

HRA Budget 2015-16 and MTFS 2016-17 to 2018-19 – Expenditure

All figures in £s	Budget 2015-16 Proposed	Budget 2016-17 Proposed	Budget 2017-18 Proposed	Budget 2018-19 Proposed
Operating Expenditure:				
Employee Costs	2,534,950	2,585,010	2,588,060	2,591,150
Supplies & Services	897,490	905,710	914,040	922,470
Utility cost	668,490	677,180	685,980	694,900
Estate & Sheltered Services	2,868,020	2,881,660	2,895,590	2,909,690
Central Recharges	3,484,470	3,529,760	3,575,650	3,622,130
Operating Expenditure	10,453,420	10,579,320	10,659,320	10,740,340
Repairs Expenditure:				
Repairs - Voids	1,076,000	1,089,990	1,104,160	1,118,510
Repairs - Responsive	3,645,500	3,692,890	3,740,890	3,789,520
Repairs – Other	2,054,080	2,061,770	2,069,550	2,077,440
Repairs Expenditure	6,775,580	6,844,650	6,914,600	6,985,470
Other Expenditure:				
Contingency - General	200,000	200,000	200,000	200,000
Investment in Services	200,000	200,000	200,000	200,000
Impairment allowance	300,000	300,000	300,000	300,000
RCCO	0	0	824,860	2,308,040
Affordable Housing	127,970	102,960	104,300	105,660
Grants to Move	162,870	164,580	166,320	168,080
Charges for Capital	6,408,990	6,570,800	6,697,800	6,703,270
Depreciation	6,906,360	6,896,780	6,878,980	6,831,080
Hardship fund	100,000	100,000	100,000	100,000
Other Expenditure	14,406,190	14,535,120	15,472,260	16,916,130
Total Expenditure	31,635,190	31,959,090	33,046,180	34,641,940

Appendix 1 (continued)
HRA Budget 2015-16 and MTFS 2016-17 to 2018-19 – Income

All figures in £s	Budget 2015-16 Proposed	Budget 2016-17 Proposed	Budget 2017-18 Proposed	Budget 2018-19 Proposed
Income				
Rent Income – Dwellings	(28,985,570)	(29,896,430)	(30,694,520)	(31,410,300)
Rent Income – Non Dwellings	(648,330)	(659,400)	(670,910)	(682,880)
Service Charges - Tenants	(1,173,050)	(1,194,230)	(1,213,040)	(1,234,250)
Service Charges – Leaseholders	(566,020)	(567,820)	(569,650)	(571,490)
Facility Charges	(584,310)	(613,530)	(644,210)	(676,420)
Interest	(3,600)	(3,600)	(3,600)	(3,600)
Other Income	(82,560)	(82,560)	(82,560)	(82,560)
Recharge to General Fund	(163,000)	(163,000)	(163,000)	(163,000)
Total Income	(32,207,350)	(33,181,100)	(34,041,600)	(34,824,980)
In Year Deficit / (Surplus)	(572,160)	(1,222,010)	(995,420)	(183,040)
BALANCE brought forward	(4,211,120)	(4,783,280)	(6,005,290)	(7,000,710)
BALANCE carried forward	(4,783,280)	(6,005,290)	(7,000,710)	(7,183,750)

Average Rent & Service Charges

Appendix 2

Description	No. units	2014-15 Total Weekly Charge	2015-16 Rent	2015-16 Service Charge	2015-16 Total	Increase £
Bedsit bungalow	20	£103.40	£103.05	£2.63	£105.67	£2.27
1 Bed bungalow	116	£114.16	£114.46	£2.22	£116.68	£2.51
2 Bed bungalow	25	£129.82	£129.21	£3.46	£132.67	£2.86
Bedsit flat	84	£89.59	£87.61	£3.95	£91.56	£1.97
1 bed flat	1,213	£99.49	£98.20	£3.48	£101.68	£2.19
2 bed flat	819	£113.16	£111.66	£3.99	£115.65	£2.49
3 bed flat	43	£124.64	£122.63	£4.75	£127.38	£2.74
1 bed Maisonette	6	£92.79	£94.43	£0.40	£94.83	£2.04
2 bed Maisonette	51	£112.51	£111.38	£3.61	£114.98	£2.47
3 bed Maisonette	46	£124.91	£123.49	£4.17	£127.66	£2.75
4 bed Maisonette	1	£132.41	£135.32	£0.00	£135.32	£2.91
2 bed Parlour House	34	£124.84	£126.38	£1.21	£127.59	£2.75
3 bed Parlour House	541	£138.10	£139.44	£1.69	£141.14	£3.04
4 bed Parlour House	57	£149.61	£150.54	£2.36	£152.90	£3.29
5 & 6 bed Parlour House	10	£158.72	£161.05	£1.16	£162.21	£3.49
2 bed Non Parlour House	516	£121.67	£122.36	£1.98	£124.35	£2.68
3 bed Non Parlour House	740	£133.34	£134.16	£2.12	£136.28	£2.93
4 bed Non Parlour House	31	£147.32	£147.57	£2.99	£150.56	£3.24
5,6 & 7 bed Parlour House	6	£159.85	£162.23	£1.14	£163.37	£3.52
Sheltered bedsit	55	£90.00	£89.36	£2.62	£91.97	£1.98
Sheltered – other units	501	£97.24	£96.23	£3.15	£99.38	£2.14
Total	4,915	£115.30	£114.97	£2.91	£117.88	£2.58

The average charge during 2014-15 was £115.30 per week comprising £112.45 rent and £2.85 service charge compared to the budgeted £112.43 and £2.85 per week respectively.

The rent increase for 2015-16 is based on the latest Government Guidance which requires rents to increase by the Consumer Prices Index (CPI) plus 1%. This yields an average rent of £114.97 and an average service charge of £2.91 per week, representing an average increase of 2.2%.

Average rents for the additional 50 Phase 1 properties expected to be constructed 2015-16 to 2016-17 (not included in the above table) are expected to be £180.64 per week for the 40 at affordable rent, and £36.06 per week for the 10 shared ownership properties. Average rents for Phase 2 and Purchase & Repair are expected to be £169.89 & £159.43 respectively.

Garages & parking space charges**Appendix 3**

	Current Weekly Rental	Proposed Weekly Rental
	2014-15	2015-16
	£	£
Garages	14.05	14.05
Car Spaces	9.16	9.16

Facility Charges

Appendix 4

Sheltered Block	No. of properties	Current average weekly facility charge (Heating) 2014-15	Proposed average weekly facility charge (Heating) 2015-16 5% increase
Alma Court	30	13.29	13.95
Belmont Lodge	30	13.26	13.92
Boothman House	30	13.26	13.92
Cornell House	30	13.31	13.98
Durrant Court	27	13.26	13.92
Edwin Ware Court	30	11.17	11.73
Goddard Court	30	13.31	13.98
Grahame White House	30	13.31	13.98
Grange Court	30	11.11	11.67
Harkett Court	30	13.26	13.92
Harrow Weald Park 0 Bed	12	9.02	9.47
Harrow Weald Park 1 Bed	19	12.10	12.71
John Lamb Court	32	13.97	14.67
Meadfield	30	13.31	13.98
Sinclair House	27	13.31	13.98
Tapley Court	26	13.26	13.92
Thomas Hewlett House	30	13.31	13.98
Watkins House	43	13.94	14.64
William Allen House	29	12.05	12.65
Resident Warden Accommodation	11	17.99	18.89
Other Non-Sheltered	95	11.72	12.31

Water Charges

Appendix 5

Sheltered Block	No.of flats	Current Range Water Charge 2014-2015		Proposed Range Charge at 4% increase for 2015-2016		Amount of increase	Average Charge 2015-2016	% Increase	Income per Week per Block 2015-2016
		Lower	Higher	Lower	Higher				
Alma Court	30	£4.41	£4.41	£4.59	£4.59	£0.18	£4.59	4.00%	£137.59
Belmont Lodge	30	£4.53	£4.53	£4.71	£4.71	£0.18	£4.71	4.00%	£141.34
Boothman House	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Cornell House	30	£4.62	£4.82	£4.80	£5.01	£0.19	£4.91	4.00%	£147.26
Durrant Court	27	£4.41	£4.88	£4.59	£5.08	£0.19	£4.83	4.00%	£130.43
Edwin Ware Court	30	£3.92	£4.88	£4.08	£5.08	£0.18	£4.58	4.00%	£137.28
Goddard Court	30	£4.53	£4.53	£4.71	£4.71	£0.18	£4.71	4.00%	£141.34
Grahame White House	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Grange Court	30	£3.72	£4.68	£3.87	£4.87	£0.17	£4.37	4.00%	£131.04
Harkett Court	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Harrow Weald Park	31	£3.72	£5.00	£3.87	£5.20	£0.17	£4.53	4.00%	£140.57
John Lamb Court	32	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£155.75
Meadfield	30	£4.62	£4.82	£4.80	£5.01	£0.19	£4.91	4.00%	£147.26
Sinclair House	27	£4.41	£4.41	£4.59	£4.59	£0.18	£4.59	4.00%	£123.83
Tapley Court	26	£4.41	£4.68	£4.59	£4.87	£0.18	£4.73	4.00%	£122.90
Thomas Hewlett House	30	£4.62	£4.62	£4.80	£4.80	£0.18	£4.80	4.00%	£144.14
Watkins House	43	£3.92	£3.92	£4.08	£4.08	£0.16	£4.08	4.00%	£175.30
William Allen House	29	£3.72	£4.68	£3.87	£4.87	£0.17	£4.37	4.00%	£126.67
Total No.of Sheltered Flats	545								£2,540.76
Resident Warden Accommodation	11	£6.45	£6.45	£6.71	£6.71	£0.26	£6.71	4.00%	£73.79
Total Sheltered Flats incl Warden	556								£2,614.54
Other Non-Sheltered	95	£4.62	£4.62	£4.80	£4.80	£0.18	£4.80	4.00%	£456.46

Community Hall and Capacity	Current 2014-15			Proposed 2015-16		
	Charges per first 3 hours block booking then subsequent hourly rate			Charges per hour letting 4% Price Increase		
	Evening Rate	Daytime Rate	Weekend Rate	Evening Rate	Daytime Rate	Weekend Rate
	£	£	£	£	£	£
Augustine Road [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Marsh Road Hall [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Brookside Hall [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Woodlands Hall [max 60]	32.45	16.22	44.30	33.75	16.87	46.07
Churchill Place [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Kenmore Park [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Pinner Hill Hall [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Northolt Road [max 100]	43.26	19.45	54.08	44.99	20.23	56.24

Terms & Conditions associated with Hall lets:

- Lets to Tenants and Residents Associations are free, providing 4 weeks notice is provided.
- Charges shown are exclusive of VAT at 20% and Insurance Premium at 7%
- Day time rates are from 9.00am to 3.30pm
- Commercial lets will be charged at above hourly rates plus 20%.
- Registered Charities will receive a discount of 50% (9.00am to 3.30pm only).
- Block Bookings of 6 months minimum will receive a 25% discount.
- A refundable deposit of £100 against loss or damage will be required by all other users.

Of the 11 community centres, there are a number of premises that are fully let and supported by lease agreements and therefore charges not levied in accordance with the above schedule. These are:

- Methuen Road community centre is fully let to Flash Musicals Youth Theatre group on a lease agreement of £25,000 rent per annum.
- Stone Gardens hall is fully let as a nursery on a lease agreement of £10,000 rent per annum.
- Northolt Road hall is partly let as a nursery on a lease agreement of £5,200 rent per annum.
- Churchill Place hall is partly let as a nursery on a lease agreement of £10,000 rent per annum.

HRA Capital Programme

Appendix 7

Budget Description	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
Internal Works	3,928,120	4,428,120	4,228,120	4,228,120
External Works	2,946,970	1,671,490	2,300,000	2,300,000
M & E	920,000	920,000	920,000	920,000
Garages	61,500	61,500	61,500	61,500
Aids and Adaptations	615,000	615,000	615,000	615,000
Capitalisation Responsive Repairs	142,500	142,500	142,500	142,500
Capitalised Salaries	317,000	317,000	317,000	317,000
Develop Wider Housing Initiatives Pot	256,240	256,240	555,000	555,000
HRA Capital Investment	9,187,330	8,411,850	9,139,120	9,139,120
Affordable Housing Phase 1	5,840,000	1,100,000	1,000,000	-
Purchase & Repair	6,232,000	-	-	-
Affordable Housing Phase 2		1,725,320	5,175,956	-
Total Homes for Harrow	12,072,000	2,825,000	6,175,956	-
Total HRA Capital Programme	21,259,330	11,236,850	15,315,076	9,139,120

The 2015-16 budget includes £1,360,000 re-phrasings relating to the main programme and £1,440,00 for the Affordable housing programme.

LB Harrow has decided to submit a further bid for additional borrowing under the HRA Growth Fund following the success of our first bid. We have bid for borrowing to support the acquisition and development of a further 50 affordable homes as follows:

1. 20 unit Purchase and Repair programme – we have submitted this bid because we want to increase the supply of affordable housing quickly to meet urgent homelessness needs.
2. 30 unit Phase 2 Infill Development Programme – this is similar to our successful bid but looking to bring forward the second phase. We have already completed Stage A designs on some sites and are in the process of commissioning others. Given the stage we are at ideally we would have preferred to bid for these as indicative but have decided to submit a firm bid on the assumption we may need to substitute sites as they are progressed within the cost parameters set out in the bid.

The amount of borrowing we have bid for per unit is significantly higher than for our first bid. In our first bid we approached it as if we were bidding for grant. We are now bidding for the amount of borrowing that we can reasonably support from the rental income stream. This enables us to stretch our other resources further to deliver more homes. The Phase 2 Infill Development Programme includes free land. Both bids are still supported by other HRA resource as well as S106 commuted payments.

In all other respects this bid meets the other criteria set out in the bid documents e.g. the homes will be let at Affordable Rents in accordance with our local policy.

The table below sets out the basis of the bid:

HRA Growth Fund Phase 2							
Units	Type	Acq	Works	Fees	Interest	Total Costs	Per unit
12	1,2,3, bed flats		£ 2,305,575	£ 373,716	£ 34,709	£ 2,714,000	£ 226,167
12	1,2,3, bed flats		£ 2,305,575	£ 373,716	£ 34,709	£ 2,714,000	£ 226,167
3	Houses		£ 597,000	£ 128,745	£ 10,893	£ 736,638	£ 245,546
3	Houses		£ 597,000	£ 128,745	£ 10,893	£ 736,638	£ 245,546
30	New Build		£ 5,805,150	£ 1,004,922	£ 91,204	£ 6,901,276	
20	P & R	£ 5,600,000	£ 400,000	£ 201,000	£ 31,000	£ 6,232,000	£ 311,600
50	Total round 2					£13,133,276	
Funding	New Build					£ 3,600,000	£ 120,000
	P & R					£ 2,000,000	£ 100,000
	Total additional borrowing					£ 5,600,000	
	Other affordable housing resources					£ 7,533,276	
	Total funding					£13,133,276	