
Appendix 1 : Housing Revenue Account Business Plan

Draft for Scrutiny Board
October 2022

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1. Executive Summary

This Business Plan sets out our strategic plan for managing and maintaining our social housing homes. It sets out in detail our short to medium term plans and priorities for the housing and asset management services (9 years) and provides a commentary that will influence our longer term (30 year) plans for financial planning and investment into our existing council housing and for the provision of new homes.

Over the last decade the social housing sector has seen significant challenges: the impact of rent cuts imposed by central government, the focus on increased fire and building safety following the Grenfell fire, and a recent surge in operational cost inflation accompanied by a shortage of skilled labour which also affects the standard of living of our tenants. On the other hand, the abolition of the previous borrowing cap allows investment to address some of these challenges and for us to help deliver our housing plans.

Within this plan, we consider the current investment needs of our stock, recognising the plans we have to enhance the stock data we currently have, including developing and acquiring affordable homes, set against new borrowing limits that we need to set ourselves. To put this into context our previous borrowing cap was £508 million but borrowing could potentially be increased within our own provisional limits over the next 9 years.

Therefore, this business plan document will see significant development in the coming months and years as more factors that influence the plan arise: future rent policies, cost inflationary pressures, improved information about our stock investment requirements and treasury management.

It is important to note that, at this stage, expenditure on areas such as achieving net zero carbon have not been included; we will continually review our plan in terms of identifying potential sources of funding that may become available, alternative routes for raising additional income or reassessing our expenditure priorities. We also have to consider forthcoming changes arising from the revisit of the Government's Decent Homes Standard and other implications arising from the passage of the Social Housing (Regulation) Bill currently going through Parliament.

2. Introduction

2.1. Our Business Plan

The Council's Housing Revenue Account (HRA) records the income and expenditure of running its owned housing stock and closely related services or facilities, which is provided primarily for the benefit of its tenants.

It is not a separate fund but rather a ring-fenced account within the Council's own accounts but with defined transactions relating specifically for the provision of landlord related services.

The HRA Business Plan sets out our strategic plan for managing and maintaining the Borough's council and social housing stock. It sets out in detail the Council's short to medium term plans and priorities for its housing and asset management services (9 years) and provides a provisional estimate for long term (30 year) forecast on stock investment and financial planning.

It builds upon our previous financial planning and takes account of significant challenges including: reductions to rents charged (where rents should have continued to increase marginally above inflation), the Covid pandemic, Brexit and the war in Ukraine, all of which have caused pressures on expenditure. We have at the same time seen more opportunities arising through the abolition of the debt cap, which previously restricted us from any further borrowing.

We own over 28,200 properties for rent (950 of which are within the PFI scheme at Harvills Hawthorn, managed externally) and the freehold on over 1,252 leasehold flats across the borough in addition to over 2,700 garages and other buildings. These properties are managed through our own Housing Services.

Since the introduction in 2012 of Housing Revenue Account Self-Financing (which resulted in a loan settlement for us of £504million, taking on additional debt of over £25million) the council has had a greater degree of control over the use and management of the HRA. Self-financing allowed decision making at a local level to drive planning for investment in housing stock and set spending priorities in line with local demand.

We continue to consider:

- Analysing our stock and the services we provide so that we can base our future plans on a robust and sustainable basis. To this end 14,000 stock conditions surveys are being procured.
- Working up a range of plans for potential future investment in new homes which better match the needs of our communities.
- Thinking through how the new future for council housing can help the borough as a whole to deliver our overall objectives.

The Social Housing Green Paper “A new deal for social housing” was issued in 2018 presenting a new set of challenges for the HRA, in respect of community engagement/ consultation, increased building safety and compliance responsibilities and accountability for buildings from design and throughout occupation. This was followed up by the White Paper ‘The Charter for Social Housing Residents’ which was issued in 2020 reinforcing this through regulatory changes. We embrace these changes and our business plan sets out how we will meet these as the legislation arising from these papers passes through Parliament.

Nationally, attention has returned to the country’s severe housing shortage and government has signalled a renewed support for councils seeking to develop new homes. A further step towards this was the lifting of the cap on borrowing in October 2018 to help councils to develop new housing and we have been working towards identifying investment rules (prudential indicators) to ensure that whatever borrowing is undertaken is affordable and sensible.

This business plan sets out our ambitions for the HRA to deliver our existing programme of 321 new homes by 2025. We have considered the opportunities for expansion of this programme to include further land acquisition in order to deliver more council new build homes in the future through bigger and hence more viable schemes.

There is also greater attention than ever on the impact of climate change. We have been investing in homes to make them more energy efficient, and to reduce carbon emissions from materials and heat loss.

This Business Plan identifies how services are delivered as well as:

- What it costs and how we think the finances will develop in the future.
- Showing that our plans are laid on firm foundations, are sustainable and viable.
- What additional resources we might have for investment and how we can leverage in external funding, where opportunities arise.
- What our priorities are for investment.
- A summary assessment of the key risks in the delivery of the business plan with actions to mitigate these risks.

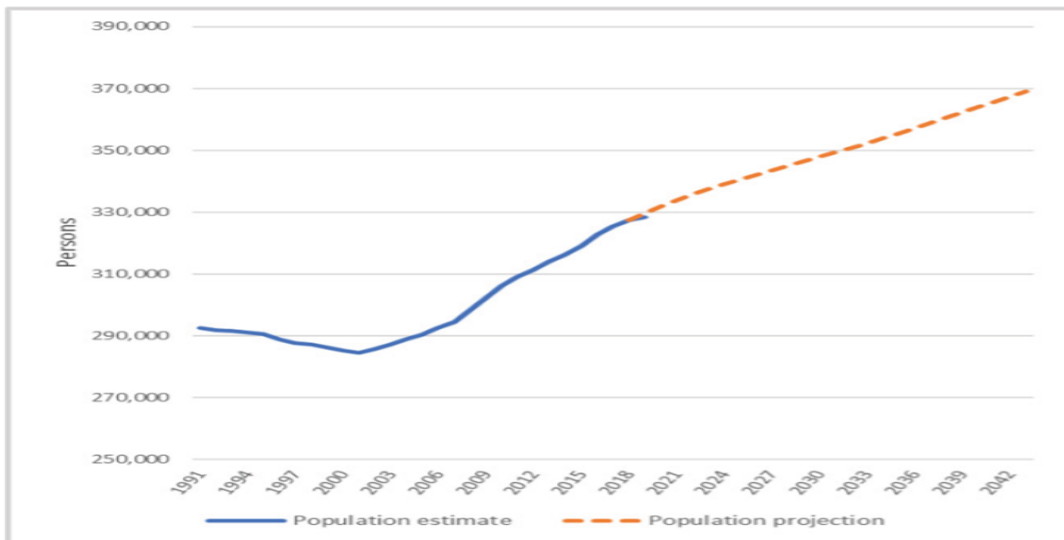
2.2. About Sandwell Metropolitan Borough

Sandwell is a local government administrative area created in 1974 following successive local government reorganisations that brought together six boroughs: Oldbury, Rowley Regis and Smethwick in the south, and Tipton, Wednesbury and West Bromwich in the north.

The Sandwell area covers many historically disparate towns and urbanised villages at the core of the Birmingham-Black Country conurbation; places with distinctive identities that flourished along with their many world class firms.

Our current housing stock of c28,200 accounts for about 21% of the overall homes within the borough set against significant new housing of over 4,700 from 2012. The remaining homes are 5% owned by Registered Providers and the balance of 74% in private ownership. Approximately 26% of the private ownership properties are rented privately with expectations that this will grow.

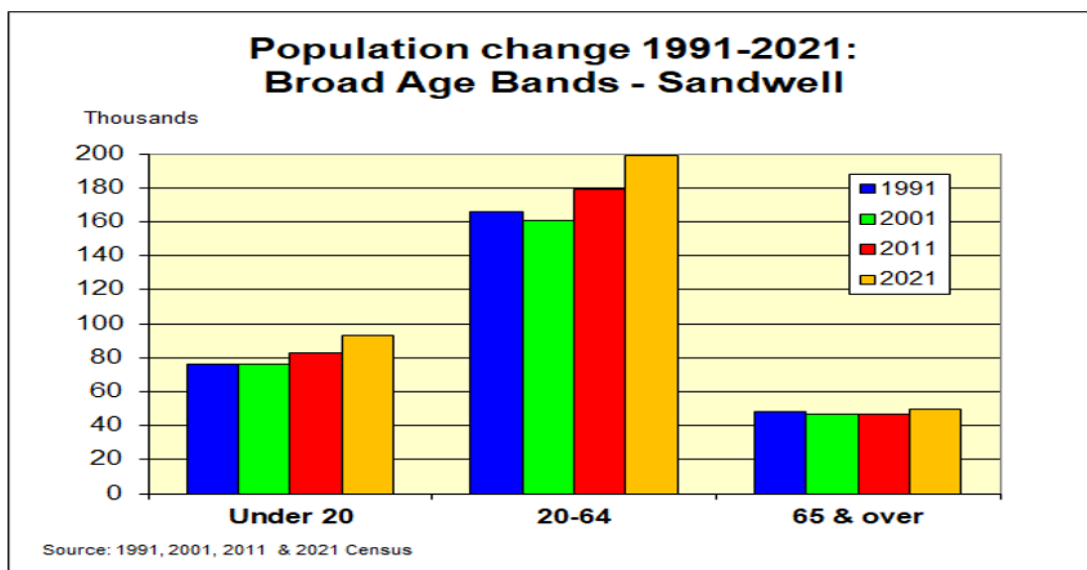
It had been previously forecast that the population numbers in Sandwell would decline in future years, but this trend is now reversed as depicted in the following graph with a forecast population increase of 11% - greater than the national average of 6.6%:



Source: *Population estimates and projections – Local Authority based via NOMIS*

Its current population of 341,900, according to the 2021 census, is the 27th largest out of 309 local authorities in England.

The change in age groups is depicted in the chart below:



In terms of employment and its economy Sandwell is ranked as the 8th most deprived local authority (based on the multiple deprivation indices 2019) with 75% of working age people in employment compared to the national average of 79%. This is due to higher rates of long-term sickness and caring for family and home.

Sandwell’s housing market has changed significantly over the last decade and continues to evolve. In recent years the private rental market has expanded greatly whilst the local authority sector, once the numerically highest sector, continues to decline in number. Property values remain low compared to the wider West Midlands region but remain outside the reach for purchase for many households living locally.

According to Rightmove the average price of a home in Sandwell was £197,854 over the last year set against the national average of £281,161 according to the UK house price index for April 2022.

3. About our Vision for Housing

3.1. The Councils Vision and Values

In 2021 we launched our corporate plan ‘Big Plans for a Great Place: The Sandwell Plan’ which is fundamentally about making sure Sandwell residents have the essentials for living a good life – feeling safe – a clean neighbourhood, a decent, warm home, good schools, jobs that pay a decent wage and a pride in living and working in Sandwell.

The plan sets out 10 ambitions with a vision to deliver these over the next 5 years workings to deliver the Vision 2030 and six strategic outcomes being:

- The best start in life for children and young people
- People live well and age well
- Strong, resilient communities

HRA Business Plan

- Quality homes in thriving neighbourhoods
- A strong and inclusive economy
- A connected and accessible Sandwell.

Housing will play an essential part in delivering the vision with a key strategic outcome, Quality Homes in Thriving Neighbourhoods, focusing on this.

The first aim is to deliver 8,000 more homes in the Borough through a mix of affordable housing through the council and registered providers, and through the private sector.

The second core aim is to improve the quality of existing homes in terms of making them safe and comply with fire and building safety requirements and that they are energy efficient. The recent Building Safety Act rightly sets a high bar for health and safety. As a Council we want residents to inform service delivery and help to shape our services, this is no different in housing. We want to ensure that our tenants can participate in activity that helps to develop our offer.

Our strategic outcomes are:

A home for everyone	
H1	We will deliver much needed new homes across the borough, especially affordable homes, on our own land and other viable sites in order to help meet the demand for affordable housing in our communities
H2	We will help keyworkers to access affordable housing in order that Sandwell can attract and retain a strong local health and social care workforce for the benefit of our communities.
H3	We will aim to keep people independent in their own homes as long as possible which includes incorporating lifetime homes adaptable standards in to as many new homes as possible.
H4	We will focus more of our ambitious house building programme on the needs of our children and young people who have complex needs and those who have been in care, so we have a good housing offer for them in Sandwell when they become adults.
H5	We will focus more of our council house building on the needs of people with learning disabilities, autism and mental health needs.
H6	We will develop the second Council House Build Programme.
H7	We will incorporate more renewable energy measures into the design of new-build Council homes, including modern methods of construction and heating.
H8	We will work to identify the needs of the most vulnerable people in Sandwell and work upstream to prevent homelessness where ever possible.
H9	We will work to prevent and end rough sleeping.
H10	We will explore all options for housing delivery, including community-led schemes.
H11	We will raise the standard of homes in the private rented sector and bring more empty homes back into use.
Regeneration and resources	
H12	We will introduce town centre living in appropriate locations ensuring council developments maintain excellent standards in urban design.
H13	We will continue to progress the review of the Black Country Plan to ensure the policy base is robust and meet the needs of Sandwell and the Black Country.
H14	We will take a proactive approach to accessing national funding for Sandwell that benefits our tenants and people who are homeless or in housing need.

Existing estate	
H15	We will modernise our tenancy and estate management offer, delivering a more proactive service, early identification and intervention to mitigate risks to tenancy sustainment and a new neighbourhood management working in partnership with communities to address their priorities.
H16	We will work to ensure our tenants live in safe and thriving neighbourhoods and that social housing is a tenure to be proud of.
H17	We will ensure that council homes are safe places to live by fully complying with fire and building safety requirements and regularly reviewing compliance. We will support people in the private rented sector to ensure their landlords comply with safety standards too.
H18	We will deliver a rolling programme of upgrades to our stock that improves energy efficiency and plan for the installation of alternative heating systems.
H19	We will aim to be a Borough of Sanctuary, offering a safe place for asylum-seekers and refugees to live, while recognising our leadership role in promoting integration and community cohesion.
H20	We will increase our engagement with tenants, including tenants in high rise blocks.

Our Housing Services and HRA will play a key role in assisting in delivery with our aims. This HRA business plan aims to provide and identify the resources required to deliver the relevant outcomes above.

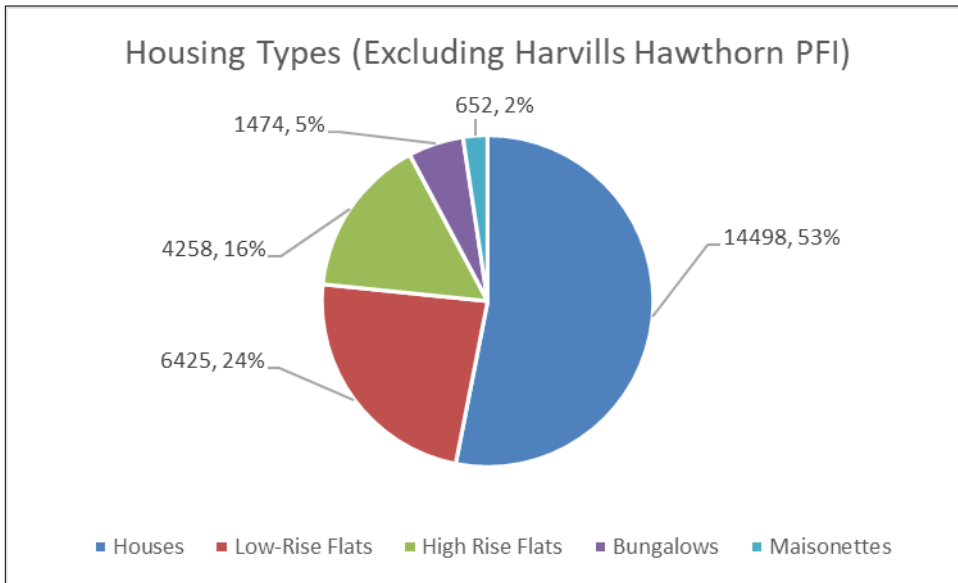
A new, updated, housing strategy will be developed incorporating the above outcomes but building upon the existing 2012-22 strategy document. It will set out the Council’s ambitions for housing and will put in place objectives, targets and policies and explain how it will play a leading role to:

- Making better use of existing housing
- Improving the quality of housing available
- Encouraging the building of new homes
- Protecting and promoting health, safety and wellbeing

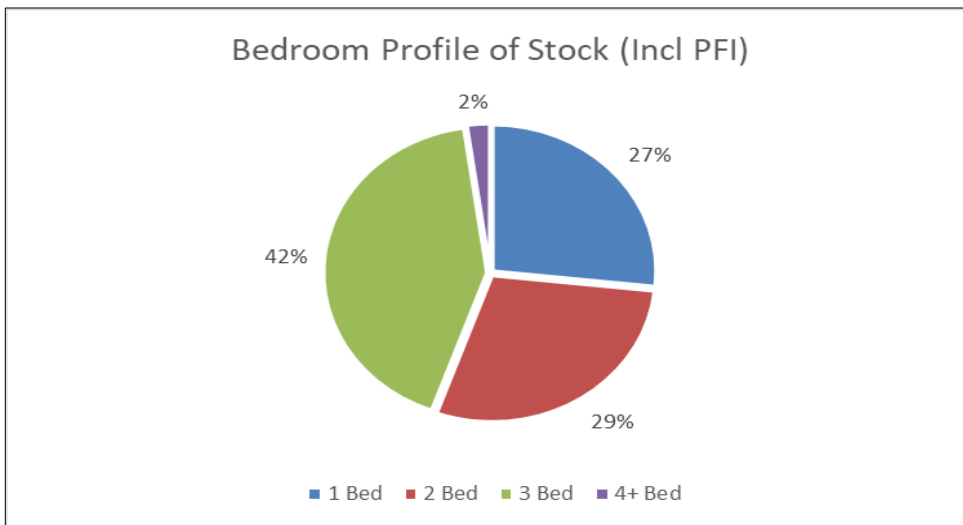
Much progress has been made in delivering the original priorities. Included in the progress made is the delivery of new affordable homes, investment in energy efficiency and other programmes, keeping homes safe and improvements to reporting repairs.

3.2. Stock Information

The following chart shows the split of the total number of our housing stock as at March 2022.



Our housing stock is divided over the following bedsizes:



56% of our stock consists of 1 and 2 bedroom homes, with 42% 3 bedroom and the balance of 4 or more bedrooms. This split has implications for both existing tenants but also demand from our waiting list and identified below.

It is estimated that around a third of the Council housing stock is affected by under-occupation, set against 12% being classified under the Bedroom Standard as overcrowded as demonstrated in the following table:

Age of Head of Household	Under-Occupied	Severely Under-Occupied	Over-Crowded	Severely Over-Crowded

16 – 25	228	7	74	3
26 – 40	1,552	82	799	92
41 – 59	2,434	417	1,430	488
60 – 74	1,813	900	350	115
75+	1,068	961	102	20
Not stated	274	100	-	-
TOTAL	7,369	2,467	2,755	718
	9,836		3,473	

The average length of tenancy is currently 12.6 years.

3.3. Homelessness and Rough Sleeping Strategy

In 2022 the Council published its Homelessness and Rough Sleeping Strategy 2022-25, linking with the objectives of the Corporate Plan. The key priorities for the strategy are:

- Preventing homelessness
- Improving communication, education and engagement
- Enhancing housing options
- Improving partnership, collaboration and whole system
- Eliminating rough sleeping
- Making best use of resources

The Council will seek to deliver the right type of accommodation through its HRA in order to tackle these issues and we have detailed in section 6 how we plan to do so.

The refreshed strategy will build on achievements of the current strategy, which has:

- Reduced the use of temporary accommodation and bed and breakfast – despite the impact of Covid-19 and ending of the freeze on private rented sector evictions – the number in temporary accommodation has reduced by half from its peak
- Significantly increased access to the private rented sector to relieve homelessness
- Reduced rough sleeping over the last two years by supporting 100 rough sleepers, many of whom now have their own tenancies.

4. Current Key Risks & Opportunities

4.1. Government Rent Policy

The implications of the reduction in rents between 2016 and 2020 and the associated challenges on the HRA have already been referenced. Council rents have been low in comparison to the sector and were due to reach the Government's target rent levels (set under a previous rent policy) by 2015/16. This was changed significantly by Government policy of rent reduction by 1% for 4 years to end in 2019/20 and thereafter change to CPI+1% for a period, currently 5 years to cover rent increases up to and including April 2024. The impact of rent cuts and the reinvigoration of right of buy has seen our finances significantly impacted since the self-financing settlement of 2012.

From April 2020 all local authorities have to adhere to the Regulator of Social Housing's Rent Standard. Whilst our rents are below the target rent for each property, in the majority of cases the Rent Standard controls rent increases to CPI+1% to 2025.

Recent large increases in CPI might suggest that rent increases at CPI+1% would be unsustainable for many tenants. Government is also keen to be seen to provide measures to address the cost of living crisis. Therefore, the government is currently in a period of consultation, in which a directive may cap rent increases applied to existing tenants at a range of 3% to 7% with the likely outcome being 5%. This is likely to impact the long-term viability of our business plan when compared to the inflationary cost pressures that are affecting our service expenditure.

Following the Government consultation, and taking in to account the outcome when announced, we will review our current rent policy. It is uncertain if we will see a continuation of increases allowable above CPI, a period of reconvergence and if so over what period.

The financial projections within this business plan are prudent and generated so that they are likely to comply with the Rent Standard moving forward.

4.2. Climate Change & Energy Efficiency

In 2020 the Council declared a climate emergency and published its Climate Change Strategy 2020-2041.

As part of this strategy the second element of our action plan, new council housing, will incorporate more renewable energy measures and more modern methods of construction. It outlines the need to improve the (and gain a better understanding of) the Energy Performance Certificate (EPC) performance for our homes.

Our improvement programme traditionally focussed on window replacement utilising double-glazing and installing more modern and efficient gas boilers.

At March 2022 around 50% of our homes had an EPC rating of C or above. This has been achieved by improving the heating of our homes, installing roof and external wall insulation and the cyclical replacement of windows and doors, with a programme to improve 402 properties during this year.

In the Clean Growth Strategy, the Government has set a target for all social housing providers to attain a C rating on EPCs by 2035 or 2030 for 'fuel poor' households. Therefore, our focus, and financial planning, is designed to deliver this for the benefit of our tenants.

The move towards a full zero carbon stock will take much assessment, financial planning and dependent on methods of delivery, the future availability of sources of fundings and Government financial support.

4.3. Right to Buy

The right to buy (RTB) policy was introduced in the 1980s, but due to dwindling sale volumes and the then Government wishing to increase the numbers of home ownership it was reinvigorated in 2012 to incentivise tenants to purchase their homes by increasing the maximum discount that can be applied to the property's value and the time in residency to qualify.

The reinvigorated Right to Buy scheme is both a risk and an opportunity. However, under the government's 'One for One Replacement' Scheme, which the Council signed up to in 2012, we have the opportunity to retain a large proportion of right to buy receipts, which we can use to support the delivery of new affordable homes. The terms of the scheme mean that if the receipts are not spent within five years they are returned to government. The receipts can be used to fund a revised maximum of 40% of new development costs. The balance (60%) must come from other sources; e.g. borrowing and/or working with external partners. The rules should allow us to keep and then reinvest all our receipts, but affordability and land availability remain the main barrier to developing more social housing.

However, we have seen a significant rise in the number of right to buy sales with an average of 260 per year since the reinvigoration of the policy which has resulted in a net of loss homes when set against our completed and ongoing new build programme providing an average of 56 per year.

New measures have also been introduced to reduce the number of properties that we could acquire from the open market in order to replace homes that have been sold, the aim to focus on the building of new homes.

4.4. Welfare Reform

Welfare reform continues to be a risk to the Council and the sustainability of the HRA, as large numbers of current and future claimants struggle to manage financially, particularly currently with the impact of inflation in food, energy and living costs. There are implications for arrears, bad debts and a potential increased demand for temporary accommodation and council housing as more households lose private rented accommodation on affordability grounds.

Housing Services provide professional support to vulnerable residents by assisting them with applications supported by welfare benefit specialists who provide one to one advice. The housing service continues to provide help with applying for Discretionary Housing Payments for those with the greatest hardship and the cost of living crisis has promoted us to look at further ways in which we can help tenants on low incomes, including the 30% of households that are not in receipt of housing benefit or universal credit.

4.5. Demand for Housing

The Council holds a housing register of people needing social housing assessed into categories of need to assist with allocating homes, including those within the HRA. The past year has seen steady growth in applications.

As of July 2022, the register stood at around 10,500 household and of note:

- Over a third of the register (38%) is made up of existing tenants.
- Around half of the register have a degree of priority within the Allocations Policy – mostly qualifying for Band Three (such as overcrowded by 1 bedroom, under-occupying a flat by one or more bedrooms, with children in flats above the first floor, service tenants due to terminate within 6 months and prevention of homeless-where likely a full duty would be owned): (60%).
- Over half of households registered contain children aged 16 or under.

Typically, the demand is split 75% for 1 to 2 bedroom properties and the balance require 3 or more bedrooms – this differs from our current stock profile.

In 2021 the Black Country Housing Market Assessment was finalised. Based on a series of socio-economic determinants specific to Sandwell the table predicts the size of new Social Rent/Affordable Rent accommodation required in Sandwell over the next 18 years.

Size and Number of New Social (or Affordable) Rented Properties required in Sandwell in the Next 18 Years				
Size of Home	Base Size Profile 2020	Size Profile 2038	Change Required	% Change Required
1 Bedroom	9,988	11,044	1,056	31.7%
2 Bedroom	10,583	11,075	492	14.7%
3 Bedroom	13,920	14,377	457	13.7%
4 or More Bedrooms	947	2,279	1,330	39.9%
Total	35,4438	38,772	3,334	100.0%

4.6. Fire Safety

The Grenfell Tower fire in June 2017 and thereafter the Fire Safety Act 2021 and the Building Safety Act 2022, with the Social Housing (Regulation) Bill now progressing through Parliament have further highlighted safety issues that remain in the affordable housing sector.

We have factored in such compliance works and building safety needs such as fire safety. This will include ongoing electrical inspections, recommended actions from fire risk assessments and fire door inspections.

The exact total funding requirements for the building safety works has yet to be determined. Further work is required to determine the additional fire safety measures following more intrusive Fire Risk Assessments. The Building Safety Act 2022 also imposes additional duties on Sandwell which have implications for the staffing structure and resourcing. We have already made some provisions within our plan to deliver safety related works including a programme for new sprinkler systems in our high-rise blocks (agreed by Cabinet in May 2022).

4.7. Implications of the changing regulatory landscape

As referenced earlier, in the aftermath of the Grenfell Tower Block Fire the Government consulted on the regulation, standards and delivery of social housing in England.

Key proposals which will impact on the HRA include:

- New Tenant Satisfaction Measures
- Proactive regulation via inspections every 4 years
- Update to the Consumer Standards
- Focus on tenant empowerment and consultation/influence

The 4, short, outcomes-based Consumer Standards currently comprise:

- **Home:** Keep homes safe, decent and in a good state of repair
- **Tenancy:** Let homes and manage tenancies in a fair, transparent and efficient way
- **Neighbourhood and Community:** Keep the wider area clean and safe, help to tackle anti-social behaviour and promote community well-being
- **Tenant Involvement and Empowerment:** Understand and respond to the diverse needs of tenants, provide choice and opportunities for involvement, resolve complaints fairly and promptly

5. Housing Services

5.1. Housing Operations

The Council's Housing Service provides the overall management for the tenants and leaseholders for the Sandwell housing stock, with the exception of 1,001 homes, managed via the PFI contract with Riverside Housing. This contract will conclude in 2031.

The range of services includes:

- Tenancy and temporary accommodation management
- Rents and service charge collection
- Allocations and lettings
- Leasehold management
- Housing options and advice
- Floating support
- Welfare Rights Advice
- Neighbourhood management
- Repairs and maintenance including disabled adaptations and energy efficiency
- Resident Engagement

Sandwell has a Cabinet member with Housing as their portfolio and the Safer Neighbourhoods and Active Communities Scrutiny Board receives policy reports and performance information.

5.2. Performance

During 2021/22 following the unprecedented challenges for the Covid 19 pandemic our front line repairs teams continued to deliver core services including more than 3,000 emergency repairs per month. Key performance statistics for our repairs service are:

- 94.7% satisfaction with the completed repair
- 97.9% emergency and urgent repairs completed on time

Current demand for repairs is c9,000 per month and there is still a backlog resulting from the pandemic but also challenges with staffing internally and with our contractors.

In terms of home safety our statistics show:

- 99.7% have been checked for gas safety (where applicable)
- 76.8% of homes have a valid 5-year safety inspection report – an area that we immediately working on
- 100% of purpose built flats have an up-to date fire safety risk assessment
- 100% of blocks of flats have an up-to-date re-inspection for asbestos containing materials
- 100% of relevant sites have up-to-date water hygiene and legionella prevention risk assessments
- 99.4% of passenger lifts have a valid safety inspection report – and moved on since to 100% compliant.

5.3. Leaseholder Services

Housing Services are responsible for providing the leaseholder service information and collection of service charges to over 1,252 homeowners.

Some of our leaseholders are impacted on by our major programme and we have reviewed and revised out policy on recharges to leaseholders for major works.

5.4. Housing for Older People

This is another important service that we provide to ensure that independence, security and peace of mind for is enabled for older people, generally over the age of 60.

We also have 2 extra care schemes where on-site care is provided.

Within Sandwell, it is anticipated that the population who are aged 65 years and over will grow by 20% by 2033 and will lead to an increase in requirement for specialist housing options. According to the Black Country Housing Market Assessment (2021), to meet local demand rates in 2039, modelling identifies a requirement for 1,666 additional units of sheltered housing for older people and 54 extra-care units in Sandwell.

We are using the Disabled Facilities Grant to help keep people independent in their own home for as long as possible and our new build programme has delivered a number of bungalows to ensure accessibility for older people. This is something we aspire to do more of.

5.5. Anti-Social Behaviour

Everybody has a right to enjoy their life in their own way, provided they do not upset the people living near them. In 2021/22 the 3 highest categories of anti-social behaviour consisted of 96 cases of verbal abuse, 82 cases of noise nuisance and 63 cases of criminal activity.

Our anti-social behaviour (ASB) team uses a prevention and early intervention approach to resolve ASB cases as quickly as possible using the most appropriate solutions for individual cases.

Early interventions can include: verbal and written warnings, mediation, referrals to partnership agencies and good neighbour agreements. Our Community Trigger gives communities and the victims of ASB to request a review of their case, in instances of an unsatisfactory response.

5.6. Resident Engagement

We are rolling out a programme of proactive home visits (with the aim of at least 1 visit every 3 years), and additional visits where required.

We are developing more opportunities to obtain feedback from our residents with invitations to join our Task and Finish Groups to facilitate co-designed solutions in order to improve our services.

Our new Tenant and Leasehold Scrutiny Group will allow for our services to be reviewed and scrutinised by our residents and Tenant Auditors Team to assist in resolving complaints and provide direct feedback on the experiences of tenants.

We also value the partnership working and 'critical friend' role played by Sandwell Community Information and Participation Service (SCIPS) and provide an annual grant to help resource their activities.

We have launched our new annual tenant satisfaction survey and are currently processing the results.

In 2022 we published an annual report for tenants in order to feedback on our performance and explain how we spend the income collected through rents and service charges.

6. Housing Asset Management Strategy

6.1. Introduction and Current Status

The most recent version of the strategy covers 2017 to 2020 and sits alongside a 10 year capital programme detailing the levels of investment within our existing homes.

We will publish an updated Asset Management Strategy in the coming year which will incorporate:

HRA Business Plan

- The results of new stock conditions survey carried out externally – as these become available.
- Details of how we will approach building safety works.
- Revised profiles for expenditure on energy efficiency.
- Revised profiling of the capital programme as required.

6.2. The Purpose

The updated housing Asset Management Strategy will contribute to the delivery of our business plan. It structures our ability to deliver our strategic asset management objectives of the properties we own:

1. Are appropriately maintained in accordance with an agreed standard on an agreed programme cycle;
2. Meet all regulatory standards (including building safety compliance and adherence to latest legislation) and Landlord Obligations, including the Homes and Communities Agency's (HCA) Homes Standard;
3. Are located in well managed and attractive environments that feel secure and welcoming;
4. Are healthy and safe places to live (free from Category 1 Housing Health and Safety Rating System hazards);
5. Are viable and deliver a positive yield over the business planning period (ideally with an improving Net Present Value (NPV) and high levels of demand);
6. Meet the needs and aspirations of both current and future residents, contributing to high levels of satisfaction (with both the property and the neighbourhood);
7. Continue to improve and modernise available housing for older people;
8. Encourage green technologies and innovative solutions to the climate emergency;
9. Enable Community Development which positively supports the local community
10. Deliver an environmental and sustainability strategy which addresses the impacts of climate change, delivers the housing stock to net zero carbon by or before 2050. Using green technology and innovation to deliver these objectives.

6.3. Performance of our Stock

To be added.

6.4. Sheltered/Specialised Stock

Add details as to any differentiation of stock investment or scheme remodelling options e.g. the Granges.

6.5. Future Costs to be identified and included

The Council currently has a 10-year spend profile, as detailed in the section below, commencing in 2021.22. With the external review and update of future investment costs this will inevitably change the projected position within the plan.

It should be recognised that the following will need to be added to existing investment costs modelled within this business plan as to when outline programmes can be devised with accurate costings and utilising any available external funding sources which may be available:

- **Zero Carbon:** We need to develop an understanding of the technical solutions available, and their cost. We will seek funding to support delivery and take in to account the financial viability of properties. Current estimates are between £84million and £100million (exclusive of fees). Assumed that zero carbon excluded. Whilst we have identified £87million in our expenditure requirements, a much reduced provision of £2million has been included within this plan until we can be more certain as to the funding arrangements.
- **Decent Homes 2 & Building Safety.** At the same time as reviewing our own investment standard we will respond to any revised government guidance on the decent homes standard, as well as any additional costs from expected increases in consumer regulation and building safety requirements over and above the values already included within our costs identified in the section below.

7. Future Development & Acquisitions

7.1. The need for Additional Homes

A continual message within this plan is the need for additional affordable housing, set against the backdrop of losing stock through right to buy in Sandwell.

Through a number of options, we will seek to acquire and develop new homes. However, we are restricted in respect of land opportunities that we own and much of our past housing development has utilised suitable developable sites such as disused garage areas and infills.

We will continue to explore the options in respect of acquiring land and properties from the open market.

7.2. Existing Development Programme

Our existing programme that completes in 2024/ 25 provides :

- A total of 321 homes
- A cost of £26.266million

These will be funded by a mixture of borrowing, grant from Homes England and right to buy receipts.

7.3. Future Programme

Moving forward, there will be a continual evaluation for the acquisition of homes from the open market. However, we will be constrained in respect of the use of right to buy receipts, given that new rules limit acquisitions to 20 per year plus a percentage of the new build figure.

We will continue to seek land opportunities in order to continue our own development and to supplement the affordable homes that are being delivered by our partner registered providers.

For the purposes of the plan we have continued to use the £10million per annum identified within the 2021/22 capital programme, funded, in part (25%), by right to buy receipts. This provision would be used to part fund new build schemes and is dependent on land availability, scheme viability and external funding being available.

8. HRA Financial Projections

8.1. How HRA finances have evolved over the last 10 years

The HRA is a ring-fenced account relating to the council's landlord function. The self-financing system introduced in 2012 for the HRA removed the uncertainty caused by the old annual subsidy announcements and has allowed for better longer term financial planning for the ring-fenced account. The ability for tenants to exercise their right to buy was reinvigorated allowing discounted rates with a result of a higher number of sales that has an adverse impact on the finances for the HRA.

The core constituents of the account are rent income; both capital and revenue maintenance of the housing stock; management costs; and debt repayments. As the account has been carrying a fairly high balance, the Council has also been making revenue contributions (i.e. from rent income directly) to fund capital expenditure for identified projects as well.

8.2. Use of a financial model

We have maintained an HRA business plan model for a number of years which has assisted us with both short and long-term planning but within the restriction of the debt cap imposed in conjunction with the 2012 self-financing system which offered very little in the way of borrowing headroom.

We have engaged Savills to support us with the modelling, bringing their experience of working with a large number of authorities and sense checking our assumptions.

The model provided the basis for the financial elements of this business plan and is launched from April 2022 with the assumptions behind the forecasts contained in Appendix 9.1.

8.3. Treasury Management

HRA debt is measured by the HRA Capital Financing Requirement (HRACFR) and was £484.886million in April 2022. In order to finance the debt, the Council has a number of loans that have been taken out over a series of years. Some of these loans have been directly attributed to the HRA, totalling £336.868million, which results in a balance of £148.018million which is "internally financed" from the Councils General Fund.

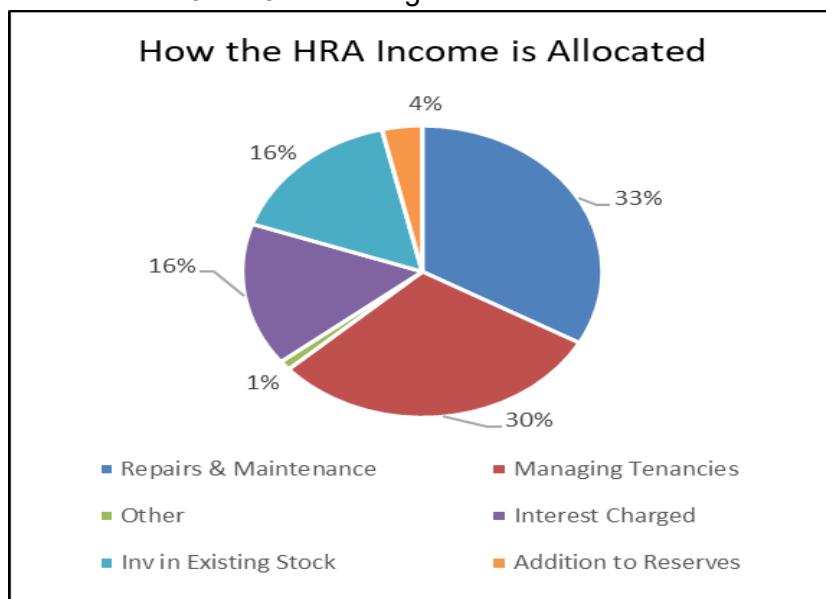
The Council borrows and invests in accordance with its Treasury Management Strategy and plans any consideration of borrowing closely through the financial strategy, and ten-year corporate Capital Programme.

The Council is required to set its own prudential borrowing framework with limits on borrowing which could be based on a series of indicators, as used by other authorities and the Registered Provider sector, to ensure existing and forecast borrowing is both affordable, appropriate and allows a degree of contingency to address unforeseen factors.

These levels of new prudential limits have not been factored into our modelling and plan as these are yet to be established. We need to establish what it is affordable in terms of levels of borrowing but also what additional costs, be it new development, investment in energy efficiency, increased levels of improvements to existing properties or combination of them all could be delivered.

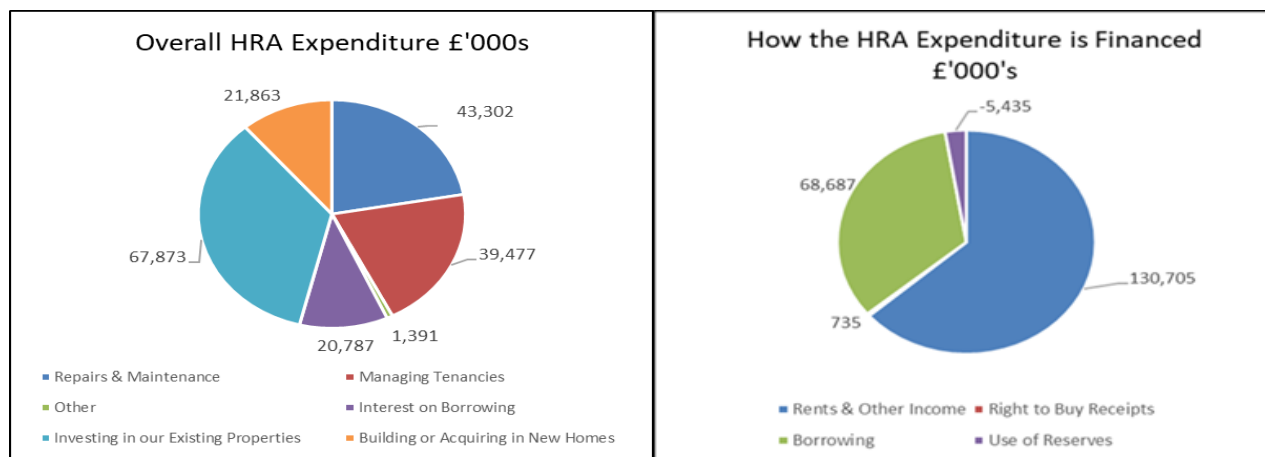
8.4. How the rent is spent

The following chart shows how our rental income, service charges and other income is spent based on our forecast 2022.23 HRA budget:



This chart shows that the HRA makes a 4% surplus from its rents which is either used to finance additional capital works or retained to be utilised in future years.

In terms of our overall HRA expenditure, both capital and revenue, we have demonstrated below how this is split, but also financed.



8.5. Long-term capital expenditure forecasts

As previously stated the HRA has a 10-year capital programme has been identified for the next 10 years from 2021.22 (excluding new build development). The following base costs have been factored into the draft plan:

£'m	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31
High-Rise Flats	28.026	20.368	11.545	7.841	5.869	10.100	6.000	6.000	6.000
Disabled Adaptations	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Boiler Replacements	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Refurbishments	15.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000	20.000
Sprinklers	7.500	7.500							
Composite Doors	10.000	5.000							
CCTV Expansions	0.750	0.500							
CO2 & Smoke Detectors	0.270	0.270	0.270	0.270					
ECO Projects	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Lighting	2.000								
Adjustments	-2.673								
Total	67.873	60.638	38.815	35.111	32.869	37.100	33.000	33.000	33.000

The above results in total expenditure of £371.406million over the next 9 years. We have applied inflation from year 2023.24 to reflect anticipated increases in costs which results in revised expenditure over the period of £433.758million.

Further to this is the inclusion of £106.266million provisional expenditure for this period for homes through new build or acquisition.

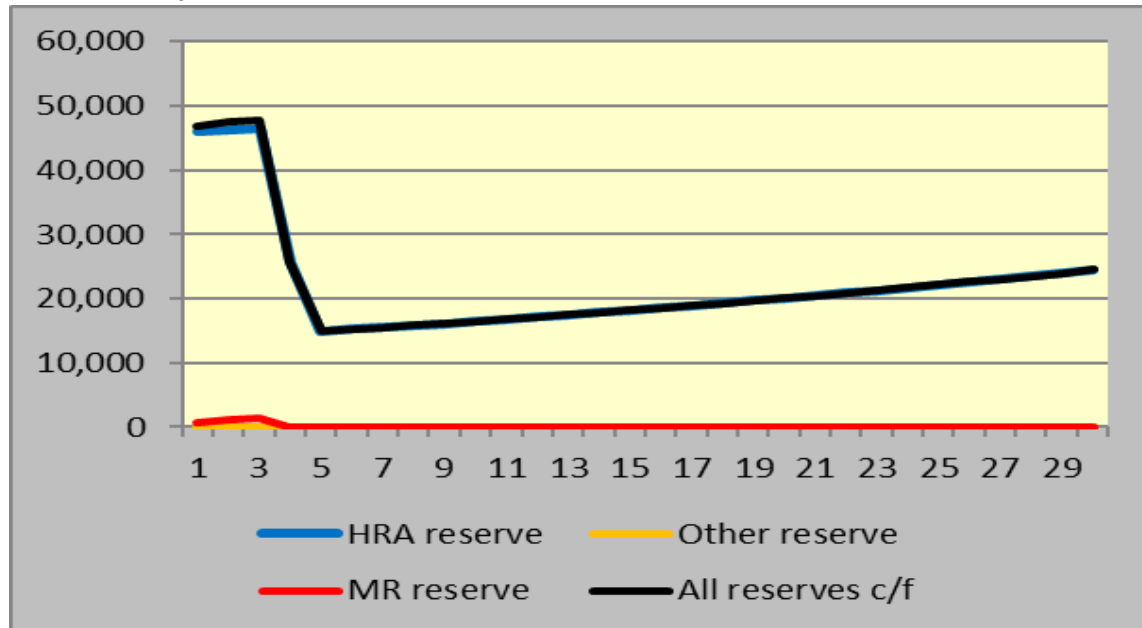
In order to form an indicative view of potential capital expenditure for the following 21 years of investment in the existing stock we have applied similar levels of expenditure for the balance of the plan, whilst seeking to provide an average investment of c£37,000 per property over the 30-year period.

It is important to note that both the existing 9 year capital programme and indicative expenditure will require updating following the results of stock condition surveys, carried out externally, that will inform actual requirements.

8.6. Long-term expenditure forecasts

The following graphs are excerpts from our HRA business plan model for both revenue and capital.

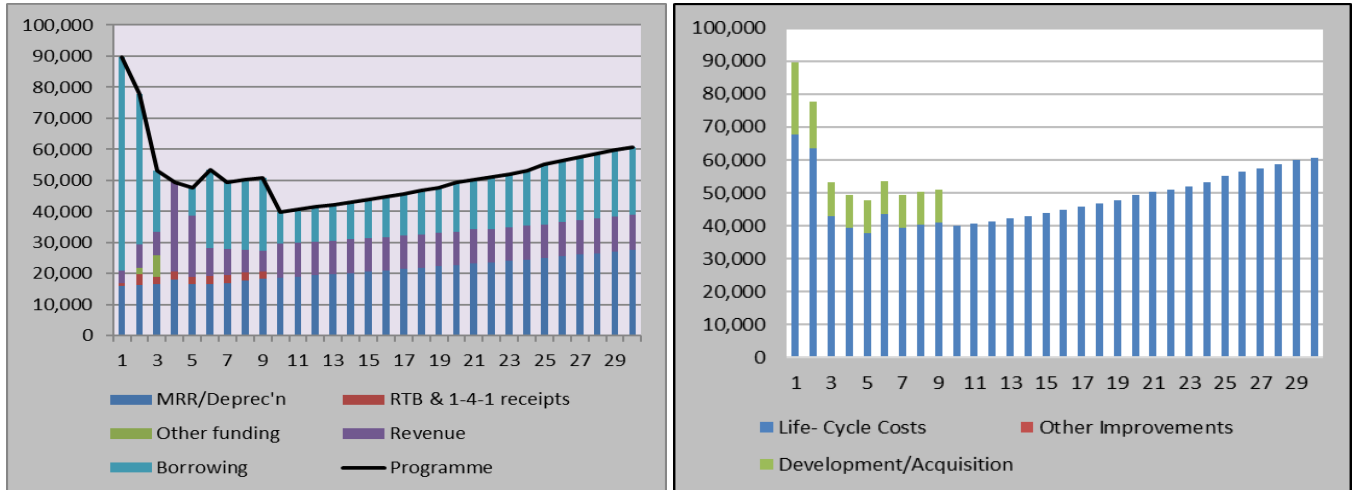
Revenue Projections



**Note: The HRA reserve is the revenue reserve available to fund both revenue expenditure but also contribute towards capital expenditure. The MR reserve is the Major Repairs Reserve which can only be used to fund capital expenditure or facilitate debt repayment.*

The black line demonstrates the combined balances of the HRA and Major Repairs Reserve over the duration of 30 years. It is planned to use some of the current high level of reserves on specific projects within the capital programme gradually over the next 5 years. From this point the HRA will retain a minimum balance of c£13million, with inflation applied, ensuring that surpluses above this are invested in capital expenditure as below.

8.7. Long-term expenditure forecasts

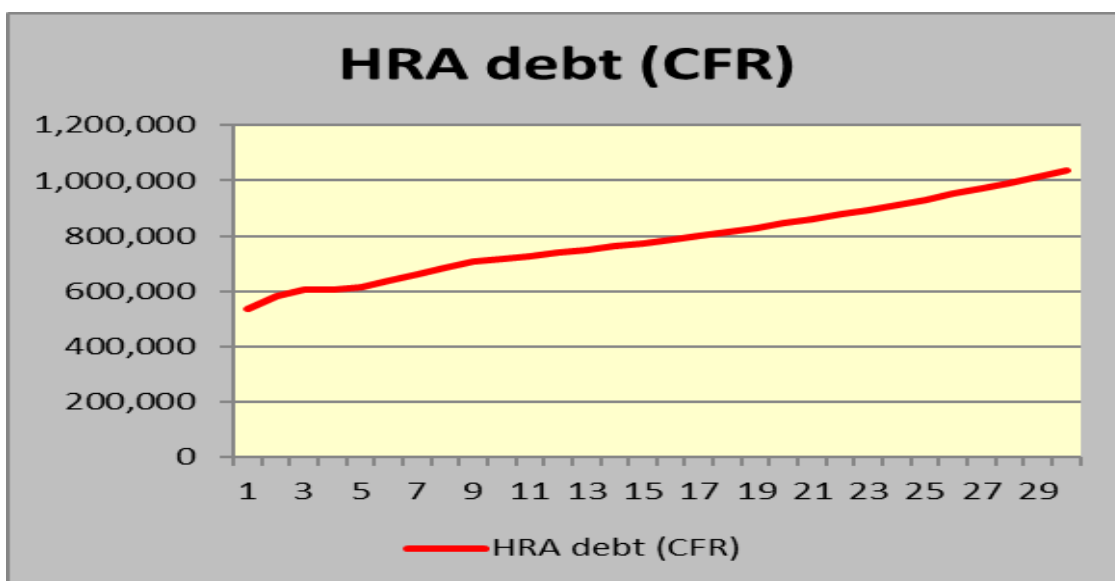


The left hand graph demonstrates the total projected capital expenditure by way of the horizontal black line and supplemented by how it is financed within the HRA through reserves, other forms of funding and borrowing.

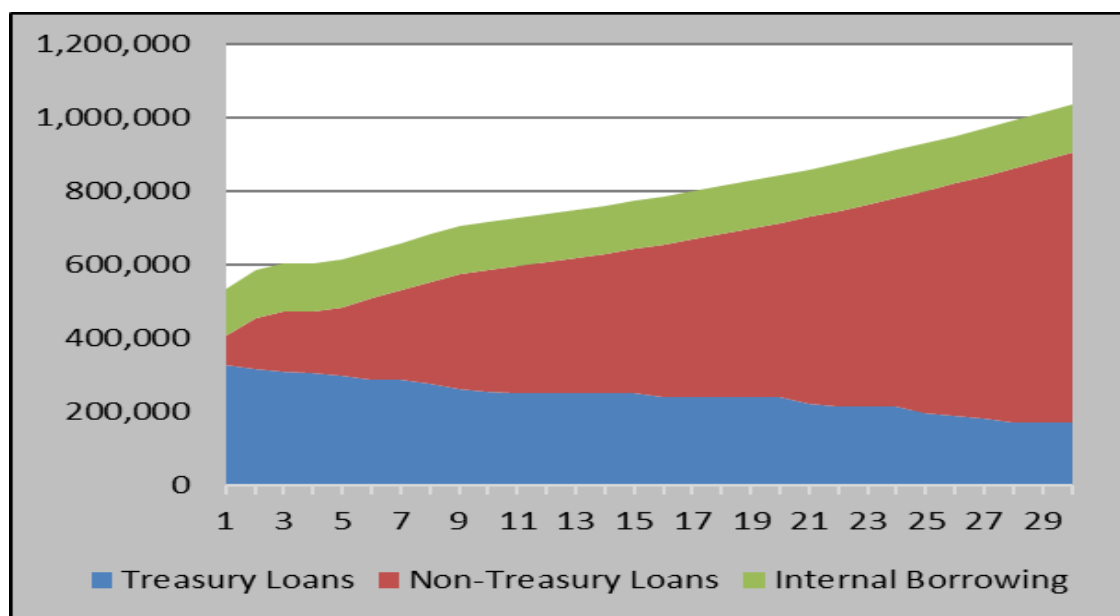
The right hand graph differentiates the overall spending between new build and on existing stock.

8.8. Long-Term financing position & capacity

The following graph shows the borrowing position for the HRA over the next 30 years, whilst fully funding the above provisional capital expenditure.



The provisional levels of capital expenditure modelled require a steady stream of borrowing despite surpluses within the HRA being made available to fund these works. It is estimated that total borrowing could reach £1.036billion after 30 years, which is deemed to be sustainable providing net rent income increases to allow levels of debt to be covered.



The initial loan portfolio of existing facilities of £336.868million reduces to £170.774million through various maturity dates. However, due to the need for continual borrowing the existing loans require refinancing. The current level of “internal borrowing” remains static for the period of the plan.

8.9. Impact of opportunities

Given the current borrowing forecast and that prudential limits are yet to be agreed, there is no confirmed capacity for borrowing, although the 10-year capital programme makes assumptions as to levels of borrowing

As previously stated we are undertaking a stock condition survey to determine the levels of expenditure that that should be modelled to provide a sounder base on which to base future financial planning decisions.

Therefore, we will continually review our investment strategy both for our existing stock, development and acquisition opportunities to ensure that we maximise on our delivery through ensuring a thorough prioritisation of our investment strategy. As part of this we will seek all opportunities for external funding to fund works to ensure our stock meets zero carbon and other alternative funding strategies.

8.10. Financial impact of key risks

We have modelled the impacts to the plan when considering both adverse but also advantageous scenarios that in some instances will be outside of the control of Sandwell.

Scenario	HRA Bal at Year 30 £'m	Debt at Year 30 £m
Base	24.464	1,035.533
Rents Increase at 2% (in place of 5% Years 2 & 3)	(16.885)	1,315.383
Repairs and Management Inflation 5% Years 2 & 3)	24.464	829.201
Rents CPI + 0.5% for 5 Years (Years 3-8)	37.457	681.955
Repairs +5% Year 3	24.464	1,183.110
Capital Exp +5% Year 3	24.464	1,307.619
Voids & Bad Debts +1% each	14.912	1,219,861
Interest Rate +1% new borrowing	0.984	1,228,469
CPI -0.5%	21.221	1,058.976
CPI +1%	32.446	988.794

The plan is sensitive to a wide range of impacts.

Any divergence from the rent increases assumed as the basis for this business plan (5% in April 2023 & 2024 respectively) show that future HRA balances are at severe risk of being in deficit, whilst substantially increases debt, due to the current inability to catch up to relevant levels.

These sensitivities also demonstrate that if management and repair cost inflation in 2023.24 and 2024.25 could match rent increases (rather than increasing above) then it significantly reduces future borrowing requirements.

9. Appendices

9.1. Financial Business Plan assumptions

Description	Short to Medium term	Long term (30 years)
Financing	Opening debt at £484.886m– Planned Borrowing £238.603m (9 Years)	Future Borrowing - £329.801m – No prudential borrowing rules approved
Property changes over the plan	28,212 properties 1/4/2022 with 250 RTB per annum (reducing by 5% per annum)	Reducing per 5% per annum – Total RTBs 3,927 (14% of stock)
Economic – inflation and interest rates	5% core (CPI) inflation years 2 & 3, then CPI 2%, interest rates start at 3.5% for new borrowing, rising to 4.25% Internal Borrowing at 2.5%	2% core inflation, interest rates stable at 4.25% long term except for existing borrowing and internal borrowing at 2.5%
Rents and Service Charge Inflation	Capped at 5% for 2023.24 and 2024.25 then CPI only	CPI only
Arrears and bad debts	2.0% of rents voids, 0.64% Bad Debts	2.0% of rents voids, 0.64% Bad Debts
Management costs	2022/2023 provisional budget rising at CPI + 2% (years 2 & 3) then CPI	Inflation long term at CPI
Repairs costs	2022/2023 provisional budget rising at CPI + 2% (years 2 & 3) then CPI	Inflation long term at CPI – adjusted for stock numbers
Capital profile	As per existing capital programme to year 9 – CPI inflation	Estimated values – adjusted for stock numbers – inflated by CPI

Use of capital resources (RTB receipts etc) and explanation for basis	RTB receipts to General Fund with exception of new build 1-4-1 receipts	RTB receipts to General Fund
-----------------------------------------------------------------------	-------------------------------------------------------------------------	------------------------------

Note: Current actual CPI rates are forecast at 9.9% for 2022 Q3 and 9.5% 2023 Q3, according to the August 2022 Monetary Policy Committee report, to which rent inflation is based. The CPI inflation factors used within the model for 2023.24 and 2024.25 have been set at 5%, the same level as forecast rent increases, with further adjustments to management and maintenance costs to bring these closer to forecast CPI rates. The CPI forecasts were made prior to Government announcements in terms of energy price capping and will be subject to change.



9.2. Financial Business Forecasts

Sandwell MBC HRA Business Plan 2022/23+
Base Version
HRA and Capital Summary

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Year	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
HRA 30 YEAR SUMMARY															
Dwelling rents	121,895	127,728	134,508	137,509	139,902	142,374	144,924	147,554	150,265	153,057	155,614	158,243	160,944	163,717	166,564
Non-dwelling rents	200	210	221	225	229	234	239	243	248	253	258	264	269	274	280
Service charge income	2,814	2,954	3,102	3,164	3,227	3,292	3,358	3,425	3,493	3,563	3,634	3,707	3,781	3,857	3,934
Other income and contributions	5,713	5,713	5,713	5,713	5,713	5,713	5,713	5,713	5,713	5,713	0	0	0	0	0
Total income	130,622	136,605	143,544	146,611	149,072	151,613	154,233	156,935	159,719	156,873	159,507	162,214	164,994	167,848	170,777
Repairs & maintenance	43,302	46,212	49,324	50,192	51,081	51,991	52,922	53,876	54,852	56,801	57,842	58,907	59,995	61,109	62,247
Management (incl RRT)	40,050	42,668	45,460	46,370	47,297	48,243	49,208	50,192	51,196	52,238	53,314	54,423	55,566	56,744	57,951
Bad debts	799	837	879	898	913	929	945	962	979	997	1,013	1,030	1,048	1,066	1,085
Depreciation	16,876	16,876	16,689	16,585	16,487	16,723	16,968	17,908	18,267	18,632	19,005	19,385	19,772	20,168	20,571
Debt management	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total costs	101,045	106,593	112,353	114,044	115,777	117,885	120,043	122,938	125,293	117,028	119,270	121,560	123,898	126,287	128,726
Net income from services	29,577	30,012	31,191	32,567	33,295	33,728	34,191	33,997	34,426	39,845	40,237	40,654	41,095	41,561	42,052
Interest payable	-20,787	-22,446	-23,969	-24,742	-24,544	-24,713	-25,629	-26,552	-27,566	-28,553	-29,553	-30,027	-30,520	-31,031	-31,571
Interest income	83	235	358	353	256	149	152	155	161	165	168	171	175	178	181
Net income/expenditure before appropriations	8,873	7,801	7,580	8,178	9,007	9,164	8,714	7,600	7,019	11,453	11,347	11,269	11,240	11,216	11,199
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions to capital	-4,154	-7,500	-7,500	-28,925	-19,733	-8,866	-8,410	-7,290	-6,702	-11,131	-11,018	-10,934	-10,897	-10,866	-10,843
Net HRA Surplus/Deficit	4,719	301	80	-20,747	-10,726	298	304	310	316	323	329	336	343	349	356
HRA Balance brought forward	41,285	46,004	46,305	46,385	25,637	14,912	15,210	15,514	15,824	16,141	16,464	16,793	17,129	17,471	17,821
HRA surplus/(deficit)	4,719	301	80	-20,747	-10,726	298	304	310	316	323	329	336	343	349	356
HRA Balance carried forward	46,004	46,305	46,385	25,637	14,912	15,210	15,514	15,824	16,141	16,464	16,793	17,129	17,471	17,821	18,177
HRA CAPITAL PROGRAMME															
Stock capital investment	67,873	63,670	42,794	39,484	37,702	43,406	39,382	40,169	40,973	39,873	40,620	41,426	42,242	43,010	43,796
Development/acquisition	21,863	14,138	10,265	10,000	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	0
Capital programme	89,736	77,808	53,059	49,484	47,702	53,406	49,382	50,169	50,973	39,873	40,620	41,426	42,242	43,010	43,796
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Financed by...</i>															
Major Repairs Reserve	-16,160	-16,321	-16,485	-18,059	-16,487	-16,723	-16,968	-17,908	-18,267	-18,632	-19,005	-19,385	-19,772	-20,168	-20,571
1-4-1 receipts	-735	-3,377	-2,357	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	0	0	0	0	0	0
Other receipts and grants	0	-2,190	-7,000	0	0	0	0	0	0	0	0	0	0	0	0
Revenue contributions	-4,154	-7,500	-7,500	-28,925	-19,733	-8,866	-8,410	-7,290	-6,702	-11,131	-11,018	-10,934	-10,897	-10,866	-10,843
HRA borrowing	-68,687	-48,420	-19,717	0	-8,982	-25,318	-21,504	-22,471	-23,504	-10,110	-10,598	-11,108	-11,572	-11,976	-12,383
Capital financing	-89,736	-77,808	-53,059	-49,484	-47,702	-53,406	-49,382	-50,169	-50,973	-39,873	-40,620	-41,426	-42,242	-43,010	-43,796
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve b/fwd	0	716	1,270	1,474	0	0	0	0	0	0	0	0	0	0	0
HRA depreciation (net)	16,876	16,876	16,689	16,585	16,487	16,723	16,968	17,908	18,267	18,632	19,005	19,385	19,772	20,168	20,571
Financing for capital programme	-16,160	-16,321	-16,485	-18,059	-16,487	-16,723	-16,968	-17,908	-18,267	-18,632	-19,005	-19,385	-19,772	-20,168	-20,571
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Major Repairs Reserve c/fwd	716	1,270	1,474	0	0	0	0	0	0	0	0	0	0	0	0

HRA Business Plan



Sandwell MBC HRA Business Plan 2022/23+

Base Version

HRA and Capital Summary

Year Financial Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
	2037_38	2038_39	2039_40	2040_41	2041_42	2042_43	2043_44	2044_45	2045_46	2046_47	2047_48	2048_49	2049_50	2050_51	2051_52	
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	
HRA 30 YEAR SUMMARY																
Dwelling rents	169,485	172,481	175,554	178,704	181,933	185,240	188,628	192,097	195,649	199,285	203,006	206,813	210,708	214,692	218,767	
Non-dwelling rents	285	291	297	303	309	315	321	328	334	341	348	355	362	369	376	
Service charge income	4,013	4,093	4,175	4,258	4,343	4,430	4,519	4,609	4,701	4,795	4,891	4,989	5,089	5,191	5,295	
Other income and contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total income	173,783	176,865	180,026	183,265	186,585	189,985	193,468	197,034	200,685	204,421	208,245	212,157	216,159	220,252	224,438	
Repairs & maintenance	63,410	64,599	65,815	67,057	68,327	69,624	70,949	72,302	73,685	75,097	76,540	78,013	79,518	81,054	82,623	
Management (incl RRT)	45,720	46,634	47,567	48,518	49,489	50,478	51,488	52,518	53,568	54,639	55,732	56,847	57,984	59,143	60,326	
Bad debts	1,104	1,123	1,143	1,164	1,185	1,206	1,228	1,251	1,274	1,298	1,322	1,347	1,372	1,398	1,425	
Depreciation	20,983	21,402	21,830	22,267	22,712	23,166	23,630	24,102	24,584	25,076	25,578	26,089	26,611	27,143	27,686	
Debt management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total costs	131,216	133,759	136,355	139,006	141,712	144,475	147,295	150,173	153,112	156,111	159,172	162,296	165,485	168,739	172,060	
Net income from services	42,566	43,106	43,670	44,259	44,873	45,510	46,173	46,861	47,573	48,311	49,073	49,861	50,674	51,513	52,378	
Interest payable	-31,558	-32,087	-32,662	-33,261	-33,884	-34,539	-35,225	-35,942	-36,690	-37,479	-38,304	-39,168	-39,974	-40,821	-41,611	
Interest income	182	185	189	193	197	201	205	209	213	217	222	226	231	235	240	
Net income/expenditure before appropriations	11,190	11,204	11,198	11,191	11,186	11,552	11,213	11,194	11,178	11,228	11,391	11,455	11,559	11,707	11,663	
Set aside for debt repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue contributions to capital	-10,827	-10,833	-10,819	-10,806	-10,792	-11,151	-10,804	-10,776	-10,752	-10,794	-10,948	-11,003	-11,098	-11,237	-11,183	
Net HRA Surplus/Deficit	364	371	378	386	394	401	409	418	426	434	443	452	461	470	480	
HRA Balance brought forward	18,177	18,541	18,911	19,290	19,675	20,069	20,470	20,880	21,297	21,723	22,158	22,601	23,053	23,514	23,984	
HRA surplus/(deficit)	364	371	378	386	394	401	409	418	426	434	443	452	461	470	480	
HRA Balance carried forward	18,541	18,911	19,290	19,675	20,069	20,470	20,880	21,297	21,723	22,158	22,601	23,053	23,514	23,984	24,464	
HRA CAPITAL PROGRAMME																
Stock capital investment	44,702	45,693	46,691	47,608	49,290	50,204	51,121	52,064	53,063	55,231	56,337	57,521	58,718	59,849	60,644	
Development/acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital programme	44,702	45,693	46,691	47,608	49,290	50,204	51,121	52,064	53,063	55,231	56,337	57,521	58,718	59,849	60,644	
Scheduled Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Financed by...</i>																
Major Repairs Reserve	-20,983	-21,402	-21,830	-22,267	-22,712	-23,166	-23,630	-24,102	-24,584	-25,076	-25,578	-26,089	-26,611	-27,143	-27,686	
1-4-1 receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other receipts and grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue contributions	-10,827	-10,833	-10,819	-10,806	-10,792	-11,151	-10,804	-10,776	-10,752	-10,794	-10,948	-11,003	-11,098	-11,237	-11,183	
HRA borrowing	-12,893	-13,458	-14,042	-14,536	-15,786	-15,887	-16,687	-17,186	-17,726	-19,360	-19,811	-20,430	-21,008	-21,469	-21,774	
Capital financing	-44,702	-45,693	-46,691	-47,608	-49,290	-50,204	-51,121	-52,064	-53,063	-55,231	-56,337	-57,521	-58,718	-59,849	-60,644	
Net balance on capital programme	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Major Repairs Reserve b/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA depreciation (net)	20,983	21,402	21,830	22,267	22,712	23,166	23,630	24,102	24,584	25,076	25,578	26,089	26,611	27,143	27,686	
Financing for capital programme	-20,983	-21,402	-21,830	-22,267	-22,712	-23,166	-23,630	-24,102	-24,584	-25,076	-25,578	-26,089	-26,611	-27,143	-27,686	
Debt Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Major Repairs Reserve c/fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	