

# COUNCIL

14 FEBRUARY 2023

## REPORT OF THE CABINET

### A.2 EXECUTIVE'S PROPOSALS – HOUSING REVENUE ACCOUNT BUDGET 2023/24

(Report prepared by Richard Barrett)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To present to Council the Executive's Housing Revenue Account (HRA) budget proposals for 2023/24.

##### EXECUTIVE SUMMARY

- The information and recommendations set out in this report reflect the Executive's HRA budget proposals, which were approved for submission to Council at their meeting on 27 January 2023.
- There have been only a very limited number of changes since Cabinet on 27 January 2023, which have been reflected in **Appendices A to E** as necessary. The outcome being a marginally reduced deficit of **£0.280m** in 2023/24 compared with the figure of **£0.296m** reported to Cabinet in January.
- For 2023/24, the Executive's budget proposals set out an increase in dwelling rents of 7% along with a total HRA expenditure budget of **£15.546m** and a capital programme totalling **£7.978m**.
- The 7% increase in dwelling rents results in an average weekly rent of **£93.68** in 2023/24. (*£87.55 in 2022/23*)
- The proposed budget reflects the continued repayment of debt, with the total level of existing debt falling to **£33.949m** at the end of 2023/24.
- The HRA general balance is forecast to total **£3.770m** at the end of 2023/24, which retains a strong financial position against which the associated HRA 30 year Business Plan can continue to be delivered / developed.
- The HRA balances, together with the proposed rent increase for 2023/24 are important elements of delivering a sustainable HRA in the longer term, which was discussed in more detail in the associated report considered by Cabinet on 16 December 2022.

##### RECOMMENDATION(S)

That Council approves:

(a) a 7% increase in dwelling rents in 2023/24; and

(b) subject to (a) above, the Housing Revenue Account Budget for 2023/24 as set out

in Appendix B, along with the Scale of Charges, HRA Capital Programme and the movement in HRA Balances / Reserves as set out in Appendix C to Appendix E respectively.

#### REASON(S) FOR THE RECOMMENDATION(S)

To enable the Council to consider for approval the most up to date HRA Business Plan and proposed HRA budget for 2023/24.

#### ALTERNATIVE OPTIONS CONSIDERED

Not applicable as this report reflects the budget setting requirements that are set out within the Council's Constitution

### PART 2 – IMPLICATIONS OF THE DECISION

#### DELIVERING PRIORITIES

The HRA budget and Business Plan play a significant role in the delivery of affordable and decent housing in the district and the Council's responsibilities as a landlord has direct implications for the Council's ability to deliver on its objectives and priorities.

#### OUTCOME OF CONSULTATION AND ENGAGEMENT

A consultation exercise with the Tenant's panel is scheduled to take place on 7 February 2023. Any comments arising from this consultation will be provided to Members, either ahead of the Full Council meeting on 14 February 2023 or directly at that meeting.

#### LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	Yes	If Yes, indicate which by which criteria it is a Key Decision	<input checked="" type="checkbox"/> Significant effect on two or more wards <input checked="" type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	This item has been included within the Forward Plan for a period in excess of 28 days.

It is a statutory requirement on a local authority to determine its Housing Revenue Account budget before the upcoming financial year and to ensure that its implementation will not result in an overall debit balance on the Account.

The self-financing regime for the Housing Revenue Account that came into effect from April 2012 was enabled by the Localism Act 2011.

The Regulator of Social Housing and its predecessor bodies have, at the Direction of

Government, issued requirements and guidance to registered providers of social housing (which includes Local Authorities) in respect of rents. This has included the maximum levels of rent they can charge and annual increases in rents.

In 2016, Parliament passed the Welfare Reform and Work Act, which, together with Regulations made under it, created a legislation-based regime of rent reduction across the sector by 1% per year until 2020. Therefore, over this 4-year period, providers were required to reduce rents by 1% per year across its housing stock.

In October 2017, the Government announced that at the end of the 4 year rent reduction period it intended to return to annual rent increases of up to CPI + 1%, implemented through the regulator's Rent Standard rather than through legislation.

The Secretary of State for Housing, Communities and Local Government published on 26 February 2019 a 'Direction to the Regulator' to set a Rent Standard that will apply from 1 April 2020. That Direction was published alongside the Government's Policy Statement on Rents (the Policy Statement) and the regulator is required to have regard to this when setting its Rent Standard.

The regulator may under section 194(2A) of the Housing and Regeneration Act 2008 set standards for registered providers requiring them to comply with specified rules about their levels of rent (and the rules may, in particular, include provision for minimum or maximum levels of rent or levels of increase or decrease of rent).

The Regulator of Social Housing has confirmed rents can be increased by up to CPI+1% per year for a period of 5 years starting from 1 April 2020. However, the Government have intervened for 2023/24 due to the current level of CPI and will issue a Directive, which sets a 'ceiling' of 7% to rent increases for the upcoming year. Further details, including the impact on the HRA are set out later on in this report.

The rent standard does not apply to properties let to high-income social tenants, so rather than this being a mandatory requirement that the Government had previously looked to implement, it is now a voluntary decision taken at a local level. In continuing with the approach agreed last year, given the very challenging administrative issues associated with charging higher rents to high-income tenants, it is not proposed to introduce this in 2023. However, it is acknowledged that this flexibility may be subject to review in future years, for example, as part of developing future policy decisions within the HRA.

The Housing and Planning Act 2016 introduced a number of changes that had an impact on social housing, which via associated regulations are reflected in the HRA estimates as necessary.

The original HRA 30 Year Business Plan was agreed as part of the self-financing reforms and associated borrowing agreed by Full Council in February 2012 and the budget proposed for 2023/24 reflects the latest / updated forecast position set out in **Appendix A**.

YES	<b>The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
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Although there are no additional comments above those set out in this report, it is important to highlight that further decisions may be necessary to take actions forward that are reflected in the business plan / budget.

<b>FINANCE AND OTHER RESOURCE IMPLICATIONS</b>	
<p>The financial implications are set out in this report and its appendices.</p> <p>Although the availability of financial resources is a key component in the delivery of HRA services, there will also be a need for appropriate input of other resources such as staffing, assets, IT etc.</p>	
YES	<b>The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:</b>
<p>The Section 151 Officer is the author of this report.</p>	
<b>USE OF RESOURCES AND VALUE FOR MONEY</b>	
<p>The following are submitted in respect of the indicated use of resources and value for money indicators:</p>	
<p>A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;</p>	<p>This is addressed in the body of the report.</p>
<p>B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and</p>	
<p>C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.</p>	
<b>MILESTONES AND DELIVERY</b>	
<p>This reports forms part of the Council's wider budget setting processes, with final budget proposals required to be considered by Full Council in the February immediately preceding the year that they relate to.</p>	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>There are significant risks associated with forecasting such as cost pressures, inflation and changes to other assumptions that form part of the financial planning process. These have been brought into even sharper relief given the current challenging economic environment. The Council's initial / short-term response is set out in the body of this report and will continue to be addressed as part of the future financial update reports.</p> <p>There are inherent risks associated with the forecast such as:</p> <ul style="list-style-type: none"> <li>Changes in income achieved and future rent setting policy</li> <li>Emergence of additional areas of spend</li> <li>Emergence of new or revised guidance</li> <li>New legislation / burdens</li> <li>Changing stock condition requirements</li> <li>Adverse changes in interest rates</li> <li>National welfare reforms</li> </ul> <p>In view of the above, it is important that a sufficient level of balances / reserves is available to support the HRA. HRA General Balances are currently forecast to be <b>£3.770m</b> at the end of 2023/24. This is after drawing down money in both 2022/23 and 2023/24 from balances to support the Council through the difficult financial position faced by the Council in the immediate</p>	

term. The remaining balance continues to be available to support the delivery of the HRA business plan in the medium to longer term.

A 30 year HRA Business Plan is maintained on an on-going basis that continues to demonstrate the sustainability and resilience of the HRA within a self-financing environment and the ability to provide opportunities for housing investment and associated housing services in the future, although it is acknowledged that the longer-term view always remains subject to the Government's housing policies.

**EQUALITY IMPLICATIONS**

See comments below within the 'Other Relevant Considerations or Implications' section.

**SOCIAL VALUE CONSIDERATIONS**

See comments below within the 'Other Relevant Considerations or Implications' section.

**IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030**

See comments below within the 'Other Relevant Considerations or Implications' section.

**OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS**

**Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

In carrying out its functions as a social landlord, the Council has regard to the need to reduce the potential for criminal activity by improving the security of dwellings as part of maintenance and repair programmes and for combating anti-social behaviour through effective management procedures.

Although there are no direct equality and diversity issues, the overall HRA and associated financial planning and decision making processes will recognise and include such issues where appropriate and relevant.

Whilst this report does not have a direct impact on the Council's commitment to carbon neutrality, any work undertaken within the HRA and associated capital programme will take into account any opportunities to contribute to this key priority where possible. The planned stock condition survey will also support this approach.

<b>Crime and Disorder</b>	Please see comments above
<b>Health Inequalities</b>	
<b>Area or Ward affected</b>	

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND AND FINAL HRA BUSINESS PLAN AND BUDGET PROPOSALS 2023/24**

On 27 January 2023 Cabinet considered the following report:-

**A.6 UPDATED HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET PROPOSALS 2023/24**

It was resolved that Cabinet:

- (a) approves the updated HRA 30 year Business Plan, which includes the proposed position for 2022/23 and 2023/24, as set out in Appendix A to item A.6 of the Joint Report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder;
- (b) authorises the Assistant Director (Finance & IT), in consultation with the Housing Portfolio Holder, to adjust the forecast / budget, including the use of reserves, if the financial position changes prior to Council considering the HRA budget on 14 February 2023; and
- (c) endorses and approves for submission to Full Council on 14 February 2023 a 7% increase in dwelling rents in 2023/24 along with the detailed HRA Budget proposals for 2023/24, as set out in Appendices B to E to the Joint Report of the Housing Portfolio Holder and the Corporate Finance & Governance Portfolio Holder (A.6).

There have been only a limited number of charges required since 27 January 2023, which primarily reflect the final recharges from the General Fund. The changes required are highlighted in Column 7 within **Appendix A**. The net change totals **£0.016m**, with the deficit reported to Cabinet in January now reducing from **£0.296m** to **£0.280m**. **Appendices A to E** have been updated to reflect this change, which includes a corresponding reduced contribution required from HRA balances.

In respect of **Appendix A**, Column 6 sets out the forecast against which the detailed budgets have been finalised.

Summaries of the proposed budgets for 2023/24 are as follows:

**Table 1 – HRA Fund Revenue Budget**

	<b>2022/23 Original Budget £m</b>	<b>2023/24 Original Budget £m</b>
<b>Direct Expenditure</b>	7,072	8.089
<b>Direct Income</b>	(14.312)	(15,266)
Indirect Income / Expenditure including Financing Costs	7.240	7.457
<b>NET (SURPLUS) / DEFICIT</b>	<b>0</b>	<b>0.280</b>
<b>Contribution to / (from) Reserves</b>	0	(0.280)

**Table 2 – HRA Capital Programme 2023/24**

	<b>2023/24 Original Budget £m</b>
<b>EXPENDITURE</b>	7.978
<b>FINANCING</b>	
Capital Receipts	4.050

Major Repairs Reserve	3.314
Direct Revenue Contribution	0.614
<b>Total Financing</b>	<b>7.978</b>

As highlighted in the report to Cabinet on 27 January 2023, the redevelopment of the Honeycroft site along with the redevelopment of Spendells House have now been included in the Capital Programme above, which reflects separate Cabinet decisions earlier in the year.

### **HRA 30 YEAR BUSINESS PLAN / ROBUSTNESS OF THE HRA ESTIMATES**

The formulation of the budget for 2023/24 is set against the context of the longer-term business plan. As highlighted within budget reports from previous years, one area that is important to note as it may have a bearing on the overall financial position of the HRA in future years is the regulatory regime emerging from the Hackett review, which followed the Grenfell fire incident. This is in addition to the national trend of increases in housing disrepair claims made against local authorities. Regardless of this latter point, the Council has always been committed to providing good quality housing whilst also recognising the ambition of building / acquiring new homes for local people. Given the financial issues the Council faces, this balance is becoming increasingly more challenging in the short term.

However, the Council remains alert to any changes that may be required in managing its housing stock, which are reflected in the 30 year business plan as necessary. The business plan will continue to be subject to updates during 2023/24 with the on-going aim of delivering the long term financial sustainability of the HRA.

Taking into account all relevant issues including the background to future years of the business plan highlighted above, the estimates for 2023/24 can be considered as robust.

### **PREVIOUS RELEVANT DECISIONS**

Updated Housing Revenue Account Business Plan and Budget Proposals 2023/24 – Item A.6 Cabinet 16 December 2022.

Update on Spendells House and Review of the Budget – Item A.4 Cabinet 16 December 2022.

Proposed Re-Development of the Former Honeycroft Sheltered Accommodation Site, Waldegrave Way, Lawford – Item A.5 Cabinet 27 January 2023.

Updated Housing Revenue Account Business Plan and Budget Proposals 2023/24 – Item A.6 Cabinet 27 January 2023.

### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

### **APPENDICES**

<b>Appendix A</b>	Updated HRA Business Plan
<b>Appendix B</b>	Detailed HRA Budget Proposals 2023/24
<b>Appendix C</b>	HRA Proposed Service Charges / Fees and Charges 2023/24
<b>Appendix D</b>	HRA Capital Programme
<b>Appendix E</b>	HRA Reserves 2023/24

<b>REPORT CONTACT OFFICER(S)</b>	
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Line		RAG Rating	Year 11	Year 11	Year 11	Year 12 Dec	Year 12	Year 12 Feb	Year 12
			Original	Revised	Change	22	Revised	23 Final	Change
			2022/23 (1) £	2022/23 (2) £	2022/23 (3) £	2023/24 (4) £	2023/24 (5) £	2023/24 (6) £	2023/24 (7) £
	<b>Expenditure</b>								
1	Maintenance incl. stock reduction factor		3,287,140	3,287,140	0	3,673,650	3,673,650	3,291,150	(382,500)
2	Depreciation - Capital Programme		2,906,670	2,906,670	0	2,906,670	2,906,670	2,906,670	0
3	Revenue Contribution to MRA		269,740	269,740	0	407,570	407,570	407,570	0
4	Management Costs (incl Sweeping and RTB Admin)		1,606,500	1,630,370	23,870	2,363,830	2,373,130	2,376,130	3,000
5	Utilities		224,730	366,590	141,860	504,860	504,860	504,860	0
6	Provision for Bad Debts		55,440	55,440	0	55,440	55,440	55,440	0
7	Council Tax In Empty Properties		130,090	130,090	0	130,090	130,090	130,090	0
8	Debt Management Expenses		65,750	69,038	3,288	71,799	71,799	71,799	0
9	HRA Interest Repayments on Debt		1,305,510	1,275,910	(29,600)	1,205,860	1,205,860	1,205,860	0
10	Principal Payments on Debt - MRP		1,427,630	1,414,300	(13,330)	1,414,300	1,414,300	1,414,300	0
11	Revenue Contribution to the Capital Programme*		613,630	613,630	0	613,630	613,630	613,630	0
12	Recharges (Including Insurance and Pension Costs)		2,418,980	2,539,930	120,950	2,206,690	2,204,440	2,568,290	363,850
			<b>14,311,809</b>	<b>14,558,848</b>	<b>247,038</b>	<b>15,554,389</b>	<b>15,561,439</b>	<b>15,545,789</b>	<b>(15,650)</b>
	<b>Income</b>								
13	Dwelling Rents (incl.stock reduction factor)		(13,492,620)	(13,492,620)	0	(14,288,790)	(14,288,790)	(14,288,790)	0
14	Service Charges (incl.stock reduction factor)		(522,380)	(522,380)	0	(557,380)	(542,490)	(542,490)	0
15	Garage Rents (incl. stock reduction factor)		(155,980)	(155,980)	0	(166,430)	(166,430)	(166,430)	0
16	Non Dwelling Rents		(81,570)	(81,570)	0	(81,570)	(81,570)	(81,570)	0
17	Misc. Income		(32,910)	(28,620)	4,290	(28,620)	(28,620)	(28,620)	0
18	Investment Income		(13,350)	(69,130)	(55,780)	(138,260)	(138,260)	(138,260)	0
19	Capital Receipts (to cover Admin Costs of RTB's)		(13,000)	(13,000)	0	(19,500)	(19,500)	(19,500)	0
			<b>(14,311,810)</b>	<b>(14,363,300)</b>	<b>(51,490)</b>	<b>(15,280,550)</b>	<b>(15,265,660)</b>	<b>(15,265,660)</b>	<b>0</b>
	<b>Surplus (- )/Deficit (+) on HRA Balance</b>		<b>(1)</b>	<b>195,548</b>	<b>195,548</b>	<b>273,839</b>	<b>295,779</b>	<b>280,129</b>	<b>(15,650)</b>

# Revenue Estimates 2023/24

## Housing Revenue Account (HRA)

<b><u>Analysis by Type of Spend</u></b>	<b>2022/23 Original Estimate £</b>	<b>2023/24 Original Estimate £</b>
<b>Direct Expenditure</b>		
Employee Expenses	1,340,470	2,116,770
Premises Related Expenditure	3,798,780	4,065,410
Transport Related Expenditure	23,870	37,870
Supplies & Services	585,410	645,110
Third Party Payments	1,030	1,030
Transfer Payments	17,000	17,000
Interest Payments	1,305,510	1,205,860
<b>Total Direct Expenditure</b>	<b>7,072,070</b>	<b>8,089,050</b>
<b>Direct Income</b>		
Other Grants, Reimbursements and Contributions	(8,440)	(8,440)
Sales, Fees and Charges	(559,850)	(586,460)
Rents Receivable	(13,730,170)	(14,532,500)
Interest Receivable	(13,350)	(138,260)
<b>Total Direct Income</b>	<b>(14,311,810)</b>	<b>(15,265,660)</b>
<b>Net Direct Costs</b>	<b>(7,239,740)</b>	<b>(7,176,610)</b>
<b>Indirect Income/Expenditure</b>		
FRS17/IAS19 Pension Costs	(744,740)	(754,010)
Service Unit and Central Costs	2,701,060	2,971,070
Capital Financing Costs	5,283,420	5,413,970
Recharged Income	0	(174,390)
<b>Total Indirect Income/Expenditure</b>	<b>7,239,740</b>	<b>7,456,640</b>
<b>Contributions to/(from) reserves</b>		
Contributions to/(from) Reserves	0	(280,030)
<b>Total Contributions to/(from) reserves</b>	<b>0</b>	<b>(280,030)</b>
<b>Net Contribution to/(from) Reserves</b>	<b>0</b>	<b>(280,030)</b>
<b>Total for HRA</b>	<b>0</b>	<b>0</b>

# Housing Revenue Account (HRA)

<b><u>Analysis by Section/Function</u></b>	<b>2022/23 Original Estimate £</b>	<b>2023/24 Original Estimate £</b>
<b>HRA - I&amp;E - Capital Grants</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - CIES Donated Assets</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS Items to be excluded from HRA balance</b>		
Indirect Income/Expenditure	821,370	959,200
<b>Net Total</b>	<b>821,370</b>	<b>959,200</b>
<b>HRA - MIRS Reversal of Capital Grant</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS Reversal of Donated Assets</b>		
Indirect Income/Expenditure	0	0
<b>Net Total</b>	<b>0</b>	<b>0</b>
<b>HRA - MIRS HRA - Contributions Payable to the Pension Scheme</b>		
Direct Expenditure	462,660	525,520
<b>Net Total</b>	<b>462,660</b>	<b>525,520</b>
<b>HRA - MIRS Total IAS 19 Adjustments</b>		
Indirect Income/Expenditure	(898,610)	(945,290)
<b>Net Total</b>	<b>(898,610)</b>	<b>(945,290)</b>
<b>HRA - MIRS Minimum Revenue Provision</b>		
Indirect Income/Expenditure	1,427,630	1,414,300
<b>Net Total</b>	<b>1,427,630</b>	<b>1,414,300</b>
<b>Total for Finance - Financing Items</b>	<b>1,813,050</b>	<b>1,953,730</b>
<b>HRA - Policy &amp; Management</b>		
Direct Expenditure	53,940	53,940
Direct Income	0	0
Indirect Income/Expenditure	215,430	550,720
<b>Net Total</b>	<b>269,370</b>	<b>604,660</b>

<b>HRA - Tenancy Management &amp; Rent Collection</b>		
Direct Expenditure	872,750	979,570
Direct Income	(8,440)	(8,440)
Indirect Income/Expenditure	641,060	519,740
<b>Net Total</b>	<b>1,505,370</b>	<b>1,490,870</b>
<b>HRA - Tenant Relations</b>		
Direct Expenditure	64,750	66,450
Direct Income	(2,200)	(2,200)
Indirect Income/Expenditure	41,910	54,140
<b>Net Total</b>	<b>104,460</b>	<b>118,390</b>
<b>HRA - Right to Buy Administration</b>		
Direct Expenditure	39,420	41,710
Direct Income	(13,000)	(19,500)
Indirect Income/Expenditure	61,760	55,890
<b>Net Total</b>	<b>88,180</b>	<b>78,100</b>
<b>HRA - Unapportionable Central Overheads Contribution</b>		
Indirect Income/Expenditure	275,720	275,720
<b>Net Total</b>	<b>275,720</b>	<b>275,720</b>
<b>HRA - Pumping Stations</b>		
Direct Expenditure	5,660	6,570
Direct Income	(2,620)	(2,710)
Indirect Income/Expenditure	8,280	5,360
<b>Net Total</b>	<b>11,320</b>	<b>9,220</b>
<b>HRA - Sewerage Expenses</b>		
Direct Expenditure	18,900	22,200
Direct Income	(20,670)	(21,340)
Indirect Income/Expenditure	9,810	5,170
<b>Net Total</b>	<b>8,040</b>	<b>6,030</b>
<b>HRA - Communal Central Heating</b>		
Direct Expenditure	105,190	249,500
Direct Income	(79,940)	(85,540)
Indirect Income/Expenditure	6,790	0
<b>Net Total</b>	<b>32,040</b>	<b>163,960</b>
<b>HRA - Sheltered Units</b>		
Direct Expenditure	361,020	343,770
Direct Income	(171,290)	(171,290)
Indirect Income/Expenditure	138,370	73,810
<b>Net Total</b>	<b>328,100</b>	<b>246,290</b>

<b>HRA - Sheltered Units ECC Grant Funded Pilots</b>		
Direct Expenditure	0	3,000
<b>Net Total</b>	<b>0</b>	<b>3,000</b>
<b>HRA - Estate Sweeping</b>		
Direct Expenditure	88,560	104,500
<b>Net Total</b>	<b>88,560</b>	<b>104,500</b>
<b>HRA - Communal Cleaning</b>		
Direct Expenditure	85,250	85,250
Direct Income	(32,720)	(35,010)
Indirect Income/Expenditure	1,640	0
<b>Net Total</b>	<b>54,170</b>	<b>50,240</b>
<b>HRA - Communal Electricity</b>		
Direct Expenditure	103,110	224,200
Direct Income	(72,660)	(78,470)
Indirect Income/Expenditure	10,210	3,510
<b>Net Total</b>	<b>40,660</b>	<b>149,240</b>
<b>HRA - Estate Lighting</b>		
Direct Expenditure	10,060	19,120
<b>Net Total</b>	<b>10,060</b>	<b>19,120</b>
<b>HRA - Maintenance Of Grounds</b>		
Direct Expenditure	22,620	22,620
Direct Income	(80,750)	(86,400)
Indirect Income/Expenditure	250,460	220,970
<b>Net Total</b>	<b>192,330</b>	<b>157,190</b>
<b>HRA - Repair &amp; Maintenance</b>		
Direct Expenditure	3,287,140	3,291,150
Direct Income	0	0
Indirect Income/Expenditure	1,193,490	1,092,900
<b>Net Total</b>	<b>4,480,630</b>	<b>4,384,050</b>
<b>HRA - Repairs &amp; Maintenance - Surveyors</b>		
Direct Expenditure	0	658,590
Indirect Income/Expenditure	0	112,400
<b>Net Total</b>	<b>0</b>	<b>770,990</b>
<b>HRA - Tenants Rentals</b>		
Direct Income	(13,702,090)	(14,508,710)
<b>Net Total</b>	<b>(13,702,090)</b>	<b>(14,508,710)</b>

<b>HRA - Rents &amp; Other Charges</b>		
Direct Expenditure	130,090	130,090
<b>Net Total</b>	<b>130,090</b>	<b>130,090</b>
<b>HRA - Rent Income</b>		
Direct Income	(28,080)	(23,790)
<b>Net Total</b>	<b>(28,080)</b>	<b>(23,790)</b>
<b>HRA - Interest Receivable</b>		
Direct Income	(13,350)	(138,260)
<b>Net Total</b>	<b>(13,350)</b>	<b>(138,260)</b>
<b>HRA - Rent Arrears Provision</b>		
Direct Expenditure	55,440	55,440
<b>Net Total</b>	<b>55,440</b>	<b>55,440</b>
<b>HRA - Interest Charges</b>		
Direct Expenditure	1,305,510	1,205,860
<b>Net Total</b>	<b>1,305,510</b>	<b>1,205,860</b>
<b>HRA - Capital Charges</b>		
Indirect Income/Expenditure	3,034,420	3,040,470
<b>Net Total</b>	<b>3,034,420</b>	<b>3,040,470</b>
<b>HRA - Use of Balances</b>		
Contributions to/(from) reserves	0	(280,030)
<b>Net Total</b>	<b>0</b>	<b>(280,030)</b>
<b>Total for Housing and Homelessness</b>	<b>(1,729,050)</b>	<b>(1,887,360)</b>
<b>HRA - Lease Holders Charges</b>		
Direct Income	(84,000)	(84,000)
Indirect Income/Expenditure	0	17,630
<b>Net Total</b>	<b>(84,000)</b>	<b>(66,370)</b>
<b>Total for Customer and Commercial</b>	<b>(84,000)</b>	<b>(66,370)</b>
<b>Total for HRA</b>	<b>0</b>	<b>0</b>

## Housing Portfolio - HRA

## Scale of Charges 2023/24

	Date last revised	(A)	(B)	(C)	(D)	VAT Ind
		2022/23		2023/24		
Effective from		Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
		01/04/2022 £	01/04/2022 £	01/04/2023 £	01/04/2023 £	
<b><u>GARAGE RENTS AND ACCOMMODATION CHARGES</u></b>						
Guest room accommodation at sheltered units per night:						
With en-suite facilities (St Marys Court, Groom House, Greenfields, Ironside Walk, Belmans Court)	Apr-18	25.00	30.00	25.00	30.00	V
Without en-suite facilities (Vyntoner House, Kate Daniels House, Mead House, Crooked Elms)	Apr-18	20.00	25.00	20.00	25.00	V
Garage rents HRA (not subject to VAT unless separately let to non-council tenants)	Apr-18	9.60	9.60	10.27	10.27	*
<b><u>QUESTIONNAIRES</u></b>						
Second mortgage enquiries (per enquiry)	Apr-18	158.33	190.00	158.33	190.00	V
Solicitors enquiries on resale of council flats	Apr-18	158.33	190.00	158.33	190.00	V
<b><u>SERVICE CHARGES (per week)</u></b>						
<b>Sewerage charges (not subject to VAT) (See Note 1):</b>						
Treatment Works:						
Goose Green, Tendring	Apr-18	8.60	8.60	9.00	9.00	Z
Coronation Villas, Beaumont	Apr-18	8.55	8.55	9.00	9.00	Z
Whitehall Lane, Thorpe	Apr-18	5.78	5.78	6.18	6.18	Z
Shop Road, Little Bromley	Apr-16	9.00	9.00	9.00	9.00	Z
Horsley Cross, Mistley	Apr-08	9.00	9.00	9.00	9.00	Z
<b>Bio Systems</b>	Apr-18	8.05	8.05	8.61	8.61	Z
<b>Septic Tanks</b>	Apr-18	3.06	3.06	3.27	3.27	Z
<b>Pumping Stations (not subject to VAT)</b>	Apr-18	5.58	5.58	5.97	5.97	Z
Sewerage charge cap where tenant in receipt of benefit	Apr-08	5.00	5.00	5.00	5.00	Z
<b>Communal central heating charges (not subject to VAT) (see note 1):</b>						
Heating and hot water:						
Single units	Apr-18	7.45	7.45	7.98	7.98	N
Double units	Apr-18	8.59	8.59	9.19	9.19	N
Belmans Court	Apr-18	1.74	1.74	1.86	1.86	N
<b>Other Service Charges (not subject to VAT):</b>						
Sheltered Housing:						
Grounds Maintenance	Apr-18	1.61	1.61	1.73	1.73	X
Communal Electricity	Apr-18	2.81	2.81	3.01	3.01	N
Non Sheltered Housing						
Grounds Maintenance	Apr-18	1.22	1.22	1.30	1.30	N
Communal Electricity	Apr-18	1.07	1.07	1.15	1.15	N
<b>Communal Cleaning (not subject to VAT) (See Note 1):</b>						
Langham Drive, Clacton	Apr-18	2.91	2.91	3.11	3.11	N
Nayland Drive, Clacton	Apr-18	2.89	2.89	3.09	3.09	N
Boxted Ave (3 Storey) , Clacton	Apr-18	2.84	2.84	3.04	3.04	N
Boxted Ave (2 Storey ) , Clacton	Apr-18	1.61	1.61	1.73	1.73	N
Polstead Way, Clacton	Apr-18	1.61	1.61	1.73	1.73	N
Porter Way, Clacton	Apr-18	1.37	1.37	1.46	1.46	N
Tanner Close, Clacton	Apr-18	1.28	1.28	1.37	1.37	N
Mason Road, Clacton	Apr-18	1.45	1.45	1.56	1.56	N
Maldon Way, Clacton	Apr-20	1.46	1.46	1.56	1.56	N
Groom Park, Clacton	Apr-18	1.51	1.51	1.61	1.61	N
Leas Road , Clacton	Apr-18	1.51	1.51	1.61	1.61	N
Rivers House, Walton	Apr-18	1.28	1.28	1.37	1.37	N
Rochford House, Walton	Apr-18	1.28	1.28	1.37	1.37	N
D'arcy House , Walton	Apr-18	1.28	1.28	1.37	1.37	N
Churchill Court, Dovercourt	Apr-18	1.66	1.66	1.77	1.77	N
Cliff Court, Dovercourt	Apr-18	1.94	1.94	2.07	2.07	N
Nichols Close, Lawford	Apr-20	2.56	2.56	2.74	2.74	N
Grove Avenue Walton	Apr-18	0.80	0.80	0.86	0.86	N
<b><u>SHELTERED UNITS SERVICE CHARGES (Not subject to VAT) (see Note 2):</u></b>						
Housing Related Support Charge	Apr-17	6.34	6.34	6.34	6.34	X
Landlord Costs	Apr-15	13.60	13.60	13.60	13.60	X
Careline Alarm	Apr-17	2.00	2.00	2.00	2.00	X

Notes

Housing Portfolio - HRA

Scale of Charges 2023/24

		(A) 2022/23	(B) 2022/23	(C) 2023/24	(D) 2023/24	VAT Ind
	Date last revised	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	Charge Exclusive of VAT	Charge Inclusive of VAT where applicable @ 20%	
	Effective from	01/04/2022	01/04/2022	01/04/2023	01/04/2023	
		£	£	£	£	
(1)	These charges are based on the principle of full cost recovery.					
(2)	Only applies to tenants who are not in receipt of Housing Benefit					

*	Garage Rent - VAT:					
	Parking:					
	Council Tenant	N				N
	Non-Council Tenant	V				V
			Storage:			
			Homeless persons goods			N
			Premises suitable for parking			V
			Premises unsuitable for parking			X



## APPENDIX D

**HRA Capital Programme**

	<b>2022/23 Base</b>	<b>2022/23 Revised</b>	<b>2023/24 Budget</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>
	£	£	£	£	£	£
<b>EXPENDITURE</b>						
Improvements, enhancement & adaptation of the Council's housing stock	2,696,410	2,955,430	3,447,870	3,447,870	3,447,870	3,447,870
Spendells House Project		450,640	800,000			
Disabled adaptations for Council Tenants	400,000	492,170	400,000	400,000	400,000	400,000
Information Technology upgrade and replacement	20,000	20,000	20,000	20,000	20,000	20,000
Jaywick Sands Flexible Workspace Project		4,443,480				
HRA - New Build & Acquisitions (To Be Allocated)	613,630	1,473,300				
HRA - Acquisitions (Council Dwellings)		494,380				
Honeycroft New Build Scheme			3,250,000			
Cash Incentive Scheme	60,000	60,000	60,000	60,000	60,000	60,000
	<b>3,790,040</b>	<b>10,389,400</b>	<b>7,977,870</b>	<b>3,927,870</b>	<b>3,927,870</b>	<b>3,927,870</b>
<b>FINANCING</b>						
External Contributions	0	3,778,020	0	0		0
Capital Receipts	0	64,400	4,050,000			
Section 106	0	333,380	0	0		0
Major Repairs Reserve	3,176,410	3,978,240	3,314,240	3,314,240	3,314,240	3,314,240
Direct Revenue Financing of Capital	613,630	2,235,360	613,630	613,630	613,630	613,630
	<b>3,790,040</b>	<b>10,389,400</b>	<b>7,977,870</b>	<b>3,927,870</b>	<b>3,927,870</b>	<b>3,927,870</b>

**HRA RESERVES**

**APPENDIX E**

	<b>Balance 31 March 2022</b>	<b>Contribution from Reserves 2022/23</b>	<b>Contribution to Reserves 2022/23</b>	<b>Est. Balance 31 March 2023</b>	<b>Contribution from Reserves 2023/24</b>	<b>Contribution to Reserves 2023/24</b>	<b>Est. Balance 31 March 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>HRA Reserves</b>							
HRA General Balance	4,245,722	(195,548)	0	4,050,174	(280,030)	0	3,770,144
HRA Commitments	956,270	(956,270)	0	0	0	0	0
Major Repairs Reserve	5,536,342	(3,978,240)	3,176,410	4,734,512	(3,314,240)	3,314,240	4,734,512
<b>Total Reserves</b>	<b>10,738,334</b>	<b>(5,130,058)</b>	<b>3,176,410</b>	<b>8,784,686</b>	<b>(3,594,270)</b>	<b>3,314,240</b>	<b>8,504,656</b>