

Report to the Cabinet

Report reference: C-060-2011/12
Date of meeting: 12 March 2012



Portfolio: Housing
Subject: HRA Financial Plan – Latest Version
Responsible Officer: Alan Hall (01992 564004).
Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That the changes to the HRA Financial Plan since the Indicative Financial Plan was considered by the Cabinet in December 2011 be noted;**
- (2) That the latest version of the HRA Financial Plan, attached to this report, be adopted and included within the HRA Business Plan 2012/13;**
- (3) That the Director of Housing and Director of Finance & ICT formally review and update the HRA Financial Plan with the Council's HRA business planning consultants, CIHConsult, on a quarterly basis, in order to identify any material variances and any required resultant action at an early stage;**
- (4) That the Housing Scrutiny Panel be asked to review and update the HRA Financial Plan at its scheduled meeting in October 2012 and, thereafter, twice a year, at its scheduled meetings in:**
 - (a) March - after the HRA Budget has been agreed by Council, and as part of the updating process for the HRA Business Plan; and**
 - (b) October - to inform the Cabinet and the HRA budget process for the following year; and**
- (5) That Contract Standing Order C4 be waived and that the Council contracts with CIHConsult to act as the Council's HRA Business Planning Consultants until 31 March 2015 (subject to satisfactory price and performance) to ensure a continuity of service and knowledge.**

Executive Summary:

In March 2012, the Government will be introducing a major change in the way that local authority Housing Revenue Accounts (HRAs) are funded, called HRA Self Financing. Following the Cabinet previously agreeing the strategic approach to the HRA Financial Plan in December 2011, and a number of assumptions being confirmed since that time, it is now possible to update the Financial Plan - the latest version of which is attached to the report – prior to it being included within the updated HRA Business Plan for 2012/13.

The revised Financial Plan includes a number of changes, following an even more favourable

position emerging as a result of a number of key factors.

The report also proposes arrangements for the quarterly review of the Financial Plan by officers, and a bi-annual review by the Housing Scrutiny Panel, at key times of the HRA budget process, in order to inform the Cabinet when it makes budget decisions.

Reasons for Proposed Decision:

To approve the latest version of the HRA Financial Plan, and to agree the arrangements for reviewing the Plan on a regular basis.

Other Options for Action:

- (i) Not to approve the latest proposed version of the HRA Financial Plan, and to agree different assumptions and expenditure proposals.
- (ii) Not to request officers to review and update the Financial Plan on a quarterly basis, or at different intervals.
- (iii) Not to request the Housing Scrutiny Panel to review and update the Financial Plan on a bi-annual basis.

Report:

1. Later in March 2012, the Government will be introducing a major, long-term change in the way that local authority Housing Revenue Accounts (HRAs) are funded. This will involve a change away from the current "HRA Subsidy System" to a new "HRA Self Financing System", under which this Council will need to make a one-off payment to the Government of £185.456million (recently confirmed by the Government in its final Self-Financing Determination for the Council), instead of making annual payments to the Government - currently in excess of £11m per annum.

2. An important part of the Council's HRA Business Plan - which is updated annually in March - is the HRA Financial Plan, which projects anticipated income and expenditure for the HRA over a 30-year period. With the introduction of HRA Self Financing, the importance of having a well-thought-through, robust 30-Year Financial Plan for the HRA is essential.

3. At its meeting on 5 December 2011, following detailed consideration by Cabinet members, the Housing and Finance & Performance Management Scrutiny Panels, and the Tenants and Leaseholders Federation of a report prepared by CIHConsult (the Council's HRA business planning consultants) on the options available for the future direction of the Financial Plan, the Cabinet agreed the following strategic approach to the Financial Plan:

- (a) That provision be made within the Financial Plan to fully maintain the Council's housing stock to a modern standard, based on current stock condition and standard industry life cycles, as opposed to maintaining the stock at the current minimum Decent Homes Standard;
- (b) That, in order to achieve the Council's aspirations to commence a new Council Housing Building Programme, provision be made within the Financial Plan to fund such a Programme on the basis that individual development packages are self-funding, without any support or funding from the General Fund, subsidised if necessary from a variety of sources;
- (c) That average rent increases included within the Financial Plan be based on the

following rent increases in order to achieve rent convergence by April 2017:

- (i) Average rent increases of 6% in April 2012;
- (ii) Average rent increases of the Retail Price Index (RPI) + 1.96% for the four years between April 2013 and April 2016 inclusive; and
- (iii) Average rent increases of RPI + 0.5% from April 2017, as assumed by the Government within the HRA debt settlement;

(d) Notwithstanding the provision for rent increases included within the Financial Plan, consideration be given each year during the HRA budget process, to the possibility and appropriateness of making a lower rent increase for the following year, having regard to the short and long term effects on the Financial Plan, the need to meet the Council's housing and financial objectives, Government guidance and the effects on tenants; and

(e) Provision be made within the Financial Plan to fund £770,000 per annum for housing improvements and service enhancements for the next eight years, increased to £5.47million per annum from Year 10.

4. The Cabinet also agreed an Indicative HRA Financial Plan, based on the above assumptions, and agreed that the final version of the Financial Plan be adopted by the Cabinet at this meeting.

5. The Cabinet further agreed that, following consultation with the Tenants and Leaseholders Federation, the Housing Scrutiny Panel be requested to consider and recommend to the Cabinet a range of potential housing improvements and service enhancements that could be undertaken, funded from the additional £770,000 per annum provision made within the Financial Plan. The Housing Scrutiny Panel is due to consider a comprehensive report from the Director of Housing on this issue at its meeting to be held on the 5 March 2012, and it is anticipated that the Scrutiny Panel will present its report on its proposals and recommendations to the Cabinet on 23 April 2012.

6. Finally, the Cabinet agreed that a further report be submitted to the Cabinet by the Housing Portfolio Holder on the additional staffing requirements for delivering a full maintenance programme to a modern standard, which is the subject of a separate report to this meeting of the Cabinet.

7. The Council's Treasury Management Advisers, Arlingclose, were requested to continue to provide advice to the Finance and Economic Development Portfolio Holder on the effects of the HRA debt settlement (if any) on the Council's General Fund, which they have done. Furthermore, Arlingclose have been advising the Director of Finance & ICT on the financing options for the required loan(s) from the Public Works Loan Board, which will be agreed by the Finance and Economic Development Portfolio Holder prior to the loan(s) being taken out at the end of March 2012.

The Updated HRA Financial Plan and Changes since December 2011

8. Since the time the Cabinet agreed the Indicative Financial Plan in December 2011, the Council:

- has been notified of its final debt settlement by the CLG;
- has revised its expected out-turns for the HRA in 2011/12; and
- and has agreed the HRA budget for 2012/13;

all of which have an effect on the HRA Financial Plan. In addition, other assumptions within

the Plan have been updated and refined by CIHConsult.

9. As a result, CIHConsult are now in a position to finalise the HRA Financial Plan - prior to the receipt of the self-financing debt settlement and in advance of the forthcoming financial year. Therefore, CIHConsult have produced an updated version of the HRA Financial Plan, which is attached to this report.

10. It should be noted that CIHConsult have made the following changes to the Financial Plan, following consultation with the Director of Housing and the Director of Finance & ICT and an even more favourable position emerging as a result of a number key factors.

- *Interest Rate*

11. The original Financial Plan included a flat rate forecast of 4.75% for interest charges on the newly-arising HRA debt. However, just before Christmas, the PWLB rates reduced again and this has resulted in the potential for long-term debt to be secured at around 3.5% on the special discounted rates offered by the PWLB for loans taken out to fund HRA debt settlements. The revised Financial Plan assumes a long term interest rate of 4%, in order to provide for some form of contingency up until the time the Council secures its loan from the PWLB on 26th March 2012 (along with all other stock-holding councils), in case PWLB interest rates increase in the meantime, which is a concern of many councils.

- *Debt Settlement*

12. The Council's final debt settlement has reduced by around £740,000, from £186.2million to £185.456million, reducing interest charges a little more.

- *2012/13 Budgets*

13. The original Plan was based on 2011/12 budgets for management and maintenance, with a 2.5% inflationary increase applied. The latest forecasts have been incorporated into the Plan, resulting in an even more favourable financial position.

- *Reserves*

14. The revised Plan gradually reduces reserve balances for the Major Repairs Reserve and Revenue Repairs account – rather than being used to fund increased capital works and service improvements in the earlier years of the Plan.

- *Internal Borrowing*

15. An indication was given to the Cabinet by Arlingclose in December 2011 that the HRA could afford to "over-borrow" by £10million, if required, and that the General Fund would benefit from internal lending at a discounted rate. This was on the assumption that part of the HRA debt settlement would be funded using the existing reserves held by the Council in accordance with Arlingclose's advice.

16. The Council's 2012/13 Budget has been set on the basis of the HRA borrowing the whole value of the HRA debt settlement, with the General Fund internally borrowing around £31million from the HRA. Therefore, this approach has been followed throughout the Plan, although the Council's 2012/13 Budget estimated interest rates at 3.39%, which are included in the Plan, but the Plan forecasts interest rates to rise to 4% from Year 3 of the Plan.

- *Housing improvements and service enhancements*

17. Given the reduction in interest charges within the Plan (offsetting the impact of the full internal borrowing) and the other changes made, the initial revised Plan established that the debt could potentially be repaid by Year 24. This included the agreed provision for a Council Housebuilding Programme, adoption of the full (modern) maintenance standard, housing improvements and service enhancements totalling £770,000 per annum in the first 9 years of the Plan, and an average rent increase of 6% in April 2012.

18. Therefore, in order to extend the repayment of debt back to Year 30 of the Plan, it was re-cast - in accordance with the strategic approach agreed by the Cabinet in December 2011 to seek to repay the debt in Year 30. This has enabled the amount available for housing improvements and service enhancements to be increased over the period of the Plan, as follows:

- (a) An additional £750,000 per annum from April 2013;
- (b) An additional £250,000 per annum from April 2017;
- (c) Bringing forward the planned £4.7million increase by one year in April 2019;
and
- (d) An additional £250,000 per annum in April 2019.

- *Capital expenditure*

19. Some minor capital expenditure re-profiling has been made, to ensure that the modern maintenance standard could be sustained, with a more even expenditure profile around Years 10 to 13 of the Plan.

The Next Steps

20. The attached version of the Financial Plan will be included as usual as a chapter within the HRA Business Plan, which will be considered by the Housing Scrutiny Panel at its meeting on 13th March 2012, prior to the HRA Business Plan being signed off by the Housing Portfolio Holder before the end of March 2012.

21. However, the Financial Plan will require updating later in 2012/13, following the Council's final determination of the financing option(s) for funding the self-financing debt settlement - which will determine final interest rates, internal borrowing arrangements and repayment schedules. In addition, the impact of any amendments made to Right to Buy discounts and the treatment of capital receipts will also require updating, once the outcome of the Government's consultation exercise on these issues is known.

22. It is therefore proposed that the Housing Scrutiny Panel be asked to review and update the HRA Financial Plan at its scheduled meeting in the October 2012.

23. Furthermore, now that: the strategic approach to the Financial Plan has been agreed by the Cabinet; the Finance and Economic Development Portfolio Holder will shortly be approving the financing arrangement for the debt settlement; and the actual interest rate for the PWLB loan(s) will be known on the 26th March 2012, it is also suggested that the Housing Scrutiny Panel be asked to review and update the HRA Financial Plan twice a year, at its scheduled meetings in March (after the HRA Budget has been agreed by Council, and as part of the updating process for the HRA Business Plan) and October (to inform the Cabinet and the HRA budget process for the following year).

24. Separately, it is proposed that the Director of Housing and Director of Finance & ICT formally review and update the HRA Financial Plan with CIHConsult on a quarterly basis, in order to identify any material variances and any required resultant action at an early stage.

25. CIHConsult have acted as the Council's HRA Business Planning Consultants for the last few years. Due to the relatively low level input required, they have been able to continually be re-appointed annually without the need for competitive quotations to be sought.

26. However, their role now has increased in importance and the Council will require a greater input from them in future. It is estimated that their annual fee will be around £8,000 per annum. Under Contract Standing Order C4, if total payments to an organisation over a four-year period are between £25,000 and £50,000, at least three quotations should be sought.

27. However, in view of the knowledge and experience that CIHConsult have amassed about the Council's housing finances and operational workings over past years; the need to ensure a continuity of service and knowledge; and the fact that officers (and, it is understood, members) have been impressed with the quality of service provided by CIH Consult at a competitive fee, it is suggested that Contract Standing Order C4 be waived and that the Council contracts with CIHConsult to act as the Council's HRA Business Planning Consultants until 31 March 2015 (subject to satisfactory price and performance).

Resource Implications:

The funding of £185.456million of debt.
Estimated Fees for HRA Business Planning - £8,000 per annum.

Legal and Governance Implications:

Housing and Regeneration Act 2008 and Housing Act 1985.

Safer, Cleaner and Greener Implications:

The additional housing improvements and service enhancements could fund additional security, safety and environmental improvements.

Consultation Undertaken:

None.

Background Papers:

Housing Policy File H876.

Impact Assessments:

Risk Management

HRA self financing brings a number of financial risks, in terms of treasury management. These will be set out and assessed in the Housing and Finance & ICT Risk Registers, as well as the Council's Corporate Risk Register.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?

No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A.

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?
N/A.

Housing Revenue Account (HRA) Financial Plan - 2012/13

Introduction

1. The Council's Housing Revenue Account (HRA) business planning consultants, CIH Consult, have prepared this HRA Financial Plan, following detailed consideration by Council members and the Tenants and Leaseholders Federation of the options available for the future direction of the Financial Plan and the agreement of the Council's Cabinet, at its meeting in December 2011, on the strategic approach to be taken. It has been based on the probable outturn for the HRA for 2011/12, and the proposed budgets for 2012/13 agreed by the Cabinet in January 2012.

2. On 1st February 2012, the Government issued its final determination for the value of debt which will be attributed to the Council in relation to the reform of the HRA and the withdrawal of the Housing Subsidy System. The reform of the HRA will take place, effectively, from April 2012 and has been enabled through an element of the recently passed Localism Act 2011.

3. This Financial Plan differs from previous versions of the plan that have been included in the Council's HRA Business Plans in previous years, where scenarios under both the Housing Subsidy System and Self-Financing were modelled, since it is now known that the HRA reforms will take place and the effect of the settlement value can be projected with more certainty.

Executive Summary

4. This latest version of the Financial Plan is based on the new HRA Self-Financing Regime, the implementation of which is from April 2012, with a debt allocation to the Council of £185.456million, payable on the 28th March 2012. The HRA remains viable throughout all the years of the Plan, including an enhanced level of investment in the stock through a full and modern maintenance standard, the introduction of a new Council Housebuilding Programme, and the ability to fund significant housing improvements and service enhancements. The Plan also has the potential to repay the allocated debt within a period of 30 years, based on the assumptions contained within the Plan.

5. The Financial Plan will require updating later in 2012/13, following the Council's final determination of the financing options available for funding the self-financing debt settlement - which will determine final interest rates, internal borrowing arrangements and repayment schedules. In addition, the impact of any amendments made to Right to Buy discounts and the treatment of capital receipts will require updating, once the outcome of the Government's consultation exercise on these issues is known.

Underlying assumptions

6. A detailed HRA Financial Plan model has been produced for the Council by CIHConsult, launched from 2011/12, and based on the latest out-turn forecasts for 2011/12 and the agreed budgets for 2012/13, with the following key assumptions:

- Balanced to the out-turn HRA budgets for 2011/12 and 2012/13;
- Balanced to the forecast HRA Capital Programme for 2011/12 - 2015/16;
- Average rent increases for April 2012 based on an average flat 6% and then converging to formula rent by April 2017;
- General Inflation set at 2.5% (the exception being the rent increase for April 2012, the 2012/13 budgets and HRA Capital Programme up to 2015/16);
- Right to Buy sales of 7 properties per annum;
- An all-in interest rate payable of 4%;

- Required internal borrowing for the General Fund from the HRA, to ensure a neutral position for the General Fund prior to self-financing;
- Housing improvements and service enhancements to benefit tenants; and
- A Council Housebuilding Programme of 120 units over 6 years (averaging 20 per annum)

7. The most critical assumption relates to the required stock investment and needs. A full (modern) maintenance standard for the Council's housing stock has been modelled and was adopted by the Council in December 2011. This exceeds the Decent Homes Standard, introducing shorter replacement life-cycles on a more realistic basis.

Final Self-financing Settlement for Epping Forest

8. After a series of consultations, the unpopular Housing Subsidy System is being replaced through reform of the HRA by self-financing.

9. Instead of each local authority either contributing payments to, or receiving subsidy from, the national Housing Subsidy System, a level of debt has been allocated by the Government to each stock-holding local authority - based on thirty-year discount forecasts and using uplifted allowances and an interest rate of 6.5%. Local authorities will either have to pay to the Government the net element of this settlement or receive a debt write-off, based on historic subsidy debt levels.

10. For this Council, instead of paying in excess of £11.3million per annum (and rising) into the Housing Subsidy System a one-off payment of £185.546million is required.

11. This will be financed, primarily, by borrowing from the Public Works Loan Board (PWLB) at historically low, and specially discounted, interest rates. However, the final portfolio of loan arrangements and the internal borrowing required by the General Fund is yet to be finalised. Furthermore, confirmation of PWLB interest rates will not be known until 26th March 2012.

Internal borrowing by the General Fund from the HRA

12. In December 2011, the Council made a strategic decision that internal borrowing by the General Fund from the HRA is made in such a way as to ensure that the General Fund is no worse off than prior to self-financing. Prior to April 2012, the General Fund has internally borrowed from the HRA by paying the equivalent rate of interest it earns from its balances on the HRA Capital Financing Requirement (CFR). In effect, the HRA will "over-borrow" to enable this to continue, at the same time as it funds the debt settlement. The projected costs to the HRA of over-borrowing have been included throughout the 30 years of the Financial Plan, although it should be noted that the graphs below show the actual HRA CFR net of this.

13. The debt cap imposed by the Government for the Council, based on the level of debt allocated, remains within the final determination.

Headline Outputs

14. This latest version of the Financial Plan has been modelled with the assumptions detailed above, but also with the following assumptions:

- Repayment of the debt within 30 years, whilst holding a minimum balance of £2million (inflated)
- Gradual reduction over 6 years of reserves held in the Major Repairs Reserve and the Revenue Repairs Account

- An increase in the amount available for housing improvements and service enhancements previously agreed by the Council:
 - An additional £750,000 per annum from April 2013;
 - An additional £250,000 per annum from April 2017;
 - A bringing forward of the £4.7million increase by one year in April 2019; and
 - An additional £250,000 per annum in April 2019

15. The additional provisions and changes to the level of funding for improvements and service enhancements are possible due to the estimated reduction in the interest rate chargeable on the loan(s), from the level of interest rate estimated in December 2011. As highlighted above, a review of the Plan will be required in the next few months - once the financing arrangements have been finalised and the actual interest rate obtained for the loan(s) – since these may well impact on the deliverability of the service enhancements.

16. The following charts set out:

- The in-year cashflow and balance projections for the HRA (including the above service enhancements);
- The capital investment requirements and availability; and
- The debt repayment profile

Chart 1 - HRA Projections (£'000s)

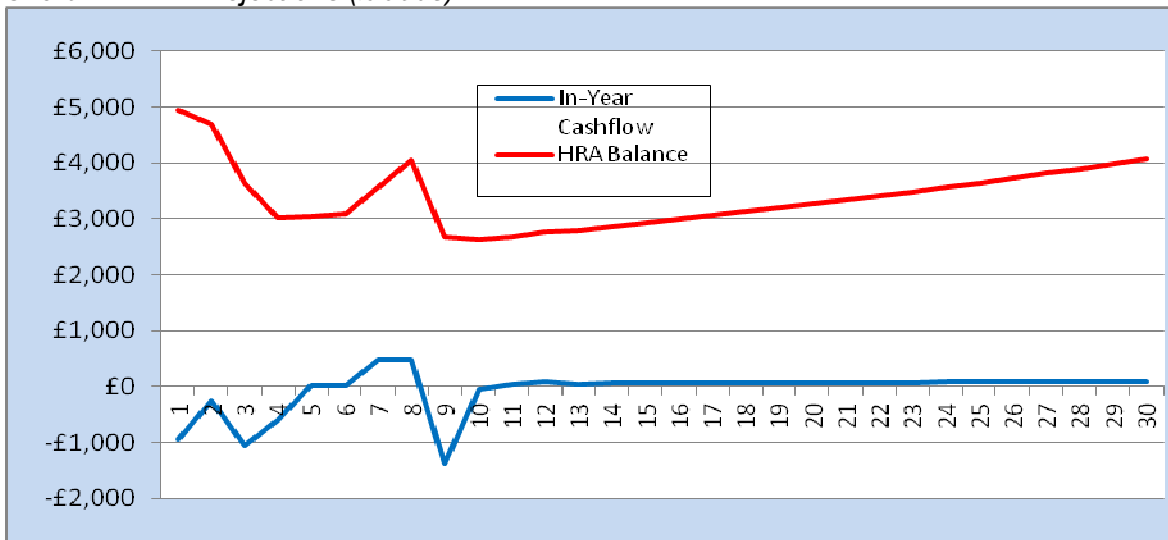


Chart 2 - Capital Expenditure Profile and Funding (£'000s)

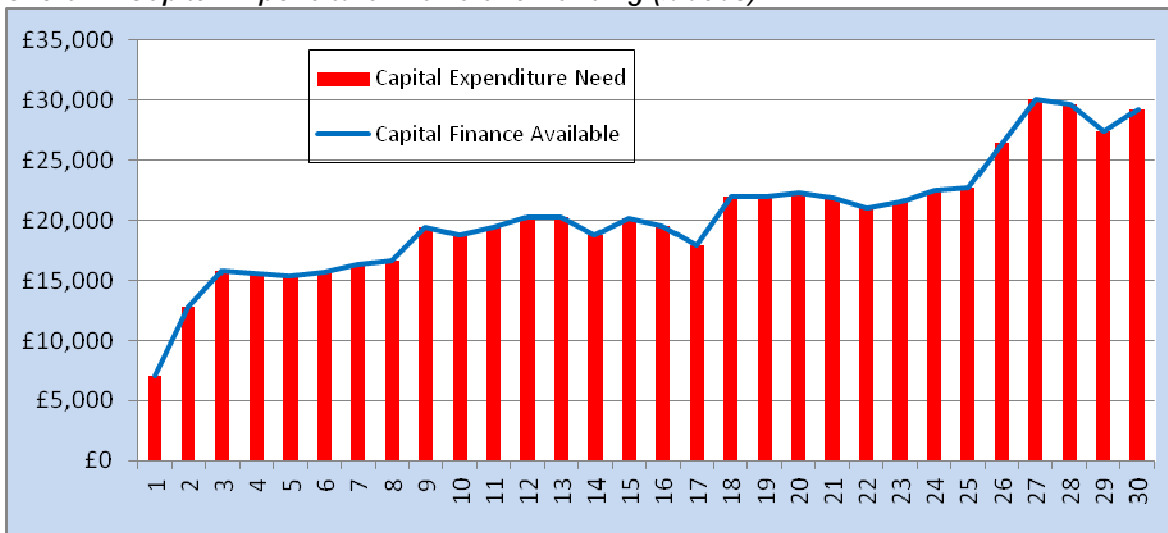
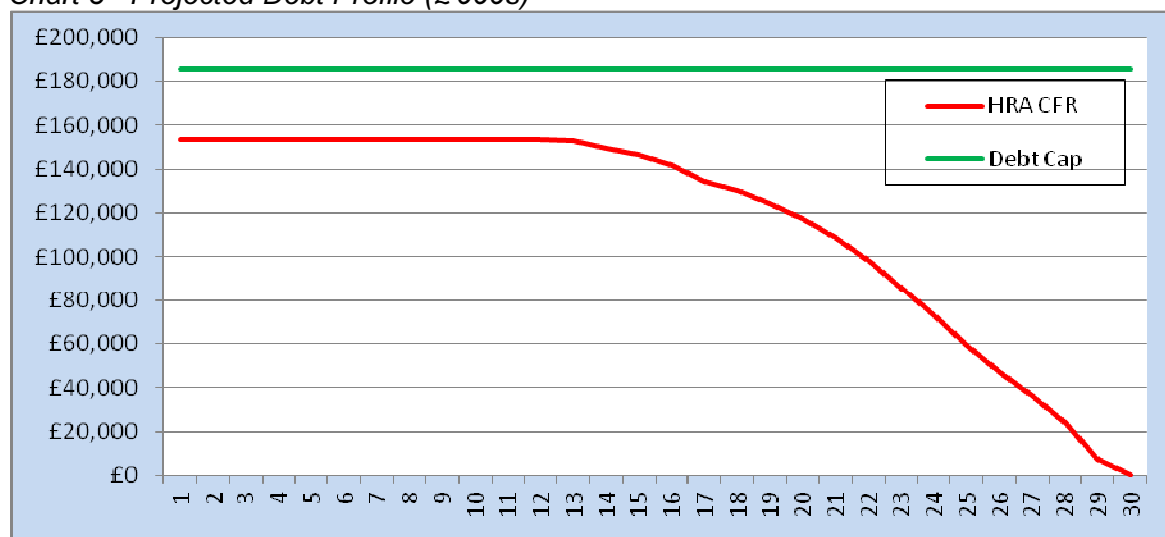


Chart 3 - Projected Debt Profile (£'000s)



17. The charts above firstly demonstrate that the HRA remains in positive balance throughout the 30 years of the Plan. In addition, the modern maintenance standard and the improvements and service enhancements can be fully funded in each year of the 30 years of the Plan.

18. The Plan, based on these assumptions, also has the potential to repay the HRA element of debt (HRA CFR) within 30 years, and includes assumptions as to interest levels, internal borrowing between the HRA and the General Fund and improvements / service enhancements, all of which will affect the viability of the Plan.

Sensitivities

19. Given that the Financial Plan has been specifically modelled to repay the debt settlement over a 30-year period, by increasing the levels of funding from the previously-agreed levels for service enhancements, it proves that the Plan is viable and very resilient to changes in the key assumptions. This is particularly relevant, as some significant increases in the availability of funding for improvements and service enhancements are introduced later in the life of the Plan.

20. It must be noted that all management, maintenance and capital expenditure are forecast to increase by base inflation only and therefore any real increases above these provisions will have to be met by efficiency savings or reductions in future service enhancement levels.

Next steps for the Council

21. As already indicated above, the Council needs to finalise the arrangements for the financing of the debt settlement, which will be completed prior to 26th March 2012.

22. There is also the potential for changes to the Government's current Right to Buy (RTB) policy to impact on the Plan, with higher numbers of sales. However, the Government's current proposals, under consultation, provide for the Council to have the first call on additional capital receipts that arise from additional RTB sales as a direct result of any Government changes to meet the equivalent level of debt held within the HRA.

23. CIPFA are yet to finalise the calculation of future depreciation charges under componentisation of assets and therefore the transitional arrangements have been used throughout the life of the Plan, but it is expected that there will be little or no impact from any changes made.

Risk and Reward

24. Moving to self-financing for the HRA significantly alters the risk profile in HRA Financial Plans and for the Council's Housing Service.

25. CIHConsult has classified the following risks under the following headings shown:

Description	Impact	Likelihood	Mitigation and residual risk
Insufficient knowledge of current stock causes unknown liabilities	HIGH	MEDIUM	Increase surveys, full understanding of asset management database -> reduce impact to LOW
Cost inflation is higher than income inflation	HIGH	LOW	Effective budget and financial control -> reduce impact to MEDIUM or LOW
Interest rates rise	MEDIUM	MEDIUM	Flexible approach to debt funding giving opportunities to refinance -> reduce impact to LOW
Right to Buy levels increase	MEDIUM	MEDIUM	Depends on Government policy towards discounts and moves in the housing market; managing costs to the number of properties held -> reduce impact to LOW (but impact on availability of housing)
Restriction on housing benefits; introduction of Universal Credit	HIGH	HIGH	Intensive management and services to vulnerable tenants -> reduce likelihood to MEDIUM
Government revisits the settlement	HIGH	MINIMAL	No action by the Council, but investment of available resources could reduce scale of impact.
Rent increases are not implemented in accordance with Government expectations	HIGH	LOW/MINIMAL	Council policy towards raising rents to convergence are included in this Plan

Projected Cash Flows and Capital Projections

26. Thirty-year projected cash flows and capital projections are attached as Appendices 1 and 2 respectively.

HRA Cash Flows: 2011/12 – 2040/41

HOUSING REVENUE ACCOUNT PROJECTIONS Epping Forest District Council

Year	2011.12	2012.13	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME:															
Rental Income	27,829	29,455	30,738	32,230	33,831	35,496	37,227	38,521	39,811	40,955	42,132	43,343	44,588	45,869	47,187
Void Losses	-285	-307	-307	-322	-338	-354	-372	-385	-397	-409	-421	-433	-445	-458	-471
Service Charges	1,615	1,621	1,661	1,703	1,745	1,789	1,834	1,879	1,926	1,975	2,024	2,074	2,126	2,179	2,234
Non-Dwelling Income	890	890	913	936	959	983	1,007	1,033	1,058	1,085	1,112	1,140	1,168	1,198	1,227
Grants & Other Income	309	322	330	338	347	355	364	373	383	392	402	412	422	433	444
Total Income	30,359	31,981	33,335	34,885	36,544	38,269	40,061	41,422	42,781	43,998	45,250	46,537	47,860	49,222	50,622
EXPENDITURE:															
General Management	-3,906	-3,877	-3,974	-4,076	-4,180	-4,287	-4,396	-4,508	-4,623	-4,739	-4,857	-4,979	-5,103	-5,231	-5,361
Special Management	-3,384	-3,470	-3,557	-3,646	-3,737	-3,830	-3,926	-4,024	-4,125	-4,228	-4,334	-4,442	-4,553	-4,667	-4,783
Other Management	-11,758	-1,208	-1,238	-1,269	-1,301	-1,333	-1,367	-1,401	-1,436	-1,472	-1,509	-1,546	-1,585	-1,625	-1,665
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-114	-114	-153	-161	-169	-177	-185	-191	-197	-203	-209	-215	-221	-227	-233
Responsive & Cyclical Repairs	-5,200	-5,200	-5,200	-5,300	-5,300	-5,300	-5,799	-6,558	-6,736	-6,920	-7,108	-7,301	-7,500	-7,687	-7,880
Total Revenue Expenditure	-24,362	-13,869	-14,123	-14,451	-14,686	-14,927	-15,673	-16,682	-17,117	-17,561	-18,016	-18,483	-18,962	-19,436	-19,923
Interest Paid	0	-6,287	-7,418	-7,418	-7,418	-7,418	-7,418	-7,418	-7,418	-7,418	-7,418	-7,418	-7,402	-7,320	-7,196
Finance Administration	-84	-44	-44	-45	-46	-47	-49	-50	-51	-52	-54	-55	-56	-58	-59
Interest Received	590	553	494	445	417	410	414	421	414	404	404	404	405	406	407
Depreciation	-4,978	-6,932	-6,943	-6,953	-6,962	-7,791	-7,998	-8,211	-8,407	-8,608	-8,813	-9,024	-9,240	-9,460	-9,686
Net Operating Income	1,525	5,402	5,301	6,462	7,849	8,495	9,337	9,482	10,202	10,763	11,352	11,961	12,606	13,353	14,164
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-424	-448	-459	-471	-482	-495	-507	-520	-533	-546	-559	-573	-588	-603	-618
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	-814	-3,268	-2,949
Revenue Contribution to Capital	-2,050	-5,200	-5,900	-6,600	-7,338	-7,970	-8,341	-8,477	-11,044	-10,267	-10,740	-11,308	-11,169	-9,420	-10,535
Total Appropriations	-2,474	-5,648	-6,359	-7,071	-7,820	-8,465	-8,848	-8,997	-11,576	-10,813	-11,300	-11,882	-12,571	-13,291	-14,102
ANNUAL CASHFLOW	-949	-246	-1,058	-609	29	30	490	485	-1,374	-50	52	80	35	62	62
Opening Balance	5,887	4,938	4,692	3,634	3,025	3,053	3,084	3,573	4,058	2,684	2,634	2,686	2,766	2,801	2,863
Closing Balance	4,938	4,692	3,634	3,025	3,053	3,084	3,573	4,058	2,684	2,634	2,686	2,766	2,801	2,863	2,925

HOUSING REVENUE ACCOUNT PROJECTIONS
Epping Forest District
Council

Year	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33	2033.34	2034.35	2035.36	2036.37	2037.38	2038.39	2039.40	2040.41
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:															
Rental Income	48,543	49,938	51,373	52,849	54,367	55,929	57,536	59,189	60,889	62,638	64,437	66,288	68,192	70,151	72,166
Void Losses	-485	-499	-513	-528	-543	-558	-574	-591	-608	-625	-643	-662	-681	-700	-720
Service Charges	2,290	2,347	2,406	2,466	2,528	2,591	2,656	2,722	2,790	2,860	2,931	3,004	3,080	3,157	3,235
Non-Dwelling Income	1,258	1,290	1,322	1,355	1,389	1,424	1,459	1,496	1,533	1,571	1,611	1,651	1,692	1,734	1,778
Grants & Other Income	455	466	478	490	502	515	528	541	554	568	582	597	612	627	643
Total Income	52,062	53,542	55,065	56,632	58,243	59,900	61,603	63,356	65,158	67,012	68,918	70,879	72,895	74,969	77,101
EXPENDITURE:															
General Management	-5,495	-5,633	-5,774	-5,918	-6,066	-6,218	-6,373	-6,532	-6,696	-6,863	-7,035	-7,211	-7,391	-7,576	-7,765
Special Management	-4,903	-5,026	-5,151	-5,280	-5,412	-5,547	-5,686	-5,828	-5,974	-6,123	-6,276	-6,433	-6,594	-6,759	-6,928
Other Management	-1,707	-1,750	-1,793	-1,838	-1,884	-1,931	-1,979	-2,029	-2,080	-2,132	-2,185	-2,240	-2,296	-2,353	-2,412
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision Responsive & Cyclical Repairs	-240	-246	-253	-261	-268	-275	-283	-291	-300	-308	-317	-326	-335	-344	-354
Total Revenue Expenditure	-20,422	-20,933	-21,457	-21,994	-22,545	-23,110	-23,688	-24,281	-24,889	-25,513	-26,151	-26,806	-27,478	-28,166	-28,871
Interest Paid	-7,045	-6,807	-6,568	-6,361	-6,111	-5,803	-5,413	-4,955	-4,463	-3,926	-3,397	-2,944	-2,485	-1,900	-1,226
Finance Administration	-61	-62	-64	-65	-67	-69	-70	-72	-74	-76	-78	-80	-82	-84	-86
Interest Received	408	409	410	411	412	413	414	415	416	418	419	420	421	423	424
Depreciation	-9,918	-10,155	-10,397	-10,646	-10,900	-11,161	-11,427	-11,700	-11,979	-12,266	-12,558	-12,858	-13,165	-13,480	-13,802
Net Operating Income	15,024	15,995	16,989	17,976	19,032	20,171	21,419	22,763	24,169	25,649	27,153	28,611	30,107	31,762	33,541
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-633	-649	-665	-682	-699	-716	-734	-752	-771	-791	-810	-831	-851	-873	-894
Revenue Provision (HRACFR)	-4,580	-7,357	-4,579	-5,752	-6,778	-8,599	-10,926	-11,973	-12,621	-14,211	-12,273	-10,363	-12,574	-16,685	-17,008
Revenue Contribution to Capital	-9,746	-7,922	-11,679	-11,473	-11,484	-10,782	-9,684	-9,961	-10,699	-10,567	-13,988	-17,334	-16,594	-14,115	-15,548
Total Appropriations	-14,959	-15,928	-16,923	-17,906	-18,961	-20,097	-21,344	-22,686	-24,091	-25,569	-27,072	-28,527	-30,020	-31,672	-33,450
ANNUAL CASHFLOW															
Opening Balance	2,925	2,990	3,057	3,123	3,192	3,263	3,336	3,412	3,488	3,566	3,647	3,728	3,811	3,898	3,988
Closing Balance	2,990	3,057	3,123	3,192	3,263	3,336	3,412	3,488	3,566	3,647	3,728	3,811	3,898	3,988	4,079

