

REPORT FOR:**CABINET****Date of Meeting:**

9 February 2012

Subject:

Housing Revenue Account Budget 2012-13 and Medium Term Financial Strategy 2013-14 to 2014-15

Key Decision:

Yes

Responsible Officer:Julie Alderson, Corporate Director of Finance
Paul Najsarek, Corporate Director of Adults & Housing**Portfolio Holder:**Councillor Bill Stephenson, Leader of the Council
Councillor Bob Currie, Portfolio Holder for Housing**Exempt:**

No

Decision subject to Call-in:

Yes

Enclosures:Appendix 1 – HRA Budget 2012-13
Appendix 2 – Average Rents & Service Charges (Tenants)
Appendix 3 – Garage & Parking Space Charges
Appendix 4 – Facility Charges
Appendix 5 – Water charges
Appendix 6 – Community Centre Charges
Appendix 7 – Capital Programme**Section 1 – Summary and Recommendations**

This report sets out the Housing Revenue Account (“HRA”) Budget for 2012-13 and Medium Term Financial Strategy for 2012-13 to 2014-15.

Recommendations:

1) That the Cabinet approves:

- a) the Medium Term Financial Strategy (“MTFS”) for the HRA as detailed in Appendix 1;
- b) An increase garage and car parking rents by 2% as detailed in Appendix 3 (subject to TLRCF consultation)

- c) An increase in energy [heating] charges by 4% from 1 April 2012 as detailed in Appendix 4 (subject to TLRCF consultation)
- d) delegated authority to the Corporate Director of Adults & Housing and Portfolio holder for Housing to consult with leaseholders around increasing the administration fee in relation to the 2012-13 charges and implement any resulting decision.
- e) the introduction of a Major Work Loans Policy for leaseholders (paragraph 39 refers) with authority delegated to the Corporate Directors of Adults & Housing and Finance with their relevant portfolio holders to finalise the detail of the policy.

2) That Cabinet asks Council to approve the Housing Revenue Account budget for 2012-13 (Appendix 1) and in particular to agree to:

- a) Increase rents & service charges by 6.72% on average from 1 April 2012 (as detailed in Appendix 2) resulting in an average weekly charge of £104.82 (average rent £102.14 and average service charge £2.68) (subject to consultation at TLRCF on 30th January, 2012)
- b) The HRA capital programme (as detailed in Appendix 7), and the balance of the £500k s106 monies allocated to extensions for Council homes approved in March 2008 for the financial years 2008-2010 be extended to 31st March 2013.

Reason: (For recommendation)

To publish the final HRA budget and set Council rents and other charges for 2012-13.

Section 2 – Report

Introductory paragraph

The Council has a statutory obligation to agree and publish the HRA budget for 2012-13. The MTFS for 2013-14 and 2014-15 sets out the indicative income and expenditure for the HRA for this period and shows how the income collected will be spent in the management and maintenance of the Council's stock and in meeting its landlord obligations. The MTFS over the further two year period indicates a sustainable position in the medium term, which will be built on in the longer term by the development of the 30 year HRA business plan.

The HRA budget for 2012-2013 is a budget for one year to enable the service to properly analyse, consult and quantify the financial benefits of HRA reform; the policy and financial implications of benefit reform; other coalition changes which are currently the subject of government consultation exercises with a view to presenting a 30 year HRA business plan that takes all of this into account to Cabinet in May 2012.

Background

HRA Reform

Tenant & Resident Feedback

1. In September 2011, the Tenants and Leaseholder Consultative Forum met to consider HRA reform and they made it very clear that the following objectives were important to them:

- Need to invest more in improving the stock
- Need to improve the repairs service
- Need to invest in the service to protect it against the management risks associated with coalition changes
- Need to maintain safe balances
- Need to consider repayment of HRA debt
- They also said they would like to see investment in new affordable housing and that they would like to see rents maintained at an acceptable level (specifically they said they wanted to maintain a positive differential with Registered providers)

Technical Considerations

2. Members will be aware that as a consequence of HRA reform the Council needs to take on additional debt. The exact figure will be notified at the end of January 2012, however our current assessment is that this will be in the region of £89m.
3. The PWLB has offered local authorities preferential rates to take on this additional debt. These rates relate to repayment periods of between 10 and 50 years.
4. The preferred option is to continue to pool the GF and HRA debt, enabling continued flexibility for the Council and fund the additional debt with a 50 year loan. This proposal enables the Council to fulfil the range of objectives that the tenants said were important to them (see paragraph 1 above).
5. The details of the treasury management arrangements arising from HRA Reform are provided in more detail within the Treasury Management Strategy report elsewhere on the agenda. (paragraphs 41-45 refer).
6. TLRCF are meeting on 30th January 2012 to consider proposals around the reforms and the HRA budget and feedback will be reported to Cabinet following that meeting.

Consultation next steps

7. Consultation will take place at TLRCF and is in accordance with legal advice and under s.105 of the Housing Act 1985. The Council is required to maintain arrangements as it considers appropriate to enable secure tenants to be informed and consulted about housing management matters which substantially affect them. However, rent and other charges for facilities are specifically excluded from the definition of housing management, therefore there is no statutory requirement to consult secure tenants on proposed rent changes, However as housing management issues are affected by HRA reform and changes to rents and charges it is considered that there is a duty to consult and this is considered best practice in Harrow.
8. These reforms have provided an excellent platform to help address the immediate housing pressures facing tenants and others in housing need in the borough. Following consultation a communications and engagement plan will be established setting out the way tenants and residents (where appropriate) will be involved in the detailed

development of these proposals. Progress against this will be reported to Cabinet in May 2012.

Budget Assumptions - Income

Dwelling rents

9. The Government policy intends that by the end of 2015-16 similar properties in the same area will have similar rents even if owned by different social landlords. The aim is to deliver fairer rents, and greater transparency and choice for tenants. This is generally referred to as rent convergence, however the introduction of intermediate rents in the comprehensive spending review may alter this position as Registered Social Landlords have increased flexibility to enable new build investment.
10. The rental strategy approved by Cabinet and Council in March 2011, was based on a continuation of Government rent policy which assumes rents will increase annually by no more than RPI + 0.5% real growth + £2. At this time, RPI was assumed at 2.5%.
11. The consequence of maintaining this policy results in an average rent increase of 6.74% in 2012-13, rather than 3.7% as assumed previously. This results in an average rent of £102.14 per week (2011-12 current average £95.69). This will achieve rent convergence for 4,899 (99%) Council dwellings by the target date.
12. Void dwellings will be relet at target rents for new tenants. Rents for existing tenants will gradually move towards convergence based on the formula and maximum rent increase.
13. Detailed below are some of the other increases being considered across London for comparison.

Council	Rent Increases
Harrow	6.74%
A	6.95%
B	7%
C	7.15%
D	7.20%
E	7.40%
F	7.96%
G	8.10%

14. To date there have been no sales under the Right to Buy in 2011-12 and a stock level of 4,965 at the start of April 2012 is assumed. Annual sales of 3 are assumed, although this may change and will need to be revisited once the impact of the consultation changes have been implemented. This is referenced in the risk section of this report in paragraph 50.

Service & Other Charges

15. Tenant Service charges - Tenants who benefit from specific estate based services will pay a charge to the Council on a weekly basis in addition to their weekly rent charge. This service charge will increase by 5.93% on average resulting in an average weekly charge of £2.68 (2011-12 current service charge £2.53), an increase of £0.15 on the current weekly charge.

16. Leaseholders - Currently the costs of the leasehold service (excluding contribution towards estate based costs) total £500k pa. The current charges do not enable these costs to be fully recovered. Cabinet are being asked to delegate authority to officers, with the relevant portfolio holder to discuss with the LSG how charges will be reviewed in order that over time these charges will reflect the true cost. The budget assumes additional income of £55k, however if following consultation this is not possible this will be contained within the 2012-13 HRA budget.
17. Leaseholders will also be charged for improvements which are made to external parts of the building ie; windows, roofs etc. These costs will be dependent on the scheme and the scope of works following consultation in accordance the section 20 process. Cabinet are being asked to introduce a Major Work Loan Policy for leaseholders (see paragraph 39 below).
18. Garages - the charge for garage rents in 2011-12 was held pending a review of the strategy and investment requirements, however whilst some progress has been made it is not possible at this stage to recommend an increase or differential pricing policy for garages. Appendix 3 details the proposed charges for 2012-13 which it is considered should increase by 2%.
19. Sheltered Facility Charges - A special TLRCF meeting in September considered the strategy around facility charges to sheltered tenants, and the overwhelming response was that energy costs should be fully recovered from those tenants who received the service. It was reported that the costs were not calculated on a block specific basis, and that costs associated with some blocks were under recovering, whilst others were over recovering. Current difficulties which prevent individual sheltered tenants from controlling their usage results in an inability to fully recover costs. It is hoped over time that through our future investment plans, improvements can be made to heating systems that will enable this flexibility.
20. In the meantime however, it is proposed to increase these charges by 4% for 2012-13 as detailed in Appendix 4 as the annual energy costs are expected to increase in the region of 10%. Even with this increase, costs will not be fully recovered. There is a wider review of the services provided to sheltered housing tenants in progress, and it is expected that this will address the issues in relation to these charges in making proposals around the service for Member decision.
21. Community Centre Charges - Costs in relation to community centres are now being separately captured, with the exception of associated repair costs and are making a surplus in the region of £26k. It is proposed that these charges should be increased by 2% in 2012-13 and Appendix 6 provides the detail in this respect.

Budget Assumptions – Service issues

Repairs

22. The combined impact of the benefits from HRA reform and efficiencies through the current repairs and maintenance contract will enable additional and much needed investment in this service. This means:
 - a. Investment in a new repairs charter – the details of which are subject to finalisation. Additional investment of £350k is anticipated in this respect in 2012-13. This also includes measures that promote the tenants responsibility and the financial consequences of wilful neglect/damage.
 - b. Investment in a strengthened client function to enable the new repairs and maintenance service to be properly managed

- c. approximately 20,000 response repairs (an increase of 2000 jobs) and approximately 300 voids Can be delivered

23. A void turnaround of 15 days is estimated to be achieved by 2015-16 and will be built into the business plan. In 2012-13 voids are expected to be achieved within 25 days compared with 28 in the current financial year.

Front line services to get closer to the customer

24. HRA reform has enabled provision of £250k to be earmarked to enable tenants to be involved in the development of services that will mitigate the potential negative consequences of benefit reform and potentially increased arrears. This resource will also be used to enhance the services approach to fraud detection to maximise the most appropriate use of council stock.

Resident Engagement

25. The additional resources detailed in paragraph 24 above will also strengthen our support for resident engagement in developing their co-regulation and scrutiny role.

Reducing Pressures on Temporary Accommodation

26. HRA reform has enabled a sum of £1m to be earmarked within the next three years to work with tenants and residents to develop a range of housing related initiatives to directly help mitigate against the increased use of temporary accommodation and other housing related general fund pressures for example, Looked After Children.

Capital Investment

27. Under HRA reform further capital investment in the stock is planned on an annual basis, and will enable the investment requirements of the stock condition data to be fully delivered over the 30 years of the business plan – this is in the region of £211m at today's prices.

28. The MTFs approved by Cabinet in February 2011 envisaged an annual capital programme of £6.160m. The additional resources freed up under the reforms mean that this programme will increase to £7.497m in 2012-13 (to include adaptations to Council properties) and will increase over the term of the MTFs so that the historic backlog of repairs can be achieved much sooner than had originally been anticipated. In the medium term further improvements to Council dwellings and estates are expected, and in the longer term consideration can be directed towards the wider strategic housing requirements. Appendix 6 provides details of the proposed capital programme for 2012-13.

29. New Affordable Housing – The requirement to take on the additional debt as a consequence of HRA reform means that the level of housing debt is likely to be at the cap to be introduced by the Government from 2012-13. This means that the housing service will not be able to borrow new capital to fund much needed affordable housing in the borough. Paragraph 1 above highlights that the tenants felt this was one of their key objectives from HRA reform. In response to this, the Cabinet members are looking at ways (or other creative solutions) that the GF borrowing ability can help the HRA develop a programme of affordable housing.

Bad debt provision

30. Current tenant arrears continue to reduce however, whilst a number of payment arrangements have been agreed for former tenant arrears, these remain high and require a significant level of provision. The welfare benefit changes anticipated part way through 2012-13 are likely to have an impact on arrears, although it is difficult to quantify at this stage. The annual increase in the provision is budgeted to remain at £200k over the term

of the MTFs, although this will be reviewed and modelled as part of the wider Housing reforms to be reported to Cabinet In May 2012. The additional investment detailed in paragraph 24 above will assist in mitigating potential increases in this respect.

Budget Assumptions - Expenditure

Employee Costs

31. The HRA budgets are based on the staffing establishment, and assume pay inflation of 0% in 2012-13, with increases of 2% annually thereafter. A review of GF and HRA staffing costs has taken place to make sure that the costs are appropriately apportioned.

Central Recharges

32. The Council has reviewed its approach to charging for support services. It has used a variety of methods including headcount, time apportionment, and actual service usage to provide its best assessment of an accurate reflection of costs. This has resulted in the HRA receiving an additional charge of £196k.

33. During 2012-13 it is expected that service charters will be developed which will detail services provided. Residents will be involved in reviewing these services to enable them to understand the costs, which will then subsequently enable them to scrutinise the costs.

Capital Charges

34. Paragraphs 2 to 5 above detail the preferred options around the borrowing and treasury management considerations following HRA reform.

35. The combined rate of interest on the debt outstanding will reduce from the 4.59% originally budgeted for 2012-13 to 4.238%. This rate of interest will fluctuate over the term of the HRA business plan, but is expected to reduce in the short term as high rated loans are refinanced with lower cost rates.

36. During the first five years of the business plan, there is no capacity to consider the repayment of debt, unless the refinancing of other loans results in lower borrowing costs and increased balances over that currently estimated which will provide further options.

37. The capital charges also include the HRA share of the Council debt redemption premium and discounts over the next five years.

38. Interest on HRA balances, including the Major Repairs Reserve are expected to be earned at a rate of 0.5% for 2012-13 rising to 2% in 2014-15.

Other Considerations

Major Works Loan Policy

39. In order to support leaseholders to repay the costs of capital works to their properties and to increase the recoverability of costs, the service is proposing the introduction of a Major Work Loan Policy for leaseholders. The policy is intended to offer leaseholders a range of payment options to assist with these bills, particularly in this economic climate. These include payment plans spanning several years dependent on the amount of the works as well as the opportunity for the Council to take a legal charge on the property until it is sold.

40. To minimise the financial risk to the Council its Citizen Advice Bureau partner will be commissioned to undertake affordability assessments on all leaseholders prior to

agreeing any loan. In addition, to ensure impartiality, leaseholders will be advised to seek independent financial advice.

General Contingency

41. In addition to the HRA balances, an annual amount of £200k is set aside to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock. The additional amounts in the contingency provision detailed in Appendix 1 reflect the additional revenue investment referred to in paragraph 22 to 26 above.

Balances

42. HRA Balances are forecast to be £2.4m at the end of March 2012. Subject to tenant consideration of the investment required to deliver the objectives set out in paragraph 2 above, and detailed in Appendix 1, balances at the at the end of March 2013 are expected to be £3.2m.

43. These balances reflect a sensible approach to enable the service to respond to unexpected pressures. It is expected that the levels of balances will increase after year 5 of the business plan. This will enable Members to consider how they would want to use that surplus over and above the minimum requirements, including considerations around debt repayment and further details of this will be provided in the May Cabinet report.

Summary

44. The HRA Budget and MTFFS detailed in Appendix 1 shows a significantly improved position to that reported in February 2011 the majority of which is attributable to the updated rental strategy and additional resources freed up by the reforms. This is an extremely positive position for the Council to be able to report and for tenants enables further investment in the stock and services to positively respond the challenges faced by the service from the coalition changes. These proposals will be the subject of consultation at TLRCF on 30th January.

45. Whilst early indications from the draft business plan indicate that the self financing proposals will allow greater investment in the stock over the term of the business plan, there are a number of policy changes which are currently being modelled to assess the impact on the HRA in the longer term.

46. The operational and financial impact of these changes on the HRA will be reported as part of the Housing policy changes to Cabinet in May 2012.

Financial Implications

47. Financial matters are integral to this report

Performance Implications

48. Detailed performance measures for the HRA will be built into the Service Improvement Plans for 2012-13 and progress will be monitored by Improvement Boards and reported on a quarterly basis.

49. Co-regulation provides residents with the ability to scrutinise performance. Quarterly performance challenge panels currently take place with Harrow Federation of Tenants and Resident Associations (HFTRA). During 2012-13 these processes will be strengthened to increase the accountability of the service to residents.

Risk Management Implications

50. The 2012-13 budget and indicative MTFs are considered robust. There are however key risks around the 30 year business plan which is currently being modelled. These risks are around the potential number of RTB sales that may result following the legislative proposals currently being consulted and the risk around interest rate fluctuations over the term of the business plan. The report around the wider housing policy changes and the draft HRA business plan to be reported to Cabinet in May 2012, will attempt to quantify the potential impact on the HRA following modelling of these sensitivities.

Equalities Implications

51. EQIA's will be carried out and reported to cabinet in May as part of the business plan and new policy proposals.

Environmental Impact

52. The HRA Budget 2012-13 does not include provision to deliver the Council's Climate Change Strategy, pending further analysis of the financial impact and benefits associated with the Council's Housing stock.

Corporate Priorities

53. This report demonstrates how tenants and other residents have been engaged to shape those issues that are really important to their homes and communities.

Section 3 - Statutory Officer Clearance

Name:.....	<input type="checkbox"/>	on behalf of the Chief Financial Officer
Date:		
Name:	<input type="checkbox"/>	on behalf of the Monitoring Officer
Date:		

Section 4 – Performance Officer Clearance

Name:.....	<input type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date:		

Section 5 – Environmental Impact Officer Clearance

--	--	--

Name:.....

Divisional Director
(Environmental Services)

Date:

Section 6 - Contact Details and Background Papers

Contact:

Donna Edwards, Finance Business Partner Adults & Housing
Telephone : 020-8424-1140

Background Papers:

- Report to Cabinet in December 2011 on the HRA Reform and HRA Budget Setting

Appendix 1

HRA Budget 2012-13 and MTFS 2013-14 to 2014-15- Expenditure

	Budget 2012-13 (Feb 2011) £	Budget 2012-13 (latest) £	Budget 2013-14 (proposed) £	Budget 2014-15 (proposed) £
Operating Expenditure:				
Employee Costs	1,466,670	2,105,911	2,026,137	2,025,240
Supplies & Services	639,260	707,360	711,460	713,347
Utility cost (Water & Gas)	679,000	551,007	594,438	641,980
Estate & Sheltered Services	2,774,510	2,207,096	2,345,300	2,513,044
Central Recharges	3,088,770	3,345,714	3,412,628	3,480,880
Operating Expenditure	8,648,210	8,917,088	9,089,963	9,374,491
Repairs Expenditure:				
Repairs - Voids	636,410	689,250	730,000	700,000
Repairs - Responsive	2,744,430	2,436,612	2,578,289	2,747,751
Repairs – Other	2,091,140	2,365,521	2,341,412	2,367,105
Total Repairs Expenditure	5,471,980	5,491,383	5,649,701	5,814,856
Other Expenditure:				
Contingency - General	200,000	1,100,000	1,600,000	1,500,000
Bad or Doubtful Debts	200,000	200,000	200,000	200,000
RCCO	0	0	440,372	1,979,800
Charges for Capital	2,770,420	6,420,024	6,397,124	6,349,444
Depreciation	4,148,000	5,991,190	6,111,000	6,233,200
HRA Subsidy	6,988,350	0	0	0
Total Other Expenditure	14,306,770	13,711,214	14,748,496	16,262,444
Total Expenditure	28,426,960	28,119,685	29,488,160	31,451,791

Appendix 1 (cont'd)

HRA Budget 2012-13 and MTFS 2013-14 to 2014-15 - Income

	Budget 2012-13 (Feb 2011) £	Budget 2012-13 (latest) £	Budget 2013- 14 (proposed) £	Budget 2014- 15 (proposed) £
Income				
Rent Income – Dwellings	-25,397,420	-26,205,980	-27,151,130	-28,129,310
Rent Income – Non Dwellings	-761,970	-691,330	-699,916	-708,636
Service Charges - Tenants	-665,540	-686,121	-703,203	-720,709
Service Charges – Leaseholders	-760,410	-548,550	-556,868	-565,589
Facility Charges (Water & Gas)	-517,320	-515,960	-526,279	-536,805
Interest	-6,120	-4,000	-4,000	-4,000
Other Income	-183,010	-83,000	-83,000	-83,000
Transfer from General Fund	-163,000	-163,000	-163,000	-163,000
Total Income	-28,454,790	-28,897,941	-29,887,396	-30,911,049
In Year Deficit / (Surplus)	-27,830	-778,256	-399,236	540,742
BALANCE brought forward	-2,681,730	-2,422,353	-3,200,609	-3,599,845
BALANCE carried forward	-2,709,560	-3,200,609	-3,599,845	-3,059,103

The 2012-13 HRA budget originally proposed as part of the MTFS reported to Cabinet in February 2011 is shown to identify the key movements to the assumptions previously made and key variations are detailed in paragraph x above.

The 2012-13 HRA budget reflects updated assumptions as detailed in the main body of the report. The MTFS for 2013-14 to 2014-15 details the likely position for future years and will be updated in subsequent budget rounds.

Appendix 2

Average Rent & Service Charges

	Number of Dwellings	2011-12	2012-13			Increase / (decrease)
		Total Weekly Charge	Rent	Service Charge	Total	£
0 Bedsit bungalow	21	£88.23	£91.55	£2.38	£93.93	£5.70
1 Bed bungalow	115	£97.55	£101.82	£2.04	£103.86	£6.32
2 Bed bungalow	25	£112.36	£116.03	£3.18	£119.21	£6.85
0 Bedsit flat	84	£76.37	£77.77	£3.63	£81.41	£5.04
1 bed flat	1224	£84.67	£87.15	£3.19	£90.34	£5.67
2 bed flat	825	£95.59	£98.69	£3.66	£102.35	£6.77
3 bed flat	45	£104.09	£107.83	£4.28	£112.11	£8.02
2 bed Maisonette	53	£95.02	£98.36	£3.35	£101.71	£6.69
3 bed Maisonette	49	£104.45	£108.62	£3.87	£112.49	£8.04
2 bed Parlour House	35	£106.24	£112.12	£1.15	£113.27	£7.03
3 bed Parlour House	545	£117.94	£124.19	£1.55	£125.55	£7.81
4 bed Parlour House	57	£127.78	£134.18	£2.17	£136.35	£8.58
2 bed Non Parlour House	523	£103.80	£108.80	£1.82	£110.62	£6.82
3 bed Non Parlour House	746	£113.07	£118.90	£1.96	£120.85	£7.79
4 bed Non Parlour House	31	£126.21	£131.86	£2.70	£134.56	£8.35
0 bed Sheltered bedsit	55	£78.99	£81.07	£2.40	£83.48	£4.49
1 bed Sheltered flat	490	£83.97	£86.17	£2.87	£89.04	£5.07

The 2011-12 average rents detailed in the above table may not agree to those reported in the Feb 2011 Cabinet report as the rents associated with properties becoming void during 2011-12 will have had their rents moved directly to target rents under government rent restructuring guidelines and to also achieve rent convergence with social housing landlord rents.

Garages & parking space charges**Appendix 3**

	Current Weekly Rental	Proposed Weekly Rental (assuming 2% increase)
	2011/12	2012/13
	£	£
Garages	14.05	14.33
Car Spaces	9.16	9.34

Facility Charges

Appendix 4

Sheltered Block		Current average facility charge (Heating)	Proposed average facility charge (Heating) increase charge by 4%
	No. of Properties	2011-2012	2012-2013
Alma Court	30	10.56	10.98
Belmont Lodge	30	10.53	10.95
Boothman House	30	10.53	10.95
Cornell House	30	10.57	10.99
Durrant Court	27	10.53	10.95
Edwin Ware Court	30	8.85	9.20
Goddard Court	30	10.55	10.97
Grahame White House	30	10.55	10.97
Grange Court	30	8.82	9.17
Harkett Court	30	10.54	10.96
Harrow Weald Park 0 Bed	12	7.14	7.43
Harrow Weald Park 1 Bed	19	9.64	10.03
John Lamb Court	32	11.08	11.52
Meadfield	30	10.57	10.99
Sinclair House	27	10.55	10.97
Tapley Court	26	10.52	10.94
Thomas Hewlett House	30	10.58	11.00
Watkins House	43	11.08	11.52
William Allen House	29	9.58	9.96
Resident Warden Accommodation	11	15.11	15.71
Other Non-Sheltered	95	9.86	10.25

There are also a small number of leaseholders who pay a facility charge for heating. This is charged on their annual service charge notification.

Water Charges

Appendix 5

Sheltered Block	No.of flats	Current Range Water Charge 2011-2012	Proposed Range Water Charge at 2% increase for 2012-2013	Amount of increase	Average Charge per Block 2012-2013	Average Increase Per Block	% Increase
		£	£	£	£	£	
Alma Court	30	4.08	4.16	0.08	4.16	0.08	2.00%
Belmont Lodge	30	4.19	4.27	0.08	4.27	0.08	2.00%
Boothman House	30	4.32	4.41	0.09	4.41	0.09	2.00%
Cornell House	30	4.26 - 4.45	4.35 - 4.54	0.09	4.44	0.09	2.00%
Durrant Court	27	4.08 - 4.51	4.16 - 4.60	0.08 - 0.09	4.38	0.09	2.00%
Edwin Ware Court	30	3.63 - 4.51	3.70 - 4.60	0.07 - 0.09	4.15	0.08	2.00%
Goddard Court	30	4.19	4.27	0.08	4.27	0.08	2.00%
Grahame White House	30	4.32	4.41	0.09	4.41	0.09	2.00%
Grange Court	30	3.44 - 4.32	3.51 - 4.41	0.07 - 0.09	3.96	0.08	2.00%
Harkett Court	30	4.32	4.41	0.09	4.41	0.09	2.00%
Harrow Weald Park	31	3.44 - 4.63	3.51 - 4.72	0.07 - 0.09	4.21	0.08	2.00%
John Lamb Court	32	4.32	4.41	0.09	4.41	0.09	2.00%
Meadfield	30	4.26 - 4.45	4.35 - 4.54	0.17 - 0.18	4.44	0.09	2.00%
Sinclair House	27	4.08	4.16	0.08	4.16	0.08	2.00%
Tapley Court	26	4.08 - 4.32	4.16 - 4.41	0.08 - 0.09	4.30	0.08	2.00%
Thomas Hewlett House	30	4.26	4.35	0.09	4.35	0.09	2.00%
Watkins House	43	3.63	3.70	0.07	3.70	0.07	2.00%
William Allen House	29	3.44 - 4.32	3.51 - 4.41	0.07 - 0.09	3.96	0.08	2.00%
Total No.of Sheltered Flats	545						
Resident Warden Accommodation	11	5.96	6.08	0.12	6.08	0.12	2.00%
Total Sheltered Flats including Warden	556						
Other Non-Sheltered	95	4.26	4.35	0.09	4.35	0.09	2.00%

Annual water charges are based on notified amounts from Veolia Water. Annual increases from April 2012 have not yet been notified however, average increases have been 2%. Charges will be levied once notified.

	Current 2011-2012			Proposed 2012- 2013		
	Charges per first 3 hours block booking then subsequent hourly rate			Charges per hour letting with 2% price increase		
Hall and Capacity						
	Evening Rate	Daytime Rate	Weekend Rate	Evening Rate	Daytime Rate	Weekend Rate
Augustine Road [max 30]	20	10	30	20.40	10.20	30.60
Each Extra Hour	20	10	30	20.40	10.20	30.60
Marsh Road Hall [max 30]	20	10	30	20.40	10.20	30.60
Each Extra Hour	20	10	30	20.40	10.20	30.60
Brookside Hall [max 30]	20	10	30	20.40	10.20	30.60
Each Extra Hour	20	10	30	20.40	10.20	30.60
Woodlands Hall [max 60]	30	15	40	30.60	15.30	40.80
Each Extra Hour	30	15	40	30.60	15.30	40.80
Churchill Place Hall [max 100]	40	18	50	40.80	18.36	51.00
Each Extra Hour	40	18	50	40.80	18.36	51.00
Kenmore Park Hall [max 100]	40	18	50	40.80	18.36	51.00
Each Extra Hour	40	18	50	40.80	18.36	51.00
Pinner Hill Hall [max 100]	40	18	50	40.80	18.36	51.00
Each Extra Hour	40	18	50	40.80	18.36	51.00
Northolt Road Hall [max 100]	40	18	50	40.80	18.36	51.00
Each Extra Hour	40	18	50	40.80	18.36	51.00

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 10 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.

	2012-13 No. of properties	2011-12 £	2012-13 £	2013-14 £	2014-15 £
Capitalised salaries	-	310,000	310,000	317,750	326,000
Contingency	-	50,000	-	-	-
Major voids	30	50,000	75,000	76,870	78,800
Kitchens including rewiring	200 300	625,000 500,000	800,000 700,000	820,000 717,500	842,000 736,000
Bathroom including rewiring	1,000 100	625,000 500,000	500,000 250,000	512,500 256,250	525,000 263,000
Health & Safety programme	300 40	900,000 480,000	2,352,350 400,000	2,411,160 512,500	2,672,000 525,320
Gas heating programme	120 200	300,000 700,000	300,000 50,000	307,500 51,250	315,220 52,550
Enveloping programme	70	500,000	200,000	205,000	210,130
Door entry upgrade/renewal	5 7	25,000 -	25,000 50,000	25,630 51,250	26,300 52,530
Lifts	5	250,000	350,000	256,250	262,660
Digital TV aerials	120	250,000	275,000	281,880	288,920
Electric night storage heating	60 120	100,000 30,000	125,000 60,000	128,100 61,500	131,330 63,040
Water tank replacement	100	600,000	600,000	615,000	630,400
Sheltered warden voids	-	-	75,000	76,870	78,800
Structural issues / drainage	- 300	- -	- 1,500,000	256,240 -	262,000 -
Boiler replacement programme	-	(635,000)	-	-	-
Partial heating upgrade Garages					
Aids & Adaptations Capitalisation – response repairs					
Develop wider Housing initiatives					
Carried Forward					
Less : overprogramming					
Council Funded expenditure	3,175	6,160,000	8,997,350	7,941,000	8,342,000
Grant funded Extensions	3	200,000	200,000	-	-
Total HRA Capital Programme	3,175	6,360,000	9,197,350	7,941,000	8,342,000