



# 2018-19 HRA Budget: Position Statement

**Housing Scrutiny: 15 January 2018**



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  - » Council house delivery
- » **30 year business plan**
- » **2018/19 budget**
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- » **HRA future activity**

# 2017/18 HRA Activities

- » **Restructure of Housing management**
- » **Upgrading IT systems – intelligence and performance**
- » **WHQS Delivery**
- » **Service Charges consultation**
- » **Post Grenfell Fire Risk Assessments**
- » **Sheltered accommodation review (Stage 1)**
- » **Suspension of Right to Buy – Buy back and strategic acquisition**
- » **Community Benefit Strategy**
- » **Improvements to our Performance improvement framework**

# WHQS ACTIVITY TO DATE

Completion of Year 3 2017-2018 will see the Capital Works Team reach a 50% milestone in terms of the 6 Year Programme.

To date the Capital Works Team have approximately completed 65% of WHQS component installations.

The remaining 35% will be addressed through the following work streams over the next 3 Years:

- **Internal** (Kitchens & Bathrooms) - Targeting Refusals
- **Envelope** (Roofing, Windows & Doors)
- **External** (Fencing & Footpaths)
- **Environmental** (Targeting estate/ community issues i.e Parking, Communal Footpaths and Gardens etc.)

# WHQS ACTIVITY TO DATE

## ➤ Internals Programme (Kitchen & Bathrooms)

- 6700 Kitchens installed to date (Including 1200 Acceptable Fails)
- 6500 Bathrooms installed to date (Including 1700 Acceptable Fails)

## ➤ Envelope (Roofing, Windows & Doors)

- 3600 WHQS Compliant Roofs achieving the WHQS criteria
- 5500 WHQS Compliant Windows & Doors achieving the WHQS criteria

# WHQS ACTIVITY TO DATE

## Internal Works.....



# WHQS ACTIVITY TO DATE

## Envelope Works.....



# WHQS ACTIVITY TO DATE

## Envelope Works.....





# WHQS ACTIVITY TO DATE

## Envelope & Environmental Works.....



# WHQS ACTIVITY TO DATE

## Environmental Works.....



# Flint







# The Walks, Flint



# Castle Heights, Flint



# Council house building programme

- » 200 homes over five years from 2016
  - » 91 approved to date
  - » Schemes at Custom House, the Walks, Maes y Meillion, Heol y Goron, Redhall and Ysgol Delyn complete by 31<sup>st</sup> March
  - » Schemes at the Dairy and Melrose due to be completed in 2018





# The Walks, Flint



## Development of 30 HRA homes

2 x 1 bed apartments

18 x 2 bed houses

6 x 3 bed houses

2 x 1 bed adapted apartments

2 x 2 bed adapted apartments

# Apartments, The Walks, Flint



# Redhall, Connah's Quay



Development of 5 x 2 bed HRA homes

# Former Ysgol Delyn Site, Mold



**Development of 16 HRA homes**

10 x 2 bed houses

6 x 3 bed houses

# Heol Y Goron, Leeswood



**Development of 5 HRA homes**

3 x 2 bed houses

2 x 3 bed houses

# Maes y Meillion, Leeswood



2018 and Beyond.....

# 30 year business plan

- » **Completion of WHQS by 2020**  
and WHQS maintained
- **Meeting Choices Document promises**
- » **200 homes built**
  - » Next batch of sites to Cabinet for consideration in March
  - » £11.8m borrowing planned for 2018/19
- » **Significant surpluses after 2020 providing for**
  - » estate remodelling
  - » further new build
  - » service improvements



# Housing Revenue Account

## Key assumptions 2018/19

- » Rental Projections
  - » Increase is based on CPI at Sept 2017, plus up to £2 per week (if below target rent).
  - » CPI for Sept 2017 was 3%
  - » Proposed average rent for 2018/19 of £90.45 based on 52 weeks. (Target rent £96.51)
  
- » Total Rental Income £33m

# Other Income

Income	
Garages (net of vacants)	£428,248
Leased Charges (sold flats)	£13,000
Insurance Commission	£25,000
Service Charges	£284,163
Water Commission	£551,000
Garage Plots	£4,805
Land Income	£3,500
Tithes and Wayleaves	£7,000
Court Costs	£17,000
Total	£1,333,716

- » Proposed garage rent increase for 2018/19 of £1 per week. Taking garage rent per week to £7.61 (based on 52 weeks)
- » Proposed garage plot increase of £0.20 per week. Taking garage plot rent to £1.40 per week.

# Service Charges 2018/19

	All Tenants
Aerials	£1.20
Communal Cleaning	£3.77
Laundry Services	£0.72
Window Cleaning	£0.47

## FUTURE PHASING OF SERVICE CHARGES

Detailed consultation has taken place  
Charges will be increased each year until full costs are recovered

# HRA Efficiency Proposals

## Revenue Efficiencies/Use of one off funding

No	Section	Description	Type	2017/18 £	Notes
1	Repairs & Maintenance Support	Deletion of 0.6 FTE Finance Assistant (vacant post)	Structural Review	(15,450)	
2	Repairs & Maintenance Support	Reduction in grade	Structural Review	(15,148)	
3	Responsive Repairs	Deletion of 2 x Builder (vacant posts)	Structural Review	(61,390)	
4	Void Repairs	Deletion of 1 x Plasterer and 1 x Floor Layer (vacant posts)	Structural Review	(59,004)	
5	Tenancy Management	Deletion of 1 x Tenancy Sustainment Officer (vacant post)	Structural Review	(33,324)	
6	Responsive Repairs	Reduction to subcontractor Budget	Service Efficiency	(83,891)	
7	Housing Programmes	Deletion of 0.2 FTE Programme Manager Welfare Reform 18/19 only	Structural Review	(12,002)	Non recurring. Substantive post holder seconded to Welsh Gov
8	Rents	Reduction of 0.65% in the budgeted contribution to the Bad Debt Provision		(200,000)	Approx. figure (will change depending on rent increase applied)
9	Estate Management	Removal of tenant incentive (downsizing) budget		(15,300)	May need to be reviewed in future years.
10	Responsive Repairs	Remove increase to R&M budget for additional SHARP properties		(80,360)	Non recurring. To be reviewed during 2019/20 budget setting process.
11	Housing Programmes	Realignment of staffing costs (Council Fund & NEW Homes)	Structural Review	(30,643)	
		<b>Total HRA</b>		<b>(606,512)</b>	

# HRA Investment Decisions/ Cost Pressures

## Revenue Investment Decisions/Cost Pressures

No	Section	Description	2017/18 £m	Notes
1	Income	Service Charges	287,000	Reduction in income in line with phased introduction of Service Charges
2	Staff Costs	Pay Award	83,844	Increase in the expected pay award for 2018/19
		<b>Total HRA</b>	<b>370,844</b>	

# HRA CAPITAL PROGRAMME

**2018/19**

# Funding for HRA Capital Programme 2018/19

- » Total Proposed Capital Funding 2018/19 - £36.496m
- » Including:-
  - » Major Repairs Allowance - £5.065m
  - » Revenue Contribution to Capital Expenditure (CERA) - £12.170m
  - » Borrowing for WHQS programme - £5.122m
  - » Borrowing for New build - £11.800m
  - » Affordable Housing Grant - £1.900m
  - » Commuted sums - £0.439m

**Draft HRA Capital Programme 2018/19**

HRA Capital Programme	
WHQS	£'m
<b>CATCH UP REPAIRS / MAJOR WORKS</b>	
Urgent Capital Works	0.529
<b>IMPROVEMENTS / COMMUNAL WORKS</b>	
Fire Risk Assessments Work	0.510
General DDA Work	0.051
<b>IMPROVEMENTS / ACCELERATED WORKS</b>	
Asbestos Survey and Removal (Ongoing Programme)	0.612
Off Gas Programme	0.357
Welfare Reform / Adaptations	0.102
<b>PROGRAMMED WORK STREAMS</b>	
Internal Works	4.136
Envelope Works	10.542
External Works, Paths, Fences	0.485
Environmental Works - General	0.969
Capitalised Salaries	1.158
WHQS Acceptable Fails	1.000
Empty Properties	0.765
<b>Total WHQS</b>	<b>21.215</b>
<b>Non WHQS</b>	
Disabled Facility Grants (DFG) - Mandatory/ Minor Adaps	1.051
Solar PV	-
<b>Total Non - WHQS</b>	<b>1.051</b>
<b>SHARP Programme</b>	
Batch 3	14.230
<b>Total SHARP Programme</b>	<b>14.230</b>
<b>Total Capital Spend</b>	<b>36.496</b>



# 2018/ 19 HRA Focus

- » **Customer Involvement strategy**
  - » Local hubs and local plans
  - » Wider communication
- » **Top quartile performance**
  - » Repairs service
  - » Voids
  - » Aids and Adaptations
- » **Universal credit, Vulnerability and Rent arrears**
- » **Value for money framework and improvements in productivity**
  - » Efficiencies

# 2018/ 19 HRA Focus continued

- » **WHQS – Environmental proposals**
- » **Stage 2 of sheltered accommodation review**
  - » Assessing Improvement options/costs to provide sustainable tenancies