

**HOUSING REVENUE ACCOUNT
BUDGET BOOK AND BUSINESS PLAN**

2012 - 2013

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GUILDFORD BOROUGH COUNCIL

HRA BUDGET BOOK AND BUSINESS PLAN 2012-13

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Summary – gross expenditure and income

2009-10	2010-11	Analysis	2011-12	2011-12	2012-13
Actual	Actual		Estimate	Probable	Estimate
£	£		£	£	£
		Borough Housing Services			
552,059	549,379	Income Collection	549,770	521,760	554,560
731,786	803,446	Tenants Services	839,090	831,900	816,110
135,709	130,811	Tenant Participation	138,950	141,580	138,550
88,867	83,883	Garage Management	85,340	85,620	87,970
165,133	140,653	Elderly Persons Dwellings	163,380	163,420	139,410
478,269	566,460	Flats Communal Services	395,180	428,830	418,840
478,772	484,291	Environmental Works to Estates	499,230	504,400	505,460
4,042,186	3,959,629	Responsive and Planned Maintenance	4,728,610	4,300,000	4,734,070
158,337	110,694	SOCH and Equity Share Administration	111,270	103,290	92,650
6,831,118	6,829,247		7,510,820	7,080,800	7,487,620
		Strategic Housing Services			
275,278	261,746	Advice, Registers & Tenant Selection	273,790	223,570	309,850
172,659	183,740	Void Property Management & Lettings	185,590	158,290	197,310
12,506	11,059	Homelessness Hostels	9,570	8,670	7,740
439,439	445,947	Supported Housing Management	202,580	271,930	219,980
261,719	253,514	Strategic Support to the HRA	301,880	279,320	302,260
1,161,602	1,156,006		973,410	941,780	1,037,140
		Community Services			
1,041,524	946,226	Sheltered Housing	908,610	887,770	885,360
		Other Items			
18,792,449	65,030,782	Depreciation & Impairment	12,559,710	12,559,460	5,800,000
50,480	54,931	Debt Management	55,130	55,130	91,620
323,577	419,854	Rent Rebates	321,740	433,480	459,930
13,921,829	14,550,240	Negative Subsidy (Housing Element)	16,506,730	16,506,730	0
113,223	165,604	Other Items	252,670	250,060	309,870
42,235,801	89,152,889	Total Expenditure	39,088,820	38,715,210	16,071,540
(30,902,432)	(31,833,138)	Income	(32,860,680)	(32,785,500)	(30,194,890)
11,333,369	57,319,751	Net Cost of Services(per inc & exp a/c)	6,228,140	5,929,710	(14,123,350)
251,932	248,106	HRA share of CDC	237,870	237,870	233,220
11,585,301	57,567,857	Net Cost of HRA Services	6,466,010	6,167,580	(13,890,130)
(59,038)	(73,600)	Investment Income	(113,810)	(75,000)	(75,000)
16,481	28,285	Interest Payable	31,720	31,720	8,716,720
11,542,744	57,522,542	Deficit for Year on HRA Services	6,383,920	6,124,300	(5,248,410)
35,116	35,116	Amortised Premiums and Discounts	(4,530)	(4,530)	0
44,000	38,000	RCCO	75,000	40,000	75,000
2,957,393	3,332,518	Contrib to/(Use of) RFFC	2,027,440	1,722,060	5,173,410
10,800	0	Government Grants deferred re Dep'n	0	0	0
333,106	167,160	Tfr (fr) to Pensions Reserve	0	0	0
(6,232,738)	(59,996,740)	Tfr (from)/to CFR re Impairment charge	0	0	0
(44,000)	(38,000)	Tfr (from)/to CFR re REFCUS	0	0	0
0	0	Tfr (from)/to Other Reserves	0	0	0
(8,646,420)	(1,060,597)	Transfer (from)/to MRR	(8,481,830)	(8,481,830)	0
(0)	0	HRA Balance	0	(600,000)	0
(1,900,000)	(1,900,000)	Balance Brought Forward	(1,900,000)	(1,900,000)	(2,500,000)
(1,900,000)	(1,900,000)	Balance Carried Forward	(1,900,000)	(2,500,000)	(2,500,000)

**GUILDFORD BOROUGH COUNCIL
HRA BUDGET BOOK AND BUSINESS PLAN 2012-13**

Budget summary –income detail

2009-10	2010-11	Analysis	2011-12	2011-12	2012-13
Actual	Actual		Estimate	Probable	Estimate
£	£	Income	£	£	£
(23,928,555)	(24,663,978)	Rent Income - Dwellings	(26,107,550)	(26,107,000)	(27,333,180)
(125,845)	(251,478)	Rent Income - Rosebery Hsg Assoc	(134,000)	(135,000)	(210,080)
(224,645)	(269,644)	Rents - Shops, Buildings etc	(244,040)	(168,000)	(244,040)
(615,647)	(634,309)	Rents - Garages	(666,940)	(653,000)	(673,000)
(24,894,691)	(25,819,409)	Total Rent Income	(27,152,530)	(27,063,000)	(28,460,300)
(3,913,290)	(3,973,445)	Major Repairs Allowance	(4,077,880)	(4,078,000)	0
(841,616)	(827,430)	Supporting People Grant	(391,640)	(390,000)	(405,310)
(1,100,741)	(1,041,323)	Service Charges	(1,077,790)	(1,060,000)	(1,087,880)
(2,500)	(2,500)	Contributions	(8,760)	(8,500)	(9,200)
(16,685)	(29,130)	Legal Fees Recovered	(9,860)	(9,500)	(9,860)
(1,460)	(1,680)	Council Tax Recovered	(1,500)	(1,500)	(1,680)
(42,621)	(32,815)	Service Charges Recovered	(50,230)	(50,000)	(64,640)
(88,827)	(105,407)	Miscellaneous Income	(90,490)	(125,000)	(156,020)
(30,902,432)	(31,833,138)	Total Income	(32,860,680)	(32,785,500)	(30,194,890)

GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS PLAN 2012-13

Analysis of HRA gross expenditure and sources of finance for 2012-13

	Housing (HRA)	
Gross Expenditure by Service	%	£000
Services to tenants	4	1,265
Income collection	2	555
Sheltered Housing and elderly persons dwellings	3	1,024
Flats communal services	1	419
Environmental works	2	505
Void property and garage management	1	285
Supported housing and homelessness hostels	1	228
Strategic and corporate support	2	627
Other services	1	375
Repairs and Maintenance	16	4,734
Rent rebate subsidy limitation charge	2	460
Depreciation	19	5,800
Transfer to reserves	17	5,173
Interest payable	29	8,717
Transfer to HRA capital programme reserve	0	0
Revenue contributions to capital outlay	0	75
	100	30,242

	Housing (HRA)	
Gross Expenditure alternatively analysed as:	%	£000
Repair and maintenance work	13	3,843
Capital charges & leasing	19	5,800
Direct payroll costs (Incl NI and Superannuation)	9	2,756
Housing Benefit payments	2	460
Rates	0	40
Energy costs	1	402
Grants	0	1
Other	10	2,975
Subsidy payment to government	0	0
Interest payable	29	8,717
Transfer to reserves	17	5,173
Transfer to HRA capital programme reserve	0	0
Revenue contributions to capital outlay	0	75
	100	30,242

	Housing (HRA)	
Received From:	%	£000
Council House Rents	91	27,333
Supporting People Grant	1	405
Interest receivable	0	75
Rent Income	4	1,213
Fees, charges & miscellaneous income from Services	4	1,216
	100	30,242

GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS PLAN 2012-13

HRA Balance and Reserve Funds' projections to 2015-16

HRA Reserve for Future Capital

Actual 2010-11 £000		Estimate 2011-12 £000	Revised 2011-12 £000	Estimate 2012-13 £000	Projection 2013-14 £000	Projection 2014-15 £000	Projection 2015-16 £000
(13,726)	Balance b/f 1 April	(15,199)	(16,628)	(16,428)	(18,028)	(19,310)	(20,991)
431	Used in year	1,946	1,922	400	748	449	136
(3,333)	From revenue in year	(2,027)	(1,722)	(2,000)	(2,030)	(2,130)	(2,330)
(16,628)	Balance c/f 31 March	(15,280)	(16,428)	(18,028)	(19,310)	(20,991)	(23,185)

HRA Major Repairs reserve

Actual 2010-11 £000		Estimate 2011-12 £000	Revised 2011-12 £000	Estimate 2012-13 £000	Projection 2013-14 £000	Projection 2014-15 £000	Projection 2015-16 £000
0	Balance b/f 1 April	0	0	0	0	0	0
3,973	Used in year	4,054	4,078	5,800	6,052	6,351	6,664
(3,973)	From revenue in year	(4,054)	(4,078)	(5,800)	(6,052)	(6,351)	(6,664)
0	Balance c/f 31 March	0	0	0	0	0	0

HRA New build reserve

Actual 2010-11 £000		Estimate 2011-12 £000	Revised 2011-12 £000	Estimate 2012-13 £000	Projection 2013-14 £000	Projection 2014-15 £000	Projection 2015-16 £000
0	Balance b/f 1 April	0	0	0	(3,173)	(6,393)	(9,763)
0	Used in year	0	0	0	0	0	0
0	From revenue in year	0	0	(3,173)	(3,220)	(3,370)	(3,670)
0	Balance c/f 31 March	0	0	(3,173)	(6,393)	(9,763)	(13,433)

HRA Revenue Balance

The Revenue Balance of the HRA is available to meet unexpected fluctuations in the budget. It was increased to £2.5 million in 2011-12 due to increased uncertainties following the reform of housing finance.

Actual 2010-11 £000		Estimate 2011-12 £000	Revised 2011-12 £000	Estimate 2012-13 £000	Projection 2013-14 £000	Projection 2014-15 £000	Projection 2015-16 £000
(1,900)	Balance b/f 1 April	(1,900)	(1,900)	(2,500)	(2,500)	(2,500)	(2,500)
0	From revenue in year	0	(600)	0	0	0	0
(1,900)	Balance c/f 31 March	(1,900)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)

GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS PLAN 2012-13

Economic Indicators

<p>The following assumptions have been made in the detailed preparation of estimates for 2012-13.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Payroll:</td> <td>Pay award of 1.5 per cent plus incremental progression where appropriate.</td> </tr> <tr> <td>Depreciation:</td> <td>Straight line basis over the estimated life of the asset, taking into account any residual value.</td> </tr> <tr> <td>Repairs and maintenance</td> <td>Informed by the combination of stock condition survey outcomes, prevailing market rates and historic data.</td> </tr> <tr> <td>Debt interest - fixed</td> <td>Average rate of 4.50 per cent for all debt .</td> </tr> <tr> <td>Other Expenses</td> <td>No general inflation allowance has been included – only contractual increases.</td> </tr> <tr> <td>Income - rents</td> <td>Average rent increase of 6.39 per cent</td> </tr> <tr> <td>Income – other</td> <td>6.1 per cent</td> </tr> <tr> <td>Average weekly rent</td> <td>£102.28 (£95.43 2011-12)</td> </tr> </table>	Payroll:	Pay award of 1.5 per cent plus incremental progression where appropriate.	Depreciation:	Straight line basis over the estimated life of the asset, taking into account any residual value.	Repairs and maintenance	Informed by the combination of stock condition survey outcomes, prevailing market rates and historic data.	Debt interest - fixed	Average rate of 4.50 per cent for all debt .	Other Expenses	No general inflation allowance has been included – only contractual increases.	Income - rents	Average rent increase of 6.39 per cent	Income – other	6.1 per cent	Average weekly rent	£102.28 (£95.43 2011-12)	<p>A 1 per cent change in the rates assumed opposite would cost/save the HRA as follows:</p> <table style="width: 100%; border-collapse: collapse; margin-top: 20px;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; font-weight: bold;">£000</th> </tr> </thead> <tbody> <tr> <td>Payroll</td> <td style="text-align: right;">25</td> </tr> <tr> <td>Repairs and maintenance</td> <td style="text-align: right;">38</td> </tr> <tr> <td>Other Expenditure</td> <td style="text-align: right;">31</td> </tr> <tr> <td colspan="2" style="padding-top: 10px;"><u>Income</u></td> </tr> <tr> <td>Dwelling rents</td> <td style="text-align: right;">275</td> </tr> <tr> <td>Other income</td> <td style="text-align: right;">27</td> </tr> </tbody> </table>		£000	Payroll	25	Repairs and maintenance	38	Other Expenditure	31	<u>Income</u>		Dwelling rents	275	Other income	27
Payroll:	Pay award of 1.5 per cent plus incremental progression where appropriate.																														
Depreciation:	Straight line basis over the estimated life of the asset, taking into account any residual value.																														
Repairs and maintenance	Informed by the combination of stock condition survey outcomes, prevailing market rates and historic data.																														
Debt interest - fixed	Average rate of 4.50 per cent for all debt .																														
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Payroll	25																														
Repairs and maintenance	38																														
Other Expenditure	31																														
<u>Income</u>																															
Dwelling rents	275																														
Other income	27																														

GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS PLAN 2012-13

Manpower establishment used in the HRA estimate preparation: number of posts, shown as Full Time Equivalents

Service Unit	2011-12			2012-13		
	Total FTE (General Fund)	Externally Funded	Council Funded	Total FTE (General Fund)	Externally Funded	Council Funded
Business Systems	-	-	-	-	-	-
Community Care Services	17.77	-	17.77	14.16	-	14.16
Corporate Development & Improvement	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Environmental Health & Licensing Services	-	-	-	-	-	-
Financial Services	-	-	-	-	-	-
Housing Advice	19.44	-	19.44	20.69	-	20.69
HR Services	-	-	-	-	-	-
Legal & Democratic Services	-	-	-	-	-	-
Management Team	0.43	-	0.43	0.43	-	0.43
Neighbourhood & Housing Management Services	38.37	-	38.37	37.56	-	37.56
Operational Services	-	-	-	-	-	-
Parks & Countryside Services	0.50	-	0.50	0.50	-	0.50
Leisure Services	-	-	-	-	-	-
Planning Services	-	-	-	-	-	-
Revenues & Payments	-	-	-	-	-	-
	76.51	-	76.51	73.34	-	73.34
This statement does not include equivalent provision for casual, agency or seasonal staff.						

**GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS
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Salaries and employee costs

2010-11	ANALYSIS	2011-12	2012-13
ACTUAL		ESTIMATE	ESTIMATE
£		£	£
	<i>Salaries (including NI and Superannuation)</i>		
0	Business Systems	0	0
491,692	Community Care Services	430,360	427,520
0	Corporate Development and Improvement	0	0
0	Economic Development	0	0
0	Environmental Health and Licensing Services	0	0
0	Financial Services	0	0
845,718	Housing Advice Services	668,250	701,600
0	HR Services	0	0
0	Legal and Democratic Services	0	0
30,790	Management Team	30,940	31,020
1,206,507	Neighbourhood and Housing Management Services	1,376,770	1,373,210
0	Operational Services	0	0
18,408	Parks and Countryside Services	18,640	18,920
0	Planning Services	0	0
0	Leisure Services	0	0
0	Revenues and Payments Services	0	0
241,819	Corporate costs	242,400	241,370
0	Vacancy credit	(69,470)	(37,450)
2,834,934	Total salaries	2,697,890	2,756,190
	<i>Other employee related expenditure</i>		
39,794	Casual salaries	0	0
16,650	Training	12,880	8,300
17,674	Car leasing	23,810	20,360
24,040	Employers liability insurance	22,520	21,420
7,728	Health/Medical expenses	7,270	5,980
2,526	Vacancy advertising	5,100	5,100
2,828	Professional subscriptions	2,480	3,220
3,430	Miscellaneous employee related costs	1,200	3,700
114,670	Total Other Employee Related Costs	75,260	68,080
2,949,604		2,773,150	2,824,270

**GUILDFORD BOROUGH COUNCIL – HRA BUDGET BOOK AND BUSINESS
PLAN 2012-13**

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HRA Subjective Summary

2010-11 Actual £	2011-12 Estimate £		2012-13 Estimate £	2013-14 Estimate £	2014-15 Estimate £	2015-16 Estimate £
89,152,889	39,088,820	Gross Expenditure	16,071,540	16,732,850	17,794,580	18,265,480
(31,833,138)	(32,860,680)	Gross Income	(30,194,890)	(31,011,000)	(31,996,000)	(32,999,000)
57,319,751	6,228,140	Net Cost of services	(14,123,350)	(14,278,150)	(14,201,420)	(14,733,520)
2,784,941	2,769,620	Employee Related Expenditure	2,835,640	2,920,000	3,000,000	3,090,000
4,464,248	5,105,770	Premises Related Expenditure	5,125,700	5,700,000	6,400,000	6,400,000
98,263	95,950	Transport Related Expenditure	87,310	95,000	98,000	92,550
875,311	740,520	Supplies and Services	692,980	771,070	921,070	941,070
14,970,094	16,828,470	Transfer Payments	459,930	200,000	0	0
0	0	Transfer to Capital	0	0	0	0
(259,245)	(294,900)	Transfer to General Fund	(290,440)	(305,220)	(305,490)	(292,140)
22,933,612	25,245,430	Total Direct Expenditure	8,911,120	9,380,850	10,113,580	10,231,480
1,087,641	1,228,550	Support Services	1,268,800	1,300,000	1,330,000	1,370,000
65,131,636	12,614,840	Capital Financing costs	5,891,620	6,052,000	6,351,000	6,664,000
89,152,889	39,088,820	Total Expenditure	16,071,540	16,732,850	17,794,580	18,265,480
(31,833,138)	(32,860,680)	Income	(30,194,890)	(31,011,000)	(31,996,000)	(32,999,000)
0	0	Service Changes	0	0	0	0
57,319,751	6,228,140	Net cost of Services(Income & Expenditure a/c)	(14,123,350)	(14,278,150)	(14,201,420)	(14,733,520)
248,106	237,870	HRA share of CDC	233,220	270,000	280,000	290,000
57,567,857	6,466,010	Net Cost of HRA services	(13,890,130)	(14,008,150)	(13,921,420)	(14,443,520)
(73,600)	(113,810)	Investment Income	(75,000)	(127,000)	(146,000)	(176,000)
28,285	31,720	Interest Payable	8,716,720	8,800,000	8,800,000	8,800,000
57,522,542	6,383,920	Deficit for Year on HRA Services	(5,248,410)	(5,335,150)	(5,267,420)	(5,819,520)
35,116	(4,530)	Amortised Premiums & Discounts	0	0	0	0
38,000	75,000	RCCO	75,000	0	0	0
3,332,518	2,027,440	Contrib to/(Use of) RFFC	2,000,410	2,115,150	1,897,420	2,149,520
0	0	Government Grants Deferred re Depreciation	0	0	0	0
167,160	0	Tfr (fr) to Pensions Reserve	0	0	0	0
(59,996,740)	0	Tfr (from)/to CFR re Impairment charge	0	0	0	0
0	0	Tfr (from)/to CFR re Deferred charge	0	0	0	0
(38,000)	0	Tfr (from)/to Other Reserves	3,173,000	3,220,000	3,370,000	3,670,000
(1,060,597)	(8,481,830)	Transfer (from)/to MRR	0	0	0	0
(0)	0	HRA Balance	0	0	0	0
(1,900,000)	(1,900,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
(1,900,000)	(1,900,000)	Balance Carried Forward	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)

Service Unit Summary

2010-11 Actual £	2011-12 Estimate £		2012-13 Estimate £	2013-14 Estimate £	2014-15 Estimate £	2015-16 Estimate £
261,747	273,790	Advice, Registers and Tenant Selection	309,850	282,250	304,230	343,110
140,652	163,380	Elderly Persons Dwellings	139,410	165,900	169,280	172,730
484,293	499,230	Environmental Works to Estates	505,460	507,230	517,890	528,880
566,460	395,180	Flats Communal Services	418,840	404,560	416,210	428,970
83,883	85,340	Garage Management	87,970	87,550	90,280	93,290
11,061	9,570	Homelessness Hostels Management	7,740	9,830	10,150	10,500
549,379	549,770	Income Collection	554,560	567,270	588,100	611,790
80,221,412	29,695,980	Other Items of Expenditure	6,661,420	32,105,980	32,939,170	33,404,540
3,959,629	4,728,610	Responsive and Planned Maintenance	4,734,070	4,813,360	4,923,550	5,039,200
110,690	111,270	Sale of Council House and Equity Share Property	92,650	109,930	113,920	118,570
946,227	908,610	Sheltered Housing	885,360	930,820	958,200	988,400
253,514	301,880	Strategic Support	302,260	310,190	320,120	331,110
445,947	202,580	Supported Housing Management	219,980	208,480	215,540	223,520
130,810	138,950	Tenant Participation	138,550	142,950	147,770	153,210
803,445	839,090	Tenants' Services	816,110	856,410	884,400	916,040
183,740	185,590	Void Property Management and Lettings	197,310	191,450	198,410	206,310
89,152,889	39,088,820	Total Gross Expenditure	16,071,540	41,694,160	42,797,220	43,570,170

Service Unit Summary

2010-11 Actual £	2011-12 Estimate £		2012-13 Estimate £	2013-14 Estimate £	2014-15 Estimate £	2015-16 Estimate £
89,152,889	39,088,820	Total Gross Expenditure C/F from previous page	16,071,540	16,732,850	17,794,580	18,265,480
(31,833,138)	(32,860,680)	Income	(30,194,890)	(31,011,000)	(31,996,000)	(32,999,000)
57,319,751	6,228,140	Net Cost of services (per income & expenditure a/c)	(14,123,350)	(14,278,150)	(14,201,420)	(14,733,520)
248,106	237,870	HRA share of Corporate & Democratic Core	233,220	270,000	280,000	290,000
57,567,857	6,466,010	Net Cost of HRA services	(13,890,130)	(14,008,150)	(13,921,420)	(14,443,520)
(73,600)	(113,810)	Investment Income	(75,000)	(127,000)	(146,000)	(176,000)
28,285	31,720	Interest Payable	8,716,720	8,800,000	8,800,000	8,800,000
57,522,542	6,383,920	Deficit/(Surplus) for Year on HRA Services	(5,248,410)	(5,335,150)	(5,267,420)	(5,819,520)
35,116	(4,530)	Amortised Premiums & Discounts	0	0	0	0
38,000	75,000	RCCO	75,000	0	0	0
3,332,518	2,027,440	Contrib. to/ (Use of) Reserve for Future Capital Programme	2,000,410	2,115,150	1,897,420	2,149,520
0	0	Government Grants deferred re depreciation	0	0	0	0
167,160	0	Transfer (from) to Pensions Reserve	0	0	0	0
(59,996,740)	0	Transfer (from) to CFR re Impairment charge	0	0	0	0
(38,000)	0	Transfer (from) to CFR re Deferred charge	0	0	0	0
0	0	Transfer (from) to Other Reserves	3,173,000	3,220,000	3,370,000	3,670,000
(1,060,597)	(8,481,830)	Transfer (from) to Major Repairs Reserve	0	0	0	0
0	0	HRA Balance	0	0	0	0
(1,900,000)	(1,900,000)	Balance Brought Forward	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
(1,900,000)	(1,900,000)	Balance Carried Forward	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)

Financial Information Advice, Registers and Tenant Selection

Ledger Code SHSTS

Responsible Officer Kim Rippet - Acting Head of Housing Advice Services (Tel: 444241)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £
400,131	Employee Related Expenditure	436,040	388,060	472,040
0	Premises Related Expenditure	0	0	0
5,412	Transport Related Expenditure	5,690	5,160	6,230
55,689	Supplies and Services	51,000	49,280	33,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
461,232	Total Directly Controllable Expenditure	492,730	442,500	511,770
(259,245)	Income	(294,900)	(294,900)	(290,440)
201,987	Net Directly Controllable Expenditure/(Income)	197,830	147,600	221,330
0	Special Works	0	0	0
0	Capital Charges	0	0	0
59,760	Support Services	75,960	75,970	88,520
261,747	Total Service Cost/(Surplus)	273,790	223,570	309,850
	Full Time Equivalent Staff	12.54		12.77

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Major Items

Employee Related

	2011-12 Estimate £	2012-13 Estimate £
Insurance - Emps Liab, All Risk	3,660	3,620
Salaries	419,150	460,340

Transport Related

	2011-12 Estimate £	2012-13 Estimate £
Car Leasing & Allowances	4,770	5,720

Supplies and Services

	2011-12 Estimate £	2012-13 Estimate £
Computer Software Licence	6,490	7,020
IT Renewals	1,760	1,080
Medical Referees Fees	4,080	4,080
Printing Services Recharge	6,320	8,240
Telecomms	2,430	3,190

Income

	2011-12 Estimate £	2012-13 Estimate £
Recharged to Other Services	(294,900)	(290,440)

Support Services

	2011-12 Estimate £	2012-13 Estimate £
Business Services Support Recharg	4,700	5,040
Customer Tech Support Recharge	7,980	9,580
Health & Safety Recharge	1,980	2,120
HR Services Recharge	7,030	7,790
Information Sys Support Recharge	5,510	5,260
Legal Services Recharge	3,690	3,180
Office Services Recharge	14,220	10,990
Paymaster Recharge	3,150	3,520
Performance Mngt. Recharge	2,240	5,100
Public Offices Recharge	22,500	29,010

Financial Information Elderly Persons Dwellings **Ledger Code** BHSEPD
Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318) **Financial Services Contact** Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
0	Employee Related Expenditure	0	0	0	Premises Related		
63,568	Premises Related Expenditure	82,100	82,130	55,850	Gas	70,500	39,400
0	Transport Related Expenditure	0	0	0	Snow/Ice Clearance	9,610	11,670
71,404	Supplies and Services	75,730	75,730	73,330	Supplies and Services		
0	Third Party Payments	0	0	0	Emergency Communication System	75,730	73,330
0	Transfer Payments	0	0	0	Support Services		
134,972	Total Directly Controllable Expenditure	157,830	157,860	129,180	Energy Management Recharge	5,330	10,100
0	Income	0	0	0			
134,972	Net Directly Controllable Expenditure/(Income)	157,830	157,860	129,180			
0	Special Works	0	0	0			
0	Capital Charges	0	0	0			
5,680	Support Services	5,550	5,560	10,230			
140,652	Total Service Cost/(Surplus)	163,380	163,420	139,410			
	Full Time Equivalent Staff	0.00		0.00			

Major Variances 2011-12 v 2012-13

The reduction in gas estimate reflects the transfer of individual units to their own meter from a centrally metered supply recovered through the service charge.

Guildford Borough Council Budget 2012-2013

Environmental Works to Estates

Financial Information Environmental Works to Estates

Ledger Code BHSENV

Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
19,222	Employee Related Expenditure	18,910	18,910	19,230	Employee Related		
370,803	Premises Related Expenditure	380,190	385,930	386,730	Salaries	18,640	18,920
2,006	Transport Related Expenditure	2,090	2,070	2,340	Premises Related		
81,132	Supplies and Services	86,850	86,260	84,700	Grounds Maintenance	202,510	208,560
0	Third Party Payments	0	0	0	Offsite Sewer Works	9,650	7,650
0	Transfer Payments	0	0	0	Roads & Footpath Maintenance	2,000	2,000
473,163	Total Directly Controllable Expenditure	488,040	493,170	493,000	Tree Maintenance	47,400	47,400
					Works to Gardens	110,290	115,000
0	Income	0	0	0	Transport Related		
473,163	Net Directly Controllable Expenditure/(Income)	488,040	493,170	493,000	Officers Car Leasing	1,920	2,170
					Supplies and Services		
0	Special Works	0	0	0	Games & Playground Equipment	30,420	26,120
0	Capital Charges	0	0	0	Street Cleansing Contractor	55,670	58,450
11,130	Support Services	11,190	11,230	12,460	Support Services		
484,293	Total Service Cost/(Surplus)	499,230	504,400	505,460	Business Services Support Recharg	350	350
					Legal Services Recharge	7,650	6,590
					Paymaster Recharge	1,440	2,150
	Full Time Equivalent Staff	0.50		0.50			

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Flats Communal Services

Financial Information Flats Communal Services

Ledger Code BHSFCS

Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
77,017	Employee Related Expenditure	112,060	67,230	93,560	Employee Related		
320,718	Premises Related Expenditure	156,580	240,260	210,970	Salaries	109,840	91,420
1,101	Transport Related Expenditure	1,630	1,470	1,200	Premises Related		
52,684	Supplies and Services	28,090	22,020	26,830	Contract Cleaning	55,300	54,300
0	Third Party Payments	0	0	0	Electricity	57,250	64,910
0	Transfer Payments	0	0	0	Gas	15,000	17,960
451,520	Total Directly Controllable Expenditure	298,360	330,980	332,560	Grounds Maintenance	3,760	3,860
0	Income	0	0	0	Insurance	9,800	47,780
451,520	Net Directly Controllable Expenditure/(Income)	298,360	330,980	332,560	R&M- General	3,500	0
0	Special Works	0	0	0	Water	4,210	4,290
0	Capital Charges	0	0	0	Window Cleaning	6,770	12,400
114,940	Support Services	96,820	97,850	86,280	Transport Related		
566,460	Total Service Cost/(Surplus)	395,180	428,830	418,840	Car Leasing & Allowances	1,630	1,200
	Full Time Equivalent Staff	3.96		3.31	Supplies and Services		
					Management Fee	3,250	2,140
					Security Services	9,470	9,510
					Sinking Fund Contributions	10,530	10,350
					Telecomms	3,140	4,030
					Support Services		
					Accountancy Services Recharge	35,340	35,580
					Business Services Support Recharg	350	360
					Debtors Section Recharge	33,190	31,330
					Energy Management Recharge	14,850	3,190
					Human Resources Recharge	2,140	2,000
					Paymaster Recharge	8,310	8,230

Major Variances 2011-12 v 2012-13

Insurance estimate reinstated having been incorrectly allocated in 2011 -12 estimate.

Financial Information	Garage Management	Ledger Code	BHSGM
Responsible Officer	Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318); Head of Housing Advice Services (Tel: 444238)	Financial Services Contact	Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
38,371	Employee Related Expenditure	37,770	39,520	38,500	Employee Related		
21,238	Premises Related Expenditure	22,240	21,430	22,540	Salaries	37,070	37,700
64	Transport Related Expenditure	490	60	60	Premises Related		
17,470	Supplies and Services	15,130	14,870	15,030	Grounds Maintenance	21,240	21,880
0	Third Party Payments	0	0	0	Supplies and Services		
0	Transfer Payments	0	0	0	Street Cleansing Contractor	12,210	12,820
77,143	Total Directly Controllable Expenditure	75,630	75,880	76,130	Support Services		
					Audit Services Recharge	720	870
0	Income	0	0	0	Business Services Support Recharg	1,160	1,190
77,143	Net Directly Controllable Expenditure/(Income)	75,630	75,880	76,130	Customer Tech Support Recharge	1,200	1,360
					HR Services Recharge	650	740
0	Special Works	0	0	0	Information Sys Support Recharge	820	780
0	Capital Charges	0	0	0	Office Services Recharge	1,310	1,050
6,740	Support Services	9,710	9,740	11,840	Public Offices Recharge	1,790	2,770
83,883	Total Service Cost/(Surplus)	85,340	85,620	87,970			
	Full Time Equivalent Staff	1.22		1.22			

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Homelessness Hostels Management

Financial Information Homelessness Hostels Management

Ledger Code SHSHH

Responsible Officer Kim Rippet - Acting Head of Housing Advice Services (Tel: 444241)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
5,842	Employee Related Expenditure	3,150	1,400	1,820	Employee Related		
(49)	Premises Related Expenditure	0	1,460	0	Salaries	3,110	1,780
380	Transport Related Expenditure	380	110	270	Premises Related		
418	Supplies and Services	670	320	420	Transport Related		
0	Third Party Payments	0	0	0	Car Allowances	380	270
0	Transfer Payments	0	0	0	Supplies and Services		
6,591	Total Directly Controllable Expenditure	4,200	3,290	2,510	IT Renewals	20	10
0	Income	0	0	0	Support Services		
6,591	Net Directly Controllable Expenditure/(Income)	4,200	3,290	2,510	Accountancy Services Recharge	740	320
0	Special Works	0	0	0	Business Services Support Recharg	540	620
0	Capital Charges	0	0	0	Customer Tech Support Recharge	2,080	2,540
4,470	Support Services	5,370	5,380	5,230	Information Sys Support Recharge	920	860
11,061	Total Service Cost/(Surplus)	9,570	8,670	7,740	Office Services Recharge	0	90
					Paymaster Recharge	430	480
					Public Offices Recharge	520	230
	Full Time Equivalent Staff	0.09		0.05			

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Income Collection

Financial Information	Income Collection	Ledger Code	BHSINC
Responsible Officer	Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)	Financial Services Contact	Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
357,822	Employee Related Expenditure	360,600	343,180	365,160			
0	Premises Related Expenditure	0	0	0	Employee Related		
11,062	Transport Related Expenditure	10,270	12,350	10,880	Salaries	353,090	357,920
75,975	Supplies and Services	58,460	45,760	53,240	Transport Related		
0	Third Party Payments	0	0	0	Car Leasing & Allowances	10,270	10,880
0	Transfer Payments	0	0	0	Supplies and Services		
444,859	Total Directly Controllable Expenditure	429,330	401,290	429,280	Agency Services	1,600	690
0	Income	0	0	0	Computer Software Licence	4,540	11,670
444,859	Net Directly Controllable Expenditure/(Income)	429,330	401,290	429,280	Giro Fees	16,570	15,910
0	Special Works	0	0	0	IT Renewals	610	100
0	Capital Charges	0	0	0	Legal Expenses	8,660	4,680
104,520	Support Services	120,440	120,470	125,280	Postage	8,880	8,360
549,379	Total Service Cost/(Surplus)	549,770	521,760	554,560	Printing & Stationery	10,420	6,130
	Full Time Equivalent Staff	9.94		9.88	Telecomms	1,390	1,420
					Support Services		
					Audit Services Recharge	3,830	4,630
					Business Services Support Recharg	9,380	9,870
					Customer Tech Support Recharge	11,870	13,760
					HR Services Recharge	5,130	6,030
					Information Sys Support Recharge	6,290	5,900
					Legal Services Recharge	40,320	34,720
					Office Services Recharge	10,380	8,500
					Paymaster Recharge	14,000	7,890
					Public Offices Recharge	14,110	22,440

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Other Items of Expenditure

Financial Information Other Items of Expenditure **Ledger Code** BSOIE
Responsible Officer Sue Reekie - Head of Financial Services (Tel: 444829) **Financial Services Contact** Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
16,641	Employee Related Expenditure	178,030	175,500	212,720	Employee Related		
23,080	Premises Related Expenditure	0	0	0	Backfunding of Superannuation	185,370	185,370
0	Transport Related Expenditure	0	0	0	Pension Payments for Added Years	57,030	56,000
65,000	Supplies and Services	65,000	65,000	90,000	Vacancies Credit	(69,470)	(37,450)
0	Third Party Payments	0	0	0	Supplies and Services		
14,970,094	Transfer Payments	16,828,470	16,940,210	459,930	Contr to Bad Debts Provision	65,000	90,000
15,074,815	Total Directly Controllable Expenditure	17,071,500	17,180,710	762,650	Transfer Payments		
0	Income	0	0	0	Negative Subsidy Pymt to DCLG	16,506,730	0
15,074,815	Net Directly Controllable Expenditure/(Income)	17,071,500	17,180,710	762,650	Rent Rebates	321,740	459,930
0	Special Works	0	0	0	Capital Charges		
65,131,637	Capital Charges	12,614,840	12,614,590	5,891,620	Debt Management expenses	55,130	91,620
14,960	Support Services	9,640	9,560	7,150	Depreciation	12,559,710	5,800,000
80,221,412	Total Service Cost/(Surplus)	29,695,980	29,804,860	6,661,420	Support Services		
	Full Time Equivalent Staff	0.00		0.00	Asset Register Recharge	9,640	7,150

Major Variances 2011-12 v 2012-13

Following the introduction of HRA self financing from April 2012, the subsidy payment into the national pool has been replaced with an interest charge shown elsewhere in the estimates.

Guildford Borough Council Budget 2012-2013

Responsive and Planned Maintenance

Financial Information Responsive and Planned Maintenance **Ledger Code** BHSRPM
Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318) **Financial Services Contact** Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
397,223	Employee Related Expenditure	434,820	344,470	428,160	Employee Related		
3,105,637	Premises Related Expenditure	3,844,000	3,452,170	3,843,000	Salaries	425,900	418,590
15,759	Transport Related Expenditure	20,490	18,790	15,110	Premises Related		
100,476	Supplies and Services	54,940	60,060	54,500	Revenue Repairs	3,843,000	3,843,000
0	Third Party Payments	0	0	0	Transport Related		
0	Transfer Payments	0	0	0	Car Leasing & Allowances	20,410	15,030
3,619,095	Total Directly Controllable Expenditure	4,354,250	3,875,490	4,340,770	Supplies and Services		
0	Income	0	0	0	CECS Monitoring	3,210	0
3,619,095	Net Directly Controllable Expenditure/(Income)	4,354,250	3,875,490	4,340,770	Computer Software Licence	5,600	10,650
0	Special Works	0	0	0	Consultants (Projects)	6,070	6,070
0	Capital Charges	0	0	0	Energy Performance Certificates	15,000	12,760
340,534	Support Services	374,360	424,510	393,300	IT Renewals	420	190
3,959,629	Total Service Cost/(Surplus)	4,728,610	4,300,000	4,734,070	Postage	4,290	3,280
	Full Time Equivalent Staff	11.29		11.04	Storage, Archiving Recharge	7,550	7,330
					Telecomms	3,130	3,450
					Tenants Removal Expenses	4,590	4,590
					Support Services		
					Accountancy Services Recharge	18,760	14,480
					Audit Services Recharge	2,250	2,730
					Business Services Support Recharg	9,410	9,840
					Customer Tech Support Recharge	10,720	12,280
					Debtors Section Recharge	28,690	26,620
					Engineering and Transport Recharg	17,010	7,790
					Housing Surveying Services	233,870	246,820
					HR Services Recharge	6,110	6,730
					Information Sys Support Recharge	3,930	3,790
					Office Services Recharge	9,380	8,890
					Paymaster Recharge	16,740	18,300
					Public Offices Recharge	11,600	23,490

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Sale of Council House and Equity Share Admin

Financial Information Sale of Council House and Equity Share Admin

Ledger Code BHSESA

Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
12,813	Employee Related Expenditure	16,810	12,330	20,440	Employee Related		
0	Premises Related Expenditure	0	0	0	Salaries	16,450	20,080
221	Transport Related Expenditure	280	400	360	Transport Related		
10,239	Supplies and Services	7,750	8,750	5,660	Car Leasing & Allowances	280	360
0	Third Party Payments	0	0	0	Supplies and Services		
0	Transfer Payments	0	0	0	Valuers Fees	5,030	3,500
23,273	Total Directly Controllable Expenditure	24,840	21,480	26,460	Support Services		
0	Income	0	0	0	Business Services Support Recharg	1,220	1,270
23,273	Net Directly Controllable Expenditure/(Income)	24,840	21,480	26,460	Customer Tech Support Recharge	1,210	1,330
0	Special Works	0	0	0	Debtors Section Recharge	5,750	5,800
0	Capital Charges	0	0	0	Engineering and Transport Recharg	11,320	7,760
87,417	Support Services	86,430	81,810	66,190	Information Sys Support Recharge	520	480
110,690	Total Service Cost/(Surplus)	111,270	103,290	92,650	Legal Services Recharge	63,000	46,600
	Full Time Equivalent Staff	0.55		0.67			

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Financial Information Sheltered Housing

Ledger Code CSSH

Responsible Officer Jane Read - Community Services Manager (Tel: 444214)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
434,934	Employee Related Expenditure	353,710	343,080	352,820	Employee Related		
334,135	Premises Related Expenditure	372,100	372,430	364,960	Salaries	340,340	343,580
16,389	Transport Related Expenditure	17,890	9,190	12,120	Training	1,280	1,280
86,079	Supplies and Services	76,350	73,430	72,090	Premises Related		
0	Third Party Payments	0	0	0	Electricity	135,700	120,700
0	Transfer Payments	0	0	0	Fixtures & Fittings	23,170	21,890
871,537	Total Directly Controllable Expenditure	820,050	798,130	801,990	Gas	130,400	127,750
0	Income	0	0	0	Grounds Maintenance	38,430	35,430
871,537	Net Directly Controllable Expenditure/(Income)	820,050	798,130	801,990	Water	18,740	18,400
0	Special Works	0	0	0	Transport Related		
0	Capital Charges	0	0	0	Car Leasing & Allowances	17,740	11,970
74,690	Support Services	88,560	89,640	83,370	Supplies and Services		
946,227	Total Service Cost/(Surplus)	908,610	887,770	885,360	CECS Visiting Service	20,880	20,880
	Full Time Equivalent Staff	15.70		13.22	Copying Machines	4,550	3,980
					Emergency Communication System	23,630	23,630
					Equip & Tools Repairs	2,000	830
					Miscellaneous Expenses	2,000	1,510
					Telecomms	14,490	13,030
					Support Services		
					Business Services Support Recharg	8,500	8,710
					Customer Tech Support Recharge	6,160	7,090
					Energy Management Recharge	7,390	7,350
					Health & Safety Recharge	3,030	2,190
					Human Resources Recharge	10,800	8,060
					Information Sys Support Recharge	3,180	3,560
					Paymaster Recharge	24,410	20,530
					Public Offices Recharge	2,360	1,770

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Financial Information Strategic Support

Ledger Code SHSSS

Responsible Officer Various

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
67,682	Employee Related Expenditure	105,200	66,990	108,610	Employee Related		
0	Premises Related Expenditure	0	0	0	Salaries	102,150	103,490
2,057	Transport Related Expenditure	2,090	2,070	1,890	Transport Related		
63,585	Supplies and Services	62,520	70,210	51,390	Car Leasing & Allowances	2,040	1,840
0	Third Party Payments	0	0	0	Supplies and Services		
0	Transfer Payments	0	0	0	Audit Fee	11,280	8,000
133,324	Total Directly Controllable Expenditure	169,810	139,270	161,890	Computer Software Development	10,000	7,000
0	Income	0	0	0	Computer Software Licence	2,200	10,730
133,324	Net Directly Controllable Expenditure/(Income)	169,810	139,270	161,890	Consultants Fees	16,730	1,950
0	Special Works	0	0	0	Credit Union	10,000	10,000
0	Capital Charges	0	0	0	General Subscriptions	7,460	7,460
120,190	Support Services	132,070	140,050	140,370	IT Renewals	4,260	730
253,514	Total Service Cost/(Surplus)	301,880	279,320	302,260	Valuers Fees	0	5,000
	Full Time Equivalent Staff	2.19		2.19	Support Services		
					Accountancy Services Recharge	60,720	72,920
					Business Services Support Recharg	5,830	5,930
					Customer Tech Support Recharge	7,540	8,220
					Debtors Section Recharge	4,900	4,910
					HR Services Recharge	1,180	1,330
					Information Sys Support Recharge	4,370	4,090
					Legal Services Recharge	20,630	17,740
					Office Services Recharge	2,400	1,880
					Paymaster Recharge	2,950	1,020
					Public Offices Recharge	4,320	4,920
					Valuation Services Recharge	16,160	15,000

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Financial Information Supported Housing Management

Ledger Code SHSSHM

Responsible Officer Kim Rippet - Acting Head of Housing Advice Services (Tel: 444241)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
355,602	Employee Related Expenditure	118,360	191,250	126,310	Employee Related		
31,544	Premises Related Expenditure	33,620	34,930	34,140	Salaries	116,800	123,250
10,775	Transport Related Expenditure	3,720	5,440	1,840	Premises Related		
28,396	Supplies and Services	21,420	14,780	17,500	Electricity	7,500	7,290
0	Third Party Payments	0	0	0	Fixtures & Fittings	2,550	2,550
0	Transfer Payments	0	0	0	Gas	16,450	15,540
426,317	Total Directly Controllable Expenditure	177,120	246,400	179,790	General Rates	1,190	1,260
0	Income	0	0	0	Water	2,850	3,090
426,317	Net Directly Controllable Expenditure/(Income)	177,120	246,400	179,790	Transport Related		
0	Special Works	0	0	0	Car Leasing & Allowances	3,670	1,790
0	Capital Charges	0	0	0	Supplies and Services		
19,630	Support Services	25,460	25,530	40,190	CECS Monitoring	1,070	0
445,947	Total Service Cost/(Surplus)	202,580	271,930	219,980	Computer Software Licence	1,650	1,590
	Full Time Equivalent Staff	3.27		3.69	Furniture	4,230	3,550
					IT Renewals	560	260
					Miscellaneous Expenses	5,280	4,410
					Telecomms	6,540	5,890
					Support Services		
					Accountancy Services Recharge	940	770
					Business Services Support Recharg	3,400	3,270
					Customer Tech Support Recharge	6,430	5,760
					Energy Management Recharge	2,620	3,660
					Health & Safety Recharge	380	610
					Human Resources Recharge	1,350	2,250
					Information Sys Support Recharge	3,940	3,330
					Office Services Recharge	0	3,170
					Paymaster Recharge	4,010	5,220

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Financial Information Tenant Participation

Ledger Code BHSTP

Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
77,148	Employee Related Expenditure	79,250	79,150	80,830	Employee Related		
0	Premises Related Expenditure	0	0	0	Salaries	77,810	79,130
2,832	Transport Related Expenditure	3,080	3,180	3,350	Transport Related		
39,730	Supplies and Services	40,280	42,860	38,200	Car Leasing & Allowances	3,080	3,350
0	Third Party Payments	0	0	0	Supplies and Services		
0	Transfer Payments	0	0	0	IT Renewals	280	260
119,710	Total Directly Controllable Expenditure	122,610	125,190	122,380	Postage	1,200	1,050
0	Income	0	0	0	Printing Services Recharge	1,610	220
119,710	Net Directly Controllable Expenditure/(Income)	122,610	125,190	122,380	Publicity	22,320	22,320
0	Special Works	0	0	0	Tenants Training	1,590	1,590
0	Capital Charges	0	0	0	Support Services		
11,100	Support Services	16,340	16,390	16,170	Business Services Support Recharge	2,070	2,170
130,810	Total Service Cost/(Surplus)	138,950	141,580	138,550	Customer Tech Support Recharge	2,830	3,250
	Full Time Equivalent Staff	1.67		1.67	HR Services Recharge	900	1,020
					Information Sys Support Recharge	1,420	1,380
					Office Services Recharge	1,830	1,440
					Public Offices Recharge	5,150	3,790

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Financial Information Tenants' Services

Ledger Code BHSTS

Responsible Officer Philip O'Dwyer - Head of Neighbourhood & Housing Management Services (Tel: 444318)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
402,933	Employee Related Expenditure	387,900	370,240	381,260	Employee Related		
193,478	Premises Related Expenditure	214,840	250,210	208,790	Salaries	380,050	372,690
27,810	Transport Related Expenditure	25,320	27,230	29,140	Premises Related		
84,224	Supplies and Services	65,850	38,920	44,850	Disinfestation of Premises	2,000	1,000
0	Third Party Payments	0	0	0	Electricity	25,000	4,000
0	Transfer Payments	0	0	0	Empty Property Rates	0	38,500
708,445	Total Directly Controllable Expenditure	693,910	686,600	664,040	Insurance	178,800	153,080
					Water	8,500	10,100
0	Income	0	0	0	Transport Related		
708,445	Net Directly Controllable Expenditure/(Income)	693,910	686,600	664,040	Car Leasing & Allowances	14,380	14,540
					Fuel & Oil	3,500	4,000
0	Special Works	0	0	0	Transport Pool Hire Charge	7,250	10,310
0	Capital Charges	0	0	0	Supplies and Services		
95,000	Support Services	145,180	145,300	152,070	CECS Monitoring	1,960	2,000
803,445	Total Service Cost/(Surplus)	839,090	831,900	816,110	Computer Software Licence	1,600	2,630
					IT Renewals	1,160	750
	Full Time Equivalent Staff	10.08		9.60	Miscellaneous Expenses	3,000	3,000
					New, Replace Equip & Tools	2,710	2,710
					Postage	4,050	3,550
					Printing & Stationery	2,040	1,680
					Publicity	35,500	18,800
					Telecomms	4,980	5,100
					Tenants Compensation	6,080	470
					Support Services		
					Business Services Support Recharge	14,480	14,860
					Customer Tech Support Recharge	15,570	17,680
					Health & Safety Recharge	1,490	1,590
					HR Services Recharge	5,290	5,850
					Information Sys Support Recharge	9,440	8,810
					Legal Services Recharge	54,730	47,130
					Office Services Recharge	10,710	7,540
					Paymaster Recharge	14,360	15,840
					Public Offices Recharge	12,670	19,920

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Void Property Management and Lettings

Financial Information Void Property Management and Lettings

Ledger Code SHSVP

Responsible Officer Kim Rippet - Acting Head of Housing Advice Services (Tel: 444241)

Financial Services Contact Mark Jasper - Senior Accountant (Tel: 444846)

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
121,559	Employee Related Expenditure	127,010	106,750	125,880	Employee Related		
96	Premises Related Expenditure	100	120	0	Salaries	124,560	123,380
2,395	Transport Related Expenditure	2,530	2,170	2,520	Transport Related		
42,810	Supplies and Services	30,480	23,750	38,760	Car Allowances	2,410	2,520
0	Third Party Payments	0	0	0	Supplies and Services		
0	Transfer Payments	0	0	0	Computer Software Licence	12,770	8,430
166,860	Total Directly Controllable Expenditure	160,120	132,790	167,160	IT Renewals	110	20
0	Income	0	0	0	Key Cutting	2,750	2,570
166,860	Net Directly Controllable Expenditure/(Income)	160,120	132,790	167,160	Telecomms	610	670
0	Special Works	0	0	0	Tenants Removal Expenses	11,870	25,000
0	Capital Charges	0	0	0	Support Services		
16,880	Support Services	25,470	25,500	30,150	Audit Services Recharge	1,350	1,640
183,740	Total Service Cost/(Surplus)	185,590	158,290	197,310	Business Services Support Recharg	2,120	2,330
	Full Time Equivalent Staff	3.53		3.52	Customer Tech Support Recharge	4,550	5,590
					HR Services Recharge	2,120	2,150
					Information Sys Support Recharge	1,920	1,830
					Office Services Recharge	4,290	3,030
					Paymaster Recharge	1,140	1,320
					Public Offices Recharge	5,900	8,000

Major Variances 2011-12 v 2012-13

There are no major variances to report.

Guildford Borough Council Budget 2012-2013

Housing Portfolio (Housing Revenue Account)

Financial Information *Income*

Ledger Code *M****

Responsible Officer *Various*

Financial Services Contact *Mark Jasper, Senior Accountant (Tel: 444846)*

2010-11 Actual £		2011-12 Estimate £	2011-12 Probable £	2012-13 Estimate £	Major Items	2011-12 Estimate £	2012-13 Estimate £
(24,663,978)	Rent Income - Dwellings	(26,107,550)	(26,107,000)	(27,333,180)			
(251,478)	Rent Income - Rosebery HA	(134,000)	(135,000)	(210,080)			
(269,644)	Rents - Shops, Buildings etc	(244,040)	(168,000)	(244,040)			
(634,309)	Rents - Garages	(666,940)	(653,000)	(673,000)			
(25,819,409)	Total Rent Income	(27,152,530)	(27,063,000)	(28,460,300)			
(3,973,445)	Major Repairs Allowance	(4,077,880)	(4,078,000)	0			
(827,430)	Supporting People Grant	(391,640)	(390,000)	(405,310)			
(1,041,323)	Service Charges	(1,077,790)	(1,060,000)	(1,087,880)			
(2,500)	Contributions	(8,760)	(8,500)	(9,200)			
(29,130)	Legal Fees Recovered	(9,860)	(9,500)	(9,860)			
(1,680)	Council Tax Recovered	(1,500)	(1,500)	(1,680)			
(32,815)	Service Charges Recovered	(50,230)	(50,000)	(64,640)			
(105,406)	Miscellaneous Income	(90,490)	(125,000)	(156,020)			
(31,833,138)	Total Income	(32,860,680)	(32,785,500)	(30,194,890)			
	% Change in Income	3.28	(0.23)	(7.90)			
	Full Time Equivalent Staff	0.00		0.00			

Housing Revenue Account

2012 -2042 Business Plan

Neighbourhood and Housing Management Services
Guildford Borough Council

22 March 2012

2012 – 2042 Business Plan

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Housing Revenue Account

2012- 2042 Business Plan

Executive Summary

1.0 Introduction

- 1.1 The Localism Act 2011 brings about the biggest change in how council housing is financed in this country for decades. This creates a need to update our business plan for landlord services.
- 1.2 The reform of the landlord account or Housing Revenue account, fundamentally changes the nature of our relationship with central government. The Government are commuting the annual negative subsidy payments we make each year into a single payment. Ours is valued at £193.2 million.
- 1.3 This payment will be funded by borrowing, with the cost met from the rental stream generated by the housing business. This new arrangement means not only new risks and responsibilities but opportunities for the future.

2.0 What we want to achieve

- 2.1 The 2012 Business Plan sets out a mission for landlord services together with a series of key objectives:

Mission

To make a positive difference to residents lives by providing good quality affordable homes in valued neighbourhoods and excellent services.

Objectives: These are to:

- operate a sound, viable housing business in a professional and cost-effective manner
-
- provide good quality homes in settled communities for as long as it is needed by a tenant and is consistent with our Tenancy Strategy
- increase the supply of affordable homes including by direct provision where it is appropriate and viable to do so
- continue to strengthen communities by making our estates places people value and want to live
- value and promote tenant involvement in decision making
- widen the range of housing options open to tenants, ensuring they are in a position to make informed choices.

3.0 The business environment

3.1 The business operates in a complex and changing economic and social environment.

Housing is fundamentally important to our residents affecting many areas of their lives. This, coupled with the fact that over 50 per cent of the cost of social housing is met from the housing benefit system, makes it inevitable that we operate in a regulated environment.

3.2 The regulatory framework is changing with greater emphasis being placed on self-regulation, with tenants being placed at the heart of the process.

3.3 Demand for our properties is high and this will continue over the long term because of the extremely high cost of housing in the Borough.

3.4 The Right to Buy scheme has reduced the stock considerably since its introduction in 1980. Though the number of sales has fallen to around ten each year, the announcement in the 2011 autumn statement to increase maximum discount up to £50,000 may increase this number. The rate at which stock numbers reduce could adversely impact on the future plans for the business.

4.0 Our priorities

4.1 Looking over the next 5 years the plan identifies a series of priorities. The business is structured in a way to ensure we deliver against those priorities. Apart from the overarching priority to ensure we continue to operate a sound and viable business, our priorities are to:

- protect the income stream
- protect the asset base
- deliver additional homes
- deliver stronger communities
- maintain high satisfaction levels with core landlord services.

4.2 Staff share the senior management team's commitment to the service and have demonstrated their capacity to meet the challenges presented by the new system.

5.0 Financial plan

5.1 The financial plan recognises the move from a service being all but free of physical debt to one having responsibility for £197.2 million debt. The 30 year financial model has been constructed making a range of assumptions. Some of the more significant assumptions include:

- Opening debt: £193.2 million
- Existing HRA debt £4 million *
- Borrowing rate: 4.5% subject to revision
- Annual rent increase: September RPI + 0.5% #
- Average 5 year inflation: 2.75%
- 30 year capital investment: £320 million

Subject to CLG policy on rent setting with existing properties let at social rent levels

5.2 Based on our current assumptions the plan is viable over the 30 year plan period and offers scope to expand through building additional homes.

5.3 The key sensitivities are:

- Interest rates
- Inflation
- Right to Buy activity.
- Income stream levels

5.4 The HRA has access to reserves representing approximately 15% of the debt burden, higher than most similar business in our sector. The reserves are available to support both revenue and capital activities. It is proposed that a third revenue reserve will be created, where funds to reduce our credit financing requirement will be placed. These funds will be available to support physical debt repayment in the longer term but in the short to medium term will be used to support a new build programme.

6.0 Business risks

6.1 The Localism Act 2011 introduces not only opportunities for the business but some new risks. Mitigation measures are incorporated into the plan with others being developed – for example those relating to the introduction of flexible tenancies.

6.2 Whilst the inflation and interest rate risks are well understood those flowing from the Government's proposals for welfare reform are less so. Much of the detail has yet to be published however it clearly represents a significant risk to our income stream.

6.3 Action is already in hand to identify ways the impact of the changes can be mitigated.

6.4 Changes to make the Right to Buy scheme more attractive will increase the number of sales. Countering this incentive is the economic climate which has depressed all housing sales for the last two years. Until the details are finalised it is difficult to quantify the impact on the business plan.

6.5 Rent setting in practical terms lies in the hands of the Government. They have restated their policy remains that rent should increase by 0.5% above RPI however this could change in the future.

The settlement figure however has been calculated on the basis the policy remains unchanged. Any move to reduce rent increases will put the business plan under pressure. Depending on the scale of a change this pressure could be considerable.

7.0 Conclusion

7.1 The business plan is a measured and robust response to the changing environment our housing business operates in.

7.2 The plan will ensure we operate a sound and viable business able to deliver our two central aims of:

- being a major social landlord that delivers high levels of tenant satisfaction but adds value to our local community
- expanding our stock to provide more affordable homes.

7.3 Using the assumptions set out in the plan, the financial model shows the business to be viable both in the short and long term and capable of supporting expansion.

7.4 A number of business risks have been identified but these are capable of being managed to minimise their impact. Naturally the future will bring both new opportunities and risks.

7.5 The senior management team are confident the business plan is sound and deliverable. The business will continue to do what it does best – provide a great added value service to our local community.

- 4.13 **Asset base:** Our asset base is shrinking, through a combination of Right to Buy disposals and previous stock rationalisation programmes. Each property we own not only contributes towards the cost of debt and our other operating costs but also generates a surplus over time.

Since 1980 the asset base has shrunk by around a third largely through Right to Buy disposals. The rate has slowed dramatically in recent years to the point where stock rationalisation at the moment causes the greatest loss.

- 4.14 The Government announced through its recent autumn statement its intention to kick-start the Right to Buy programme through increased discounts. The details have yet to be announced and may have a significant impact on the long term business plan.

5.0 **Our priorities**

- 5.1 Against the background of the objectives set out above the following priorities have been identified for our business:

- protecting the income stream and reducing unnecessary costs
- protecting the asset base
- delivering additional homes
- delivering stronger communities
- maintaining high satisfaction levels with core landlord services.

In order to deliver against these priorities the business will continue to tightly focus on controlling all our expenditure, including the costs associated with our debt to ensure we remain remaining viable in these difficult economic circumstances.

Each is briefly considered below.

- 5.2 **Income stream:** It is vital we protect our income stream if we are to sustain a viable business. With over 90 per cent coming from rents this will be the main focus.

- 5.3 To safeguard our income stream we will:

- promote and increase awareness of the changes arising from welfare reform
- ensure sufficient and adequate financial advice is available to our tenants both directly and by working in partnership with third sector agencies
- implement measures to help mitigate fuel poverty
- continue to provide financial and practical assistance by working with partner organisations to support tenants
- work with the Supporting People team to secure adequate funding for the services we are contracted to provide
- explore additional income streams including through a system of fairer charging for some of the services we provide

- actively consider widening the tenure models we offer and the associated rents charged
- closely monitor the risks outlined in paragraphs 8.6 and 8.13

At the same time the business will continue to tightly focus on controlling all our expenditure, including the costs associated with the debt to ensure we remain remaining viable in these difficult economic circumstances.

5.4 **Protecting the asset base:** Though the demand for social housing is high in the borough some properties are in less demand. We have addressed this through an on-going stock rationalisation programme – the decommissioning of sheltered housing units being the most recent examples.

5.5 It is important we ensure our properties and associated properties remain attractive as measured by the ability to let. We need to maintain the properties in a manner that achieves the greatest return on our investment.

5.6 We will protect the asset base by implementing our asset management strategy set out in Annexe 4: which in summary is:

- fully funding and delivering a planned preventative maintenance programme to prevent early component failures
- fully funding and delivering a responsive maintenance programme that ensures minor defects do not lead to further avoidable expenditure
- increasing the accuracy and extent of stock data information to enable informed decisions to be made on stock maintenance
- ensuring our capital replacement and improvement programmes are correctly targeted at the right time
- implementing timely stock rationalisation programmes where properties are reaching the end of their economic life or become hard to let.

5.7 **Delivering additional homes:** The need for additional affordable homes has been identified by the local community as being one of its top priorities. The Council has acknowledged this by making it one of its key delivery targets.

HRA reform will over time create opportunities to provide new affordable homes but in the meantime our reserves offer some scope to do so in the short term.

5.8 We intend to structure our business to best place us to deliver additional affordable homes. We will do this by:

- creating financial capacity through our revenue streams to support development whilst protecting existing assets and services
- using appropriate delivery mechanisms to achieve the best value solution
- identifying viable redevelopment opportunities across both the HRA portfolio and the wider Council's property estate with a view to adding to the Council's stock of affordable housing

- using a range of models to deliver the most affordable housing we can – this is likely to involve not only social rent but affordable rent and equity share models.

5.9 **Delivering stronger communities:** We are very much a social business and intend to be much more than just a residential landlord. We will continue providing considerable added value through a range of measures.

5.10 We will help communities to become stronger by promoting and developing the range of opportunities our tenants have to be involved in decision making in a way that suits them:

- developing tenant co-regulation of the business
- supporting the development of the Tenants' Action Group
- increasing opportunities for active tenant participation in service delivery through a range of initiatives including social enterprises
- engaging with initiatives designed to get people back into work
- working in partnership with the Community Safety Wardens to support and develop grassroots community projects.

5.11 **Maintaining core landlord services:** Our tenants rightly expect high standards from the landlord services team in return for the rent they pay. Our reputation as a good landlord is important to us and we are judged daily through the quality of the service we provide.

5.12 Though demand for social housing is high there are other alternative providers in the borough. With over 2,200 units a range of other registered providers offer alternative options for tenants. It is important we appeal to a wide range of potential tenants to enable us to deliver sustainable and vibrant neighbourhoods.

5.13 We will continue to deliver good quality services, aiming to achieve increasing levels of tenant satisfaction. We will do this by:

- agreeing service standards with tenants and delivering services in the best way to meet those standards
- maintaining a strong focus on customer service and subject ourselves to regular scrutiny by our tenants and external accreditation providers
- meeting our financial targets to allow us to fund core landlord services to enable our services to be properly delivered
- demanding from our contractors and service suppliers the same commitment to customer service that we expect of ourselves.

6.0 **Financial plan**

6.1 From April 2012 key elements of our financial strategy fundamentally change. The Government's policy to end the old subsidy system has been achieved by commuting their forecast of our negative subsidy payments over a 30 year period into a single

payment. This translates into a debt settlement by the HRA to the Government of £193.2 million.

6.2 The plan is built around the need to manage this debt whilst at the same time delivering our business objectives. In order to assure ourselves on the long term viability of the business a 30 year financial model has been constructed.

6.3 **Key assumptions:** The model has been constructed using a number of assumptions. The most important are set out in the table below:

Item	Assumption
Opening stock	5135 units of accommodation
Additional HRA debt	£193.2 Million
Existing HRA debt	£4 million
Borrowing rate	4.5% subject to revision
Opening debt management costs	£91,620
Rent increase RPI	Yr 1 5.6% -Yr2 onwards 2.5%
Rent increase mechanism	CLG formula
Garage income increase	As for rents
Convergence year	2015/16
Bad debt provision	0.3% rising to 1.0% (reviewed annually)
Void rate	1%
Service charge increases	2.75% 10 year average
RTB	15/yr
Pooling requirement	75%
Retained receipt	Held in reserves
HRA ring fence	Policy of strong ring fence continues
Opening depreciation provision	£5.8 million
Depreciation increase	2.75% annual increase
Debt repayment	Early repayment of debt is not a short term priority.
Operating balance	£2.5 million
30 yr capital investment	£320 million - funded
Service/investment cost inflation	2.75% 10 year average

6.4 Inevitably the further we look ahead the reliability of the model outputs reduce. The table below sets out our revenue projections over the next 10 years.

HOUSING REVENUE ACCOUNT PROJECTIONS 2012-13 to 2021-22
Guildford Borough Council

Year	2012.13	2013.14	2014.15	2015.16	2016.17	2017.18	2018.19	2019.20	2020.21	2021.22
£'000	1	2	3	4	5	6	7	8	9	10
INCOME:										
Rental Income	-27,333	-28,491	-29,395	-30,313	-31,129	-31,967	-32,827	-33,710	-34,617	-35,547
Service Charges	-1,087	-1,053	-1,107	-1,163	-1,222	-1,284	-1,350	-1,419	-1,491	-1,567
Non-Dwelling Income	-1,127	-940	-963	-988	-1,012	-1,038	-1,063	-1,090	-1,117	-1,145
Grants & Other Income	-647	-526	-531	-536	-540	-545	-550	-555	-561	-566
Total Income	-30,194	-31,011	-31,996	-32,999	-33,904	-34,834	-35,791	-36,774	-37,786	-38,826
EXPENDITURE:										
General Management	2,756	2,770	2,839	2,910	2,983	3,057	3,134	3,212	3,292	3,375
Special Management	2,155	2,216	2,272	2,328	2,387	2,446	2,507	2,570	2,634	2,700
Other Management	220	318	326	334	342	351	359	368	378	387
Rent Rebates	459	200	0	0	0	0	0	0	0	0
Bad Debt Provision	90	141	292	301	309	317	326	335	344	353
Responsive & Cyclical Repairs	4,734	5,382	5,753	5,825	6,282	6,985	7,509	8,045	8,592	9,150
Total Revenue Expenditure	10,414	11,027	11,481	11,698	12,302	13,156	13,835	14,530	15,240	15,965
Interest Paid & Administration	8,807	8,809	8,811	8,813	8,815	8,817	8,819	8,821	8,823	8,825
Interest Received	-75	-127	-146	-176	-206	-477	-565	-657	-757	-862
Depreciation	5,800	6,052	6,351	6,664	6,993	7,338	7,701	8,081	8,479	8,898
Net Operating Income	-5,248	-5,250	-5,500	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000
APPROPRIATIONS:										
HRA CFR Revenue Provision	5,173	5,250	5,500	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Revenue Contribution to Capita	75	0	0	0	0	0	0	0	0	0
Total Appropriations	5,248	5,250	5,500	6,000	6,000	6,000	6,000	6,000	6,000	6,000
ANNUAL CASHFLOW	0	0	0	0	0	0	0	0	0	0

- 6.5 A key factor driving our debt management and treasury management strategies is the objective to increase the stock. This will require substantial capital investment over the 30 year plan life over and above our need to maintain and improve the existing stock.

In order to finance this investment physical debt repayment will attract a lower priority. This in turn will influence the financing structure used to support the business. With this in mind some of the debt instruments will stretch over and possibly beyond the 30 year plan period.

- 6.6 Any benefits associated with internal borrowing from the General Fund will be balanced against the potential refinancing risks that may exist as the General Fund need for capital funds increase.

The option of internal borrowing will not be ruled out but any decision to do so will be taken within the context of the Councils overall Treasury Management Strategy along with the Councils medium term financial strategy.

- 6.7 It is difficult to predict with certainty many of the factors used to construct the model. We have therefore identified the key sensitivities for the business.

These are set out below:

Assumption	Change	Impact - 10 yr cashflow
Borrowing rate	+ 1% -1%	£19.7 million increase £19.7 million decrease
Rent RPI	+1% -1%	£14.7 million increase £14 million decrease
Revenue cost inflation	+1% -1%	£4.8 million decrease £4.8 million increase
Employee/Management	+1% -1%	£1 million increase £1 million decrease
Right to Buy sales #	+30/yr +50/yr	£7.5 million decrease £12.5 million decrease

Note (i) the calculation is predicated on the lost rental income for each property based on a mid-year sale, against which a small allowance has been made to reflect a saving against maintenance costs. The implications around capital receipts would be separately assessed and tied into the priorities of the business plan.

In practice it is unlikely each factor will change in isolation which may mitigate the impact. For example investment cost inflation is likely to generate an increase in the Retail Price Index which in turn will feed into high rent increases.

- 6.19 It is proposed to create a reserve to support new build schemes. This reserve has the ability to support a £13.4 million programme over the period.
- 6.20 In future years the first call on HRA generated capital receipts will be to support the HRA business plan.
- 6.21 HRA revenue reserves will be used to support the major capital works programme as needed. Potentially £5 million will be released from year 5 onwards to support new build activities.
- 6.22 **Affordable rents:** These are rents set at up to 80 percent of local market rents and therefore a greater burden on the Housing Benefit system. Local authorities developing new properties for rent will, subject to both the Homes and Communities Agency and Department of Works and Pension agreement, be able to charge affordable rents. Any consent will be on a scheme by scheme basis.
- 6.23 It is unclear yet what criteria they will use. At this stage the plan makes no assumptions in terms of future new build programmes in terms of income or expenditure.

Each development will be subject to an individual project appraisal before any firm commitment is made.

- 6.24 **Operating costs:** When benchmarked against other providers generally fall into upper or mid quartile levels. Scope to achieve substantial cost reductions is limited. The plan therefore has been prepared on the basis it is not reliant on unpredictable future possible savings and no savings have been factored into the plan at this stage.
- 6.25 As a matter of on-going policy the practise of maintaining a downward pressure on costs will continue through service and lean reviews to ensure services are delivered in the most cost effective way.
- 6.26 **Operating balances:** The model projects over the first five years, that operating balances before making any provision for debt repayment will be positive, a total around £28 million. There is no requirement to either physically repay debt or make a revenue provision against the debt.
- 6.27 Any remaining surpluses will be used to support either future year's revenue services or the major capital works programme.

7.0 **Operating policies**

- 7.1 A range of operating policies and strategies will be reviewed in the light of the changes brought about by the Localism Act 2011 and the Welfare Reform Bill.

7.2 These will include:

- Rental policy
- Asset management strategy
- Tenancy policy
- Service standards
- Tenancy engagement strategy
- Development strategy.

7.3 The plan has been prepared on the assumption the existing policies remain unchanged. In practise this will not be the case as we seek to take advantage of any opportunities the new environment provides to improve and grow our business.

8.0 **Business risks**

8.1 Though the reform offers exciting opportunities for the business in the future, the rapidly changing environment presents a series of business risks. In some cases we are well placed to manage the risk, others lie largely outside our control.

The main risks identified are set out below:

8.2 **Inflation:** The subsidy system to some degree isolated the HRA from the effects of inflation, even though it did not seem that way. Our rental stream remains firmly linked to the Retail Price Index prevailing in September. Expenditure on the other hand is not so tightly linked.

8.3 During a volatile period we could face significantly different inflation rates for expenditure and income. A low RPI in September coupled with a high average cost inflation figure for the year is a realistic scenario and would place strain on the plan. This year we are in the reverse position. Where possible cost inflation will be managed by the use of contracts, again to avoid unnecessary exposure to volatile market conditions.

8.4 We recognise that construction related costs are artificially low and the sector will not hesitate to increase margins as soon as the opportunity arises. It is unlikely this will happen though in the next 3 years. Commodity and material prices are more subject to global influences and have continued to steadily rise.

8.5 **Interest rates:** The annual interest cost will be around £8.7 million – a 1% change would increase this by £870,000.

The initial average borrowing rate from the PWLB will reflect the loan structure but will be the rates prevailing on 26 March 2012. There is little we can do to mitigate the risk fluctuating gilt markets present.

Subsequent interest rate risks will largely be mitigated by an effective treasury management strategy.

Long term market forecasts are predicting a relatively stable and low interest environment. However in the short term as recent events have shown markets can be extremely volatile. Our borrowing strategy will be based advice received from our treasury management consultants.

8.6 **Welfare reform:** The Government's stated objectives include:

- reducing national cost of the welfare system
- ensuring the benefit system does not act as a disincentive to work
- placing greater responsibility on individuals
- introducing a degree of localism in respect of Council Tax benefit schemes.

8.7 Though how these objectives will be achieved in detail have yet to be confirmed, the likelihood is that many of our tenants face reductions in their benefits and therefore ability to pay their rent. Older tenants are likely to be largely protected which will mitigate any short term impact. With over 50 per cent of our income being met via the Housing Benefit system any changes to it are a potential threat to our income stream.

8.8 Perhaps the biggest risk arises from the proposals to cease direct payment to social landlords. This would return the position we were in before the direct payments were introduced. Collection costs will increase along with debt management costs. Additional investment in financial advisory and debt support services may be necessary to counter the risk to our income stream.

8.9 Government departments share some of this concern as do the funders to the sector. Pilots have been set up to assess the impact and there remains some hope additional safeguards for landlords will form part of any scheme introduced.

8.10 **Right to Buy:** Right to Buy disposals had always been identified as a business risk. Though the settlement took account of a small number of sales each year, we considered the number to be too low.

8.11 The announcement in the Housing Strategy published in November 2011 to increase the attractiveness of the Right to Buy offer creates uncertainty.

8.12 Unit overheads will increase with each sale compounding the adverse financial impact. Until the scheme details are announced it is impossible to model the impact of the changes with any degree of certainty.

8.13 **Regulatory environment:** The regulatory environment has already changed considerably since its introduction in 2009. The burden of external inspection has been reduced and replaced by self-regulation which is to be welcomed. This position could of course reverse.

It is reasonably foreseeable that the regulator will be obliged to reflect future Government policies, placing additional investment obligation on our business. Maintaining adequate reserves will help mitigate this risk.

- 8.14 Rent setting across the sector to a large degree remains in the hands of the government and the regulator. The business plan is based on rents increasing by RPI + 0.5% annually, as has the settlement figure of £193.2 million.

With national Government meeting over half of the cost they have little incentive to change the rent charge formulae so as to increase rents. Whilst it has been stated they have no intention to do so, it remains to be seen that this position is left unchanged over the 30 year plan period.

- 8.15 To mitigate this risk alternative income streams will be explored, though we have to recognise the scope is limited.

- 8.16 **Governance:** The Localism Act 2011 and its changes place much greater control of the business in our hands. The Council, despite the degree the level of central Government control, has always managed the service on business lines.

The Executive has committed itself to continue managing the service as a business imposing clear financial discipline. Though it has a strong desire to expand the stock it has in place appropriate governance structures to prevent the business becoming over-stretched or unduly exposed to avoidable risks.

- 8.17 Tenants, through the Tenants' Action Group, will form part of the scrutiny process to ensure identified risks are properly managed.
- 8.18 Further risks such as further reform of the HRA or reopening of the settlement by the Government do exist but these largely remain outside our control. It is important we closely monitor the political environment so we can respond at the earliest opportunity.

Appendices

Annexe 1: Geographical property distribution

Annexe 2: Regulatory Framework extract

Annexe 3: Key business indicators

Annexe 4: HRA Asset Management Strategy

Geographical property distribution

Area	General Needs	Sheltered
Albury	25	0
Artington	9	0
Ash	222	62
Ash Vale	94	0
Bellfields (North and South)	704	0
Burpham (inc Gosden Hill Estate)	64	0
Charlottville	33	0
Chilworth	130	37
Compton	53	0
East Horsley	37	31
Effingham	13	0
Gomshall	55	0
Guildford Park (Estate)	168	71
Holmbury St Mary	17	0
Hurtmore	29	0
Merrow	334	0
Normandy	95	0
Park Barn	652	0
Peaslake	23	0
Pirbright	30	0
Puttenham	25	0
Ripley	82	0
Seale	4	0
Send	117	0
Shalford	54	0
Shepherds Hill	123	0
Shere	14	0
Slyfield	184	0
Stoke	107	0
Stoughton	8	0
The Mount	67	27
Tilehouse	62	39
Tongham	208	0
Town Centre (Guildford)	145	0
West Clandon	69	0
West Horsley	55	0
Westborough (Estate)	538	0
Wood Street	125	0
Worpledon	35	0

Extract from Regulatory Framework

This section sets out the standards¹ that will apply from 1 April 2010 to registered providers. It also sets out the products on which standards apply.

Tenant involvement and empowerment standard**Required outcomes****1 Customer service, choice and complaints**

Registered providers shall:

- provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards
- have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly

2 Involvement and empowerment

Registered providers shall support co-regulation with their tenants by:

- offering all tenants a wide range of opportunities to be involved in the management of their housing, including the ability to influence strategic priorities, the formulation of housing-related policies and the delivery of housing-related services
- consulting with their tenants and acting reasonably in providing them with opportunities to agree local offers for service delivery
- providing tenants with a range of opportunities to influence how providers meet all the TSA's standards, and to scrutinise their performance against all standards and in the development of the annual report
- providing support to tenants to build their capacity to be more effectively involved

3 Understanding and responding to the diverse needs of tenants

Registered providers shall:

- treat all tenants with fairness and respect
- demonstrate that they understand the different needs of their tenants, including in relation to the seven equality strands and tenants with additional support needs

¹ Sections 193 and 194 of the Housing and Regeneration Act 2008.

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants. Registered providers shall take the obligations of the Tenant Involvement and Empowerment Standard into account in setting out how they are meeting and intend to meet all the other TSA standards.

Specific expectations

1 Customer service, choice and complaints

1.1 Registered providers shall provide tenants with accessible, relevant and timely information about:

- how tenants can access services
- the standards of housing services their tenants can expect
- how they are performing against those standards
- the service choices available to tenants, including any additional costs that are relevant to specific choices
- progress of any repairs work
- how tenants can communicate with them and provide feedback
- the responsibilities of the tenant and provider
- arrangements for tenant involvement and scrutiny

1.2 Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant's/tenants' behalf.

2 Involvement and empowerment

2.1 Registered providers shall consult with tenants on the desirability and scope of local offers in relation to services to meet the following TSA standards: Tenant Involvement and Empowerment, Home and Neighbourhood and Community. In providing opportunities for tenants to agree local offers by no later than 1 April 2011 they shall offer commitments on:

- local standards for performance
- how performance will be monitored, reported to and scrutinised by tenants
- what happens if local offers are not met (including procedures of redress)
- arrangements for reviewing the local offers on a periodic basis

2.2 Registered providers shall enable tenants' opportunities to scrutinise the effectiveness of their policies in relation to tenant involvement.

- 2.3 Registered providers shall inform tenants about the results of their consultations on issues related to the standards.
- 2.4 Registered providers shall consult with their tenants, setting out clearly the costs and benefits of relevant options, if they are proposing to change their landlord or when proposing a significant change in their management arrangements.
- 2.5 Registered providers shall consult tenants at least once every three years on the best way of involving tenants in the governance and scrutiny of the organisation's housing management service. They shall ensure that any changes to tenant involvement in governance and scrutiny leads to an enhancement of the overall effectiveness of their approach.
- 3 Understanding and responding to diverse needs**
- 3.1 Registered providers shall demonstrate how they respond to tenants' needs in the way they provide services and communicate with tenants.

Home standard

Required outcomes

1 Quality of accommodation

Registered providers shall:

- ensure that tenants' homes meet the standard set out in section 5 of the Government's Decent Homes Guidance² by 31 December 2010 and continue to maintain their homes to at least this standard after this date
- meet the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance³, if these standards are higher than the Decent Homes Standard
- in agreeing a local offer, ensure that it is set at a level not less than these standards and have regard to section 6 of the Government's Decent Homes Guidance

2 Repairs and maintenance

Registered providers shall:

- provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time
- meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants.

Specific expectations

1 **Quality of accommodation**

1.1 The TSA may agree with a registered provider an extension to the 31 December 2010 date where this is reasonable. Providers shall ensure their tenants are aware of the reasons for any extension given.

2. **Repairs and maintenance**

2.1 Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The

² 'Decent Homes Guidance' means A Decent Home: Definition and Guidance for Implementation, published by the Department for Communities and Local Government in June 2006, and any guidance issued by the department or its successors, in relation to that document.

³ 'Financial assistance' is defined in section 19(3) of the Housing and Regeneration Act, 2008. For the purpose of this standard it means financial assistance provided by the Homes and Communities Agency and its predecessor bodies.

approach should include: responsive and cyclical repairs, planned and capital work, work on empty properties, and adaptations.

- 2.2 Registered providers shall co-operate with relevant organisations to provide an adaptations service that meets tenants' needs.

Tenancy standard

Required outcomes

1 Allocations

Registered providers shall let their homes in a fair, transparent and efficient way. They shall take into account the housing needs and aspirations of tenants and potential tenants. They shall demonstrate how they:

- make the best use of available housing
- are compatible with the purpose of the housing
- contribute to local authorities' strategic housing function and sustainable communities

There should be clear application, decision-making and appeals processes.

2 Rents

Registered providers shall charge rents in accordance with the objectives and framework set out in the Government's Direction to the TSA of November 2009.

3 Tenure

Registered providers shall offer and issue the most secure form of tenure compatible with the purpose of the housing and the sustainability of the community. They shall meet all applicable statutory and legal requirements in relation to the form and use of tenancy agreements⁴.

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants.

⁴ Security of tenure is a matter for the Government and the drafting of this outcome in the Tenancy Standard is aimed at ensuring this is consistent with current Government policy and hence no changes are introduced as a result of the regulatory standard on this issue.

Specific expectations

1 Allocations

- 1.1 Registered providers shall co-operate with local authorities' strategic housing function, and their duties to meet identified local housing needs. This includes assistance with local authorities' homelessness duties, and through meeting obligations in nominations agreements. Where, in exceptional circumstances, registered providers choose not to participate in choice-based lettings schemes in areas where they own homes, they shall publish their reasons for doing so.
- 1.2 Registered providers shall develop and deliver services to address under occupation and overcrowding in their homes, within the resources available to them. These services should meet the needs of their tenants, and will offer choices to them.
- 1.3 Registered providers shall provide tenants wishing to move with access to clear and relevant advice about their housing options. They shall participate in mobility schemes and mutual exchange schemes where these are available.
- 1.4 Registered providers' published policies shall include how they have made use of common housing registers, common allocations policies and local letting policies. Registered providers shall clearly set out, and be able to give reasons for, the criteria they use for excluding actual and potential tenants from consideration for allocations, mobility or mutual exchange schemes.
- 1.5 Registered providers shall develop and deliver allocations processes in a way which supports their effective use by the full range of actual and potential tenants, including those with support needs, those who do not speak English as a first language and others who have difficulties with written English.
- 1.6 Registered providers shall minimise the time that properties are empty between each letting. When doing this, they shall take into account the circumstances of the tenants who have been offered the properties.
- 1.7 Registered providers shall record all lettings and sales in the Continuous Recording of Lettings system.

2 Rents

- 2.1 Registered providers shall ensure they meet the following requirements, which derive from the Government's Direction to the TSA of November 2009 and published within Directions to the TSA – Summary of Responses and Government Response, November 2009, CLG.
- 2.2 Subject to paragraph 2.3, registered providers shall set rents with a view to

achieving the following as far as possible:

2.2.1. Rents conform with the pattern produced by the rent formula set out in rent influencing regime guidance⁵ ('target rents') with a five per cent tolerance in individual rents (ten per cent for supported and sheltered housing) ('rent flexibility level') but subject to the maximum rent levels specified in that guidance ('rent caps').

2.2.2. Weekly rent for accommodation increases each year by an amount which is no more than RPI⁶ + 0.5% + £2 until it reaches the upper limit of the rent flexibility level or the rent cap, whichever is lower.

2.2.3. Weekly rent for accommodation that has reached or is above the upper limit of the rent flexibility increases each year by an amount that is no more than the increase to the target rents.

2.2.4. Rent caps increase annually by RPI + one per cent.

2.2.5. Target rents increase annually by RPI + 0.5%.

2.3 Where the application of the Rents Standard would cause registered providers to be unable to meet other standards, particularly in respect of financial viability including the risk that a reduction in overall rental income causes them to risk failing to meet existing commitments such as banking or other lending covenants, the TSA may allow extensions to the period over which the requirements of the Rents Standard are met.

2.4 Registered providers shall provide clear information to tenants that explains how their rent and any service charge is set, and how it is changed, including reference to the RPI benchmark to which annual changes to rents should be linked (except where rents are controlled under different legislation).

3 Tenure

3.1 Registered providers shall publish clear and accessible policies which outline their approach to tenancy management. They shall develop and provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions. The approach should set out how registered providers will make sure that the home continues to be occupied by the tenant they let the home to.

⁵ 'Rent influencing regime guidance' means the Rent Influencing Regime Guidance published by the Housing Corporation in October 2001, and any guidance issued by the Housing Corporation or TSA, or its successors, in relation to that document.

⁶ 'RPI' means the general index of retail prices (for all items) published by the Office of National Statistics or, if that index is not published for any month, any substituted index or index figures published by that office.

Neighbourhood and community standard

Required outcomes

1 Neighbourhood management

Registered providers shall keep the neighbourhood and communal areas associated with the homes that they own clean and safe. They shall work in partnership with their tenants and other providers and public bodies where it is effective to do so.

2 Local area co-operation

Registered providers shall co-operate with relevant partners to help promote social, environmental and economic wellbeing in the areas where they own properties.

3 Anti-social behaviour

Registered providers shall work in partnership with other public agencies to prevent and tackle anti-social behaviour in the neighbourhoods where they own homes.

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants.

Specific expectations

1 **Neighbourhood management**

- 1.1 Registered providers shall consult with tenants in developing a published policy for maintaining and improving the neighbourhoods associated with their homes. This applies where the registered provider has a responsibility (either exclusively or in part) for the condition of that neighbourhood. The policy shall include any communal areas associated with the registered provider's homes.

2 **Local area co-operation**

- 2.1 Registered providers, having taken account of their presence and impact within the areas where they own properties, shall:

- identify and publish the roles they are able to play within the areas where they have properties
- co-operate with Local Strategic Partnerships and strategic housing functions of local authorities where they are able to assist them in achieving their objectives

3 **Anti-social behaviour**

- 3.1 Registered providers shall publish a policy on how they work with relevant partners to prevent and tackle anti-social behaviour (ASB) in areas where they own properties.

3.2 In their work to prevent and address ASB, registered providers shall demonstrate:

- that tenants are made aware of their responsibilities and rights in relation to ASB
- strong leadership, commitment and accountability on preventing and tackling ASB that reflects a shared understanding of responsibilities with other local agencies
- a strong focus exists on preventative measures tailored towards the needs of tenants and their families
- prompt, appropriate and decisive action is taken to deal with ASB before it escalates, which focuses on resolving the problem having regard to the full range of tools and legal powers available
- all tenants and residents can easily report ASB, are kept informed about the status of their case where responsibility rests with the organisation and are appropriately signposted where it does not
- provision of support to victims and witnesses

Value for money standard

Required outcomes

1 Value for money

In meeting all TSA standards, including their local offers, registered providers shall have a comprehensive approach to managing their resources to provide cost-effective, efficient, quality services and homes to meet tenants' and potential tenants' needs.

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants.

Specific expectations

1 **Value for money**

1.1 Registered providers shall demonstrate to their tenants:

- how expenditure has been prioritised in relation to each of the standards and in the delivery of local offers, and in meeting other needs such as investment in new social housing provision
- how they have ensured value for money has been secured and tested
- plans and priorities for delivery of further value for money improvements

1.2 Registered providers shall have arrangements for tenants to influence the services delivered and the cost of those services that result in service charges to tenants.

Governance and financial viability standard

Required outcome

1 Governance

Registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements shall ensure they:

- adhere to all relevant legislation
- comply with their governing documents and all regulatory requirements
- are accountable to tenants, the TSA and relevant stakeholders
- safeguard taxpayers' interests and the reputation of the sector
- have an effective risk management framework

2 Financial viability

Registered providers shall manage their resources effectively to ensure their viability is maintained.

Specific expectations

1 **Governance**

- 1.1 Registered providers shall adopt and comply with an appropriate code of governance. They shall give the reasons for their choice and explain areas of non-compliance with their chosen code.
- 1.2 Registered providers shall establish and maintain clear roles, responsibilities and accountabilities for their board, chair and chief executive and produce an annual assessment of the effectiveness of their arrangements.
- 1.3 Registered providers shall submit an annual return, on an accurate and timely basis in a form determined by the TSA. This is currently the Regulatory and Statistical Return (and its successor, the National Register of Social Housing).
- 1.4 Where there is a non-regulated element⁷, the registered provider shall demonstrate to the TSA that it has in place effective mechanisms (such as

⁷ A "non-regulated element" refers to the activities, organisations or parts of organisations carrying out non-social housing activity within an organisation:

- (1) which is a registered provider and which also carries out activities which are not regulated by the TSA;
- (2) which is not a registered provider but which has as part of its organisation, corporate structure or group of organisations, a registered provider; or
- (3) which is a registered provider and is controlled or substantially influenced by another organisation which is not a registered provider.

commitments, undertakings or other assurances between itself and the non-regulated element) which ensure that:

- 1.4.1 it is and will be able to comply with the TSA's standards and other regulatory requirements;
- 1.4.2 its ability to meet the TSA's standards and other regulatory requirements is not and cannot be prejudiced by the activities or influence of the non-regulated element;
- 1.4.3 in the event that the registered provider does not or may not be able to comply with the TSA's standards or other regulatory requirements:
 - a. the non-regulated element will give any necessary support or assistance to enable compliance; and
 - b. the registered provider has the ability to require the support or assistance of the non-regulated element to enable compliance.

In some situations it may be appropriate for the TSA to be a party to such arrangements.

2 Financial viability

2.1 Registered providers shall ensure that:

- effective controls and procedures are in place to ensure security of assets and the proper use of public funds
- effective systems are in place to monitor and accurately report delivery of their plans
- the risks to delivery of financial plans are identified and effectively managed

2.2 Registered providers shall ensure that they have a robust and prudent business planning and control framework. Through this framework they will ensure:

- there is access to sufficient liquidity at all times
- financial forecasts are based on appropriate and reasonable assumptions
- planning sufficiently considers the financial implications of risks to the delivery of plans
- they monitor, report on and comply with their funders' financial covenants

2.3 Registered providers shall provide to the TSA accurate and timely statutory and regulatory financial returns and an annual report on any losses from fraudulent activity.

Summary of how the standards apply to different types of provider and products

This section sets out the way in which the standards apply in respect of different types of provider or different types of social housing⁸.

Table 1 – application of standards to different types of provider and social housing

Standard	Apply to local authorities?	Apply to non-profit registered providers (RPs)?	Apply to for-profit RPs?	Apply to low-cost rental?	Apply to low-cost home ownership or intermediate rent ⁹ ?
Involvement and empowerment	Yes	Yes	Yes	Yes	Yes
Home	Yes	Yes	Yes	Yes	Yes
Tenancy	Yes (apart from rents)	Yes	Yes	Yes	No
Neighbourhood and community	Yes	Yes	Yes	Yes	Yes
Value for money	Yes	Yes	Yes	Yes	Yes
Governance and financial viability	No	Yes	Yes	Yes	Yes

⁸ This is the same as our November 2009 proposals.

⁹ See footnote 2 in the summary of key terms for scope of application of standards.

Key business indicators

Indicator	Monitoring period
% of rent collected	Quarterly
Arrears as a percentage of debit	Quarterly
Write offs as % rent roll	Annual
Former tenant arrears	Annual
% repairs completed in timescale	Quarterly
% satisfaction with repairs service	Quarterly
% repairs completed on first visit	Quarterly
% satisfaction with capital projects	Quarterly
% revenue spend against profile	Quarterly
% capital spend against budget	Quarterly
Average cost/void	Quarterly
Average maintenance cost/unit/week	Annual
Gas % safety checks completed on time	Quarterly
Average time taken to complete non- urgent repairs (days)	Annual
Average SAP rating (using 2005 methodology)	Annual
% Non decent homes	Annual
Average management cost/unit/week	Annual
% satisfaction with ASB case handling	Quarterly
% satisfaction with ASB case outcome	Quarterly
% new tenancies first visited within 4 weeks	Quarterly
Number of complaints received and resolved at first stage	Quarterly
% complaints dealt within target	Quarterly
Sickness - No of days lost due to sickness absence	Monthly

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GLOSSARY

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Accrual - a sum included in the final accounts to cover income or expenditure attributable to an accounting period for goods supplied and received or work done, but for which payment has not been received or made by the end of the period.

Appropriations - amounts transferred to or from revenue or capital reserves.

Balance - the surplus or deficit on any account at the end of the financial year (see Revenue Balances)

Budget – a statement of the Council's plans for revenue or capital expenditure over a specified period of time. The annual budget is prepared as part of the Council's annual Council Tax setting process.

Budgetary Control - the monitoring of actual expenditure and income against a financial target.

Capital Charge - a charge to the Revenue Account to reflect the cost of fixed assets consumed during the year.

Capital Expenditure - expenditure on the acquisition or creation of a tangible fixed asset or expenditure which adds to, and not merely maintains the value of an existing tangible fixed asset.

Capital Programme - a statement showing the estimated cost and actual expenditure of approved capital projects (see *Capital Expenditure*)

Capital Receipts - the money from the sale of land or other long-term assets. Capital receipts can be used to pay for new capital expenditure, within rules set down by the government, or to repay outstanding loans. They cannot be used to finance revenue expenditure.

Collection Fund - a fund set up in 1990-91, as required by the Local Government Finance Act 1988, to record the transactions relating to council tax and national non-domestic rates (NNDR). It must be kept separately from the General Fund and have its own revenue account and balance sheet. The Borough Council, the County Council and the Surrey Police Authority precept upon this fund.

Collection Fund Deficit/Surplus - the estimated surplus or deficit on the Collection Fund must be split between the Borough Council, the County Council and the Police Authority pro rata to their precept demand on the Fund. The Borough Council's share must be transferred to the General Fund in the following year.

CIPFA - the Chartered Institute of Public Finance and Accountancy. This is the professional body responsible for accountants working in the public service. The Institute provides financial and statistical information on local government and public finance matters. CIPFA is privately funded with charitable status.

Contingency - an amount of money set aside in the budget for unforeseen items of expenditure.

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Council Tax - a tax introduced in 1993-94 to replace Community Charge. It is based on property value as at 1 April 1991, with a reduction for single occupancy.

Council Tax Benefit – this is a benefit of up to 100% which is available to council tax payers who are on income support or low incomes to help pay their council tax bills.

County Precept - see under Precept.

Creditor - an amount owed by the Council to suppliers for work done or goods received for which payment has not yet been made.

Current Assets - cash and anything that is expected to be converted into cash within twelve months of the balance sheet date.

Debtor - money owed to the Council.

Decent Homes Standard – a technical standard for public housing which aims to provide a minimum standard of housing conditions for all those who are housed in the public sector.

Department of Communities and Local Government - central government department with responsibility for the allocation of government grant to local authorities.

Depreciation - the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset, whether arising from use, passage of time or obsolescence through technological or other changes.

Employee Related Expenditure - a group of costs including salaries, wages, employer's national insurance and superannuation contributions. Indirect employee expenses are also included. Examples are: relocation, interview and training expenses, staff advertising, severance payments, pensions increase act payments and employee related insurance. Agency staff costs are also included within this grouping.

Estimates – the amounts that are expected to be incurred as expenditure, or received as income, during a specified financial year.

Fees and Charges - individual charges for services provided.

Financial Year - the period covered by a set of financial accounts – commences 1 April and finishes 31 March the following year.

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Fixed Assets - are tangible assets that yield benefit to the Council and the services it provides for more than one year.

General Fund - the Council's main revenue fund to which charges, grants etc. are credited and to which the costs of services are charged. However, separate accounts are required to be maintained for certain other aspects of Council activities, particularly the Collection Fund.

Government Grant - assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfer of assets, as contributions towards the cost of local services. e.g. Housing Benefit, Capital Grants and Revenue Support Grant.

Gross Expenditure - the total cost of providing the Council's services before taking into account income.

Gross Income - the total amounts that the Council receives or expects to receive, from any source. Income includes fees, charges, sales and specific and special grants.

Housing Benefit - an allowance to person(s) on low income to meet, in full or part, their rent. Benefit paid to Guildford's own council tenants is known as rent rebate, with benefit paid to tenants in the private sector referred to as rent allowance. The cost is largely met by the Department of Work and Pensions.

Housing Revenue Account (HRA) - an account of expenditure and income that every local housing authority must keep. The account is kept separate or ring-fenced from other council activities.

HRA Negative Subsidy – a position which assumes that the council's income is higher than its expenditure. In this case the authority must pay an amount equivalent to the surplus, from its HRA to the government.

HRA Subsidy – amount paid to/from government based on their assumptions of the excess of the rental income from council tenants after covering the cost of managing and maintaining dwellings. From April 2012 this redistributive system has been replaced by a *self-financing* HRA.

HRA Self-financing – replaces the existing HRA subsidy system from April 2012, and involves a one-off settlement with government based on an assessment of the rental stream over a thirty year period, less an assumed allowance for expenditure on management, maintenance and major repairs. This surplus is then subjected to a *Net Present Value* calculation to arrive at a settlement total. This amount is paid over to government having potentially been financed by a combination of PWLB loans, housing reserves or market loans.

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HRA Debt Cap – an amount prescribed by government above which the HRA is enable to borrow. This ceiling is intended to ensure that the extra income and flexibility under *self-financing* is not used to support an increase in public borrowing, which although affordable at a local level could undermine national fiscal policy.

Impairment - a reduction in the value of a fixed asset on the Balance Sheet due to lack of maintenance or change of use.

Interest Income - the money earned from the investment of surplus cash.

International Financial Reporting Standards (IFRS) – a set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board.

Investments - a long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Council for 365 days or more. A short-term investment occurs when surplus funds are invested for 364 days or fewer.

Liabilities - money owed to individuals or organisations that will be paid at some time in the future.

Lease - a lease is a contract for the hire of a specific asset. The lessor owns the asset but conveys the right to use the asset to the lessee for an agreed period of time in return for the payment of specified rentals.

Major Repairs Allowance - designed to provide funding through the subsidy system that would be adequate to maintain housing stock in an acceptable condition on an ongoing basis.

Minimum Revenue Provision (MRP) - the minimum amount which must be charged each year to the Council's general fund revenue account and set aside as provision for credit liabilities, as required by the Local Government and Housing Act 1989. There is no requirement to operate MRP in the Housing Revenue Account.

National Non-Domestic Rate (NDR) - on 1 April 1990 a tax introduced, together with the Community Charge, (now Council Tax) to replace General Rates. Rates are levied and collected by the Council on non-domestic property in the area in accordance with Government formula. The total collected, less a small allowance for the cost of collecting the charge, is paid over to the Government, to the National Non-Domestic Rate Pool. The General Fund then receives an amount back from the Pool, based on an amount per head of local population. There is no link between the amount collected from local ratepayers and the amount received from the Pool.

Net Present Value - calculates the present value of all cashflow associated with an investment: the initial outflow and the future cashflow returns using an agreed discount rate reflecting the time value of money.

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Out-turn - actual income and expenditure.

Precept - a charge levied by an council expressed in terms of a specific sum. The Borough Council, the County Council and Surrey Police levy precepts on the Collection Fund. Parish Councils precept on the Borough Council's General Fund.

Premises related expenditure - a group within the subjective analysis of expenditure, which brings together expenses directly related to the running of premises and land. It includes repairs, alterations and maintenance of buildings, fixed plant & grounds (including grounds maintenance contracts payments), energy costs, rents, rates, water services, fixtures & fittings, apportioned expenses of operational buildings (e.g. Woking Road depot), cleaning & domestic supplies, and premises related insurance.

Projection - a forecast of future developments based on current statistics and trends.

Provision - an amount, set aside in the accounts, for liabilities that are likely to be incurred but the amounts or the dates on which they will arise are uncertain.

Prudential Code for Capital Finance in Local Authorities - this replaced the previous regulatory frameworks in England, Wales and Scotland. The 2003 Code introduced a need for local authorities to consider capital spending plans with reference to affordability (implications for Council Tax), prudence and sustainability, value for money, stewardship of assets, strategic objectives and the practicality of the plans.

Public Works Loan Board (PWLB) - a government agency which provides longer term loans to Local Authorities at interest rates only slightly higher than those at which the government itself can borrow.

Recharge - used to describe an internal charge to or from another part of the Council. It does not add to the council's total income and expenditure.

Rent Rebate Subsidy Limitation – a mechanism which caps the subsidy received by the Council from the government as a result of actual rents being in excess of the guideline rents issued by the Department of Communities and Local Government.

Rent Restructuring - a policy introduced by government with the aim to move rents charged by councils and housing associations to a common basis. Under this process, known as 'convergence' rents will be increased gradually each year towards the target level based on a combination of factors such as average wages in the area as well as size and location of the property.

Reserves - monies set aside by the Council that does not fall within the definition of provisions.

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Revenue Balances - the accumulated surplus of income over expenditure on the revenue accounts of the General Fund and of the Housing Revenue Account (see below).

Revenue Budget - an estimate of annual income and expenditure, which sets out the financial implications of the Council's policy for the budgeted year (see budget).

Revenue Contribution to Capital Outlay (RCCO) - resources provided from the Council's revenue budget to finance the cost of capital projects.

Revenue Expenditure - the operating costs incurred by the Council during the financial year in providing day to day services. Distinct from capital expenditure on projects which benefit the authority over a period of more than one financial year.

Revenue Support Grant (RSG) - a grant paid by central government in aid of Council services in general, as opposed to specific grants, which may only be used for a specific purpose.

Ring-fenced Grant - a grant paid to the Council which has conditions attached to it that restrict the purposes for which it may be spent.

Service and Financial Plan - a three year plan summarising the cost of services, with the first year calculated in detail and year two and three including published inflation and service changes.

Specific Grants - government grants to local authorities in aid of specified projects or services, e.g. Housing Benefit.

Stock - goods that are acquired in advance of their use in the provision of services or their resale. At the year-end stocks are a current asset in the balance sheet and they will be charged to Revenue in the year they are consumed or sold.

Subjective Analysis of Expenditure - the analysis of expenditure and income into nine standard groups or 'types'. CIPFA members are required to apply the recommended standards when preparing Local Authorities published accounts. The groups are: Employee Related Expenditure, Premises Related Expenditure, Transport Related Expenditure, Supplies and Services, Third Party Payments, Transfer Payments, Support Services, Capital Financing Costs and Income.

Supplies and Services - the largest group of expenditure which relates to the general running costs of the organisation and includes equipment, furniture and materials, catering (including contract catering), clothing uniforms and laundry, printing, stationery and general office expenses, communications and computing, subsistence and conference expenses, members allowances, grants and subscriptions, contributions to provisions, and miscellaneous expenses.

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Support Services - the charge made for services, which support the provision of services to the public. Includes charges for: professional services and property services (including administrative buildings).

Supporting People - the Supporting People initiative is intended to provide support services that enable people to live independently in their own homes.

Tangible fixed assets - physical assets that yield benefits to the Council and the services it provides for a period of more than one year.

Third party payments - a group of expenditure, which consists of expenditure on payments to other organisations which are providing a complete service for the Council. For example, if a private contractor provided the refuse collection service the contract payment would be shown as a third party payment.

Transfer payments - a group of expenditure, which contains payments to individuals for which the Council receives no goods or services in return. Includes Housing and Council Tax benefits.

Transport related expenditure - a group of expenditure, which brings together all costs associated with the provision, hire and use of transport, including travelling allowances. It includes purchases of vehicles and equipment (where not leased or purchased through capital), repairs and maintenance, running costs (e.g. fuel, tax,), recharges for vehicles hired from the Fleet Manager, contract hire, operating leases, public transport, car allowances and transport insurance.

Virement - this is the permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head. Virements must be properly authorised by Committee or by officers under delegated powers