HOUSING CHANGES
What do they mean for Harrow?

HOUSING BUSINESS PLAN 2013-2043

Version 6: 07/06/2013

Harrow COUNCIL
LONDON

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Contents

Foreword

1. Executive Summary

1.1. The Housing Business Plan underpins the Housing Strategy, and sets out our current proposals for the Housing Business and how these will be funded. It comprises two main elements:

- Housing Revenue Account (HRA) 30-year business plan; and
- Housing General Fund medium-term financial strategy.

1.2. The Housing Business Plan explains what the Council will do to make the best possible use of its Council housing resources. It also shows how we will contribute our resources to meet the current and future needs identified in our Housing Strategy.

1.3. Housing Revenue Account reform which took effect in April 2012 has provided additional revenue for the Council and presents an unprecedented opportunity for the Council to invest significantly in its role as a landlord. The Plan sets out how the Council plans to use this revenue to support the principles outlined in the overarching Housing Strategy (2013-2018). In particular, this Plan outlines how Harrow Council will dedicate its resources in order to deliver against the following objectives:

- Deliver excellent services shaped and valued by our communities
- Increase the supply of housing, including locally affordable housing, and make best use of the existing housing stock – using our resources proactively.
- Continue to tackle homelessness through prevention, advice and support and improving access to, and standards in the private rented sector
- Enhance housing options, promoting mobility and choice
- Support sustainable and viable communities
- Support people at risk to live in their own homes
- Improve neighbourhoods and the quality of existing homes

1.4. We have consulted residents and other stakeholders about the key decisions underlying the HBP, and the priorities and objectives outlined in this document have been shaped by their views. The Business Plan outlines how Harrow will monitor progress against these objectives. Harrow is operating in a changing environment, and the Council will ensure that appropriate processes are in place to manage the risks associated with this.

1.5. The HRA is in a very strong position financially following self-financing, with the 30-year business plan model showing cumulative balances approaching £170m by the end of the period, having made sufficient provision for management, maintenance and the future investment needs of the housing stock. This means that the account if well placed to meet the changing needs of the service, the tenants and the stock going forward, and should be able to finance a programme of developing new affordable housing to help meet housing need in the Borough.

1.6. Initial indications are that a development of 50 units on existing infill and garage sites could be delivered relatively easily in the HRA within the next two years using existing resources. Whilst this development modelling is currently illustrative and needs more detailed work before it can be progressed, we estimate that the inclusion of just 50 new units would strengthen cash flows within the HRA and increase financial capacity for the purposes of funding subsequent development.

1.7. A business plan is not a static document as it is dependent on the underlying assumptions. We have agreed a set of prudent assumptions to project the HRA over 30 years, but some of these will inevitably change over time. Further work is being carried out in respect of the Asset Management Strategy to broaden the scope of this to encompass an "active asset management" approach, and to develop a programme of new housing development, which could be either within or outside the HRA. Both of these could also have implications for expenditure levels within the HRA, and any variations to current assumptions would be reflected in future versions of the business plan.

1.8. In respect of the Housing General Fund services, arguably the key pressure on these services arises as a result of welfare reform. At present, Harrow has not felt the full effects of welfare reform due to a delay in the introduction of Universal Credit and the phased introduction of Direct Payment, so the extent to which we will be affected is not yet known. We have, however, secured additional budgetary provision of £1m in 2013-14 and a reduced amount (£0.5m) thereafter to ensure that we can meet what we believe will be a significant increase in demand for our services.

1.9. We are also currently developing a range of initiatives to minimise the need to use Bed and Breakfast accommodation, which is the most expensive was of housing homeless households, including incentives for landlords to enter Private Sector Leasing agreements, and innovative ways of using HRA resources to make Council properties available for those in priority need. We feel that the steps we either have already taken or are proposing to implement demonstrate a joined up approach, and will assist us in minimising the adverse effects of welfare reform, although we will keep our budgets under continuous review to ensure that we are managing to deliver within the resources available.

2. Introduction

Why do we need a business plan?

2.1. Since April 2012, Harrow Council has become self financing, and no longer has to operate within the constraints of the Housing Revenue Account (HRA) subsidy system, which during its last year of operation saw the Council having to pay nearly a third of its rental income to the government for redistribution to other councils. Under self financing, the Council is able to retain all of its rental income and to determine how best to use this money to deliver the housing services we anticipate will be required in the future. In order to leave the national subsidy system, the Council had to agree to take on additional debt of £88.5m, taking the total HRA debt to £149.6m. A 30-year HRA business plan is required to demonstrate that we are able to service this level of debt, and still deliver the necessary management, maintenance and investment in the existing stock over the period of the plan. These changes were reported to Cabinet in December 2011, and an update was provided in July 2012.

2.2. In April 2013, the Council approved a suite of Housing Strategies to outline the direction of the Housing Service over the next 5 years, in particular, the Housing Strategy (2013-2018),which is the over-arching document that outlines the key objectives for the service. Further strategies and policies are being developed alongside this business plan in respect of asset management and the development of new affordable housing, and the business plan will necessarily evolve over time as these are further developed. This version of the business plan has been developed in conjunction with and in order to support the approved strategies, as well as the investment plan derived from the Asset Management Strategy and a preliminary assessment of the delivery of some new affordable housing within the HRA. The business plan outlines the resources projected to be available and how the Council intends to prioritise some of these resources to deliver its ambitious targets.

2.3. The Housing Business Plan comprises both Housing Revenue Account (HRA) and Housing General Fund (HGF) elements, but for the purposes of financial modelling these need to be kept separate due to the different funding and regulatory regimes. These separate elements are, however, brought together to generate the overall narrative Housing Business Plan.

How has this plan been developed?

2.4. The starting point for the business plan is the 2013-14 budget and Medium Term Financial Strategy to 2016-17. These were approved at a meeting of the Cabinet in February 2013, and the first four years of the business plan are in line with these agreed figures. Thereafter, the projections are based on assumptions that are felt to be both prudent and realistic, and which reflect the services proposed to be delivered over the life of the plan.

2.5. The business plan has developed following numerous progress reports to Cabinet, specifically in February and April 2013, December and July 2012 and December 2011. The Overview and Scrutiny sub-committee also reviewed the self-financing of the HRA in November 2012.

2.6. As stated previously, the business plan reflects the requirements of the various strategies now in place and in development, and as a consequence there has been extensive consultation on the principles and priorities which underpin this business plan. This consultation commenced in Summer 2011 and has consisted of informal consultation at events throughout the borough, and formal consultation via the Council's website. The feedback received from this consultation has been incorporated into the documents underpinning this Plan.

2.7. It should be noted that any business plan is a snap shot of the financial position at a given point in time. The business plan is based on a number of assumptions that may or may not be inter-related, and a variation in any of the underlying assumptions will result in a change in the outcome of the projections; the key issue being the size of any change in the outcomes. As stated above, the projections produced for this business plan are based on assumptions felt to be reasonable at the time the modelling was undertaken, but sensitivity analysis has been undertaken to asses the potential impact of changes in some of the key underlying assumptions.

3. Context

National Context and Government Policy

3.1. Since 2008 there have been massive external changes which pose significant challenges for Harrow's residents. The new economic environment has made private sector housing more unaffordable to many households, and this is particularly the case for those in receipt of benefits. In the long term this has led to a stagnant housing market, and coupled with rising unemployment this has resulted in an increasing demand for affordable housing and for help in finding the lowest cost private rented housing. The ongoing credit-crunch has reduced the supply of new- build, affordable and private rented properties into the housing market, which makes it difficult to meet this rising demand.

3.2. The Localism Act (2011) introduced a number of opportunities for Harrow. This includes fixed term tenancy options for new tenants alongside existing secure tenancies and the ability to discharge homelessness duty through the offer of a suitable private rented home. In addition, funding for new social housing has been changed by reducing up front capital grant subsidy and replacing it with revenue subsidy generated through increased rents of up to 80% market rents.

3.3. The Localism Act also introduced Housing Revenue Account (HRA) self-financing, which started on 1st April 2012. In return for taking on additional borrowing to cover historic debt, Harrow no longer has to pay negative subsidy to central government. The new approach puts local authorities in control of their own HRA, and makes business planning for the Council's housing stock similar to that used by housing associations.

3.4. The Welfare Reform Act (2012) sets out a number of changes to welfare benefits that will affect the income of certain households. In April 2013, the Act introduced benefit reductions for working age households who live in social housing that is deemed larger than they require. A total cap on benefits is scheduled for introduction in July 2013, and a number of welfare benefits are scheduled to be replaced by Universal Credit in October 2013. Universal Credit will also terminate the direct payment of Housing Benefit (HB) to social landlords except in prescribed circumstances. Together with changes to local housing allowance rules in the private rented sector and Council tax benefit reforms, the incomes of the poorest households in Harrow will be squeezed. Larger, non-working households are expected to be worst affected.

Local Context

3.5. Harrow is an outer London borough with excellent transport links to central London, and covers an area of approximately 50 square kilometres. It is primarily a residential suburban area and, compared to other outer London boroughs, has little land devoted to employment and industrial use. Its popularity as a residential suburb with limited scope for development contributes to the high demand for housing and the high cost of housing both to buy and to rent privately.

3.6. There has been a 15% increase in Harrow's population over the last decade, rising from 207,000 in 2001 to 239,000 in 2011.[1] Harrow has the second largest average household size in the country, with 2.8 persons per household [2], despite the borough's ageing population – the number of over-65 households in Harrow has increased by 12.3% since 2001.[3]

3.7. As with the rest of London, private sector accommodation is unaffordable to Harrow residents on average or lower incomes. For many households, private sector rents are only affordable with HB support, although the changes to HB eligibility has acted to restrict availability at the lower end of this market, which the Council is often required to use to secure accommodation for those in housing need.

3.8. **Harrow Council Housing Stock**

3.9. Compared to most other London boroughs, the number of public sector rented properties in Harrow is limited – 10% of the borough's total housing stock is social housing compared to a London average of around 24% and a national average of around 17%. Table x presents the number of Harrow Council housing units by bedroom size. Three bedroom houses make up 28% of total council stock, and one bedroom flats make up 25%. Approximately half of the one bedroom dwellings are sheltered accommodation.

Bedroom size	Number of properties
Studio	161
1 bedroom	1838
2 bedroom	1465
3 bedroom	1400
4+ bedroom	104

Table x: Council housing stock by bedroom size
(Source: Northgate, 14/05/2013)

3.10. Harrow has some pockets of multiple deprivation, which closely correlate to social housing estates, and which we have done much to tackle through specific regeneration schemes (Rayners Lane and Mill Farm). Outside of these, Harrow's social housing estates are generally small and well integrated with the wider community and therefore do not suffer to the same extent with physical and social deprivation as seen in other London boroughs. They consist of traditionally built family houses and low-rise flats in traditional suburban layouts. Most have both private and communal amenity space.

[1] Office for National Statistics, 2001 and 2011
[2] Office for National Statistics, 2011
[3] Office for National Statistics, 2001 and 2011

3.11. Overall housing supply within London and Harrow is constrained by availability of developable land. At 350 units per annum, Harrow has the lowest new supply target in West London reflecting the constraint on developable land.

Housing Need

3.12. Harrow Council's 2012 evidence base provides a picture of the need for affordable housing, and the key findings of this analysis are presented in the Housing Strategy (2013-18). There is continuing demand for affordable housing in the borough, and the waiting list remains high. There is a significant shortfall of affordable housing of all sizes of accommodation, notably two- and three-bedroom homes (although the shortage relative to supply is greatest for four or more bedroom properties). The greatest need for social housing is for family housing (3 bed plus), where there are the fewest vacancies. There is a need for supported housing to meet the needs of vulnerable people, including a range of sheltered/ extra care housing (as an alternative to residential care and to meet the needs of people with dementia) and supported accommodation to meet the needs of people with learning disabilities and mental health needs.

3.13. The imbalance in supply and demand has led to an increase in homelessness in Harrow. Since January 2011, the number of families the Council is providing emergency accommodation for has increased significantly from a handful to 85 families at the end of February 2013. The average cost of accommodating these households is £8,000 per annum, although this varies substantially depending on property size. The introduction of the overall benefits cap in Summer 2013 is expected to contribute further to this upward trend.

3.14. More supporting data for this Plan can be found here.

Partnership Working

3.15. The delivery of the business plan will ensure that Housing Services will support internal partners to deliver wider corporate priorities, specifically relating to:

- Supporting and protecting people who are most in need
- Keeping neighbourhoods clean, green and safe;
- Promoting united and involved communities
- Supporting our town centre, our local shopping centres and businesses
- Being an efficient and effective organisation.

3.16. The plan supports and compliments a number of services and strategies across the Council, such as the Local Development Framework (LDF) Core Strategy, the Economic Development and Climate Change Strategies. The availability and affordability of housing in the borough also impacts on the Council's ability to provide cost-effective services for particular groups, including children and vulnerable adults.

3.17. Harrow Council is part of the West London Housing Partnership (WLHP) along with the local authorities of Brent, Ealing, Hammersmith and Fulham, Hillingdon, Hounslow and Kensington and Chelsea. The Partnership works together to deliver specific projects, which has previously included joint-procurement exercises and applications for funding. The WLHP has also developed a housing strategy action plan. The Housing Strategy (2013-2018), which this HBP supports, is in conformity with the Mayor's draft London Housing Strategy, which was published for formal consultation in December 2011.

3.18. The Council is committed to working in partnership with many other agencies and organisations to deliver excellent homes and services to our residents. The Council also identifies and utilises good practice information from other authorities and registered providers to plan and review services.

4. Objectives

4.1. The overarching aim of the business plan, and the Housing Strategy it supports, is to make the most effective use of our existing social housing stock and the private rented stock in the borough, and to increase new housing supply and other housing options. This will ultimately assist in mitigating General Fund revenue pressures relating to the predicted rising costs of homelessness. In conjunction with its customers, stakeholders and partners, Harrow has set a number of challenging objectives to achieve this, specifically to:

- Deliver excellent services shaped and valued by our communities
- Increase the supply of housing, including locally affordable housing, and make best use of the existing housing stock – using our resources proactively.
- Continue to tackle homelessness through prevention, advice and support and improving access to, and standards in the private rented sector
- Enhance housing options, promoting mobility and choice
- Support sustainable and viable communities
- Support people at risk to live in their own homes
- Improve neighbourhoods and the quality of existing homes

This Plan outlines how the Council will utilise its resources to deliver against these objectives.

Deliver excellent services shaped and valued by our communities

4.2. In partnership with its staff, customers, partners and stakeholders, the Council has already taken steps to review and improve service delivery. The first Housing Ambition Plan was launched in 2010 and set a framework that has helped to engage with tenants, leaseholders and members of the public in service development and in responding to the challenges of the government's changes to housing and welfare benefits. The Resident Services team is in the process of restructure in support of Housing Services' objective of getting closer to the customer. A repairs charter is under development to improve the service delivered to tenants and leaseholders, and in respect of improving communications and complaints procedures.

Increase the supply of housing, including locally affordable housing, and make best use of the existing social housing stock – using our resources proactively.

4.3. A key aim of the Housing Strategy is to increase the supply of affordable housing in the borough. Innovative options for increasing supply are being explored, including how best use is made of existing housing assets such as garage sites and the additional resources flowing from HRA reform, and whether there is appetite for institutional investment in new vehicles for developing new private rented housing. The future supply of housing in the borough can only be maintained by continuing to explore a range of models. The Housing Capacity targets agreed for Harrow are development of 350 new per homes per annum, and the policy target for the proportion of this to be provided as affordable housing is 140 new affordable homes per annum. The **Borough Investment Plan (BIP)** sets out how we want to work with our Registered Provider (PR) partners, the GLA and private developers to maintain a pipeline of privately and publicly delivered affordable housing developments that matches recent delivery levels of 200 – 300 new affordable homes per year, and the Council plans to review this in 2013. Recently the Council has been successful in bidding for funding from the GLA to help develop new family homes on Council estates, for sale to existing Council tenants on a shared ownership basis.

4.4. A new Allocations Scheme is to be introduced in Summer/Autumn 2013, which aims to ensure that those applicants in the most housing need wait a much shorter time than they do at the moment for a public rented home, and that those who have lower levels of housing need are able to access alternative housing solutions to improve their quality of life. Additional temporary staff resources will be required to implement the new Allocations scheme and manage the transition from the old to the new scheme and which have been budgeted for. The current IT systems (Locata and Northgate) will also need to be updated to reflect the new Allocation scheme which is estimated to cost around £40,000, which will be budgeted for within the HRA. The revised Tenancy Strategy/Tenancy Policy will also ensure that the existing social housing stock is used more effectively to meet local priority housing needs through the introduction of a flexible tenancy model for most new tenants.

4.5. In addition, the Business Plan outlines funds to release council homes, such as through offering cash incentives to council tenants to buy or rent properties in the private sector. £250,000 revenue and £250,000 capital has been allocated within the Housing Revenue Account (HRA) to fund grants to move for each of the three financial years from 2013/14 (plus inflation). Commissioning Panel proposals included a target to save £48,000 from General Fund in both 2013/14 and 2014/15 as a result of capital investment by reducing the number of households in bed and breakfast accommodation. This equates to releasing approximately 6 Council homes per year, depending on property size. This is also expected to minimise the loss of Council housing units through right-to-buy, thereby maintaining the HRA income stream and the Council's asset base.

4.6. The Housing Strategy makes clear the Council's commitment to bringing empty homes back into use. The Business Plan will achieve this by continuation of the Empty Property Grants funded through the Council's capital programme to enable use of empty private properties to meet priority housing needs. Capital funding of £200k was approved by Cabineton the 28th February to support this objective. In addition, the West London boroughs submitted a consortium bid in January 2012 to the HCA (whose London powers have now been devolved to the GLA) for a share of a £100m pot set aside nationally to bring empty properties back into use as affordable housing. West London was successful in its bid, and the indicative allocation for Harrow is £386,093 to deliver 30 units over three years to March 2015. The bidding guidance requires the rents charged to be 80% of market rents and leases or nomination periods to be a minimum of 5 years in exchange for an average grant of £13,000.

4.7. The Council is committing to a 1 year pilot of a National Mobility Scheme, which will enable and support social housing tenants to move to lower demand properties elsewhere in the UK, thereby releasing properties for those in housing need. There is a cost to participating landlords of £10,000 in the first year of operation. This cost can be contained within the existing budget set aside for new initiatives.

4.8. The Business Plan also makes provision to increase the supply of private rented homes available for Council nominations. Under this scheme, Harrow offers an up-front premium payment to local landlords to tie them in to a 5 year lease agreement with us with the intention that we would then use these properties in lieu of Bed and Breakfast accommodation. The target is to procure in the region of 45 properties via this route in 2013/14.

Continue to tackle homelessness through prevention, advice and support and improving access to, and standards in the private rented sector

4.9. Given the small social housing stock in Harrow, the Council increasingly need to use the lower quartile private rented sector to meet housing need and prevent homelessness occurring. Our priority is therefore to increase the availability of affordable private rented housing locally and maintain and improve its condition by working in partnership with private landlords and other organisations such as housing associations, as described above.

4.10. The Plan is based on the estimate that the cost of homelessness to the General Fund will increase by a minimum of £1m. The proposals set out in the Homelessness Strategy, including how we might help homeless applicants to move to other areas either in London or further away to find an economically realistic housing solution, will make a major contribution to restricting growth to the minimum estimate. Failure to do so will result in significantly increased costs to the General Fund.

4.11. The rent increase approved for 2013-14 enabled the establishment of a Hardship fund within the HRA to enable us to help to minimise the worst effects of welfare reform. The hardship fund will operate within the context of the Council’s overall HELP scheme, which is intended to provide assistance to those in need within the borough, regardless of tenure. The operational details of the scheme are currently being worked through, and a report will go to Cabinet in July 2013. Future years business plans will incorporate the final scheme proposals.

Enhance housing options, promoting mobility and choice

4.12. The Housing strategy recognises that the social housing sector in Harrow will never be big enough to meet all the current and future demand for affordable housing. The private rented sector will continue to provide the most realistic housing option for households who cannot afford home ownership. Details on how we plan to support and enable a good quality private housing sector in Harrow are then set out in the Private Sector Housing Strategy.

4.13. Shared ownership and other forms of low cost home ownership are an important contribution to the range of housing options available to people in housing need on low to middle incomes. We will continue to negotiate 40% of affordable housing being provided as shared ownership and we work proactively with to publicise and encourage applicants to access First Steps homes.

Support sustainable and viable communities

4.14. It is vital that the sustainability and viability of Harrow's social housing is preserved. The Council is concerned that welfare reform changes will impact differentially on some of our most vulnerable households, and supporting them through the changes will therefore be a priority. The Plan will assist residents through initiatives to promote employment, basic skills and vocational schemes, and through targeted support.

Support people at risk to live in their own homes

4.15. The Housing Strategy sets out how we will continue to offer support to meet the additional needs of people facing particular challenges that put their housing at risk. This includes frail older people, people with mental health needs, families fleeing domestic violence, people with learning disabilities or young people leaving care.

4.16. The Housing Services directorate has recently completed a review of the Council's sheltered housing service, which will deliver service improvements, ensure staff resources are better targeted to meet needs, and provide a 40% reduction in Supporting People funding over the next 3 years. The rest of the Supporting People programme will be reviewed to deliver the Medium Term Financial Strategy savings required for 2014/15 onwards, and the Council will work with partners and stakeholders to do this. As part of this review, we will consider the stock of existing housing, especially where the accommodation falls below current standards or is not being used to its optimum benefit.

Improve neighbourhoods and the quality of existing homes

4.17. Whatever the tenure, we want homes that are attractive, that can be used flexibly over the lifetime of residents, reduce fuel poverty and are highly energy efficient and sustainable. To this end, the Council requires that new affordable homes should all meet Lifetime Homes standards, with 10% being fully wheelchair accessible and built to a minimum of the Sustainable Building Code level 4.

4.18. The Asset Management Strategy is currently under development, and will outline Harrow's ambitions for its housing stock. The investment requirements identified in the stock condition survey to be fully delivered over the 30 years of the business plan, at as cost of approximately £222m at today's prices.

4.19. The additional resources freed up under the HRA reforms has allowed for an average increase in capital expenditure of £1.5m per year, and in the short-term is enabling the historic backlog of repairs to be delivered much sooner than had originally been anticipated. Furthermore, the efficiencies achieved following the re-procurement of the repairs service is enabling tenants to see significant improvements made to their properties whilst delivering better value-for-money for the Council. In the medium term, further improvements to Council dwellings and estates can be delivered, and in the longer term, consideration of wider housing issues can be considered. As leaseholders are required to contribute to the cost of these works, some of them will receive significant bills. As a result of the likely increase in cost of works to leasehold properties, a Major Work Loan Policy for leaseholders has been agreed by Cabinet.

4.20. An appraisal of the long term suitability of the stock is also underway to ensure that investment is not directed at properties for which demand is limited or those without a long term future. Properties identified within these categories will then be assessed as part of Housing's affordable development strategy to determine whether alternative approaches to significant investment in the properties may be appropriate. Such alternative approaches could include disposal for regeneration, establishing a Special Purpose Vehicle or Joint Venture Vehicle with partners to enable redevelopment, or indeed considering the feasibility of such redevelopment being possible within either the General Fund or HRA, depending on the availability of resources.

5. Financial position

Context

5.1. The requirement for self-financing introduced under the Localism Act (2011) represent the biggest changes in Housing finance in many years and present an opportunity for the Council to invest significantly in its role as a landlord, which has been limited historically as a consequence of the existing funding regime and control. Under the HRA Subsidy system, the Council was paying in the region of 30% of its rents to the Government. In order to leave the HRA Subsidy system, the Council was obliged to take on additional debt of £88.461m and make a payment to the Government for the same amount; this amount was calculated by the Government, based on estimated income and expenditure over the next 30 years. The loan was taken out with the Public Works Loan Board (PWLB) on 28th March 2012, and was a 50-year maturity loan (repayable at the end of the 50-year term), at a fixed interest rate of 3.48%.

5.2. The Government have introduced a cap for all Councils to ensure that, nationally, housing debt is controlled. As a consequence of previous decisions, in particular that the Council would borrow to fund the Decent Homes programme, Harrow's level of debt following the settlement, is at the cap. This means that the Council will not be able to increase its borrowing until some debt has been repaid. This also means that any capital investment can only be funded from available revenue. For this reason, a decision was taken in 2011/12 to not use the Major Repairs Allowance (MRA) to fund HRA capital expenditure in that year, but to use borrowing instead as this was still permissible in 2011/12. The result of this is that the 2011/12 MRA of £4.148m was able to be carried forward within the Major Repairs Reserve (MRR) for use in 2012/13 and 2013/14. This is additional to the balance on the revenue account of £2.792m.

5.3. The HRA is better off by around £2m per annum in the short term, with balances over the 30 years expected to increase significantly in the longer term, enabling further consideration of the strategic priority of the Housing service and investment requirements. The total HRA debt is now £149.6m, and this is held within the Council's single loans pool in the General Fund. The HRA pays its share of the overall interest charge to the GF in proportion to its debt as a share of the overall loans pool.

Financial Business Plan

5.4. The Housing Business Plan underpins the Housing Strategy, and sets out our current proposals for the Housing Business and how these will be funded. It comprises two main elements:

- Housing Revenue Account (HRA) 30-year financial business plan; and
- Housing General Fund medium-term financial strategy.

HRA Business Plan

5.5. The HRA business plan has been developed from the 2013-14 to 2016-17 HRA budget and MTFS approved by Cabinet in February 2013, and has been projected on the basis of an agreed set of underlying assumptions, attached as Appendix 1. These assumptions represent current thinking about areas such as general inflation, works cost inflation, interest rates, and as such may be subject to change. It should be noted that changes to the underlying assumptions will impact on the projections.

5.6. In putting the HRA business plan together, the intention is to have a model that reflects the current budget assumptions, but also which provides the framework within which we would expect future budgets to be set, subject to changes in underlying assumptions and/or government or Council policy. We are also intending to use the business plan to support the case for approval of a rolling three-year capital programme for housing, which would enable enhanced planning of programmes, more timely consultation in respect of investment programmes, particularly for the purposes of recovering s20 contributions from leaseholders, and greater flexibility in delivery of works programmes, as, with appropriate approvals, we would then have the ability to switch programmes of works between years if necessary to maximise the investment we are able to deliver in any given year. We anticipate bringing a further report to Cabinet in respect of this in the autumn.

5.7. We have produced two versions of the HRA business plan model at this stage. The first of these is a base model, and this is the model against which all other scenarios will need to be compared. The model assumes a continuation of the current housing “business”, taking into account all assumed investment, repairs and management costs required over the next 30 years, assuming a continuation of rent restructuring until such time as convergence with target rents has been achieved, and taking account of an assumed level of sales under the Right-to-Buy scheme. No changes are assumed to the underlying business in this model.

5.8. We have then produced an alternative scenario using the base model, but assuming the commencement of a new build programme of 50 units over the next 2 years in line with the views of members. This has been modelled using prudent assumptions in respect of build costs and ongoing revenue and capital costs, and assumes that new build units would be let at affordable rents, with the exception of 10 units assumed to be developed for shared-ownership. The inclusion of new build units in this model is intended to be an illustrative representation of the Council undertaking new build for the first time in 30 years, and of how this could potentially be funded. It should be viewed in the context of the affordable housing proposals being considered by Cabinet following on from the Report received from Sector, and also in the context of a consideration of the role new housing could play in helping to deliver the Council’s wider regeneration aspirations.

Base Model

5.9. The base model has been constructed on the basis of the assumptions set out in Appendix 1. These have been agreed between Housing and Finance as a realistic and prudent set of assumptions on which to base future years' projections. Key elements to focus on are:

5.9.1. **Rent convergence and rental income** – actual rents are assumed to converge with target rents by 2015-16 where possible. The process will continue for all properties until convergence has been achieved. Rents are assumed to increase by RPI + 0.5% thereafter, in line with government policy.

Welfare reform is an area of potential risk as far as income is concerned, and we have taken steps in several ways to attempt to mitigate the potential impact of this. The rent increase approved in February provided funding for the establishment of an HRA hardship fund to complement the Council's overall HELP scheme in assisting those most in need as a result of welfare reform, and funds are earmarked for this going forward. In addition, we have been working with the CAB to raise awareness of welfare reform and to understand how our tenants might be affected and what steps we could take to make sure they are ready. As a final step we have increased the level of bad debt provision within the HRA in case our attempts to mitigate the effects of welfare reform are not entirely successful.

5.9.2. **Levels of RTB sales** – We have currently assumed sales of 16 units per annum over the first 5 years of the plan, and 8 sales per annum thereafter. Sales in 2012-13 were 14 properties, compared with none in the previous year. The recent increase in discount level to a maximum of £100,000 may impact on sales numbers, and the assumptions regarding sales will need to be kept under review. Sales at these levels would not cause the HRA to become unviable, but control of costs at appropriate levels for the size of the stock will be a key consideration going forward.

5.9.3. **Ongoing management cost assumptions** – management costs are assumed to be at the level included in the budget and MTFS to 2017-17, and to continue at that level, as adjusted for inflation thereafter. Existing levels of management cost include additional elements arising from investment in services made possible as a result of self financing, and these service improvements are assumed to remain in place going forward. Costs will be reviewed over time to ensure that our management services provide value for money, and in the context of levels of new housing delivered by the Council or on its behalf, and our aspiration to market our management services. At this stage no assumption has been made in respect of varying these costs for changes in stock numbers as a result of RTB sales

5.9.4. **Ongoing revenue maintenance assumptions** – revenue maintenance costs are assumed to be at the level included in the budget and MTFS to 2017-17, and to continue at that level, as adjusted for inflation thereafter. Existing levels of maintenance costs include an additional element arising from investment in services made possible as a result of self financing. Costs will be reviewed over time to ensure that we continue to provide value for money, and in the context of levels of new housing delivered by the Council or on its behalf. At this stage no assumption has been made in respect of varying these costs for changes in stock numbers as a result of RTB sales

5.9.5. **Ongoing investment assumptions** – at this stage the ongoing investment is assumed to be at the level included in the budget and MTFS to 2017-17, but thereafter is based on what is felt to be a reasonable level of expenditure in the context of the investment plan produced as part of the asset management strategy.

The Council's stock condition database has been used to produce a profile of expenditure required to maintain the housing stock at a standard in excess of the out-dated "Decent Homes Standard", but the appropriate standard of investment required going forward has yet to be consulted on and agreed. In addition, further developments to the Asset Management Strategy will result in more of an "options appraisal" approach to investment, whereby we intend to actively manage our assets to determine whether we should, in fact, continue to invest in them, or whether alternative approaches may be more appropriate.

At this stage, however, we have included the enhanced investment plan for the current stock to ensure that there are sufficient resources within the HRA to meet our investment requirements as they fall due and to ensure that an adequate level of provision has been taken into account when considering the overall level of resources within the HRA available for the purposes of considering new initiatives such as new build. The current provision also includes an element earmarked from the additional resources arising as a result of self financing for the Grants to Move Scheme.

Over time we would expect the investment requirements of the existing stock to vary as assets are actively managed, and also for additional investment to be required in respect of new housing as it is developed. These changes will be reflected at the appropriate time in subsequent versions of the business plan.

5.9.6. The base model makes no assumptions regarding use of RTB receipts or other capital receipts to fund capital expenditure. A revised determination relating to the use of HRA receipts was recently issued, and the use of RTB receipts for funding HRA capital expenditure will need to be considered in the light of this determination, and in the context of any new build aspirations.

5.10. The 30-year operating account and major works financing schedules for the base model are attached at Appendix 2. These show an extremely healthy position, and clearly illustrate the significant benefit of self financing for Harrow.

5.11. Over the period of the business plan, the HRA account is projected to generate balances of nearly £170m, having provided for management and maintenance of, and significant investment in the existing housing stock. These balances are potentially available for investment in new housing, and subsequent versions of the business plan will incorporate our regeneration and new build proposals as they are further developed, as well as proposals for development of services in line with the wishes of members and those of our tenants.

5.12. As indicated above, the base model is intended to be the basis for modelling alternative scenarios, and as such could be used to illustrate the potential impact of new build on the HRA, as well a consideration of repaying debt in addition to or in lieu of new housing. As is also indicated above, the model is intended to be a robust representation of the existing business going forward, and to establish the framework within which we would anticipate future HRA budgets being set, subject to unavoidable changes in any of the underlying assumptions. This does not alter the fact that there will need to be an annual approval of the HRA budget and MTFS for the purposes of rent setting, but is more a shift towards taking a strategic view of the Council's housing business, and considering future budgets in the context of the long-term requirements of the business plan.

Development scenario – "Quick Wins"

5.13. The alternative scenario mentioned above has been developed from the principles of the base model, and uses essentially the same underlying assumptions. In this model however, we have made an assumption that the Council would want to commence a development of new affordable and shared-ownership housing using a combination of infill and garage sites.

5.14. The rationale behind this is that the results of the study we commissioned from Sector suggested that there were a number of opportunities for "quick wins" on some of these sites, particularly where the sites were small, self-contained and not typically suitable for inclusion in a wider-scale regeneration scheme. We had already submitted a bit to the GLA under the Mayor's Housing Covenant for grant funding towards the delivery of a small number (10) of shared-ownership properties, and we would propose that these properties form part of any initial tranche of new build.

5.15. Modelling carried out to support the Sector study suggested that the HRA could afford to develop up to 150 properties over the next 5 years by using a combination of S106 receipts, other capital receipts, RTB receipts and revenue contributions. The capacity study suggested a far greater number could be provided over the life of the business plan from within HRA resources if that was felt to be the best use of the resources projected to be available.

5.16. Given the need to take a more strategic view of the provision of new housing, and the need for any larger-scale housing development to be set within the context of a Council-wide development and regeneration strategy, it was decided for the purposes of this report to restrict any assumed new development to 50 3-bed units, to include the 10 shared-ownership units for which grant funding has already been secured.

5.17. This approach was taken so as to enable a full consideration of the wider Sector report in the context of corporate objectives, and an assessment to be made of how new housing (both affordable and private) could achieve a fit with the corporate perspective, and the extent to which housing could contribute towards a successful regeneration and development of the Borough.

5.18. The modelling we have undertaken is for illustrative purposes to give an idea of what could be achievable and is based on the results of the Sector study. It suggests that 50 new 3-bed properties (25 flats and 25 houses) could be delivered over the next two years from within existing resources, with the current mix of properties being 10 shared-ownership houses, and the remaining 40 properties let at affordable rents. The properties would be constructed on existing HRA land, on either infill or redundant garage sites that are not felt to be strategically important in regeneration terms.

5.19. Construction costs are estimated in the region of £6.3m, with some funding from the GLA, some from RTB receipts, an element from sale of the initial 25% tranche of the shared-ownership units and the remainder from other capital receipts or revenue balances. Because the development costs are anticipated to be fully-funded, the properties immediately start to generate positive net cash flows for the HRA having taken account of increased management and maintenance costs and future investment needs. The 30-year operating account and major works financing schedules for this model are attached at Appendix 3 Over the 30-year period of the business plan, current projections suggest that operating account balances would be increased by around £13m as a result of the inclusion of these new properties.

5.20. The same would be true in respect of a wider development programme, with the work carried out for the Sector study suggesting that if development can be fully-funded, then the development of 150 properties over the first 5 years ultimately increasing projected balances by around £35m over 30 years.

5.21. It needs to be stressed that the figures included in respect of new affordable housing development are illustrative, and further work would be required to confirm the appropriate levels of costs and rents for the new properties, along with confirming the preferred delivery option. We have included this development scenario to demonstrate that an affordable housing programme would financially achievable and viable, and to seek permission to develop the proposals for a "quick wins" scheme (as set out in the proposals for a future affordable housing programme section) on a stand-alone basis. We would anticipate any wider-scale development being considered in the context of the Council's strategic regeneration and development objectives, and that appropriate delivery models would be put in place to reflect this, of which housing would form a key part.

Housing General Fund

5.22. Whilst much of the focus tends to be on the HRA due to the significant impact of self financing on the levels of resources now projected to be available, arguably the General Fund side of housing is potentially more drastically affected by recent legislative changes, particularly welfare reform. Given the nature of the services provided within the General Fund, and the continual legislative changes affecting services and service users, and reliance on the publication of subsidy levels by the government for some of the accommodation we provide, it is not considered appropriate to try to project the costs of GF housing services for longer than the period of the MTFS approved in February, which is attached at Appendix 4 for information.

5.23. Between 600 and 700 households are in Harrow are likely to be affected by the benefit cap, some losing as much as £350 per week, and around 350 households by the bedroom tax. We have been working and continue to work with those households affected by welfare reform to try to minimise its impact on them and to try to ensure that all affected households are able to access affordable housing that is suitable for their assessed needs.

5.24. The impact of welfare reform on the General Fund will depend on the extent to which the Council feels it wishes to, or is able to, support households affected be welfare reform, and the ongoing effects of the benefit cap.

5.25. For many households, remaining within Harrow may no longer be feasible due to a shortage of available properties at an affordable rent and the loss in benefits not being matched by reductions in private-sector rents. We recognise that many households have valid reasons for wanting to remain within the Borough, such as family links, care commitments, children at key stages of their education (e.g. GCSE's or A levels). Similarly we recognise that for some families, their circumstances may be about to change, and that any shortfall in benefits could be only a temporary one. A key issue here is the extent to which the Council assists these households to remain within Harrow.

5.26. For some households, however, this may not be a feasible option, and the Council has put in place a range of measures to ensure that we are able to offer appropriate housing solutions to most households.

5.27. What is not currently clear is what the cost of both assisting those households that can/should remain within Harrow, and assisting those for whom this is not an option to find permanent solutions elsewhere would be. It has been estimated that the financial impact of welfare reform could be between £1m and £3.5m, depending on how much the Council wanted to support its residents, although the feeling is that it is likely to be towards the lower end of this scale.

5.28. The budget for 2013-14 contained extraordinary growth of £1m to meet the changing requirements of welfare reform. Of this amount, just over 20% has been allocated towards funding additional staff to provide the necessary advice and deliver appropriate long-term housing solutions, with the remainder being split between Bed & Breakfast and Housing Needs, the areas where it is felt the pressures will be most keenly felt. In 2014-15 and subsequent years, there is anticipated to be a reduction in the growth requirement by half, with the amount reduced to £0.5m.

5.29. The full impact of welfare reform has yet to be felt within Harrow, partly as a result of the delay in the introduction of the benefit cap, and partly due to the phasing in of direct payment, which may not hit Harrow for some time. Whilst this is the case, we do not feel that there will necessary be any reduction in the total cost to Harrow over time, merely a potential delay in expenditure.

5.30. We now have powers to discharge our homeless duty via an offer of suitable private-sector accommodation, although in common with the problems we are facing elsewhere we are hampered by a shortage of suitable properties and ever-increasing rent levels. For many households, remaining within Harrow permanently is simply not a realistic option, and we have been developing policies to enable us to meet need as it falls due.

5.31. In other areas, some are operating on a business as usual basis, and we are continuing our work to bring empty properties back into use, and working towards finding other innovative solutions to meet housing need and reduce the dependence on use of B & B accommodation. This includes development of an enhanced Private-Sector Leasing offer, with an up-front premium payment to landlords to enter into a (typical) 5-year lease.

5.32. In addition, we are looking at Housing as a whole, and where possible seeking holistic solutions to housing problems. Examples of the type of initiative we are introducing include the Grants to Move scheme below, where we are seeking to free up existing HRA properties to enable us to ultimately reduce B & B use, building new shared-ownership properties to offer to existing tenants to free up existing housing, building new affordable housing within the HRA and potentially looking to develop a new private rented sector offer outside of the HRA, but which could potentially be used to assist us to discharge our homeless duties. A bye-product of this could possibly be a revenue income stream for the GF to help meet spending pressures.

5.33. We are not seeking specific approval for any of the issues mentioned above in respect of the Housing General Fund services as these have already either been approved as part of the MTFS or will be subject approval elsewhere. The inclusion here is to reinforce the fact that the housing service being delivered by Harrow Council is wider than just the provision of housing in the HRA, and that it is important to appreciate that the HRA and HGF are inter-related. Whilst many of the issues relating to each are specific to each part of the service, there is cross-over in a number of areas, and indeed areas where we may be able to help one part of the service through legitimate expenditure in another. Our task is to use the resources we have available to us in innovative ways to deliver the maximum benefit to the service as a whole.

5.34. We feel that have made a start in delivering in this way, and as the business plan is further developed over time, more links will be made in many areas and we will be seen to truly be delivering a joined-up housing service.

6. Performance

Performance management

6.1. The Council has well-developed performance management structures. The Housing Ambition Plan service planning cycle has been established to ensure that all service areas have developed, and are working to, a service plan that reflects corporate priorities. Harrow monitors a number of performance indicators in the Housing Scorecard that relate to the issues raised in this HBP, and those that relate to the long-term objectives presented in Section 3 are outlined in the table below. These are reviewed quarterly by Improvement Board and actions taken to address poor performance where necessary. It is intended that this Plan will positively impact on performance in the long term, for example by supporting the management of the numbers of homeless families in Bed and Breakfast.

Housing Scorecard performance indicators

Performance Indicator	Q4 2012/13 Performance	Q4 Target	Red Amber Green
Tenants satisfaction with overall landlord service	71%	78%	Red: We set challenging targets for satisfaction in 2010. This and the indicator below are measured through a biannual survey (STAR). Overall satisfaction shows a general upward trend in spite of a difficult external environment and is upper/middle quartile benchmarked against London 12/13 STAR results.
Tenants satisfaction with Repairs and Maintenance service	68%	80%	Red: See above commentary. Due to the timing of this survey the impact of the new repairs and maintenance contracts is not fully reflected.
Tenant Satisfaction with repair and maintenance service (independent monthly telephone survey)	92%	95%	Amber: We also monitor satisfaction on a monthly basis and the results from this are very encouraging and reflect more accurately on the current contracts.
Repairs completed in target time – urgent and non urgent	98%	90%	Green: Upper quartile performance
Rent collection and arrears: proportion of rent collected	98.39%	99.25%	Amber: Upper quartile performance against a very ambitious target.
Current tenants arrears	£414k	£350k	Red: Upper quartile performance against a very ambitious target.

Performance Indicator	Q4 2012/13 Performance	Q4 Target	Red Amber Green
Average time taken to relet LA housing	36.3 days	21 days	Red: This has been a problem during 2012/13 for a number of reasons. A new voids process is being implemented for 2013/14.
No of households in B&B at end of quarter	69	100	Green: Numbers were well below original estimate due to effective prevention activity.
Number of affordable homes delivered (gross)	278	275	Green

6.2. The Council is a member of HouseMark and makes use of the benchmarking output it receives to monitor its performance against service delivery and review services as appropriate.

6.3. The delivery of this business plan will also have a positive environmental impact and will contribute to the delivery of the Council's Climate Change Strategy and Delivering Warmer Homes Strategy.

7. Monitoring and Governance

Monitoring Progress

7.1. The Housing Business Plan has been developed to support the delivery of the Housing Strategy (2013-18) objectives, and its action plan will be the key document by which delivery of this business plan will be monitored. We will report progress to the Harrow Federation of Tenants' and Residents' Associations and the Tenants' and Leaseholders' Consultative Forum. Information will also be incorporated into performance indicators and reported to these same groups. We will regularly report progress on those elements of the Action Plan relevant to other corporate activities to appropriate meetings.

7.2. We are committed to working in partnership with tenants to ensure this plan delivers its strategic priorities. Our Resident Involvement Strategy outlines how we will do this. We will obtain feedback from residents in a number of ways, including through:

- Harrow Federation of Tenants' and Residents' Associations
- Harrow's Tenant and Leaseholder Consultative Forum
- Resident surveys as appropriate
- Newsletters, update bulletins and web details
- Consultative events (e.g. tenant and leaseholder events)

7.3. When making policy decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups, as outlined in the Equality Act (2010). Equality Impact Assessments (EqIAs) have been completed on the proposals that underpin this HBP, as detailed in the new suite of Housing Strategies, and helped to inform their development. The impact of the Plan on the protected groups will continue to be monitored throughout its implementation.

Risk management

7.4. It is crucial that we have clear and effective systems to monitor the delivery of this plan and to make and record any decisions to change it. The Council has a robust governance structure and this will ensure that decisions about the business plan are transparent and accountable.

7.5. The new self-financing model presents opportunities to improve the lives of tenants and residents. However, the new way of financing also presents an element of risk, and it is vital that this is minimised for the long-term security of our business and our customers. Our governance arrangements will play a crucial role in managing risks to the business plan. The key risks are considered in the Housing Services Risk Register and include:

- Changing inflation and interest rates (higher interest rates may increase the cost of any future borrowing)
- Impact of welfare reform (which may affect tenants' ability to keep up with rent payments)
- Increasing demand for housing
- Rise in Right to Buy sales or further changes in the available discount (which would lead to a further loss of rental income and a cost associated with building replacement homes)
- The continuing recession (potentially affecting tenants' ability to keep up with rent payments)
- Impact of public and voluntary sector cuts (potentially increasing the level of support needed for vulnerable tenants to maintain their tenancy)

7.6. The overall risk rating for the Housing Revenue Account is currently C3 Amber, which translates as significant likelihood of occurrence (although we have challenged the current classification as we feel this should be "moderate"), but marginal impact. Once the impact of welfare reform has been further assessed, we feel that we will be able to achieve our target of D3 Green, i.e. low likelihood and marginal impact due to the general strength of the HRA cash flows following self financing. Obviously any significant change to the underlying assumptions or the commencement of a substantial programme of new build development within the HRA would require a re-assessment of the risks associated with the HRA.

7.7. Elsewhere within Housing, the majority of the risks identified are either in C3 category or better, with only the potential inability to deliver homelessness activity within budget as a result of welfare reform rated as B2 Red. This is an area that is being kept under close scrutiny, in order that we can take any corrective action where necessary to ensure we can met need from within the budgets available.

Appendix 1

Housing Revenue Account business plan assumptions schedule	
General inflation	2% throughout
Average rent 2013-14	£106.88
Rent increases	Per rent model: Convergence by 2015-16 where possible RPI + 0.5% once convergence reached
Voids	In line with budget assumptions
Bad Debt Provision	2013-14 £300k (£200k 2012-13) 2014-15 £400k 2015-16 & 2016-17 £300k Thereafter 0.96% (c £300k at year 4 prices)
Tenanted service charges	Per rent model: 2013-14 Average £2.74 per week Inflated at RPI + 0.5% (per budget)
Leasehold service charges	2013-14 Average £7.30 per week Inflated at composite rate of 0.7% p.a.(RPI - 1.3%) to year 4 (per budget) Thereafter at RPI only
Facilities charges	£518,872 pa 2013-14 Inflated at RPI + 2.15% to 2015-17 (per budget – in line with assumed increases in costs) RPI plus 0.5% thereafter
Garage rents	£370,500 pa No Inflation assumed (per budget - pending outcome of garage strategy review)
Shops	£261835 pa No inflation currently assumed (per budget)
Halls	£82,310 pa 2013-14 Inflation at RPI only (per budget)
RTB sales	16 per annum to 2016-17 8 per annum thereafter No assumed use of RTB receipts in base model
Other disposals of stock	None currently assumed
Management costs	In line with budget assumptions Inflation in line with budget to 2016-17, RPI only thereafter Cost not currently assumed to have any variable element
Investment in services budget	Proportion of this now in base cost assumptions Remainder assumed one-off costs in line with budget and previous business plan: 2013-14 £572k 2014-15 £474k 2015-16 £459k 2016-17 £443k 2017-18 £750k 2018-19 £750k Assumed cash budgets – no inflation
SSCs	£3,429k 2013-14 Inflation assumed at RPI only in line with budget

Housing Revenue Account business plan assumptions schedule	
Contingency budget	2013-14 £200k No inflation to 2016-17, RPI only thereafter
Rent rebate subsidy limitation	2013-14 c.£50k 2014-15 c.£61k Thereafter nil Arises over short term as a result of increased property values for target rent calculation – timing difference between application of increased target rent on actual rent and limit rent increases
Depreciation	2013-14 £6,103k No inflation assumed to 2016-17 RPI only thereafter NB – this assumption needs reviewing as depreciation calculation for final accounts 2012-13 has amended charge. Anticipated to have neutral impact over medium term as will reduce call on RCCO.
Capital investment expenditure	In line with budget to 2016-17 £8,500k per annum thereafter Inflated at RPI only Cost not currently assumed to have any variable element
Revenue repairs expenditure	In line with budget to 2016-17 £6,623k per annum thereafter Inflated at RPI only Cost not currently assumed to have any variable element
Other capital expenditure	In line with budget assumptions to 2016-17 New initiatives budget currently earmarked for cash incentive “Grants to Move” scheme in line with Commissioning Panel proposals. Inflated at RPI only
New Build	None assumed in base model
Capital Financing	Mainly MRR and RCCO Some s20 receipts in first four years Capital programme fully financed
HRA working balance	Assumed £2,500k in 2013-14 Inflated at RPI only Not adjust for stock numbers Minimum balance exceeded throughout
HRA debt	£149.6m – assumed constant throughout
Interest rate	4.2978% - assumed constant throughout
Interest on balances	0.65% to year 4, 1% thereafter
HRA Balance at year 10	£16,747k
HRA Balance at year 20	£67,728k
HRA Balance at year 30	£167,822k

London Borough of Harrrow
HRA Business Plan
Operating Account

Year	Year	Net rent Income	Other income	Misc Income	RTB Admin	Total Income	Managt.	Depreciation	Responsive & Cyclical	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	Total expenses	Capital Charges	**Net Operating (Expenditure)**	RCCO	**Surplus (Deficit) for the Year**	**Surplus (Deficit) b/fwd**	**Interest**	**Surplus (Deficit) c/fwd**
		Income					**Expenditure**													
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**	£,000	**£,000**	**£,000**	**£,000**	**£,000**
1	2013.14	28,419	1,319	961	46	30,745	(6,813)	(6,103)	(6,261)	(4,114)	(50)	(500)	(23,843)	(6,418)	**485**	0	**485**	**3,469**	**30**	**3,984**
2	2014.15	29,567	1,309	961	46	31,883	(6,842)	(6,103)	(6,429)	(4,036)	(61)	(576)	(24,048)	(6,383)	**1,452**	(1,180)	**272**	**3,984**	**28**	**4,284**
3	2015.16	30,756	1,286	965	46	33,053	(6,982)	(6,103)	(6,544)	(4,026)	0	(500)	(24,155)	(6,369)	**2,528**	(1,720)	**809**	**4,284**	**30**	**5,123**
4	2016.17	31,655	1,321	968	46	33,989	(7,126)	(6,103)	(6,623)	(4,082)	0	(500)	(24,435)	(6,369)	**3,186**	(2,304)	**881**	**5,123**	**37**	**6,041**
5	2017.18	32,118	1,353	987	23	34,480	(7,269)	(6,225)	(6,756)	(4,461)	0	(204)	(24,915)	(6,465)	**3,101**	(2,897)	**204**	**6,041**	**62**	**6,308**
6	2018.19	32,868	1,386	1,006	23	35,282	(7,414)	(6,350)	(6,891)	(4,536)	0	(208)	(25,398)	(6,465)	**3,419**	(3,060)	**360**	**6,308**	**65**	**6,733**
7	2019.20	33,635	1,419	1,025	23	36,103	(7,562)	(6,477)	(7,028)	(3,861)	0	(212)	(25,141)	(6,465)	**4,497**	(2,543)	**1,953**	**6,733**	**77**	**8,763**
8	2020.21	34,420	1,453	1,045	23	36,942	(7,713)	(6,606)	(7,169)	(3,939)	0	(216)	(25,644)	(6,465)	**4,833**	(2,594)	**2,239**	**8,763**	**99**	**11,101**
9	2021.22	35,224	1,488	1,066	23	37,801	(7,868)	(6,739)	(7,312)	(4,017)	0	(221)	(26,157)	(6,465)	**5,180**	(2,646)	**2,534**	**11,101**	**124**	**13,758**
10	2022.23	36,046	1,524	1,088	23	38,681	(8,025)	(6,873)	(7,459)	(4,098)	0	(225)	(26,680)	(6,465)	**5,536**	(2,699)	**2,837**	**13,758**	**152**	**16,747**
11	2023.24	36,887	1,561	1,109	23	39,580	(8,186)	(7,011)	(7,608)	(4,180)	0	(230)	(27,214)	(6,465)	**5,902**	(2,753)	**3,149**	**16,747**	**183**	**20,079**
12	2024.25	37,748	1,599	1,132	23	40,501	(8,349)	(7,151)	(7,760)	(4,263)	0	(234)	(27,758)	(6,465)	**6,278**	(2,808)	**3,470**	**20,079**	**218**	**23,768**
13	2025.26	38,628	1,637	1,154	23	41,443	(8,516)	(7,294)	(7,915)	(4,348)	0	(239)	(28,313)	(6,465)	**6,665**	(2,864)	**3,801**	**23,768**	**257**	**27,825**
14	2026.27	39,529	1,677	1,177	23	42,406	(8,687)	(7,440)	(8,073)	(4,435)	0	(244)	(28,879)	(6,465)	**7,062**	(2,922)	**4,141**	**27,825**	**299**	**32,264**
15	2027.28	40,451	1,717	1,201	23	43,392	(8,860)	(7,589)	(8,235)	(4,524)	0	(249)	(29,457)	(6,465)	**7,471**	(2,980)	**4,491**	**32,264**	**345**	**37,100**
16	2028.29	41,394	1,759	1,225	23	44,401	(9,038)	(7,740)	(8,400)	(4,615)	0	(254)	(30,046)	(6,465)	**7,890**	(3,040)	**4,851**	**37,100**	**395**	**42,346**
17	2029.30	42,360	1,801	1,249	23	45,433	(9,218)	(7,895)	(8,568)	(4,707)	0	(259)	(30,647)	(6,465)	**8,321**	(3,100)	**5,221**	**42,346**	**450**	**48,017**
18	2030.31	43,347	1,845	1,274	23	46,489	(9,403)	(8,053)	(8,739)	(4,801)	0	(264)	(31,260)	(6,465)	**8,764**	(3,162)	**5,602**	**48,017**	**508**	**54,127**
19	2031.32	44,358	1,889	1,300	23	47,569	(9,591)	(8,214)	(8,914)	(4,897)	0	(269)	(31,885)	(6,465)	**9,220**	(3,226)	**5,994**	**54,127**	**571**	**60,692**
20	2032.33	45,391	1,935	1,326	23	48,675	(9,783)	(8,379)	(9,092)	(4,995)	0	(275)	(32,523)	(6,465)	**9,687**	(3,290)	**6,397**	**60,692**	**639**	**67,728**
21	2033.34	46,449	1,982	1,352	23	49,806	(9,978)	(8,546)	(9,274)	(5,095)	0	(280)	(33,173)	(6,465)	**10,168**	(3,356)	**6,812**	**67,728**	**711**	**75,252**
22	2034.35	47,531	2,030	1,379	23	50,963	(10,178)	(8,717)	(9,459)	(5,197)	0	(286)	(33,837)	(6,465)	**10,662**	(3,423)	**7,239**	**75,252**	**789**	**83,279**
23	2035.36	48,639	2,079	1,407	23	52,147	(10,381)	(8,891)	(9,649)	(5,301)	0	(291)	(34,513)	(6,465)	**11,169**	(3,491)	**7,678**	**83,279**	**871**	**91,828**
24	2036.37	49,772	2,129	1,435	23	53,359	(10,589)	(9,069)	(9,842)	(5,407)	0	(297)	(35,204)	(6,465)	**11,690**	(3,561)	**8,129**	**91,828**	**959**	**100,916**
25	2037.38	50,931	2,180	1,464	23	54,598	(10,801)	(9,251)	(10,038)	(5,515)	0	(303)	(35,908)	(6,465)	**12,225**	(3,633)	**8,593**	**100,916**	**1,052**	**110,561**
26	2038.39	52,117	2,233	1,493	23	55,866	(11,017)	(9,436)	(10,239)	(5,625)	0	(309)	(36,626)	(6,465)	**12,775**	(3,705)	**9,070**	**110,561**	**1,151**	**120,782**
27	2039.40	53,331	2,287	1,523	23	57,163	(11,237)	(9,624)	(10,444)	(5,738)	0	(315)	(37,358)	(6,465)	**13,340**	(3,779)	**9,561**	**120,782**	**1,256**	**131,598**
28	2040.41	54,572	2,342	1,553	23	58,491	(11,462)	(9,817)	(10,653)	(5,852)	0	(322)	(38,106)	(6,465)	**13,920**	(3,855)	**10,065**	**131,598**	**1,366**	**143,030**
29	2041.42	55,843	2,399	1,584	23	59,849	(11,691)	(10,013)	(10,866)	(5,970)	0	(328)	(38,868)	(6,465)	**14,516**	(3,932)	**10,584**	**143,030**	**1,483**	**155,098**
30	2042.43	57,142	2,457	1,616	23	61,238	(11,925)	(10,213)	(11,083)	(6,089)	0	(335)	(39,645)	(6,465)	**15,128**	(4,011)	**11,118**	**155,098**	**1,607**	**167,822**

London Borough of Harrrow
HRA Business Plan
Major Repairs and Improvements Financing

		Expenditure								Financing						
Year	Year	Catch up Works	Future Major Repairs	Estate Works	Disabled Adaptations	Exceptional Extensive	New Build Development Costs	Other	Total Expenditure	Borrowing	RTB Receipts	Other	MRR	RCCO	Total Financing	**Check Total ok**
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**
1	2013.14	0	7,377	0	0	0	0	256	7,634	0	0	100	7,534	0	7,634	**0**
2	2014.15	0	7,265	0	0	0	0	261	7,527	0	0	30	6,317	1,180	7,527	**0**
3	2015.16	0	7,561	0	0	0	0	267	7,827	0	0	30	6,078	1,720	7,827	**0**
4	2016.17	0	8,031	0	0	0	0	381	8,412	0	0	30	6,078	2,304	8,412	**0**
5	2017.18	0	8,670	0	0	0	0	555	9,225	0	0	0	6,328	2,897	9,225	**0**
6	2018.19	0	8,843	0	0	0	0	566	9,409	0	0	0	6,350	3,060	9,409	**0**
7	2019.20	0	9,020	0	0	0	0	0	9,020	0	0	0	6,477	2,543	9,020	**0**
8	2020.21	0	9,201	0	0	0	0	0	9,201	0	0	0	6,606	2,594	9,201	**0**
9	2021.22	0	9,385	0	0	0	0	0	9,385	0	0	0	6,739	2,646	9,385	**0**
10	2022.23	0	9,572	0	0	0	0	0	9,572	0	0	0	6,873	2,699	9,572	**0**
11	2023.24	0	9,764	0	0	0	0	0	9,764	0	0	0	7,011	2,753	9,764	**0**
12	2024.25	0	9,959	0	0	0	0	0	9,959	0	0	0	7,151	2,808	9,959	**0**
13	2025.26	0	10,158	0	0	0	0	0	10,158	0	0	0	7,294	2,864	10,158	**0**
14	2026.27	0	10,361	0	0	0	0	0	10,361	0	0	0	7,440	2,922	10,361	**0**
15	2027.28	0	10,569	0	0	0	0	0	10,569	0	0	0	7,589	2,980	10,569	**0**
16	2028.29	0	10,780	0	0	0	0	0	10,780	0	0	0	7,740	3,040	10,780	**0**
17	2029.30	0	10,996	0	0	0	0	0	10,996	0	0	0	7,895	3,100	10,996	**0**
18	2030.31	0	11,216	0	0	0	0	0	11,216	0	0	0	8,053	3,162	11,216	**0**
19	2031.32	0	11,440	0	0	0	0	0	11,440	0	0	0	8,214	3,226	11,440	**0**
20	2032.33	0	11,669	0	0	0	0	0	11,669	0	0	0	8,379	3,290	11,669	**0**
21	2033.34	0	11,902	0	0	0	0	0	11,902	0	0	0	8,546	3,356	11,902	**0**
22	2034.35	0	12,140	0	0	0	0	0	12,140	0	0	0	8,717	3,423	12,140	**0**
23	2035.36	0	12,383	0	0	0	0	0	12,383	0	0	0	8,891	3,491	12,383	**0**
24	2036.37	0	12,631	0	0	0	0	0	12,631	0	0	0	9,069	3,561	12,631	**0**
25	2037.38	0	12,883	0	0	0	0	0	12,883	0	0	0	9,251	3,633	12,883	**0**
26	2038.39	0	13,141	0	0	0	0	0	13,141	0	0	0	9,436	3,705	13,141	**0**
27	2039.40	0	13,404	0	0	0	0	0	13,404	0	0	0	9,624	3,779	13,404	**0**
28	2040.41	0	13,672	0	0	0	0	0	13,672	0	0	0	9,817	3,855	13,672	**0**
29	2041.42	0	13,945	0	0	0	0	0	13,945	0	0	0	10,013	3,932	13,945	**0**
30	2042.43	0	14,224	0	0	0	0	0	14,224	0	0	0	10,213	4,011	14,224	**0**

Input Year Number up to which you require Summary Totals i.e. input 10 for a cumulative total from years 1 to 10

30		**0**	**322,161**	**0**	**0**	**0**	**0**	**2,286**	**324,447**	**0**	**0**	**190**	**235,724**	**88,534**	**324,447**	**0**

London Borough of Harrrow
HRA Business Plan
Operating Account

		Income					**Expenditure**													
Year	Year	Net rent Income	Other income	Misc Income	RTB Admin	Total Income	Managt.	Depreciation	Responsive & Cyclical	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	Total expenses	Capital Charges	**Net Operating (Expenditure)**	RCCO	**Surplus (Deficit) for the Year**	**Surplus (Deficit) b/fwd**	**Interest**	**Surplus (Deficit) c/fwd**
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**	£,000	**£,000**	**£,000**	**£,000**	**£,000**
1	2013.14	28,419	1,319	961	46	30,745	(6,813)	(6,103)	(6,261)	(4,114)	(50)	(500)	(23,843)	(6,418)	**485**	0	**485**	**3,469**	**32**	**3,986**
2	2014.15	29,742	1,309	961	46	32,057	(6,852)	(6,103)	(6,466)	(4,036)	(61)	(576)	(24,096)	(6,383)	**1,579**	(2,121)	**(542)**	**3,986**	**27**	**3,471**
3	2015.16	31,114	1,286	965	46	33,411	(6,993)	(6,103)	(6,581)	(4,026)	0	(500)	(24,203)	(6,369)	**2,838**	(1,720)	**1,119**	**3,471**	**28**	**4,618**
4	2016.17	32,021	1,321	968	46	34,356	(7,137)	(6,103)	(6,661)	(4,082)	0	(500)	(24,483)	(6,369)	**3,504**	(2,304)	**1,199**	**4,618**	**40**	**5,857**
5	2017.18	32,494	1,353	987	23	34,856	(7,279)	(6,225)	(6,795)	(4,461)	0	(204)	(24,965)	(6,465)	**3,427**	(1,722)	**1,705**	**5,857**	**73**	**7,635**
6	2018.19	33,253	1,386	1,006	23	35,667	(7,425)	(6,350)	(6,930)	(4,536)	0	(208)	(25,449)	(6,465)	**3,754**	(3,028)	**726**	**7,635**	**80**	**8,441**
7	2019.20	34,030	1,419	1,025	23	36,497	(7,573)	(6,477)	(7,069)	(3,861)	0	(212)	(25,193)	(6,465)	**4,840**	(2,513)	**2,326**	**8,441**	**96**	**10,863**
8	2020.21	34,825	1,453	1,045	23	37,346	(7,725)	(6,606)	(7,210)	(3,939)	0	(216)	(25,697)	(6,465)	**5,185**	(2,566)	**2,619**	**10,863**	**122**	**13,604**
9	2021.22	35,638	1,488	1,066	23	38,216	(7,879)	(6,739)	(7,355)	(4,017)	0	(221)	(26,211)	(6,465)	**5,540**	(2,620)	**2,921**	**13,604**	**151**	**16,675**
10	2022.23	36,471	1,524	1,088	23	39,105	(8,037)	(6,873)	(7,502)	(4,098)	0	(225)	(26,735)	(6,465)	**5,906**	(2,675)	**3,231**	**16,675**	**183**	**20,089**
11	2023.24	37,322	1,561	1,109	23	40,015	(8,198)	(7,011)	(7,652)	(4,180)	0	(230)	(27,270)	(6,465)	**6,281**	(2,790)	**3,491**	**20,089**	**218**	**23,797**
12	2024.25	38,194	1,599	1,132	23	40,947	(8,362)	(7,151)	(7,805)	(4,263)	0	(234)	(27,815)	(6,465)	**6,667**	(2,849)	**3,818**	**23,797**	**257**	**27,872**
13	2025.26	39,085	1,637	1,154	23	41,900	(8,529)	(7,294)	(7,961)	(4,348)	0	(239)	(28,371)	(6,465)	**7,063**	(2,909)	**4,155**	**27,872**	**299**	**32,327**
14	2026.27	39,998	1,677	1,177	23	42,874	(8,700)	(7,440)	(8,120)	(4,435)	0	(244)	(28,939)	(6,465)	**7,471**	(2,970)	**4,501**	**32,327**	**346**	**37,174**
15	2027.28	40,931	1,717	1,201	23	43,872	(8,874)	(7,589)	(8,282)	(4,524)	0	(249)	(29,518)	(6,465)	**7,890**	(3,032)	**4,858**	**37,174**	**396**	**42,428**
16	2028.29	41,886	1,759	1,225	23	44,893	(9,051)	(7,740)	(8,448)	(4,615)	0	(254)	(30,108)	(6,465)	**8,320**	(3,095)	**5,225**	**42,428**	**450**	**48,103**
17	2029.30	42,864	1,801	1,249	23	45,937	(9,232)	(7,895)	(8,617)	(4,707)	0	(259)	(30,710)	(6,465)	**8,762**	(3,160)	**5,602**	**48,103**	**509**	**54,214**
18	2030.31	43,864	1,845	1,274	23	47,005	(9,417)	(8,053)	(8,789)	(4,801)	0	(264)	(31,324)	(6,465)	**9,216**	(3,227)	**5,990**	**54,214**	**572**	**60,776**
19	2031.32	44,887	1,889	1,300	23	48,099	(9,605)	(8,214)	(8,965)	(4,897)	0	(269)	(31,951)	(6,465)	**9,683**	(3,294)	**6,389**	**60,776**	**640**	**67,804**
20	2032.33	45,934	1,935	1,326	23	49,217	(9,797)	(8,379)	(9,145)	(4,995)	0	(275)	(32,590)	(6,465)	**10,163**	(3,362)	**6,801**	**67,804**	**712**	**75,317**
21	2033.34	47,005	1,982	1,352	23	50,362	(9,993)	(8,546)	(9,327)	(5,095)	0	(280)	(33,242)	(6,465)	**10,655**	(3,429)	**7,226**	**75,317**	**789**	**83,333**
22	2034.35	48,101	2,030	1,379	23	51,533	(10,193)	(8,717)	(9,514)	(5,197)	0	(286)	(33,906)	(6,465)	**11,161**	(3,497)	**7,664**	**83,333**	**872**	**91,869**
23	2035.36	49,222	2,079	1,407	23	52,731	(10,397)	(8,891)	(9,704)	(5,301)	0	(291)	(34,585)	(6,465)	**11,681**	(3,567)	**8,114**	**91,869**	**959**	**100,942**
24	2036.37	50,370	2,129	1,435	23	53,956	(10,605)	(9,069)	(9,898)	(5,407)	0	(297)	(35,276)	(6,465)	**12,216**	(3,639)	**8,577**	**100,942**	**1,052**	**110,571**
25	2037.38	51,544	2,180	1,464	23	55,211	(10,817)	(9,251)	(10,096)	(5,515)	0	(303)	(35,982)	(6,465)	**12,764**	(3,712)	**9,053**	**110,571**	**1,151**	**120,774**
26	2038.39	52,745	2,233	1,493	23	56,494	(11,033)	(9,436)	(10,298)	(5,625)	0	(309)	(36,701)	(6,465)	**13,328**	(3,786)	**9,542**	**120,774**	**1,255**	**131,572**
27	2039.40	53,974	2,287	1,523	23	57,807	(11,254)	(9,624)	(10,504)	(5,738)	0	(315)	(37,435)	(6,465)	**13,907**	(3,862)	**10,045**	**131,572**	**1,366**	**142,983**
28	2040.41	55,232	2,342	1,553	23	59,150	(11,479)	(9,817)	(10,714)	(5,852)	0	(322)	(38,184)	(6,465)	**14,501**	(3,939)	**10,562**	**142,983**	**1,483**	**155,028**
29	2041.42	56,518	2,399	1,584	23	60,524	(11,708)	(10,013)	(10,929)	(5,970)	0	(328)	(38,948)	(6,465)	**15,112**	(4,018)	**11,094**	**155,028**	**1,606**	**167,728**
30	2042.43	57,835	2,457	1,616	23	61,931	(11,943)	(10,213)	(11,147)	(6,089)	0	(335)	(39,727)	(6,465)	**15,739**	(4,098)	**11,641**	**167,728**	**1,735**	**181,105**

London Borough of Harrrow
HRA Business Plan
Major Repairs and Improvements Financing

		Expenditure								Financing						
Year	Year	Catch up Works	Future Major Repairs	Estate Works	Disabled Adaptations	Exceptional Extensive	New Build Development Costs	Other	Total Expenditure	Borrowing	RTB Receipts	Other	MRR	RCCO	Total Financing	**Check Total ok**
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**
1	2013.14	0	7,377	0	0	0	0	256	7,634	0	553	100	6,981	0	7,634	**0**
2	2014.15	0	7,265	0	0	0	6,296	261	13,823	0	2,463	2,318	6,921	2,121	13,823	**0**
3	2015.16	0	7,561	0	0	0	0	267	7,827	0	590	30	5,487	1,720	7,827	**0**
4	2016.17	0	8,031	0	0	0	0	381	8,412	0	603	30	5,474	2,304	8,412	**0**
5	2017.18	0	8,670	0	0	0	0	555	9,225	0	33	0	7,470	1,722	9,225	**0**
6	2018.19	0	8,843	0	0	0	0	566	9,409	0	32	0	6,350	3,028	9,409	**0**
7	2019.20	0	9,020	0	0	0	0	0	9,020	0	30	0	6,477	2,513	9,020	**0**
8	2020.21	0	9,201	0	0	0	0	0	9,201	0	28	0	6,606	2,566	9,201	**0**
9	2021.22	0	9,385	0	0	0	0	0	9,385	0	26	0	6,739	2,620	9,385	**0**
10	2022.23	0	9,572	0	0	0	0	0	9,572	0	24	0	6,873	2,675	9,572	**0**
11	2023.24	0	9,824	0	0	0	0	0	9,824	0	22	0	7,011	2,790	9,824	**0**
12	2024.25	0	10,020	0	0	0	0	0	10,020	0	20	0	7,151	2,849	10,020	**0**
13	2025.26	0	10,221	0	0	0	0	0	10,221	0	18	0	7,294	2,909	10,221	**0**
14	2026.27	0	10,425	0	0	0	0	0	10,425	0	16	0	7,440	2,970	10,425	**0**
15	2027.28	0	10,633	0	0	0	0	0	10,633	0	13	0	7,589	3,032	10,633	**0**
16	2028.29	0	10,846	0	0	0	0	0	10,846	0	10	0	7,740	3,095	10,846	**0**
17	2029.30	0	11,063	0	0	0	0	0	11,063	0	8	0	7,895	3,160	11,063	**0**
18	2030.31	0	11,284	0	0	0	0	0	11,284	0	5	0	8,053	3,227	11,284	**0**
19	2031.32	0	11,510	0	0	0	0	0	11,510	0	1	0	8,214	3,294	11,510	**0**
20	2032.33	0	11,740	0	0	0	0	0	11,740	0	0	0	8,379	3,362	11,740	**0**
21	2033.34	0	11,975	0	0	0	0	0	11,975	0	0	0	8,546	3,429	11,975	**0**
22	2034.35	0	12,215	0	0	0	0	0	12,215	0	0	0	8,717	3,497	12,215	**0**
23	2035.36	0	12,459	0	0	0	0	0	12,459	0	0	0	8,891	3,567	12,459	**0**
24	2036.37	0	12,708	0	0	0	0	0	12,708	0	0	0	9,069	3,639	12,708	**0**
25	2037.38	0	12,962	0	0	0	0	0	12,962	0	0	0	9,251	3,712	12,962	**0**
26	2038.39	0	13,221	0	0	0	0	0	13,221	0	0	0	9,436	3,786	13,221	**0**
27	2039.40	0	13,486	0	0	0	0	0	13,486	0	0	0	9,624	3,862	13,486	**0**
28	2040.41	0	13,756	0	0	0	0	0	13,756	0	0	0	9,817	3,939	13,756	**0**
29	2041.42	0	14,031	0	0	0	0	0	14,031	0	0	0	10,013	4,018	14,031	**0**
30	2042.43	0	14,311	0	0	0	0	0	14,311	0	0	0	10,213	4,098	14,311	**0**

Input Year Number up to which you require Summary Totals i.e. input 10 for a cumulative total from years 1 to 10

30	**0**	**323,616**	**0**	**0**	**0**	**6,296**	**2,286**	**332,198**	**0**	**4,495**	**2,477**	**235,724**	**89,502**	**332,198**	**0**

Appendix 4

Housing: General Fund

Description of Service

Housing General Fund Services comprise of Housing Needs, Partnerships & Strategy, Resident Services (care staff at Watkins House), Travellers' Site and Other General Fund Services.

The teams are responsible for providing advice to prevent homelessness and assisting individuals and families to obtain emergency and temporary accommodation in the private sector; developing co-ordinating and implementing the Council's strategic direction for Housing; providing care service for the elderly tenants at Watkins House; Travellers site management and providing various other administrative functions.

Service Analysis Summary	**2012/13 Net Budget £000**	**2013/14 Net Budget £000**	**2014/15 MTFS £000**
Housing Needs	**2,799**	**3,412**	**2,000**
Partnerships & Strategy	**818**	**397**	**360**
Other General Fund Services	**350**	**2,837**	**2,804**
Watkins House	**462**	**439**	**439**
Travellers Site	**25**	**14**	**14**
Net Budget	**4,454**	**7,099**	**5,617**

Movements from 2012/13 to 2014/15	**£000**	**£000**
Prior year Net Budget	4,454	7,099
Virement/restructuring	-2	
Inflation	17	
Investment	1,044	-1,039
Efficiencies	-582	-443
Terms and Conditions Savings	-42	
Other	599	
SSCs	-790	
Capital financing	2,401	
Net Budget/MTFS estimate	**7,099**	**5,617**

Appendix 4

Description of growth and savings 2013/14	Growth £000	Savings £000	Net Change £000
Bed & Breakfast (B&B) cost	540		540
Staff cost relating to B&B	210		210
Incentive to acquire PSLs	289		289
Employee superannuation	5		5
Inflation -price			0
Expected savings in B&B with grants to release council property		-48	-48
Additional income from PSLs		-240	-240
Revised salary allocation to HRA		-215	-215
Deletion of post		-36	-36
Agency & vacancy factor savings		-34	-34
Terms and conditions change		-42	-42
Travellers' site		-10	-10
	1044	-625	419