



Epping Forest District Council

HRA Business Plan Financial Projections

October 2014 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 and potential changes to inflation assumptions.
- 1.3 This review makes reference to any significant changes to the previous version of the Business Plan model (February 2014) which was used for the publication of the HRA business plan document in April 2014.
- 1.4 This review of this model incorporates the original budgets for this financial year, which have not changed from the February 2014 version of the model. The plan still starts from 2013.14 and includes the out-turns for 2013.14, opening balances for 2014.15 for the HRA, Major Repairs Reserve, Repairs Fund and the Self-financing Reserve, as well as incorporating the Cabinet's decision to expand and enlarge the Council Housebuilding Programme. The changes are noted below:

	Feb 2014 HRA BP Projected Balances	Actual Opening Balances	Variance	Notes
HRA	£3.477m	£2.782m	-£0.695m	1
MRR	£10.039m	£11.372m	£1.333m	2
Repairs	£4.046m	£2.755m	£1.291m	3
Self-Financing	£6.513m	£6.513m	-	

- 1.5 Note 1: The variance is explained in section 2 below
- 1.6 Note 2: The final accounts for capital expenditure were £0.406million lower than forecast resulting in the reduced utilisation of the Major Repairs

Reserve. In addition as explained in section 2 an additional £0.839million was credited to the Reserve through an increase in the depreciation charge to the HRA. A greater amount of the Right to Buy 1-4-1 Receipts was utilised also having a beneficial effect on the Major Reserves Balance.

- 1.7 Note 3: Actual repairs expenditure was £0.832million higher than the last forecast for revenue repairs along with a lower opening balance of £0.459million for the repairs account.

2. HRA Out-turn and Variations with the Previous Plan

- 2.1 The model currently uses the out-turn for 2013.14 and original budgets for 2014.15 for forecasting expenditure and income forward whilst adding general RPI (inflation) increases. There are exceptions to these, which are detailed further in this report.

- 2.2 The table below details at summary level the HRA forecast and out-turn for **2013.14**

	March HRA BP Forecast £m	2013.14 Out-turn £m	Variance £m	Note
Net Rents	30.931	30.701	-0.230	1
Service Charges	1.666	1.647	-0.019	
Non Dwelling Income	0.877	0.870	-0.007	
Grants and Other Income	0.368	0.336	-0.032	
General Management	-4.362	-4.394	-0.032	
Special Management	-3.725	-3.725	-	
Other Management	-0.731	-0.401	0.330	2
Bad Debt Provision	-0.200	-0.115	0.085	
Responsive Repairs	-5.200	-5.200	-	
Interest Paid	-5.532	-5.526	0.006	
Interest Received	0.424	0.453	0.029	
Depreciation	-6.922	-7.761	-0.839	3
FRS 17 Adjustments	-0.142	-0.098	0.044	
RCCO	-4.200	-4.200	-	
Debt Repayment Reserve	-3.180	-3.180	-	
Out-turn for Year	0.072	-0.593	-0.665	

- 2.3 Note 1: The rental income budget was based on an average rent based on estimated stock level. Due to the re-ignitivation of right to buys the number of sales increased and their occurrence within the year has affected rental income. In addition the void rate was slightly higher than forecast.

- 2.4 Notes 2: The reason for the reduced expenditure is due to an under spend on service enhancements which have been carried over to the following year.

- 2.5 Note 3: The revised depreciation calculation resulted in an increased charge to the HRA, though the benefit of this is seen in the increase to the balances of the Major Repairs Reserve.
- 2.6 The other variances are considered minor and account for £0.074million of the overall variance of £0.665million.

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 As part of the business planning process, previously we have accurately forecast forward each individual property's rent to estimate future increases and assessed the impact of the £2 cap above RPI plus 0.5%. However the Government's recently produced Social Rent Policy, which commences from April 2015, now replaces RPI with CPI and the real increase of 0.5% is replaced by 1%. Furthermore, the final guidance confirmed the withdrawal of rent convergence from 2015, therefore suggesting that the rent levels set in April 2014 will form the basis for future inflationary increases of CPI plus 1%. The February 2014 Plan was based upon complying with the new guidance, as does this review.
- 3.3 At the time of writing, the September CPI and RPI indices had not been published and therefore we have used the August figures of 1.5% and 2.4% respectively. This has had a negative impact to the February 2014 Plan in that CPI was assumed at 2% with RPI at 2.5%. Therefore rental income for both 2015.16 and beyond will be reduced (c£6.99million) with only marginal reductions in operational costs.
- 3.4 Using an estimate of turnover of stock for new tenancies, it is assumed 6% (on a reducing balance) will move from actual to formula rent levels.
- 3.5 Void levels are estimated to remain at 1% throughout the Plan as a prudent assumption though 2014.15 has a rate of 0.9% budgeted for.
- 3.6 We have incorporated the additional week's rent which occurs every 6 years, commencing 2013.14 and then next in 2019.20.

Welfare Reform

- 3.7 The total impact of welfare reform to the Plan and how to profile it into future projections will be progressed with officers but for the time being we have increased the provision for bad debt from next year from 0.37% to 0.78% in line with the budget. In future years a prudent 1% assumption has been made.

Treasury Management

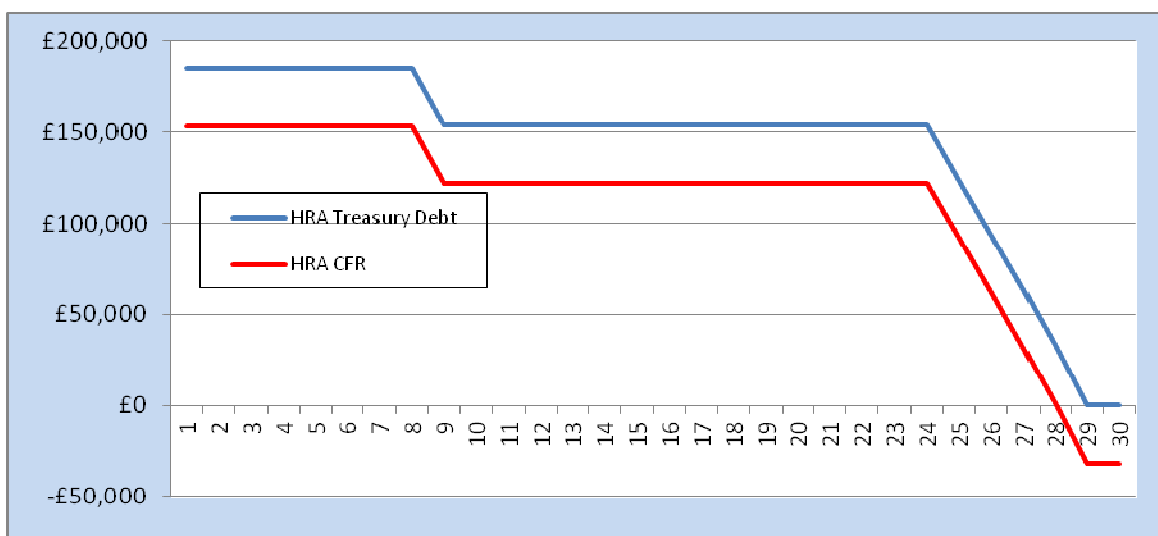
3.8 The loan portfolio remains unchanged and is detailed below for reference:

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

3.9 The interest on these loans will be charged directly to the HRA; since the vast majority have 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.

3.10 Contributions are made to the Self-Financing reserve in order to maintain balances sufficient to repay loans when they mature, if so required at that point. Further on we explain the deviation from the annual contribution in order to fund additional new build from previously anticipated levels.

3.11 The graph below shows the financing position of the HRA remains unchanged from the previous visit to the Plan:



3.12 The graph shows the HRA loan portfolio (identified by the top blue line) starting at £185.456million and reducing as per the schedule in Section 3.8 above to complete repayment by Year 29. 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 29 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	2014.15 £m	2015.16 £m	2016.17 £m	2017.18 £m
Planned Maintenance	6.678	5.258	5.554	4.903
Other Capital Repairs	4.427	2.114	1.925	1.959
Kitchens & Bathrooms	3.285	4.031	4.088	4.352
Disabled Adaptations	0.402	0.450	0.450	0.450
<i>Service Improvements</i>	<i>0.399</i>	-	-	-
<i>New Build</i>	<i>1.934</i>	<i>6.494</i>	<i>8.257</i>	<i>4.928</i>
DLO Vehicle Purchase	0.068	0.050	0.050	0.050
Other Housing Devlp	0.621	0.013	-	-
TOTAL	17.814	18.410	20.324	16.642

- 4.3 The above costs are inclusive of fees. However there is no provision for inflation (with the exception of new build), but recent experience with contract renewals has demonstrated no price increases. This assumption may need revisiting when reviewing the Business Plan for later iterations. We have excluded the additional service enhancements over and above the original £0.770million allowance (which is accounted for in revenue costs). There is a net increase over the previous (February 2014) Plan of £0.555million for the period 2013.14 to 2017.18 (allowing for slippage).
- 4.4 Capital expenditure for the existing stock beyond Year 6 has been revised as follows based on information from the Council's asset database and allows for inflation but excludes service enhancements, new build and disabled adaptations:

£m / Yrs	6-10	11-15	16-20	21-25	26-30	TOTAL
Revised	70.365	103.641	118.997	142.462	175.836	613.300
Previous	82.788	103.762	127.916	148.727	184.471	647.664

- 4.5 Inclusive of inflation the savings to the Plan are in the region of £34.4million, of which £12.423million is in Years 6 to 10 of the Plan which provide additional finance towards the Council's new build aspirations over previous plans.

New Build

- 4.6 The previous model had expenditure totalling £20.731million (exclusive of inflation) for delivering a total of 123 homes up to and including 2020.21 (Phase 1:23, Phase 2:20 and Phases 3-6:20p/a).
- 4.7 In April 2014 members approved a revised plan to allow for an increased provision of homes for both Phases 2 and 3 to 6, providing a revised total of

195 homes. Members also agreed to extend the Housebuilding Programme by a further 4 years, to provide an additional 120 homes (see Section 7).

4.8 The table below shows the costs for Phases 1 and 2 and future phases over the next few years inclusive of inflation:

£m	Units	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	TOTAL
Phase1	23	0.071	1.750	2.315	0.065					4.200
Phase 2	52		0.184	3.952	4.675	0.183				8.994
Phases 3-6	120			0.197	3.517	4.745	4.871	4.746	1.235	19.312
TOTAL	195	0.071	1.934	6.464	8.257	4.928	4.871	4.746	1.235	32.506

The total expenditure over this period is £32.506million, some £11.775million more than originally forecast, which will have a detrimental effect to the Plan though offset partially by some additional resources detailed below agreed by members.

Right to Buy Receipts

4.9 With the reinvigoration of the right to buy policy the Council has seen sales in 2012.13 and 2013.14 exceed those witnessed over the past three years (and those assumed within the Government's self-financing settlement for the Council).

4.10 The result of the increased volume of sales affects the Plan not only with loss of income but also introduces the ability to retain the balance of the receipts (after some initial deductions).

4.11 Firstly, when sales exceed the number assumed within the settlement, the ability to retain some of the receipt is enabled and to date (30 June 2014) this totals £1.579million. This is termed "Allowable Debt". However with the changes made to the capital regulations in March 2014, the Government now has ability to recover around 70% from future receipts when sales fall below those assumed within the settlement, which they previously did not.

4.12 It is likely, given the number of sales in the pipeline and forecast, that this value for Allowable Debt could increase over the next three years to an estimated £1.734million.

4.13 Members in April 2014 approved plans to release 30% of these balances which are not considered 'at risk' to assist with the funding of the increased new build programme. We have scheduled the funding of this receipt as follows:

	2014.15	2015.16
Use of Allowable Debt	£0.518million	£0.003million

4.14 After all eligible deductions the Council currently has £4.071million of net receipts termed as "1-4-1" for the direct contribution for new build as at 30 June 2014. With the forecast sales, this is estimated to increase to £4.499million in 2014.15. Regulations state that this can be used for up to

30% of new build costs within 36 months of the receipt arising. These receipts will be reclaimed by DCLG if they are not utilised within 36 months.

- 4.15 We have allocated these receipts against the new build expenditure (and one acquisition) within the model as identified below:

	2013.14	2014.15	2015.16	2016.17	2017.18
1-4-1 Receipts	£0.102m	£0.543m	£1.141m	£1.514m	£1.199m

- 4.16 With the increase in sales resulting in a higher “1-4-1” balance and the use of 30% of the Allowable Debt the Plan has additional resources of £1.323million over the previous (February 2014) Business Plan.

HCA Funding

- 4.17 As part of the Government’s Affordable Homes Programme the Council submitted a bid on 35 homes for Phase 2 for £12,500 per unit, potentially providing an additional £0.438million of resources, which has been accounted for within this revised Plan split equally between 2015.16 and 2016.17. This has now been approved by the Homes and Communities Agency (HCA).

Other Capital Funding

- 4.18 As another resource to fund the additional new build, members agreed to reduce the minimum balance of the HRA from £3million to £2million thus releasing an additional £1million in 2014.15.
- 4.19 Other capital receipts available for funding both the capital and new build programme are listed below:

S106 McCarthy & Stone	£241,000
S106 BPI Poly Site	£103,000
S106 Bald Hind Pub	£102,000
S106 Millrite Engineering	£37,000
S106 Jennikings Nursery	£40,000
Millfield Land Sale	£83,000
Nine Ashes Farm	£21,000
Covenant of Lawton Road	£127,500
Area Growth Fund (1)	£90,000
Area Growth Fund (2)	£37,000
TOTAL	£881,500

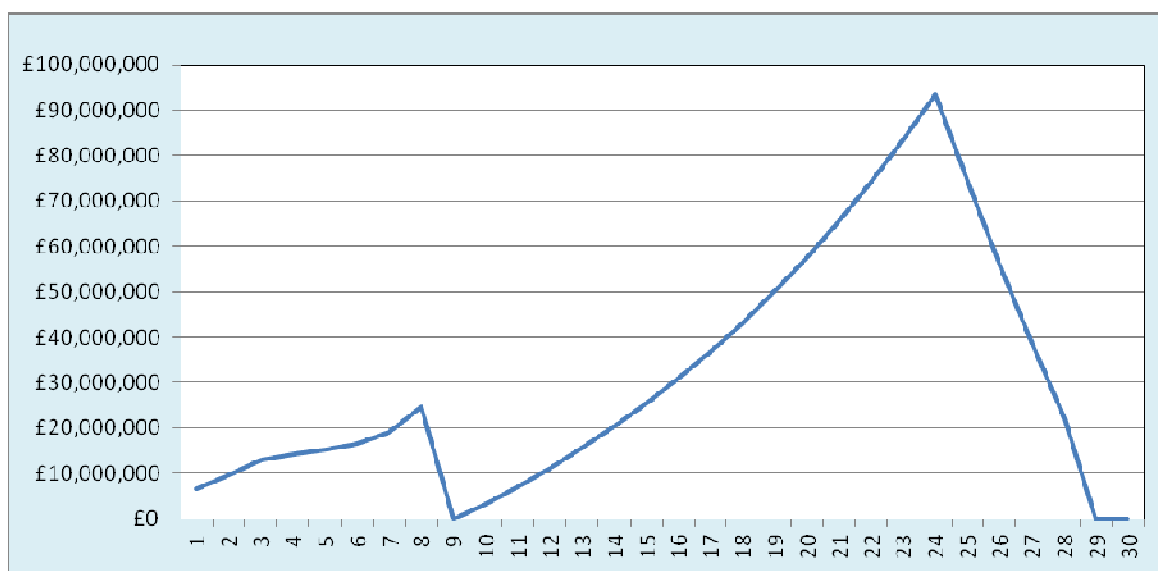
Self-Financing Reserve

- 4.20 Members approved, as part of funding the additional new build programme, a deviation away from the annual contribution of £3.180million to the Self-Financing Reserve in order to fund loan repayments when required.
- 4.21 In accordance with affordability we have restructured the contributions as follows instead of the annual £3.180m in the previous plan:

£m	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22
Contribution	3.180	1.250	1.250	1.250	2.500	5.500	7.177

4.22 These contributions ensure that balances in the Reserve will be sufficient to meet the loan repayment in 2021.22 of £31.8million.

4.23 The projected reserve balances are shown in the graph below:



Service Enhancements

4.24 The last visit to the Plan identified future service enhancements (at today's prices) available to the HRA, in addition the £770,000 already accounted for within the HRA budgets, below:

Service Enhancements (February 2014)	Yrs 3-6 £m	Yrs 7-9 £m	Yrs 10-11 £m	Yrs 12-16 £m	Yrs 17-21 £m	Yrs 22-30 £m	Total £m
Per Year	0.850	3.300	3.300	7.000	8.000	9.000	175.900

The above values (without inflation) were reviewed in line with keeping the HRA with reasonably constant balances after taking into account the contributions to the Self-Financing Reserve. For clarity and ease of understanding we have increased the provisions within 5 year bands (except for Years 22-30, which covers 9 years and 10 to 11 for reasons explained below), with inflation applied within the model.

4.25 Due to the increases of new build expenditure, increased repair forecasts, reduced capital expenditure, revised opening balances and additional resources available we have revised the above assumptions (at today's prices) to ensure a balanced business plan.

Service Enhancements (Adjustments Stage 1 to February 2014 Plan)	Yrs 3-6 £m	Yrs 7-9 £m	Total £m
Original Service Enhancements	0.850	3.300	13.300
Adjustments to Balance the Plan (per year)	-0.075	-2.660	-8.280
Revised Service Enhancements (October 2014)	0.775	0.640	5.020

4.26 This demonstrates that in order to fund the new build programme of Phases 1 to 6, with a net increase of 72 homes, the forecast additional service enhancements of £0.85million for Years 3 to 6 and £3.3million for Years 7 to 9 of the Plan will need to be reduced. The reduction of £8.280million is higher than the original £6.73million identified on our April 2014 financing new build report to members due to the variances in outcome and assumptions noted in this review but principally the lower than anticipated rent increase for April 2015 and increases to new build expenditure.

4.27 As the Plan benefits from reduced capital expenditure from the revised projections and additional rental income from the 72 properties at affordable rent the future levels of service enhancements could be increased (at today's prices) as per the following table with a balanced Business Plan.

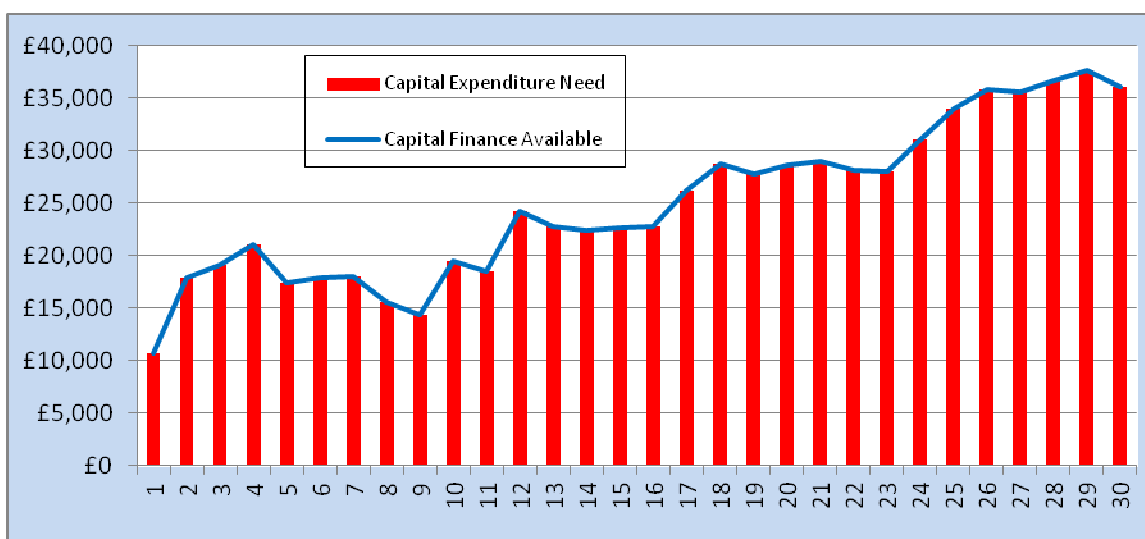
Service Enhancements (Adjustments Stage 2 to February 2014 Plan)	Yrs 3-6 £m	Yrs 7-9 £m	Yrs 10-11 £m	Yrs 12-16 £m	Yrs 17-21 £m	Yrs 22-30 £m	Total £m
Per Year	-	-	1.750	0.250	1.750	-	13.500

4.28 The total revised additional service enhancements is summarised in the table below:

Service Enhancements (October 2014 Revisions)	Yrs 3-6 £m	Yrs 7-9 £m	Yrs 10-11 £m	Yrs 12-16 £m	Yrs 17-21 £m	Yrs 22-30 £m	Total £m
Per Year	0.775	0.640	5.050	7.250	9.750	9.000	181.120

5. Funding the Capital Projections

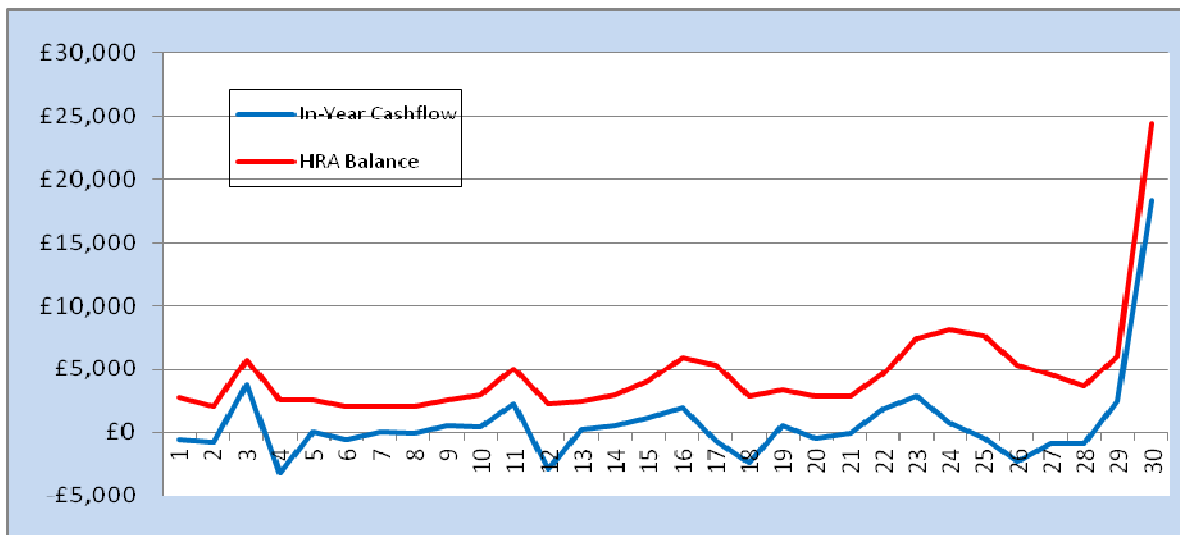
5.1 The graph below demonstrates the capital expenditure (in the thick red vertical bars) for each year including inflation. The available resources are shown (using the thin blue horizontal line). As expected the expenditure identified in sections 4.2, 4.4 and new build and service enhancements can be fully funded.



- 5.2 The key financial resources available for funding the capital expenditure have remained unchanged with the exception of accounting for the useable right to buy receipts into the following year as per the above assumptions and after other receipts identified in 4.19.
- 5.3 The right to buy sales will be closely monitored including those applications within the pipeline to continually update the potential receipts.
- 5.4 There are potentially further receipts in excess of £2million for a range of sites that could provide additional resource to the HRA that would fund additional service enhancements.

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 Business Plan model has appropriated monies to the Self Financing Reserve for debt repayment as per Sections 4.21 and 4.23 of this review.



- 6.2 The HRA is forecast to keep an average balance of £4million over the first 29 years with the lowest balance of £2million in Year 2.
- 6.3 The balance peaks at £8million in Year 24, but quickly reduces due to the increase of capital expenditure in Year 25 onwards noted in the graph in Section 5.1 above.
- 6.4 As contributions to the Self-Financing Reserve cease in Year 30, as the loan portfolio has been fully repaid, balances start accruing within the HRA - which could provide for additional service enhancements to those identified in Section 4.28.

7. Additional New Build

- 7.1 As part of our review of the potential for increasing the provision of affordable homes, further phases (7-10) were investigated using similar assumptions to those for Phases 3-6 above.
- 7.2 We have re-run these phases to the baseline plan above for these additional 120 homes delivered between Years 7 and 10.
- 7.3 In order to fund these additional homes the following adjustments would be required to the revised service enhancement levels in Section 4.28.

Service Enhancements (Adjustments Stage 3 to October 2014 Plan)	Yrs 3-6 £m	Yrs 7-9 £m	Total £m
Per Year	-0.775	-0.640	-5.020

- 7.4 With the complete reduction of additional service enhancements (over and above the £0.770million in revenue budgets) this will still leave a funding shortfall of £11.931million. This could be funded by short-term borrowing by reducing the additional service enhancements to nil in Years 10 and 11 and using a small element of revenue balances to enable the repayment of this borrowing.
- 7.5 Alternatively if the service enhancements were to remain at £0.775million until Year 9 the shortfall would be in the region of £16.09million and therefore any borrowing to fund this could be repaid by Year 13 by reducing the service enhancements to £0.775million from Years 10 to 13.

8. Summary

- 8.1 This 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.
- 8.2 However, due to increases to new build costs with additional homes and the effects of the right to buy levels and receipts its service enhancements need to be reduced in the early stages but can be increased later on in the Plan with a net gain of £5.12million over years 3 to 29. In the short-term the original additional forecast service enhancements will be reduced to £0.775million for years 3 to 6 and £0.640million years 7 to 9.
- 8.3 With the range of sensitivities modelled the HRA still remains fully viable though with reduced levels of resources to fund the level of service enhancements in section 4.28.

Simon Smith

October 2014

Appendix 1

Key Assumptions

1. General Inflation (RPI) 2.5% throughout (CPI) 2.0% from April 2016, RPI 2.4% and CPI 1.5% for April 2015
2. Rents increasing by CPI plus 1%
3. 6% of tenancies (on a reducing balance) moving to formula rent
4. Void levels 1% throughout
5. Bad Debts Provision increased from 0.39% to 1% from year 2
6. Right to Buy levels reduce from 20 to 7 year 6 onwards
7. Unpooled Right to Buy Receipt (up to Government cap) utilised by General Fund
8. 30% of the Allowable Debt element of receipt used to fund new homes
9. New Build of 195 properties years 2 to 8
10. Service Charge income increasing by RPI only
11. Non Dwelling Rents (Garages) increasing by RPI only
12. Norway House Rents increasing by RPI only
13. Contributions from the General Fund (for service) increasing by RPI only
14. Management Costs increasing by RPI only
15. Repair Costs increasing by RPI only
16. Capital Improvement Costs increasing by RPI plus 0.25% from year 6
17. Base rate for variable interest calculations increasing from 0.5% to 3.0% by year 5

Appendix 2 HRA Projections

HOUSING REVENUE ACCOUNT PROJECTIONS

Epping Forest DC

Year	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	2027.28
£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME:															
Rental Income	31,199	31,988	33,045	34,619	35,710	37,159	39,376	40,224	41,841	43,150	44,499	45,884	48,166	48,771	50,275
Void Losses	-498	-287	-330	-345	-356	-371	-393	-401	-417	-430	-444	-458	-481	-487	-502
Service Charges	1,647	1,575	1,613	1,653	1,694	1,737	1,780	1,825	1,870	1,917	1,965	2,014	2,065	2,116	2,169
Non-Dwelling Income	870	875	896	918	941	965	989	1,014	1,039	1,065	1,092	1,119	1,147	1,176	1,205
Grants & Other Income	336	383	392	402	412	422	433	444	455	466	478	490	502	515	527
Total Income	33,554	34,534	35,616	37,247	38,401	39,912	42,185	43,105	44,788	46,168	47,590	49,050	51,399	52,091	53,675
EXPENDITURE:															
General Management	-4,344	-4,466	-4,573	-4,690	-4,813	-4,937	-5,064	-5,194	-5,327	-5,460	-5,597	-5,737	-5,880	-6,027	-6,178
Special Management	-3,725	-3,838	-3,930	-4,028	-4,129	-4,232	-4,338	-4,447	-4,558	-4,672	-4,788	-4,908	-5,031	-5,157	-5,286
Other Management	-401	-871	-1,075	-1,102	-1,129	-1,158	-1,187	-1,216	-1,247	-1,278	-1,310	-1,343	-1,376	-1,410	-1,446
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-115	-250	-328	-341	-352	-365	-385	-392	-406	-418	-432	-445	-467	-473	-488
Responsive & Cyclical Repairs	-5,200	-5,000	-4,200	-4,739	-5,638	-5,778	-5,923	-6,087	-6,278	-6,457	-6,641	-6,831	-7,026	-7,202	-7,382
Total Revenue Expenditure	-13,785	-14,425	-14,107	-14,901	-16,061	-16,470	-16,896	-17,336	-17,815	-18,285	-18,768	-19,264	-19,781	-20,269	-20,779
Interest Paid	-5,526	-5,532	-5,704	-5,863	-6,022	-6,022	-6,022	-6,022	-6,017	-5,348	-5,348	-5,348	-5,348	-5,348	-5,348
Finance Administration	-50	-52	-53	-55	-56	-57	-59	-60	-62	-63	-65	-66	-68	-70	-72
Interest Received	453	409	761	981	1,215	1,239	1,279	1,377	1,147	896	1,017	1,105	1,176	1,297	1,439
Depreciation	-7,761	-7,045	-7,055	-7,271	-7,473	-7,681	-7,897	-8,119	-8,316	-8,518	-8,726	-8,938	-9,156	-9,379	-9,608
Net Operating Income	6,885	7,889	9,458	10,139	10,004	10,921	12,590	12,945	13,725	14,850	15,700	16,539	18,222	18,322	19,308
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-3,278	-3,208	-3,209	-1,279	-1,280	-1,281	-2,532	-5,532	-7,210	-3,462	-3,808	-4,103	-4,422	-4,765	-5,135
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contribution to Capital	-4,200	-5,450	-2,547	-12,028	-8,697	-10,187	-10,053	-7,442	-6,015	-10,996	-9,703	-15,317	-13,607	-13,064	-13,015
Total Appropriations	-7,478	-8,658	-5,755	-13,307	-9,977	-11,468	-12,585	-12,975	-13,225	-14,458	-13,511	-19,420	-18,029	-17,829	-18,150
ANNUAL CASHFLOW															
Opening Balance	3,375	2,782	2,013	5,716	2,548	2,576	2,029	2,034	2,004	2,505	2,896	5,085	2,204	2,397	2,891
Closing Balance	2,782	2,013	5,716	2,548	2,576	2,029	2,034	2,004	2,505	2,896	5,085	2,204	2,397	2,891	4,049
Other HRA Reserve Balance															
Other HRA Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self Financing Reserve	6,513	9,693	12,873	14,123	15,373	16,623	19,123	24,623	0	3,428	7,201	11,269	15,654	20,381	25,477
HRA New Build Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

HOUSING REVENUE ACCOUNT PROJECTIONS

Epping Forest DC

Year	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	2042.43
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME:															
Rental Income	51,821	53,410	55,043	57,751	58,449	60,225	62,051	63,928	65,859	69,076	69,888	71,989	74,150	76,373	78,661
Void Losses	-517	-533	-549	-576	-583	-601	-619	-638	-657	-689	-697	-718	-740	-762	-785
Service Charges	2,223	2,279	2,336	2,394	2,454	2,515	2,578	2,643	2,709	2,777	2,846	2,917	2,990	3,065	3,141
Non-Dwelling Income	1,235	1,266	1,298	1,330	1,363	1,397	1,432	1,468	1,505	1,543	1,581	1,621	1,661	1,703	1,745
Grants & Other Income	541	554	568	582	597	612	627	643	659	675	692	709	727	745	764
Total Income	55,303	56,976	58,696	61,482	62,280	64,149	66,069	68,044	70,075	73,381	74,310	76,518	78,789	81,124	83,526
EXPENDITURE:															
General Management	-6,332	-6,491	-6,653	-6,819	-6,990	-7,165	-7,344	-7,527	-7,715	-7,908	-8,106	-8,309	-8,516	-8,729	-8,948
Special Management	-5,418	-5,553	-5,692	-5,834	-5,980	-6,130	-6,283	-6,440	-6,601	-6,766	-6,935	-7,108	-7,286	-7,468	-7,655
Other Management	-1,482	-1,519	-1,557	-1,596	-1,636	-1,677	-1,719	-1,761	-1,806	-1,851	-1,897	-1,944	-1,993	-2,043	-2,094
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-503	-518	-534	-561	-567	-584	-602	-620	-639	-671	-678	-698	-719	-741	-763
Responsive & Cyclical Repairs	-7,566	-7,755	-7,949	-8,148	-8,352	-8,560	-8,774	-8,994	-9,219	-9,449	-9,685	-9,927	-10,176	-10,430	-10,691
Total Revenue Expenditure	-21,301	-21,836	-22,385	-22,958	-23,524	-24,115	-24,721	-25,343	-25,979	-26,645	-27,301	-27,987	-28,691	-29,411	-30,150
Interest Paid	-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	0
Finance Administration	-73	-75	-77	-79	-81	-83	-85	-87	-89	-92	-94	-96	-99	-101	-104
Interest Received	1,608	1,764	1,878	2,018	2,194	2,378	2,604	2,882	3,164	3,054	2,556	2,075	1,636	1,179	1,162
Depreciation	-9,842	-10,082	-10,328	-10,579	-10,837	-11,101	-11,372	-11,649	-11,933	-12,224	-12,522	-12,827	-13,139	-13,459	-13,787
Net Operating Income	20,347	21,399	22,436	24,535	24,684	25,878	27,147	28,499	29,889	32,135	32,647	34,422	36,279	38,163	40,647
APPROPRIATIONS:															
FRS 17 /Other HRA Reserve Adj	-5,533	-5,963	-6,426	-6,925	-7,463	-8,044	-8,669	-9,343	-10,069	-10,853	-11,697	-12,607	-13,588	-11,652	-56
Revenue Provision (HRACFR)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Contribution to Capital	-12,878	-16,120	-18,431	-17,121	-17,726	-17,891	-16,685	-16,347	-19,118	-21,764	-23,230	-22,665	-23,559	-24,110	-22,264
Total Appropriations	-18,411	-22,083	-24,858	-24,046	-25,189	-25,935	-25,354	-25,690	-29,187	-32,616	-34,927	-35,272	-37,147	-35,763	-22,320
ANNUAL CASHFLOW	1,936	-684	-2,422	489	-505	-56	1,794	2,809	702	-481	-2,280	-849	-868	2,400	18,327
Opening Balance	4,049	5,985	5,301	2,880	3,369	2,864	2,807	4,601	7,410	8,112	7,631	5,351	4,502	3,634	6,034
Closing Balance	5,985	5,301	2,880	3,369	2,864	2,807	4,601	7,410	8,112	7,631	5,351	4,502	3,634	6,034	24,361

Other HRA Reserve																
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self Financing Reserve	30,971	36,893	43,277	50,160	57,580	65,579	74,202	83,498	93,519	74,322	55,968	38,524	22,058	0	0	
HRA New Build Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Appendix 3 Capital Projections

HOUSING CAPITAL PROJECTIONS
Epping Forest DC

Year	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	2027.28
£'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	0	-8	-27	-39	-52	-65	-85	-101	-112
Planned Fixed Expenditure	-9,757	-14,789	-12,197	-12,380	-12,048	-12,489	-12,683	-13,781	-13,752	-18,909	-17,797	-23,596	-22,069	-21,718	-21,871
Disabled Adaptations	-494	-402	-450	-450	-461	-473	-485	-497	-509	-522	-535	-548	-562	-576	-576
Other Capital Expenditure	-348	-689	-63	-50	-50	-51	-53	-54	-55	-57	-58	-59	-61	-62	-64
New Build Expenditure	-71	-1,934	-6,458	-8,249	-4,923	-4,866	-4,742	-1,234	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	-10,670	-17,814	-19,168	-21,129	-17,471	-17,868	-17,950	-15,561	-14,331	-19,514	-18,428	-24,255	-22,763	-22,444	-22,623
FUNDING:															
Major Repairs Reserve	6,135	10,322	15,159	7,271	7,473	7,681	7,897	8,119	8,316	8,518	8,726	8,938	9,156	9,379	9,608
Right to Buy Receipts	0	518	3	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	237	982	319	319	100	0	0	0	0	0	0	0	0	0	0
HRA Reserves	98	543	1,140	1,512	1,201	0	0	0	0	0	0	0	0	0	0
Revenue Contributions	4,200	5,450	2,547	12,028	8,697	10,187	10,053	7,442	6,015	10,996	9,703	15,317	13,607	13,064	13,015
Total Capital Funding	10,670	17,814	19,168	21,129	17,471	17,868	17,950	15,561	14,331	19,514	18,428	24,255	22,763	22,444	22,623
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	9,755	11,381	8,104	0	0	0	0	0	0	0	0	0	0	0	0
Net Contribution (Depr)	7,761	7,045	7,055	7,271	7,473	7,681	7,897	8,119	8,316	8,518	8,726	8,938	9,156	9,379	9,608
Use of Reserve to Capital	-6,135	-10,322	-15,159	-7,271	-7,473	-7,681	-7,897	-8,119	-8,316	-8,518	-8,726	-8,938	-9,156	-9,379	-9,608
Contribution to HRACFR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing Balance	£11,381	£8,104	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

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HOUSING CAPITAL PROJECTIONS

Epping Forest DC

Year	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	2042.43	
£'000	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
EXPENDITURE:																
Planned Variable Expenditure	-124	-136	-152	-164	-172	-182	-191	-209	-233	-249	-267	-285	-304	-311	-319	
Planned Fixed Expenditure	-21,940	-25,394	-27,918	-26,830	-27,667	-28,068	-27,105	-27,007	-30,019	-32,919	-34,645	-34,346	-35,513	-36,354	-34,806	
Disabled Adaptations	-590	-605	-620	-636	-652	-668	-685	-702	-719	-737	-756	-775	-794	-814	-834	
Other Capital Expenditure	-66	-67	-69	-71	-72	-74	-76	-78	-80	-82	-84	-86	-88	-90	-93	
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	-22,720	-26,202	-28,759	-27,700	-28,563	-28,992	-28,057	-27,996	-31,051	-33,988	-35,752	-35,492	-36,699	-37,570	-36,052	
FUNDING:																
Major Repairs Reserve	9,842	10,082	10,328	10,579	10,837	11,101	11,372	11,649	11,933	12,224	12,522	12,827	13,139	13,459	13,787	
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	12,878	16,120	18,431	17,121	17,726	17,891	16,685	16,347	19,118	21,764	23,230	22,665	23,559	24,110	22,264	
Total Capital Funding	22,720	26,202	28,759	27,700	28,563	28,992	28,057	27,996	31,051	33,988	35,752	35,492	36,699	37,570	36,052	
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	

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MRR Account:																
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Contribution (Depr)	9,842	10,082	10,328	10,579	10,837	11,101	11,372	11,649	11,933	12,224	12,522	12,827	13,139	13,459	13,787	
Use of Reserve to Capital	-9,842	-10,082	-10,328	-10,579	-10,837	-11,101	-11,372	-11,649	-11,933	-12,224	-12,522	-12,827	-13,139	-13,459	-13,787	
Contribution to HRACFR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Closing Balance	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	