Sheffield City Council

Housing Revenue Account

Business Plan 2018-2019

Sheffield City Council

Introduction

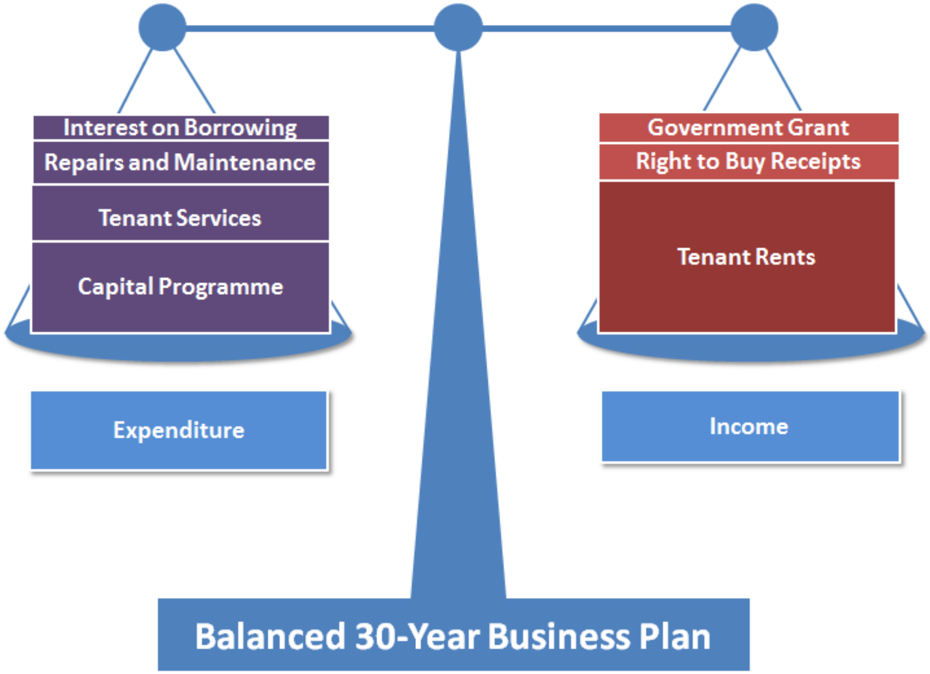
The Housing Revenue Account (HRA) is the financial account used to manage our landlord activities. It is ring-fenced in law for council housing and housing income and expenditure, providing services to council housing tenants through the collection of rent and charges. Other City Council services are funded through council tax and central Government support which benefit all citizens of Sheffield regardless of tenure.

The Business Plan

The HRA Business Plan sets out our income and expenditure plans for delivering council housing services in Sheffield. It sets out our key council housing priorities for the coming years, showing how we intend to develop our services to tenants.

Each year the HRA Business Plan is reviewed and updated to set budgets and charges for the year ahead. It also provides an updated 5 year plan for our investment programme. These plans are set within the context of a 30 year affordability profile – our long-term planning horizon for balancing the HRA.

HRA income predominately comes from tenant rents, with a small amount of income received from Right to Buy receipts and Government grant. HRA expenditure includes the capital programme, tenant services, repairs and maintenance with a small amount spent each year on paying off interest on our borrowing.



Last year's HRA Business Plan described the increasing financial pressures facing council housing in the coming years. These included the statutory requirement to reduce rents by 1% until 2020; the ongoing impacts of Welfare Reform and a range of central Government policies contained within the Housing and Planning Act 2016. Despite these pressures we have been able to maintain our key commitments to increasing our housing stock through new build and acquisitions and also continue to invest in our existing stock.

The HRA Business Plan 2018/19 will continue our drive to realise further savings to mitigate against continuing financial pressures. Our priority remains to increase the number of new homes we can build and acquire for the people of Sheffield.

National Policy Context

The HRA operates within a political environment therefore any changes in national housing policy can have a significant impact on our HRA Business Plan. Potential national policy impacts are factored into the business plan each year and captured in the plan's risk register. This section considers the key policies that we expect to have an impact on our business plan.

Welfare Reform

Welfare reform represents the biggest change to the benefits system in a generation. Supporting our tenants through Welfare Reform, and in particular the transition to Universal Credit, will continue to be a priority in 2018/19. Universal Credit has already been rolled out in Sheffield for single new benefit claimants, with the rollout of Universal Credit to couples and families expected to take place in 2 phases in November and December 2018. Migration of existing claimants in Sheffield is expected to take place between 2019 and 2022.

Local Housing Allowance

Government announced in October 2017 that they would be dropping their plans to introduce the Local Housing Allowance (LHA) cap for both general needs social housing and supported housing. It had been proposed that the LHA would be used to determine the award of housing costs applying to all new tenancies claiming Housing Benefit from April 2016 and to all applicants receiving Universal Credit. The Government has carried out a review of funding for supported housing and is now consulting on proposals to introduce a new mechanism of setting rents for sheltered housing that will take into account the higher costs of older persons housing. The consultation also includes short tern supported accommodation which may impact on the future rents we can set for temporary accommodation. Any proposals agreed by Government following consultation are expected to come into effect from April 2020.

Although the announcement to drop the LHA cap will help to alleviate some pressure both financially to the HRA and to tenants, the overall impacts of Universal Credit still remain. This will continue to impact on the choices that people make and their ability to access and sustain appropriate housing. We need to position our services to respond to these changes and develop our approach to provide a more flexible housing offer.

Housing and Planning Act 2016

The Housing & Planning Act 2016 included a number of significant changes impacting on council housing and its continued viability. Government announced a number of changes to the original proposals as part of the Autumn Statement in November 2016 including no longer proceeding with the compulsory 'Pay to Stay' policy. At the time of writing, there still remains considerable uncertainty about how or whether the Government intend to progress these proposals.

Fixed Term Tenancies

If brought into force, Councils will be required to offer fixed term tenancies of between 2 -10 years to new tenants (or until the 19th birthday of the youngest child in the household if that is longer). It had originally been envisaged for this to be implemented in April 2017; however Government have yet to announce any further details concerning this policy.

Extension of Right to Buy for Housing Association Tenants

Originally Right to Buy (with discounts) was planned to be extended voluntarily to Housing Association tenants. The Government was to raise income to reimburse the cost of discounts to Housing Associations from the sale of vacant 'higher value' council homes. The Government have since announced a large scale pilot enabling up to 3,000 tenants to buy with the Government funding the estimated cost of £230 million.

Sale of Higher Value Assets

The 'higher value assets' payment was to be based on the estimated receipts from the sale of vacant 'higher value' council homes. The Government confirmed that no 'higher value asset' payment would be required from local authorities in 2017/18. It is not yet known if or when local authorities will be required to make a 'higher value asset' payment in the future and this remains the most significant risk to our business plan.

National Rent Policy

The Welfare Reform and Work Act 2016 included a statutory obligation on registered providers of social housing to reduce their rents by 1% per year, irrespective of inflation, for four years. This year will be the third year of applying the 1% reduction to our rents. This has had a significant impact on our business plan income. The Government announced in October 2017 that from 2020, social rents will return to a rent increase of the Consumer Price Index (CPI) + 1% for 5 years.

Local Policy Context

The HRA Business Plan is set within a wider strategic context of the overall ambitions of Sheffield City Council and those of the Housing and Neighbourhood Service.

The Corporate Plan and Wider Council Plans

Sheffield City Council's Corporate Plan aims to capture the long term ambitions for Sheffield. The corporate plan is currently being reviewed, however the HRA Business Plan will continue to help support the corporate plan and feed into the key priorities for the Council.

As well as the overall corporate plan, the HRA Business Plan will also help to support a range of other related strategies such as:

- The Housing Strategy
- Affordable Housing Strategy
- Older People's Independent Living (OPIL) Housing Strategy
- Homelessness Prevention Strategy and
- Tenancy Sustainment Strategy

Some of these strategies are currently in development; however the HRA Business Plan will continue to support and feed into these as they develop.

Housing and Neighbourhoods Service

In Sheffield we are passionate about people and the places they live and as a Council we want to do our best to make a positive difference. Our service vision provides the framework for all the activity undertaken within the Housing and Neighbourhoods Service. Our key themes and ambitions are:

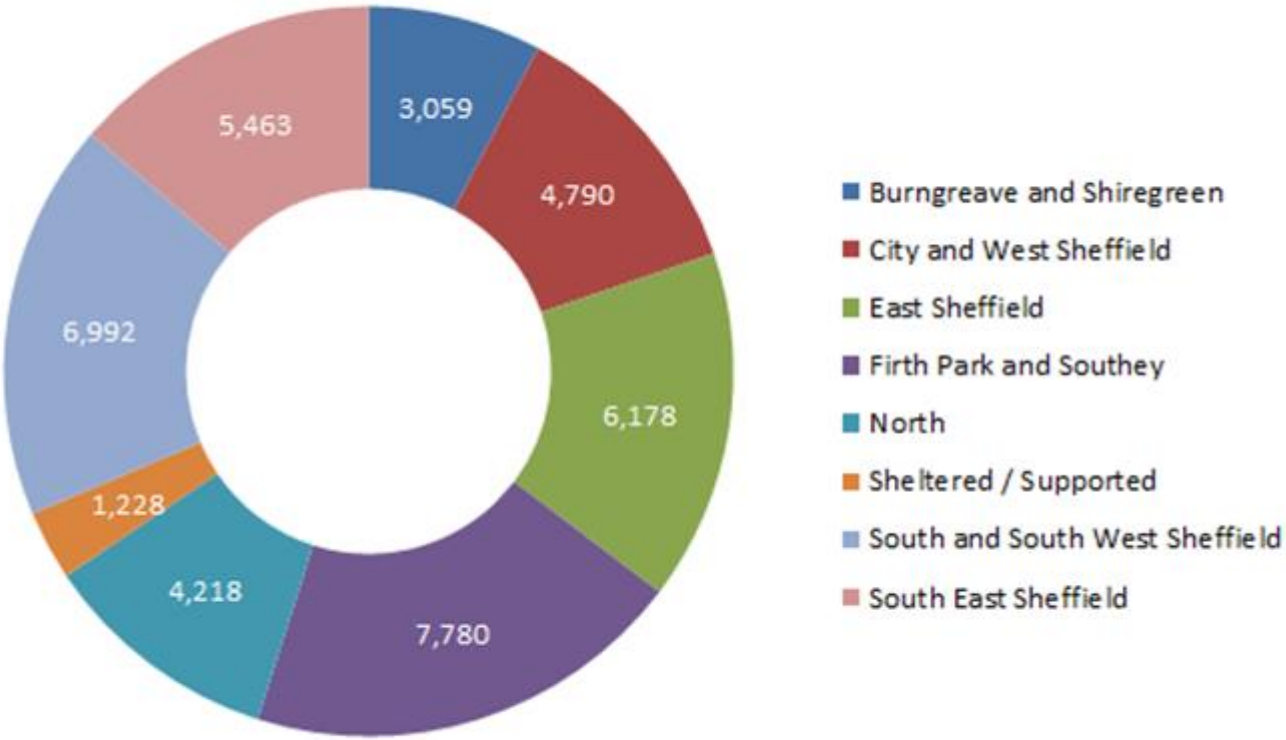
As a landlord we want our tenancies to be sustainable and successful, to maximise our income and have a positive impact on people's lives. We know that in the current climate this requires us to be creative and flexible. We recognise that our customers have different needs and aspirations and if we are to achieve our ambitions it is important that we are able to deliver accommodation and services that reflect this.

The HRA Business Plan focuses on the council housing aspects that will feed in and contribute to this wider housing vision.

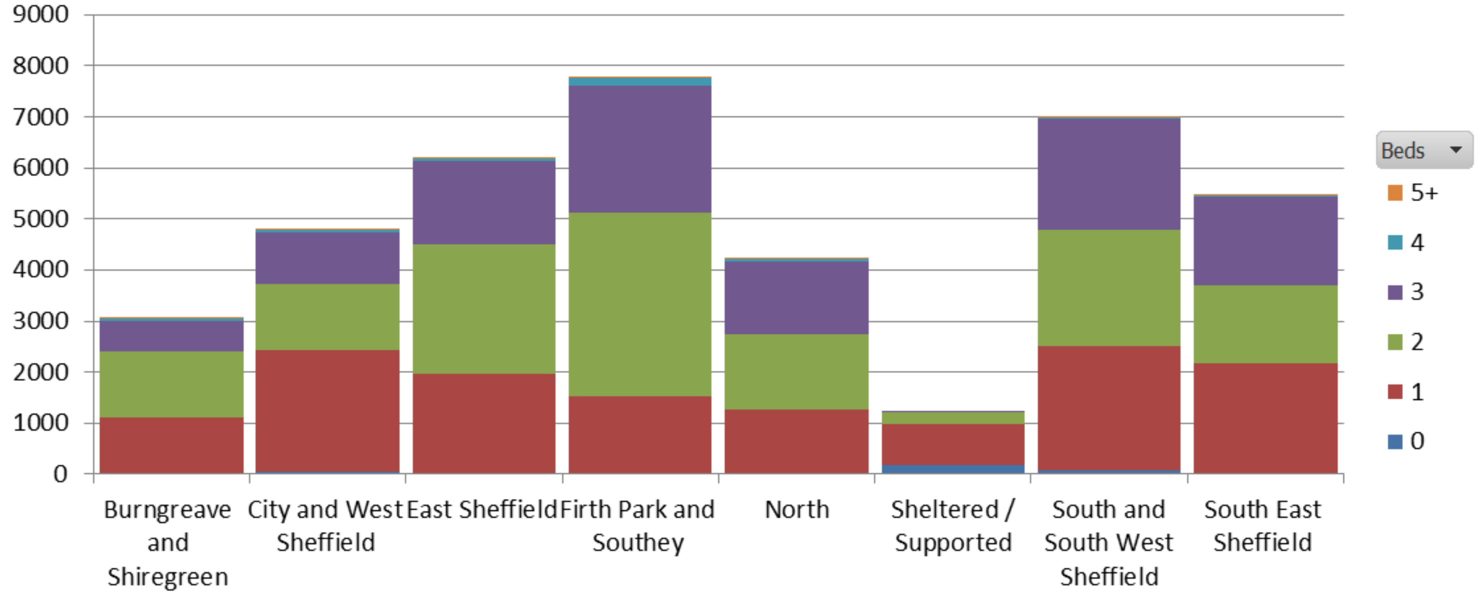
Our Housing Profile

Houses	Flats	Maisonettes	Bungalows	Total stock	Lease-holders
19,567	14,647	2,869	2,625	**39,708**	2,493

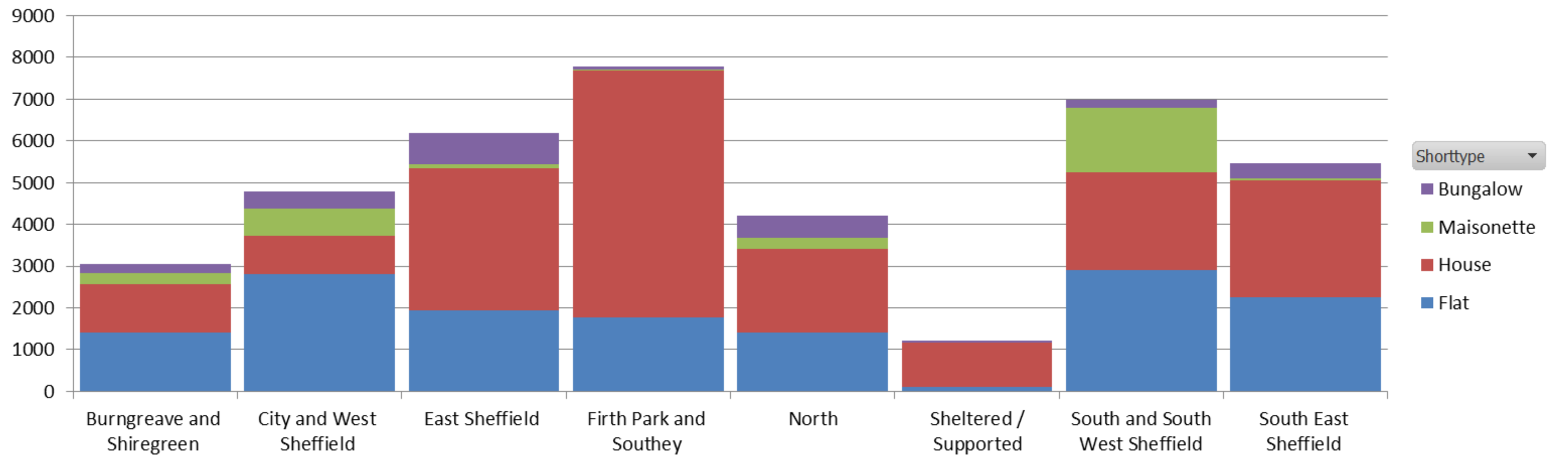
Council stock by housing neighbourhood area



Bedroom numbers by neighbourhood area



Building type by neighbourhood area



HRA Business Plan Priorities

The HRA Business Plan 2018/19 will help to contribute to achieving the ambitions of the Housing and Neighbourhoods Service. The following chapter details our key council housing business plan priorities and how these contribute to the service ambitions.

Key Headlines 2018/19

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A proactive approach to managing our neighbourhoods and supporting our tenants

Delivering improvements to our tenants' homes

Prioritise investment in fire safety

Keeping our costs under control, explore further savings and get better value for money

Increasing our council housing stock

Independence and Resilience

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Review customer access to our services

We want to review access to our services to ensure that they meet the changing needs of customers and the business. Digital brings great opportunities, but we understand that it will never meet the needs of all our tenants so will balance our approach between technology and personal contact.

Take a fresh approach to engagement

We are committed to effective engagement with all our customers. We will be making changes to meeting structures, engagement with Tenant and Resident Associations (TARAs) and the funding of TARAs following an extensive consultation exercise in 2017.

Support tenants to deal with poverty and its causes

Welfare Reform brings a number of challenges to our tenants and their households. We will continue to support tenants to manage their incomes. The Universal Credit roll out to families and couples begins in Sheffield during 2018 so a key task will be to assess and manage the impact on rent collection.

Help tenants sustain their tenancies

We want to support all our tenants to manage their tenancies effectively. We also want to give tenants the best start possible in their tenancy, so will be looking at the support we give new tenants to ensure that this meets their needs.

Build more specialist and supported housing

The Investment Programme chapter gives more details of our stock increase programme, however a key priority within this is the provision of specialist housing. We have plans to develop new homes for older people and people with learning disabilities, as well as completing a review of our supported housing provision.

Focus on community safety, enforcement and regulation

We want tenants and residents to feel safe in their homes and neighbourhoods. We already work jointly with the Police on community safety issues and will continue to build these relationships over the next year. We also want to ensure our contract with tenants is clear and will bring new Conditions of Tenancy into force following an extensive consultation exercise in 2017.

Further improve fire safety

The tragic events of 2017 have increased the focus of all social housing providers on fire safety. We were one of the first authorities to announce positive action around sprinklers in tower blocks and will begin to implement a series of improvements in 2018.

Sustainable and Attractive Neighbourhoods

Create more new homes
Invest in our stock
Transform the repairs service

Capital investment in our existing housing stock is our biggest cost within the business plan. We also recognise that Right to Buy is continually reducing our housing stock and we need to invest in new homes. Full details of our investment programme activities can be found in the next chapter, but investing in the physical infrastructure of our stock will remain our main priority.

Deliver changes to clean and green services

2017 will see the completion of a review of the way that we deliver Estate Services to our tenants. We will be implementing a series of changes to this service in 2018 alongside continued work on our recycling and education and enforcement work.

Tailor neighbourhood housing services to local needs

We implemented a new approach to housing management, Housing+, just over a year ago. We have learnt a lot in that year and will continue to review the way that we interact with our tenants in their homes and within their neighbourhoods.

Contribute to the delivery of a new set of housing strategies

There has been a considerable amount of change over the past couple of years and we are in the process of reviewing our long-term Housing Strategy. This will be completed in 2018 and we will assess the impact of this on our HRA Business Plan over the next 12 months, along with changes to other sub-strategies including Homelessness and Older People.

Support locality working

We recognise that we are one of a number of Council services providing support to tenants in their communities. We want to ensure that we are providing our tenants with a joined-up service so will work over the next 12 months to improve the links with other locality services.

Shaping change

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Invest in our people

We recognise the importance of our staff in delivering a great service to tenants. We will continue to review our approach to training and support for staff and further embed the work that we have started around a customer-focussed culture. We will also continue our successful housing apprenticeship programme which to date has recruited a total of 60 apprentices.

Make better use of information

We want to make better use of the data that we regularly collect as part of delivering a housing service. We will be implementing a new performance system in 2018, designed to support both front-line staff and managers in making more effective decisions.

Improve our use of technology

We recognise that we still have a long way to go to streamline our systems and make better use of the efficiencies and service improvements that ICT can bring. We will review our needs over the next 12 months and consider the steps we need to take to invest in a more digital future.

Review our office accommodation

Housing+, new technology and a changing customer service offer all have the potential to impact on our current accommodation needs. We will review our costs and portfolio over the next 12 months to ensure that it still meets our needs and delivers value for our tenants and our business.

Implement fairer charges for services

We deliver different services to different tenants. We want to review the way that we charge for these services over the next 12 months to ensure that our charges are fair and transparent.

Get best value from our shared services

We don't deliver our services in isolation and work with services across the Council to share costs and resources. We review these service level agreements annually and will review these again in 2018 to ensure that they remain value for money.

Support wider Council priorities

As well as sharing services, we also ensure that we support wider Council priorities wherever possible. Once the Council's refreshed Corporate Plan has been completed in 2017/18 we will assess our contribution to the delivery of its key priorities in 2018.

Investment Programme

The aim of the investment programme is to maintain the Council's housing stock for the future. The 5 year investment programme will continue to prioritise and deliver improvements to people's homes (kitchens, bathrooms, windows, doors, roofs, boilers, communal areas etc) to make sure homes continue to be well maintained.

5 Year Investment Programme

Our key investment programme commitments for 2018/19 include:-

Investment in…	Progress so far and plans for 2018/19
Roofs	We are progressing well with delivering the pitched roofing programme. In 2018/19 we plan to procure a new roofing contract to allow us to complete the pitched roofing work. The flat roofing programme has now been completed.
Kitchens, Bathrooms, Windows and Doors	Our aim, by 2019, is to replace kitchens, bathrooms, windows and doors as required for 7,000 of 12,800 homes still requiring work. These projects are all progressing well. A saving of £3m has already been identified as a result of less work being found within properties than was originally forecast.
Electricals	Two contracts have been procured and a 4 year programme has started to deliver electrical improvements. This should ensure that electrics are maintained in line with the latest safety requirements and modernise properties to bring them to a standard fit for the future.

Communal Areas	The refurbishment of communal areas in all 12,000 low rise flats by March 2019 is still making good progress on site.
Energy Efficiency Work	The business case for an external wall insulation programme to non-traditional properties has been agreed and procurement of contracts to deliver this work will start in January 2018.
Garage Strategy	Garage demolition work continues and is expected to complete by the end of March 2018. A contract has been procured to deliver improvements to the garages being retained and this has started.

Procurement efficiencies and prioritising works have helped to free up resources and have now been factored into the business plan. Any savings from the investment programme will help to contribute towards expanding the stock increase programme.

The updated 5 year investment programme can be found in appendix B to this report.

Stock Increase Programme

The commitment to increasing the number of new/replacement council homes continues to be a high priority.

The stock increase programme includes a mix of acquisitions and new build, working to a target of 1,000 new/replacement homes. Last year we switched our programme to focus more on new builds in order to provide the mix of properties we wanted to achieve as well as allowing us more flexibility in design specifications and opportunities to provide purpose build housing.

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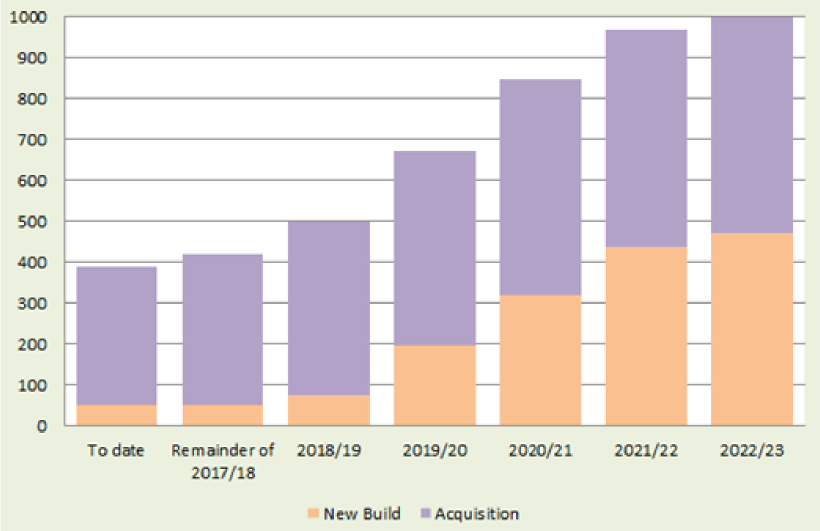
SHEFFIELD CITY COUNCIL STOCK INCREASE PROGRAMME

389 homes have been purchased or built
Up to 31 March 2017

329 Houses	56 Flats	4 Other

45 1 Beds	153 2 Beds	153 3 Beds	36 4 Beds	2 5 Beds



Our plan for future years...
is based on New Build (including acquiring new build that other developers have built) and acquisitions of ex-council homes.

The number of council homes lost via Right to Buy is however forecasted to peak in 2018/19 and continue at a significantly higher rate than the number of new council housing being built or acquired each year. We are committed to maintaining our role as the largest social housing provider in the city and will continue to strategically plan for the best use of our current social housing stock as well as exploring new opportunities around our future housing stock. In 2018/19, alongside our commitment to 1,000 new council homes, we will also explore the potential to expand this programme. The number of any additional homes to the programme will be dependent on the level of savings that can be made from the HRA, on our borrowing capacity and any additional funding such as grant and use of receipts. We estimate that this could lead to a further 500 units by 2023/24.

As part of the programme, we will continue to build homes where there is appropriate land availability and where sites are within our highest demand strategic housing market areas. We will also acquire properties for sale on the open market and investigate options for acquiring new builds ‘off-plan’ or direct from developers as this still remains a flexible delivery mechanism.

We will continue to work with Government in relation to increasing our borrowing capacity and flexibilities over the use of Right to Buy receipts. Over the last year, we have been 1 of only 3 providers across the country that has been in discussion with Government about this and we will aim to continue with this dialogue into 2018/19.

The council housing stock increase programme is a key part to achieving the Council’s wider Housing Strategy and contributes to delivering affordable homes to support growth in the city. The stock increase programme will feed into the Affordable Housing Programme once this has been developed.

Repairs

In April 2017 the repairs and maintenance service transferred back into Sheffield City Council following a period of 15 years outsourcing to Kier. The repairs and maintenance service are responsible for the repairs and upkeep of around 40,000 homes across the city as well as the many corporately owned properties belonging to the Council. This year’s focus has been to consolidate the service following the transfer. In 2018/19 we want to develop the repairs and maintenance service further by working with tenants to help us to develop a vision and further shape the service.

Financial Plan

Our financial plan shows how we will fund our council housing investment priorities and day-to-day council housing services. The financial plan is based on a number of key assumptions to help us mitigate risks or changes that may occur in the coming year. All of these assumptions are reviewed and refreshed each year to reflect the changing economic environment in which the business plan operates.

Key Financial Assumptions 2018/19

Rents

Dwelling rents for 2018/19 (including temporary accommodation) are to reduce by 1% in line with the Welfare Reform and Work Act 2016. This will be the third year of rent reductions as part of the Act. The 1% reduction applies to both social and affordable rent properties. The 1% decrease will apply from 2 April 2018 and is equivalent to an average reduction of £0.75 per week.

The Council has a small but increasing number of properties that are let at an Affordable Rent (up to 80% of market rent). These are predominately new build properties and properties acquired as part of the stock increase programme. The 1% annual reduction applies to all social housing rents so properties let at an Affordable Rent will also be reduced.

Vacant properties will continue to be re-let at the ‘target’ (formula) rent in order to continue the process of making council rents equitable over time following the ending of the national ‘rent convergence’ policy by Government one year early. Target rents will also reduce by 1% in April.

The HRA Business Plan 2018/19 assumes a rent increase of the Consumer Price Index (CPI) +1% from 2020/21 – 2024/25 following clarification from Government on national rent policy. The business plan assumes a rent increase of CPI + 0.5% from 2024/25 and beyond.

City wide average weekly rents by bed size can be found at appendix C to this report.

Garages

When considering the HRA Business Plan 2017/18, Cabinet approved garage rents to be changed to a single rate for garage plots and a single rate for garage sites. This was because rents for garages sites and plots varied across the city and a change to a single rate would provide a simpler and fairer charging mechanism.

It is proposed for 2018/19, the rent for a garage plot will be £9.35 per week and £2.10 per week for a garage site.

It is proposed that new tenants will be charged the new rent level from the beginning of their tenancy. Existing tenants will pay their current rent until investment work to their garage has been completed. Tenants will be charged the new rent level if the location requires no work or a site survey identifies that the garage already meets the required standard. All garage tenants whose rent is to change will be given at least 28 days written notice of the change before it takes effect.

Community Heating

The community heating charges for 2018/19 will be frozen at the 2017/18 levels. The price freeze will apply to all community heating charges including:-

- The kWh charge
- The weekly standing charge
- The weekly sheltered housing hot water charge
- The weekly charges for the few tenants still receiving an unmetered supply

Relative price stability in the energy market over recent years and the incremental utilisation of reserves have made it possible for us to keep our community heating prices stable for our customers. We know our customers do not want to see spikes in prices, and longer term price stability is very important to them. At present we are well placed to deliver this price stability, however, we will continue to monitor the energy markets to assess if future price rises are necessary.

It is proposed to retain a community heating reserve to enable the Council to absorb risks such as significant future increases in gas prices and in doing so avoid the need to implement sharp/reactive price increases for tenants.

Burglar Alarms

The burglar alarm charge will remain unchanged for 2018/19.

Sheltered Housing

The sheltered housing service charge will remain unchanged for 2018/19.

Furnished Accommodation

The furnished accommodation service charge will remain unchanged for 2018/19.

Revenue Assumptions

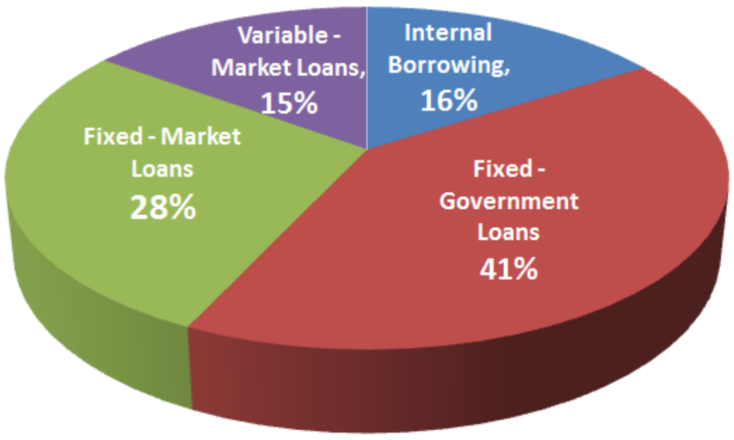
The detailed financial model behind the HRA Business Plan includes a number of assumptions we have used to understand what resources will be available for council housing over the next 5 years in the context of the next 30 years. These baseline assumptions are listed below.

Revenue Assumptions	Assumption
Opening number of homes in 2017/18	39,930
Estimated number of homes by 2046/47	33,550
Estimated number of RTBs in 2017/18	380
Estimated number of RTBs 2017/18 to 2046/47	7,560
Average rent in 2017/18 (50 week rent)	£74.69
Consumer Prices Index (CPI) of inflation in 2018/19	3.0%
Void rate	1.5%
HRA risk based reserve 2018/19	£5.3m

Debt Assumptions	Assumption
Opening HRA Borrowing requirement on 1 April 2018	£347m
HRA borrowing limit	£388m
Average estimated annual interest rates on HRA debt over 30 years	4.4%

Loan Portfolio

Breakdown of HRA Borrowing



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The overall proportion of the HRA's loan portfolio that is subject to interest risk is 31% (internal borrowing and variable loans) which is lower than last year.

Borrowing Strategy

The HRA is required to borrow in order to realise its investment and service delivery programme. The question of when we borrow, and at what rate, is closely managed by active treasury management throughout the year.

The key considerations that shape these decisions are:

- The interest rate environment
- The HRA's cash requirements for investment and debt management
- Affordability in the context of the overall 30 year HRA Business Plan

Risks

Since 2012 the HRA has operated on a 'self-financing' basis with local authorities funding council housing from the income generated from rents and other charges. Although 'self-financing' has provided the Council with more flexibility, it has also has brought additional risk. HRA Business Plan risks are collated and monitored via a risk register and are primarily concerned with threats to income and expenditure that would compromise the viability of the business plan and HRA. These risks are reviewed and regularly updated. The key risks to the HRA Business Plan for 2018/19 are:

Welfare Reform and Universal Credit

The impacts of Welfare Reform on the HRA Business Plan are significant with the number and value of rent arrears expected to increase considerably. As a result of this, it is likely significant additional resources will be required in order to deal with debt recovery and additional support to help our tenants. A number of mitigations are already in place to help support tenants affected by Welfare Reform such as debt advice, Hardship Fund payments and Discretionary Housing Payments. As well as helping to reduce arrears, these mitigations are also helping tenants to sustain their tenancies.

Impacts of National Housing Policies

The Housing and Planning Act 2016 included a number of policy changes, some impacting on social housing. Since the Act was given royal assent in May 2016, there has been little response from Government to when and how local authorities are to implement the policies. Due to these uncertainties, we are still assuming a significant risk to the business plan for the potential impacts of implementing fixed term tenancies and more significantly a 'higher value asset' payment if this should be required in the future.

Interest Rate Risk

The HRA's loan portfolio is made up of both fixed and variable loans, some of which will be exposed to interest rate changes. Although this is a risk to the business plan, part of the role of treasury management is to manage the HRA's exposure to interest rate fluctuation and the risk this brings. However, it is also important to retain a degree of flexibility to take advantage of borrowing at low interest levels should opportunities arise.

Inflation Rate Risk

The HRA Business Plan assumes an ongoing inflation rate which has been factored into the 30 year business plan. If the assumed inflation rate was to change then this will have an impact upon the forecasted income into the HRA over the 30 years.

Right to Buy

Right to Buy sales are forecasted to continue to increase into 2018/19. Increased sales in Right to Buy creates implications for the HRA as the stock profile is reduced, meaning less rental income into HRA as a result.

Rent Loss from Vacant Properties

Rent loss from vacant properties continues to be a risk for the HRA. Further pressures to vacant rent loss are likely as a result of Housing and Planning Act 2016 policy changes that are likely to increase tenancy turnover.

Brexit

The decision by the UK to leave the EU has created a period of uncertainty. Potential risks and impacts from Brexit include changes in regulation and statutory requirements, changes in inflation rates, increased interest rates, increases in material costs (construction) and possible labour shortages (construction). We will continue to monitor any possible risks as a result of Brexit as further detail emerges. We will then be able to plan and manage any risk accordingly.

Appendices

Appendix A – HRA Revenue Budget

Revenue Account	*Estimated Outturn 2017/18*	*Year 1 Budget 2018/19*	*Year 2 Forecast 2019/20*	*Year 3 Forecast 2020/21*	*Year 4 Forecast 2021/22*	*Year 5 Forecast 2022/23*	*Years 1-5 Forecast Total*
INCOME (in £millions)							
Net income dwellings	143.9	141.7	138.8	143.6	149.0	154.8	727.9
Other income	6.4	6.3	6.4	6.5	6.5	6.7	32.4
Total	**150.3**	**148.0**	**145.2**	**150.1**	**155.5**	**161.5**	**760.3**

EXPENDITURE (in £millions)							
Tenants services - including repairs and maintenance	83.6	85.8	87.0	89.1	91.4	93.7	447.0
Funding for capital programme	51.4	47.1	43.1	45.3	48.2	51.2	234.9
Interest on borrowing	15.3	15.1	15.1	15.7	15.9	16.6	78.4
Total	**150.3**	**148.0**	**145.2**	**150.1**	**155.5**	**161.5**	**760.3**

Required revenue reserve	5.0	5.3	5.3	5.3	5.3	5.4	

Appendix B – 5 Year Capital Investment Programme

HRA Programme	2017/18 *Outturn*	2018/19 *Year 1*	2019/20 *Year 2*	2020/21 *Year 3*	2021/22 *Year 4*	2022/23 *Year 5*	Years 1-5 *Total*
EXPENDITURE (in £millions)							
Essential investment work (health & safety etc)	1.9	3.7	7.2	4.1	0.8	3.0	18.8
Adaptations & access	2.0	2.0	2.2	2.5	2.5	2.5	11.7
Regeneration	0.0	0.0	0.0	0.0	7.0	1.0	8.0
Garages capital	0.7	1.7	1.1	0.0	0.2	0.2	3.2
Waste	0.0	0.8	0.8	0.9	0.0	0.0	2.5
Community heating	0.8	0.5	1.2	3.3	0.0	1.8	6.8
Area investment environmentals	0.1	0.1	0.0	0.0	0.0	0.0	0.1
Heating & insulation	0.7	5.1	11.0	6.9	2.2	2.2	27.4
Roofs & externals	21.4	22.4	10.6	15.1	15.6	17.2	80.9
Communal area investment	6.9	3.5	1.2	5.0	5.0	5.0	19.7
Electrics	1.0	7.0	7.0	7.0	4.0	5.1	30.1
Kitchens, windows, bathrooms & doors	16.4	8.0	1.7	0.0	5.0	5.0	19.7
Other planned elementals	0.0	1.0	1.0	2.0	2.1	1.7	7.8
Sub-total core investment programme	**51.9**	**55.8**	**45.0**	**46.8**	**44.4**	**44.7**	**236.7**
Capital management fee	3.0	2.8	2.8	2.8	2.8	2.8	14.0
IT upgrade	0.0	0.0	3.0	0.0	0.0	0.0	3.0
Repair and refurb – stock increase	1.1	0.6	0.6	0.6	0.0	0.0	1.8
Sub-total other capital spend	**4.1**	**3.4**	**6.4**	**3.4**	**2.8**	**2.8**	**18.8**
Total Capital Programme	**56.0**	**59.2**	**51.4**	**50.2**	**47.2**	**47.5**	**255.5**
Stock increase programme	3.7	10.1	19.5	20.3	30.9	33.3	114.1
Overall Total HRA Programme	**59.7**	**69.3**	**70.9**	**70.5**	**78.1**	**80.8**	**369.6**

Appendix C – Citywide Rents and Charges

Citywide average weekly rent by bedsize

Bedsize	Average weekly rent		Decrease	
	2017/18	2018/19		
Bedsit	£58.24	£57.66	£0.58	1%
1 bed	£65.99	£65.33	£0.66	1%
2 bed	£75.34	£74.59	£0.75	1%
3 bed	£84.32	£83.48	£0.84	1%
4 bed	£94.32	£93.37	£0.95	1%
Total (all bedrooms average)	£74.69	£73.94	£0.75	1%

Note: The above rents are for illustrative purposes only as they are based on city wide averages. Actual individual property rents will vary from these figures. Both years' averages are calculated using current stock numbers to enable comparison.

Proposed Community Heating Charges from April 2018

1. Metered heat

Metered Heat	Charge		Current weekly charges	Proposed weekly charges from April 2018
Standard price	Unit charge	Pence per kwh	3.04 pence	3.04 pence
	Standing charge	£ per week	£4.00	£4.00
	*Unmetered hot water charge	£ per week	£0.63	£0.63

*only for dwellings where hot water cannot be measured through the meter

2. Unmetered heat*

	Full heating		Partial heating	
Bedsize	**Current prices £/week**	**Prices April 2018 £/week**	**Current prices £/week**	**Prices April 2018 £/week**
Heating & hot water				
Bedsit	£11.38	£11.38	£10.52	£10.52
1 Bedroom	£11.82	£11.82	£10.82	£10.82
2 Bedroom	£14.66	£14.66	£13.62	£13.62
3 / 4 Bedroom	£15.78	£15.78	£14.66	£14.66
Heating only				
Bedsit	£8.38	£8.38	£7.76	£7.76
1 Bedroom	£8.58	£8.58	£n/a	£n/a
2 Bedroom	£10.82	£10.82	£10.03	£10.03

** For unmetered heating a weekly £5 surcharge applies where customer have consistently refused access to fit heat meters*

Appendix D – Equalities Impact Assessment

Rent Charges 2018/19

National and local evidence shows that women, older people, disabled people, and some Black and Minority Ethnic (BME) groups are more likely to be in poverty and financially excluded than non-protected groups. Women, older, BME and disabled people are over-represented generally in the customer profile as compared to the city profile; therefore these groups may be disproportionately affected by the rent reduction. However this should not result in any negative impacts or contribute to any further financial exclusion.

Every year the Council communicates the rent increase to tenants at the City Wide Forum (CWF) in January, a week before the HRA report goes to Cabinet. Tenant feedback on any concerns is taken to Cabinet and Full Council. Tenants are informed of the individual reduction to their rent by letter before the end of February.

Other Charges

Garage Rents

The change to a single rate charge for both garage plots and sites will mean a fairer and more transparent charging system. The change supports community cohesion as garage tenants will be paying the same rent level for a standard garage across the city. At present the wide variety of charges mean that tenants are paying a different rate to others in the local community for a standard garage. The impact on existing garage tenants is summarised below:

Garage Plots

- Although 1,280 Garage Plot tenants are facing a rent increase, for 1,271 of these the increase will be £1.00 a week or less.
- Only 9 tenants are facing a rent increase of £1.00 a week or more.

Garage Sites:

- Although 535 of Garage Site tenants are facing a rent increase, for 495 of these the increase will be £0.08 a week or less.
- The largest rent increase for a Garage Site tenant will be £0.28 a week and this increase only affects one tenant.

The impact of the rent change on those who will see a rent increase is further mitigated by the fact that garage rents have been frozen at 2014-15 levels. Garage rent charges have not therefore been subject to the approximate annual increases of CPI + 1% which would otherwise have been applied in 2015-16 and 2016-17. Further detail on the impacts and mitigations can be found in EIA reference 1296 (Change to Garage Rent

Restructure) which concludes that this change does not have a disproportionate impact on any particular tenant group or groups.

Community Heating

The HRA Business Plan 2018/19 recommendation is for no increase to be applied to the Community Heating charge and prices will be frozen at the 2017/18 levels. Therefore there should be no negative impacts to tenants who receive this charge.

Burglar Alarms

As these charges are not increasing for 2018/19 there is unlikely to be any negative equalities impacts on tenants who pay for these charges.

Sheltered Housing and Furnished Accommodation Service Charges

As these charges are not increasing for 2018/19 there is unlikely to be any negative equalities impacts on tenants who pay for these charges.

Stock Increase Programme

An increase in the council housing stock is likely to have a positive impact across all socio economic groups as increasing the type and number of properties available can help to house a number of target groups such as people with disabilities, older people and larger families. Newly acquired properties as part of the programme will continue to be let at an Affordable Rent (up to 80% of market/private rent). Although Affordable Rent is traditionally higher than social rent, it will be lower than the equivalent in the private rented sector.

The acquisitions programme is reliant on housing that is available and is financially viable for us to purchase. A high proportion of acquired housing has been made in the North East of the city and this is mainly due to their being more council housing in this part of the City, with ex council properties being a priority to purchase. The acquisitions strategy is reviewed on an annual basis to adjust for changes within the housing market and purchases have been made using a scoring process within the acquisitions strategy which includes data and needs identified in the Strategic Housing Market Assessment.

Properties acquired/built through the stock increase programme will be continued to be let through the Choice Based Lettings System, meaning that there shouldn't be a disproportionate impact to a particular equalities or demographic group.