation proposed:

*'That we urge Swindon Council to suspend the repayment of the £5m repayment of the Swindon annual housing debt.'* (7 in favour, 1 against, 1 abstention).

*'We reassert our opposition to the proposed transfer of assets'* - It was also agreed that STV would write to Swindon Borough Council requesting, 'a complete list of the land that the administration is proposing to transfer.' (8 in favour, 1 abstention).

It was further agreed to write to the Leader of the Council, *'suggesting that when the Housing Advisory Forum is opposed to a policy being proposed it should have the opportunity to speak to the Cabinet.'*

(At both meetings, all those in attendance were provided with an individual consultation form to complete and return.)

- 1200 surveys were sent to tenants registered on the Housing Sounding Board. We have received 234 responses.
- We provided links to an electronic survey (via Facebook, Twitter and the tenants' website). We have received 73 responses (one of which was discounted as the tenant also sent in a hard copy survey).<sup>1</sup>
- We sent information to all Sheltered Housing Schemes so that the residents could print a survey and return it.
- We also sent out the link to the survey via our new electronic newsletter.
- We provided hard copies of the survey to Neighbourhood Housing Officers to hand out to their tenants where possible.
- We promoted the consultation around the use of housing funds via the community radio show with interviews with Oliver Donachie and Mike Ash.
- The Street Reps hand delivered copies of the survey to their community.

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<sup>1</sup> Where possible we cross-checked electronic returns with the paper surveys for duplication or discrepancy.

To follow is a selection of comments taken from the returned paper surveys.

Name	Address	Comment
Name supplied	Address supplied	Not totally agreeable to this option(B) but considered best of what is available
Name supplied	Address supplied	How did you get us in such terrible debt in the first place?  Re Option B.  This lady also wrote a letter offering budgeting advice.
No name	No address	But why ask my opinion the person in charge of finance will do what they want just like every other occasion.
Name supplied	Address supplied	Why are 3 or more millions being spent on a new Art Centre? This money would be better spent on nursing or retirement homes. I cannot be the only one who thinks this way. Our town centre is a disgrace. Doesn't encourage people to use it.
Name supplied	Address supplied	Option A – to agree would have to be a one off and strictly limited.  Option B – morally wrong to put debt onto future tenants' costs.  Asset transfer – some concern 'land' sold off for housing. Seems sensible – what have shops got to do with housing
Name supplied	Address supplied	Don't understand the proposal and implications of this fully to give opinion.
Name supplied	Address supplied	Limited info on all issues can't answer
Name supplied	Address supplied	Asset transfer – would need to know more on the subject.
Name supplied	Address supplied	Asset transfer – sorry but I do not really understand this proposal.
Name supplied	Address supplied	More detail needed for balanced viewpoint

## **Appendix 10 – Asset Transfer Impact 2017/18**

### **Income Reductions**

Garage Income	£1,070,400
Shops & Miscellaneous Income	£235,000
	<b>£1,305,400</b>

### **Less Cost reductions**

Maintenance (on buildings and land)	(£360,000)
Management Charges	(£50,000)
Reduced Interest Charge #1	(£199,200)
Rent from General Fund Property	(£111,000)
Townsend House Rents	(£72,600)
	<b>(£792,800)</b>

**Net Cost in 2017/18** **£512,600**

Hawthorns Rental Income in year (£107,700)

*#1 The asset transfer will reduce HRA debt by c£6m. This additional headroom can be used to fund new housing development which will in turn generate additional income.*