HRA Business Plan

2021/22 to 2050/51

Sutton

Contents

1 Introduction

1.1 This document sets out Sutton Council's plans for managing and maintaining over the coming years its housing stock of around 6,000 rented and 1,400 leasehold properties held in the Housing Revenue Account (HRA). Its fundamental purpose is to ensure the efficient use of the Authority's housing assets.

Aims Objectives

1.2 Set within the national, regional and local policy context and the Council's overall Ambitious for Sutton housing aims, our aim as a landlord is:

To deliver excellent, cost effective housing management services that improve the quality of life of the Council's tenants and leaseholders and provide a decent home for all

1.3 The more specific objectives which underlie the thrust and purpose of this Business Plan are:

1. To maintain all dwellings at the decent homes standard as a minimum and continue to improve and maintain them as an asset for the future
2. To regenerate homes where required and develop and acquire new local authority owned housing subject to funding and land availability
3. To invest in and improve estate grounds and the communal areas of flatted blocks
4. To provide high quality responsive repairs and cyclical maintenance services
5. To provide excellent tenancy management and leaseholder services and create attractive neighbourhoods where people feel safe and want to live
6. To ensure all customers have access to services and that the diverse needs of tenants and leaseholders are fully met
7. To promote and maximise the opportunities for customer involvement with service delivery

NB: The aims and objectives also apply to 's16 freeholders' who have purchased houses within estates and who pay a service charge to the Council in accordance with s16, Greater London Council (General Powers) Act 1974

Background

1.4 This version of the HRA Business Plan is a revision to the last iteration published in January 2020, in particular with regard to the Council's programme of HRA new build and property acquisitions and the prevailing economic climate. It also reflects a further review of the investment needed to the existing stock based on currently held data. A major survey of the condition of the stock and asset management is now underway and will inform next year's iteration.

1.5 As with previous versions of the Business Plan, this document provides the latest information on the make up and condition of the housing stock and the position regarding investment needs into the future. It also contains details of our revised 30 year financial modelling, based on current and projected resources, now covering the period 2021/22 to 2050/51.

1.6 The HRA Business Plan has been produced jointly with Sutton Housing Partnership (SHP), the Council's arms-length management organisation or 'ALMO' which manages the stock on the Authority's behalf. Up to date information on day to day service delivery and performance, which seek to address objectives 4 to 7 of the HRA Business Plan, can be found in SHP's latest annual delivery plan at: https://www.suttonhousingpartnership.org.uk/download.cfm?doc=docm93jijm4n2313.pdf&ver=3368

Strategic and Policy Context

Local context

1.7 At the local level, the Council's housing strategy takes into account wider corporate objectives; it also makes links with a number of its other strategies. Covering the housing function in its widest sense, the housing strategy contains five broad strategic aims or priorities, most of which have a bearing on, or implications for, the Authority's responsibilities as a landlord:

A. *Increase the supply of affordable housing*

B. *Invest in and make best use of the borough's existing housing stock*

C. *Promote excellent housing management standards across all types of housing*

D. *Provide housing options advice and address homelessness*

E. *Provide housing support and improve the health and wellbeing of residents*

1.8 The HRA Business Plan, and its delivery through SHP and the Council's housing development team, will help to realise these wider housing strategic objectives, as summarised in table 1.1 below.

Table 1.1: HRA Business Plan Contribution to the Council's Strategic Housing Priorities

Strategic housing priority	HRA Business Plan contribution
Increase the supply of affordable housing	As part of the asset management process, through identifying land that could be used for new affordable housing development; also potentially through the use of HRA funding and RTB receipts to develop and acquire new local authority-owned homes
Invest in and make best use of the borough's existing housing stock	Through programmes of major repairs and improvements to the council stock including works to improve energy efficiency. Through the redevelopment of estates to provide more appropriate housing, from the re-provision of shared facility sheltered housing and through the conversion and de-conversion of individual dwellings
Promote excellent housing management standards across all types of housing	Through SHP's policies and procedures for managing the Council stock and its service improvement planning process.

Strategic housing priority	HRA Business Plan contribution
Provide housing options advice and address homelessness	Through the provision of Council accommodation for homeless households and the work done to support vulnerable tenants to maintain their tenancies and prevent homelessness.
Provide housing support and improve the health and wellbeing of residents	Through the support provided to vulnerable council tenants by SHP as part of its independent living and other housing management services and also from its wider work with other social housing providers around health promotion, tackling domestic abuse etc.

1.9 SHP's asset management strategy sets out the strategic framework within which it will manage the Council's HRA assets over the coming years. The latest version can be found at: https://www.suttonhousingpartnership.org.uk/our-plans-performance However, this will be reviewed next year following completion of an independent stock condition survey now underway.

1.10 Feeding into and informing the HRA Business Plan, SHP's asset management strategy sets out how the ALMO will deliver repairs and improvements to the stock in a structured and sustainable way while maximising performance and value for money, with the ultimate aim of making best use of the assets to meet current and future demand.

Regional context

1.11 Along with investment powers for new affordable housing, the Mayor of London had responsibility for allocating decent homes backlog funding, and the Council was ultimately successful in securing almost £70m from the programme. It also secured over £5m of extra HRA borrowing capacity for new build through the Government's Local Growth Fund, also administered by the Mayor.

1.12 A further £496kof grant has been obtained from the GLA towards the capital cost of a pilot project to explore the potential of a Dutch retrofitting methodology (Energiesprong) to achieve zero carbon homes. Additionally, we have been successful in securing £2.34m BEIS funding to support rolling out the pilots to a wider project to begin to meet the environmental challenges of decarbonising the property portfolio (see chapter 4).

1.13 In 2019 the Mayor invited London boroughs to bid for grant to support his programme for producing social rented homes, offering up to £100k of subsidy per unit. Sutton successfully secured £6.5m to fund a programme of 81 units. This is discussed further in chapter 5.

National Context

1.14 Despite the freedoms granted under HRA self-financing back in 2012, the Government has retained control over social housing rents and imposed a 1% p.a. reduction over four years commencing in 2016/17. Notwithstanding the subsequent announcement that social rents will be allowed to increase by up to CPI + 1% for at least five years from 2020/21 the impact of the reduction period has had significant implications for the HRA Business Plan and the housing management service offered to residents.

1.15 In April 2012 the Government introduced its "reinvigorated" Right to Buy (RTB) policy aimed at increasing home-ownership amongst social tenants while at the same time replacing, on a one-for-one basis nationally, the additional homes sold. The policy has already had a significant impact, with the Council seeing a very substantial increase in RTB sales over the last six years, albeit that sales have recently been reducing.

1.16 The recently published Social Housing White Paper - *The Charter for Social Housing Residents* - proposes a number of changes in relation to the landlord-tenant relationship, giving greater power to residents, improving the mechanisms for resolving complaints and strengthening the role of the Regulator. It also seeks to expand social housing supply, including local authority-owned accommodation and confirms that the decent homes standard will be reviewed.

1.17 The lifting of the HRA borrowing cap has changed the financial landscape for stock-owing authorities, releasing significant potential capacity for housing investment, including in new homes, albeit that there is no government revenue support for borrowing being offered. This is discussed further in chapter 3. Another national policy development has been the publication of a consultation paper on the use of RTB receipts, with the potential for greater flexibility in how, and by when, these resources can be deployed. Again, there has yet to be any further government response to this although an intention to review the rules around the use of receipts is restated in the Social Housing White Paper.

2 The Council's Housing Stock

Stock Make Up

2.1 As at 1 April 2020, the Council's housing stock held in the HRA comprised 6,000 rented homes, 11 shared ownership properties (the equivalent of 6.75 rented units) and 1,409 flats and maisonettes sold on long leases. Also, within various estates are 114 houses sold freehold where the owner pays a service charge to the Council (commonly referred to as 's16 freeholders'). The rented portfolio includes 503 independent living units for older people (previously referred to as sheltered units); also held within the HRA are around 850 garages and parking spaces, and a number of commercial units.

2.2 The Council's rented stock has reduced considerably since the inception of the Right to Buy in the early 80s when it owned around 9,000 homes. There has been a small net increase in recent years as a result of the programme of buying back ex-council homes, and the council stock now comprises 7% of the borough's housing.

2.3 We anticipate the number of rented units to increase slightly during the next five years where RTB sales and other disposals are set against greater numbers of new build homes and acquired units (see chapter 5). However, this doesn't take into account the potential impact of proposed estate regeneration set out in the Local Plan (see chapter 4).

2.4 Council housing is located in most parts of the borough. There are, however, a number of larger estates or concentrations of stock, the principal ones being:

- Around 2,500 interwar cottages and low rise flats at St Helier in the north of the borough;
- the Benhill estate in central Sutton, built in the late 1960s and comprising 429 flats and maisonettes;
- 'Shanklin Village' in Belmont, made up of 424 deck-access designed, 70s-built flats, maisonettes and houses.

2.5 The following table gives a breakdown of the stock of HRA rented dwellings by type, size and age as at 1 April 2020.

Table 2.1: Breakdown of the HRA Rented Housing Stock by Type, Size and Age

	Pre 1945	1945-64	1965-74	1975-84	Post 1985	All ages
Houses (traditionally built)						
Terraced -1 bed					19	19
Terraced -2 bed	1,007	6	12	8	37	1,070
Terraced -3 bed	1,044	61	47	34	33	1,219
Terraced -4+ bed	14	11	1	1		27
Semi-detached -2 bed	49	1		1	1	52
Semi-detached -3 bed	152	44	2	4	7	209
Semi-detached -4+ bed	5	2				7
Detached -3 bed	3					3
Detached -4 bed	1					1
Houses (non-traditionally built)						
3 bed	5	60	1			66
All Houses	2,280	185	63	48	97	2,673
Bungalows						
1 bed	5	25	10	17	7	64
2 bed	2	1		3	2	8
3 bed	9	1		5		15
4 bed	1					1
All Bungalows	17	27	10	25	9	88
Flats and Maisonettes						
Low Rise Bedsit/ studio	12	21	61			94
Low rise -1 bed	436	55	108	179	148	926
Low rise -2 bed	62	84	15	22	12	195
Low rise -3 bed	14	8				22
Low rise -4 bed	1					1
Med Rise Bedsit/ studio	7	16	41	3		67
Med Rise -1 bed	8	134	329	107	56	634
Med Rise -2 bed	112	332	122	23	40	629
Med Rise -3 bed	19	143	208	21	17	408
Med Rise -4+ bed	5	4	4			13
High Rise Bedsit/ studio		5		18		23
High rise -1 bed		25	27			52
High rise -2 bed		157	18	7		182
All Flats and Maisonettes	676	984	933	380	273	3,246
All dwellings	**2,973**	**1,196**	**1006**	**453**	**379**	**6,007**

2.6 Flats and maisonettes comprise 54% of the stock, with houses and bungalows making up the remaining 46%. Of particular note is that over half of the stock was built before 1945, and only 14% was built since 1974. Within the total, 503 (8.5%) are independent living dwellings, grouped within 13 schemes.

2.7 In terms of property size, Sutton's HRA stock contains 1,926 'family-sized' units (3+ bedrooms) representing 32% of the total. However, of this number, only 50 dwellings have four or more bedrooms, amounting to less than 1% of the stock.

Stock Condition

2.8 In 2018, as part of a refresh of SHP's asset management strategy following completion of decent homes* works, a rolling programme of stock surveys has been carried out comprising 20% of internal areas and 100% external areas, this reflecting industry good practice. However, the last major comprehensive independent survey was carried out back in 2004. Given the need for accurate and comprehensive integrated stock data to plan future investment programmes, a new major survey is now underway,being undertaken by surveying specialist FFT.

2.9 Now that 100% decency has been achieved, SHP's asset management strategy will, in addition to maintaining full decency and meeting all health and safety requirements, seek to ensure that in future an appropriate portion of the annual investment programme is focused on communal services and areas of estates not covered by the decent homes standard. It also established a 'just in time' approach to capital investment in order to make the most efficient use of resources.

2.10 The works outside of individual homes will include repairs to mechanical and electrical plant and equipment, repairs and upgrades to communal areas, and works to ensure that our estates meet the needs of residents in the 21st century. Most importantly, in light of the fire at Grenfell Tower and emerging new legislation arising from the tragedy, the programme will have a renewed focus on fire safety measures in flatted blocks, and increased resources for fire safety and other health and safety compliance related works have been given the highest priority.

Sustainability

2.11 In terms of assessing sustainability SHP has classified each property as either 'Green', 'Amber' or 'Red'. The definition of the three categories is as follows:

Green – Those properties that are in high demand and that require average or below average levels of investment. This category may otherwise be described as 'core stock' and is of low risk.

Amber – Those properties that offer peripheral performance and that require further investigation to be reclassified as either red or green.

Red – Those properties deemed to be 'high risk' in that they require significantly higher than average levels of investment in order to bring them up to or maintain them in a good lettable condition and/or that are in low demand (i.e. are difficult to let or have an unjustifiably high void turnover rate).

2.12 Generally those properties designated ‘Green’ will continue to receive investment given their commercial viability. Those classified as ‘Amber’ or ‘Red’ are effectively highlighted for further consideration, option appraisals and ultimate decision making in terms of their long term future.

2.13 Taking into account works undertaken to the stock in recent years, properties that remain designated as ‘Red’ or ‘Amber ‘are listed in Appendix A. As can be seen, only one property is showing as ‘Red’, this being the vacant property 110 London Road, Hackbridge (Culvers Lodge), which is undergoing major refurbishment and partial redevelopment.

2.14 There are 143 properties that are currently designated as ‘Amber’, these being mainly the Unity system-built homes on the Clockhouse estate and the 50 units at Rosehill Court. However, this is not to suggest that all these units should receive no further investment but it triggers a need to consider the causes of their relative unsustainability and what can be done to improve viability.

2.15 In both cases the estates are being considered for extensive refurbishment or regeneration as part of a wider programme of area improvement (see chapter 4). It should also be noted that investment costs for properties designated ‘Amber’ are still included in the depreciation calculation for the stock (see chapter 3).

Future investment requirement

2.16 Set out in Table 2.2 is a summary of the latest estimate of the need for capital investment in the housing stock, by type of work over the 30-year time span where Year 1 is 2021/22. The calculation takes into account works anticipated to be carried out in 2020/21. Full details of the investment requirement, by building element and including a breakdown for Years 1 - 5, is set out in Appendix B. It should be noted that this is based on the assumption that all existing homes, with the exception of those designated for or currently undergoing redevelopment, are maintained into the future. Should further elements of the stock be redeveloped the overall investment needs will change accordingly.

2.17 It should also be noted that Appendix B excludes provision for any estate re-modelling, conversions of properties or the creation of new homes or communal facilities within estates. Such opportunities are flagged up in SHP’s asset management strategy and, subject to resources being available, will be considered by the Council at the appropriate juncture. It also, at this stage, takes no account of the proposed redevelopment over the next 15 years of a number of estates close to Sutton town centre (see chapter 4).

Table 2.2: Summary of Stock Investment Needs 2021/22 to 2050/51 (Years 1 - 30)

	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30	Years 1 - 30
	2021/22 - 2025/26	2026/27 - 2030/31	2031/32 - 2035/36	2036/37 - 2040/41	2041/42 - 2045/46	2046/47 - 2050/51	2021/22 - 2050/51
Major Repairs	14,839,360	18,464,799	28,268,738	18,408,205	20,740,696	15,087,351	115,809,149
Contingent Major Repairs	2,024,492	1,279,155	1,380,400	1,314,100	1,402,500	1,402,500	8,803,147
Improvements	10,612,012	3,579,876	3,250,000	2,500,000	2,500,000	2,500,000	24,941,888
Estate Works and Related Assets	2,600,000	2,229,016	2,350,976	1,911,698	7,928,389	4,164,626	21,184,705
Exceptional Extensive Works	5,310,575	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	11,310,575
Adaptations	2,000,000	2,000,000	1,601,560	1,950,000	1,950,000	1,950,000	11,451,560
Mechanical and Electrical Works	11,445,200	10,049,090	6,186,370	4,925,080	6,864,800	5,809,880	45,127,420
Total	48,3831,639	38,801,936	44,238,044	32,236,083	42,406,385	32,114,357	238,628,444
Adjusted Totals*	53,510,500	49,628,400	68,058,500	59,671,100	88,780,500	100,822,500	420,471,500

*These adjusted totals include fees and preliminaries, allow for building cost inflation and for projected stock number changes. They also exclude associated costs of management.

2.18 As can be seen, the overall investment requirement over 30 years now amounts to £238.6m. When other elements such as fees and preliminaries (associated set up costs), inflation, adjustments for changing stock numbers are factored in, the adjusted total rises to £420.5m. However, it should be noted that this excludes associated costs of management.

2.19 The average estimated level of consultancy fees and project management costs of 3.23% has been maintained for the purposes of projecting over the 30 year life of the Business Plan. Clearly these may vary over the coming years, but it is felt to be a reasonable estimate of the likely average over the period.

2.20 Based on the latest building cost indices provided by the Royal Institute of Chartered Surveyors, and taking account of long term trends, building cost inflation has been assumed at 2.5 % for 2022/23, increasing to 3.0% p.a. from 2024/25.

2.21 In terms of projected stock number changes, for the modelling of future resources (discussed in chapter 3) an estimate of the number of RTB sales together with other known future disposals and projected property acquisitions has been used. At this stage, no assumptions are made regarding any stock losses from future potential regeneration programmes (see chapter 4).

2.22 The average energy efficiency rating of the stock under the Government's Standard Assessment Procedure (SAP) methodology was 72.2 out of 100 at the beginning of 2020/21. The SAP methodology, established by the Building Research Establishment, measures the amount of energy an individual home would consume to maintain a given level of thermal comfort. The current score represents an improvement on the position three years ago (71.6) as a result of properties benefitting from energy efficiency works such as loft insulation along with data validation from the recent independent survey of the stock.

2.23 A breakdown of the stock by energy rating, using the A to G classification system as well as the SAP rating scores, is set out in Appendix C. This shows that the large majority of the stock is rated as A, B, C or D, with just 46 properties having a lower rating. However, it must be understood that none of the stock is zero carbon. To achieve this or even close to zero carbon across the whole stock in order to meet the Council's climate emergency objectives would require considerable additional investment. This is discussed further in chapters 3 and 4.

Housing Supply and Demand

2.24 Sutton's latest Strategic Housing Market Assessment, published in 2016, identified a requirement for over 1,000 new affordable homes per annum over the next 18 years. The demand for affordable housing is further evidenced by the large number of households in need of social housing on the Housing Register (currently around 2,100) and continuing high numbers of homeless households in temporary accommodation (now running at over 850).

2.25 The Council has lost large numbers of its homes through the Right to Buy and other disposals over time, with the rented stock reducing from a figure in excess of 9,000 in the 1980s to around 6,000 today. This reduction has resulted in a gradual decrease in permanent lettings becoming available each year, which has not always been compensated for by nominations to new social housing in the form of housing association units. Notwithstanding this, the HRA stock has been added to by over 130 ex-council stock buy-backs to date, albeit these units are currently used solely for temporary accommodation (see chapter 5).

2.26 Trends suggest that the local authority housing stock is likely to remain in high demand, at least for the medium term and probably into the longer term. On that basis the Council needs to ensure its continued maintenance as an asset for the full 30 year period of the business plan.

3 Resources and Financial Modelling

3.1 Since the introduction of HRA self-financing in 2012 the Council has been able to retain for use locally all of its rental income. It is also now free to undertake HRA borrowing within prudential limits. As well as rental income and borrowing, resources for council housing in Sutton include an element of Right to Buy (RTB) receipts and certain external funding sources. Each of these are briefly discussed in turn. The remainder of this chapter then focuses on financial modelling over the 30 year period of the Business Plan, taking into account projected resources and investment requirements.

Revenue Resources

3.2 The cessation of the national HRA subsidy system, in March 2012, enabled stock-owning authorities to retain all their rental income locally going forward. Councils like Sutton that were deemed to be in 'negative subsidy' under the old subsidy regime (i.e. their rental income was considered to exceed their investment needs and were thus required to pay into a national pot) were required to make a one off payment to the government to buy themselves out of the system. Sutton's allocated self-financing debt settlement or buy out payment was set at £141.1m, and to enable it to make this payment the Council took out a single 30 year loan for that amount from the Public Works Loans Board. The Government agreed a special one-off reduced interest rate at that time of 3.5% p.a. for the purpose.

3.3 The taking out of the self-financing loan resulted in interest and debt management expenses of around £5.8m p.a. over the remaining loan period. However, this is significantly outweighed by the extra rental income retained (in the last year of the old national subsidy system Sutton was contributing over £10m p.a. to the Exchequer).

3.4 In terms of the loan principal, in previous iterations of the Business Plan the Council made provision within the financial modelling to pay this off during the 30 year term by setting sums aside annually. However, it was agreed last year that the loan could be paid back over a 50 year period through refinancing the debt when it becomes due, which reduces the set aside amounts to just over £4m after Year 5. This approach frees up resources that are needed in the early years of the Plan albeit resources allow for smaller amounts to be set aside during Years 1 - 5. Importantly, although the sums are set aside they will earn interest for the HRA.

Borrowing

3.5 In September 2018, the then Prime Minister announced that the HRA borrowing cap, which had remained in place with self-financing, would be lifted completely to allow stock-owning authorities unlimited HRA borrowing subject to Prudential Borrowing rules. However, any further HRA borrowing will not be 'supported', which means the revenue costs need to be found from within the authority's HRA.

Rental income

3.6 In 2018 the Government announced that following the end of the four year reduction period rents would be allowed to rise by up to CPI + 1% for a period of at least five years. However, the reduction had a significant impact on the funding available within the HRA, not just during the four years to 2019/20 but across the whole 30 year period since it is unlikely that council rents will be allowed to go up sufficiently in future years to compensate for the loss.

3.7 Assuming a further CPI + 1% increase in rents in April 2021 and taking into account other income sources, it is projected that the total HRA income in 2021/22 will amount to £39.3m. The Base Model (see below) continues to prudently assume that rents annually will go up by CPI only following the five year period in which the Government is allowing increases of up to CPI + 1%.

3.8 Under HRA accounting, a depreciation cost (the amount required to maintain the stock) is calculated on a formulaic basis and an equivalent amount of income is set aside into a Major Repairs Reserve (MRR) to cover this. The current cost of replacing each major building component is annualised over the expected life of the component and then averaged across all dwellings to derive an annual amount per property. At £7.236m in Year 1 the sum set aside works out at £1,205 per rented dwelling.

Right to Buy Receipts

3.9 Under the Government's "reinvigorated" RTB policy, introduced in March 2012, where authorities entered into an agreement with Government to retain the additional or 'net' receipts for investment locally, the receipts must be spent within three years of their arising, otherwise they have to be returned to the Exchequer with a high level of interest payable (4% above Base Rate). A further stipulation is that additional RTB receipts can be used to fund no more than 30% of the cost of new housing including land acquisition costs where applicable. However, it should be noted that this, along with other limitations, was the subject of a government review in 2018 which may in due course result in some relaxation. The clawback rules were relaxed in 2020/21 due to the Covid pandemic but only for the second and third quarters effectively extending the three year rule by six months.

3.10 The numbers of RTB sales over the last eight years are set out in the table below. As can be seen, annual sales peaked at 75 in 2014/15 but dropped to half that figure by 2017/18. Although they have stabilized recently, with the 2020/21 sales projected to reach 30, they are projected to drop in the long term with 20 assumed for 2021/22, dropping to 15 p.a. from 2022/23 and then to 10 p.a. from 2028/29 (see Appendix D).

Table 3.1: RTB Sales 2012/13 to 2019/20

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
35	65	75	59	51	37	27	28

3.11 The sales over the eight years to 2019/20 have given rise to a net receipt of £31.061m This is the proportion of the gross receipt which the local authority is allowed to use for investment in new homes. The net receipt is calculated in accordance with a prescribed government methodology whereby the gross receipt is reduced by a standard administrative allowance per property sold, attributable debt, the share retained by the local authority usable for any capital purpose, the HM Treasury share, and the allowance for buy backs where applicable. Some £2m was deployed in 2015/16 to support the regeneration of the Orlit homes in Carshalton, while £70,000 was provided to local housing association, Sutton Housing Society. Since then, partnership work with Sutton Housing Society, Transform and the Andrewes Charitable Trust has led to a further £1.8m to support delivery of affordable housing in the borough, leaving approximately £27m for HRA investment.

3.12 Set out at Appendix D is the latest projection of RTB sales and net receipt income available for investment over the Business Plan period, based on the current pipeline of applications and assumptions regarding the likely trends over the longer term. It shows that over £100m of net receipts are estimated to accrue by the end of the Business Plan period, this figure including amounts that arose prior to 2021/22 (Year 1).

3.13 Appendix D also includes the amounts of RTB net receipts actually spent and projected to be spent on HRA new build, HRA-funded acquisitions and other expenditure. The funding for new build is limited to Phases 1 and 2 while the funding deployed on HRA acquisitions is based on a very broad estimate of ex-council homes that will become available for buying back over the next 30 years: 20 p.a. up until Year 10 (2030/31) and then 10 p.a. thereafter.

3.14 The final column in Appendix D shows, on an annual basis, the RTB net receipts that remain available to be applied. The amounts in the early years are shown in brackets as the required capital expenditure has yet to be identified. From Year 5, with no projected new build spend, they are used entirely on the acquisition programme. However, from Year 16 they are again shown bracketed as being surplus due to the projected decrease in ex-council stock buybacks.

Other Funding Sources

Local Growth Fund

3.15 In 2014 the Council successfully secured £4.050m of funding in the form of borrowing approval under the Government's Local Growth Fund initiative. This was then supplemented by a further award of £1.257m. These funds were deployed on the, now completed, Phase 1 of the HRA new build programme, which is discussed in chapter 5.

GLA grant and additional HRA borrowing

3.16 In 2018 the Council secured £6.5m of grant funding from the GLA, to be used alongside its other resources, in order to fund a second phase of HRA new build, the homes to be let at social rent, and with the stipulation that a minimum of 81 units are developed. The grant is likely to be reduced to £5.1m, however, due to the limit on available sites (see chapter 5).

3.17 It should be noted that GLA grant can be used alongside additional HRA borrowing to fund a scheme. But although the grant can be mixed with RTB net receipts within a scheme both cannot be used to fund an individual property, thus borrowing will need to be applied to each property. However, as mentioned, the Government is considering allowing greater flexibility in this area.

3.18 The funding of a Phase 2 programme of new build social rented homes is incorporated into the Base Model (see below). However, the Business Plan also discusses, in chapter 5, the possibility of a further phase of new build investment later on.

Funding for energy efficiency works

3.19 SHP has worked with the Council in successfully securing funding from the GLA for a pilot programme of whole house energy efficiency works, based on the Dutch Energiesprong whole house retrofit methodology and focussed on addressing fuel poverty and climate change. The GLA's match funding, amounting to £548k along with £280k of HRA funding will allow SHP to undertake whole house retrofit refurbishments to an initial eight properties.

3.20 The pilot project will test the viability of the model prior to a wider programme of refurbishments being run. To that end, in conjunction with Energiesprong UK, we made a successful bid for additional match funding from the Department for Business, Energy & Industrial Strategy (BEIS) and were awarded £2.34m subject to agreements being signed. We have also been awarded £480k ECO3i funding (the government's latest Energy Company Obligation scheme) from British Gas. The retrofit programme is discussed further in chapter 4.

Base Model

3.21 The Council, working with SHP, has produced a new 30 year 'Base' financial model, where Year 1 becomes 2021/22. The Base Model is predicated on the following:

- that sums are set aside throughout the period to only partially repay the £141.126m self-financing loan when it matures in 2042, this on the assumption that the debt is refinanced over a 50 year period. Interest will accrue on these sums and is added into the working balance;
- that HRA borrowing is applied to new build and acquisitions in the early years, with an average interest rate of 2.4%assumed in relation to this borrowing;
- that the HRA new build borrowing is paid back after 30 years, i.e. outside the period of the Business Plan;
- that the Major Repairs Reserve (MRR) is applied to investment in the existing stock along with leaseholder contributions and additional revenue contributions to capital outlay (RCCO), the latter where it is both needed and available;
- that annual general inflation rates increase gradually from 0.5% in 2021/22 to 2.0% in 2025/26 and then remain at 2.0% thereafter;
- that inflationary uplifts to major works costs are applied at a rate of 2.5% in 2022/23 and then at 3.0% each year thereafter;
- that rents will increase by CPI + 1% over the next four years (commencing in 2021/22) and then increase at CPI only each year thereafter;
- that allowances for bad debt are assumed at 0.9% p.a.;

- that the amounts set to cover the cost of depreciation of assets from Year 1 are calculated using a 'component approach' which takes account of element lifetimes and building costs;
- that the costs of management (SHP's management fee and Council HRA costs) and the amount set for capital investment are derived from cost modelling and are affordable within the business plan.

3.22 In relation to new build, the following assumptions are made:

- that new build is limited to the Phase 2 programme with its target of 81 HRA homes provided at a number of sites, some of which are to be confirmed;
- that 65 of the Phase 2 new build homes are let at the Mayor's London Affordable Rent, with the remainder likely to let at around 65% of market rents;
- that the averaged assumed rent levels for the Phase 2 new homes are as set out in Appendix E;

3.23 In relation to the HRA acquisition programme (see chapter 5), the Base Model assumes that during Years 1 to 8 after RTB net receipts are applied (at up to 30% of the total cost), the remaining proportion will be funded through HRA borrowing, which is now available as a result of the lifting of the cap. From Year 9 onwards, however, the programme is funded from a combination of RTB net receipts and RCCO given the revenue available.

3.24 The revenue modelling also factors in appropriate management and maintenance costs for the new build and acquired units while the capital modelling allows for renewal of building elements according to standard cycles.

3.25 Summary output sheets from the Base Model, for both revenue and capital, are set out in Appendices F (i) and F (ii) respectively. A schedule of all the assumptions within the Base Model is set out at Appendix G.

3.26 From the revenue summary, the following can be seen:

I. Total annual income amounts to £39.3m in Year 1, and rises gradually over the period to £76.7m in Year 30.

II. SHP's costs or management fee (excluding contributions to major works) is set at £16.3m in Year 1 and rises to £29.1m in Year 30. The Council's management costs amount to £2.2m in Year 1 and increase with inflation to £3.8m by Year 30.

III. Depreciation increases from £7.2m in Year 1 to £18.5m in Year 30. This significant increase is driven by the stream of new build and acquired homes coming into the HRA portfolio. The depreciation figures transfer across to the MRR in the capital summary (see below).

IV. Debt management costs and interest payments on historic debt (including the self-financing debt) are approximately £5.8m p.a. up to and including Year 21; they then fall substantially in Year 22 of the Business Plan period after the self-financing debt is partially paid off. The increase in costs from Year 24 are to support the remaining historic debt which has been refinanced.

V. Amounts of RCCO are applied to investment in the existing stock in Years 3 and 4, 6 to 16 and from Year 23 to supplement the MRR when this is needed. No further RCCO is applied to the new build programme but substantial sums are applied to acquisitions from Year 9 onwards.

VI. Amounts are set aside to repay the self-financing debt throughout the 30 year period (column 19) albeit that the debt will be refinanced and partially paid off when due in Year 22. The working balance of £5.733m carried forward into Year 1 includes set aside from previous years.

VII. A minimum HRA balance is maintained throughout the Business Plan period.

VIII. Finally, an 'investment reserve' begins to build up from Year 1, reaching £140.6m by Year 30.

3.27 It should be noted that the income at Year 30 is considerably lower than in the last iteration of the Plan due to the compound effect of much lower levels of inflation assumed in the early years. Costs over the period are also commensurately lower as is the Year 30 Investment Reserve.

3.28 From the capital summary, the following can be seen:

I. The existing stock investment requirement, shown in column 1, reflects the amounts as set out in Table 2.2/Appendix B. However, additional amounts are included in later years to take into account the future investment needs of the new build stock while the future investment needs of the stock to be acquired (mainly flats) is factored into the purchase costs and the depreciation allowance.

II. Column 2 shows the funding required to cover the cost of acquisitions while column 3 shows the costs of the new build programme (from 2021/22 onwards).

III. Borrowing is applied to new build, and also acquisitions (up to Year 8) facilitated by the lifting of the HRA borrowing cap. As in previous iterations of the Plan, no borrowing is applied to investment in the existing stock.

IV. The existing stock investment requirement is inclusive of the cost of works to leasehold units, with these costs offset by leaseholder contributions (column 8).

V. As can be seen from columns 9 and 10, RTB net receipts are applied to acquisitions over the whole period and new build up to Year 3, funding up to 30% of the total cost.

VI. The MRR column reflects the depreciation figures set out in the revenue summary (see above). The Year 1 figure includes a significant carry forward from the previous year.

VII. The summary confirms that RCCO is now only used to fund works to the existing stock in specific years where it is required to supplement the MRR

(Years 3 and 4, 6 to 16 and Years 23 onwards. RCCO also funds the acquisition programme from Year 9 onwards.

VIII. The difference between the total investment requirement and the total funding available is reflected in the 'In Year Surplus/(Shortfall)' column, and subsequently in the 'Cumulative Surplus/(Shortfall)' column. The latter shows various surplus amounts over the years, which finally reduce to zero at Year 30.

Sensitivity Model

3.29 To take into account of the potential impact of both the climate change agenda and the emerging provisions of the Building Safety Bill and new fire safety requirements a sensitivity or variant to the Base Model has been produced, with revenue and capital summaries set out respectively at Appendices H (i) and H (ii).

3.30 To illustrate the potential impact of these requirements, a very broad assumption has been made of the cost of rendering the housing stock carbon neutral by 2050, while the anticipated costs of new building safety measures have also been estimated. Both have been calculated at £25k per property at this early stage, and applied over the Business Plan period from Year 6 onwards to allow resources to continue to be deployed on current programmes. However, the costs will be refined, and should become much more accurate, once the new stock condition survey has been completed next year.

3.31 As can be seen from the revenue summary, the investment reserve that had built up in the early years reduces to almost zero by Year 9 and remains effectively at that level up to Year 30. This means that there is no funding available to support any further programmes of new build or acquisition. Moreover, as the capital summary shows, from Year 9 a very significant capital funding shortfall builds up, reaching £163.7m by Year 30. This shows the potential extent to which, without any Government or other external funding, our resources could fall short of those required to address the zero carbon and building safety agendas.

4 Stock Investment

4.1 Considerable investment has been made in the Council's housing stock in recent years, with 100% decency being achieved and huge numbers of improvement works made to tenants' homes. Nevertheless, as discussed in chapter 2, the stock remains in continual need of capital investment to both maintain and improve on the decent homes standard and to undertake works of a health and safety nature, in particular in relation to building and fire safety. We also need to address the climate change agenda and the wider aspirations and expectations of residents in terms of environmental improvements and other works to dwellings and the communal parts of flatted blocks and estates.

Current Investment

4.2 The overall HRA capital programme projected outturn for 2019/20, together with the outturn for the previous two years is set out in the following table.

Table 4.1: HRA Capital Programme Outturns 2018/19 to 2020/21

	2018/19 outturn (£000s)	2019/20 outturn (£000s)	2020/21 projected outturn (£000s)
Expenditure			
Major repairs programme	7,722	6,273	11,929
Adaptations for disabled tenants	483	245	200
Regeneration (Richmond Green)	3,240	671	283
New build	6,532	2,075	7,467
Property acquisitions	16,589	9,173	9,715
Total Expenditure	**34,566**	**18,437**	**29,594**
Resources			
Major Repairs Reserve (MRR)	6,538	4,458	4,181
Revenue contributions to capital outlay (RCCO)	5,323	2,646	7,871
Borrowing	13,454	6,959	12,198
RTB net receipts	7,268	3,245	3,287
Leaseholder contributions	1,600	432	250
s106 receipts	0	671	107
GLA Grant	0	0	1,700
Other contributions	353	26	0
Total Resources	**34,566**	**18,437**	**29,594**

4.3 The major works programme for 2020/21 amounts to almost £12m. The programme will result in 17 homes having new windows or doors installed, 49 new kitchens and 29 new bathrooms provided, heating improvements for 500 properties and 280 properties being improved electrically. In addition, £400k is earmarked to fund adaptations. It also makes provision for fire safety works, including £1.4m to be spent on replacement fire doors and, over Year 1 - 5, a further £7.4m is set to be spent on other fire safety-related works.

Future Investment

4.4 As discussed in the previous chapter, a new Base Model has been developed taking into account the latest assessment of resources, stock investment needs and the funding of the current and approved new build and acquisition programmes. A significant element of the investment requirement during the next five years is major repairs, the costs of which totals £12.1m (before fees and inflation etc are factored in). The other major area of spend is improvements, with £10.6m of spend identified over the next five years.

4.5 On the basis of the funding position under the Base Model, the Council and SHP have been examining how best the anticipated resources available for capital investment in the existing stock might be deployed over the coming years, with the aim, firstly, of ensuring that all essential health and safety related and other legally required works, including all required fire safety works, are carried out. This will form a key element of SHP’s review of its asset management strategy, to be undertaken alongside the new stock condition survey in 2021.

4.6 The outline five year programme of works is set out in Appendix I and summarised in Tables 4.2 and 4.3 below, the latter showing the numbers of homes benefitting from each key building element repair/replacement.

Table 4.2: Outline Investment Programme 2021/22 to 2025/26

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Major repairs	2.561	1.835	2.487	3.730	1.513	12.127
Contingent major repairs	0.370	0.387	0.404	0.422	0.441	2.024
Improvements	3.640	1.743	1.743	1.743	1.743	10.612
Estate works and related assets	0.600	0.500	0.500	0.500	0.500	2.600
Exceptional extensive works	5.310	0.000	0.000	0.000	0.000	5.310
Aids and adaptations	0.400	0.400	0.400	0.400	0.400	2.000
Mechanical & Electrical	2.216	2.359	1.752	1.642	1.885	9.854
All	**15.098**	**7.225**	**7.286**	**8.437**	**6.482**	**44.528**

NB: Figures in the above table do not include adjustments for inflation, fees and preliminaries and the associated costs of management. Totals may not add up exactly due to rounding. Fire safety works are included in Improvements.

Table 4.3: Outline Investment Programme 2021/22 to 2025/26 – Key Building Elements

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Bathrooms/WCs	43	23	37	95	26	**224**
Kitchens	57	20	143	106	34	**360**
Heating	503	503	503	503	503	**2,515**
Electrics	143	150	154	158	162	**767**
Front doors etc	85	29	197	22	15	**348**
Windows etc	9	9	15	26	14	**73**
Roofs/canopies/balconies	29	66	87	290	100	**572**

4.7 Table 4.4 (below) gives a breakdown of the average costs for the key building elements, while Table 4.5 indicates the life cycles of some of the elements used for asset management purposes, based on the decent homes methodology. It should be noted that although a building element may reach the end of its life cycle, when it is actually replaced will depend upon its condition. Some elements may need replacing before the end of the cycle while others may have a longer effective life. Importantly, following completion of the decent homes programme, SHP has adopted a 'just in time' approach to replacing building elements (see below), which should help to reduce expenditure.

Table 4.4: Key Building Element Unit Costs

	Average cost per unit / dwelling (£)
Bathrooms/WCs	4,000
Electrics	2,200
Front doors	1,500
Heating systems (incl boiler)	2,000
Kitchens	5,000
Windows (incl patio/French doors)	6,000

Table 4.5: Decent Homes Life Cycles of Key Building Elements

	Life cycle (years)
Bathrooms/WCs	40
Boiler	15
Electrics	30
Front doors	40
Heating systems	40
Kitchens	20
Roof coverings	70
Windows (incl patio/French doors)	40

4.8 The total cost of the modelled programme shown in Appendix I matches the resources available within the Base Model over Years 1 - 5. The amounts, over the period, also equate to the investment requirement, as set out in Appendix B. In other words, in the first five years there are sufficient resources to undertake all identified stock investment needs. As mentioned in the previous chapter, the sources of funding for investment in the existing stock comprises the MRR, available RCCO and leaseholder contributions. No borrowing or RTB net receipts are applied to the existing stock.

Asset Management Policy

4.9 SHP's current asset management strategy for the Council's housing stock can be found at: www.suttonhousingpartnership.org.uk/our-plans-performance The strategy includes a number of principles or policy proposals; the key ones are summarised briefly below. These will, however, be reviewed when a revised asset management strategy is developed next year in light of the findings of the ongoing stock condition survey

Stock decency

4.10 Having achieved 100% decency, subject to a small number of allowable exceptions, a key principle objective of the asset management strategy (and the HRA Business Plan) is to maintain the property portfolio at the decent homes standard as a minimum, but also to widen the scope of investment to include estate grounds and a more sustainable and improved living environment for residents. Should there be any future revision of the standard, as has been proposed by the Government, the priority will be to achieve and adhere to it.

Planned and responsive repairs integration

4.11 Planned major works programmes will be developed in coordination with management data from the day to day or responsive repairs service. SHP will accordingly be undertaking regular cross data analyses to ensure that major works programmes are not only mitigating both component remaining life failures and combating potential decency failures, but also efficiently resolving responsive repairs in a more holistic fashion.

‘Just in time’ approach to building element renewal

4.12 The traditional approach to renewing building components according to their industry standard lifetimes has now been re-appraised to take into account actual ‘real world’ component failure rates. Before works are commissioned, inspections will be carried out to obtain a real time view of building condition and the need for component replacement/repair or otherwise.

Energy efficiency and fuel poverty

4.13 There has been steady improvement in the energy efficiency of the housing stock in recent years, which now has an average SAP (Standard Assessment Procedure) rating of 72.2 (out of 100), which compares very favourably with the private sector. However, there are a number of properties that have complex requirements that must be addressed in order to allow this improvement to continue. SHP is currently aiming for a minimum SAP target of 69 across the entire stock by 2023, which is considered to be an achievable improvement target.

4.14 SHP will also undertake customer and asset analyses to allow it to understand more about how energy efficiency improvements can not only improve thermal comfort but alleviate the consequences of fuel poverty. However, in order to meet the demands of the climate emergency, innovative measures will need to be employed to address the decarbonisation of the housing portfolio.

4.15 One way of achieving this aim is to deliver whole house major retrofits of ill-performing properties using the Energiesprong methodology aimed at achieving zero carbon or close to zero carbon performance. To that end a pilot Energiesprong project is being run to deliver retrofits to eight homes - two in Worcester Park and six at Clockhouse - with over 50% of the estimated cost funded by the GLA. These are due to be completed by 2021.

4.16 The agreement with the GLA has since been extended to support the retrofitting of up to circa 34 additional homes at Clockhouse with the opportunity to further extend the scheme to homes at St Helier to address up to 100 properties in total. The unit costs of retrofitting will reduce considerably with increasing numbers of homes included in the programme. Initial cost projections for 100 units are in the region of £8.1m; however, over 50% of the necessary funding would be provided externally through successful capital bids - along with the £800k for the pilots these comprising £2.34m from BEIS and £480k from British Gas through the ECO 3i scheme. The balance of £3.5m will need to come from the HRA and has been included in the Base Model.

4.17 A preliminary 'ballpark' assessment of the costs of decarbonising the whole stock, as discussed in chapter 3, amounts to £25k per property on average. A recent successful bid to the Local Government Association has resulted in the award of £18k of consultancy services provided by UCL's Bartlett School of the Built Environment to deliver a model and tool to examine possible decarbonisation options for all of Sutton's housing stock.This will be reviewed and refined alongside the stock condition survey.

Building and fire safety

4.18 There are approximately 320 housing sites with communal areas which require a fire risk assessment (FRA), and SHP has carried out assessments at all of these. The ALMO also runs an annual programme to update 100% of the assessments and undertakes remedial actions as they arise. The programme is closely monitored by the London Fire Brigade (LFB), and SHP holds regular strategic and operational meetings, involving the LFB, to ensure that communication channels are maintained. Higher risk buildings are reassessed each year and lower risk buildings every three years. FRAs are now openly published on SHP's website.

4.19 SHP is also undertaking fire compartmentalisation works that were identified in a specialist consultancy report for blocks of five storeys and above. Continuing its work to ensure all properties meet the highest standard of fire safety SHP will ensure the confidence of residents and the safety of their homes. Alongside this programme of work, the remedial works to be undertaken at Chaucer House are being completed ensuring that the final building elements, identified following the tragic events at Grenfell Tower, are dealt with.

4.20 The Building Safety Bill, currently going through Parliament, will have major implications, and associated costs, for local housing authorities and social landlords more widely. This will be examined in depth as part of the stock condition survey project, and this work will inform the next iteration of the HRA Business Plan.

Properties off of the gas main

4.21 The Council has around 300 properties that do not have a gas supply readily available for heating and hot water and where heating and hot water is electrically provided, normally by storage heaters. By their nature these systems are often more expensive to run and less energy efficient, and our policy objective is to improve the thermal efficiency of dwellings and help to alleviate fuel poverty.

4.22 Some residents living in these homes have asked if gas heating could be provided when packages of works are undertaken to their homes. If gas supply pipework is present but unconnected, it is relatively easy and inexpensive to convert the home to gas heating and hot water. However, if pipework isn't present, a new supply needs to be taken from the main network, which can be expensive and time consuming. Also, once gas is installed there will be a capital cost for the provision of a central heating boiler and ancillary systems as well as the consequent increase in programmed renewal costs and servicing arrangements. However, there is provision made in the stock investment need (Appendix B) to allow for more economical heating provision to these properties once identified.

Door entry systems

4.23 Security is a high priority for residents, and there is a demand to have door entry systems where none exist. In many cases, there is no door at all to common areas, which are therefore open to the elements and vulnerable to anti-social behaviour. To address this, SHP will canvass the views of residents, and gain an understanding from the police and other agencies about crime or antisocial behaviour, in order to inform decision making. Subject to funding being available, SHP will provide new door entry installations on a scheme by scheme basis.

Specific stock issues

4.24 Although the vast majority of the Council's housing provides good quality homes for residents there are occasions where the costs of maintaining a property outstrips the value of retaining it. In these instances an evaluation of a number of both economic and social factors will be undertaken by SHP to assess the future viability of the property. Where the costs of maintaining the property exceed its value and the associated rental income then consideration will be given to disposal or alternative usage, with a view to recycling any capital receipt to provide new housing.

Garages

4.25 The majority of our garages are now beginning to require extensive repairs and maintenance. In most cases garages are of a 'battery' form (i.e. built in strips) and constructed of reinforced concrete panels that are coming to the end of their serviceable lifespan. In addition, the majority of these garages are too small to accommodate modern cars and therefore, as opposed to being used for their intended purpose, are often just used for storage. If increasing numbers repairs are either not possible or are so extensive as to make it non-viable to undertake them they will need to be dealt with.

4.26 Given growing pressures on parking within the borough SHP will be commencing a programme to demolish all battery garage sites over a period, subject to being able to negotiate the re-acquisition of individual garages where they have been sold. Where appropriate, the sites vacated may be considered for re-development, and some already have been (see chapter 5). Otherwise the land vacated will be created as off-street parking for the residents of the estates, or otherwise landscaped.

Voids

4.27 There may be occasions when a property or group of properties become empty or void and for various reasons are assessed as 'high risk' (i.e. classified as 'red') under the sustainability modelling criteria. Where these arise, option appraisals will be undertaken by SHP in relation to their future use. Where considered appropriate, they will be recommended to the Council for redevelopment or disposal.

Independent housing for older people

4.28 The portfolio of 500+ independent living units for older people (formerly known as sheltered housing), much of which was built many decades ago, presents issues around the suitability of the accommodation for the purpose that it is being used. In recent years a number of such schemes have been redeveloped or re-modelled to make the accommodation more suitable for 21st century living. In conjunction with the Council, and informed by the new stock condition survey, SHP will undertake a rolling review of the layout of these buildings in order that they can assess the viability of remodelling to make them fit for modern day living.

Clockhouse 'Unitys'

4.29 The precast reinforced concrete Unity system-built homes in the Clockhouse area were last subject to detailed review in 2001. Although at the time a decision was taken to dispose of some other system built homes designated under the Defective Dwellings Act, these properties were retained, and some works have been undertaken in recent years, such as window replacement, in order to extend their life. Decisions will be required in the near future regarding further planned repair works and improvements to the thermal efficiency of these homes, notwithstanding their inclusion in the Energiesprong pilot (see above). Given their condition, these properties are all classed as 'Amber' under the sustainability modelling process.

4.30 To determine the best option for the future of these dwellings in terms of refurbishment vs redevelopment, an appraisal of the stock condition, tenure and occupancy position on the estate has been undertaken. Alongside the retrofitting option, a number of potential redevelopment opportunities have been identified. These will be taken forward alongside the Council's wider programme of estate regeneration (see below).

Estate re-modelling

4.31 SHP's latest asset management strategy acknowledges that the number of homes on certain estates could be increased through imaginative design solutions, re-modelling existing buildings or through 'infill' developments. Such initiatives could not only add to the social rented stock but could also help to improve the environment and positively contribute to the life of the community. As mentioned, an earlier review of under-used garage sites has already yielded a number of potential plots which are being considered for redevelopment. SHP will continue to explore and develop ideas for further estate re-modelling in conjunction with the Council's wider estate regeneration agenda.

Estate Regeneration

4.32 The Council has a long track record of housing regeneration, with the wholesale redevelopment of the 2,000 home Roundshaw estate in Wallington, the ownership of which was transferred to the housing association sector. A more recent major project has been centred on the former Durand Close estate in Carshalton, in which 295 unattractive system-built maisonettes has been replaced with a mix of attractive new social and private housing.

4.33 The Lavender Housing Partnership, comprising the Council, Clarion, Rydon Construction Ltd, Pollard Thomas Edwards architects and the local residents association, in addition to redeveloping Durand Close also provided new homes at a number of associated sites mainly in The Wrythe and St Helier areas. The Partnership is due to complete the remaining project sites this year, incorporating the last of the Orlit system-built houses located in the Carshalton area. The flats at Corbet Close in Carshalton, now demolished and which were of an identical built form to the former Durand Close, were also included in the programme.

4.34 To date, 619 new homes have been completed at the Durand Close site (now "The Lavenders") and 13 other sites, with a further 93 on site or in the pipeline. Of the total, 73% of the new homes will be affordable rent or shared ownership.

Potential future schemes

4.35 The Council's aspirations for the future of the borough and its residents are set out in its adopted Local Plan *Sutton 2031*. As part of this vision the Council also approved a Town Centre Master Plan in 2016 which identifies over 40 potential development sites in Sutton town centre including council owned assets. The seven housing estates included give us an opportunity, working with residents, to achieve some exciting and ambitious transformations as well as our wider place-making aspirations over the next 10 to 15 years.

4.36 Two of the estates are listed as site allocations for redevelopment in the Local Plan (Beech Tree Place and Elm Grove). A further five estates (Benhill, Rosebery Gardens, Collingwood, Chaucer Gardens and Sutton Court) have been identified as potential renewal areas and, subject to viability and detailed resident engagement, may be brought forward through an Area Action Plan.

4.37 In taking its regeneration plans forward the Council is committed to early and ongoing engagement with communities and other local stakeholders. This is clearly set out in the Master Plan, which states that "the Council will explore with its tenants and leaseholders the options available for change" and adds that "redevelopment will only be considered if community engagement and viability assessments demonstrate a case for development."

4.38 Working with SHP, the Sutton Federation of Tenant and Resident Associations, the Sutton Leaseholders Association and ward councillors, the Council is undertaking a programme of engagement with residents on those estates. At this stage Benhill Estate, Elm Grove and Beech Tree Place have centred around the formation of resident steering groups with whom the Council has worked in partnership to select Independent Tenant and Homeowner Advisers. The latter have now completed an estate option appraisals and produced Residents' and Community Charters, describing the Council's offer to residents and the shared priorities for the estates. In October 2020 approval was given to go ahead with the redevelopment of Beech Tree Place.

4.39 The Council has also identified two areas in the borough for area renewal - Rosehill at St Helier and the Clockhouse area in Coulsdon.

5 Local Authority New Build and Acquisitions

New Build

5.1 The Council's corporate plan *Ambitious for Sutton* has as one of its key objectives the delivery of affordable housing to support the borough's housing needs, and for the first time in decades the Council is now building new homes again. To best achieve its aims Sutton took a decision to adopt a 'twin track' approach, delivering new homes within the HRA and separately within its General Fund through the setting up of a wholly-owned development company, Sutton Living. The HRA Business Plan, however, is focused solely on the former.

5.2 Set out in Appendix E is a summary of the outturn of the Phase 1 programme of HRA new build together with an outline of the approved Phase 2, comprising up to 81 units, of which 51 are eligible to receive up to £5.1m of GLA grant subsidy (£100,000 per unit). For convenience the programme is summarised in the table below.

Table 5.1: Outline HRA New Build Programme (Phase 1 and Phase 2 summary)

Year	Scheme						Total spend (£000s)	Total no. units
	Richmond Green		Ludlow Lodge		Fellowes Road			
	Spend (£000s)	No. units	Spend (£000s)	No. units	Spend (£000s)	No. units		
Phase 1								
2013/14	42		0		0		42	
2014/15	60		10		9		79	
2015/16	188		296		83		567	
2016/17	782		4,633		1,500		6,915	
2017/18	1,914		5,706		2,270		9,890	
2018/19	3,759		5,140		1,258	15	10,157	15
2019/20	671	21	1,561	57	128		2,360	78
2020/21	283		247		0		530	
Totals	**7,699**		**17,593**		**5,248**		**30,540**	**93**
Phase 2								
2018/19							134	
2019/20							387	
2020/21							4,778	
2021/22							10,950	
2022/23							7,466	51
2023/24							1,286	21
Total							**25,000**	**72**

5.3 As can be seen, the Phase 1 programme, which was completed in October 2019, comprised 93 units across three sites or schemes, two of which (Ludlow Lodge and Fellowes Rd) were General Fund sites; the other (Richmond Green) was an HRA-owned site. Rents were all set at around 65% of market.

5.4 The full range of sites for the Phase 2 new homes is yet to be finalised but this phase has now been divided into three sub-phases: Phase 2a, garage sites; Phase 2b purchase of a new development at Alexandra Gardens in Wallington; and Phase 2c, other sites. In relation to Phase 2a, five garage sites have been identified and have received planning permission for new build development, together providing for 28 new homes, these being:

Assembly Walk, Carshalton - 10 no. mainly two bedroom flats

Bisham Close, Carshalton - 4 no. two bedroom houses

Radcliffe Gardens, Carshalton Beeches - 4 no. two bedroom houses

Wellesley Court, Stonecot Hill - 6 no. two bedroom flats

Wrythe Lane, Carshalton (Rose Hill) - 4 no. two bedroom houses

5.5 A site at Southway in Wallington, which would have yielded five 2-bedroom houses, was turned down when put forward for planning permission. A site at Lynwood Avenue in the Clockhouse area has been withdrawn due to technical difficulties. Work is ongoing to identify further sites to seek to bring the Phase 2 total up to the figure of 81 originally agreed with the GLA.

5.6 Sutton Living Ltd is set to develop a scheme of 23 new homes on HRA land adjacent to Alexandra Gardens in Wallington. This will in due course be purchased by the Council,using HRA funding, to form Phase 2b of the Phase 2 council new build programme.

5.7 Comprising Phase 2c, there are a number of other sites undergoing feasibility assessments including: land at Buckingham Way, Wallington; Bishopsford Rd, Carshalton; Beddington Lane, Beddington; and Gower House in Wallington.

5.8 As discussed in chapter 3, the Base Model shows a significant 'investment reserve' building up over the next 30 years, reaching £140m at the end of the Business Plan period. This could support a further programme of new build; however, it would depend upon other calls on HRA capital funds. This is discussed further in chapter 6.

Acquisitions

5.9 In June 2017 the Council agreed to commence a programme of property acquisitions aimed primarily at providing an alternative source of housing for families that would otherwise need to be housed in expensive nightly paid temporary accommodation such as B&B, often out of borough. Another important objective was to ensure the longer term viability of the HRA, which would otherwise be at risk from ongoing diminishing stock numbers.

5.10 The proposal was that properties be acquired through two funding stream combinations: (i) HRA revenue and RTB net receipts and (ii) General Fund borrowing and RTB net receipts. In the case of the latter, purchases would be focussed on the open market, and the acquired units could be held outside of the HRA. In the case of the former, the acquired units would principally be ex-council homes that had been sold under RTB.

5.11 Homes purchased with HRA funding become HRA units and therefore form part of the HRA business plan modelling. The modelling over the next 30 years allows for the investment of £149.6m in HRA-funded acquisitions, the funding being a combination of borrowing (£34.8m), revenue contributions (£69.9m) and RTB net receipts (£44.9m), the latter funding 30% of the cost.

5.12 In 2019/20 the average cost of an acquisition, including all ancillary costs in addition to the purchase price, was around £295,000. During the first year of operation (2017/18) 19 properties were acquired. In 2018/19 there were a further 59 acquisitions. An additional 30 properties were acquired in 2019/20 while a further 30 acquisitions at least are anticipated in 2020/21.

5.13 Numbers are, however, likely to fall away over time and so, for simplicity, the modelling assumes 20 acquisitions p.a. from Year 1, dropping to 10 p.a. from Year 11. These are funded from a combination of HRA borrowing and RTB net receipts up to Year 8 and then from RCCO and RTB net receipts from Year 9 onwards when sufficient RCCO becomes available.

5.14 The acquisition programme will be kept under review, balanced against the investment needs of the existing stock and the potential to support further new build schemes. This may include consideration of using General Fund borrowing, which could free up HRA resources for other investment. An update on progress will be reported as part of the next iteration of the HRA Business Plan.

6 Strategic Options for the Future

6.1 In terms of the condition of the existing stock, the latest modelling shows almost all of the Council's homes to be viable into the future. Only a small number of properties have been classified as either 'Red' or 'Amber' due mainly to relatively high levels of required investment per unit. The future of these homes will be addressed within SHP's revised asset management strategy next year.

6.2 In terms of investing in the existing stock, under the Base Model there are sufficient resources to deal fully with all investment needs in each year of the 30 year period. However, the proposed new independent stock condition survey, due to take place next year, may reveal further investment needs as yet not identified. In addition to this, the climate change and building safety agendas will necessitate a much more significant investment requirement over the Business Plan period.

6.3 There is now in place a proposed programme of local authority new build within the HRA, the first phase of which has yielded 93 new homes, with a second phase set to deliver up to a further 72 units by 2023/24. At the same time, the HRA is funding a significant programme of acquisitions of ex-council stock, principally to provide a more cost effective alternative to expensive forms of temporary accommodation but also to secure the viability of the HRA into the longer term.

6.4 In order to free up resources for investment in the early years of the Business Plan and to ensure that HRA revenue spending pressures can be met through the SHP management fee the self-financing loan will be partially refinanced when it becomes due for repayment in 2042 (Year 22). This will extend the loan period outside of the Business Plan period.

6.5 Under the Base Model an 'investment reserve' builds up from Year 1, reaching £140m by Year 30, an amount significantly lower than arose previously due essentially to the greatly reduced assumptions around inflation during Years 1 - 5. This is revenue available for any legitimate HRA purpose, which could include further improvements to the stock, management services to tenants, additional new build or, potentially, an increase in the HRA funded acquisition programme, although the number of ex-council homes becoming available for purchase is likely to continue to reduce over time.

6.6 Under the Sensitivity Model, however, the investment reserve that builds up in the early years reduces to almost zero by Year 9 and remains effectively at that level for the rest of the Business Plan period. This means that there is no funding available to support any further programmes of new build or acquisition. Moreover, as the capital summary shows, from Year 9 a very significant capital funding shortfall builds up, reaching £163.7m at Year 30. This shows the potential extent to which our resources could fall short of those that may be required to address the zero carbon and building safety agendas.

6.7 A much clearer picture of investment need and the potential impact of the climate change and building safety agendas will be available in the next iteration of the Business Plan as a result of the stock condition survey and better intelligence on the potential costs of the additional works that will need to be undertaken over the years.

7 Monitoring and Review

7.1 The HRA Business Plan sets the broad strategic context for the delivery of, primarily, investment in Sutton Council's housing stock in both the medium and long term. As discussed in chapter 1, actual service delivery, in terms of housing management services to tenants and leaseholders and the day-to-day repair and routine maintenance of the stock, is carried out on the Council's behalf by SHP and is reflected in the ALMO's delivery plans.

7.2 The Council and SHP work together in this process, with the latter having been closely involved in the detailed production of this Business Plan. Fundamental to the relationship between the two organisations is the management agreement and, within that, the agreed monitoring arrangements. The management agreement sets out, through the annual delivery planning process, performance standards and targets and programmes of work against which the Council monitors the services delivered by SHP.

7.3 In light of this relationship, the delivery of this Business Plan, and in particular the programmes of capital investment, will be monitored closely through the existing performance management arrangements, these involving resident representatives, senior officers of the Council and SHP as well as the ALMO board.

7.4 The Council intends to produce revised versions of its HRA Business Plan on an annual basis, which will include an updated 30-year model with Year 1 moved on each new financial year. These will be able to take into account any changes to government policy, the latest revenue and capital funding positions, an updated understanding of our stock investment requirement and decisions in relation to investment in new build and property acquisitions.

Glossary

Affordable Rent	A new form of social housing introduced by the Government in 2011 where rents can be set at up to 80% of market values. Under the Mayor's latest Affordable Housing programme these can either be set at "capped" (traditional social rent) or "discounted" (at up to 80% of market rent) levels
Arms length management organisation (ALMO)	A body set up to manage a council's housing stock on its behalf
Building Cost Information Services	A service which advises on future inflation levels in the building industry
Capital/capital expenditure	Spending on infrastructure items such as major repairs or new homes
Capital Grant	An amount of money given to a local authority or other body to spend on major works or other substantial project
Capital Monitoring Board	The Council's Member and officer group which oversees the Authority's spend on capital projects
Capital receipt	Money received as a result of the sale of an asset such as a house or other building
Corporate Plan	The Council's overarching (high level) plan for the delivery of its services to the community
CPI	Consumer Price Index (A measure of general inflation used to determine social rent increases)
DDA	Disability Discrimination Act
Decent homes backlog funding	The Government pot of money earmarked for local authority landlords to help bring their housing stock up to the decent homes standard (in London now allocated via the Mayor)
Ministry for Housing, Communities and Local Government (MHCLG)	Government department responsible for local government and housing amongst other areas
Contingencies	Amounts of money included in a repairs budget for unforeseen works that might arise
Cyclical maintenance	Periodic maintenance of property such as decorating and annual gas boiler servicing

Decent homes standard	The Government standard that all social housing must reach –requiring properties to be fit, in reasonable repair, have reasonably modern facilities and be thermally efficient
Difficult-to-let	Homes that the council cannot readily let to tenants
Disabled adaptations	Adaptations to a property, such as a level access shower, that make living easier for disabled occupants
Energiesprong	Energiesprong is a unique holistic approach to the retrofitting of energy efficiency measures, taking the whole house and applying the most appropriate measures all at the same time, within a cost effective financial model, causing minimal disruption to the residents, but providing a property that will meet 2050 targets.
Environmental improvements	Improvements to the grounds or surrounding areas of flatted blocks or estates
Exceptional extensive works	Large scale unforeseen repairs and other works such as underpinning
Greater London Authority (GLA)	The body responsible under the Mayor of London for the delivery of his functions including funding affordable housing and the decent homes programme
Housing Revenue Account (HRA)	The statutory account for income and expenditure relating to the management and maintenance of local authority housing
Housing Register	A council's waiting list of households seeking social housing
Local Growth Fund	A government initiative providing funding for new council housing
Major Repairs Reserve (MRR)	A sub-account within the HRA where depreciation of assets is accounted for and funding for capital works is held
Negative subsidy	Where under to old national HRA subsidy system a housing authority was required to pay to the Exchequer, for redistribution to other councils, an amount of their rental income deemed not required by that authority
Net present value	In effect a calculation of an income stream over a period of years to gives its value were it to be all available now
Non-decent	A home not meeting the decent homes standard (see above)
Orlit	A make of system built housing of which Sutton Council holds a portfolio located in the Carshalton area

Preliminaries	Initial general costs of building or major works
Public Works Loan Board (PWLB)	The government body from which local authorities are able to borrow money for investment
Related assets	Non dwelling buildings and other parts of estates - e.g. garages, parking bays etc
Revenue/revenue expenditure	Money spent on day-to-day services rather than longer term investment
Revenue contributions to capital outlay (RCCO)	Revenue funds from within the HRA that are deployed on capital schemes such as major repairs and improvements
Right to Buy (RTB)	The statutory right for council tenants to purchase their homes
s16 freeholder	A freeholder who is required to pay a service charge to the Council
Self-financing	The new methodology for funding council housing following HRA reform
Shared ownership	A home which is part sold, part rented to the occupier
Sheltered housing	Specialist housing for older tenants
Standard Assessment Procedure (SAP)	A method of assessing a property's energy efficiency, on a scale 1 – 100
Statutorily unfit	A home deemed under the Housing Health and Safety Rating System as having a 'category 1 hazard' present (e.g. a dangerous structure or severe damp)
Subsidy Capital Financing Requirement (SCFR)	A technical accounting term used within local government for the amount of indebtedness
Supported borrowing	Borrowing undertaken by an authority where the interest costs are met by government
Sutton Housing Partnership (SHP)	Sutton Council's ALMO
Unity	A make of system built housing of which Sutton Council holds a portfolio located in the Clockhouse area
Universal Credit	The new wide-ranging welfare benefit payment for working age households, to be introduced from October 2013
Void	An empty council property

Appendix A

Sustainability Modelling

Properties classified as ‘Red’

110 London Road, Hackbridge (due for major refurbishment)

Properties classified as ‘Amber’

332 Croydon Road, Wallington

Beech Tree Place, Sutton (20 units due for regeneration)

Clarence House, Clarence Road, Wallington (10 properties)

Downland Close, Coulsdon (8 Unity houses)

June Close, Coulsdon (4 Unity houses)

Lloyd Avenue, Coulsdon (7 Unity houses)

Longlands Avenue, Coulsdon (30 Unity houses)

Pembury Close, Coulsdon (9 Unity houses)

Middleton Road, Carshalton (3 BISF non-traditional houses)

Rosehill Court, St Helier Avenue, Carshalton (50 flats)

120a Robin Hood Lane, Sutton (possible structural subsidence)

NB: *All Coulsdon Unity houses that are not in the potential Clockhouse regeneration scheme are targeted for the Phase 2 Energiesprong upgrading.*

NB: The houses at Middleton Road are likely to be disposed of.

NB: In the case of the Rosehill Court flats there is an essential remediation programme due to commence in late January 202; this work will not include any energy efficiency works as these will be picked up in planned regeneration projects.

Appendix B

Stock Investment Requirement - Years 1 to 30

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total Yrs 1 - 5	Yr 6 - 10	Yr 11 - 15	Yr 16 - 20	Yr 21 - 25	Yr 26 - 30	Total Yrs 1 - 30
	2021/22	2022/23	2023/24	2024/25	2025/26	2020/21 - 2024/26	2026/27 - 2029/31	2032/33 - 2036/37	2037/38 - 2040/41	2041/42 - 2045/46	2046/47 - 2051/52	2021/22 - 2051/52
	£	£	£	£	£	£	£	£	£	£	£	£
Major Repairs	2,738,863	2,566,332	2,890,237	4,317,343	2,326,585	14,839,360	18,464,799	28,268,738	18,408,205	20,740,696	15,087,351	115,809,149
Box bathrooms	198,000	880,000	880,000	880,000	880,000	3,718,000	3,718,000	1,859,000	1,859,000	1,859,000	1,859,000	14,872,000
Bathrooms / WCs	300,000	90,810	102,060	124,800	101,800	719,470	482,400	632,100	585,600	617,250	956,200	3,993,020
Kitchens	400,000	80,000	572,000	424,000	136,000	1,612,000	2,720,000	15,956,000	2,036,000	1,732,000	2,772,000	26,828,000
Front doors and repairs general	245,000	172,380	172,380	172,380	172,380	934,520	704,510	676,710	1,298,650	1,249,910	1,213,870	6,078,170
Windows, french doors, etc (incl of window programme)	191,344	191,344	191,344	191,344	191,344	956,720	1,382,032	2,745,905	4,212,998	8,775,856	1,664,038	19,737,549
Roofs, canopies and balconies	493,280	735,000	333,839	643,751	493,280	2,699,150	4,599,053	4,184,293	4,947,380	3,743,994	2,944,764	23,118,634
Scaffolding costs associated with roofs	45,960	20,370	169,890	226,280	80,470	542,970	726,940	284,850	650,390	538,830	209,080	2,953,060
Wall finishes and repairs (incl backlog to take in costs for cladding)	365,279	11,524	83,820	977,878	65,286	1,503,787	2,801,037	1,487,105	2,135,118	1,419,605	2,698,596	12,045,248
Communal repairs	500,000	384,904	384,904	676,910	206,025	2,152,743	1,330,827	442,775	683,069	804,251	769,803	6,183,468
Contingent Major Repairs	370,060	386,713	404,115	422,301	441,303	2,024,492	1,279,155	1,380,400	1,314,100	1,402,500	1,402,500	8,803,147
Drain failure (30% of pre 1964 assets)	100,000	104,500	109,203	114,117	119,252	547,072	264,082	530,400	464,100	552,500	552,500	2,910,654
Asbestos	54,573	57,029	59,595	62,277	65,079	298,553	298,553	250,000	250,000	250,000	250,000	1,597,106
Uninsured structural works (subsidence lintels etc)	65,487	68,434	71,513	74,732	78,094	358,260	358,260	300,000	300,000	300,000	300,000	1,916,520
Disrepair	150,000	156,750	163,804	171,175	178,878	820,607	358,260	300,000	300,000	300,000	300,000	2,378,867
Improvements	3,640,000	1,743,003	1,743,003	1,743,003	1,743,003	10,612,012	3,579,876	3,250,000	2,500,000	2,500,000	2,500,000	24,941,888
Energy efficiency works and insulation (incl upgrade of window specification)	545,000	545,000	545,000	545,000	545,000	2,725,000	1,979,876	1,000,000	1,000,000	1,000,000	1,000,000	8,704,876
Environmental improvements	45,000	100,000	100,000	100,000	100,000	445,000	600,000	1,250,000	500,000	500,000	500,000	3,795,000
Fire safety works (inc Fire Safety Bill works)	3,050,000	1,098,003	1,098,003	1,098,003	1,098,003	7,442,012	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,442,012
Estate Works and Related Assets	600,000	500,000	500,000	500,000	500,000	2,600,000	2,229,016	2,350,976	1,911,698	7,928,389	4,164,626	21,184,705
Garages	150,000	150,000	150,000	150,000	150,000	750,000	852,462	148,100	227,113	511,618	421,777	2,911,070
Boundary walls / fencing / paths	150,000	150,000	150,000	150,000	150,000	750,000	750,000	1,452,876	934,585	6,666,771	2,992,849	13,547,081
Playgrounds - from environmental improvements	50,000	50,000	50,000	50,000	50,000	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Unadopted roads and paths	250,000	150,000	150,000	150,000	150,000	850,000	376,554	500,000	500,000	500,000	500,000	3,226,554
Exceptional Extensive Works	5,310,575	0	0	0	0	5,310,575	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	11,310,575
Shanklin Village walkways	1,200,000					1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	7,200,000
Stock condition survey	300,000					300,000						300,000
External wall survey	200,000					200,000						200,000
Coulsdon Unitys (8 Energiesprong pilots)	3,610,575					3,610,575						3,610,575
Aids and Adaptations	400,000	400,000	400,000	400,000	400,000	2,000,000	2,000,000	1,601,560	1,950,000	1,950,000	1,950,000	11,451,560
Mechanical and Electrical Works)	2,755,000	2,759,700	2,152,000	1,980,400	1,798,100	11,445,200	10,049,090	6,186,370	4,952,080	6,684,800	5,809,880	45,127,420
Heating	818,000	1,344,700	737,000	152,400	383,100	3,435,200	4,975,000	3,389,250	3,389,250	3,389,250	3,389,250	21,967,200
Electrics	650,000	650,000	650,000	650,000	650,000	3,250,000	1,500,000	189,800	195,350	1,075,230	710,150	6,920,530
Emergency lighting and fire alarms	100,000	100,000	100,000	100,000	100,000	500,000	90	1,482,320	100,480	874,320	810,480	3,767,690
Central heating improvements	130,000	130,000	130,000	130,000	130,000	650,000	650,000	650,000	650,000	650,000	650,000	3,900,000
Common door entry system improvements	90,000	100,000	100,000	100,000	100,000	490,000	770,000	250,000	250,000	250,000	250,000	2,260,000
Lift replacements	327,000			413,000		740,000	154,000	225,000	367,000	446,000		1,932,000
Warden call	220,000	30,000	30,000	30,000	30,000	340,000						340,000
Building monitoring systems	20,000	5,000	5,000	5,000	5,000	40,000						40,000
M&E equipment capital upgrade (fire supression works)	400,000	400,000	400,000	400,000	400,000	2,000,000	2,000,000					4,000,000
TOTAL WORKS EXPENDITURE	**15,814,498**	**8,355,748**	**8,089,355**	**9,363,047**	**7,208,991**	**48,831,639**	**38,801,936**	**44,238,044**	**32,236,083**	**42,406,385**	**32,114,357**	**238,628,444**
	Yr 1	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Total Yrs 1 - 5**	**Yr 6 - 10**	**Yr 11 - 15**	**Yr 16 - 20**	**Yr 21 - 25**	**Yr 26 - 30**	**Total Yrs 1 - 30**
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2020/21 - 2024/26**	**2026/27 - 2029/31**	**2032/33 - 2036/37**	**2037/38 - 2040/41**	**2041/42 - 2045/46**	**2046/47 - 2051/52**	**2021/22 - 2051/52**
	£	£	£	£	£	£	£	£	£	£	£	£
Total works expenditure	15,097,758	7,224,508	7,285,815	8,437,407	6,482,451	44,527,939	35,988,846	42,589,794	30,588,583	41,007,885	40,785,357	235,488,404
Consultancy	480,796	480,796	480,796	480,796	480,796	2,403,980	1,275,068	1,598,592	1,112,863	1,526,475	1,535,414	9,452,392
Project management fees	1,100,000	1,100,00	650,000	650,000	650,000	3,050,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	19,300,000
Programme current cost	16,228,554	8,355,304	8,416,611	9,568,203	7,613,247	50,181,919	40,513,914	47,438,386	34,951,446	45,784,360	45,570,771	264,440,796
Total Programme Cost with Inflation	**16,678,600**	**9,014,200**	**8,885,800**	**10,404,700**	**8,527,200**	**53,510,500**	**49,628,400**	**68,058,500**	**59,671,100**	**88,780,500**	**100,822,500**	**420,471,500**

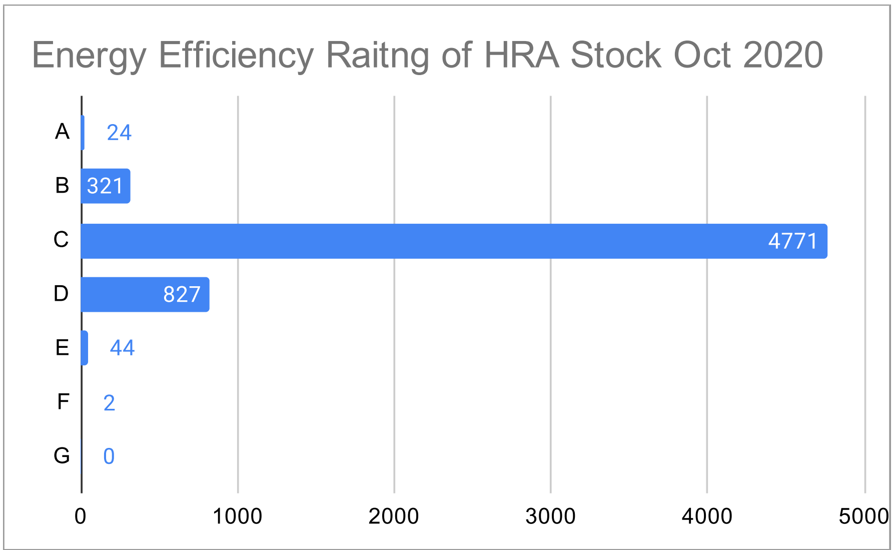
Appendix C

Stock Energy Effciency Rating

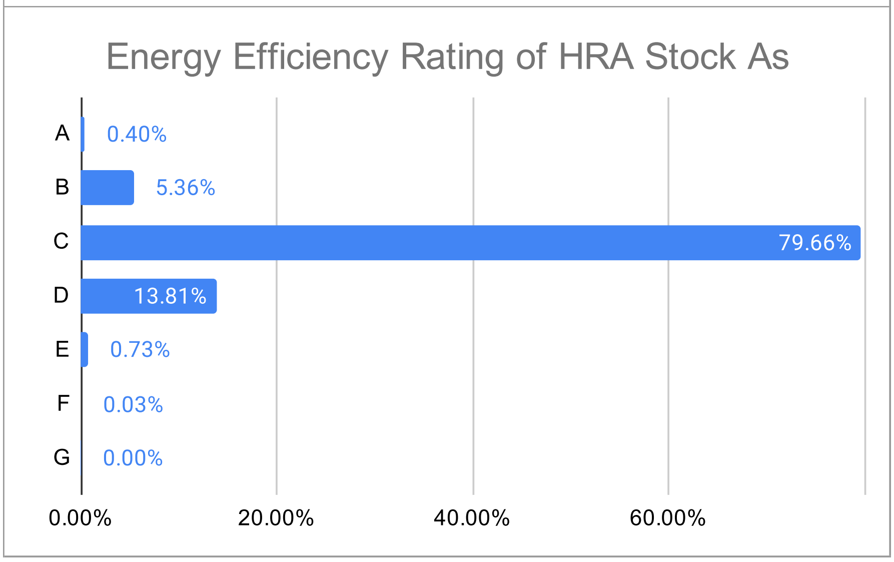
Energy rating bands

(92- 100) A	
(81-91) B	
(69-80) C	Stock average = 72.2
(55-68) D	
(39-54) E	
(21-38) F	
(1- 20) G	

No. of Properties per Band	
A	24
B	321
C	4771
D	827
E	44
F	2
G	0
Total	**5986**



No. of Properties per Band as %	
A	0.40%
B	5.36%
C	79.66%
D	13.81%
E	0.73%
F	0.03%
G	0.00%
Total	**100%**



Appendix D

Actual and Projected Right to Buy Income and Expenditure

HRA BP Year	Year	No. Sales	Net Receipt	Cumulative Sales	Cumulative Net Receipt	Actual and Planned Capital Expenditure					Expenditure of Net Reciepts					Used/ (Unused) RTB receipts - the latter paid to Government (annual)
						Annual				Cumulative	Annual				Cumulative	
			£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
						New Build	Acquisition	Other*	Total	Total	New Build	Acquisition	Other*	Total	Total	Total
	2012.13	35	2,070	35	2,070	0	0	0	0	0	0	0	0	0	0	
	2013.14	65	2,780	100	4,850	42	0	0	42	42	0	0	0	0	0	
	2014.15	75	4,254	175	9,104	79	0	0	79	121	19	0	8	27	27	
	2015.16	59	4,355	234	13,459	567	0	6,900	7,467	7,588	170	0	2,070	2,240	2,267	
	2016.17	51	5,672	285	19,131	6,915	0	3,553	10,468	18,056	1,713	0	1,064	2,777	5,044	
	2017.18	37	4,837	322	23,968	9,890	5,417	2,139	17,446	35,502	2,145	1,625	642	4,412	9,456	
	2018.19	27	3,577	349	27,545	10,291	16,589	787	27,667	63,169	2,278	4,977	223	7,478	16,934	
	2019.20	28	3,516	377	31,061	2,747	9,173	96	12,016	75,185	507	2,310	0	2,817	19,751	
	2020.21	30	3,487	407	34,548	5,308	8,629	0	13,937	89,122	180	2,589	0	2,769	22,520	(938)
1	2021.22	20	2,456	427	37,004	10,950	5,890	0	16,840	105,962	252	1,767	0	2,019	24,539	(1,558)
2	2022.23	15	1,730	442	38,734	7,466	5,949	0	13,415	119,377	1,449	1,785	0	3,234	27,772	(741)
3	2023.24	15	1,816	457	40,550	1,286	6,024	0	7,310	126,687	146	1,807	0	1,954	29,726	(1,471)
4	2024.25	15	1,907	472	42,457	0	6,130	0	6,130	132,817	0	1,839	0	1,839	31,565	(618)
5	2025.26	15	2,000	487	44,457	0	6,253	0	6,253	139,070	0	1,876	0	1,876	33,441	567
6	2026.27	15	2,097	502	46,554	0	6,381	0	6,381	145,451	0	1,914	0	1,914	35,355	583
7	2027.28	15	2,196	517	48,750	0	6,511	0	6,511	151,962	0	1,953	0	1,953	37,309	599
8	2028.29	10	1,258	527	50,008	0	6,644	0	6,644	158,606	0	1,993	0	1,993	39,302	616
9	2029.30	10	1,327	537	51,335	0	6,780	0	6,780	165,386	0	2,034	0	2,034	41,336	632
10	2030.31	10	1,398	547	52,733	0	6,919	0	6,919	172,305	0	2,076	0	2,076	43,411	647
11	2031.32	10	1,472	557	54,205	0	3,530	0	3,530	175,835	0	1,059	0	1,059	44,470	222
12	2032.33	10	1,549	567	55,754	0	3,603	0	3,603	179,438	0	1,081	0	1,081	45,551	214
13	2033.34	10	1,628	577	57,382	0	3,676	0	3,676	183,114	0	1,103	0	1,103	46,654	205
14	2034.35	10	1,710	587	59,092	0	3,572	0	3,572	186,686	0	1,072	0	1,072	47,726	28
15	2035.36	10	1,795	597	60,887	0	3,829	0	3,829	190,515	0	1,149	0	1,149	48,874	12
16	2036.37	10	1,882	607	62,769	0	3,907	0	3,907	194,422	0	1,172	0	1,172	50,047	(7)
17	2037.38	10	1,973	617	64,742	0	3,987	0	3,987	198,409	0	1,196	0	1,196	51,243	(28)
18	2038.39	10	2,067	627	66,809	0	4,069	0	4,069	202,478	0	1,221	0	1,221	52,463	(49)
19	2039.40	10	2,165	637	68,974	0	4,153	0	4,153	206,631	0	1,246	0	1,246	53,709	(71)
20	2040.41	10	2,266	647	71,240	0	4,238	0	4,238	210,869	0	1,271	0	1,271	54,981	(94)
21	2041.42	10	2,370	657	73,610	0	4,325	0	4,325	215,194	0	1,298	0	1,298	56,278	(119)
22	2042.43	10	2,479	667	76,089	0	4,414	0	4,414	219,608	0	1,324	0	1,324	57,602	(146)
23	2043.44	10	2,590	677	78,679	0	4,504	0	4,504	224,112	0	1,351	0	1,351	58,954	(174)
24	2044.45	10	2,706	687	81,385	0	4,597	0	4,597	228,709	0	1,379	0	1,379	60,333	(203)
25	2045.46	10	2,826	697	84,211	0	4,691	0	4,691	233,400	0	1,407	0	1,407	61,740	(236)
26	2046.47	10	2,950	707	87,161	0	4,792	0	4,792	238,192	0	1,438	0	1,438	63,178	(268)
27	2047.48	10	3,078	717	90,239	0	4,891	0	4,891	243,083	0	1,467	0	1,467	64,645	(302)
28	2048.49	10	3,211	727	93,450	0	4,991	0	4,991	248,074	0	1,497	0	1,497	66,142	(339)
29	2049.50	10	3,348	737	96,798	0	5,094	0	5,094	253,168	0	1,528	0	1,528	67,670	(377)
30	2050.51	10	3,490	750	100,288	0	5,198	0	5,198	258,366	0	1,559	0	1,559	69,230	(506)

Actual spend to date

Planned spend during new build Phase 2 (including Phase 1 spend in 2020/21)

Projected spend (beyond new build Phase 2)

*Expenditure and use of RTB receipts on various housing association new build schemes in the borough

Appendix E

HRA New Build Programme - Phase 1 and Phase 2 Summary

Year	Net RTB receipts used (max 30% of total funding) (£000s)*	Borrowing HRA** (£000s)	Borrowing LGF*** (£000s)	s106 funding (£'000s)	Other capital funding **** (£000s)	Revenue funding (GF) (£000s)	Revenue funding (HRA) (£000s)	GLA Grant	Total funding (£000s)	Spend of schemes (incl land appropriation costs) and nos/sizes etc of units: Richmond Green Spend (£000s)	Richmond Green Nos/sizes/ tenure/ rents etc of units	Ludlow Lodge Spend (£000s)	Ludlow Lodge Nos/sizes/ tenure/ rents etc of units	Fellowes Road Spend (£000s)	Fellowes Road Nos/sizes/ tenure/ rents etc of units	All schemes Spend (£000s)	All schemes No. units
Phase 1																	
2013/14	0	42	0	0	0	0	0	0	**42**	42		0		0		**42**	
2014/15	19	60	0	0	0	0	0	0	**79**	60		10		9		**79**	
2015/16	89	0	478	0	0	0	0	0	**567**	188		296		83		**567**	
2016/17	1,713	1,761	2,485	0	0	0	956	0	**6,915**	782		4,633		1,500		**6,915**	
2017/18	2,145	5,380	2,344	0	21	0	0	0	**9,890**	1,914		5,706		2,270		**9,890**	
2018/19	2,278	4,462	0	519	371	0	2,527	0	**10,157**	3,759		5,140		1,258	15 units (2 and 3 bed rented flats and houses) Average rent £217 pw	**10,157**	15
2019/20	507	138	0	671	0	0	1,044	0	**2,360**	671	21 units (2 and 3 bed rented houses) Average rent £217 pw	1,561	57 units (1, 2 and 3 bed rented flats) Average rent £177 pw	128		**2,360**	78
2020/21	74	176	0	107	0	0	173	0	**530**	283		247		0		**530**	
Total	**6,825**	**12,019**	**5,307**	**1,297**	**392**	**0**	**4,700**	**0**	**30,540**	**7,699**		**17,593**		**5,248**		**30,540**	**93**

Phase 2 Summary

Year	Net RTB receipts used (max 30% of total funding) (£000s)*	Borrowing HRA** (£000s)	Borrowing LGF*** (£000s)	s106 funding (£'000s)	Other capital funding **** (£000s)	Revenue funding (GF) (£000s)	Revenue funding (HRA) (£000s)	GLA Grant	Total funding (£000s)	All sites Spend (£000s)	All sites Nos/sizes/ tenure/ rents etc of units
2018/19	0	134	**0**	**0**	**0**	**0**	**0**	0	**134**	**134**	
2019/20	0	387	**0**	**0**	**0**	**0**	**0**	0	**387**	**387**	
2020/21	72	2,178	**0**	**0**	**0**	**0**	**0**	2,527	**4,778**	**4,778**	
2021/22	252	10,676	**0**	**0**	**0**	**0**	**0**	23	**10,950**	**10,950**	
2022/23	1,449	3,470	**0**	**0**	**0**	**0**	**0**	2,546	**7,466**	**7,466**	51 properties ondon Affordable rent - ave rent £166.02 pw
2023/24	146	1,135	**0**	**0**	**0**	**0**	**0**	**4**	**1,286**	**1,286**	21 properties 5% Market rent - ave rent £201.37 pw
Total	**1,919**	**17,981**	**0**	**0**	**0**	**0**	**0**	**5,100**	**25,000**	**25,000**	

*Net RTB receipts could not be used to fund the Richmond Green redevelopment (Phase 1) nor the Phase 2 units that are due to receive GLA grant.

**The first call on borrowing for the Phase 1 units was from the Local Growth Fund 'pot' (£5.307m) and then from the HRA. The HRA borrowing excluded the cost of land appropriation of £1.9m for Ludlow Lodge and £0.9m for Fellowes Road.

***The Local Growth Fund was allocated by scheme. The original amount awarded (£4.050m) was applied as follows: Richmond Green £1.260m; Ludlow Lodge £2.115m; Fellowes Road £0.675m. A subsequent award of £1.527m was applied to Richmond Green.

****Other Capital Funding relates to miscellaneous housing receipts, LBS balance from Oakleigh, Elizabeth House balance and Miscellaneous Grant

NB: The model is estimated as at November 2020 and is likely to be subject to further change.

NB: Numbers may not add up exactly due to rounding.

NB: Phase 2 comprises three seperate progammes: Phase 2a - garage sites; Phase 2b - Alexandra Gardens; and Phase 2c other general fund sites, all to total £25m.

NB: For Phase 2a and 2b of the new build programme, 50% of the GLA grant to be drawn down, totalling £5.1m, will be paid at start on site, the other 50% upon completion. Phase 2c will use RTB receipts

NB: This is currently assuming the Lynwood Avenue site is being removed from the programme. If this site remains, positive adjustments will need to be made.

NB: For Phase 2c it is currently assumed that authority will be given to start the development process at two sites - Beddington Lane and Gower House

Appendix F (i)

Base Model Revenue Summary

		1	2	3	4	5	6	7	8	9	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Year	Year	Original Income £,000	Additional Acquisition Income £,000	Total Income £,000	SHP Costs £,000	Council Costs £,000	Tenants Heating, Water & Other Charges £,000	Provision for Bad Debts £,000	Depreciation £,000	Debt Repayments £,000	Debt Management and Interest New Debt £,000	Debt Management and Interest Historic Debt £,000	RCCO - Current Stock £,000	RCCO - New Build £,000	RCCO - Acquisitions £,000	Total RCCO £,000	Total expenses £,000	Surplus (Deficit) for the Year £,000	Balance £,000	Interest on Working Balance £,000	Set Aside for Debt Repayment £,000	Working Balance C/Fwd £,000	Minimum Balance Required £,000	Investment Reserve £,000
																						5,733		
1	2021.22	39,176	134	39,310	16,299	2,218	364	401	7,236	0	1,376	5,778	0	0	0	0	33,672	5,638	11,371	8	6,444	4,936	1,965	2,970
2	2022.23	39,967	389	40,355	16,487	2,186	314	378	7,497	0	1,552	5,782	0	0	0	0	34,196	6,160	11,095	28	2,825	8,298	2,018	6,280
3	2023.24	41,360	658	42,018	16,801	2,215	318	360	7,877	0	1,682	5,779	417	0	0	417	35,449	6,570	14,867	67	2,825	12,110	2,101	10,009
4	2024.25	42,249	939	43,188	17,076	2,253	325	370	8,145	0	1,792	5,780	1,970	0	0	1,970	37,711	5,478	17,587	114	2,825	14,876	2,159	12,717
5	2025.26	42,991	1,228	44,219	17,397	2,298	333	379	8,422	0	1,904	5,781	0	0	0	0	36,515	7,704	22,580	207	2,825	19,962	2,211	17,751
6	2026.27	43,746	1,529	45,275	17,725	2,343	343	388	8,709	0	2,019	5,786	138	0	0	138	37,452	7,824	27,785	257	4,096	23,947	2,264	21,683
7	2027.28	44,630	1,846	46,476	18,060	2,390	354	399	9,005	0	2,135	5,784	307	0	0	307	38,433	8,043	31,990	303	4,096	28,196	2,324	25,872
8	2028.29	45,304	2,165	47,469	18,409	2,437	366	407	9,315	0	2,254	5,785	276	0	0	276	39,249	8,220	36,416	357	4,096	32,677	2,373	30,304
9	2029.30	46,306	2,343	48,649	18,773	2,486	378	418	9,641	0	2,254	5,786	238	0	4,746	4,984	44,719	3,930	36,607	399	4,096	32,910	2,432	30,478
10	2030.31	47,456	2,390	49,846	19,143	2,535	390	428	9,975	0	2,254	5,787	200	0	4,843	5,043	45,556	4,289	37,199	420	4,096	33,523	2,492	31,031
11	2031.32	48,669	2,444	51,113	19,513	2,586	403	440	10,302	0	2,254	5,788	2,030	0	2,471	4,501	45,787	5,326	38,849	443	4,096	35,196	2,556	32,640
12	2032.33	49,595	2,486	52,081	19,884	2,637	417	448	10,627	0	2,254	5,789	2,076	0	2,522	4,598	46,653	5,428	40,624	477	4,096	37,005	2,604	34,401
13	2033.34	50,667	2,536	53,203	20,262	2,690	430	458	10,961	0	2,254	5,791	2,122	0	2,574	4,696	47,542	5,661	42,666	507	4,096	39,077	2,660	36,417
14	2034.35	51,803	2,587	54,390	20,651	2,743	445	468	11,315	0	2,254	5,792	2,161	0	2,626	4,787	48,455	5,935	45,012	542	4,096	41,457	2,719	38,738
15	2035.36	53,017	2,646	55,663	21,040	2,798	459	479	11,663	0	2,254	5,793	2,910	0	2,680	5,590	50,077	5,586	47,043	581	4,096	43,529	2,783	40,746
16	2036.37	54,026	2,691	56,717	21,440	2,853	474	489	12,030	0	2,254	5,795	0	0	2,735	2,735	48,070	8,647	52,175	630	4,096	48,709	2,836	45,873
17	2037.38	55,195	2,745	57,939	21,848	2,910	490	499	12,409	0	2,254	5,796	0	0	2,791	2,791	48,998	8,942	57,651	690	4,096	54,245	2,897	51,348
18	2038.39	56,388	2,800	59,188	22,264	2,968	506	510	12,799	0	2,254	5,797	0	0	2,848	2,848	49,947	9,241	63,486	753	4,096	60,142	2,959	57,183
19	2039.40	57,755	2,864	60,619	22,687	3,027	523	523	13,202	0	2,254	5,799	0	0	2,907	2,907	50,922	9,697	69,839	817	4,096	66,561	3,031	63,530
20	2040.41	58,855	2,913	61,767	23,119	3,087	540	533	13,618	0	2,254	5,800	0	0	2,966	2,966	51,918	9,850	76,410	886	4,096	73,200	3,088	70,112
21	2041.42	60,128	2,971	63,099	23,559	3,148	558	545	14,046	0	2,254	6,236	0	0	3,027	3,027	53,374	9,725	82,925	879	4,096	79,708	3,155	76,553
22	2042.43	61,429	3,031	64,460	24,007	3,211	576	557	14,489	0	2,254	3,471	0	0	3,090	3,090	51,654	12,806	92,513	107	4,096	88,524	3,223	85,301
23	2043.44	62,919	3,100	66,018	24,463	3,275	596	571	14,945	0	2,254	3,774	734	0	3,153	3,887	53,763	12,255	100,779	187	4,096	96,870	3,301	93,569
24	2044.45	64,117	3,153	67,269	24,928	3,340	615	582	15,415	0	2,253	5,282	2,046	0	3,218	5,264	57,679	9,590	106,460	265	4,096	102,629	3,363	99,266
25	2045.46	65,504	3,216	68,720	25,403	3,407	635	594	15,900	0	2,253	5,284	2,085	0	3,284	5,369	58,845	9,875	112,505	341	4,096	108,750	3,436	105,314
26	2046.47	66,987	3,284	70,270	25,911	3,474	656	608	16,401	0	2,253	5,285	2,035	0	3,355	5,389	59,979	10,291	119,041	419	4,096	115,364	3,514	111,850
27	2047.48	68,672	3,362	72,034	26,430	3,686	677	624	16,917	0	2,253	5,287	2,072	0	3,424	5,495	61,368	10,665	126,029	500	4,096	122,433	3,602	118,831
28	2048.49	70,041	3,423	73,464	26,958	3,718	699	636	17,449	0	2,253	5,289	2,092	0	3,494	5,586	62,588	10,876	133,309	584	4,096	129,797	3,673	126,124
29	2049.50	71,621	3,495	75,116	28,032	3,739	721	596	17,998	0	2,253	5,290	2,111	0	3,566	5,676	64,307	10,809	140,606	669	4,096	137,179	3,756	133,423
30	2050.51	73,107	3,568	76,676	29,137	3,759	745	553	18,525	0	2,253	5,292	2,171	0	3,639	5,810	66,074	10,602	147,781	723	4,096	144,407	3,834	140,573
Totals:		**1,633,681**	**72,930**	**1,706,610**	**647,703**	**86,414**	**14,652**	**14,640**	**366,833**	**0**	**64,304**	**166,257**	**30,189**		**69,958**	**100,147**	**1,460,950**				**120,144**			

Appendix F (ii)

Base Model Capital Summary

Year	Year	1 Existing Stock Investment Requirement £,000	2 Funding Required - Acquisitions £,000	3 New Build Development Costs £,000	4 Total Investment Requirement £,000	5 Borrowing - New Build £,000	6 Borrowing - Acquisitions £,000	7 GLA Grant £,000	8 Leaseholder Contributions & Match Funding £,000	9 RTB Receipts - Acquisitions £,000	10 RTB Receipts- New Build £,000	11 Total RTB Receipts £,000	12 MRR £,000	13 RCCO - Existing Stock £,000	14 RCCO - New Build £,000	15 RCCO - Acquisitions £,000	16 Total RCCO £,000	17 Total Financing £,000	18 In Year Surplus / (Shortfall) £,000	19 Cumulative Surplus / (Shortfall) £,000
1	2021.22	16,229	5,890	10,950	33,069	10,676	4,123	23	6,260	1,767	252	2,019	11,079	0	0	0	0	34,180	**1,112**	**1,112**
2	2022.23	8,564	5,949	7,466	21,979	3,470	4,164	2,546	270	1,784	1,449	3,233	7,497	0	0	0	0	21,181	**-798**	**313**
3	2023.24	8,886	6,024	1,286	16,196	1,135	4,217	4	280	1,807	146	1,953	7,877	417	0	0	417	15,882	**(313)**	**0**
4	2024.25	10,405	6,130	0	16,534	0	4,291	0	290	1,839	0	1,839	8,145	1,970	0	0	1,970	16,535	**0**	**0**
5	2025.26	8,527	6,253	0	14,781	0	4,377	0	298	1,876	0	1,876	8,422	0	0	0	0	14,974	**193**	**193**
6	2026.27	9,348	6,381	0	15,728	0	4,466	0	307	1,914	0	1,914	8,709	138	0	0	138	15,535	**(193)**	**0**
7	2027.28	9,628	6,511	0	16,139	0	4,558	0	317	1,953	0	1,953	9,005	307	0	0	307	16,139	**0**	**0**
8	2028.29	9,917	6,644	0	16,561	0	4,651	0	326	1,993	0	1,993	9,315	276	0	0	276	16,561	**0**	**0**
9	2029.30	10,215	6,780	0	16,995	0	0	0	336	2,034	0	2,034	9,641	238	0	4,746	4,984	16,995	**0**	**0**
10	2030.31	10,521	6,919	0	17,440	0	0	0	346	2,076	0	2,076	9,975	200	0	4,843	5,043	17,440	**0**	**0**
11	2031.32	12,689	3,530	0	16,219	0	0	0	356	1,059	0	1,059	10,302	2,030	0	2,471	4,501	16,219	**0**	**0**
12	2032.33	13,069	3,603	0	16,672	0	0	0	367	1,081	0	1,081	10,627	2,076	0	2,522	4,598	16,672	**0**	**0**
13	2033.34	13,462	3,676	0	17,138	0	0	0	378	1,103	0	1,103	10,961	2,122	0	2,574	4,696	17,138	**(0)**	**0**
14	2034.35	13,865	3,752	0	17,617	0	0	0	389	1,126	0	1,126	11,315	2,161	0	2,626	4,787	17,617	**0**	**0**
15	2035.36	14,974	3,829	0	18,802	0	0	0	401	1,149	0	1,149	11,663	2,910	0	2,680	5,590	18,802	**0**	**0**
16	2036.37	11,497	3,907	0	15,404	0	0	0	413	1,172	0	1,172	12,030	0	0	2,735	2,735	16,350	**946**	**946**
17	2037.38	11,163	3,987	0	15,150	0	0	0	425	1,196	0	1,196	12,409	0	0	2,791	2,791	16,821	**1,671**	**2,617**
18	2038.39	11,498	4,069	0	15,567	0	0	0	438	1,221	0	1,221	12,799	0	0	2,848	2,848	17,306	**1,740**	**4,356**
19	2039.40	11,843	4,153	0	15,995	0	0	0	451	1,246	0	1,246	13,202	0	0	2,907	2,907	17,806	**1,811**	**6,167**
20	2040.41	13,671	4,238	0	17,908	0	0	0	465	1,271	0	1,271	13,618	0	0	2,966	2,966	18,320	**412**	**6,579**
21	2041.42	17,861	4,325	0	22,185	0	0	0	479	1,297	0	1,297	14,046	0	0	3,027	3,027	18,850	**(3,335)**	**3,244**
22	2042.43	16,952	4,414	0	21,365	0	0	0	493	1,324	0	1,324	14,489	0	0	3,090	3,090	19,395	**(1,970)**	**1,274**
23	2043.44	17,460	4,504	0	21,965	0	0	0	508	1,351	0	1,351	14,945	734	0	3,153	3,887	20,691	**(1,273)**	**0**
24	2044.45	17,984	4,597	0	22,581	0	0	0	523	1,379	0	1,379	15,415	2,046	0	3,218	5,264	22,581	**(0)**	**0**
25	2045.46	18,524	4,691	0	23,215	0	0	0	539	1,407	0	1,407	15,900	2,085	0	3,284	5,369	23,215	**0**	**0**
26	2046.47	18,990	4,792	0	23,783	0	0	0	555	1,438	0	1,438	16,401	2,035	0	3,355	5,389	23,783	**0**	**0**
27	2047.48	19,560	4,891	0	24,451	0	0	0	572	1,467	0	1,467	16,917	2,072	0	3,424	5,495	24,451	**0**	**0**
28	2048.49	20,147	4,991	0	25,138	0	0	0	606	1,497	0	1,497	17,449	2,092	0	3,494	5,586	25,138	**0**	**0**
29	2049.50	20,751	5,094	0	25,845	0	0	0	642	1,528	0	1,528	17,998	2,111	0	3,566	5,676	25,845	**(0)**	**0**
30	2050.51	21,374	5,198	0	26,572	0	0	0	678	1,560	0	1,560	18,525	2,171	0	3,639	5,810	26,572	**0**	**0**
Totals:		**419,572**	**149,721**	**19,702**	**588,994**	**15,281**	**34,847**	**2,573**	**18,708**	**44,916**	**1,847**	**46,763**	**370,676**	**30,189**	**0**	**69,958**	**100,147**	**588,995**		

Appendix G

Base Model Assumptions

Item	Assumption	Comments
Start Year In Model	2021/22	
General Inflation 2021/22 onwards		
2021/22	0.5%	Consumer Price Index (CPI) forecasts
2022/23	1.0%	
2023/24	1.25%	
2024/25	1.75%	
2025/26 onwards	2.0%	
SHP Management Fee		
2021/22	1.5%	Linked to rent increase (CPI + 1%)
then follows CPI		
LB Sutton Expenses		
2021/22 onwards	1.5%	Linked to rent increase (CPI + 1%)
then follows CPI		
Inflation on capital works		
2022/23	2.5%	Forecast Building Cost Inflation rates
2024/25 onwards	3.0%	
Interest Rates		
Consolidated Rate of Interest (CRI) on pre-settlement debt	3.8%	Based on the detailed loan portfolio of the council
Self-Financing Payment	3.5%	Fixed rate
Subsequent borrowing	2.5% - 3.8%	Based on latest Treasury advice
Interest on Balances		
2021/22	0.10%	
2022/23	0.20%	
2023/24	0.35%	
2024/25	0.45%	
2025/26 onwards	0.65%	
Opening stock at 1st April 2021		
Tenanted	6007	Includes 6.0 full dwelling equivalent Shared Ownership properties + 138 acquired properties + 93 new build
Leasehold	1,444	
Section 16 Freehold	84	

Opening Rent (2021/22)		
Social rent	£109.01	Existing stock
LHA level rent	£237.33	Acquired properties
Affordable Rent	£204.65	New Build
Real (above inflation) Rent Growth		
2021/22 - 2024/25	1.0%	CPI + 1%
2025/26 onwards	0.0%	CPI only
Voids losses	0.60%	
Provision for Bad Debts		
2021/22 onwards	0.9%	c. £400k
Service Charges – 2021/22		
Tenanted	£2.95	Per week
Leasehold	£240.00	Per quarter
Service Charge Growth		
2021/22	1.5%	
2022/22 -2024/25	CPI + 1%	
2025/26 onwards	CPI	
Other Income 2021/22		
Commercial Properties	£265k	
Heating Charges	£278k	
Garages	£529k	
Rechargeable Works	£40k	
Intensive Housing Management Charge	£386k	
Real Other Income Growth		Dependent on the individual source of income.
Financing		
Self-financing settlement		
2021/22	£6,444k	Shortfall from 2020/21
2022/23	£2,825k	Annual set aside for repayment over 50 years
New build	£505k	
Acquisitions	£766k	
Opening Debt 2021/22		
HRA Capital Financing Requirement	£200,859k	
New Borrowing		
2021/22	£10.7m	New Build
	£4.1m	Acquisitions

RTB Sales (per annum) 2021/22 2022/23 – 2027/28 2028/29 onwards	 20 15 10	 10 freehold, 10 leasehold 8 freehold, 7 leasehold 5 freehold, 5 leasehold
Real RTB Sales Growth	Nil	
Acquisitions 2021/22-2030/31 2031/32 onwards	 20 10	 per annum
Other Stock Movements 2022/23	 72	 Phase 2 new build rented stock completions
SHP Management Fee 2021/22	£16,280,000	Plus capital works management
LB Sutton Management Costs 2021/22	£2,174,000	
Service Costs 2021/22 Heating Communal Alarm (Eldercare) Cost of Housing Benefit	 £311k £170k £53k	 Effect of limit rent
Real Service Cost Growth	RPI/CPI	Actuals dependent on supplier costs.
Depreciation Dwellings Non Dwelling Assets 2021/22	 £1,136 £62k	 Annually per property Per annum
New Build Phase 2 Borrowing: 2021/22 2022/23 2023/24 Interest rate Dwellings Rent Service Charge	 £10,676k £3,470k £1,135k 2.0% 72 £176.33 £2.95	 From 2023 per week per week

Appendix H (i)

Sensitivity Model Revenue Summary

		1	2	3	4	5	6	7	8	9	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Year	Year	Original Income £,000	Additional Acquisition Income £,000	Total Income £,000	SHP Costs £,000	Council Costs £,000	Tenants Heating, Water & Other Charges £,000	Provision for Bad Debts £,000	Depreciation £,000	Debt Repayments £,000	Debt Management and Interest New Debt £,000	Debt Management and Interest Historic Debt £,000	RCCO - Current Stock £,000	RCCO - New Build £,000	RCCO - Acquisitions £,000	Total RCCO £,000	Total expenses £,000	Surplus (Deficit) for the Year £,000	Balance £,000	Interest on Working Balance £,000	Set Aside for Debt Repayment £,000	Working Balance C/Fwd £,000	Minimum Balance Required £,000	Investment Reserve £,000
																						5,733		
1	2021.22	39,176	134	39,310	16,299	2,218	364	401	7,236	0	1,376	5,778	0	0	0	0	33,672	**5,638**	**11,371**	**8**	**6,444**	**4,936**	**1,965**	**2,970**
2	2022.23	39,967	389	40,355	16,487	2,186	314	378	7,497	0	1,552	5,782	763	0	0	763	34,959	**5,397**	**10,333**	**27**	**2,825**	**7,534**	**2,018**	**5,516**
3	2023.24	41,360	658	42,018	16,801	2,215	318	360	7,877	0	1,682	5,779	867	0	0	867	35,899	**6,119**	**13,653**	**64**	**2,825**	**10,892**	**2,101**	**8,791**
4	2024.25	42,249	939	43,188	17,076	2,253	325	370	8,145	0	1,792	5,780	2,111	0	0	2,111	37,852	**5,336**	**16,228**	**108**	**2,825**	**13,511**	**2,159**	**11,352**
5	2025.26	42,991	1,228	44,219	17,397	2,298	333	379	8,422	0	1,904	5,781	0	0	0	0	36,515	**7,704**	**21,215**	**198**	**2,825**	**18,588**	**2,211**	**16,377**
6	2026.27	43,746	1,529	45,275	17,725	2,343	343	388	8,709	0	2,019	5,786	7,956	0	0	7,956	45,269	**6**	**18,594**	**225**	**4,096**	**14,723**	**2,264**	**12,459**
7	2027.28	44,630	1,846	46,476	18,060	2,390	354	399	9,005	0	2,135	5,784	8,209	0	0	8,209	46,335	**141**	**14,864**	**219**	**4,096**	**10,987**	**2,324**	**8,663**
8	2028.29	45,304	2,165	47,469	18,409	2,437	366	407	9,315	0	2,254	5,785	8,415	0	0	8,415	47,388	**81**	**11,068**	**221**	**4,096**	**7,193**	**2,373**	**4,820**
9	2029.30	46,306	2,343	48,649	18,773	2,486	378	418	9,641	0	2,254	5,786	5,040	0	4,746	9,786	49,521	**(872)**	**6,320**	**219**	**4,096**	**2,443**	**2,432**	**11**
10	2030.31	47,456	2,390	49,846	19,143	2,535	390	428	9,975	0	2,254	5,787	560	0	4,843	5,403	45,916	**3,929**	**6,372**	**220**	**4,096**	**2,496**	**2,492**	**4**
11	2031.32	48,669	2,444	51,113	19,513	2,586	403	440	10,302	0	2,254	5,788	3,400	0	2,471	5,871	47,157	**3,956**	**6,452**	**237**	**4,096**	**2,593**	**2,556**	**37**
12	2032.33	49,595	2,486	52,081	19,884	2,637	417	448	10,627	0	2,254	5,789	3,600	0	2,522	6,122	48,178	**3,904**	**6,497**	**260**	**4,096**	**2,660**	**2,604**	**56**
13	2033.34	50,667	2,536	53,203	20,262	2,690	430	458	10,961	0	2,254	5,791	3,950	0	2,574	6,524	49,370	**3,834**	**6,494**	**277**	**4,096**	**2,675**	**2,660**	**15**
14	2034.35	51,803	2,587	54,390	20,651	2,743	445	468	11,315	0	2,254	5,792	4,250	0	2,626	6,876	50,544	**3,846**	**6,521**	**298**	**4,096**	**2,723**	**2,719**	**4**
15	2035.36	53,017	2,646	55,663	21,040	2,798	459	479	11,663	0	2,254	5,793	4,650	0	2,680	7,330	51,817	**3,846**	**6,569**	**324**	**4,096**	**2,797**	**2,783**	**14**
16	2036.37	54,026	2,691	56,717	21,440	2,853	474	489	12,030	0	2,254	5,795	4,850	0	2,735	7,585	52,920	**3,797**	**6,593**	**350**	**4,096**	**2,847**	**2,836**	**11**
17	2037.38	55,195	2,745	57,939	21,848	2,910	490	499	12,409	0	2,254	5,796	5,150	0	2,791	7,941	54,148	**3,792**	**6,639**	**376**	**4,096**	**2,919**	**2,897**	**22**
18	2038.39	56,388	2,800	59,188	22,264	2,968	506	510	12,799	0	2,254	5,797	5,450	0	2,848	8,298	55,397	**3,791**	**6,709**	**402**	**4,096**	**3,015**	**2,959**	**56**
19	2039.40	57,755	2,864	60,619	22,687	3,027	523	523	13,202	0	2,254	5,799	6,000	0	2,907	8,907	56,922	**3,697**	**6,712**	**427**	**4,096**	**3,043**	**3,031**	**12**
20	2040.41	58,855	2,913	61,767	23,119	3,087	540	533	13,618	0	2,254	5,800	6,150	0	2,966	9,116	58,068	**3,700**	**6,742**	**453**	**4,096**	**3,099**	**3,088**	**11**
21	2041.42	60,128	2,971	63,099	23,559	3,148	558	545	14,046	0	2,254	6,236	6,000	0	3,027	9,027	59,374	**3,725**	**6,825**	**439**	**4,096**	**3,168**	**3,155**	**13**
22	2042.43	61,429	3,031	64,460	24,007	3,211	576	557	14,489	0	2,254	3,471	8,600	0	3,090	11,690	60,254	**4,206**	**7,373**	**0**	**4,096**	**3,277**	**3,223**	**54**
23	2043.44	62,919	3,100	66,018	24,463	3,275	596	571	14,945	0	2,254	3,774	8,860	0	3,153	12,013	61,889	**4,129**	**7,407**	**0**	**4,096**	**3,311**	**3,301**	**10**
24	2044.45	64,117	3,153	67,269	24,928	3,340	615	582	15,415	0	2,253	5,282	7,485	0	3,218	10,703	63,118	**4,151**	**7,462**	**0**	**4,096**	**3,366**	**3,363**	**3**
25	2045.46	65,504	3,216	68,720	25,403	3,407	635	594	15,900	0	2,253	5,284	7,790	0	3,284	11,074	64,550	**4,170**	**7,536**	**0**	**4,096**	**3,440**	**3,436**	**4**
26	2046.47	66,987	3,284	70,270	25,911	3,474	656	608	16,401	0	2,253	5,285	8,150	0	3,355	11,505	66,094	**4,176**	**7,616**	**0**	**4,096**	**3,520**	**3,514**	**6**
27	2047.48	68,672	3,362	72,034	26,430	3,686	677	624	16,917	0	2,253	5,287	8,550	0	3,424	11,974	67,847	**4,187**	**7,707**	**0**	**4,096**	**3,611**	**3,602**	**9**
28	2048.49	70,041	3,423	73,464	26,958	3,718	699	636	17,449	0	2,253	5,289	8,800	0	3,494	12,294	69,297	**4,168**	**7,778**	**0**	**4,096**	**3,682**	**3,673**	**9**
29	2049.50	71,621	3,495	75,116	28,032	3,739	721	596	17,998	0	2,253	5,290	8,750	0	3,566	12,316	70,946	**4,169**	**7,852**	**0**	**4,096**	**3,756**	**3,756**	**0**
30	2050.51	73,107	3,568	76,676	29,137	3,759	745	553	18,525	0	2,253	5,292	8,597	0	3,639	12,236	72,500	**4,176**	**7,931**	**0**	**4,096**	**3,835**	**3,834**	**1**
Totals:		**1,633,681**	**72,930**	**1,706,610**	**647,703**	**86,414**	**14,652**	**14,640**	**366,833**	**0**	**64,304**	**166,257**	**162,953**		**69,958**	**232,910**	**1,593,713**				**120,144**			

Appendix H (ii)

Sensitivity Model Capital Summary

Year	Year	Existing Stock Investment Requirement £,000	Funding Required - Acquisitions £,000	New Build Development Costs £,000	Total Investment Requirement £,000	Borrowing-New Build £,000	Borrowing-Acquisitions £,000	GLA Grant £,000	Leaseholder Contributions & Match Funding £,000	RTB Receipts - Acquisitions £,000	RTB Receipts-New Build £,000	Total RTB Receipts £,000	MRR £,000	RCCO-Existing Stock £,000	RCCO - New Build £,000	RCCO - Acquisitions £,000	Total RCCO £,000	Total Financing £,000	In Year Surplus / (Shortfall) £,000	Cumulative Surplus / (Shortfall) £,000
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	2021.22	16,229	5,890	10,950	33,069	10,676	4,123	23	6,260	1,767	252	2,019	11,079	0	0	0	0	34,180	**1,112**	**1,112**
2	2022.23	9,640	5,949	7,466	23,055	3,470	4,164	2,546	270	1,784	1,449	3,233	7,497	763	0	0	763	21,944	**-1,112**	**0**
3	2023.24	9,023	6,024	1,286	16,333	1,135	4,217	4	280	1,807	146	1,953	7,877	867	0	0	867	16,333	**0**	**(0)**
4	2024.25	10,546	6,130	0	16,676	0	4,291	0	290	1,839	0	1,839	8,145	2,111	0	0	2,111	16,676	**0**	**0**
5	2025.26	8,673	6,253	0	14,926	0	4,377	0	298	1,876	0	1,876	8,422	0	0	0	0	14,974	**48**	**48**
6	2026.27	17,020	6,381	0	23,400	0	4,466	0	307	1,914	0	1,914	8,709	7,956	0	0	7,956	23,352	**(48)**	**(0)**
7	2027.28	17,530	6,511	0	24,041	0	4,558	0	317	1,953	0	1,953	9,005	8,209	0	0	8,209	24,041	**0**	**(0)**
8	2028.29	18,056	6,644	0	24,700	0	4,651	0	326	1,993	0	1,993	9,315	8,415	0	0	8,415	24,700	**0**	**(0)**
9	2029.30	18,598	6,780	0	25,378	0	0	0	336	2,034	0	2,034	9,641	5,040	0	4,746	9,786	21,797	**(3,581)**	**(3,581)**
10	2030.31	19,156	6,919	0	26,075	0	0	0	346	2,076	0	2,076	9,975	560	0	4,843	5,403	17,800	**(8,275)**	**(11,856)**
11	2031.32	22,813	3,530	0	26,343	0	0	0	356	1,059	0	1,059	10,302	3,400	0	2,471	5,871	17,589	**(8,754)**	**(20,610)**
12	2032.33	23,497	3,603	0	27,100	0	0	0	367	1,081	0	1,081	10,627	3,600	0	2,522	6,122	18,196	**(8,904)**	**(29,513)**
13	2033.34	24,202	3,676	0	27,879	0	0	0	378	1,103	0	1,103	10,961	3,950	0	2,574	6,524	18,966	**(8,913)**	**(38,426)**
14	2034.35	24,928	3,752	0	28,680	0	0	0	389	1,126	0	1,126	11,315	4,250	0	2,626	6,876	19,706	**(8,974)**	**(47,400)**
15	2035.36	26,368	3,829	0	30,197	0	0	0	401	1,149	0	1,149	11,663	4,650	0	2,680	7,330	20,542	**(9,655)**	**(57,055)**
16	2036.37	21,807	3,907	0	25,714	0	0	0	413	1,172	0	1,172	12,030	4,850	0	2,735	7,585	21,200	**(4,515)**	**(61,569)**
17	2037.38	21,782	3,987	0	25,770	0	0	0	425	1,196	0	1,196	12,409	5,150	0	2,791	7,941	21,971	**(3,799)**	**(65,368)**
18	2038.39	22,436	4,069	0	26,505	0	0	0	438	1,221	0	1,221	12,799	5,450	0	2,848	8,298	22,756	**(3,749)**	**(69,116)**
19	2039.40	23,109	4,153	0	27,262	0	0	0	451	1,246	0	1,246	13,202	6,000	0	2,907	8,907	23,806	**(3,456)**	**(72,572)**
20	2040.41	25,275	4,238	0	29,513	0	0	0	465	1,271	0	1,271	13,618	6,150	0	2,966	9,116	24,470	**(5,042)**	**(77,614)**
21	2041.42	31,466	4,325	0	35,791	0	0	0	479	1,297	0	1,297	14,046	6,000	0	3,027	9,027	24,850	**(10,941)**	**(88,555)**
22	2042.43	30,966	4,414	0	35,380	0	0	0	493	1,324	0	1,324	14,489	8,600	0	3,090	11,690	27,995	**(7,384)**	**(95,939)**
23	2043.44	31,895	4,504	0	36,399	0	0	0	508	1,351	0	1,351	14,945	8,860	0	3,153	12,013	28,817	**(7,582)**	**(103,522)**
24	2044.45	32,852	4,597	0	37,449	0	0	0	523	1,379	0	1,379	15,415	7,485	0	3,218	10,703	28,020	**(9,429)**	**(112,950)**
25	2045.46	33,837	4,691	0	38,529	0	0	0	539	1,407	0	1,407	15,900	7,790	0	3,284	11,074	28,921	**(9,608)**	**(122,558)**
26	2046.47	32,846	4,792	0	37,639	0	0	0	555	1,438	0	1,438	16,401	8,150	0	3,355	11,505	29,898	**(7,741)**	**(130,299)**
27	2047.48	33,832	4,891	0	38,723	0	0	0	572	1,467	0	1,467	16,917	8,550	0	3,424	11,974	30,929	**(7,793)**	**(138,092)**
28	2048.49	34,847	4,991	0	39,838	0	0	0	606	1,497	0	1,497	17,449	8,800	0	3,494	12,294	31,846	**(7,992)**	**(146,084)**
29	2049.50	35,892	5,094	0	40,986	0	0	0	642	1,528	0	1,528	17,998	8,750	0	3,566	12,316	32,484	**(8,502)**	**(154,585)**
30	2050.51	36,969	5,198	0	42,167	0	0	0	678	1,560	0	1,560	18,525	8,597	0	3,639	12,236	32,998	**(9,169)**	**(163,754)**
Totals:		**716,090**	**149,721**	**19,702**	**885,513**	**15,281**	**34,847**	**2,573**	**18,708**	**44,916**	**1,847**	**46,763**	**370,676**	**162,953**	**0**	**69,958**	**232,910**	**721,758**		

Appendix I

Outline Major Works Programme 2021/22 to 2025/26

	2021/22		2022/23		2023/24		2024/25		2025/26		
	Yr 1		Yr 2		Yr 3		Yr 4		Yr 5		
	£	units	£	units	£	units	£	units	£	units	Total Yrs 1 - 5 (£)
Major Repairs	**2,560,863**		**1,835,432**		**2,487,037**		**3,730,043**		**1,513,385**		**12,126,760**
Box bathrooms	20,000	1	149,100	4	476,800	12	292,700	8	66,800	2	1,005,400
Bathrooms / WCs	300,000	42	90,810	19	102,060	25	124,800	87	101,800	24	719,470
Kitchens	400,000	57	80,000	20	572,000	143	424,000	106	136,000	34	1,612,000
Front doors and repairs general	245,000	85	172,380	29	172,380	197	172,380	22	172,380	15	934,520
Windows, french doors, etc (incl of window programme)	191,344	9	191,344	9	191,344	15	191,344	26	191,344	14	956,720
Roofs, canopies and balconies	493,280	29	735,000	66	333,839	87	643,751	290	493,280	100	2,699,150
Scaffolding costs associated with roofs	45,960		20,370		169,890		226,280		80,470		542,970
Wall finishes and repairs (incl backlog to take in costs for cladding)	365,279	63	11,524	2	83,820	20	977,878	280	65,286	17	1,503,787
Communal repairs	500,000		384,904		384,904		676,910		206,025		2,152,743
Contingent Major Repairs	**370,060**		**386,713**		**404,115**		**422,301**		**441,303**		**2,024,492**
Drain failure (30% of pre 1964 assets)	100,000		104,500		109,203		114,117		119,252		547,072
Asbestos	54,573		57,029		59,595		62,277		65,079		298,553
Uninsured structural works (subsidence lintels etc)	65,487		68,434		71,513		74,732		78,094		358,260
Disrepair	150,000		156,750		163,804		171,175		178,878		820,607
Improvements	**3,640,000**		**1,743,003**		**1,743,003**		**1,743,003**		**1,743,003**		**10,612,012**
Energy efficiency works and insulation (incl upgrade of window specification)	545,000		545,000		545,000		545,000		545,000		2,725,000
Environmental improvements	45,000		100,000		100,000		100,000		100,000		445,000
Fire safety works (inc Fire Safety Bill works)	3,050,000		1,098,003		1,098,003		1,098,003		1,098,003		7,442,012
Estate Works and Related Assets	**600,000**		**500,000**		**500,000**		**500,000**		**500,000**		**2,600,000**
Garages	150,000		150,000		150,000		150,000		150,000		750,000
Boundary walls / fencing / paths	150,000		150,000		150,000		150,000		150,000		750,000
Playgrounds - from environmental improvements	50,000		50,000		50,000		50,000		50,000		250,000
Unadopted roads and paths	250,000		150,000		150,000		150,000		150,000		850,000
Exceptional Extensive Works	**5,310,575**		**0**		**0**		**0**		**0**		**5,310,575**
Shanklin Village walkways	1,200,000		0		0		0		0		1,200,000
Stock condition survey	300,000		0		0		0		0		300,000
External wall survey	200,000		0		0		0		0		200,000
Coulsdon Unitys (8 Energiesprong pilots)	3,610,575		0		0		0		0		3,610,575
Aids and Adaptations	**400,000**		**400,000**		**400,000**		**400,000**		**400,000**		**2,000,000**
Mechanical and Electrical Works)	**2,216,260**		**2,359,360**		**1,751,660**		**1,642,060**		**1,884,760**		**9,854,100**
	818,000	503	1,344,700	503	737,000	503	152,400	503	383,100	503	3,435,200
Electrics	441,660		241,660		241,660		241,660		241,660		1,408,300
Emergency lighting and fire alarms	206,600	218	38,000	235	38,000	243	100,000	253	525,000	262	907,600
Central heating improvements	130,000		130,000		130,000		130,000		130,000		650,000
Common door entry system improvements	200,000		200,000		200,000		200,000		200,000		1,000,000
Lift replacements	0		0		0		413,000		0		413,000
Building monitoring systems	20,000		5,000		5,000		5,000		5,000		40,000
M&E Capital equipment upgrade (fire detection works)	400,000		400,000		400,000		400,000		400,000		2,000,000
TOTAL WORKS EXPENDITURE	**15,097,758**		**7,224,508**		**7,285,815**		**8,437,407**		**6,482,451**		**44,527,939**