Manchester City Council
Report for Resolution

Report to:	Executive – 7 February 2018 Resources and Governance Scrutiny – 1 February 2018
Subject:	Housing Revenue Account 2018/19 to 2020/21
Report of:	Strategic Director (Development) and City Treasurer

Summary

This report presents members with details on the proposed budget for the Housing Revenue Account (HRA) for 2018/19 and indicative budgets for 2019/20 and 2020/21.

It seeks approval for the 2018/19 HRA budget, and the proposed average rent reduction of 1% to all properties except for housing properties managed under a Private Finance Initiative (PFI) contract, where the rent will be increased by CPI (at September 2017) plus 1%.

The proposed rents are in line with Government guidance.

It is also proposed that the City Council continue with the policy of where rent is still not at the formula rent level, then the rent be revised to the formula rent level when the property is re-let.

Recommendations

Scrutiny Committees are invited to review and comment on the HRA Budget.

The Executive is recommended to:

a) note the forecast outturn in 2017/18 as detailed in section 4 and Appendix 1.

b) approve the 2018/19 HRA budget as presented in Appendix 1 and note the indicative budgets for 2019/20 and 2020/21

c) approve the proposed 1% decrease to dwelling rents (subject to the exceptions outlined above), and delegation of the setting of individual property rents, to the Director of Housing and the City Treasurer, in consultation with the Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources.

d) approve the proposal that where the 2018/19 rent is still not at the formula rent level, the rent is revised to the formula rent level when the property is re-let.

e) approve the proposals for communal heating charges in 2018/19 as detailed in paragraph 5.16.

f) approve a reduction in the management fee paid to Northwards as detailed in paragraphs 5.24 to 5.26.

g) approve the proposed increase in garage rental charges as outlined in paragraph 6.1

Wards Affected:

Charlestown, Cheetham, Crumpsall, Harpurhey, Higher Blackley, Moston, parts of Ancoats and Clayton, Ardwick, Bradford and Miles Platting and Newton Heath

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	A healthy and fit for purpose affordable housing market will support a functioning local and sub regional economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Access to appropriate affordable housing and services will support residents to achieve and contribute to the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The supply of affordable good quality homes will provide the opportunity for Manchester residents to raise their individual and collective aspirations.
A liveable and low carbon city: a destination of choice to live, visit and work.	The right mix of affordable quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the City and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	Affordable social housing plays an important part in ensuring that there are neighbourhoods where people will choose to live and their housing needs and aspirations are met.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Expenditure and income on the provision of Council housing must been contained with the Housing Revenue Account which is a ring fenced budget separate to the Council's General Fund. The recommendations in this report will determine the financial plan for 2018/19 – 2020/21 and impact on the overall financial model for the HRA over a 30 year period.

The HRA financial plan covers a rolling period of 30 years and is made up of rental income, Private Finance Initiative (PFI) grant and heating charges, which must be used for the purpose of funding the costs of managing and maintaining HRA assets. The amount of income in the HRA in 2017-18 excluding monies from reserves is forecast to be approximately £87m.

Financial Consequences – Capital

Within the proposed HRA budget a mandatory charge for depreciation is credited to the Major Repairs Reserve and this can be used to either fund capital expenditure or reduce any housing debt. This results in a forecast charge of £14.347m to the HRA in 2018/19 which will be made available for capital investment. Due to a previously forecast surplus on the HRA, approval was given to set aside £64m for further capital investment between 2013/14 to 2019/20.

The proposed capital programme for 2018-19 and 2019-20 includes a further £14.25m of expenditure in relation to the North Manchester New Build schemes which is included in the proposed five year capital strategy 2018-2023 for the Council.

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Background documents (available for public inspection):
None

1. Introduction

1.1. The purpose of this report is to approve the Housing Revenue Account (HRA) 2018/19 budget and provide members with recommendations for approval in respect of the 2018/19 tenants' rent, garage rents and communal heating charges.

1.2. This report sets out the HRA budgetary proposals for 2018/19, and the indicative position for 2019/20 and 2020/21. Furthermore it highlights the current use of reserves, along with the risks that need to be managed.

2. Background

2.1. Since the introduction of Self Financing in April 2012 the Council has had to manage its housing stock on a similar basis to Registered Providers. This has entailed developing a rolling 30 year business plan, and reviewing the use of existing assets to ensure that benefits are maximized.

2.2. In developing the 30 year business plan it is essential that the Council considers all risks, and ensures that any investment decisions are affordable both in the short and longer term.

2.3. In previous years there has been significant legislative change following the introduction of the Housing and Planning Act and Welfare Reform Act, in addition to this there have been policy changes that have affected the HRA budget, both in the short term and in future years.

- The imposition of a 1% annual rent cut for four years from 1st April 2016 has had a significant effect on available resources over the life of the plan. The Government have recently announced that rents can be increased by CPI plus 1% for the five year period commencing 2020/21.

2.4 It was identified in 2016/17 that due to the loss of rent income and the resulting reduced reserves position it is forecast that the existing reserves will be exhausted by 2032/33. The current business plan shows that reserves fall below the £50m level required to avoid having to pay interest charges on debt in addition to that already incurred in 2024/25, and the reserves run out by 2033/34. There are many variables that could impact upon the existing forecasts, in particular the level of rent increases and high value sales. What is clear is that further savings over the short/medium term will have to be identified in order to ensure that the HRA does not run into a deficit. Consideration has been given to retaining receipts from the sale of HRA Housing via the Right to Buy scheme to offset the costs of administering the scheme, and debt associated with sold properties. If implemented this would improve the situation, although the HRA would still run into deficit during the 30 years of the plan. Work is ongoing to review all of the income and expenditure in the HRA so that the account does not go into deficit in the longer term.

3. Statutory Duties in Determining the HRA Budget Strategy

3.1. The rules governing the maintenance of the HRA were established pursuant to the Local Government and Housing Act 1989 and provide that:

- The Council must formulate proposals in respect of HRA income and expenditure for the financial year which, on the best assumptions and estimates that the Council is able to make at the time, ensure that the HRA does not show a debit balance;
- The Council is required to keep a Housing Revenue Account in accordance with proper practice. The Council has the responsibility to determine a strategy that is designed to ensure that the HRA is in balance taking one year with another.
- The HRA continues to be a ring-fenced account, this means that it must, in general, balance on a year-to-year basis, so that the costs of running the Housing Service, which include debt charges, administration costs and maintenance expenditure must be met from HRA income.

4. Budget Position 2017/18

4.1. The latest forecast as at November 2017 shows that the HRA will have an in year surplus of £3.012m, compared to a budgeted deficit of £15.428m. This is as a result of forecast net expenditure being £18.515m less than originally budgeted, and the main reasons for this change are as follows:

- RCCO - £19.181m underspend – This is due to slippage in the capital programme, mainly relating to works to multi storey blocks now being subject to a review following the Grenfell Tower fire and slippage to the Collyhurst and Parkhill programmes. These will now slip into the 2018/19 capital programme.

- Northwards Management Fee - £104k overspent –This is due to the increased costs of servicing within homes as a result of the use of new technologies when replacing heating equipment.

- Depreciation - £0.826m overspend – As result of changes in factors affecting the calculation.

- Housing Rents - £104k overspend – This is due to a reduction in the rents collected due to a higher than forecast number of right to buy sales to date compared to the original forecast.

- PFI Contractor payments - £280k underspend – This is due to a combination of reduced S4B Programme changes (net saving of £445k), offset by increased inflation costs at both Grove and Miles Platting (increase £175k), and other smaller savings of £10k.

- Other Income - £111k underspend – relates to a rent review of office space rented out to One Manchester.

- Other minor variations - £23k overspend.

5. Budget Strategy 2018/19 - 2020/21

5.1 The HRA financial plan has been prepared taking into account all known changes to housing stock numbers, ongoing management arrangements, proposed investment needs and also assumptions in line with the City Council medium term financial plan around pay and inflationary increases. It also takes account of assumptions on the impact of Welfare Reform which commenced in April 2013, but is continuing to be rolled out over the next few years. To date the anticipated reduction in income has not materialised but the position will continue to be monitored closely, and an increased bad debt provision has been retained in the budget for future years to offset any adverse implications arising from the changes.

5.2 The HRA budget shows statutory compliance in that a surplus is forecast (before the use of reserves to fund capital works) at the end of each year within the three year budget strategy period. However, the Government's decision to impose a 1% rent reduction over four years from 2016/17 has meant that this is not sustained over the life of the 30 year business plan and so action will be required in order to identify efficiencies that can be made to ensure that reserves are kept at a sufficient level to enable risk to be managed and resources to be available to fund future works required.

Management of Housing Stock and Implications of "Right to Buy"

5.3 The Council continues to own and manage just under 16,000 properties within the HRA, under various arrangements. These include three PFI schemes, as well as stock managed by either Northwards Housing or other Registered Social Landlords (RSL's). During 2017/18, the City Council currently anticipate selling around 270 properties under the Right to Buy (RTB) scheme. This is significantly more than in 2016/17, and is due to the introduction of improved discounts in 2015/16. It is assumed the RTB numbers will remain at a similar level (1.5%) for the next five years of the Business Plan, before dropping back to 1% for the remaining years of the plan. This will reduce the level of rent income achieved and the number of sales will continue to be closely monitored to determine the impact on the financial plan.

5.4 In the Council's role as landlord there is an ongoing requirement to manage each of the Housing PFI contracts, the West Gorton management contract, the Alderley Edge management contract, the two Tenant Management Organisations and the Northwards management agreement, together with managing the HRA itself.

5.5 The table at Appendix 1 provides a detailed analysis of the overall proposed budget which is forecasting a deficit of £6.154m in 2018/19, due mainly to the increased level of planned capital investment this is being funded through the rents.

5.6 The key budget assumptions used in preparing the HRA budget are as follows:

Rent Income

5.7 As a result of Government changes to the social rent policy, social rents have had to be reduced by 1% p.a. for four years commencing 2016/17. Previously, Government had advised that rents would increase by CPI + 1% until 2024/25. In 2016/17 the rent reduction did not apply to sheltered housing or PFI properties, however for 2017/18 and the following two years, only PFI properties are exempt, and those rents have (and will continue to be) increased by CPI plus 1%. CPI at September 2017 was 3% and it is proposed that rents for PFI properties will increase by 4% in April 2018. The Government have recently announced a further change to rent policy, and with effect from 2020/21 social rents can once again be increased by CPI plus 1% for a five year period. This latest change has been factored into the business plan. Income generated from the rent increase for PFI properties and from 2020/21 onwards will be used to support the Council's affordable housing development programme.

For those properties where formula rent has not been achieved (app 1000 properties), the rent can still be amended when a property is re-let.

5.8 This report seeks approval for April 2018 to:

- Increase rents relating to properties managed under PFI arrangements by 4.0% in line with Government advice
- Reduce rents for all other dwelling houses by 1%

5.9 The budget has been prepared on this basis and would produce an average weekly rent (based on 52 weeks) of:

- General Needs £73.08
- Supported Housing £66.55
- PFI Managed £80.86

Other Income

5.10 Other income is forecast to be around £1.149m in 2018/19, and this is made up as follows:

- Non Dwelling Rents and Other Income includes:
    - Non Dwelling Rents – income from garage rents, office rents, ground rent and telecoms masts
    - Other Income and Contributions – girobank charges to Northwards, contributions from Growth & Neighborhoods towards grounds maintenance at Miles Platting and solar panel income
- Recharge to Homelessness – rental income in relation to HRA properties used by Homelessness
- VAT Shelter Credits – income from other Registered Providers in relation to VAT recovery on Repairs and Maintenance costs following stock transfers
- HRA Investment Income – the HRA receives income on balances held within the Council's bank account
- Income from Leaseholders (e.g. contribution to heating, cleaning, and repairs to communal areas)

Private Finance Initiative Allowances

5.11 As part of the PFI negotiations for the Brunswick scheme, the Council agreed to make a capital contribution totalling £24m between 2014/15 and 2019/20, and this is resulting in savings of approximately £48m over the life of the PFI contract, through lower annual Unitary payments.

5.12 None of the three stock management PFI schemes will run at a deficit for 2018/19. This is because the income from rents and PFI credits is greater than the unitary charge payments. This budget proposes to continue to change PFI rents in line with the original rent policy.

5.13 "Smoothing" reserve funds had been established for all the PFI contracts, these are set up to smooth the costs of the PFI over the duration of the scheme. Following the introduction of self financing and the removal of the subsidy system, PFI rental income and grant can be used to fund the annual unitary charge, which removed the ongoing requirement to contribute towards a smoothing reserve. The current PFI reserve will continue to remain frozen at £10m as at 31 March 2017 and will be used to part fund the outstanding HRA debt.

Communal Heating

5.14 Following a fundamental review of heating charges that was undertaken in 2016/17, changes to heating charges reflected the outcomes of the review undertaken, resulting in the need to increase the charge for those on prepayment meters and reduce the charge for those who pay through their rent. Gas prices have reduced during 2017/18 and the 2018/19 charges have been set taking this into account.

5.15 In order to ensure that the costs of gas used are recovered through the tariffs charged for tenants and residents paying by point of sale, it would be necessary to make a range changes to tenant's heat charges. It is proposed that reductions ranging from 0.4% to 35.8 % are made where required, but where increases are required these are limited to 10% as they were for the current year. Proposed changes to heating tariffs are shown in Appendix 2.

5.16 For those tenants paying via their rent, charges need to be either reduced or left at current levels in order to cover anticipated costs. It is proposed that the full range of amendments, ranging from a reduction of between 0% and 20% is made from April 2018.

5.17 There is ongoing capital investment to replace heating equipment which will help to reduce inefficiencies in the schemes. The costs of gas used against the tariffs charged will continue to be monitored to ensure that these are aligned.

Depreciation

5.18 Depreciation charges are made in order to reflect the reducing value of the HRA assets and an annual depreciation charge must be made to the HRA. Following the introduction of self-financing Local Authorities were given a five year transition period, whilst an affordable longer term solution could be agreed. 2016/17 was the final year of the transition period and DCLG have now amended the Determination with and this is as follows:-

- Continue to allow impairment charges on dwelling assets to be reversed out of the HRA following the end of the transitional period.
- Extend the principle to non-dwelling assets in the HRA from 2017-18.
- To confirm that from 2017-18 depreciation should be charged to the HRA in accordance with proper practices (as a transfer to the Major Repairs Reserve where it can be used to fund capital or pay off debt).

In effect, the depreciation charge continues to have a limited effect on the HRA, as an increase in depreciation can be offset by a reduction in revenue support to the capital programme.

Debt Financing and Borrowing Costs

5.19 The 2018/19 opening HRA debt is anticipated to be £121.26m, and due to the forecast level of reserves the debt will be funded through a combination of market loans and internal funding. This does provide the benefit of reducing the costs of borrowing, but it is important that any future investment decisions need to be carefully considered if it is proposed to use any of the reserves.

5.20 Due to the reduced rental income over the next two years and the reducing reserves, it is currently anticipated that in 2024/25 the HRA reserves will fall below the £50m required to continue funding the debt in the same way. This assumes no additional capital expenditure other than mentioned previously and unless savings are identified to mitigate the rent reductions the costs of borrowing within the HRA will increase.

5.21 The HRA is making provision only for the interest repayments in relation to the outstanding debt. Consideration will need to be given to refinancing the debts as and when they become repayable.

Provision for Bad Debts

5.22 For the 2017/18 business plan, the level of contribution towards the provision for bad debts was forecast to be 1.5%, increasing by 0.5% a year to a maximum of 4.5% in 2023/24 this is to reflect the forecast implications of Universal Credit as part of welfare reform. It is still anticipated that the required level of provision will increase, and so the provision has been set at 2%, increasing until 2023/24, and then reducing by 0.5% per year before levelling out at 2% for the remainder of the plan. This is to reflect the work that will be done to work with tenants and manage the impact of welfare reform over a number of years.

5.23 The full implications of Welfare Reform will be kept under review as it is rolled out and the bad debt provision requirements adjusted accordingly.

Northwards Management Fee

5.24 In 2017/18 Northwards identified savings to enable a reduced management fee to be paid, and committed to continuing to review services in order to make further efficiencies going forward.

5.25 An external review has recommended that in order to allow Northwards to have some certainty around the level of management fee available to them, a three year fee should be agreed. As we were already in Year 1 of the 3-year budget cycle it is proposed that the fee is set for the two years 2018/19 and 2019/20.

5.26 Negotiations have been ongoing with Northwards and they have provisionally agreed, that for 2018/19 and 2019/20, their management fee can be reduced by 1% each year in line with the rent reduction.

Other Expenditure

5.27 Details of other expenditure as shown in appendix 1 is as follows:

- Retained Stock Maintenance & Repairs – this covers repairs to offices, pruning of trees, and some lift maintenance
- Supervision & Management – this covers the City Council costs of managing the HRA, including the cost of staff in Strategic Housing (HRA related), corporate, central and departmental recharges, and other miscellaneous costs.
- Other management arrangements – stock management fee to Guinness Partnership (171 properties in West Gorton) and Peaks and Plains (11 properties in Alderley Edge)
- Council Tax – due on properties held empty for demolition
- Insurance / Compensation - Compensation fees payable plus an annual contribution to the Insurance reserve, from which HRA claims are met
- Revenue Contribution to Capital Outlay – this is where funds held within the HRA are set aside to contribute towards the cost of capital works

Inflationary Assumptions

5.28 Cost pressures are in line with the Council’s current assumptions in relation to pay and prices. The majority of inflation in the business plan is linked to the CPI rate, which has used the Office of Budgetary Responsibility forecast of 2.3% for 2018/19 and 2% thereafter.

6. Garage Rents

6.1 For 2015/16 it was agreed that garage rents should be brought in line with dwelling rents in respect of the increases that had been applied. To achieve this, it was agreed that garage rents were to be increased by 3.92% on top of the increase applied to dwelling rents for the five year period 2015 – 2020, of which 2018/19 will be year 4. Therefore, it is proposed that garage rents increase by 2.92% in 2018/19, as shown below:

	Annual Charge 2017/18	**Weekly Charge 2017/18**	**Proposed Weekly Charge 2018/19**	**Proposed Weekly Increase**
Site Only	£90.98	£1.75	£1.80	£0.05
Prefabricated	£201.76	£3.88	£3.99	£0.11
Brick Built	£237.09	£4.56	£4.69	£0.13

7. Reserves Forecast

7.1 Current projections now show that due to the 1% rent reduction, the HRA will no longer generate annual surpluses over the duration of the business plan.

Based on the current assumptions within the plan, the HRA continues to hold sufficient surpluses in its reserves to avoid paying an increased amount of interest for the next four years, but after that it incurs additional costs and moves into an unsustainable position in fourteen years' time.

7.3 The table below sets out details of the anticipated HRA reserves position, over the next three years if there are no additional investment proposals above the approved amounts included for RCCO and the contribution towards Brunswick capital costs. Given the low interest rates payable on balances, the HRA is currently using around £50m of its own reserves to internally fund part of the HRA debt rather than take out external borrowing. This provides annual interest savings of around £2.4m per annum. The continuation of this arrangement will need to be considered if any investment proposals are to be funded by the use of reserves.

Reserves Forecast 2017/18 to 2020/21

7.4 As shown in the table below, the reduction in general reserves in 2018/19 and 2019/20 relates predominantly to the profiling of previously approved capital investment totaling £40m, and the proposed North Manchester New Build schemes.

Reserve Description	**2017/18 £000's**	**2018/19 £000's**	**2019/20 £000's**	**2020/21 £000's**
General Reserve	60,003	53,849	36,016	20,332
Residual Liabilities Fund	24,000	24,000	24,000	24,000
PFI Reserve	10,000	10,000	10,000	10,000
Total Reserves	**94,003**	**87,849**	**70,016**	**54,332**

7.5 The Residual Liabilities Fund was established to cover any potential environmental and other risks associated with the large and small scale voluntary transfers that have taken place during the past 15 years. There is no reason to change the level of reserve from that recommended in an independent report previously commissioned, and therefore the fund balance will be held at £24m as at 31 March 2017.

7.6 Within the general reserve there is also a separately held Insurance Reserve for the HRA – this is required to ensure compliance with ringfencing requirements. The balance held is dependent upon the number and value of claims settled in any one year.

8. Conclusions

8.1. The proposals contained in this report seek to ensure that the HRA business plan provides a sound basis of managing the existing stock, whilst also identifying the potential risks that need to be monitored on an ongoing basis.

8.2. The budget proposals will allow for continued service delivery and investment within the stock, within the confines of the available resources.

8.3. Under the provisions of the Local Government and Housing Act 1989, the Authority must ensure that the HRA does not result in a debit balance. The proposed budget for 2018/19, together with the indicative budget for the following two years, is attached at Appendix 1 and shows this provision being met (before proposed use of reserves to fund capital works).

8.4. Despite the reduction in rental income, the HRA is still budgeting for an annual surplus in the short term. These surpluses, along with any extra rental income, will be used to fund additional capital works until 2021/22, and ongoing contributions toward the capital costs of the Brunswick PFI scheme until 2019/20, which will lead to savings over the life of the PFI contract.

8.5. Based on forecasts, over the next three years the HRA can continue to fund existing debts, together with the ongoing management and maintenance costs whilst also maintaining a positive reserves position. The reserves provide longer term benefits to the HRA through debt financing, reducing the overall interest payable, and contributing towards increased resources available for further investment in the longer term. The medium/longer term forecast position has been affected significantly by the reduction in rents, and will be further affected by the enforced sale of high value assets to fund the extension of Right to Buy to Housing Associations, if this charge materialises.

9. Key Polices and Considerations

(a) Equal Opportunities
The rents have been set in line with the Government’s guideline rent.

(b) Risk Management

Under the provisions of the Local Government and Housing Act 1989, the Authority must ensure that the Housing Revenue Account does not result in a debit balance. The proposed change in rents and identification of savings within this report, together with regular budget monitoring will assist in managing this risk over the short term. Work will continue to ensure that the HRA remains viable in the longer term.

(c) Legal Considerations
The City Solicitor has reviewed this report and is satisfied that any legal considerations have been incorporated within the body of the report.

Appendix 1

Housing Revenue Account Budget 2017/18 – 2020/21

	2017/18 (Forecast) £000	2018/19 £000	2019/20 £000	2020/21 £000	See Para.
Income					
Housing Rents	(60,846)	(59,940)	(60,409)	(60,698)	5.7
Heating Income	(1,010)	(809)	(825)	(842)	5.14
PFI Credit	(23,600)	(23,600)	(23,600)	(23,374)	5.11
Other Income	(1,574)	(1,149)	(1,110)	(1,082)	5.10
Funding from General HRA Reserve	3,012	(6,154)	(17,733)	(15,784)	7.1
Total Income	**(84,018)**	**(91,652)**	**(103,677)**	**(101,780)**	
Northwards R&M & Management Fee	20,750	20,376	20,088	20,339	5.24
PFI Contractor Payments	31,641	34,380	34,220	30,262	5.11
Communal Heating	1,068	866	883	901	5.14
Supervision and Management	5,544	5,272	5,342	5,414	5.28
Contribution to Bad Debts	922	1,206	1,519	1,831	5.22
Depreciation	14,000	14,347	14,621	14,845	5.18
Other Expenditure	1,340	1,423	1,563	1,321	5.27
RCCO	5,319	10,513	22,637	24,035	5.27
Interest Payable and similar charges	3,434	3,269	2,804	2,832	5.19
Total Expenditure	**84,018**	**91,652**	**103,677**	**101,780**	
Total Reserves:					
Opening Balance	90,991	94,003	87,849	70,116	7.1
Funding (from)/to Revenue	3,012	(6,154)	(17,733)	(15,784)	
Closing Balance	**94,003**	**87,849**	**70,116**	**54,332**	

Appendix 2

Proposed Heating Tariffs

Pay By Rents

Property Type	Area/Scheme	Estimate Gas Costs 18/19 (based on 17/18 chg).	Revised Weekly Charge	% (Reduction)/ Increase	Gas Cost	Expected Income	Variance
Flat 1 Bed	Grove Village Tenants	£4,567.61	£7.61	-20%	£4,568	£4,568	£0
House 2 Bed	Grove Village Tenants	£27,749.93	£9.41	-20%	£27,750	£27,750	£0
House 3 Bed	Grove Village Tenants	£51,112.35	£11.89	-20%	£51,112	£51,112	£0
House 4 Bed	Grove Village Tenants	£16,458.36	£13.72	-20%	£16,458	£16,458	£0
Flat 1 Bed	Northwards Sheltered - Boiler Supply	£31,209.56	£5.57	-7%	£31,210	£32,298	£1,088
Flat 2 Bed	Northwards Sheltered - Boiler Supply	£22,092.62	£6.76	-13%	£22,093	£22,630	£537
Flat 1 Bed	Northwards Sheltered - Other supply	£3,766.67	£5.57	-7%	£3,767	£3,898	£131
Flat 2 Bed	Northwards Sheltered - Other supply	£3,627.15	£6.76	-13%	£3,627	£3,715	£88
2/4 Block	Northwards 2/4 Blocks - Broomfield	£1,639.39	£4.10	-33%	£1,639	£1,639	£0
2/4 Block	Northwards 2/4 Blocks - All Others	£223,174.17	£5.61	-32%	£223,174	£223,174	£0
2/4 Block - Fuel	Northwards 2/4 Blocks - Fuel Supplement	£5,930.72	£0.48	-32%	£5,931	£5,931	£0
Mulitstorey Flat	Northwards - Multistorey - Sandyhill	£10,116.00	£5.47	-6%	£10,116	£10,116	£0
Type A	Northwards - Victoria Square	£18,183.72	£7.13	0%	£18,184	£18,184	£0
Type B	Northwards - Victoria Square	£19,162.55	£7.67	1%	£19,163	£19,163	£0
Type C	Northwards - Victoria Square	£5,772.13	£8.25	-2%	£5,772	£5,772	£0
Type D	Northwards - Victoria Square	£13,706.23	£8.57	-1%	£13,706	£13,706	£0
Type E	Northwards - Victoria Square	£6,586.04	£10.98	0%	£6,586	£6,586	£0
Caretaker	Northwards - Victoria Square	£657.34	£13.15	-14%	£657	£657	£0
Flat 1 Bed	Brunswick Sheltered	£6,788.20	£5.57	-7%	£6,788	£5,569	-£1,220
Flat 2 Bed	Brunswick Sheltered	£3,327.80	£6.76	-13%	£3,328	£2,702	-£626

	£475,628.53	**£475,628.53**	**£0.00**

Pay Using Prepayment Card

Scheme	**Property Numbers**	**Current Charge per unit of heat (p)**	**Forecast Gas Cost 2018/19**	**Required Charge per unit to Cover Costs (p)**	**% Increase (decrease) Required**	**Proposed Revised Charge per unit of heat (p)**	**% Increase**
Grove Village	324	7.76	£77,208	4.98	-35.8%	4.98	-35.8%
MECO	288	7.76	£80,928	11.47	47.8%	8.54	10%
Northwards 2/4 Blocks	43	7.76	£11,520	25.46	228.1%	8.54	10%
Northwards Multistorey	445	7.76	£77,625	7.73	-0.4%	7.73	0.4%
Victoria Avenue	470	7.24	£80,507	6.10	-15.7%	6.10	-15.7%
Brunswick Multistorey	258	7.76	£62,382	15.98	105.9%	8.54	10%
	1,828		**£390,170**				