



Epping Forest District Council

HRA Business Plan Financial Projections

October 2012 Review

1. Introduction

- 1.1 CIH Consultancy have been commissioned to regularly update the Council's HRA Business Plan and report on the latest projections arising and how the position has changed from the last review of the model.
- 1.2 It also provides an opportunity to discuss the impact to the plan of latest Government guidance and policy changes, for example, the reinvigoration of the right to buy policy, which we will discuss later in this report.
- 1.3 This first review effectively is a starting position to which further reviews will be compared to, though we will make reference to any significant changes to earlier versions of the business plan model that were used to inform the self-financing process.
- 1.4 The Council is in its first financial year outside of the subsidy system and we are pleased to report that there were no further changes to the debt settlement figure of £185.456million issued on the 27th January. Further more the Council benefited from lower than expected interest rates from the loans secured on the 25th March.
- 1.5 It is expected that the next review of this model will incorporate the revised budgets for this financial year but also the budgets, subject to approval for next year. This will include the rent increase, which at the time of writing is uncertain due to its calculation being based on September's retail price index (RPI) which has not been published. For the time being we have made assumptions which are detailed further in this report.

2. HRA Base Budget and Variations Within the Plan

- 2.1 The model currently uses the base budget for 2012.13 for forecasting expenditure and income forward whilst adding general RPI (inflation) increases. There are exceptions to these and detailed further in this report.
- 2.2 The table below details at summary level the HRA budget for 2012.13

	Budget £m	Business Plan Variance £m	Note
Net Rents	29.148		
Service Charges	1.620		
Non Dwelling Income	0.891		
Grants and Other Income	0.322		
General Management	-3.877		
Special Management	-3.470		
Other Management	-1.251	0.518	1
Bad Debt Provision	-0.114		
Responsive Repairs	-5.200		2
Interest Paid	-6.312	0.767	3
Interest Received	0.525	0.005	4
Depreciation	-6.889		5
FRS 17 Adjustments	-0.448		
Revenue Contribution (RCCO)	5.200	-0.518	1
Out-turn for Year	-0.299	0.772	6

- 2.3 Note 1: The variance in the plan to the budget of £518,000 is in relation to the annual £770,000 additional service enhancements approved by Cabinet in November 2011. £518,000 of this has been treated as capital expenditure as it covers improvements to properties. Therefore the revenue management costs have been reduced by £518,000 and the revenue contribution to capital (RCCO) has been increased to fund these improvements.
- 2.4 Note 2: The Council operates a separate revenue repairs account which currently holds a reserve of £3.915million. We have forecast this, in line with officer projections, to be utilised over the next five years. This in effect will mean that in the HRA account the repairs expenditure will stay static and then increase once the reserves have been reduced to nil.
- 2.5 Note 3: There is a significant saving on the budgeted interest charge. At the time of budget setting both the actual levels of debt that would be taken on and the rates of interest for the loans were unknown. We discuss the funding of the transaction later in this report.
- 2.6 Note 4: The HRA receives an apportionment of interest on the balances it holds within the Council's accounts and a subsequent adjustment in respect of the self-financing transaction discussed later in this report. There is a minor variance to the higher HRA balances due to the saving on interest charged.
- 2.7 Note 5: This charge to the HRA reflects the estimated cost of future replacement costs of certain components (or improvements) to homes. It is an annual charge based on a Government calculation, which is currently subject to review, and in effect funds a large proportion of the HRA capital programme.

- 2.6 Note 6: The HRA has an opening reserve balance (excluding the major repairs and revenue repairs reserves) of £4.493million. The budgeted deficit (or use of this reserve) is £0.299million. The HRA business plan assumes a £0.473million surplus due to the variances described above.
- 2.7 The next review of the plan will detail any further variances to the above budgets based on actual expenditure and income.

3. Future Assumptions

- 3.1 In this section of the report we briefly detail how the above expenditure and income will differ from any other variance than RPI (inflation being applied). We have applied an RPI of 2.5% throughout the plan.

Rental Income

- 3.2 The self-financing settlement calculation was based on the Government's social rent policy initiated in 2003 where a formula (target) rent is calculated for each individual and then increased by RPI plus 0.5%. Actual rents are assumed to converge (in the self-financing settlement) by April 2015 and individual rents should not increase by more than RPI plus 0.5% plus £2.
- 3.3 As part of the business planning process and rent setting for April 2012 the Council diverted from this policy by applying a lower rent increase than could have been applied, 6% across the board, and extended the convergence period to April 2017.
- 3.4 As part of the business planning process we have now accurately forecast forward each individual property's rent to estimate future increases and assess the impact of the £2 cap above RPI plus 0.5%. Using an estimate of 2.5% for RPI we estimate that the average rent increase in April 2013 will be 4.26%, with the highest being 5.83%, on the basis of convergence by April 2017.
- 3.5 It is projected that by April 2017 only 78% of tenants will be at their formula rent, increasing to 94% over the following 5 years. This is due to the £2 cap and the large gap between actual and formula rents. As a result there is a negative impact to the business plan when compared to earlier versions, as averages values were used and the gap between the two did not appear significant.
- 3.6 The Council could consider a change in policy in re-letting its existing stock at the formula rent rather than the outgoing rent to increase revenue. However, if such a change was instigated, it should be noted that neighbouring Council tenants living in the same types of properties would be paying different rents until such time as the the lower rent level(s) eventually reach the property's formula rent.
- 3.7 Void levels are estimated to remain at 1% throughout the plan.

- 3.8 We have incorporated the additional weeks rent which occurs every 6 years, commencing 2013.14.
- 3.9 The Council previously planned to dispose of 20 properties during 2013.14 in Marden Close to a housing association to enable a conversion scheme to be undertaken and the previous model excluded rental income on these properties. However, it is understood that, subject to the agreement of the Cabinet, it is now more likely that the conversion scheme will be undertaken by the Council itself, so the income on 10 converted one-bedroom flats has been included from April 2015.
- 3.10 Therefore the plan has been amended to reflect additional income for ten properties from 2014.15, given that the existing units are currently void. The cost of works for the conversion is yet to be estimated and will ultimately be a call on the existing additional service improvements included within the plan. Later iterations of the plan will account for this.

Welfare Reform

- 3.11 The Council has received a report identifying the areas of concern in relation to welfare reform.
- 3.12 The total impact to the plan and how to profile it into future projections is yet to be established with officers but for the time being we have increased the provision for bad debt from next year from 0.39% to 1% to provide a contingency for this. It is understood that officers will be reporting, initially, to the Housing Scrutiny Panel in January 2013 on ways that the Housing Improvements and Service Enhancements Budget can be used to help mitigate the effect of the welfare reforms on Council tenants, as set out in the Council's Welfare Reform Mitigation Action Plan due to be considered by the Cabinet on 22nd October 2012.

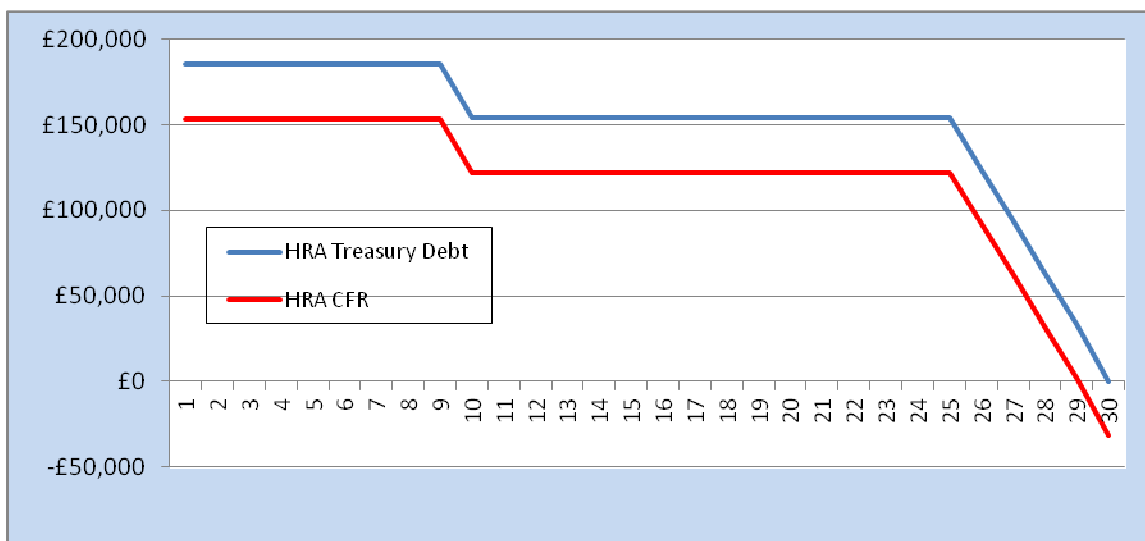
Treasury Management

- 3.13 To fund the self-financing transaction the Council borrowed the total settlement value of £185.456million from the Public Works Loans Board (PWLB) at discounted rates available only for this transaction.
- 3.14 The loans are detailed as follows:

Loan £m	Interest Basis	Interest Rate	Maturity
31.800	Variable	0.62%	Mar 2022
30.000	Fixed	3.46%	Mar 2038
30.000	Fixed	3.47%	Mar 2039
30.000	Fixed	3.48%	Mar 2040
30.000	Fixed	3.49%	Mar 2041
33.656	Fixed	3.50%	Mar 2042

- 3.14 The interest on these loans will be charged directly to the HRA; with the vast majority having fixed rates, the forecast interest projections will be accurate. We have estimated a gradual increase of interest rate for the variable rate loan up to 2.12% by year 5 of the plan.
- 3.15 We have scheduled within the plan that the HRA will repay the variable loan and the other loans, through building up HRA balances, and does not need to re-borrow to do so. It is understood that officers will be recommending to the Cabinet in due course that an HRA revenue debt repayment reserve be established to ensure that sufficient resources are accumulated to repay the PWLB loans.
- 3.16 Part of the self-financing arrangement was to ensure that the General Fund was not adversely affected by the transaction. Epping Forest DC is unique in relation to its overall financing position and the only way that the General Fund would not be disadvantaged by the transaction was if the HRA was to 'over-borrow'. In effect by the HRA borrowing the full amount of the settlement the General Fund has 'internally' borrowed from the HRA. There is a respective interest charge for this, based on the interest earning potential for the HRA, which is similar to the arrangement prior to self-financing. The interest rate on the 'internal' borrowing is set to increase in line with the increases for the variable rate loan above.

3.17 The graph below shows the financing position of the HRA:



3.18 The graph shows the HRA loan portfolio (identified by the top blue line) starting at £185.456million and reducing as per the schedule in 3.13 to complete repayment by year 30. The actual accounting debt of the HRA (HRA CFR) is lower due to the Council's overall financing position and returns to its negative position in year 30 as it was prior to self-financing.

4. Capital Projections

4.1 The Council regularly updates its capital expenditure forecasts on a five-year basis.

4.2 The current and future years forecasts are summarised in the table below:

Description	2012.13 £m	2013.14 £m	2014.15 £m	2015.16 £m	2016.17 £m
Planned Maintenance	4.943	6.879	5.710	5.172	5.906
Other Capital Repairs	1.989	2.226	2.007	1.817	1.817
Kitchens & Bathrooms	2.115	6.598	4.177	4.188	4.561
Disabled Adaptations	0.414	0.450	0.450	0.450	0.450
Service Improvements	0.518				
New Build	0.038	2.854	2.829	2.897	2.829
Repurchase	0.239				
DLO Vehicle Purchase	0.057	0.050	0.050	0.050	0.050
TOTAL	10.313	19.057	15.223	14.574	15.613

4.3 The above costs are inclusive of fees. However there is no provision for inflation, but recent experience with contract renewals has demonstrated no price increases. This assumption may need revisiting when reviewing the business plan for later iterations.

4.4 The all-in new build costs are pure estimates at present and following the work of the appointed Development Agent we will continue to update these projections and are very much subject to change, but considered prudent. They are based on the principle of delivering 120 units over the next 6 years.

4.5 The above projections are informed by the Council's asset management database which is continually being updated for on-site surveys and revised component costs. The following projections cover years 6 to the 30 of the plan and are in 5 year bands. The costs are based on the full modern maintenance standard agreed by the Council in November 2011.

Description	Yrs 6-10 £m	Yrs 11-15 £m	Yrs 16-20 £m	Yrs 21-25 £m	Yrs 26-30 £m
Capital Improvements	35.304	32.736	29.556	24.398	30.642
Kitchens & Bathrooms	18.978	14.516	14.913	13.178	18.008
Disabled Adaptations	2.250	2.250	2.250	2.250	2.250
TOTAL	56.532	49.502	46.719	39.826	50.900

4.6 The above costs have been input into the model by each individual year and have inflation applied to them, including a provision for years 2 to 5.

4.7 In addition to the above costs we have the following capital expenditure:

	Yr 6 £m	Yr 7 £m	Yr 8 £m	Yr 9 £m	Yr 10 £m	Yr 11 Onwards £m
New Build*	2.829	2.899				
Service Enhancements				1.000	4.700	6.200

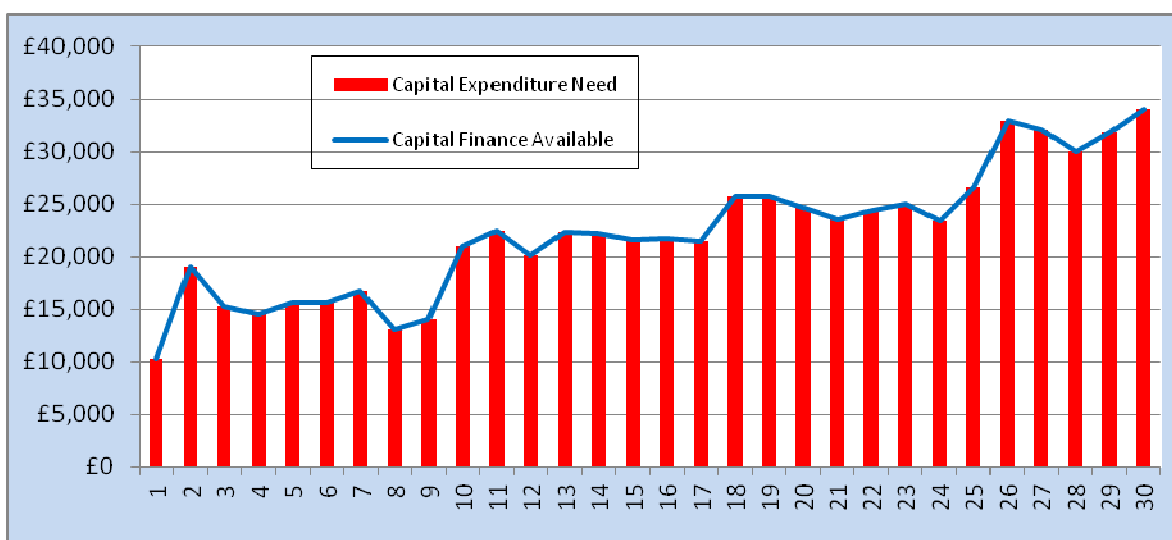
* *The New Build expenditure includes inflation*

4.8 The additional service enhancements originally approved by the Council for 2020.21 and onwards of £4.7million per annum have had to be reduced in the first year of implementation in order to ensure that the £31.8million loan can be fully repaid. Of course, the Council can reconsider at that time re-borrowing an element of that loan to fulfil the £4.7million enhancements that year. The service enhancements will have inflation applied to them within the plan and will account for price increases between now and their implementation.

4.9 The plan has identified capacity to increase the service enhancements beyond and including year 11 (2022.23) by £1.5million per annum. This can be achieved as the plan benefits from the long-term low interest rates and a large percentage (94%) of tenants converging with formula rent.

5. Funding the Capital Projections

5.1 The graph below demonstrates the capital expenditure (in the thick red vertical bars) for each year including inflation. The available resources are shown (using the thin blue horizontal line). As expected the expenditure identified in sections 4.2, 4.5 and 4.7 can be fully funded.



5.2 The key financial resources available for funding the capital expenditure are as follows:

- Major Repairs Revenue – is funded by the depreciation charge to the HRA. The reserve currently has balances of £8.241million but the model will use this wholly to the fund the carried over works in year 2
- Section 106 monies – this is the Council’s contribution towards the new build schemes and totals £0.325million in 2013.14
- Revenue Contributions (RCCO) – this is the available revenue resource from the HRA to fund any shortfalls within the capital programme. The

model is however set not to let balances go below £1million (plus inflation).

5.3 The right to buy scheme has been reinvigorated to encourage more sales with the national aim of providing one new affordable home for every property sold. To achieve a higher volume of sales the capped discount has been increased to £75,000. There is a complex mechanism in place which in summary arrives at a useable receipt that can be retained by the Council:

- Ensures that the Government will receive its expected pooled receipt (as per the previous 75% of the receipt) on the basis of the number of expected sales prior to the new policy and previous sales values.
- Ensures that the Council will retain its pro-rata proportion of un-pooled receipts (25%) to fund either General Fund or HRA capital expenditure.
- For sales that increase above the expected number of sales assumed in the self-financing settlement the attributable amount of debt, based on the type of property, is retained by the Council to repay HRA debt (or fund capital expenditure by re-borrowing).
- The Council retains £1,300 per sale to cover administration costs

5.4 The balance of the receipt is to be held in a reserve and then used to fund up to a maximum of 30% of new build or open market property purchases within a 3 year period.

5.5 The Council has signed the agreement with the Government that enables it to keep these useable receipts.

5.6 The table below summarises the position for the next 5 years in terms of potential receipt:

		2012.13	2013.14	2014.15	2015.16	2016.17
		£m	£m	£m	£m	£m
Sale Receipts		1.350	1.462	1.571	1.709	1.810
Less:						
Transaction Costs	HRA	0.020	0.021	0.022	0.023	0.025
Attributable Debt	HRA	0.173	0.158	0.151	0.179	0.207
Council (Un-pooled)	GF/HRA	0.246	0.288	0.323	0.337	0.340
Government (pooled)		0.590	0.691	0.774	0.808	0.816
Useable Receipt	HRA	0.321	0.305	0.301	0.362	0.422
No of Sales		15	16	17	18	19

5.7 It must be noted that if the sale numbers or receipts are not achieved as projected above that the attributable debt and useable receipts will reduce accordingly. If sales are much lower then the available receipt and attributable debt values may be nil and therefore the Council's un-pooled receipt and Governments (pooled) receipts will be pro-rata downwards. For example 10 sales would result in no useable receipt for new build, based on the valuation levels estimated.

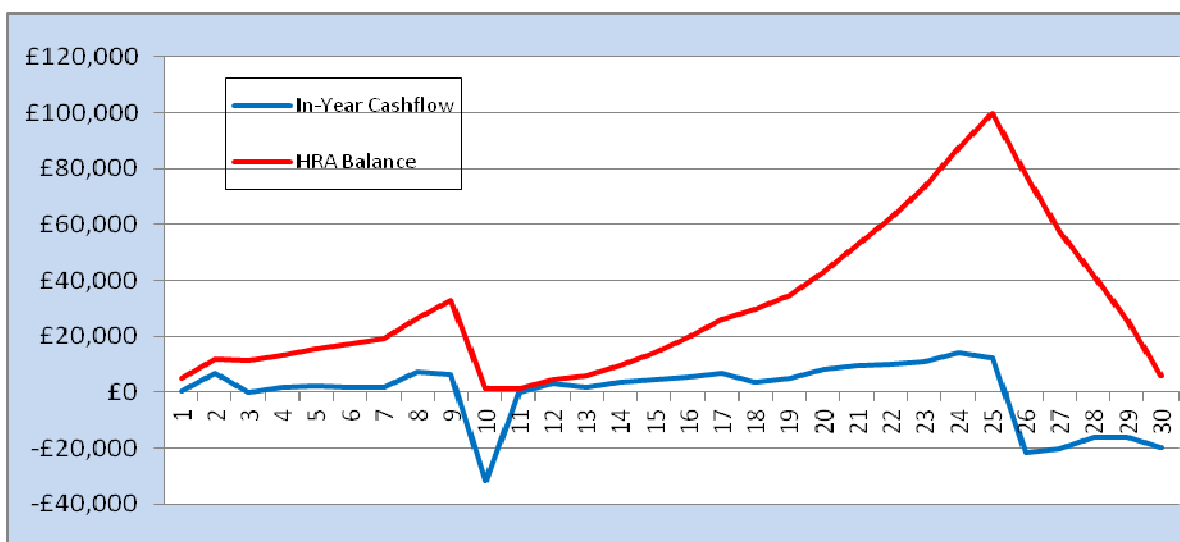
5.8 Using the above sale numbers and receipts projected above the Council could utilise £1.711million of useable receipt towards new build over the next 5 years. Given that the plan has £17.174million of new build expenditure this easily falls within the 30% maximum usage allowance. In addition the Council propose to use the total £0.868million attributable debt figure to fund new build as well, since provision has already been made within the Plan to repay the PWLB loans.

5.9 The right to buy sales will be closely monitored including those applications within the pipeline to continually update the potential receipts.

6. HRA Revenue Balance Projections

6.1 Within this report we have detailed that both reserve balances for major works and revenue repairs will be utilised over the first 5 years of the plan. However the HRA will continue to accrue balances in order to fund its loan repayments.

6.2 The graph below demonstrates these balances accruing and then reducing upon loan repayments:



6.3 The graph shows that in year 10 balances fall dramatically due to the repayment of the £31.8million loan and the introduction of additional capital improvements albeit reduced for this year only.

6.4 From year 11 onwards balances start accruing and peak at £100million in year 25 but quickly reduce due to the loan repayment profile. The projected HRA balance in year 30 is currently £6million, but discounted back to today's values is £2million.

6.5 It is suggested that the Council should consider setting up an HRA revenue debt repayment reserve in which the HRA makes revenue contributions and would not be shown in the above graph, but utilised to repay debt when loans mature. This would enable balances required for debt repayment to

be shown separately from other HRA balances. As it would be a revenue reserve the balances could be drawn upon for any reason for HRA expenditure and re-borrowing initiated.

7. Summary

- 7.1 Following the self-financing transaction the first review of the HRA business plan demonstrates that it remains viable over the 30 years with the ability to repay the loan portfolio upon maturity for each of the facilities.
- 7.2 More accurate rent modelling at property level has shown that rental projections are lower than previously expected due to around 20% of the stock not being able to achieve rent converge with their respective formula rents by April 2017 due to the RPI plus 0.5% plus £2 cap. This could be alleviated by letting properties to new tenants on the formula rather than the outgoing rent, but this is a policy the Council has avoided to date, since it would lead to anomalies in neighbouring tenants' rent levels.
- 7.3 Due to the loss of rental income, the increase of provision for bad debts in relation to welfare reform and the loan repayment in year 10 of £31.8million the plan cannot achieve its aim of delivering the full £4.7million (plus inflation) additional capital improvements in year 10 (2020.21), but only £1million. It can however fully fund these from the next year.
- 7.5 In addition due to savings on the long-term interest rates the plan can afford to increase its service enhancements by £1.5million (plus inflation) from year 11 (2022.23).
- 7.6 The plan will be updated at the next review and will see changes in relation to:
- The HRA revised out-turn projections for 2012.13
 - The new HRA budgets for 2013.14 (rather than the 2012.13 inflated)
 - Profiled impact on the plan due to welfare reform
 - Latest Right to Buy projections and associated receipts
 - Actual rent increases due to the publication of the September RPI

Simon Smith

October 2012

CIH Consultancy
Octavia House,
Westwood Way,
Coventry, CV4 8JP

www.consultcih.co.uk
EMail headoffice@consultcih.co.uk
Telephone 0844 561 178
Registered in England and Wales: 01754648

Appendix 1

Key Assumptions

1. General Inflation (RPI) 2.5% throughout
2. Rents increasing by RPI plus 0.5% - converging by April 2017 where possible
3. Void levels 1% throughout
4. Bad Debts Provision increased from 0.39% to 1% from year 2
5. Right to Buy levels increase from 15 to 19 by year 5 then reduce to 7 onwards
6. Unpooled Right to Buy Receipt (up to Government cap) utilised by General Fund
7. Disposal of 20 properties in Year 2
8. New Build of 120 properties years 2 to 7
9. Service Charge income increasing by RPI only
10. Non Dwelling Rents (Garages) increasing by RPI only
11. Norway House Rents increasing by RPI only
12. Contributions from the General Fund (for service) increasing by RPI only
13. Management Costs increasing by RPI only
14. Repair Costs increasing by RPI only
15. Capital Improvement Costs increasing by RPI from year 6
16. Base rate for variable interest calculations increasing from 0.5% to 3.0% by year 6
17. £325,000 of s106 monies capital contribution towards new build

Appendix 2 HRA Projections

HOUSING REVENUE ACCOUNT PROJECTIONS

Epping Forest District Council

Year	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	2026.27
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME:															
Rental Income	29,405	31,213	32,061	33,541	35,042	36,625	38,013	40,107	40,581	41,807	43,059	44,333	45,639	47,851	48,353
Void Losses	-257	-312	-320	-335	-350	-366	-379	-400	-405	-417	-430	-443	-456	-478	-483
Service Charges	1,620	1,661	1,702	1,745	1,788	1,833	1,879	1,926	1,974	2,023	2,074	2,126	2,179	2,233	2,289
Non-Dwelling Income	891	913	936	960	983	1,008	1,033	1,059	1,086	1,113	1,141	1,169	1,198	1,228	1,259
Grants & Other Income	322	330	338	347	355	364	373	383	392	402	412	422	433	444	455
Total Income	31,981	33,806	34,717	36,257	37,819	39,464	40,919	43,074	43,627	44,928	46,256	47,608	48,994	51,279	51,873
EXPENDITURE:															
General Management	-3,877	-3,974	-4,076	-4,180	-4,287	-4,396	-4,508	-4,623	-4,738	-4,857	-4,978	-5,103	-5,230	-5,361	-5,495
Special Management	-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	-4,903
Other Management	-733	-1,263	-1,295	-1,327	-1,360	-1,394	-1,429	-1,465	-1,501	-1,539	-1,577	-1,617	-1,657	-1,699	-1,741
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-114	-311	-319	-333	-346	-361	-374	-394	-398	-410	-423	-435	-448	-470	-475
Responsive & Cyclical Repairs	-5,200	-5,200	-5,300	-5,300	-5,359	-6,513	-6,690	-6,871	-7,057	-7,249	-7,445	-7,647	-7,839	-8,035	-8,235
Total Revenue Expenditure	-13,394	-14,305	-14,635	-14,876	-15,183	-16,590	-17,025	-17,477	-17,923	-18,388	-18,866	-19,355	-19,841	-20,347	-20,849
Interest Paid	-5,545	-5,545	-5,704	-5,863	-6,022	-6,022	-6,022	-6,022	-6,022	-6,017	-5,348	-5,348	-5,348	-5,348	-5,348
Finance Administration	-44	-45	-46	-47	-49	-50	-51	-52	-54	-55	-56	-58	-59	-61	-62
Interest Received	530	523	648	877	1,074	1,192	1,237	1,348	1,520	1,209	815	849	906	972	1,071
Depreciation	-6,889	-7,058	-7,241	-7,427	-7,611	-7,806	-8,013	-8,205	-8,401	-8,601	-8,807	-9,017	-9,233	-9,453	-9,679
Net Operating Income	6,639	7,375	7,739	8,920	10,029	10,189	11,045	12,666	12,747	13,076	13,994	14,679	15,420	17,041	17,006
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-448	-459	-471	-482	-495	-507	-520	-533	-546	-559	-573	-588	-603	-618	-633
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contribution to Capital	-5,718	-181	-7,530	-6,606	-7,373	-7,814	-8,754	-4,842	-5,610	-44,230	-13,296	-11,123	-13,135	-12,798	-11,934
Total Appropriations	-6,166	-640	-8,001	-7,089	-7,867	-8,321	-9,274	-5,374	-6,155	-44,790	-13,869	-11,711	-13,738	-13,416	-12,567
ANNUAL CASHFLOW															
Opening Balance	4,493	4,965	11,700	11,438	13,270	15,432	17,299	19,070	26,362	32,954	1,241	1,366	4,334	6,016	9,641
Closing Balance	4,965	11,700	11,438	13,270	15,432	17,299	19,070	26,362	32,954	1,241	1,366	4,334	6,016	9,641	14,080

HOUSING REVENUE ACCOUNT PROJECTIONS
Epping Forest District
Council

Year	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	2041.42
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:															
Rental Income	49,763	51,210	52,695	54,222	56,826	57,401	59,057	60,759	62,510	64,310	67,391	68,064	70,022	72,035	74,106
Void Losses	-497	-511	-526	-541	-567	-573	-590	-607	-624	-642	-673	-680	-699	-719	-740
Service Charges	2,346	2,405	2,465	2,527	2,590	2,655	2,721	2,789	2,859	2,930	3,003	3,078	3,155	3,234	3,315
Non-Dwelling Income	1,290	1,323	1,356	1,390	1,424	1,460	1,497	1,534	1,572	1,612	1,652	1,693	1,735	1,779	1,823
Grants & Other Income	466	478	490	502	515	528	541	554	568	582	597	612	627	643	659
Total Income	53,369	54,904	56,480	58,099	60,788	61,470	63,225	65,030	66,885	68,792	71,971	72,768	74,841	76,972	79,163
EXPENDITURE:															
General Management	-5,632	-5,773	-5,918	-6,066	-6,217	-6,373	-6,532	-6,695	-6,863	-7,034	-7,210	-7,390	-7,575	-7,764	-7,958
Special Management	-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	-7,101
Other Management	-1,785	-1,829	-1,875	-1,922	-1,970	-2,019	-2,070	-2,121	-2,174	-2,229	-2,284	-2,342	-2,400	-2,460	-2,522
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision Responsive & Cyclical Repairs	-489	-503	-517	-532	-558	-564	-580	-597	-614	-632	-662	-669	-688	-708	-728
Total Revenue Expenditure	-21,372	-21,909	-22,459	-23,022	-23,610	-24,192	-24,799	-25,421	-26,059	-26,713	-27,395	-28,070	-28,775	-29,497	-30,237
Interest Paid	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348	-5,339	-4,301	-3,260	-2,216	-1,168
Finance Administration	-64	-65	-67	-69	-70	-72	-74	-76	-78	-80	-82	-84	-86	-88	-90
Interest Received	1,193	1,343	1,472	1,577	1,737	1,955	2,196	2,453	2,760	3,085	2,970	2,453	2,003	1,608	1,168
Depreciation	-9,910	-10,147	-10,389	-10,637	-10,891	-11,151	-11,418	-11,690	-11,970	-12,255	-12,548	-12,847	-13,154	-13,468	-13,790
Net Operating Income	17,868	18,779	19,689	20,600	22,605	22,661	23,782	24,948	26,191	27,482	29,576	29,918	31,569	33,311	35,046
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-649	-665	-682	-699	-716	-734	-752	-771	-791	-810	-831	-851	-873	-894	-917
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contribution to Capital	-11,783	-11,377	-15,344	-15,062	-13,737	-12,451	-13,001	-13,318	-11,402	-14,358	-50,410	-49,287	-46,857	-48,315	-53,876
Total Appropriations	-12,432	-12,042	-16,026	-15,761	-14,453	-13,185	-13,754	-14,089	-12,193	-15,169	-51,241	-50,138	-47,730	-49,209	-54,793
ANNUAL CASHFLOW	5,436	6,737	3,664	4,839	8,152	9,476	10,029	10,859	13,999	12,313	-21,665	-20,220	-16,161	-15,898	-19,746
Opening Balance	14,080	19,516	26,253	29,916	34,755	42,907	52,384	62,412	73,271	87,270	99,583	77,918	57,698	41,537	25,639

Closing Balance	19,516	26,253	29,916	34,755	42,907	52,384	62,412	73,271	87,270	99,583	77,918	57,698	41,537	25,639	5,892
-----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------

CIH Consultancy
Octavia House,
Westwood Way,
Coventry, CV4 8JP

www.consultcih.co.uk
EMail headoffice@consultcih.co.uk
Telephone 0844 561 178
Registered in England and Wales: 01754648

Appendix 3 Capital Projections

HOUSING CAPITAL PROJECTIONS
Epping Forest District Council

Year	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	2026.27
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
EXPENDITURE:															
Planned Variable Expenditure	0	0	0	0	0	0	-7	-14	-22	-30	-38	-52	-59	-66	-73
Planned Fixed Expenditure	-9,565	-15,703	-11,894	-11,177	-12,284	-12,279	-13,336	-12,493	-13,436	-20,436	-21,844	-19,493	-21,699	-21,561	-20,900
Disabled Adaptations	-414	-450	-450	-450	-450	-461	-473	-485	-497	-509	-522	-535	-548	-562	-576
Other Capital Expenditure	-296	-50	-50	-50	-50	-51	-53	-54	-55	-57	-58	-59	-61	-62	-64
New Build Expenditure	-38	-2,854	-2,829	-2,897	-2,829	-2,829	-2,899	0	0	0	0	0	0	0	0
Procurement Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Previous Year's B/F Shortfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	-10,313	-19,057	-15,223	-14,574	-15,613	-15,620	-16,767	-13,046	-14,010	-21,032	-22,462	-20,140	-22,368	-22,251	-21,613
FUNDING:															
Major Repairs Reserve	4,422	17,766	7,241	7,427	7,611	7,806	8,013	8,205	8,401	-23,199	8,807	9,017	9,233	9,453	9,679
Right to Buy Receipts	173	158	151	179	207	0	0	0	0	0	0	0	0	0	0
HRA CFR Borrowing	0	0	0	0	0	0	0	0	0	0	360	0	0	0	0
Other Receipts/Grants	0	325	0	0	0	0	0	0	0	0	0	0	0	0	0
HRA Reserves	0	626	301	362	422	0	0	0	0	0	0	0	0	0	0
Revenue Contributions	5,718	181	7,530	6,606	7,373	7,814	8,754	4,842	5,610	44,230	13,296	11,123	13,135	12,798	11,934
Total Capital Funding	10,313	19,057	15,223	14,574	15,613	15,620	16,767	13,046	14,010	21,032	22,462	20,140	22,368	22,251	21,613
In-Year Net Cashflow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Position	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MRR Account:															
Opening Balance	8,241	10,708	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Contribution (Depr)	6,889	7,058	7,241	7,427	7,611	7,806	8,013	8,205	8,401	8,601	8,807	9,017	9,233	9,453	9,679
Use of Reserve to Capital	-4,422	-17,766	-7,241	-7,427	-7,611	-7,806	-8,013	-8,205	-8,401	23,199	-8,807	-9,017	-9,233	-9,453	-9,679
Contribution to HRACFR	0	0	0	0	0	0	0	0	0	-31,800	0	0	0	0	0
Closing Balance	£10,708	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

HOUSING CAPITAL PROJECTIONS
Epping Forest District
Council

Year	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	2041.42	
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
EXPENDITURE:																
Planned Variable Expenditure	-81	-92	-97	-103	-109	-115	-128	-138	-148	-159	-171	-182	-187	-192	-196	
Planned Fixed Expenditure	-20,956	-20,759	-24,947	-24,890	-23,795	-22,746	-23,531	-24,090	-22,424	-25,635	-31,948	-31,091	-28,942	-30,687	-32,886	
Disabled Adaptations Other Capital Expenditure	-590	-605	-620	-636	-652	-668	-685	-702	-719	-737	-756	-775	-794	-814	-834	
New Build Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Procurement Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year's B/F Shortfall	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Capital Expenditure	-21,694	-21,523	-25,733	-25,700	-24,628	-23,603	-24,419	-25,008	-23,372	-26,614	-32,958	-32,134	-30,012	-31,783	-34,010	
FUNDING:																
Major Repairs Reserve	9,910	10,147	10,389	10,637	10,891	11,151	11,418	11,690	11,970	12,255	-17,452	-17,153	-16,846	-16,532	-19,866	
Right to Buy Receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA CFR Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Receipts/Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
HRA Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Revenue Contributions	11,783	11,377	15,344	15,062	13,737	12,451	13,001	13,318	11,402	14,358	50,410	49,287	46,857	48,315	53,876	
Total Capital Funding	21,694	21,523	25,733	25,700	24,628	23,603	24,419	25,008	23,372	26,614	32,958	32,134	30,012	31,783	34,010	
In-Year Net Cashflow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cumulative Position	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MRR Account:																
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Contribution (Depr)	9,910	10,147	10,389	10,637	10,891	11,151	11,418	11,690	11,970	12,255	12,548	12,847	13,154	13,468	13,790	
Use of Reserve to Capital	-9,910	-10,147	-10,389	-10,637	-10,891	-11,151	-11,418	-11,690	-11,970	-12,255	17,452	17,153	16,846	16,532	19,866	
Contribution to HRACFR	0	0	0	0	0	0	0	0	0	0	-30,000	-30,000	-30,000	-30,000	-33,656	
Closing Balance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	

CIH Consultancy
Octavia House,
Westwood Way,
Coventry, CV4 8JP

www.consultcih.co.uk
EMail headoffice@consultcih.co.uk
Telephone 0844 561 178
Registered in England and Wales: 01754648