

KEY ASSUMPTIONS UNDERPINNING THE HRA DRAFT ESTIMATES AND HRA BUSINESS PLAN

	<u>Year</u>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
	<u>Financial Year</u>		<u>2014.15</u>	<u>2015.16</u>	<u>2016.17</u>	<u>2017.18</u>	<u>2018.19</u>
1.00	DWELLING STOCK						
1.10	RTBs (2013.14 assumption in brackets)		50	50	50	50	50
1.20	Demolitions		0	0	0	0	0
1.30	Additions		0	0	0	0	0
2.00	INFLATION AND GROWTH						
2.10	CPI		2.70%	2.70%	2.70%	2.70%	2.70%
2.20	RPI		3.20%	3.20%	3.20%	3.20%	3.20%
2.30	Real Growth above RPI						
2.31	Rents		0.50%				
2.32	Non-dwelling Rents (Garages)		-3.20%	-3.20%	-3.20%	-3.20%	-3.20%
2.33	Service Charges		0.50%	0.50%	0.50%	0.50%	0.50%
2.34	Employee Related Pay		-2.20%	-2.20%	-2.20%	-2.20%	-2.20%
2.35	Premises Related Expenditure		0.00%	0.00%	0.00%	0.00%	0.00%
2.36	Other Management & Supervision Costs		0.00%	0.00%	0.00%	0.00%	0.00%
2.37	Real Growth above CPI						
2.38	Rents			1.00%	1.00%	1.00%	1.00%
2.39	Service Charges			1.00%	1.00%	1.00%	1.00%
2.40	Superannuation						
2.41	Increase in employers Contribution		1.00%	0.00%	0.00%	0.00%	0.00%
3.00	VOIDS		2.00%	2.00%	2.00%	2.00%	2.00%
4.00	BAD DEBTS		1.00%	1.00%	1.00%	1.00%	1.00%
5.00	INTEREST EARNED / PAID						
5.10	Interest on SF Debt with PWLB		3.47%	3.47%	3.47%	3.47%	3.47%
5.20	Interest on New External Borrowing		4.45%	4.45%	4.45%	4.45%	4.45%
5.30	Interest Earned on Working Balances etc		0.35%	0.35%	0.35%	0.35%	0.35%
6.00	VOLUNTARY DEBT REPAYMENT SET ASIDE REQUIRED						
6.10	Amount of Voluntary Set Aside agreed by Council in 2012		£0.27m	£0.27m	£0.28m	£0.29m	£0.29m
7.00	PROFESSIONAL FEES		8.00%	8.00%	8.00%	8.00%	8.00%

Notes:

- 2.31 Additional uplift in rents to achieve convergence with Government rent formula
6.1 This area will be reviewed during the budget setting process to consider change in capital receipt regulations

2014.15	2015.16	2016.17	2017.18	2018.19
£2	£0	£0	£0	£0

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM			2013.14	2014.15
			BUDGET	BUDGET
			1	2
	SUMMARY			
	EXPENDITURE			
			£	£
1	General Expenses	HRA 2.7	12,268,600	3,565,613
2	Supervision, Management & Housing Repairs & Maintenance	HRA 3.8	11,163,120	11,159,533
3	Total HRA Expenditure		23,431,720	14,725,146
	INCOME			
4	General Income	HRA 2.10	23,431,720	24,171,770
5	Transfer from Unused Reserves		0	
6	Total Income		23,431,720	24,171,770
7	HRA Resource Shortfall / (Available)	HRA 1.6 plus HRA 1.7	-	(9,446,624)
8	Add: Headroom borrowing not already committed	(potentially £12.4m TBC)		
9	Add: Savings in capital programme 2013-14	(potentially £700k TBC)		
10	Less Interest on external borrowing	(Policy already agreed last year and £266k included in estimates)		
11	Less Additional Voluntary Repayment of Debt	(potentially around £0.824m TBC)		-
12	Less: Budget issues Appendix C	(potentially around £12.218m yet To be decided)		-
13	Less: Capital Investment Programme Appendix D	(to be agreed)		-
14	Add Transfer from / (to) working Balance		0	-
15	HRA net of Income and Expenditure		-	(9,446,624)
16	Working Balance			
17	Opening Balance		657,953	657,953
18	Add / (deduct): Transfer from HRA			-
19	Less: Transfer to HRA			
20	Closing balance		657,953	657,953

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM		2013.14	2014.15
		BUDGET	BUDGET
	GENERAL EXPENSES	1	2
		£	£
1	Premises Related Expenses	117,190	117,190
2	Contributions to Provisions for Bad Debts	125,000	125,000
3	Contingency Sum - Unavoidable Employee Related expenditure		
4	Contribution to Capital Outlay	8,709,740	
5	Capital financing costs	3,056,990	3,056,990
6	Voluntary debt set aside for redemption of debt as loans mature (see also note 6 of Appendix A key assumptions)	259,680	266,433
7	Total Expenditure to Summary To HRA 1.1	12,268,600	3,565,613
	GENERAL INCOME		
8	Customer & Client Receipts (see Note 3 Page HRA 7)	23,333,410	24,102,950
9	Interest receivable	98,310	68,820
10	Total Income to Summary To HRA 1.4	23,431,720	24,171,770

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM			2013.14	2014.15
			BUDGET	BUDGET
			1	2
	<i>SUPERVISION, MANAGEMENT & HOUSING REPAIRS & MAINTENANCE</i>			
	SUMMARY			
1	Central Administration	HRA 4.8	2,105,980	2,163,441
2	Performance Improvement Team	HRA 4.15	605,690	607,774
3	Rent & Money Advice	HRA 4.20	717,120	682,967
4	Voids & Allocations	HRA 5.8	2,087,920	2,045,974
5	Estate Management & Tenant Participation	HRA 5.16	789,410	787,348
6	Property Services	HRA 6.9	4,245,980	4,305,208
7	Elderly & Disabled Support	HRA 6.18	611,020	566,821
8	Total Expenditure to summary	To HRA 1.2	11,163,120	11,159,533

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM		2013.14	2014.15
		BUDGET	BUDGET
		1	2
	<i>SUPERVISION, MANAGEMENT & HOUSING REPAIRS & MAINTENANCE</i>		
	<i>- CENTRAL ADMINISTRATION</i>		
	EXPENDITURE		
1	Employee Expenses	467,980	520,040
2	Premises Related Expenses	21,190	21,868
3	Transport Related Expenses	8,170	8,170
4	Supplies and Services	147,590	152,313
5	Support Services	1,660,230	1,660,230
6	<u>Total Expenditure</u>	2,305,160	2,362,621
7	INCOME	199,180	199,180
8	Net Expenditure to Summary to HRA 3.1	2,105,980	2,163,441
	<i>- PERFORMANCE IMPROVEMENT</i>		
	EXPENDITURE		
9	Employee Expenses	278,610	271,500
10	Transport Related Expenses	5,610	5,610
11	Supplies and Services	287,320	296,514
12	Support Services	34,150	34,150
13	<u>Total Expenditure</u>	605,690	607,774
14	INCOME	-	-
15	Net Expenditure to Summary to HRA 3.2	605,690	607,774
	<i>- RENT & MONEY ADVICE</i>		
	EXPENDITURE		
16	Employee Expenses	500,780	447,440
17	Transport Related Expenses	14,930	14,930
18	Supplies and Services	37,080	38,267
19	Support Services	164,330	182,330
20	Net Expenditure to Summary to HRA 3.3	717,120	682,967

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM		2013.14	2014.15
		BUDGET	BUDGET
	- VOIDS & ALLOCATIONS	2	2
		£	£
	EXPENDITURE		
1	Employee Expenses	411,260	411,260
2	Premises Related Expenses	1,803,780	1,765,525
3	Transport Related Expenses	26,040	26,040
4	Supplies and Services	65,910	68,019
5	Support Services	27,820	27,820
6	<u>Total Expenditure</u>	2,334,810	2,298,664
7	INCOME	246,890	252,690
8	Net Expenditure to Summary to HRA 3.4	2,087,920	2,045,974
	- ESTATE MANAGEMENT & TENANT PARTICIPATION		
	EXPENDITURE		
9	Employee Expenses	389,610	376,620
10	Premises Related Expenses	210,790	217,535
11	Transport Related Expenses	20,050	20,050
12	Supplies and Services	130,720	134,903
13	Support Services	50,600	50,600
14	<u>Total Expenditure</u>	801,770	799,708
15	INCOME	12,360	12,360
16	Net Expenditure to Summary to HRA 3.5	789,410	787,348

WEST LANCASHIRE BOROUGH COUNCIL
DRAFT REVENUE ESTIMATES 2014/15
HOUSING REVENUE ACCOUNT

ITEM		2013.14	2014.15
		BUDGET	BUDGET
	- PROPERTY SERVICES	2	2
	ADMINISTRATION	£	£
1	Employee Expenses	1,415,820	1,738,293
2	Premises Related Expenses	3,328,350	3,383,257
3	Transport Related Expenses	82,320	82,320
4	Supplies & Services	135,010	139,330
5	Agency & contracted Services	340	340
6	Support Services	89,490	89,490
7	<u>Total Expenditure</u>	5,051,330	5,433,031
8	INCOME	805,350	1,127,823
9	Net Expenditure to Summary to HRA 3.6	4,245,980	4,305,208
	- ELDERLY & DISABLED SUPPORT		
10	Employee Expenses	783,520	783,520
11	Premises Related Expenses	669,510	669,510
12	Transport Related Expenses	42,460	42,460
13	Supplies & Services	88,860	88,860
14	Agency & contracted Services	950	950
15	Support Services	220,280	220,280
16	<u>Total Expenditure</u>	1,805,580	1,805,580
17	INCOME	1,194,560	1,238,759
18	Net Expenditure to Summary to HRA 3.7	611,020	566,821

Appendix C

HRA BUDGET ISSUES	2014.15 £000	2015.16 £000	2016.17 £000
Capital Expenditure			
1 Installation of heat meters to service charge properties	91		
2 Investment in Egerton Enstone stub blocks returned from Stonham	250		
3 Boxing in of ranch style balustrades to landings	100	100	100
4 Ferndale External insulation and Roofing	189		
Revenue Expenditure			
1 Commission consultants for signage audit	15		
2 Commission insulation survey including energy advice to tenants	37		
3 Welfare Reform	45	45	45
4 Appointment of a Communications Officer social Media	37	37	37
5 Survey of Tenants and Residents (STAR)	10		10
6 Implementation of Garage Strategy	50		
Total	824	182	192
Estimated budget of items that are reoccurring in nature	182	182	82
One off temporary budget increases	642	-	110

CAPITAL INVESTMENT

Year Financial Year	TOTAL £	1 2014.15 £	2 2015.16 £	3 2016.17 £	4 2017.18 £	5 2018.19 £
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Figures include assumed inflationary increases and stock changes

Asset Management Plan	Programme total £	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £
Bathroom	7,575,378	1,863,663	1,805,683	1,817,640	1,869,849	218,543
Communal Doors Electrics	475,087	0	0	0	172,173	302,914
Communal Heating	120,088	0	0	0	113,968	6,120
Electrical Work	693,213	151,108	87,167	123,643	111,882	219,413
Fencing and Paving	5,450,927	0	1,438,326	1,373,050	1,430,985	1,208,566
Heating	5,829,699	1,530,025	1,490,534	1,518,013	565,871	725,256
Kitchen	8,299,996	2,438,250	2,146,725	2,222,906	899,914	592,201
Lifts	566,556	412,529	0	0	0	154,027
Mains Water	1,526,408	0	0	763,230	763,178	0
Minor works	27,949	0	6,513	0	2,748	18,688
Roofing	5,171,662	222,053	1,310,883	1,492,058	1,182,229	964,439
Walls	2,732,205	41,401	727,456	809,792	764,546	389,010
Window and Door	2,597,666	1,628,751	647,466	0	0	321,449
Void Kitchens	1,299,669	642,093	657,576	0	0	0
Disabled Adaptations	3,247,571	635,753	651,638	668,996	686,352	604,832
Capital Contingency (Repairs)	702,640	134,454	137,391	141,452	144,495	144,848
General sheltered upgrades	562,111	106,952	109,912	112,958	116,003	116,286
Communal areas (CAT Budget)	562,111	106,952	109,912	112,958	116,003	116,286
Laundry equipment	84,518	16,297	16,284	17,299	17,298	17,340
General Structural	843,166	160,937	164,869	168,928	174,004	174,428
Gutters	56,008	11,205	11,195	11,194	11,194	11,220
Gulleys	56,008	11,205	11,195	11,194	11,194	11,220
Grand Total	48,480,636	10,113,628	11,530,725	11,365,311	9,153,886	6,317,086
Findon & Firbeck	Programme total	Year 1	Year 2	Year 3	Year 4	Year 5
Findon & Firbeck	4,354,000	1,199,000	3,155,000			
Grand Total	4,354,000	1,199,000	3,155,000	-	-	-
Professional Fees	Programme total	Year 1	Year 2	Year 3	Year 4	Year 5
Professional Fees	3,721,404	905,010	1,174,858	909,225	732,311	505,367
Grand Total	3,721,404	905,010	1,174,858	909,225	732,311	505,367
Total Capital Investment	56,556,040	12,217,638	15,860,583	12,274,536	9,886,197	6,822,453