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**Title:** Housing Revenue Account and Housing Capital Programme

**Report of:** Managing Director

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### **Purpose of Report**

1. To inform the Board of the Cabinet's proposals made on 21 January 2014 on the:-
  - Housing Revenue Account (HRA) for 2014/15
  - proposed rent increase from 1 April 2014, in line with Government's policy on rent restructuring
  - detailed proposals for fees and charges and the proposed Housing Capital Programme for the next five years (2014/15 to 2018/19).
2. The Cabinet report was subsequently approved by Full Council on 6 February 2014. A copy of the Cabinet report is attached as Appendix 1.

### **Background**

3. The Housing Capital Programme is developed as a rolling programme funded by revenue raised from rental income. The detailed programme for the next five years (2014/15 to 2018/19) is attached at Appendix 1.
4. The Housing Revenue income and expenditure Account for 2014/15 is set out in Appendix 2 which includes:-
  - An increase in the average weekly rent of 6.38%, in accordance with the Government's prescribed formula, giving an average rent increase of £4.73 from £74.12 to £78.85 per week (over 50 weeks).
  - The Management Fee for The Gateshead Housing Company to carry out its functions on behalf of the Council.
5. Appendix 3 sets out the details where fees and charges are levied over and above the basic rent.
6. The allocation of resources from the HRA to support a Capital Programme for the next five years (2014/15 to 2018/19) is set out at Appendix 4.

7. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and improve the housing stock in the future.

### **Link to values**

8. This report is in line with the following values of the company: -
  - Being honest, accountable and transparent
  - Being motivated trained, and committed across the company.

### **Impact on tenants**

9. A total of 66% of Council tenants receive Housing Benefit.
10. A number of the Council charges for services are eligible for housing benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, and caretaking.
11. The Cabinet report proposes no increases to the charges in relation to Sheltered and Older People's accommodation (except the increase in cleaning charge) pending a review on the current service charges.
12. Tenants will be notified of the rent increases by 10 March 2014 with rent increases taking place from 7 April 2014.

### **Risk Management Implications**

13. Regular and accurate monitoring will ensure that that the strategic risk within the HRA business plan (Insufficient available financial resources) is effectively controlled.
14. Welfare reform continues to be one of the most significant risks to the HRA in terms of sustainability and work continues to mitigate the impact.

### **Financial Implications**

15. To protect the Council in a self-financing regime a minimum level of balance for the HRA of £3m was approved by Council in February 2012 and it is proposed that this level remains in place.
16. Although it is projected that the HRA reserve will stand at £18.893m as at the end of March 2015 the impact of welfare reform and other pressures including the impact of the Right to Buy will deplete this reserve in coming years.
17. The current assumptions and projections in the 30 year HRA business plan are that this minimum balance will be reached by 2018/19 and the HRA will no longer have reserves to the level held currently. The HRA business plan and the assumptions contained within will be kept under regular review.
18. The Council remains at its debt cap of £345.505m (as set by Central Government at the start of self-financing).

### **Equality and Diversity Implications**

19. There are no equality or diversity implications arising from this report.

### **Value for Money implications**

20. Regular financial monitoring and control will ensure efficiencies are maximised and then utilised in the most appropriate manner.

### **Health implications**

21. There are no health implications arising from this report.

### **Environmental implications**

22. There are no environmental implications arising from this report.

### **Consultation carried out**

23. Tenants have assisted in the setting of next year's budget which provides a link from the company's strategic objectives to our tenant's priorities via this financial framework.

### **Recommendation**

24. The Board is asked to note the Council's approval of the Housing Revenue Account for 2014/15 and Housing Capital programme up to 2018/19.

**TITLE OF REPORT:** Housing Revenue Account and Housing Capital Programme

**REPORT OF:** Darren Collins, Strategic Director – Finance and ICT  
David Bunce, Strategic Director – Community Based Services

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve:
  - the Housing Revenue Account (HRA) for 2014/15
  - the proposed rent increase from 1 April 2014, in line with Government's policy on rent restructuring
  - the detailed proposals for fees and charges
  - the proposed Housing Capital Programme for the next five years (2014/15 to 2018/19).

### **Background**

2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account. Part of setting the HRA budget includes the consideration of possible rent increases as the Council is required to set rents at a level that sustains the HRA.
3. Historically the Council has followed Government guidelines and formula to set the rent level and this report recommends that this continues for the next financial year. The self-financing model assumes that if the Government formula is followed then the housing stock can be sufficiently maintained. Following Government guidance will also ensure that rents remain within the rent limit cap that Central Government has set. Rent increases above this cap would result in the Council losing housing benefit subsidy.
4. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the programme for the next five years (2014/15 to 2018/19) is included in this report. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
5. Welfare reform continues to be one of the most significant risks to the HRA in terms of sustainability and work continues to mitigate the impact.

## Proposals

6. The proposed Housing Revenue Account for 2014/15 is set out in Appendix 2 which includes;
- An increase in the average weekly rent of 6.38%, in accordance with the Government's prescribed formula, giving an average rent increase of £4.73 from £74.12 to £78.85 per week (over 50 weeks).
  - The need to provide for a Management Fee for The Gateshead Housing Company to carry out its functions on behalf of the Council.
  - The following proposals for fees and charges (details set out in Appendix 3);
    - An increase in energy charges of 3.2% (RPI as at September 2013). Energy prices have increased significantly over the last few years and there has been no increase in the charge for heating or electricity since 2009/10.
    - An increase in the charges for outside use of communal lounges and guest rooms in older people's accommodation, also of 3.2% in line with inflation.
    - An increase in charges that are historically different for tenants receiving the same service that will be increased incrementally for those tenants paying the lower charge. These stepped increases relate to cleaning services which are housing benefit eligible; of the 374 tenants who will be affected by these increases 257 of these currently receive housing benefit and will therefore not pay this increase themselves. For those tenants who would be required to pay for the service the increase equates to between £14.50 and £37.00 per year (per week this is 29p and 74p respectively).
    - An increase to full cost of charges that are incurred by the Council in relation to furniture packages.
    - No increases to charges in relation to Sheltered and Older People's accommodation (except the increase in the stepped cleaning charge, mentioned above) pending a review on the current service charges.
7. The proposed allocation of resources from the HRA to support a Capital Programme for the next five years (2014/15 to 2018/19) is set out at Appendix 4, these proposals include;
- A Housing Capital Programme totalling £112m over five years, which will be kept under regular review by Cabinet.

## Recommendations

8. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2.
  - (ii) The average weekly rent increase of 6.38% from 1 April 2014.

- (iii) The fees and charges schedule as detailed in Appendix 3.
- (iv) The Housing Capital Programme for the five years 2014/15 to 2018/19 as set out in Appendix 4.

For the following reasons:

- (i) To set a Housing Revenue Account for 2014/15 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to Housing Strategy in order to maintain and enhance Council Housing Provision in Gateshead.

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**CONTACT:** Deborah Minns extension 3633

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## **THE HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL PROGRAMME**

### **Policy Context**

1. The proposals are consistent with Vision 2030, and in particular support “Sustainable Gateshead”.

### **Review of HRA**

2. In order to facilitate decision making and strategically plan for Housing in the future the Council is updating its 30 year HRA Business plan. This plan considers the long term future of the housing stock alongside the short term plans. The plan contains information on estimates regarding the level of capital investment (including estate regeneration and maintaining decency), the anticipated levels of voids and right to buy sales and also the assumed level of income from rents and service charges. It also includes a provision for the Gateshead Housing Company’s management fee and plans around borrowing and repaying debt in the future. The HRA has £82m worth of loans maturing in the next five years.
3. The main changes in the variances between the estimated and expected 2013/14 figures in the HRA (Appendix 2) relates to the required transfer of revenue resources to fund the Capital Programme. This revenue contribution to capital has reduced by £3.3m due to slippage within the capital programme to future years. The impact on the HRA balance is that it increases in the short term but will be depleted in future years when the schemes, that have slipped, are complete. Borrowing costs have also decreased due to refinancing of £20m of loans on maturity. The Council remains at its debt cap of £345.505m (as set by Central Government at the start of self-financing).
4. The main changes in the estimated projections in the HRA for 2014/15 (also Appendix 2) is the increase in income due to the level of rent increases, increases in expenditure due to voids and a larger revenue contribution as a result of maintaining the proposed level of investment in the Housing Capital Programme (detailed in Appendix 4).
5. Although it is projected that the HRA reserve will stand at £18.893m as at the end of March 2015 the impact of welfare reform and other pressures (including schemes that have slipped from previous years) arising from the Housing Capital Programme will deplete this reserve in coming years.
6. To protect the Council in a self financing regime a minimum level of balance for the HRA of £3m was approved by Council in February 2012. It is proposed that this level remains in place. The current assumptions and projections in the 30 year HRA business plan is that this minimum balance will be reached by 2018/19 and the HRA will no longer have reserves to the level held currently. This plan and the assumptions contained within will be kept under regular review and will be subject to a separate report.

## Rent Convergence and Proposed Rent Increase

7. Using the Government prescribed calculations the proposed average rent increase for 2014/15 is 6.38% (£4.73 per week to £78.85 per week over 50 weeks).
8. This increase is comparable with other proposed rents across Tyne and Wear; Newcastle 5.62%, North Tyneside 6.31%, South Tyneside 6.37% and Northumberland 6.7%.
9. The current calculation is to uplift current rents using Retail Price Index (RPI as at September 2013 of 3.2%) + ½%. This rent figure is known as formula rent.
10. It was the government's intention that this rent increase was to run until 2015/16 allowing local authority rents to be comparable (i.e. converge) with Registered Social Landlords (RSLs) by the 31<sup>st</sup> March 2016.
11. The Government's has recently issued a consultation paper "Rents for Social Housing from 2015-16". The consultation document proposes to change the criteria used to set rents from April 2015 (1 year earlier than expected) and has effectively removed the £2 element of the calculation which allowed for convergence with RSL rents.
12. The majority of the Council's rents are lower than formula rent. These assumptions have been included in the 30 year plan and the impact is that approximately 16,200 properties will not have converged by 2015/16.
13. The rent consultation paper proposes that from 1 April 2015 rents increases will be based on CPI +1%, with no element for convergence. This proposal will also be considered in next year's Cabinet report to set rents.
14. Under the self-financing regime, the Government calculated the resources required to maintain our housing stock over 30 years. The rental income required was based upon a prescribed calculation (including convergence) which means that lower rent increases may jeopardise the Council's ability to maintain the current housing stock in Gateshead. The rent proposals for 2014/15 include convergence, however, the removal of convergence from 2015/16 will have a significant impact on the HRA in future years and this will continue to be reviewed. The Council does have the freedom to raise rents higher than the Government prescribed formula.
15. At present Gateshead has two rent-free weeks at Christmas to help customers meet seasonal costs whilst avoiding falling into rent arrears. It is proposed that this arrangement continues in 2014/15. If the average rent were to be paid over 52 weeks it would be £77.08 per week rather than £78.85.



## **Fees and Charges**

16. Rent restructuring does not provide for the recovery of any fees and charges and these charges are calculated separately. They are charged on the rent account but are shown as a separate clearly defined item.
17. There are different types of fees and charges in the HRA some of which are mandatory; such as energy costs and services such as sheltered scheme officers, caretaking, cleaning and concierge and some are discretionary (i.e. the tenant has a choice to take up the service; such as leased furniture packages, gardening and garages). Out of the circa 20,000 council tenants, approximately 9,500 receive some form of service charge.
18. Fees and Charges for Housing currently generate approximately £2.6m but this is after concessions of £1.3m that are given to tenants in relation to sheltered scheme officers and care call.
19. A total of 66% of Council tenants receive Housing Benefit and a number of the Council charges for services are eligible to housing benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and Sheltered Scheme Wardens. The majority of the proposed increases are either eligible for Housing Benefit or are a discretionary charge, except energy increases which are increased with inflation only and do not currently cover the full cost of the actual energy charge that the Council pays on the tenants behalf.
20. The Council also offers the use of the communal area and guest rooms in sheltered schemes and discretionary fees and charges are set for these also.
21. Under self financing there are no restrictions as to the level of fees and charges that can be levied to tenants. However the guidance from Central Government is that fees and charges should be recovered in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for.
22. The proposals included in this report for increases in fees and charges, consider equity across tenants and are a move towards tenants paying in full for services and charges that relate directly to them e.g. personal energy bills and the cost of personal furniture packages.
23. The proposals bridge the gap between different charges to tenants for the same service, where the only reason for the difference in charge is the date of tenancy; these proposals increase the cost of cleaning for tenants paying a lower charge.
24. The proposed increases do not recover the full cost of certain charges; such as energy costs. However, given the impact on welfare reform on tenants' full cost recovery is not being proposed at this time.

## **Housing Capital Programme 2014/15 to 2018/19**

25. As part of the self-financing process, it is important to balance the capital expenditure needs with the resources that are available within the HRA.
26. Council approved a five year Housing Capital Programme for the period 2013/14 to 2017/18 on 25<sup>th</sup> January 2013. This programme is subject to ongoing review to ensure that the planned investment remains to be a high priority and can be supported by the resources available within the HRA.
27. The planned schemes identified within the existing Housing Capital Programme can continue to be supported. However, resources on a number of schemes have been re-profiled to reflect the progress that has been made to date and revised delivery timescales.
28. In addition, the level of resources required to complete the committed estate regeneration projects has been reduced as a result of the generation of project savings and through the removal of contingency sums that are not required as the schemes progress. It is proposed that these resources are allocated to meet other priorities within the HRA capital programme including the acceleration of the delivery of the window replacement programme.
29. Over the next five years it is estimated that over £112m will be available to support capital investment within the HRA. This level of investment is funded from the Major Repairs Reserve through a combination of the depreciation charged each year to the HRA and using additional voluntary HRA revenue contributions where possible. The depreciation charge is met from rental income in the HRA; therefore the Housing Capital Programme is effectively funded via rental income.
30. The following principles continue to be applied to assist in prioritising capital investment within the HRA:
  - Health and safety, safeguarding and statutory requirements;
  - Maintaining decent homes;
  - Window replacement;
  - Reducing fuel poverty; and
  - Estate regeneration.
31. The Housing Capital Programme continues to include a phased programme of investment to maintain decent homes. This investment programme is fluid and is subject to ongoing review which is informed by the outputs from stock condition surveys. At this stage it is envisaged that over the next five years the works relating to maintaining the decent homes standard will include:
  - Boiler replacements and work to heating distribution systems (£22m);
  - Roof replacements (£21m);
  - External works (£10m);
  - Electrical improvements (£5m);
  - Kitchen replacements (£5m); and
  - Bathroom replacements (£5m).

32. Opportunities continue to be explored to utilise maintaining decency resources to attract external funding, such as ECO funding, to undertake additional stock improvements and energy efficiency improvements. These works help to increase the sustainability of the Council's housing stock whilst ensuring the HRA is not required to meet the full cost of the scheme given the constraints on the resources within the HRA.
33. The proposed Housing Capital Programme for the period from 2014/15 to 2018/19 is set out in Appendix 4. The future allocations will continue to be reviewed regularly to reflect the progress on committed projects and the availability of resources within the HRA to support capital investment.

### **Next Steps**

34. In order to assess the full impact of housing reform the Council continues to develop the 30 year HRA business plan. The plan will take into account factors mentioned in this report such as income from rents, decisions regarding repayment of debt, the Housing Capital Programme provision, a minimum HRA reserve of £3m and the impact of welfare reform on rent collection. The model will be the subject of a future report.
35. Fees and charges to be further reviewed during financial year 2014/15 to consider the impact of welfare reform and equity across all tenants.

### **Consultation**

36. Consultation has taken place with the Cabinet Member for Housing and The Gateshead Housing Company.

### **Alternative Options**

37. There are no alternative options proposed.

### **Implications of Recommended Options**

#### **38. Resources**

- a) **Financial Implications** – The Strategic Director, Finance and ICT, confirms that the financial implications are reflected in Appendices 1, 2, 3 and 4.
- b) **Human Resources Implications** – Nil.
- c) **Property Implications** – Nil.

39. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its housing stock from the rents collected. The 30 year HRA business plan is being updated to enable this to be monitored and to ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.

40. **Equality and Diversity Implications** – Nil

41. **Crime and Disorder Implications** – Nil

42. **Health Implications** – Nil
43. **Sustainability Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and ensure sustainable use of the Council’s resources in delivering corporate priorities.
44. **Human Rights Implications** – Nil
45. **Area and Ward Implications** – All wards will be affected by the proposals in this report.

### **Background Information**

DCLG rent consultation December 2013

The Housing Revenue Account Self Financing Determinations February 2012.

**Housing Revenue Account Income and Expenditure Account**

|   | Estimate<br>2013/14<br>£'000 | Expected<br>Outturn<br>2013/14<br>£'000 | Estimate<br>2014/15<br>£'000 |
|---|------------------------------|---|------------------------------|
| <b>Income</b>   |                              |   |                              |
| Dwelling rents (gross)                                | (73,355)                     | (72,826)                                | (76,823)                     |
| Non-dwelling rents (gross)                            | (1,464)                      | (1,322)                                 | (1,354)                      |
| Charges for services and facilities                   | (2,599)                      | (3,175)                                 | (2,733)                      |
| Leaseholders charges for services and facilities      | (290)                        | (251)                                   | (266)                        |
| Contribution towards expenditure                      | (875)                        | (980)                                   | (935)                        |
|   | <u>(78,583)</u>              | <u>(78,554)</u>                         | <u>(82,111)</u>              |
| <b>Expenditure</b>                                    |                              |   |                              |
| Repairs and Maintenance                               | 18,203                       | 17,667                                  | 17,396                       |
| Supervision and Management                            | 23,203                       | 24,243                                  | 26,593                       |
| Increased provision for bad and doubtful debts        | 500                          | 500                                     | 500                          |
| Debt management expenses                              | 345                          | 345                                     | 345                          |
| Depreciation  | 13,125                       | 13,125                                  | 13,453                       |
|   | <u>55,376</u>                | <u>55,880</u>                           | <u>58,287</u>                |
| <b>Net Surplus on HRA Services</b>                    | <b>(23,207)</b>              | <b>(22,674)</b>                         | <b>(23,824)</b>              |
| Interest on borrowing                                 | 17,718                       | 17,643                                  | 16,844                       |
| HRA investment income                                 | (148)                        | (148)                                   | (138)                        |
| <b>(Surplus)/Deficit for the year on HRA services</b> | <b>(5,637)</b>               | <b>(5,179)</b>                          | <b>(7,118)</b>               |
| Appropriations  |                              |   |                              |
| Depreciation  | (13,125)                     | (13,125)                                | (13,453)                     |
| Major Repairs Reserve                                 | 13,125                       | 13,125                                  | 13,453                       |
| Revenue contribution to capital                       | 6,886                        | 3,558                                   | 7,897                        |
| Amortised premiums and discounts                      | 1                            | 1                                       | 1                            |
| <b>Net Operating Position</b>                         | <b>1,250</b>                 | <b>(1,620)</b>                          | <b>780</b>                   |
| Opening HRA balance                                   | <b>18,053</b>                | <b>18,053</b>                           | <b>19,673</b>                |
| Closing HRA balance                                   | <b>16,803</b>                | <b>19,673</b>                           | <b>18,893</b>                |
| HRA Reserve movement in year                          | <b>1,250</b>                 | <b>(1,620)</b>                          | <b>780</b>                   |

## Housing Revenue Account, Fees and Charges 2014/2015

| SERVICES   | VAT | CURRENT CHARGE 2013/14<br>£ per week | PROPOSED CHARGE 2014/15<br>£ per week | Increase<br>£ | COMMENTS                |
|--|-----|--------------------------------------|---------------------------------------|---------------|-------------------------|
| <b>WARWICK COURT MULTI STOREY</b>                              |     |                                      |                                       |               |                         |
| <u>Gas Heating</u>   |     |                                      |                                       |               |                         |
| Bed-sit  | O/S | 3.56                                 | 3.67                                  | 0.11          | 3.2% Inflation Increase |
| One Bed Flat   | O/S | 5.23                                 | 5.40                                  | 0.17          | 3.2% Inflation Increase |
| <u>Repairs &amp; Maintenance of Communal Areas</u>             |     |                                      |                                       |               |                         |
| Bed-sit  | O/S | 2.97                                 | 3.07                                  | 0.10          | 3.2% Inflation Increase |
| One Bed Flat   | O/S | 2.97                                 | 3.07                                  | 0.10          | 3.2% Inflation Increase |
| <b>EAST ST FLATS</b>   |     |                                      |                                       |               |                         |
| <u>Gas Heating &amp; Hot Water</u>                             |     |                                      |                                       |               |                         |
| Bed-sit  | O/S | 6.25                                 | 6.45                                  | 0.20          | 3.2% Inflation Increase |
| One Bed Flat   | O/S | 7.94                                 | 8.20                                  | 0.26          | 3.2% Inflation Increase |
| Two Bed Flat   | O/S | 9.50                                 | 9.80                                  | 0.30          | 3.2% Inflation Increase |
| Three Bed Flat   | O/S | 11.15                                | 11.51                                 | 0.36          | 3.2% Inflation Increase |
| <b>ANGEL COURT EXTRA CARE SCHEME</b>                           |     |                                      |                                       |               |                         |
| Gas & Electric   | O/S | 7.63                                 | 7.87                                  | 0.24          | 3.2% Inflation Increase |
| <u>Communal Facilities</u>                                     |     |                                      |                                       |               |                         |
| Maintenance of Communal Areas - Flats                          | O/S | 8.74                                 | 10.23                                 | 1.49          | Full cost recovery      |
| Maintenance of Communal Areas - Bungalows                      | O/S | 1.38                                 | 1.61                                  | 0.23          | Full cost recovery      |
| Furnishings and laundry - Flats                                | O/S | 9.15                                 | 9.15                                  |               |                         |
| Furnishings and laundry - Bungalows                            | O/S | 1.90                                 | 1.90                                  |               |                         |
| Scheme manager   | O/S | 11.78                                | 11.78                                 |               |                         |
| Cleaning of corridors and windows                              | O/S | 5.93                                 | 5.93                                  |               |                         |
| Provision of domestic home support                             | O/S | 8.51                                 | 8.51                                  |               |                         |
| <b>SHELTERED ACCOMMODATION</b>                                 |     |                                      |                                       |               |                         |
| <u>Gas Heating</u>   |     |                                      |                                       |               |                         |
| Bedsit   | O/S | 7.02                                 | 7.24                                  | 0.22          | 3.2% Inflation Increase |
| Flat   | O/S | 9.88                                 | 10.20                                 | 0.32          | 3.2% Inflation Increase |
| Sheltered Scheme Officer Properties                            | O/S | 11.11                                | 11.47                                 | 0.36          | 3.2% Inflation Increase |
| Communal Areas   | O/S | 1.22                                 | 1.26                                  | 0.04          | 3.2% Inflation Increase |
| <u>Electricity</u>   |     |                                      |                                       |               |                         |
| Flat   | O/S | 2.64                                 | 2.72                                  | 0.08          | 3.2% Inflation Increase |
| Sheltered Scheme Officer Properties                            | O/S | 6.82                                 | 7.04                                  | 0.22          | 3.2% Inflation Increase |
| Communal Areas   | O/S | 1.51                                 | 1.56                                  | 0.05          | 3.2% Inflation Increase |
| Repairs & Maintenance of Communal Areas (contained units only) | O/S | 1.48                                 | 1.48                                  |               |                         |
| <u>Cleaning</u>  |     |                                      |                                       |               |                         |
| Cleaning (communal areas for contained units only)             | O/S | 3.39                                 | 4.13                                  | 0.74          | Stepped increase        |
| Cleaning (communal lounge for separate units only)             | O/S | 0.69                                 | 0.69                                  |               |                         |
| <u>Sheltered Scheme Officers</u>                               |     |                                      |                                       |               |                         |
| Tenants prior to 1 April 2005                                  | O/S | 1.48                                 | 1.48                                  |               |                         |
| Tenants from 1 April 2005                                      | O/S | 11.38                                | 11.38                                 |               |                         |
| Mobile Sheltered Scheme Officers                               | O/S | 0.99                                 | 0.99                                  |               |                         |
| Concessionary TV Licence (£7.50 p.a per room)                  | E   | 0.15                                 | 0.15                                  |               |                         |

|  |     |       |       |      |  |  |
|--|-----|-------|-------|------|--|--|
| <b>LOW RISE BLOCKS</b>                               |     |       |       |      |  |  |
| Communal Areas - Cleaning                            | O/S | 0.85  | 0.88  | 0.03 | 3.2% Inflation Increase                                |  |
| <b>MID RISE BLOCKS</b>                               |     |       |       |      |  |  |
| Communal Areas - Cleaning                            | O/S | 1.83  | 2.12  | 0.29 | Stepped increase                                       |  |
| <b>MULTI STOREY FLATS</b>                            |     |       |       |      |  |  |
| Concierge & cleaning                                 | O/S | 12.47 | 13.19 | 0.72 | Stepped increase                                       |  |
| Caretaking & cleaning                                | O/S | 7.21  | 7.21  |      |  |  |
| <b>REGENT COURT</b>                                  |     |       |       |      |  |  |
| Maintenance of fire safety system                    | O/S | n/a   | 0.30  |      |  |  |
| <b>DISPERSED HOMELESS UNITS</b>                      |     |       |       |      |  |  |
| <u>Heat &amp; light</u>                              |     |       |       |      |  |  |
| Sharing Bed-sit (each)                               | O/S | 12.01 |       |      | Charges set in line with LHA rates<br>(52 week charge) |  |
| Two Bed Flat   | O/S | 21.61 |       |      |  |  |
| Three Bed Flat                                       | O/S | 24.01 |       |      |  |  |
| <u>Furnishings</u>                                   |     |       |       |      |  |  |
| Sharing Bed-sit (each)                               | O/S | 15.22 |       |      |  |  |
| Two Bed Flat   | O/S | 27.38 |       |      |  |  |
| Three Bed Flat                                       | O/S | 30.41 |       |      |  |  |
| Warden   | O/S | 64.25 |       |      |  |  |
| Laundry  | O/S | 7.50  |       |      |  |  |
| Cleaning   | O/S | 4.48  |       |      |  |  |
| <b>OUTSIDE USE OF COMMUNAL LOUNGES</b>               |     |       |       |      |  |  |
| Up to 1 hour   | E   | 6.64  | 6.85  | 0.21 | 3.2% Inflation Increase                                |  |
| Up to 2 hours  | E   | 12.22 | 12.61 | 0.39 | 3.2% Inflation Increase                                |  |
| 1 Session (2 - 4 hours)                              | E   | 18.82 | 19.42 | 0.60 | 3.2% Inflation Increase                                |  |
| 2 Sessions   | E   | 34.61 | 35.71 | 1.10 | 3.2% Inflation Increase                                |  |
| 3 Sessions   | E   | 47.97 | 49.50 | 1.53 | 3.2% Inflation Increase                                |  |
| <b>USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION</b> |     |       |       |      |  |  |
| <u>No en-suite amenities</u>                         |     |       |       |      |  |  |
| Single (charge per night)                            | S   | 6.79  | 7.01  | 0.22 | 3.2% Inflation Increase                                |  |
| Couple (charge per night)                            | S   | 7.74  | 7.98  | 0.24 | 3.2% Inflation Increase                                |  |
| <u>Partial en-suite</u>                              |     |       |       |      |  |  |
| Single (charge per night)                            | S   | 8.42  | 8.69  | 0.27 | 3.2% Inflation Increase                                |  |
| Couple (charge per night)                            | S   | 8.91  | 9.19  | 0.28 | 3.2% Inflation Increase                                |  |
| <u>Full en-suite</u>                                 |     |       |       |      |  |  |
| Single (charge per night)                            | S   | 9.59  | 9.90  | 0.31 | 3.2% Inflation Increase                                |  |
| Couple (charge per night)                            | S   | 10.57 | 10.91 | 0.34 | 3.2% Inflation Increase                                |  |
| <b>KITCHEN APPLIANCES</b>                            |     |       |       |      |  |  |
| Portobello   | S   | 0.41  | 0.41  |      |  |  |
| Cranesville  | S   | 2.71  | 2.71  |      |  |  |
| Millbrook  | S   | 1.70  | 1.70  |      |  |  |
| Norfolk Place  | S   | 2.71  | 2.71  |      |  |  |
| Hallgarth  | S   | 1.70  | 1.70  |      |  |  |
| <b>FURNITURE CHARGES (UP TO APRIL 2010)</b>          |     |       |       |      |  |  |
| Bed Sit (package)                                    | O/S | 7.22  | 7.22  |      |  |  |
| One Bed Flat (Package)                               | O/S | 13.14 | 13.14 |      |  |  |
| Two Bed Flat (Package)                               | O/S | 19.57 | 19.57 |      |  |  |
| Three Bed House (Package)                            | O/S | 26.14 | 26.14 |      |  |  |

| <b>FURNITURE CHARGES (NEW TENANTS APRIL 2010)</b> |     |       |       |      |  |
|---|-----|-------|-------|------|--|
| Mini Package                                      | E   | 9.38  | 9.73  | 0.35 | Charge from YHN<br>passed to tenant      |
| Package Option 1                                  | E   | 17.21 | 17.85 | 0.64 |  |
| Package Option 2                                  | E   | 24.4  | 25.30 | 0.90 |  |
| Package Option 3                                  | E   | 31.58 | 32.75 | 1.17 |  |
| Package Option 4                                  | E   | 38.73 | 40.16 | 1.43 |  |
| Admin Charge                                      | E   | 2.50  | 2.58  | 0.08 | 3.2% Inflation Increase                  |
| <b>GARAGES</b>                                    |     |       |       |      |  |
| Brick Garages (Council)                           | O/S | 5.00  | 5.16  | 0.16 | 3.2% Inflation Increase                  |
| Brick Garages (Private)                           | S   | 8.43  | 8.70  | 0.27 | 3.2% Inflation Increase                  |
| Commercial Use                                    | S   | 11.03 | 11.38 | 0.35 | 3.2% Inflation Increase                  |
| Commercial Storage                                | S   | 18.42 | 19.01 | 0.59 | 3.2% Inflation Increase                  |
| Parking Bays                                      | S   | 19.68 | 20.31 | 0.63 | 3.2% Inflation Increase                  |
| <b>DIGITAL AERIAL PROVISION</b>                   | S   | 0.09  | 0.09  |      |  |
| <b>CARE ALARMS - LIFELINES/DISPERSED ALARMS</b>   | S*  | 4.07  | 4.20  | 0.13 | 3.2% Inflation Increase (52 week charge) |
|   | S*  | 4.23  | 4.36  | 0.13 | 3.2% Inflation Increase (50 week charge) |
| Mortgage questionnaire                            | S   | 73.44 | 75.79 | 2.35 | 3.2% Inflation Increase                  |
| Rent reference                                    | S   | 36.75 | 37.92 | 1.18 | 3.2% Inflation Increase                  |
| <b>GARDENING SCHEME</b>                           | S   | 6.05  | 6.05  |      |  |

**Charges are 50 week charge unless otherwise stated**

\* Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope.  
Tenants with disabilities VAT is zero-rated.



## Housing Capital Programme 2014/15 to 2018/19

| Category                          | Project                                  | 2014/15<br>(£'000) | 2015/16<br>(£'000) | 2016/17<br>(£'000) | 2017/18<br>(£'000) | 2018/19<br>(£'000) | TOTAL<br>(£'000) |
|-----------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Health and Safety Obligations     | Lift replacement / refurbishment         | 500                | 500                | 500                | 500                | 500                | 2,500            |
|                                   | Replacement of Communal Electrics        | 550                | 250                | 250                | 250                | 250                | 1,550            |
|                                   | Equality Act works - Multi-storey flats  | 400                | 250                | 250                | 250                | 250                | 1,400            |
|                                   | Equality Act works - Communal Lounges    | 100                | 100                | 100                | 0                  | 0                  | 300              |
|                                   | Adaptations                              | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              | 7,500            |
|                                   | <b>Total Health &amp; Safety</b>         |                    | <b>3,050</b>       | <b>2,600</b>       | <b>2,600</b>       | <b>2,500</b>       | <b>2,500</b>     |
| Contractual Obligations           | Programme Management                     | 1,000              | 1,000              | 1,000              | 1,000              | 1,000              | 5,000            |
|                                   | Strategic Maintenance                    | 2,000              | 2,000              | 2,000              | 2,000              | 2,000              | 10,000           |
|                                   | <b>Total Contractual Obligations</b>     | <b>3,000</b>       | <b>3,000</b>       | <b>3,000</b>       | <b>3,000</b>       | <b>3,000</b>       | <b>15,000</b>    |
| Maintaining Decency               | Maintaining Decency                      | 9,200              | 7,370              | 15,400             | 18,000             | 18,000             | 67,970           |
|                                   | <b>Total Maintaining Decency</b>         | <b>9,200</b>       | <b>7,370</b>       | <b>15,400</b>      | <b>18,000</b>      | <b>18,000</b>      | <b>67,970</b>    |
| Estate Regeneration               | Chandless Demolition                     | 1,200              | 100                | 0                  | 0                  | 0                  | 1,300            |
|                                   | Dunston Achieving the vision             | 100                | 1,100              | 0                  | 0                  | 0                  | 1,200            |
|                                   | Clasper Village                          | 1,450              | 0                  | 0                  | 0                  | 0                  | 1,450            |
|                                   | Bleach Green                             | 900                | 1,000              | 0                  | 0                  | 0                  | 1,900            |
|                                   | Older Persons Strategy - Phase 2         | 200                | 200                | 200                | 0                  | 0                  | 600              |
|                                   | <b>Total Estate Regeneration Schemes</b> | <b>3,850</b>       | <b>2,400</b>       | <b>200</b>         | <b>0</b>           | <b>0</b>           | <b>6,450</b>     |
| Other Priorities                  | One off Heating Replacements             | 750                | 750                | 750                | 750                | 750                | 3,750            |
|                                   | Warden Call                              | 250                | 250                | 250                | 0                  | 0                  | 750              |
|                                   | Window Replacement                       | 1,250              | 1,000              | 1,000              | 1,000              | 1,000              | 5,250            |
|                                   | <b>Total Other Priorities</b>            | <b>2,250</b>       | <b>2,000</b>       | <b>2,000</b>       | <b>1,750</b>       | <b>1,750</b>       | <b>9,750</b>     |
| <b>Total Capital Programme</b>    |  | <b>21,350</b>      | <b>17,370</b>      | <b>23,200</b>      | <b>25,250</b>      | <b>25,250</b>      | <b>112,420</b>   |
| Funded from Major Repairs Reserve |  | 21,350             | 17,370             | 23,200             | 25,250             | 25,250             | 112,420          |