

Appendix 1 – Overview of HRA Revenue Budget

| | 2016/17 Budget | 2017/18 Proposed Budget |
|--|---------------------|-------------------------------|
| | £ | £ |
| Expenditure | | |
| 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 |
| | | |
| Gross Expenditure | 25,226,400 | 24,185,200 |
| | | |
| Income | | |
| 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) |
| | | |
| Gross Income | (50,054,500) | (48,745,200) |
| | | |
| Net Cost of Services | (24,828,100) | (24,560,000) |
| | | |
| 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) |
| | | |
| Projected (surplus) / deficit for the year | (15,700,500) | (16,538,000) |
| | | |
| Use of operating Surplus with £5m Loan Repayment | | |
| 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 |
| | | |
| Use of Operating Surplus | 15,700,500 | 16,538,000 |
| | | |

Appendix 2 – Service charges for 2017/18

| | Current Charge 2016/17 | Proposed Charge 2017/18 |
|---|---------------------------------------|--|
| | £ | £ |
| <u>Flats (Communal entrance)</u> | | |
| 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 |
| | | |
| <u>Sheltered Housing</u> | | |
| 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 |
| | | |
| <u>Other</u> | | |
| 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 |
| | | |
| <u>Support Charges</u> | | |
| 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)

| | Current Charge 2016/17 | Proposed Charge 2017/18 |
|--|---------------------------------------|--|
| | £ | £ |
| <u>Garage / Parking Charges</u> | | |
| 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 |
| | | |
| | | |
| <u>Supported Housing</u> | | |
| 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 |
| | | |
| <u>Small Housing Schemes</u> | | |
| 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

| | Current Charge 2016/17 | Proposed Charge 2017/18 |
|--|---------------------------------------|--|
| | £ | £ |
| 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 |
|-----------|---|---------------------|-------------------------------|
| | | £ | £ |
| | <u>EXPENDITURE</u> | | |
| 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 |
| | | | |
| | <u>Capital Financing</u> | | |
| 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 |
| 11 | TOTAL EXPENDITURE | 40,926,900 | 40,723,200 |
| | <u>INCOME</u> | | |
| | <u>Rent income</u> | | |
| 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) |
| | | (46,673,200) | (45,936,400) |
| | | | |
| 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) |
| | | (3,381,300) | (3,551,300) |
| 26 | TOTAL INCOME | (50,054,500) | (49,487,700) |
| | | | |
| 27 | NET COST OF SERVICES | (9,127,600) | (8,764,500) |
| | | | |
| 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 |
| 31 | NET OPERATING EXPENDITURE | (5,000,000) | (5,000,000) |
| | | | |
| 32 | Loan repayments | 5,000,000 | 5,000,000 |
| 33 | PROJECTED (SURPLUS) / DEFICIT FOR THE YEAR | 0 | 0 |

Appendix 5 - Proposed HRA Capital Budget 2017/18

| Item | | 2016/17 Budget | 2017/18 Proposed Budget |
|------|--|-------------------|-------------------------------|
| | | £ | £ |
| | <u>HRA Capital Schemes</u> | | |
| 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 | Total Capital Programme | 32,357,100 | 27,700,000 |
| | <u>HRA Capital Funding Applied</u> | | |
| 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 |
| | <u>HRA Capital Reserves</u> | | |
| 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 | Total HRA Capital Funding | 36,568,800 | 23,749,700 |
| | <u>RTB retained funding</u> | | |
| 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 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Components # | 8,798.0 | 8,324.5 | 8,199.0 | 8,323.5 | 8,325.0 |
| Vehicle Replacement Programme | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 |
| Related Assets | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 |
| Contingent Major Repairs | 426.0 | 426.0 | 426.0 | 426.0 | 426.0 |
| Cyclical Planned Maintenance | 2,250.0 | 2,250.0 | 2,250.0 | 2,250.0 | 2,250.0 |
| Aids & Adaptations | 1,250.0 | 1,250.0 | 1,250.0 | 1,250.0 | 1,250.0 |
| Exceptional Extensive | 2,216.0 | 2,589.5 | 2,715.0 | 2,590.5 | 2,589.0 |
| Improvements | 360.0 | 460.0 | 460.0 | 460.0 | 460.0 |
| | | | | | |
| Regeneration, acquisition & New Build | 1,000.0 | | | | |
| | | | | | |
| Grand Total | 16,700.0 | 15,700.0 | 15,700.0 | 15,700.0 | 15,700.0 |
| <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**

| | Current Charge 2016/17 | Proposed Charge 2017/18 |
|---|---------------------------------------|--|
| | £ | £ |
| <u>Hay Lane Caravan Site</u> | | |
| 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 |
| | | |
| <u>Christopher House, Marlowe Avenue</u> | | |
| Service Charge | 14.97 | 11.43 |
| | | |
| <u>David Murray John Building</u> | | |
| 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 |
| | | |
| <u>PSL rents</u> | | |
| 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

| Current HRA Business Plan - 1% reduction 2016/17 through to 2019/20 | | | | | | | | | | | |
|--|---------------|--------------------------|-------------------|-------------------|----------------|----------------|------------------|-----------------|-------------------------------------|-----------------|---------------------|
| | | Income | | | | | | | Net Available for Investment | | |
| 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 |
| | Totals | 168,064 | (2,845) | 165,219 | 31,334 | 196,553 | (100,758) | (15,749) | 80,046 | (20,000) | 60,046 |
| | | | | | | | | | | | |
| Revised 2017/18 Business Plan reflecting Asset transfers, new development and use of reserves | | | | | | | | | | | |
| | | Income | | | | | | | Net Available for Investment | | |
| 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 |
| | Totals | 171,009 | (2,862) | 168,147 | 25,307 | 193,454 | (98,052) | (15,118) | 78,954 | (20,000) | 58,954 |
| | | | | | | | | | | | |
| Business Plan variations | | | | | | | | | | | |
| | | Income | | | | | | | Net Available for Investment | | |
| 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) |
| | Totals | 2,945 | (17) | 2,928 | (6,027) | (3,099) | 1,375 | 631 | (1,093) | 0 | (1,093) |

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:

| Option | | Agree | Disagree |
|----------------------------------|--|--------------|-----------------|
| Option A | Use some of our savings in the bank. 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 |
| Option B | Reduction in Planned Debt Repayment of £5m. 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 |
| Option C | A combination of option A and 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 |
| Assets | The Asset Transfer 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 1st 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).¹
- 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.

¹ 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 |
| | £1,305,400 |

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) |
| | (£792,800) |

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.