



Bassetlaw
DISTRICT COUNCIL
— North Nottinghamshire —

EXTRAORDINARY MEETING OF CABINET AGENDA

Meeting to be held in the
Ceres Suite,
Worksop Town Hall, S80 2AH
on Tuesday, 6th January 2015
at 6.30pm

(Please note time and venue)

**Please turn mobile telephones to silent during meetings.
In case of emergency, Members/officers can be contacted
on the Council's mobile telephone: 07702 670209.**

**In accordance with the Openness of Local Government Bodies Regulations 2014,
audio/visual recording and photography at Council meetings is permitted
in accordance with the Council's protocol 'Filming of Public Meetings'.**



CABINET

Membership 2014/15

Councillors: A Chambers, J Evans, S A Greaves, J A Leigh, S May, J White and G J Wynne

Substitute Members: None

Cabinet Members:

Policy and Community Engagement:	Councillor S A Greaves
Performance and Strategy:	Councillor G J Wynne
Corporate and Customer Services:	Councillor S May
Housing:	Councillor A Chambers
Finance:	Councillor J Evans
Neighbourhoods:	Councillor J A Leigh
Regeneration:	Councillor J White

Assistants:	Corporate and Customer Services:	Councillor M Richardson
	Housing:	Councillor M Gregory
	Neighbourhoods:	Councillor J Potts

Advisory Members: Councillors H M Brand and D Challinor
(Non-Voting)

Liaison Members: Councillors B Barker, H Burton, K H Isard and A Simpson
(Non-Voting)

Quorum: 2 Members

Lead Officer for this Meeting

Mr N Taylor - Ext 3266

Administrator for this Meeting

Mrs J A Hamilton - Ext 3146

EXTRAORDINARY MEETING OF CABINET

6th JANUARY 2015

AGENDA

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS * (pages (Members' and Officers' attention is drawn to the attached notes and form)
 - (a) Members
 - (b) Officers

SECTION A – ITEMS FOR DISCUSSION IN PUBLIC

Key Decisions

3. REPORT(S) OF THE CABINET MEMBER – CORPORATE AND CUSTOMER SERVICES *
 - (a) Council Tax Reduction Scheme (Bassetlaw District Council) 2015/16 (Key Decision No. 462) (pages 7 – 12)
4. REPORT(S) OF THE CABINET MEMBER –FINANCE *
 - (a) Calculation of Council Taxbase 2015/16 (Key Decision No. 461) (pages 13 – 20)
 - (b) Business Rates Budget 2015/15 (Key Decision No. 466) (pages 21 – 26)
 - (c) Housing Capital Programme 2015/16 to 2019/20 (Key Decision No. 468) (pages 27 – 36)
 - (d) Housing Revenue Account Budget 2015/16 and Future Years to 2017/18 (Key Decision No. 469) (pages 37 – 48)

Other Decisions

None

Exempt Information Items

The press and public are likely to be excluded from the meeting during the consideration of the following items in accordance with Section 100A(4) of the Local Government Act 1972.

SECTION B - ITEMS FOR DISCUSSION IN PRIVATE

Key Decisions

None

Other Decisions

5. REPORT(S) OF THE CABINET MEMBER –FINANCE *
 - (a) Proposed Sale of Land at Monmouth Road, Worksop (pages 49 – 53)

* Report attached

NOTES:

1. The papers enclosed with this Agenda are available in large print if required.
 2. Copies can be requested by contacting us on 01909-533146 or by e-mail julie.hamilton@bassetlaw.gov.uk
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EFFECTIVE DATE OF DECISIONS

1. **All key decisions made at this meeting will be referred to the Overview and Scrutiny Committee and will not come into force until that Committee has considered the decisions and has decided not to "call in" any decision.**
2. **A copy of all non key decisions will be sent to all Members of the Council and any four Members may then, within five days, request that any particular decision be referred to the Overview and Scrutiny Committee - in which case the particular decision will not come into force until that Committee has considered the decision and has decided not to "call in" the same. If no such request is made decisions will come into effect at the end of the five day period.**

DECLARATION OF INTERESTS

HOW TO USE THIS FORM

There are now only two types of Declaration of Interest:

Disclosable Pecuniary Interests)	Details can be found in the Councillors Code of Conduct which is contained in the Council's Constitution (a summary is printed below)
)	
)	
Non Pecuniary Interests)	

Upon receipt of the attached form you will need to enter the name and date of the Committee and your own name. By looking at the Agenda you will no doubt know immediately which Agenda Items will require you to make a Declaration of Interest.

Fill in the Agenda Item number in the first column of the form.

Enter the subject matter and any explanations you may wish to add in the second column.

In the third column you will need to enter **either** if you are declaring a disclosable pecuniary interest, **or** a non pecuniary interest.

The form must then be signed and dated. Please remember that if during the actual meeting you realise that you need to declare an interest on an additional Agenda Item number please simply amend the form during the meeting.

The form must be handed into the Committee Administrator at the end of the meeting.

NB. The following is a summary prepared to assist Members in deciding at the actual meetings their position on INTERESTS it is not a substitute for studying the full explanation regarding INTERESTS, which is contained in the Council's Constitution and the Code of Conduct for Councillors, which is legally binding.

Members and Officers are welcome to seek, PREFERABLY WELL IN ADVANCE of a meeting advice from the Council's Monitoring Officer on INTERESTS.

Disclosable Pecuniary Interests

May relate to employment, office, trade, profession or vocation carried on for profit or gain
May relate to sponsorship
May relate to contracts
May relate to interests in land
May relate to licences to occupy land
May relate to corporate tenancies
May relate to securities

Action to be Taken

Must disclose to the meeting
- existence of the interest
- the nature of the interest
- withdraw from the room
- not seek improperly to influence a decision on the matter

Non Pecuniary Interests

May relate to any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council
May relate to any person from whom you have received a gift or hospitality with an estimated value of at least £25
A Member may also have a non pecuniary interest where a decision in relation to that business might reasonably be regarded as affecting wellbeing or the wellbeing of other council tax payers, or ratepayers or inhabitants in the electoral division or ward, as the case may be, affected by the decision.

Action to be Taken

Must disclose to the meeting
- existence of the interest
- the nature of the interest
- not seek improperly to influence a decision on the matter.

(Note – there are special provisions relating to “Sensitive Interests” which may exclude the above provisions in certain circumstances.)

BASSETLAW DISTRICT COUNCIL

EXTRAORDINARY CABINET

6TH JANUARY 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

THE COUNCIL TAX REDUCTION SCHEME (BASSETLAW DISTRICT COUNCIL) 2015/16

Cabinet Member: Customer & Support Services

Contact: Mike Hill

Ext: 3174

1. **Public Interest Test**

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. **Purpose of the Report**

2.1 To set out the Council's scheme for Council Tax Reduction (CTR) for 2015/16. This must be in place (following Council approval) by 31st January 2015, to come into effect from 1st April 2015. This will replace the Council Tax Reduction (Bassetlaw District Council) Scheme 2014/15.

3. **Background**

3.1 Amendments to Section 10 of the Local Government Finance Act 2012, included the requirement for each billing authority to set a local scheme for Council Tax Reduction by way of discounts for residents in "financial need".

3.2 The Secretary of State has the powers to prescribe by regulations, additional requirements which must or must not be included in a scheme. These are contained within The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013 and 2014. These regulations are updated annually (the 2015 amendments are due in February 2015) and essentially protect people of pensionable age from the restrictions a local authority may have in its local Council Tax Reduction scheme and prescribe other details of the scheme in relation to people of pensionable age and people from abroad. It also includes provision to allow for annual uprating of allowances and premiums without this being classed as a material change to the scheme requiring consultation or further approval.

3.3 The Department for Communities & Local Government (DCLG) have also issued guidance on other administrative matters to be considered, such as duties to vulnerable people, and that schemes should contain work incentives. The Bassetlaw CTR Scheme will continue to contain both in the form of income and earnings disregards (in line with Housing Benefit

levels) and protection from restricted liability for severely disabled people (working-age vulnerable class).

The Current Council Tax Reduction Scheme 2014/15

3.4 The Council set the 2014/15 Council Tax Reduction (CTR) Scheme in January 2014, and it came into force from 1st April 2014. This was the second year of the new arrangements and a proposal to reduce the maximum Council Tax Reduction from 92% to 90%, due to further reductions in grant funding, was agreed. The main features of the 2014/15 CTR Scheme for working-age residents are;

- A maximum limit on the net Council Tax liability (after other discounts) used to calculate Council Tax Reduction, of 90% (so all working-age claimants pay at least 10% of the Council Tax charge). Those of pensionable age, and those in the working-age vulnerable class, are still calculated based on 100% of the liability.
- A definition of working age vulnerable class who would be exempt from the 90% restriction. This is where the claimant or partner qualifies for the Severe Disability Premium in the calculation of Housing Benefit or other Department for Work and Pensions (DWP) benefits.
- Inclusion of a full amount disregard of War Disablement Benefit and War Widows/Widowers Pension, agreed under the Council's Housing Benefits and Council Tax Reduction (disregard of income) Local Scheme Policy.
- A fund set aside under the Council Tax Discretionary Fund Policy to offer help to those experiencing exceptional hardship and to fund any further discretionary reductions in the amount of Council Tax due, under section 13A 1(c) of the Local Government Finance Act 2012 (for example successful appeals).
- No backdating of awards or Second Adult Rebate for working-age claims.

Funding Arrangements 2015/16

3.5 The DCLG include an amount in the Revenues Support Grant each year to contribute to the cost of the Council Tax Reduction Scheme. This contribution was less than the 100% subsidy that the authority received under the old Council Tax Benefit Scheme and therefore any shortfall in funding of the Council Tax Reduction Scheme has to be bridged by either:

- raising more income through changes to the Council Tax empty property discounts;
- reducing the total spend on the Council Tax Reduction scheme;
- raising income through other service efficiencies.

3.6 Funding within the Revenue Support Grant for 2015/16 is expected to reduce again and in anticipation for this, Members agreed in December 2014 to change two discounts on short-term empty properties and uninhabitable properties. This is expected to generate sufficient income to help bridge the gap and fund the Council Tax Reduction Scheme for 2015/16 without making any substantial changes to it.

3.7 The 2014/15 scheme was agreed based on caseload and forecast expenditure, and a 1.5% Council Tax increase. The caseload has fluctuated throughout 2014/15 with an overall reduction compared to the same point in 2013. There is also some movement projected as

working age claimants become pensioners in year and therefore have their CTR re-assessed under the prescribed scheme. This is detailed in the table below:

Claim Group	Caseload @ 1st November 2013	Previously forecast expenditure 2014/15	Caseload estimate 2015/16	Estimated CTR expenditure 2015/16 (with a 1.5% c/tax rise)
Pension-age	4,879	£4.26m	4,681	£4.03m
Vulnerable group	359	£0.32m	435	£0.39m
Working-age employed	874	£0.50m	844	£0.49m
Working-age other (unemployed)	3,963	£3.31m	3,578	£3.01m
TOTALS (rounded)	10,075	£8.39m	9,538	£7.92m

- 3.8 In addition to the £7.92m provision required to fund the CTR scheme, for 2015/16, the Collection Fund also funds the disregard of war widows and war disability pensions in the calculation of Council Tax Reduction. This is a local scheme policy of the Council and is estimated to cost an additional £25k per year.
- 3.9 Due to the current economic climate it is also good practice to set aside a contingency amount within the Collection Fund for any sudden increase in claims for Council Tax Reduction, for example if there was a high level of redundancies in the area. Currently the calculations include £100k for this purpose i.e. the equivalent of 120 extra claims.
- 3.10 Funding for the Council Tax Discretionary Fund, which gives help to people who are experiencing exceptional circumstances (or where there is a successful appeal), was agreed as part of the Cabinet process for 2014/15. It was also agreed that this would be a delegated decision of the Chief Executive for future years, so does not form part of the recommendations of this report, but it does form part of the calculation of total estimated spend in the financial implications, and is currently £25k.
- 3.11 It is therefore recommended within this report that the maximum Council Tax Reduction for 2015/16 remains at 90%.

4. Implications

- a) For service users

The recommendations will mean that the current scheme can continue for another year and that recipients of working-age would continue to contribute at least 10% of the Council Tax charge (90% maximum unless they were in the vulnerable class).

Claimants of pensionable age will continue to be protected from restrictions to the maximum Council Tax Reduction amount as prescribed by legislation.

Any changes to the prescribed scheme made for 2015/16 will be incorporated into the Bassetlaw Scheme as they are published.

b) Strategic & Policy

No real implications, other than legal considerations associated with the proposals.

c) Financial - Ref: 15/196

The financial implications are provided within the report. The estimated expenditure in section 3.7 assumes a 1.5% increase in the Council Tax from April 2015, but any decisions on council tax will not be agreed until the February 2015 Cabinet meeting. Each 0.5% increase in Council Tax charged would result in an additional spend on Council Tax Reduction of approximately £80k.

The recommended approach of making no changes to the current scheme, making adequate contingency for caseload fluctuation, and provision for local schemes is estimated to cost a total of £ 8.07m in 2015/16 from the Collection Fund.

d) Legal – Ref: 321/1/15

The scheme is prescribed by section 10 of the Local Government Finance Act (LGFA) 2012 and must be approved by Full Council under regulation 67 of the 1992 LGFA, as amended by schedule 4 part 2 of the 2012 Act.

e) Human Resources

None arising from this report.

f) Community Safety, Equalities, Environmental

The Equality Impact assessment has been reviewed with no issues identified

g) Whether this is a key decision, and if so the reference number.

This is Key Decision number 462.

5. **Options, Risks and Reasons for Recommendations**

- 5.1 The Council Tax Reduction Scheme is a local scheme for working age people, set by the billing authority each year, and Members asked that matters affecting the scheme be reported back annually. There is a fine balance between the cost of the scheme, the available funding, and the ability of people on low incomes being able to afford to pay their Council Tax. Although there was a change to the main element of the scheme in April 2014 (from 92% maximum CTR to 90%) this has not adversely affected collection rates overall. There is a risk that any further change to the scheme could result in more people falling into arrears.
- 5.2 There is no option to change the scheme relating to pensioners as this is a prescribed scheme, and protects this group from changes within the Council's local scheme. Therefore the funding associated with this group must be maintained.
- 5.3 It is therefore recommended that the Council Tax Reduction Scheme 2015/16 remains the same as the previous year – the details of which are set out in paragraph 3.4.

6. Conclusions

- 6.1 It is anticipated that the funding available in the Collection Fund for 2015/16 will be sufficient to make no changes to the current CTR scheme as set out in paragraph 3.4. This includes provision for the annual uprating of allowances and benefits from 1st April, to bring these in line with those of Housing Benefit.
- 6.2 A copy of the full scheme, as amended, is available in the Members' Room in paper form and as an appendix to this report electronically. A paper copy is also held by the Cabinet Member for Revenues & Customer Services.

7. Recommendations

- 7.1 That the Council Tax Reduction (Bassetlaw District Council) Scheme 2015/16, to apply from 1st April 2015, be recommended to the full Council meeting on 29th January 2015 for approval and adoption.
- 7.2 That there are no changes to the Council Tax Reduction scheme for working age people as described in section 3.4 of this report except for the annual uprating of benefits, allowances and premiums in line with Housing Benefit levels from April 2015.
- 7.3 That the Housing Benefits and Council Tax Reduction (Disregard of Income) Local Scheme Policy continues to apply within the Council Tax Reduction Scheme for 2015/16.
- 7.4 That Pensioners continue to be awarded Council Tax Reduction in line with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 and the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations.

Background Papers

Location

Equality Impact Assessment

LTBM/website

Council Tax Reduction Scheme (Bassetlaw District Council) 2015/16

Members
library/S May

Electronic copy

Appendix A

BASSETLAW DISTRICT COUNCIL

CABINET

6th JANUARY 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

CALCULATION OF COUNCIL TAX BASE 2015/16

Cabinet Member: Finance
Contact: M Hill
Ext. 3174

1. Public Interest test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 To set out and approve the calculation of the Council's 2015/16 tax base as required by The Local Government Finance Act 1992 in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

3. Background and Discussion

3.1 The Local Authorities (Calculation of Council Tax Base) Regulations 2012 (the council tax base regulations), specify the formulae for calculating the council tax base, which must be set each year between 1st December and 31st January.

3.2 The 'billing authority' must calculate the tax base based on information contained in its Council Tax valuation list on the 30th November in the year immediately preceding.

3.3 The tax base calculations for Bassetlaw are also used by Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Combined Fire Authority to determine their respective levies for 2015/16. Additionally the figures are used by the 57 local Town and Parish Councils, Parish Meetings and Charter Trustees throughout Bassetlaw.

3.4 The council tax base is a measure of the number of dwellings on which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating an authority's Band D council tax. Since 2013/14, the tax base calculation also includes a reduction based on the former council tax benefits payments, which are now dealt with differently under the Local Council Tax Reduction Scheme.

3.5 Under the Local Council Tax Reduction Scheme, the council tax base is affected by whether persons living in a dwelling within an authority area are in receipt of a council tax reduction awarded under the Scheme, as the billing authority foregoes council tax

income from those dwellings. These local council tax reductions are reflected in the calculation of the council tax base, in order to calculate the correct amount of Band D council tax for the billing and precepting authorities in the area.

- 3.6 For Council Tax purposes, properties are placed in different property 'Bands' based broadly on the value of the property, using April 1991 as the baseline valuation date. The band is used to determine the Council Tax levied for that property.
- 3.7 The Council's basic tax figure is calculated in respect of Band D. Other bands are then calculated as a fraction of the tax at Band D.

The fractions applicable to the various Council Tax Bands are as follows:

Band	A	B	C	D	E	F	G	H
Fraction	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths

- 3.8 The tax base calculation is determined by identifying the number of properties liable to be levied and the banding in which the properties are placed and then applying relevant exemptions, discounts, including the local Council Tax Reduction Scheme, and banding reductions. The information is compiled for each parish and the authority's tax base is built up from these bands. The resultant figures are then adjusted to the number of Band D equivalents by applying the proportions shown above.
- 3.9 As can be seen in Appendix 1, the total number of dwellings in Bassetlaw is 50,990 (line 1). Once adjusted for discounts, exemptions, premiums and band reductions this figure reduces to 46,423.50 (line 14). The total is then converted into the number of Band D equivalents, 38,128.14 (line 16). The figure is finally adjusted for the local Council Tax Reduction Scheme (line 18) to produce the tax base figure of 33,354.94 properties (line 19).
- 3.10 The final Band D equivalent figure is then further adjusted to allow for a provision of growth of housing stock, any anticipated losses on collection, and any other relevant foreseen adjustments. A final tax base figure is then obtained, shown on Appendix 1 as 32,545.35 Band D properties.
- 3.11 Regulations under the Localism Act enacted as an amendment to LGFA 1992 state that a Council should calculate a tax base. The tax base recommended on the attached appendices is 32,545.35 properties, net of reduction, discounts and growth. This tax base shows an increase in Band D equivalents of 651.51 properties compared to the tax base set for 2014/15. This in turn will result in additional income for all preceptors.
- 3.12 For Bassetlaw, this increase in chargeable properties will generate additional income of £101,000 based on the 2014/15 council tax of £155.11. However, this must be taken into context as any new properties will require refuse collection services, coupled with any additional costs for council tax recovery, bad debts, and housing benefits. It must also be recognised that this is against the backdrop of a £1.3m reduction in Revenue Support Grant for 2015/16.

4. Implications

a) For Service Users

The tax base forms the basis of the Council Tax levels for 2015/16 for Bassetlaw's Council Tax payers. The amount required to be met from Council Tax for 2015/16 (to be approved by Council on 5th March 2015) will be divided by the tax base set to determine the Bassetlaw District Council charge.

b) Strategic & Policy

The income received from Council Tax is essential in financing the provision of Council services.

c) Financial – Financial Ref. 15/418

The tax base forms the basis of the Council's Council Tax setting resolution for 2015/16 which is due to be considered by full Council on 5th March 2015.

The adjusted Bassetlaw tax base must be notified to Nottinghamshire County Council and to respective Police and Fire Authorities before 31st January 2015.

The Parish tax base figures (Appendix 2) are notified individually to the Parish Councils in order that they may determine their level of precept on Bassetlaw District Council.

The tax base calculation performed as at 30th November 2014 is subject to a collection rate factor which has been set at 98%.

d) Legal – Legal Ref. 05/01/15

The relevant regulations place a legal requirement on a billing authority to set a tax base.

e) Human Resources

None from this report.

f) Community Safety, Equalities, Environmental

None from this report.

g) This is key decision number 461.

5. Options, Risks and Reasons for Recommendations

5.1 The Council has a statutory obligation to set a tax base and to notify precepting authorities. To not set a tax base would mean a breach of the statutory requirement and there would be no basis on which to set a Council Tax for 2015/16.

5.2 Setting the Council tax base is the first step in determining the Council Tax for 2015/16. The tax base must be determined and notified to other relevant bodies by 31st January each year.

6. Recommendations

- 6.1 That Cabinet agrees that the Council tax base for the year 2015/16 shall be 32,545.35 Band D properties, subject to the Council Tax Reduction Scheme being agreed as proposed at this same meeting.
- 6.2 That Cabinet recommends to Council the calculations set out in Appendix 1 to agree the Council tax base calculation for the district for 2015/16 and instructs officers to notify this figure to the major precepting authorities.
- 6.3 That Cabinet recommends to Council the calculations set out in Appendix 2 figures which are tax bases for parts of the area and instructs officers to notify the 2015/16 tax base to Town and Parish Councils, Parish Meetings and Charter Trustees as soon as is practicable.

BASSETLAW DISTRICT COUNCIL - COUNCIL TAX BASE 2015/16

APPENDIX 1

	1	2	3	4	5	6	7	8	9	10
Dwellings shown on the Valuation List for the authority on 30th November 2014	Band A entitled to disabled relief reduction	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	TOTAL
1 Total number of dwellings on the Valuation List		26,340	7,544	6,095	5,890	2,987	1,406	673	55	50,990
2 Number of dwelling on valuation list exempt on 30th November 2014 (class B & D to W exemptions)		429	88	51	53	22	9	9	1	662
3 Number of demolished dwellings on 30th November 2014		0	0	0	0	0	0	0	0	0
4 Number of chargeable dwellings on 30th November 2014 (lines 1-2-3)		25,911	7,456	6,044	5,837	2,965	1,397	664	54	50,328
5 Number of chargeable dwellings in line 4 subject to disabled reduction on 30th November 2014		145	61	65	48	32	16	14	10	391
6 Number of dwellings effectively subject to council tax for this band by virtue of disabled relief	145	61	65	48	32	16	14	10		391
7 Number of chargeable dwellings adjusted in accordance with lines 5 and 6 (lines 4-5+6)	145	25,827	7,460	6,027	5,821	2,949	1,395	660	44	50,328
8 Number of dwellings in line 7 entitled to a 25% discount by virtue of occupancy on 30th November 2014	45	10,275	2,211	1,611	1,204	461	207	81	6	16,101
9 Number of dwellings in line 7 entitled to a 50% discount by virtue of occupancy on 30th November 2014	1	21	7	3	9	6	12	19	2	80
10 Number of dwellings in line 7 entitled to a 25% discount by virtue of being empty less than 6 months on 30th November 2014		461	80	61	33	23	9	2	0	669
11 Number of dwellings in line 7 entitled to a 25% discount by virtue of being empty and uninhabitable on 30th November 2014		71	12	16	7	1	1	2	0	110
12 Number of dwellings in line 7 assumed to be entitled to no discounts (line 7-8-9-10-11)	99	14,999	5,150	4,336	4,568	2,458	1,166	556	36	33,368
13 Number of dwellings in line 7 subject to a 50% surcharge by virtue of being empty more than 2 years on 30th November 2014		125	50	18	16	8	9	9	2	237
14 Total equivalent number of dwellings after discounts, exemptions and disabled relief (to 2 decimal places) ((line 8 x 0.75) + (line 9 x 0.5) + (line 10 x 0.75) + (line 11 x 0.75) + (line 12) + (line 13 x 1.5))	133.25	23,302.25	6,955.75	5,630.50	5,529.50	2,836.75	1,348.25	642.75	44.50	46,423.50
15 Ratio to Band D	5/9	6/9	7/9	8/9	1	11/9	13/9	15/9	18/9	

16	Number of Band D equivalents (to 2 decimal places) (line 14 x line 15)	74.03	15,534.83	5,410.03	5,004.89	5,529.50	3,467.14	1,947.47	1,071.25	89.00	38,128.14
17	Tax base for Revenue Support Grant purposes										38,128.14
18	Reduction in tax base due to Council Tax Reduction Scheme										4,773.20
19	Tax base before adjustment for growth										33,354.94

Estimate of completed chargeable dwellings not yet on valuation list		
Estimate of dwellings due for completion by 31.03.15 not yet on Valuation List	11.68	
Estimate of new building coming on stream in 2015/16	26.69	
Estimate of reduction in empty home income	-50.00	
Estimate of growth in cost of Council Tax Reduction Scheme	-60.81	
Additional growth in Council Tax Reduction Scheme assuming 1.5% CT increase	-72.97	
Total	33209.53	
Collection Adjustment (98%)	664.19	
Taxbase for Bassetlaw for 2015/16 (2014/15 in brackets)	32,545.35	(31893.84)

Parish/Town	Area Council Tax Base
Askham	82.49
Babworth	220.92
Barnby Moor	112.09
Beckingham-cum-Saundby	470.04
Blyth	473.34
Bole	49.44
Bothamsall	92.05
Carburton	23.41
Carlton-in-Lindrick	1560.03
Clarborough & Welham	383.24
Clayworth	140.42
Clumber & Harwick	29.57
Cuckney	75.69
Dunham-on-Trent with Ragnall, Fledborough & Darlton	214.56
East Drayton	112.97
East Markham	470.70
East Retford Charter Trustees	6443.72
Elkesley	221.84
Everton	352.63
Gamston with West Drayton & Eaton	239.63
Gringley-on-the-Hill	308.21
Harworth & Bircotes	1795.35
Haughton	19.98
Hayton	155.03
Headon-cum-Upton with Grove & Stokeham	149.21
Hodsock	541.12
Holbeck & Welbeck	125.22
Laneham	140.52
Lound	191.33

Parish/Town	Area Council Tax Base
Markham Clinton	93.99
Mattersey	235.94
Misson	263.12
Misterton	696.83
Nether Langwith	136.52
Normanton-on-Trent with Marnham	184.70
North Leverton with Habbleshthorpe	328.43
North & South Wheatley	263.30
Norton	50.55
Rampton	263.36
Ranskill	484.23
Rhodesia	211.57
Scaftworth	16.77
Scrooby	130.38
Shireoaks	445.55
South Leverton	187.58
Sturton-le-Steeple	189.54
Styrrup with Oldcotes	238.06
Sutton	256.06
Torworth	78.91
Treswell with Cottam	121.06
Tuxford	762.14
Wakeringham	340.74
Wallingwells	14.19
West Burton	6.30
West Stockwith	109.27
Wiseton	42.00
Worksop Charter Trustees	11199.51
TOTAL	32545.35

BASSETLAW DISTRICT COUNCIL

CABINET

6th JANUARY 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

BUSINESS RATE BUDGET 2015/16

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 To set the Council's estimated net yield from local business rates for 2015/16, which will be used to calculate Bassetlaw's share for the purpose of budget setting in the February 2015: *General Fund Revenue Budget 2015/16 to 2017/18* Cabinet report.

3. Background and Discussion

Methodology

- 3.1 Traditionally, central government requires all local billing authorities to complete a return (*called the NNDR1 return*), which sets out the business rate income baseline for the purposes of budget setting.
- 3.2 Prior to 2013/14, the *NNDR1 return* informed government of how much the Council was due to collect and pay over to the Department for Communities and Local Government (DCLG), and this was then amalgamated with all other billing authority *NNDR1 return* submissions to determine the size of the national business rate pot. This was then redistributed back to individual Councils using population statistics.
- 3.3 The Business Rates Retention Scheme came into operation on 1st April 2013, and although the arrangements are very similar to before, the importance of this return has changed significantly. With the projected withdrawal of Revenue Support Grant by 2019/20, business rate income will become the most significant source of income for the Council.
- 3.4 The arrangements now enforce a direct link between the *NNDR1 return* and the amount of business rates retained by the Council. The total is allocated on the basis of:

- 50% to be paid to the Central Government;
- 40% allocated to the District Council;
- 9% to be paid to the County Council;
- 1% to be paid to the Fire & Rescue Authority.

3.5 From this figure, further calculations are applied for tariffs or top-up's, and safety net payments or levies, before arriving at an individual business rate budget for a local authority for 2015/16.

3.6 Bassetlaw currently pays a tariff i.e. the 40% retained business rate income is much higher than central government deems to be required, and therefore a tariff is payable back to central government for distribution to other councils that require a top-up payment i.e. most Unitary and County Councils.

3.7 The position as regards to whether a safety net is receivable or a levy is payable is less clear, as it depends upon how much income is collected in year when compared against the government's baseline position i.e. what central government expected Bassetlaw to collect.

Pooling

3.8 From 1st April 2013, all of the seven Nottinghamshire District Councils joined forces with Nottinghamshire County Council to form a business rates pool. This arrangement works exactly the same as for an individual authority, except the tariff or top-up, and the safety net payment or levy, is calculated on the Pool as a single entity.

3.9 This approach has enabled a greater level of financial resources to be retained within Nottinghamshire, as any levy paid by a district council on business rate growth would ordinarily be paid to central government, whereas under the pooling arrangements, this is retained locally and redistributed back to partner authorities. It also affords the same degree of protection against volatility of business rates as would have occurred without the pool i.e. a safety net payment for any reduction in business rates income below 92.5% of the expected baseline figure.

3.10 Another benefit from joining the pool is the assurance against the volatility of business rates. Over 49% of Bassetlaw's business rate income is receivable from only ten hereditaments, and this includes four power stations. All business rates income is subject to appeal or business closure, and therefore a sudden loss in any one of these ten hereditaments would have a major impact on the finances of the Council.

3.11 For the 2013/14 outturn, Bassetlaw received a safety net payment from the pool of £1.3m. The projected outturn for 2014/15 is a contribution to the pool (to be redistributed across all local authority partners in conjunction with their own surpluses) of £2.5m, and the estimate for 2015/16 is £1.0m.

Calculation

3.12 The Non-Domestic Rating (Rates Retention) Regulations 2013 No. 452 requires all billing authorities to calculate the following amounts and to notify these to the Secretary of State and any relevant precepting authorities by 31st January each year via the *NNDR1 return*:

(a) *the amount of the central share of its non-domestic rating income;*

- (b) the amount of each relevant precepting authority's share of its non-domestic rating income in accordance with regulation 5;*
- (c) the amount (if any) to be deducted from the central share payment in accordance with regulation 4(1);*
- (d) the amount of each relevant precepting authority's share of any amount to be deducted from the central share payment in accordance with regulation 4(1);*
- (e) the amount (if any) specified by regulation 7(2).*

3.13 The intention of this report is for Cabinet and ultimately full Council, to set the Business Rate budget for 2015/16. This is entirely based on the figures resulting from the *NNDR1 return*.

3.14 Appendix 1 provides the officers' latest forecast of business rates to be collected in 2015/16 of £49.9m (line 42), with Bassetlaw's share, after taking account of the tariff payment, being £4.7m.

4. Implications

a) For service users

Services continue to be funded by a combination of locally retained business rates and Revenue Support Grant. However the business rates quantum is relatively fixed, so central government is using the Revenue Support Grant element to manage reductions in the central budget aligned with the well-publicised cuts in national public spending.

b) Strategic & Policy

The manner in which local government is funded will continue, but with total funding levels being eroded over time.

c) Financial - Ref: 15/444

The provisional Local Government Finance Settlement was announced on 18th December 2014, with Revenue Support Grant being set at £2.8m and baseline retained business rates of £3.7m for 2015/16.

d) Legal – Ref: 328/1/15

The Council has a duty under The Non-Domestic Rating (Rates Retention) Regulations 2013 No. 452 (previously the Local Government Finance Act 1988) to prepare a business rate retention scheme and consider potential policy arrangements available within Nottinghamshire.

e) Human Resources

None.

f) Community Safety, Equalities, Environmental

The business rate retention scheme has been subject to an initial Equality Impact Assessment for Bassetlaw. There is no need to progress to a full EIA, as there is no evidence of any potential adverse impact.

g) This is a key decision number 466.

5. Options, Risks and Reasons for Recommendations

5.1 Due to the delay by central government in distributing the relevant documentation and guidance in respect of this budget calculation, the figures reported in the appendix represent the best estimates of the likely retained business rates forecast for 2015/16. The final *NNDR1 return* and any associated changes to this report will be reported to Members as part of the referral to the Extraordinary Council meeting on 29th January 2015.

6. Recommendations

6.1 That Cabinet approves the provisional calculation of the *NNDR1 return* and the estimated net yield from local business rates for 2015/16.

6.2 That Cabinet recommends this report to the Extraordinary Council on 29th January 2015 where the final *NNDR1 return* for 2015/16 will be considered.

Background Papers

Location

Head of Finance & Property office

BUSINESS RATES BUDGET PREDICTION 2015/16

(based on list at 10th December 2014)

1. Number of hereditaments on the rating list on relevant date

3,848

2. Aggregate rateable value on the rating list on relevant date

123,735,076

GROSS CALCULATED RATE YIELD

3. Enter line 2 x small business non-domestic rating multiplier (0.485)

£ 58,774,161.10

MANDATORY RELIEFS

Small business rate relief

4. Additional yield generated to finance the small business rate relief scheme

£ 1,250,000.00

5. Cost of small business rate relief for properties within billing authority area

£ 2,500,000.00

6. Net cost of the small business rate relief (Line 5 minus Line 4)

£ 1,250,000.00

7. Cost of relief to charities

£ 3,200,000.00

8. Cost of relief to Community Amateur Sports Clubs

£ 11,041.00

9. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

£ 38,500.00

10. Cost of relief for partly occupied premises

£ 2,000,000.00

11. Cost of relief for empty premises

£ 790,000.00

12. Total mandatory reliefs (Sum of lines 6 to 11)

£ 7,289,541.00

DISCRETIONARY RELIEFS

13. Cost of relief to charities

£ 125,000.00

14. Cost of relief to non-profit making bodies

£ 140,000.00

15. Cost of relief to Community Amateur Sports Clubs

£ 1,769.00

16. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

£ 9,933.00

17. Cost of relief to other rural businesses

£ 38,500.00

18. Other Section 47 reliefs (Localism Act discounts)

£ -

19. Total discretionary reliefs (Sum of lines 13 to 18)

£ 315,202.00

20. Gross Rate Yield after reliefs (Line 3 minus lines 12 & 19)

£ 51,169,418.10

21. Estimate of 'losses in collection'

£ 511,694.18

22. Allowance for Cost of Collection

£ 167,256.95

23. Special Authority Deductions - City of London Offset

£ -

Section 2

Enterprise Zones

24. Estimated level of discount to be awarded in 2015/16

£ -

25. Estimated value of non-domestic rates in the Enterprise Zone area in 2015/16

£ -

26. Enterprise Zone baseline

£ -

27. Total estimated value of business rates to be retained in 2015/16 (Line 25 minus line 26)

£ -

APPENDIX 1

New Development Deals	
28. Estimated value of non-domestic rates in the New Development Deals area in 2015/16	£ -
29. New Development Deals baseline	£ -
30. Total estimated value of business rates to be retained in 2015/16 (Line 28 minus line 29)	£ -
Renewable Energy Schemes	
31. Total estimated value of business rates to be retained in 2015/16	£ 105,000.00
32. Net Rate Yield excluding transitional arrangements and rate retention (Line 20 minus the sum of lines 21 to 23, 27, 30 & 31)	£ 50,385,466.97
Rate retention adjustments	
33. Estimate of the change in rateable value	150,000.00
34. Estimate of the change in receipts as a result in the change in rateable value (line 33 times the multiplier)	£ 72,000.00
This equates to a percentage change of	0.12
35. Local authority's estimate of adjustment due to appeals	£ 1,500,000.00
36. Net Rate Yield excluding transitional arrangements but after rate retention adjustments (Line 32 plus lines 34 and minus line 35)	£ 48,957,467.00
Section 3	
Transitional arrangements	
37. Addition revenue received because reduction in rates have been deferred	£ 20,000.00
38. Revenue foregone because increase in rates have been deferred	£ 150,000.00
39. Net cost of transitional arrangements (Line 38 minus line 37)	£ 130,000.00
40. Net Rate Yield after transitional arrangements and rate retention (Line 36 minus line 39)	£ 48,827,467.00
41. Small Business Rate Relief grant	£ 1,125,000.00
42. Total to be shared amongst preceptors	£ 49,952,467.00
These figures show the percentage shares of the NNDR we estimate to collect in 2015/16.	
Amount of NNDR to be paid to central government	£ 24,976,233.50
Amount to be retained by Bassetlaw under the rates retention scheme	£ 19,980,986.80
Amount to be passed to Nottinghamshire	£ 4,495,722.03
Amount to be passed to Nottinghamshire Fire Authority	£ 499,524.67
Bassetlaw Share @ 40%	£ 19,980,986.80
CLG Tariff Payment	£ 15,283,426.00
Bassetlaw Net Share	£ 4,697,560.80
Bassetlaw Budget 2015/16	£ 4,697,560.80

BASSETLAW DISTRICT COUNCIL

CABINET

6th JANUARY 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

HOUSING CAPITAL PROGRAMME 2015/16 TO 2019/20

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 To consider and approve the Housing Capital Programme for 2015/16 to 2019/20.

3. Background and Discussion

3.1 As part of the arrangements for the new HRA self-financing regime, the Council prepared a 30 year Business Plan which identified the levels of capital expenditure required to maintain council housing stock at the 'Decent Homes' standard prescribed by central government into future years.

3.2 As a result of this work, an initial five year capital programme was developed for the period 2012/13 to 2016/17, which covered the four elements of:

- Decent Homes;
- Fuel Poverty;
- Crime & Disorder;
- Disability.

3.3 As the third year is now coming to an end, the Business Plan has been fully developed into a 'live' model that is updated on a continuous basis to reflect any changes that materialise. The commitment made in the original Business Plan regarding the first five years of the capital programme remains in place, with later years being added and revised according to latest information. This is important as 2013/14 heralded the end of the Decent Homes funding, and this programme now looks at wider agendas and is therefore more balanced and diverse.

- 3.4 All these priorities were consulted on with tenants (Tenant Investment Group) by A1 Housing in 2007 prior to the commencement of the Decent Homes programme. Appendix 1 sets out the full set of commitments for all the financial years up until 2019/20.

Major Improvements

- 3.5 In considering the schemes and the funding available, the first task is to maintain the Decent Homes standard going forward. Appendix 1 shows that a total of £27.1m has been identified as a five-year commitment to maintain the housing stock at minimum decency levels.

Green Energy

- 3.6 One of the biggest risks to the financial stability of Bassetlaw's tenants is their ability to pay energy bills and a level of household income that prevents them from being classed as 'fuel poor'. The aim of this set of priorities in the capital programme is to minimise fuel poverty wherever possible, ensuring properties have good levels of insulation, A-rated boilers, solar PV, renewable energy and efficient well maintained district heating schemes. A1 Housing originally set itself a target of 20% of the stock to be on some form of renewable heating by 2020.
- 3.7 A1 Housing have developed a sound tradition of pioneering air source and ground source heat pumps to properties that were previously dependent on expensive heating systems. A number of schemes have therefore been included in the 2015/16 – 2019/20 Capital Programme. The programme areas identified in Appendix 1 cumulate in an investment of £4.6m over the five years covered in this report, with £1.1m being recommended for 2015/16. Expenditure will be committed to renewable energy schemes, external wall insulation to solid wall properties, boiler and heating replacements, and further photovoltaic cells being installed.

Decent Neighbourhoods

- 3.8 Other emerging priorities are anti-crime and community safety measures. The commitment to this is for £1.1m in 2015/16, with an outline total of £4.8m invested by the end of 2019/20.
- 3.9 This priority group of projects includes not just property protection, but also environmental protection to assist with community wide safety. Crime risk can be minimised in the home with 'Secured by Design' windows and doors, but it is often the community projects that reduce anti-social behaviour and crime. Community safety doesn't however solely refer to crime but includes fire risk assessments, health protection from poor sanitation, waste management (2 or 3 bin systems for properties designed for only a single bin), Housing Health & Safety Rating System, safe car parking, putting footpaths into good repair and properties in a good state of structural repair.
- 3.10 Fire Risk Assessments have provided one of the most significant additional funding requirements over the last few years. This will have to remain one of the first priorities on the annual delivery programme.

Homes for Life

- 3.11 Commitments to meet Disability Discrimination Act requirements and further home adaptations are being put forward with some £0.7m in 2015/16, with up to a total £3.3m by the end of 2019/20.
- 3.12 The main thrust of this area will be the requirement for the delivery of adaptations to council tenants (to mirror the Disabled Facilities Grant process for private sector residents). As part of this process it is important Bassetlaw remains innovative and adopts initiatives designed to reduce accidents and prevent the decline in people's health prematurely. This is where self-referral schemes are important. In addition, though this will always be a desire, the lifetime homes criteria (16 points relating to access in and around the home) should always be adopted wherever possible and schemes to improve some suitable properties would be beneficial. With new-build schemes, lifetime homes should always be a criteria for consideration.
- 3.13 Any pressures in this area can be kept to a minimum through good asset management and by obtaining grants wherever possible and working with partner organisations such as Bullocks, energy companies and maximising tariff schemes to ensure any duplication is removed from processes. Ensuring procurement gives value contracts that deliver both the product, the service and specifications that ensure product delivery is maximised and repair obligations minimised. Relying on capital budgets without including the above will always leave Bassetlaw behind the times.

Other Schemes

- 3.14 The HRA capital programme includes details of other schemes as follows:
- Airey Housing, Harworth – the Council has been successful in attracting HCA funding for Phases 1 and 2 of this scheme of £1.0m, which is a contribution towards the construction of forty-three new homes at an overall cost of £4.7m. Phase 3 of the project is estimated to cost £2.7m and HCA funding of £0.7m will be applied for in due course.
 - Community Alarm Equipment – there is a need to replace the existing warden hard-wired system and Telecare service with an upgraded digital system. This work commenced in 2014/15 and will continue for a further two years. For this purpose, £0.6m has been included within the HRA capital programme.
 - Vehicle Fleet Replacement – A1 Housing operate a varied fleet and some vehicles can expect a longer life than others. A replacement programme has been included in the 30 year business plan based on a life of between six and seven years for each vehicle.
 - Non Dwelling Assets (Community Centres, boiler houses, garages etc) - these have received very little capital investment over the last few years, and the programme has set aside a total of £0.5m within this five year period to provide for capital improvement work. A report was brought to the October 2012 Cabinet meeting regarding the conversion of a number of community centres into dwellings.

- Contribution to Flood Prevention Schemes – The Council is very proactive in developing new flood prevention schemes, and an annual contribution from the HRA is made towards the overall costs of protecting the HRA properties.
- Shops – these have also received very little capital investment, and a sum of £0.1m has been included in the capital programme for upgrade works. This is a continuation of the works commenced during 2014/15.
- Damp Proofing Works – There is a need to inspect and provide damp proofing works to properties, and a sum of £0.6m has been included in the five year programme.
- Electrical Installation Condition Testing – This is a health and safety issue, and a sum of £1.6m has been included in the five year programme to deliver this testing programme.
- Capital Works Needs Beyond Major Improvements – Many properties require additional works in excess of the decent homes standard and a budget of £1.5m has been included for this purpose.
- Other – Minor schemes such as the walling of Mews Court, installing security doors to electrical switchgears, and secondary Emergency Cut-off Valves for flats are included in the programme.

Funding

- 3.15 The Self Financing Regime for the Housing Revenue Account commenced in April 2012, and under it councils can self-finance capital investment provided they maintain their commitments within the borrowing limit. In addition to this, capital receipts from council house sales can also be used to finance capital expenditure, and if there is enough flexibility, revenue contributions to capital can also be made to provide additional funding through the Major Repairs Reserve.
- 3.16 In summary, the Housing Capital Programme for 2015/16 totals £10.0m, which is to be funded by:
- £8.8m from the Major Repairs Reserve;
 - £1.2m of capital receipts.
- 3.17 Members will note that the Major Repairs Reserve is funded from a combination of asset depreciation charges and other revenue contributions, and this level of revenue contributions is significant to the coherence of the unfolding plan. It also emphasises the importance of the value for money savings within the Housing Revenue Account, and the commitment required on rents to maintain the level of quality that tenants now expect and are demanding.

Capital Receipts and the Right to Buy Scheme

- 3.18 As part of the Chancellor's Autumn Statement made on the 29th November, 2011 the Government announced proposals to increase the discounts to council house owners in a drive to foster more sales and further promote home ownership. The final scheme was approved by Parliament on 2nd April 2012.

- 3.19 Under these changes to the Right to Buy scheme, local authorities were given the option of either transferring all Right to Buy receipts in excess of a government-set sales target back to central government, or to retain the receipt and reinvest in replacement homes.
- 3.20 Bassetlaw opted to retain the additional Right to Buy receipts, and this means that the receipts:
- Must be used for the provision of affordable rented homes;
 - Will constitute no more than 30% of total investment in such homes (net of any contribution from another public body);
 - If they have not been used after three years, the Council will pay the unused sums, plus interest, back to the Secretary of State.
- 3.21 As part of the introduction of the self-financing scheme, the government set Bassetlaw a Right to Buy sales target of circa 18 properties for 2015/16. This means that Bassetlaw will only retain 100% of the capital receipt from property sales in excess of this figure.
- 3.22 The number of homes estimated to be sold in the next five years have been included in the 30 year Business Plan at the current level. They are:

	Number of sales	Estimated Net Capital Receipt (HRA) £'000	Estimated Net Capital Receipt (Retained Right to Buy) £'000
2015/16	25	235	150
2016/17	25	235	150
2017/18	25	235	150
2018/19	25	235	150
2019/20	25	235	150

Affordability

- 3.23 Bassetlaw's Overall Borrowing Limit under the self-financing valuation is £105.4m, and the Council cannot breach this limit. In considering the report Members therefore need to see the interaction between existing commitments, the existing level of HRA long term debt, the amount of internal and temporary borrowing, plus the commitments outlined in this report, less any loan repayments and/or new borrowings.
- 3.24 The updated HRA Business Plan provides the assumptions for the Council's loan financing profile over the next thirty years. For information, the scheduled long term debt repayments that are built into the Business Plan over the next 10 years are:
- 2017/18 - £5.6m
 - 2019/20 - £4.3m (2 loans)
 - 2022/23 - £4.1m
 - 2023/24 - £7.3m
- 3.25 It is the marginal value between these components that Members need to assess over the period of the capital programme:

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Overall Borrowing Limit	105.436	105.436	105.436	105.436	105.436
Less:					
Existing HRA Long Term Debt @ 1 st April	95.643	95.643	95.643	94.052	94.052
Internal Borrowing @ 1 st April	0	0	0	0	0
Additional Borrowing in year	0	0	4.000	0	0
Plus:					
Scheduled Debt Repayments in year	0	0	(5.591)	0	(4.273)
Equals:					
Existing HRA Long Term Debt @ 31 st March	95.643	95.643	94.052	94.052	89.779
Margin of Safety @ 31st March:	£9.793	£9.793	£11.384	£11.384	£15.657

3.26 As the above figures show, with the cessation of the Decent Homes programme there is a direct impact on the decisions made on:

- (i) the level of capital investment;
- (ii) the pace of that investment;
- (iii) the levels of rent that tenants will be asked to pay for the quality of homes they live in.

3.27 As has previously been highlighted, **affordability in the revenue account is the essential ingredient**, and does not directly correlate with the value of the Margin of Safety outlined above. The former is about working within set revenue budgets whilst retaining the minimum working balance determined by the Council. The latter is about the 'potential' to borrow but does not consider the revenue costs and affordability associated with that borrowing.

3.28 Hence considerations need to be made about the pace of investment and improvement. If an ambitious and proactive approach is taken in 2015/16 and 2016/17 then overspends will occur in the revenue account which will take it below the approved minimum working balance of £1.3m.

3.29 The five maturing loans as outlined above will all be repaid in year. However, this gives a greater degree of flexibility in the later years of the HRA Business Plan (from

2017/18) to re-borrow and further invest in the housing stock, or to continue the new-build programme. A long term approach is therefore essential.

3.30 However it is useful for Members to note that the proposed programme within this report is already an improvement over that agreed in last year's report, with a further £3.3m being allocated over the five year period.

4. Implications

a) For service users.

Considered in tandem with the *Housing Revenue Account Budget 2015/16 & Future Years to 2017/18* report the link between capital decisions on investment and the revenue account is self-evident, as is the relationship between income (rents) and expenditure (improvements and repairs). This is partly skewed by the control of the Overall Borrowing Limit and Members need to decide if they wish to pace the level of improvements or make immediate commitments to the programme submitted on the priority areas put forward.

b) Strategic & Policy.

There are a number of programme areas that are/will emerge as part of the post Decent Homes era, and from within the Corporate Plan for Bassetlaw. These are outlined in the report.

c) Financial Ref: 15/224

These are summarised within the report.

d) Legal Ref: 327/1/15

The Council needs to ensure compliance with the Disability Discrimination Act and the Decent Homes Standard.

e) Human Resources

None arising directly from this report.

f) Community Safety, Equalities, Environmental

The programme has been developed through tenant consultation. Ensuring the suitability of property for disabled users has been reflected in the scheme's priorities.

g) This is key decision number 468.

5. Options, Risks and Reasons for Recommendations

5.1 Members can decide what schemes to include or exclude, and the timing of those commitments. The summary provided under the section '*Affordability*' sets out the full situation. In coming to a view on what priorities Members want to establish, consideration must be given to the overall limit on investment set by the Overall

Borrowing Limit of £105.4m, coupled with the impact that long term borrowing has on the affordability within the Housing Revenue Account.

6. Conclusions

- 6.1 The year 2013/14 saw the end of government funding for the Decent Homes programme, but for Bassetlaw, the legacy and further commitment to the programme will be ongoing.
- 6.2 What should be avoided at all costs is a full commitment right up to the Overall Borrowing Limit of £105.4m. The Council will always need some room for manoeuvre and for this reason only full approval for the 2015/16 programme is being sought at this stage. Following years' capital programmes are therefore only being approved on an indicative basis and will be confirmed in succeeding financial years.
- 6.3 This approach will allow for some flexibility, giving the opportunity to 're-borrow' the repaid amounts within the original transferred long term debt figures if suitable schemes are identified that meet Members priorities.

7. Recommendations

- 7.1 That Members approve the programme set out in Appendix 1 of the report for 2015/16.
- 7.2 That Members approve the indicative programmes for 2016/17 – 2019/20 in Appendix 1 of the report.
- 7.3 That Cabinet recommends the report to the Extraordinary Council meeting for approval on 29th January 2015.

Background Papers

A1 Housing Capital Schemes
HRA Self Financing data

Location

Head of Finance & Property's
office

HRA 5 YEAR CAPITAL INVESTMENT PLAN

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
MAJOR IMPROVEMENTS						
Maintaining the Decent Homes standard	3,785	3,820	6,605	6,435	6,435	27,080
GREEN ENERGY						
Renewable Energy Schemes	250	250	250	250	250	1,250
External Wall Insulation to Solid Wall Properties	300	300	300	-	-	900
Boiler and Heating Replacements	440	440	440	440	440	2,200
Extension of PV Solar	100	100	-	-	-	200
DECENT NEIGHBOURHOODS						
Fire Protection to Blocks of Flats with Communal Areas	350	350	350	370	370	1,790
Structural Repairs	150	150	150	150	150	750
Improved Waste Storage Facilities in Communal Areas and Dwellings	100	110	110	110	110	540
Estate Parking Improvements	100	110	110	110	110	540
Smoke and Heat Detection	308	352	-	-	-	660
Repairs to Un-adopted Roads and Paths	100	110	110	110	110	540
HOMES FOR LIFE						
Adaptations - from OT Referrals	550	550	550	550	550	2,750
Lifetime Homes Works	40	40	40	40	40	200
Communal Areas - Disability Access	65	65	65	65	65	325
OTHER SCHEMES						
Airey Housing, Harworth	2,000	2,000	-	-	-	4,000
Community Alarm Equipment	300	300	-	-	-	600
Vehicle Fleet Replacement	-	-	-	450	450	900
Non Dwelling Assets (Community Centres, Boiler Houses, Garages etc)	100	100	100	100	100	500
Contribution to Flood Prevention Schemes	75	50	50	50	50	275
Shops	100	-	-	-	-	100
Damp Proofing Works	120	120	120	120	120	600
Mews Court Walling	25	25	-	-	-	50
Security Doors to Switchgears	25	25	25	25	25	125
Electrical Installation Condition Testing	310	310	310	310	310	1,550
Secondary Emergency Cut-off Valves for Flats	15	15	15	15	15	75
Capital Works Needs Beyond Major Improvements	292	308	300	300	300	1,500
TOTAL SPENDING:	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 50,000

FINANCED BY:

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve	8,815	9,615	5,615	9,615	9,615	43,275
Unsupported Borrowing	-	-	4,000	-	-	4,000
Capital Receipts	1,185	385	385	385	385	2,725
TOTAL FUNDING:	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 50,000

BASSETLAW DISTRICT COUNCIL

CABINET

6th JANUARY 2015

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**HOUSING REVENUE ACCOUNT BUDGET 2015/16
& FUTURE YEARS TO 2017/18**

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 To consider and approve the Housing Revenue Account budget for 2015/16 and provide indicative figures for 2016/17 and 2017/18.

2.2 To make recommendations to Council on the 29th January 2015 to set the budget and rent levels for 2015/16.

3. Background and Discussion

3.1 Unlike the General Fund that comprises a range of different services, the Housing Revenue Account is a single service account which is funded by tenants' rent income for the social housing and the landlord functions Bassetlaw provides via the Arm's Length Management Organisation, A1 Housing. Therefore all decisions on income and expenditure will have a direct impact on tenants' service levels and the level of investment in their homes.

3.2 This has been re-enforced by the new 'Self Financing Regime for Housing' which became effective in April 2012. This means that expenditure now has to be entirely supported from rental and other income. The main tool for the future financial management of the HRA is the 30 year Business Plan, which has recently been updated by officers of the Council and A1 Housing.

3.3 The introduction of HRA self-financing does not end the requirement to maintain a statutory ringfenced HRA, and the Council is still required to maintain a separate account for the income received and expenditure incurred on council housing.

The 2015/16 HRA Revenue Budget

3.4 The Housing Revenue Account is provided for information at Appendix 1. Due to the changes made under self-financing, any surplus in year is now transferred to the Major Repairs Reserve as either a voluntary repayment of debt, or a voluntary

contribution towards funding capital expenditure, including new-build. This decision can, of course, be changed if the 2015/16 outturn is significantly different to the planned budgets. This means that it is essential that the HRA adopts a long term efficiency plan over the next few years in order to protect services to tenants and ensure continued best value.

- 3.5 Under the old housing subsidy system, the government gave a Major Repairs Allowance (MRA) which was used to fund capital expenditure. Within the government's self-financing settlement figures released in March 2012, the MRA for 2015/16 was set at a figure of £6,797,000 for Bassetlaw. The depreciation budget in the Business Plan is lower than this amount, and therefore additional revenue contributions to capital have been provided for to bring this figure up to the level of the MRA (this government requirement will continue for five years with 2016/17 being the last financial year). These two elements together represent a cash charge to the HRA which is required to be transferred to the Major Repairs Reserve (MRR) to provide for future capital expenditure and/or the repayment of debt.
- 3.6 The HRA outturn for 2014/15 is expected to deliver a £0.139m surplus in year, a positive variance of £0.129m over the original budget.
- 3.7 The estimated balances on the HRA and MRR are as follows:

	HRA	MRR
	£'000	£'000
Balance at 1 April 2014	1,346	3,090
Surplus/(deficit)	139	
MRA (made up of Depreciation & additional payment)		6,583
HCA grant (Airey Homes)		1,023
Voluntary revenue contribution for repayment of debt/capital expenditure		1,800
Housing Capital Expenditure		(8,515)
Repayment of Debt		(3,273)
Balance at 31 March 2015	1,485	708
Surplus/(deficit)	113	
MRA (made up of Depreciation & additional payment)		6,797
Voluntary revenue contribution for repayment of debt/capital expenditure		2,000
Housing Capital Expenditure		(8,315)
Repayment of Debt		0
Balance at 31 March 2016	1,598	1,190
MRR Balance Analysed Over:		
Housing Revenue Expenditure	1,598	
Housing Capital Expenditure		975
Repayment of Debt		215
Balance at 31 March 2016	1,598	1,190

Rents

- 3.8 Previously, to avoid any large variation in the rent level from one year to the next, the government's proposal for rent convergence limited any changes to individual tenants' rents to a maximum of RPI, plus increases of 0.5%, plus £2 per week. However, from 2015/16, a new system of CPI + 1% has been adopted nationally.
- 3.9 The recommended rent increase for 2015/16 is 2.2% or an average of £1.61 per week (Appendix 2). This is broken down as follows:

	Average increase 2015/16	
	Per Week £	%
Consumer Price Index inflation	0.88	1.2%
1.0% requirement	0.73	1.0%
Total:	£1.61	2.2%

(Based on a 52 week rent year)

- 3.10 The recommended rent increase for 2016/17 and 2017/18 is also assumed to be 2.2% for both years, and is broken down as follows:

	Average increase 2016/17		Average increase 2017/18	
	Per Week £	%	Per Week £	%
Consumer Price Index inflation	0.90	1.2%	0.91	1.2%
1.0% requirement	0.75	1.0%	0.77	1.0%
Total:	£1.65	2.2%	£1.68	2.2%

(Based on a 52 week rent year)

- 3.11 Rent convergence with the national formula rent is no longer required, as the intention was always to meet convergence targets by 2015/16 (local authority rents are matched with levels of rent for housing associations). Bassetlaw has met this target, as the rent level set for 2014/15 was £0.41 higher than the target formula rent.
- 3.12 Whilst there may be some concerns about increasing the level of rents, circa 63% of tenants get assistance through the Housing Benefit scheme, and 45% of those on HB (29% of all tenants) receive a full rebate and pay nothing. This has reduced due to the implication of the removal of the spare room subsidy (bedroom tax). Housing Benefit is met by a charge to the General Fund, and in turn this is met by a grant from the DCLG currently covering 99.4% of the actual costs. This will be 100% from 2015/16.

Repairs & Maintenance

- 3.13 The amount of money spent on responsive repairs is estimated at £6.3m for 2015/16, compared to £10.0m for planned maintenance in the HRA's capital budget. This balance is deemed to be sound compared to the standard split of 40% responsive and 60% for planned repair expenditure.

Pensions Provisions

- 3.14 Under the contract arrangements with A1 Housing they include, via the Management Fee, the payment of all the employers' pension contributions from the start of the A1 contract. Bassetlaw is required to pay any shortfall for the employers' contributions before this time. Currently estimates of £1.2m per annum are included in the figures and will continue to do so until March 2017 when all the arrears for pensions will be met.

Depreciation

- 3.15 Under the previous HRA regime depreciation (the annual charges made to reflect historic assets and improvements) was an in/out adjustment which made no difference to the overall level of HRA resources. Under the Self Financing regime these calculations are more important as all depreciation adjustments are in effect 'real' cash set aside for investment, and then used up once the asset or improvement they originally financed needs to be replaced. The 2015/16 budget for depreciation is £6.8m, and this is transferred into the Major Repairs Reserve to fund future capital expenditure.

Value For Money and the A1 Housing Management Fee

- 3.16 All elements of the HRA budget and business plan are subject to review in relation to value for money. In addition, the impact of any General fund Budget Review savings and service reviews will achieve reductions in costs for the Housing Revenue Account, thus releasing additional resources for the housing stock.
- 3.17 As part of the progression towards March 2015 and the end of the current A1 Housing contract, A1 Housing was set a target to make annual savings of £150,000 in their organisational costs. Whilst no specific savings targets have been set moving forward in the Business Plan, there is an expectancy that greater emphasis will be placed on sharing services with the Council, resulting in savings for both organisations.

	2015/16	2016/17	2017/18
	£'000	£'000	£'000
Repairs and Maintenance	6,256	6,328	6,401
Supervision & Management-General:			
- A1 staff/services	2,505	2,532	2,557
- BDC SLA's	1,343	1,349	1,363
- Welfare Reform	50	50	50
Supervision & Management-Special:			
- Rates on Void Properties	60	60	60
- Supporting People	442	448	455
- District Heating Fuel	112	113	115
- Decent Neighbourhoods-Caretakers and Works	516	522	527
- Grounds Maintenance SLA	355	358	362
- Support to Tenants Organisations	70	70	70
- Community Centres & Sheltered Schemes	150	150	150
Total:	11,859	11,980	12,110

3.18 The basis for each element of the management fee can be analysed as follows:

- Repairs and Maintenance – This has been linked to the rate of inflation (CPI) and has been increased by 1.2% for 2015/16 with an assumed increase of 1.2% each year thereafter.
- A1 Staff/Services - This has been increased by 1.0% each year in line with the assumptions made on pay awards (this is after the 2.2% increase from 1st January 2015).
- BDC SLA's – This is primarily based on recharges of staff time, therefore increases have been linked to the assumed pay increase each year.
- Welfare Reform – The council has previously provided additional resources to A1 Housing for a money advice service and additional recovery work, and this is a continuation of this investment. Efficiency savings have been made internally by A1 Housing and therefore the amount required has been reduced by £100,000 to £50,000.
- Rates on Void Properties – This is a sum to recognise the payment of council tax that is incurred during the one month void period.
- Supporting People – This is for the warden alarm service and visits, and is currently subsidised by the District via the HRA (refer to para 3.25).
- District Heating Fuel – This is the cost of fuel that is subsequently recharged back to tenants. A number of energy efficiency measures have already been employed to attempt to reduce costs for the service, which are charged in full to the tenants.
- Decent Neighbourhoods – This budget pays for the costs of the community caretakers, and increases have been aligned to the annual pay award. An allocation is also made for neighbourhood improvement works.
- Grounds Maintenance SLA - This budget pays for the costs of grounds maintenance in the council-owned areas of land, and inflationary increases have been aligned to the annual pay award.
- Support to Tenants Organisations – This has been fixed at an annual sum of £70,000.
- Community Centres and Sheltered Schemes – this is the cost of running these services.

3.19 As part of the contractual agreement, the management fee can be varied during the year by a Cabinet decision.

Provision for Bad debts

3.20 Current changes to welfare reform, including the 'bedroom tax' for under occupancy, and the introduction of the Local Council Tax Reduction Scheme from April 2013, all have the potential to increase the level of debts outstanding for council house rents. It is therefore prudent that the Council takes measures to mitigate the financial

impacts of these changes. These include an annual bad debt provision of £150,000, and the welfare reform initiatives as identified above.

Treasury Management

- 3.21 As part of the new self-financing arrangements, Bassetlaw inherited £26.9m of the national housing debt in March 2012, which increased its overall HRA debt level to £96.5m. Overall this has an average debt interest rate of 4.09% and these figures are reflected in the budget profiles. This level of debt and average interest rate will fluctuate over time as existing loans mature and decisions are made as to whether to replace or pay off debt in the longer term.
- 3.22 As part of this transfer of debt, the government set Bassetlaw an overall HRA borrowing limit of £105.4m. The Council is taking a very prudent approach to this as for every additional £1m in borrowing, the cost to the HRA budget will be c£80,000. However Members may, in due course, wish to utilise this borrowing 'gap' for further investment in our housing stock, or to self-build, but the **affordability of the revenue budget** will always be the controlling factor.
- 3.23 The updated HRA Business Plan provides the assumptions for the Council's loan financing profile over the next thirty years. For information, the scheduled long term debt repayments and associated reductions in interest costs that are built into the Business Plan over the next 10 years are:
- 2017/18 - £5.6m
 - 2019/20 - £4.3m (2 loans)
 - 2022/23 - £4.1m
 - 2023/24 - £7.3m
- 3.24 The *Treasury Management Strategy 2015/16 to 2017/18* being reported to Cabinet in February 2015 will detail the borrowing requirements of the Housing Revenue Account. To ensure the stability of the HRA, its debt portfolio is that of long-term fixed rate borrowings. Therefore, for the purposes of Treasury Management, any additional borrowing requirement will be facilitated through similar fixed term loans.

Supporting People

- 3.25 In April 2012 Nottinghamshire County Council planned to commission a new set of prevention focused services including services for older people. However, in September that year, NCC took the decision to delay the planned tender in order that fuller consideration could be given to the range and nature of services that will be needed in future. Accordingly, on 26th November 2012, the Adult Social Care Committee approved a contract extension for up to 12 months for existing Supporting People funded older people's services. This was extended again until 31st March 2014 for the 'alarms only' service, and 30th November 2014 for the 'alarms with warden support' service. From December 2014, no further contributions will be received.
- 3.26 To mitigate the large increase on existing tenants caused by this County Council decision, Cabinet is recommended to approve a 25% subsidy to the 2015/16 Community alarm service charges set by Cabinet at its December 2014 meeting. It is also important to recognise that the Council is currently investing nearly £1.0m into upgrading the alarm systems at each of these properties, and in future tenants will

not only have a community alarm, but also smoke, heat and carbon dioxide detectors all monitored 24 hours a day by the central control room.

Reserves

- 3.27 Due to the uncertainty around the new self-financing arrangements, the level of recommended minimum balances for the Housing Revenue Account was increased to £1.3m in April 2013. There are a number of benchmarks that are used for Housing authorities to determine the correct level as follows:

	£,000
£200 per property (Housing Finance Act 1989 recommended £150 based on 6,900 properties)	1,386
5% of dwelling rental income	1,336
5% of gross expenditure (excl. transfers to MRR)	1,276
Average of the 3 options	1,333

- 3.28 As the results of the three options are wide-ranging, it would be prudent to keep the minimum working balance under review each year. However for 2015/16, it is recommended that the Council retains the minimum working balance at £1.3m.
- 3.29 This prudent approach reflects the level of uncertainties arising from welfare reform and the potential for tenants to accrue significant debts under these changes. In addition, the major work programmes planned under the Housing capital programme will require some properties to be held void, which reduces rent income levels. Finally, reserves should not be used to negate rent increases as this would only be effective in the short term.

4. Implications

- a) For service users. Bassetlaw provides 6,900 homes for its residents, and this makes up some 14% of the number of homes in the district. The housing service has improved under the ALMO arrangements and significant resources have been spent on improving the condition of the housing stock.
- b) Strategic & Policy. Decisions about the long term financial health of Bassetlaw's council housing are now local ones, and Members now have a lot more influence over more significant matters of choice than previously. Long term decisions about quality and rent income are more pronounced, as is the long term financial stability of Bassetlaw's HRA. With the end of the Decent Homes programme, Members need to consider what improvements they wish to make to the Council's housing service, but this needs to be affordable both in the short and long term.

If Members wish to be positive about the improvements that can be made then they need to generate the income to pay for them, and this will influence the Council's rent policies. As with anything else, improvements need to be funded accordingly.

- c) Financial - Ref: 15/452. These are set out in the report, but the point that needs to be emphasised is that any decision now will impact over the long term. The recommended rent increase is based on the government model of

CPI + 1%, and the figures produced in the 30 year HRA Business Plan. Each percentage variation from this is worth £7.9m over the 30 year period, and will reduce the level of resources available for improvements and the quality of service that tenants receive.

- d) Legal – Ref: 326/1/15. These are set out in the report.
- e) Human Resources. There are none arising from the report.
- f) Community Safety, Equalities, Environmental.

The Council must ensure that decisions are made in such a way as to minimise unfairness and ensure that there is not a disproportionate effect on any protected group as defined in Equalities legislation. Recommendations to increase rent levels do not directly discriminate any particularly group as they apply across all tenants. Rent increases do however, have a negative socio-economic impact for individuals. These are addressed either fully or partially by those able to access benefits. Both A1 Housing and Bassetlaw District Council provide financial and welfare advice and work with voluntary sector partners to ensure tenants can receive advice and support.

- g) This is Key Decision number 469.

5. Options, Risks and Reasons for Recommendations

- 5.1 The Council needs to set a balanced budget for its HRA services with income equalling expenditure, and ensure that:
 - (i) it does not breach the overall borrowing limit of £105.4m at any stage. The KPMG External Auditor will take action if it does.
 - (ii) the Housing Revenue Account remains solvent, with the adequate reserves of a “going concern”.
- 5.2 This budget sets out the approach to maintain levels of quality and investment, and comply with the borrowing limit. The rent increase of 2.2% could be lowered, but this will impact on the levels of investment in this and successive financial years, it would challenge central government policy, and would place any future HCA funding at risk.
- 5.3 The Budget assumptions are based on the HRA Business Plan. The associated risks include any variances in estimates for inflation, interest rates, volume of voids, and the number of Right to Buy sales.
- 5.4 The viability of the Business Plan is based on the reduction of debt balanced with investment in our existing and new stock. In reality the Business Plan needs to be flexible enough to cope with changes to this strategy over time.

6. Conclusions

- 6.1 The Council now has a self-sufficient HRA, in which income from tenants is used to pay for the delivery of services to tenants and investment in the housing stock. However, the transition to self-financing means there is a significantly reduced capacity for the Council to fall back on Government support in delivering its housing

service. This represents a key shift in risks, with the Council taking full responsibility for managing and maintaining its own housing stock in return for access to all of its revenue income.

- 6.2 For these reasons the budget has been framed to minimise any risks, at least for the first few years of the new system. Members have a clear set of recommendations to support a soundly financed housing service as the 2015/16 budget will set the foundation for the next 30 years of council house funding in Bassetlaw.

7. Recommendations

- 7.1 That Members approve the Housing Revenue Account budget set out in Appendix 1 of the report for 2015/16.
- 7.2 That Members approve the indicative Housing Revenue Account budgets set out in Appendix 1 of the report for 2016/17 and 2017/18.
- 7.3 That Members approve an average rent increase of 2.2% for 2015/16 in accordance with the nationally set rent guideline criteria.
- 7.4 That Members, in accordance with best practice, approve the indicative rent increases of 2.2% for both 2016/17 and 2017/18.
- 7.5 That Members approve a 25% subsidy to the 2015/16 Community alarm service charges set by Cabinet at its December 2014 meeting for existing tenants.
- 7.6 That Members approve the minimum level of HRA reserves to remain at £1.3m in recognition of the overall funding value of the HRA.
- 7.7 That Cabinet recommends this report to the Extraordinary Council meeting for approval on 29th January 2015.

Background Papers:

Self Financing Data
HRA Budget Papers

Location:

Head of Finance & Property's office

HRA BUDGET FORECAST 2015-2018

BUDGET 2014/15		Employees £	Premises £	Transport £	Supplies and Services £	Third Party Payments £	Internal Services Recharged £	Capital Charges £	GROSS EXPEND £	INCOME £	NET EXPEND 2015/16 £	ESTIMATE 2016/17 £	ESTIMATE 2017/18 £
	A1 Housing												
20,000	A1 Management - Rents Rates & Taxes					60,000			60,000		60,000	60,000	60,000
5,335,600	A1 Management - Supervision and Management					5,492,800			5,492,800		5,492,800	5,542,000	5,599,600
6,182,400	A1 Management - Repairs & Maintenance					6,256,400			6,256,400		6,256,400	6,328,100	6,400,600
150,000	A1 Management - Welfare Reform					50,000			50,000		50,000	50,000	50,000
11,688,000	Total A1 Housing Management Fee	0	0	0	0	11,859,200	0	0	11,859,200	0	11,859,200	11,980,100	12,110,200
	Council Managed HRA Budgets												
	Expenditure	1,345	1,484										
393,200	Movement in the Allowance for Bad Debts				150,000				150,000		150,000	150,000	150,000
132,300	Debt Management Costs						47,400		47,400		47,400	47,900	48,400
172,200	Negative HRA Subsidy Limitation				0				0		0	0	0
5,224,000	Depreciation and Impairment of Non-Current Assets							5,332,400	5,332,400		5,332,400	5,587,700	5,839,200
862,800	Management Costs	36,900	184,400	1,800	280,900	35,000	394,000		933,000		933,000	894,300	901,100
6,784,500	Total Council Expenditure	36,900	184,400	1,800	430,900	35,000	441,400	5,332,400	6,462,800	0	6,462,800	6,679,900	6,938,700
	Income												
-108,900	District Heating - Charges								0	-111,600	-111,600	-113,300	-115,000
-26,196,000	Rent Income - Dwellings								0	-26,719,600	-26,719,600	-27,174,400	-27,707,600
-229,800	Rent Income - Garages								0	-224,100	-224,100	-227,400	-230,800
253,200	Rent Income - Voids								0	288,200	288,200	293,000	298,400
-90,000	Community Centre - Charges								0	-82,300	-82,300	-84,400	-86,500
-100,500	Rent Income - Shops								0	-90,500	-90,500	-90,500	-94,500
-7,100	Rent Income - Land & Wayleaves								0	-6,900	-6,900	-6,900	-6,900
-443,300	Supporting People Warden Service Charges								0	-331,300	-331,300	-448,400	-455,100
-32,500	Contributions Towards Expenditure								0	-32,500	-32,500	-32,500	-32,500
-26,954,900	Total Income	0	0	0	0	0	0	0	0	-27,310,600	-27,310,600	-27,884,800	-28,430,500
	HRA Services share of Corporate and Democratic												
245,200	Core				241,700				241,700		241,700	244,100	246,600
97,400	HRA Share of Other Amounts				146,600				146,600		146,600	148,100	149,500
-8,139,800	Net Income/Costs for Service	36,900	184,400	1,800	819,200	11,894,200	441,400	5,332,400	18,710,300	-27,310,600	-8,600,300	-8,832,600	-8,985,500
	Gain (-) or Loss on Sale of HRA Non-Current Assets												
-1,557,500	Gain (-) or Loss on Sale of HRA Non-Current Assets					32,500		1,760,000	1,792,500	-1,750,000	42,500	42,500	42,500
3,875,700	Interest Payable and Similar Charges							3,812,400	3,812,400		3,812,400	3,812,400	3,800,300
-7,500	Interest and Investment Income								0	-8,700	-8,700	-10,200	-6,800
-16,100	Capital Grants and Contributions Receivable								0	-16,100	-16,100	-16,100	-16,100
-5,845,200	Surplus (-) or Deficit for the Year on Service	36,900	184,400	1,800	819,200	11,926,700	441,400	10,904,800	24,315,200	-29,085,400	-4,770,200	-5,004,000	-5,165,600
	Movement on HRA Balance												
-5,124,000	Charges for Depreciation and impairment on non-current assets									-5,232,400	-5,232,400	-5,487,700	-5,739,200
0	Revenue Expenditure Funded from Capital Under Statute									-75,000	-75,000	-50,000	-50,000
1,590,000	Gains/Loss (-) on Sale of HRA Non Current Assets								0	0	0	0	0
-32,500	Capital Expenditure Charged against the HRA									-42,500	-42,500	-42,500	-42,500
1,169,000	Employers Contribution Payable to NCC Pension Fund and Retirement Benefits Payable Direct to Pensioners								1,210,000		1,210,000	1,210,000	735,200
8,232,600	Transfer to Major Repairs Reserve								8,797,400		8,797,400	9,008,500	10,924,200
									0		0	0	0
5,835,100	Net Additional Amount Required by Statute								10,007,400	-5,349,900	4,657,500	4,638,300	5,827,700
-10,100	Net (Increase) or Decrease in HRA Balance in Year								34,322,600	-34,435,300	-112,700	-365,700	662,100

	£
Balance b/fwd @ 1 April 2014	-1,345,617
Budgeted HRA Deficit 2014/15	-10,100
Projected Year End Variance	-129,300
Balance c/fwd @ 1 April 2014	-1,485,017

Balance Brought Forward	-1,485,017	-1,597,717	-1,963,417
HRA Surplus (-)/Deficit	-112,700	-365,700	662,100
Balance Carried Forward	-1,597,717	-1,963,417	-1,301,317

RENT RESTRUCTURING

Year		Average Rents *						Formula Rent £
		Bedsit £	1 Bed £	2 Bed £	3 Bed £	4+ Bed £	Overall £	
1	2002.03	44.51	45.78	47.54	48.47	48.87	47.38	41.30
2	2003.04	44.17	46.26	48.52	49.46	50.16	48.22	42.64
3	2004.05	44.05	47.04	49.85	50.82	51.85	49.40	44.33
4	2005.06	43.91	47.98	51.51	52.54	54.01	50.88	46.12
5	2006.07	44.11	49.19	53.38	54.83	57.04	52.72	53.77
6	2007.08	44.61	51.19	55.89	57.61	60.73	55.18	55.97
7	2008.09	44.07	53.32	58.62	60.52	63.97	57.77	58.43
8	2009.10	44.93	54.48	60.07	62.15	65.87	59.20	61.65
9	2010.11	45.04	55.24	61.70	64.43	68.87	60.83	61.09
10	2011.12	47.39	58.41	65.60	68.70	73.91	64.66	64.22
11	2012.13	50.28	62.27	70.27	73.85	79.86	69.28	68.14
12	2013.14	51.04	63.51	72.03	75.98	82.63	71.04	70.25
13	2014.15	52.28	65.19	74.30	78.61	86.03	73.27	72.86
14	2015.16	53.85	66.69	75.93	80.37	87.93	74.88	74.48
15	2016.17	55.04	68.16	77.61	82.14	89.87	76.53	76.12
16	2017.18	56.25	69.66	79.31	83.94	91.85	78.21	77.80
17	2018.19	57.49	71.19	81.06	85.79	93.87	79.93	79.51
18	2019.20	58.75	72.75	82.84	87.68	95.93	81.69	81.26
19	2020.21	60.04	74.35	84.66	89.61	98.04	83.48	83.04
20	2021.22	61.36	75.99	86.53	91.58	100.20	85.32	84.87
Stock Numbers		125	1706	2712	2213	121	6,877	

* 52 Week Rents and current stock

Shaded years show convergence between actual & formula rents

INCREASES BY PROPERTY TYPES						
	Bedsit £	1 Bed £	2 Bed £	3 Bed £	4+ Bed £	Overall £
2014.15	52.28	65.19	74.30	78.61	86.03	73.27
2015.16	53.85	66.69	75.93	80.37	87.93	74.88
£	1.58	1.50	1.64	1.76	1.90	1.61
%	3.0%	2.3%	2.2%	2.2%	2.2%	2.2%