

ANNEXE 1

Business Plan Assumptions

	Original Business Plan	2014-2015 Onwards
WAVERLEY ASSUMPTIONS		
Estimated housing stock 1 st April	4,889	4,851
Inflation	3.5%	
Contracts (CPI)		2.7%
Energy and Rents(RPI)		3.2%
Staff 2014-2015		1.7%
2015-16 onwards		1%
Rental income growth (Base RPI) plus From 2015-16 Base changes to CPI plus	0.50%	0.50% 1.0%
Stock growth through new homes programme from 2015-16		111 units
Average interest rate on borrowing	4.0%	3.0%
Stock Loss through right-to-buys over the life of the Business Plan	133	140
Decent homes backlog programme target completion	2014-15	31/3/2014
Percentage of voids assumed	2.0%	2.0%
Provision for bad debts 2018-2019 onwards	0.3%	0.3% £25k/year


WAVERLEY HOUSING REVENUE ACCOUNT - FIRST 5 YEARS BUSINESS PLAN

Updated 2014-15

£'000	PREVIOUS ESTIMATED		LATEST	PREVIOUS ESTIMATED		LATEST		5-Year Total Original	5-Year Total Updated
	2012-13	2013-14	2013-14	2014-15	2014-15	2015-16	2016-17	(1)+(2)+(4)+(6)+(7)	(1)+(3)+(5)+(6)+(7)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
INCOME									
1 Gross Dwelling Rent income (net of subsidy penalty)	26,250	27,901	27,881	28,610	28,533	29,403	30,825	142,989	142,892
Less Voids @2%	-415	-569	-567	-581	-577	-596	-617	-2,777	-2,772
Net rents to Revenue Account	25,835	27,332	27,314	28,029	27,956	28,807	30,209	140,212	140,120
2 Gross Garage rents	385	399	372	413	386	397	409	2,003	1,949
Less Voids @ 21%	-96	-84	-78	-87	-81	-83	-86	-436	-425
Net rents to Revenue Account	289	314	294	326	305	314	323	1,567	1,525
3 Service Charges	291	298	300	306	239	245	323	1,463	1,398
4 Costs recovered	376	272	232	282	303	311	302	1,542	1,523
5 Other Income	310	300	280	262	364	373	382	1,628	1,710
COSTS									
6 Housing Management	-4,612	-4,405	-4,665	-4,771	-5,071	-5,137	-5,210	-24,135	-24,695
7 Maintenance	-3,405	-3,904	-3,904	-4,090	-3,977	-4,000	-3,330	-18,729	-18,616
8 Contribution to HRA Revenue Reserve	-6,321	-6,395	-6,395	-6,541	-6,577	-6,734	-6,932	-32,923	-32,959
9 Other Costs	-546	-577	-654	-588	-597	-597	-597	-2,905	-2,991
10 Excess of income over running costs	12,217	13,236	12,801	13,214	12,945	13,581	15,470	67,718	67,014
11 Interest	5,823	5,829	5,829	5,820	5,827	5,820	5,820	29,112	29,119
12 Transfer to Stock Improvement	2,943	3,455	3,455	3,604	3,534	3,856	4,800	18,658	18,588
13 Transfer to New Build	2,943	3,455	3,455	3,604	3,534	3,856	4,800	18,658	18,588
14 Principal repayment									
15 Debt management	43	50	50	50	50	50	50	243	243
16 Rent Equalisation Reserve/Working Balance	465	447	12	136	-0	0	0	1,048	477
	12,217	13,236	12,801	13,214	12,945	13,581	15,470	67,718	67,014
17 Loan brought forward	192,035	192,035	192,035	192,035	192,035	192,035	192,035		
18 Loan carried forward	192,035	192,035	192,035	192,035	192,035	192,035	192,035		
19 HRA Working Balance brought forward	1,836	1,836			2,000	2,000	2,000		
20 HRA Working Balance carried forward	1,836	2,000			2,000	2,000	2,000		

KEY ASSUMPTIONS

2014-15 rent increase 3.7% plus up to £2/week
2014-15 includes cost of proposed restructure
Maintain working Balance at £2m
Rent from 2015-16 CPI (2%) plus 1% in line with
Government proposals

	2014-2015 Saving/ Income £	Impact Assessment
<p>Housing Revenue Account</p> <p><i>Staff Savings:</i></p> <p><i>Supervision & Management:</i></p> <p>Rents Printing - paperless technology Property services Not required</p> <p><i>Repairs & Maintenance:</i></p> <p><i>Foresight Savings:</i></p> <p><i>Other:</i></p>	<p>(5,000) (5,000)</p>	<p>Included in the base budget Included in the base budget</p>
<p>Total Housing Revenue Account</p>	<p>(£10,000)</p>	

Annexe 3

 Star Chamber Findings - Growth	2014-2015 Growth £	2015-2016 Impact	Impact Assessment
Housing Revenue Account			
<i>Staff Growth:</i>			
Sustainability Staff recharge to HRA to reflect increased level of support.	13,000	13,000	Use of internal resource rather than external
Redesign of Service staffing To support service delivery	170,000	170,000	Revenue element only - Total £407,000 of which £237,000 will be capital funded.
<i>Supervision & Management:</i>			
Resident Scrutiny panel	2,000	2,000	Expenses incurred
<i>Repairs & Maintenance:</i>			
Sheltered Replacement carpets	7,000	7,000	Included in the base budget - to replace one scheme's carpet per year.
<i>Foresight Savings:</i>			
<i>Other:</i>			
Improvement of community rooms	7,500	7,500	To be funded from the Stock improvement reserve
Homelessness To be funded from the Homeless Prevention Fund	10,000	8,000	Furnish 2 flats in Chapel Court for emergency accommodation and Golden handcuffs for local landlords
Total Housing Revenue Account	£209,500	£207,500	

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
Housing Revenue Account Summary						
	£	£		£	£	£
			Expenditure			
			Premises			
1	3,800,773	4,495,680	Contribution to R & M Fund	4,654,920	4,442,370	212,550
			Administration			
			Supervision and Management			
2	2,909,903	2,691,360	- General	2,998,770	1,494,365	1,504,405
3	506,767	556,870	- Special	507,150	430,560	76,590
4	0	69,380	Waverley Families	93,140	92,590	550
			Restructure Refinement	160,000	160,000	
5	444,677	444,310	'Back-Funded' pension contributions	546,310	546,310	
			Capital Charges			
6	5,699,566	5,745,000	Depreciation	5,891,000	5,891,000	
7	33,286	33,300	Capital Work Expenses	35,020	13,840	21,180
			Special Items			
8	-	29,420	Inflation Provision	4,080	4,080	
9		25,000	Bad Debts Provision	25,000	25,000	
10	50,000	50,000	Uninsured Loss Reserve	0	0	
11	13,444,972	14,140,320	Total Expenditure	14,915,390	13,100,115	1,815,275
			Income			
12	26,367,454	27,859,790	Gross Rents	28,256,110	28,256,110	
13	289,364	314,210	Garage Rents	304,310	304,310	
14	118,427	111,000	Other Income	117,200	117,200	
15	26,775,244	28,285,000	Total Income	28,677,620	28,677,620	-
	70,000	70,000	Target Reduction - Vacancy factor / Savings /	51,000	51,000	
16	(13,330,272)	(14,214,680)	Net Cost of Services	(13,813,230)	(15,628,505)	1,815,275
17	5,847,556	5,879,330	Capital Finance	5,877,230	5,877,230	
18	(71,800)	(70,200)	Interest receivable	(135,000)	(135,000)	
19	(7,554,515)	(8,405,550)	Net Operating Expenditure	(8,071,000)	(9,886,275)	1,815,275
			Appropriations			
20	(122,500)	(120,000)	From major repairs reserve additional depc'n	(120,000)	(120,000)	
21	25,770	27,000	Transitional Funding of Support Costs	17,000	17,000	
22	531,891	527,370	Negative housing subsidy/Rebates Cont'n.	300,000	300,000	
23	2,943,000	3,455,000	Transfer to Stock Improvement	3,534,000	3,534,000	
24	2,943,000	3,455,000	Transfer to New Build	3,534,000	3,534,000	
25		127,570	Transfer to rent Equalisation Reserve	-	0	
26	743,345	770,000	Contribution to Capital Expenditure	770,000	770,000	
			Energy Saving Initiatives	36,000	36,000	
27	(£490,009)	(£163,610)	(Surplus)/Deficit in Year	0	(£1,851,275)	£1,815,275
Statement of Working Balance						
28	1,836,394	1,836,394	Balance Brought Forward	2,000,004	2,000,004	
29	465,160	163,610	Contribution (to)/from Revenue Expenditure	0	-	
32	£2,301,554	£2,000,004	Balance Carried Forward	£2,000,004		

EXPLANATORY NOTES

- Line 5** This payment represents the cost of backfunded pensions for HRA staff. The total Council payment to Surrey County Council is shown on page 81 in the Non-Distributed Costs budget Line 4. The ongoing cost of pensions arising from current service is contained within the employee budgets for each element of the service.
- Line 6** Includes £5,771,000 contribution to capital expenditure. Under self-financing this has been allowed in the Regulations on a transitional basis to allow local authorities time to develop a component-based approach to depreciation.
- Line 12** Includes rent increase of 3.7% plus up to £2 if below target rent

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Codes	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
Repairs and Maintenance Fund Main Code H2000							
	£	£			£	£	£
			1000s	Employees			
1	478,620	483,870		Housing	552,640	431,060	121,580
2	14,900	-		Planning	-		
3	3,620	2,910		Democratic & Legal	23,680		23,680
4	26,210	25,070		Finance	22,920		22,920
5	523,350	511,850		Total Staff Recharges	599,240	431,060	168,180
			1100s	Premises			
6	2,174,286	2,126,780	1104	Responsive Repairs and Voids	2,272,110	2,272,110	
7	1,131,474	1,636,190	1104	Cyclical Maintenance	1,704,680	1,704,680	
	14,283	140,780	1340	Management Surveys	-	-	
			1300s	Supplies and Services			
8	953	5,050	1302-12	Equipment, Tools and Materials	5,050	5,050	
9	1,829	9,500	1332	Printing	4,500	4,500	
10	2,139	2,250	1337	Books and Publications	2,250	2,250	
11	19,954	18,500	1344	Consultants Fees	18,500	18,500	
12	6,419	4,500	1345	Out of Hours Emergency Service	4,500	4,500	
13	2,732	2,500	1351-3	Telephones	2,570	2,570	
14	-	3,000	1386	Advertising	3,000	3,000	
	541		1387	Subscriptions			
			1393	Heath and Safety	3,000	3,000	
15	-	1,000	1399	Company Searches	1,000	1,000	
16	-	150	1399	Sundry	150	150	
			1600s	Support Costs			
17	50,030	43,630	1600	Computer Cost Recharge	44,370		44,370
18	3,927,990	4,505,680		Gross Service Expenditure	4,664,920	4,452,370	212,550
19	3,927,990	4,505,680		Total Gross Expenditure	4,664,920	4,452,370	212,550
			2000s	Income			
20	18,249	10,000	2300	Contributions from Tenants	10,000	10,000	
21	16,728			Contributions from Stock Imp Reserve			
22	92,240			Contribution from New Aff Homes Reserve			
23	3,800,773	4,495,680		Contribution from HRA	4,654,920	4,442,370	212,550
24	3,927,990	4,505,680		Total Income	4,664,920	4,452,370	212,550
25				Contribution (to)/from balances			
26	£0	£0		Net Cost	£0	£0	£0
				Memorandum Statement of R & M Working Balance			
27	363,062	363,062		Balance Brought Forward	363,062		
28				Contribution (to)/from Revenue Exp			
29	£363,062	£363,062		Balance Carried Forward	£363,062		

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Codes	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
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Supervision and Management General
Main Code H4001

	£	£			£	£	£
			1000s	Employees			
1	1,774,790	1,451,010		Housing	1,518,500	1,078,135	440,365
2	47,870	45,650		Democratic & Legal	53,390		53,390
3	9,400	5,290		Planning	5,220	4,490	730
4	151,290	150,600		Finance	154,200		154,200
5	54,800	70,500		Office and IT	74,260		74,260
6	1,520	1,420		Environment	1,750		1,750
7	630	590		Community Services	570		570
8	2,040,300	1,725,060		Total Staff Recharges	1,807,890	1,082,625	725,265
9	44,913	49,550	1050s	Former Employee Costs	51,960		51,960
				1100s Premises			
10	32,214	28,760	1131-2	Hired and Contracted Services	29,580	29,580	
11	36,441	10,200	1176	Council Tax/Business Rates	65,870	65,870	
12	122,935	125,200	1191	Insurances	128,710	128,710	
				1300s Supplies and Services			
13	1,816	4,000	1302-5	Equipment and Furniture	4,000	4,000	
14	14,530	19,500	1332	Printing	14,500	14,500	
15	76	250	1337	Books and Publications	250	250	
16	12,528	10,000	1341	Legal Expenses	10,000	10,000	
17	4,126		1343	Property Fees		-	
18	8,266	15,100	1344	Consultants Fees	15,100	15,100	
19	8,655	7,100	1345	Hired and Contracted Services	9,200	9,200	
20	11,025	6,000	1345	Annual stock valuation Fee	6,000	6,000	
21	1,225	2,000	1351-3	Telephones	2,050	2,050	
22	8,981	13,400	1354	Postages	14,700	14,700	
23	20,761	30,000	1371	Transfer Grants	30,000	30,000	
24	5,863	2,000	1387	Subscriptions	2,500	2,500	
25	450	2,550	1393	Health & Safety	3,450	3,450	
26	594	1,000	1395	Other Supplies	1,000	1,000	
27	17,257	7,500	1398	Assisted removals and decants	7,500	7,500	
28	29,752	33,000	1398	Compensation(including home loss	33,000	33,000	
29	8,750	9,500	1399	Vulnerable Tenant Support	9,500	9,500	
				Special Items			
30	17,332	15,500	H4005	Tenants' Panel Expenses:	15,500	15,500	
31	6,030	8,000	H4006	Social Inclusion	8,000	8,000	
32	17,621	25,000	H4007	Tenant Participation	25,000	25,000	
33	24,076	41,080	H2112	Community Safety/Estate Man'g't	41,080	41,080	
34	29,516	30,000	H4001	Management Projects	30,000	30,000	
35	7,643	9,900	H4008	Benchmarking costs	11,000	11,000	
	24,850	10,000	H9120	IT upgrades	10,000	10,000	

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Codes	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
Supervision and Management General (Continued)							
Main Code H4001							
	£	£			£	£	£
			1600s	Support Costs			
37	25,210	29,130	1600	Democratic Representation	185,760		185,760
38	109,200	103,200	1600	Computer Cost Recharge	110,310		110,310
39	387,330	393,860	1600	Corporate Costs	405,830		405,830
				<u>Recharge from:-</u>			
43	26,230	29,570	R1011	Financial Expenses	25,280		25,280
44	3,106,496	2,796,910		Gross Expenditure	3,114,520	1,610,115	1,504,405
			2000s	Income			
45	4,734	2,000	2300	Services supplied	-	-	
46	72,414	40,000	2350	Service Charges	46,000	46,000	
47	83,577	58,550	2704	Rents	58,750	58,750	
48	14,777		2903	Re-imbursments	6,000	6,000	
49	1,911	5,000	2906	Contributions	5,000	5,000	
50	177,413	105,550		Total Income	115,750	115,750	-
51	£2,929,083	£2,691,360		Net Cost to Revenue Account	£2,998,770	£1,494,365	£1,504,405

Waverley Families
Main Code H4999

	£	£			£	£	£
			1000s	Employees			
1	-	90,680		Housing	159,220	159,220	-
2	-	-		Finance	550	-	550
3		90,680		Total Staff Recharges	159,770	159,220	550
			1300s	Supplies and Services			
3		100	1302-12	Equipment, Tools and Materials	100	100	
4		550	1332	Printing	550	550	
5		1,920	1351-3	Telephones	1,920	1,920	
6		4,000	1371	Grants and Donations	4,000	4,000	
7		1,800	1393	Health and Safety	1,800	1,800	
8		99,050		Gross Service Expenditure	168,140	167,590	550
9		99,050		Total Gross Expenditure	168,140	167,590	550
			2000s	Income			
10		29,670	2100	Contributions and Grants	75,000	75,000	
11	-	29,670		Total Income	75,000	75,000	-
12	£0	£69,380		Net Cost	£93,140	£92,590	£550

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Codes	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
Supervision and Management Special Main Code H5001							
	£	£			£	£	£
			1000s	Employees			
1	212,152	238,970		Housing	172,580	144,970	27,610
2	9,450	9,100		Finance	9,250		9,250
3	1,610	1,600		Organisational Development	10,720		10,720
4	5,360	5,270		Democratic & Legal Services	-		-
5	1,630	1,500		Environmental Services	1,750		1,750
6	57,380	75,260		Community	75,640	49,920	25,720
7	287,582	331,700		Total Staff Recharges	269,940	194,890	75,050
8	74,691	80,000	<i>H5601</i>	Cleaners Wages	80,000	80,000	
			1100s	Premises			
9	-	3,000	<i>1121</i>	Fixtures and Fittings	3,000	3,000	
10	163,155	174,520	<i>1131-2</i>	Hired and Contracted Services	180,410	180,410	
11	112,804	143,880	<i>1163</i>	Electricity	127,060	127,060	
12	29,864	36,120	<i>1163</i>	Landlord's lighting	37,130	37,130	
13	154,255	147,580	<i>1164</i>	Gas	151,470	151,470	
14	62,310	40,800	<i>1176</i>	Council Tax	46,090	46,090	
15	646	3,000	<i>1178</i>	Water Services	3,000	3,000	
16	4,358	6,000	<i>1182</i>	Cleaning Materials	6,000	6,000	
17	25,489	21,570	<i>1184</i>	Contract Cleaning	22,180	22,180	
18	6,821	7,390	<i>1185</i>	Window Cleaning	7,610	7,610	
19	751	2,500	<i>1188</i>	Cesspool Emptying	2,500	2,500	
20	11,992	12,200	<i>1191</i>	Insurances	12,540	12,540	
			1300s	Supplies and Services			
21	38,732	20,000	<i>1302-5</i>	Equipment and Furniture	27,000	27,000	
22	367	200	<i>1332</i>	Printing	200	200	
23	265		<i>1333</i>	Stationery			
24	1,281	6,000	<i>1345</i>	Contracted Services	6,000	6,000	
25	8,757	9,810	<i>1351-3</i>	Telephones	9,830	9,830	
26	1,164	1,250	<i>1389</i>	Television Services	1,250	1,250	
27	-	170	<i>1391</i>	Insurances	170	170	
28	2,610	1,250	<i>1399</i>	Miscellaneous Expenses	1,250	1,250	
		49,140	<i>1503</i>	Supporting People contingency	-	-	
			1600s	Support Costs			
29	2,120	1,960	<i>1600</i>	Computer Cost Recharge	1,540		1,540
30	990,014	1,100,040		Gross Expenditure	996,170	919,580	76,590
			2000s	Income			
31	6,585	7,600	<i>2300</i>	Fees and Charges	7,900	7,900	
32		300	<i>2320</i>	Facilities Supplied	-	-	
33	8,852	15,000	<i>2705</i>	Rents	-	-	
34	248,734	262,000	<i>2903</i>	Central Heating	288,280	288,280	
35	219,076	258,270	<i>2,350</i>	Service Charges	192,840	192,840	
36	483,247	543,170		Total Income	489,020	489,020	-
37	£506,767	£556,870		Net Cost to Revenue Account	£507,150	£430,560	£76,590

Landlord Services

Ref. No.	2012/2013 Actual (1)	2013/2014 Original Estimate (2)	Codes	Details	2014/2015 Estimate (3)	Direct Costs (4)	Support Costs (5)
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Capital Work Expenses
Main Code H1010

	£	£			£	£	£
			1000s	Employees			
1	19,820	18,770		Housing	20,680	10,340	10,340
2	4,080	4,790		Democratic & Legal Services	4,750		4,750
3	6,210	6,240		Finance Services	6,090		6,090
4	23,290	26,560		Total Staff Recharges	31,520	10,340	21,180
			1300s	Supplies and Services			
5	3,176	3,500	1391	Insurances	3,500	3,500	
6	26,466	30,060		Gross Expenditure	35,020	13,840	21,180
7	£26,466	£30,060		Net Cost to Revenue Account	£35,020	£13,840	£21,180

Other Income
Main Code H1000

	£	£			£	£	£
			2000s	Income			
1	36,277	30,000	2705	Solar Panel Roof rental	36,000	36,000	
2	81,261	81,000	2905	Water Rate Commission	81,000	81,000	
3	700			Miscellaneous Income			
				Interest			
4	189	200	2410	Mortgagors	200	200	
5	£118,427	£111,200		Net Cost to Revenue Account	£117,200	£117,200	£0

Exchequer Subsidies
Main Code H1000

	£	£			£	£	£
			2000s	Income			
1	531,891	527,370		Housing Subsidy/Rebates contribu	300,000	300,000	
2	£531,891	£527,370		Net Cost to Revenue Account	£300,000	£300,000	£0

ANNEXE 5

Analysis of Property Proximity to Target Rent

Properties within	2012-13	2013-14	2014-15
At or above target rent	4214	4461	4479
£1 below target rent	36	10	60
£2 below target rent	142	24	33
£3 below target rent	75	56	18
£4 below target rent	10	39	33
£4-£10 of target rent	244	168	128
£10 - £20 of target rent	101	65	54
£20 - £40 of target rent	12	7	5
Total Properties	4834	4830	4810

Breakdown of the proposed 2014-15 Dwelling Rent Increase

3.7% only	4479
£2 or less adjustment	331
	4810

Note

During 2013-14 20 properties that were within £2 of target rent were sold or demolished

Housing Services

Schedule of Fees and Charges for 2014/2015

Ref. No.	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	
			£	£	
General Fund Housing					
Houses in Multiple Occupation (HMO)					
1	Five yearly - per property (new application)	OO	550.00	550.00	
2	Five yearly - per property (renewal)		400.00	400.00	Charge for renewal of HMO licence (commences April 2013)
3	Licence Variation		300.00	300.00	Material variation of existing licence. Charge to relate to amount of work involved
Housing Revenue Account					
Supervision and Management Special					
4	Guest Rooms - E P Units - Single	Per Night	OS	12.50	13.00 }
5	Guest Rooms - E P Units - Double	Per Night	OS	17.50	18.00 }
6	Community Rooms - Residents	Session	OE	15.00	15.00 }) Sessions 10am - 1pm
7	Community Rooms - Non Resident	Session	OE	32.00	33.00 }) 2pm - 5pm 7pm - 10pm