

HRA Business Plan

2022/23 to 2051/52

December 2021



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1 Introduction

- 1.1 This document sets out Sutton Council's plans for managing and maintaining its housing stock of around 6,000 rented and 1,300 leasehold properties held in the Housing Revenue Account (HRA). Its fundamental purpose is to ensure the efficient use of the Authority's housing assets, covering the 30 year period 2022/23 to 2051/52.

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 2021, 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, and in particular a major survey of the condition of the stock that was carried out during 2021.
- 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 2022/23 to 2051/52.

- 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 seeks to address objectives 4 to 7 of the HRA Business Plan, is set out in SHP's latest annual delivery plan at:

■ [SHP Delivery Plan 2021 - 2024 Final.pdf](#)

Strategic and Policy Context

Local context

- 1.7 At the local level, the Council's housing strategy takes into account the wider Ambitious for Sutton 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 the following 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 and regeneration teams, 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, community development and tackling social issues such as domestic abuse.

- 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. Although in the process of being updated, the latest version of the strategy can be found at:

<https://www.suttonhousingpartnership.org.uk/download.cfm?doc=docm93jjm4n1300.pdf&ver=2384>

- 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 £548k of 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 near zero carbon homes. Additionally, we have been successful in securing funding from several sources to support rolling out the pilots to a wider project to begin to meet the huge environmental challenge of decarbonising the property portfolio.
- 1.13 In 2019 the Mayor invited London boroughs to bid for grant funding to support his programme for producing social rented homes, offering up to £100,000 of subsidy per unit. Sutton has secured access to £5.1m of this funding towards the delivery of 51 units, part of a wider programme due to deliver 71 affordable dwellings. This is discussed further in chapter 6.

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 nine years, albeit that sales have now levelled off.
- 1.16 The 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 in 2012 has changed the financial landscape for stock-owning authorities, releasing significant potential capacity for housing investment, including in new homes, albeit that there is no government revenue support for borrowing being offered.
- 1.18 Another national policy development has been the recent change in rules around the use of RTB receipts, with greater flexibility in how, and by when, these resources can be deployed. However, this is counterbalanced by a new restriction: namely that receipts arising since 1 April 2021 can no longer be deployed on homes that are used for temporary housing. Further, the proportion of net receipts that can be used to fund acquisitions is being gradually reduced. These factors have led to consideration being given to no longer acquiring or retaining acquired properties within the HRA (see chapters 4 and 6).

2 The Council's Housing Stock

Stock Make Up

- 2.1 As at 1 April 2021, the Council's housing stock held in the HRA comprised 6,014 rented homes (including ex-council buybacks), 11 shared ownership properties (the equivalent of 6 rented units) and 1,269 flats and maisonettes sold on long leases. Also, within various estates are 118 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 housing). 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 (RTB) in the early 1980s 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, with the council stock now comprising approximately 7% of the borough's housing.
- 2.3 Previously we have anticipated 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. However, as mentioned previously, due to government restrictions, consideration is now being given to no longer acquiring or holding the existing acquired units within the HRA. Also, the anticipated increase in HRA stock didn't take into account the potential impact of proposed estate regeneration, set out in the Authority's Local Plan, which could significantly increase the number of homes within certain estates.
- 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 and surrounding wards 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 393 deck-access designed, 70s-built flats and maisonettes and a number of houses.
- 2.5 The following table gives a breakdown of the stock of HRA rented and shared ownership dwellings by type, size and age as at 1 April 2021.

Table 2.1: Breakdown of the HRA 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	0	0	0	0	19	19
Terraced -2 bed	995	6	12	8	37	1058
Terraced -3 bed	1042	59	46	34	33	1214
Terraced -4+ bed	14	11	1	1	0	27
Semi-detached -2 bed	49	1	0	1	1	52
Semi-detached -3 bed	152	44	2	4	7	209
Semi-detached -4+ bed	5	2	0	0	0	7
Detached -3 bed	3	0	0	0	0	3
Detached -4 bed	1	0	0	0	0	1
Houses (non-traditionally built)						
3 bed	3	59	1	0	0	63
All Houses	2264	182	62	48	97	2653
Bungalows						
1 bed	5	25	10	17	7	64
2 bed	2	1	0	3	2	8
3 bed	9	1	0	5	0	15
4 bed	1	0	0	0	0	1
All Bungalows	17	27	10	25	9	88
Flats and Maisonettes						
Low Rise Bedsit/ studio	12	21	61	0	0	94
Low rise -1 bed	440	54	108	179	148	929
Low rise -2 bed	64	86	16	24	12	202
Low rise -3 bed	14	8	0	0	0	22
Low rise -4 bed	1	0	0	0	0	1
Med Rise Bedsit/ studio	7	16	41	3	0	67
Med Rise -1 bed	8	134	330	109	56	637
Med Rise -2 bed	114	340	124	24	40	642
Med Rise -3 bed	19	143	219	21	17	419
Med Rise -4+ bed	5	4	4	0	0	13
High Rise Bedsit/ studio	0	5	0	18	0	23
High rise -1 bed	0	26	0	27	0	53
High rise -2 bed	0	157	18	7	0	182
All Flats and Maisonettes	684	994	921	412	273	3284
All dwellings	2965	1203	993	485	379	6025

- 2.6 Flats and maisonettes comprise 54.5% of the stock, with houses and bungalows making up the remaining 45.5%. 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 (8.35%) are independent living dwellings, grouped within 13 schemes.
- 2.7 In terms of property size, Sutton's HRA stock contains 1,995 'family-sized' units (3+ bedrooms) representing 33.1% of the total. However, of this number, only 43 dwellings have four or more bedrooms, amounting to less than 1% of the stock.

Stock Condition

- 2.8 A major new stock condition survey was carried out in 2021 by surveying specialist FFT. The sample comprised 77% of individual homes and 100% of estate external and communal areas. This has provided the Council with some of the best stock condition data for social housing in the country. In addition to the standard property components, (e.g. windows, kitchens etc) being assessed, the survey also provided an updated assessment of the energy performance of properties via an RdSAP rating equating to the Energy Performance Certificate (EPC) banding. The 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.
- 2.9 Now that 100% decency has been achieved, SHP's latest 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 current decent homes standard.
- 2.10 The investment 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 resourcing fire safety and other health and safety compliance related works has been given the highest priority.
- 2.11 The Council also faces the huge challenge of meeting the government target that all homes should be net zero carbon by 2050. As before, the Business Plan attempts to model the cost of this based on the latest industry understanding.

Sustainability

- 2.12 The enhanced quality of our stock condition data (via the new survey) has allowed us to review how we analyse the sustainability of our housing stock. Appendix A identifies those estates or dwellings that have been identified as requiring significantly above average investment over the next 10 years, (i.e. at least 50% above the average for all stock). There may be simple and logical reasons for this - e.g. these estates or properties have received little investment in recent years and therefore the next 10 years is their "investment cycle" or the estates may comprise significantly larger than average properties, driving the unit investment cost up.

- 2.13 A further analysis of these homes will be carried out over the coming months by SHP, while ensuring that they remain compliant with all safety, legislative and regulatory requirements, including in relation to the Decent Homes Standard. Once complete, this initial analysis will be the subject of further consideration within the context of SHP's asset management strategy and the Council's regeneration programme. In the case of Shanklin Village, which represents by far the largest number of homes listed in Appendix A, funding has been included in the outline major works programme (see chapter 5) to begin to tackle the defective walkways, which is the principal reason for the estate's significantly above average investment need.

Future investment requirement

- 2.14 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 2022/23. The calculation takes into account works anticipated to be carried out in 2021/22. 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 earmarked for redevelopment the overall investment needs will change accordingly.
- 2.15 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 will be flagged in iterations of SHP's asset management strategy and, subject to resources being available, can be considered by the Council at the appropriate juncture. Also, at this stage, Appendix B only takes account of the imminent redevelopment of Beech Tree Place in central Sutton and not the other Sutton Town Centre estates identified for regeneration over the next 15 years.

Table 2.2: Summary of Stock Investment Needs 2022/23 to 2051/52 (Years 1 - 30)

	Years 1 - 5	Years 6 - 10	Years 11 - 15	Years 16 - 20	Years 21 - 25	Years 26 - 30	Years 1 - 30
	2022/23 - 2026/27	2027/28 - 2031/32	2032/33 - 2036/37	2037/38 - 2041/42	2042/43 - 2046/47	2047/48 - 2051/52	2022/23 - 2051/52
Major Repairs	17,391,430	27,498,575	25,396,482	31,530,562	26,115,962	28,046,030	155,979,040
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	3,597,876	3,250,000	2,500,000	2,500,000	2,500,000	24,941,888
Estate Works and Related Assets	7,593,065	5,958,976	2,320,825	4,044,993	1,998,158	5,341,227	27,257,244
Exceptional Extensive Works and surveys	5,140,575	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	12,640,575
Mechanical and Electrical Works	9,936,583	22,405,806	14,727,455	9,619,412	12,912,628	9,816,477	79,418,361
Total	54,698,157	64,222,388	50,176,722	52,459,067	48,379,248	50,556,234	320,491,815
Adjusted Totals*	62,287,650	91,247,100	82,645,800	100,167,300	107,090,500	129,733,500	576,171,850

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

- 2.16 As can be seen, the overall investment requirement over 30 years now amounts to £320.5m. When fees and preliminaries (associated set up costs), inflation and adjustments for changing stock numbers are factored in, the adjusted total rises to £576.2m. This does, however, exclude associated costs of management. This level of investment requirement is significantly higher than was projected in the last iteration of the Business Plan and fundamentally reflects two factors: (i) the much more thorough understanding of the investment needs resulting from the stock condition survey, and (ii) the impact of increased building costs due to a number of external economic drivers.
- 2.17 The average estimated level of consultancy fees and project management costs of 3% 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 3% is felt to be a reasonable estimate of the likely average over the period.
- 2.18 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 5.0% for 2023/24 and 2024/25, reducing to 4.0% in 2025/26 and is then assumed at 3.0% thereafter.
- 2.19 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 during 2021/22 has been used. At this stage, no assumptions are made regarding any stock losses from future potential regeneration programmes, with the exception of Beech Tree Place.

- 2.20 The average energy efficiency rating of the stock under the Government's Standard Assessment Procedure (SAP) methodology is 67.9 out of 100. This is a small reduction on the estimate made last year and reflects the much more accurate data gleaned from the recent stock condition survey.
- 2.21 A breakdown of the stock by energy rating, using the A to G classification system is set out in Appendix C. This shows that just under 60% of homes are at a C rating or above, albeit only 100 achieve a B rating and none are A rated. The stock condition survey also revealed that the proportion of D rated homes, at almost 36%, is much higher than was previously estimated. In addition, Sutton still has over 300 homes rated E, F or G.
- 2.22 However, it must be understood that none of the stock is anywhere near zero carbon. To achieve this or even close to zero carbon across the whole stock in order to meet the government's target and the Council's climate emergency objectives would require considerable additional investment.

Housing Supply and Demand

- 2.23 Sutton's latest Strategic Housing Market Assessment, published in 2016, identified a borough requirement for over 1,000 new affordable homes per annum over the coming 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 over 2,600) and continuing high numbers of households in temporary accommodation (running at around 880 at the time of publication).
- 2.24 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 early 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 93 new build homes and over 200 ex-council stock buy-backs to date, albeit these units are currently used solely for temporary accommodation.
- 2.25 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

- 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.

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 £141.126m, 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 over the remaining loan period. However, the amounts are 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 fully pay this off by the due date of 2042 by setting sums aside annually. However, two years ago it was agreed that the loan could be paid back over a 50 year period through partially refinancing the debt when it becomes due. This approach, which is being continued, has the benefit of freeing up resources in the early years of the Plan, and moreover the set aside sums earn interest for the HRA.

Borrowing

- 3.5 In September 2018, the government lifted the HRA borrowing cap 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 after four consecutive years of 1% rent reductions, from 2020/21 rents would be allowed to rise by up to CPI + 1% for a period of at least five years. However, the four year reduction period had a significant impact on the funding available within the HRA, not just during those years but across the whole 30 year period since it is unlikely that social rents will be allowed to go up sufficiently in future years to compensate for the accumulated loss.

- 3.7 Assuming a further CPI + 1% increase in rents in April 2022 and taking into account other income sources, total HRA income in 2022/23 is projected to amount to £40.687m. The Base Model (see chapter 4) continues to prudently assume that rents annually will go up by CPI only after 2024/25 which marks the end of 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 its expected life and then averaged across all dwellings to derive an annual amount per property. Depreciation costs have been increased significantly in light of the new stock condition survey, to £8.528m in Year 1. This sum works out at £1,394 per rented dwelling; the previous Business Plan allocated £1,136 per rented dwelling.

Right to Buy Receipts

- 3.9 Under the Government's "reinvigorated" RTB policy, introduced in March 2012, authorities were able to enter into an agreement with the Government to retain the additional or net or 'reinvestable' receipts for spending locally. Following some relaxation of the rules around applying reinvestable receipts, the Council entered into a revised agreement this year within which it now has five years to spend the receipts otherwise they have to be returned to the Exchequer with a high level of interest payable.
- 3.10 A further relaxation is that the net receipts can now be used to fund up to 40% of the cost of new housing, including land acquisition costs where applicable; previously it was just 30%. However, the government is also gradually restricting the amount of receipts that can be applied to acquisitions and has now brought in a new restriction, which is that receipts arising since 1 April 2021 can no longer fund acquisitions that are used for temporary accommodation. This, together with the Department for Work and Pensions limiting housing benefit subsidy to 90% of 2011 Local Housing Allowance rates, has called into question the future viability of the HRA acquisition programme, and this is discussed further in subsequent chapters.
- 3.11 The numbers of RTB sales over the last nine 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 stabilised recently, with the 2021/22 sales projected to reach 30, it is anticipated that they will drop in the long term, with 15 p.a. assumed in the modelling for the period 2022/23 to 2027/28, dropping to 10 p.a. from 2028/29 onwards.

Table 3.1: RTB Sales 2012/13 to 2020/21

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
35	65	75	59	51	37	27	28	31

- 3.12 The sales over the nine years to 2020/21 have given rise to a net receipt of £34.6m. As mentioned above, this is the portion 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 or acquisitions where applicable.

- 3.13 In 2015/16, £2m was deployed to support the regeneration of the Orlit system-built homes in Carshalton, while £70,000 was provided to a 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 being provided to other organisations to deliver affordable housing in the borough.
- 3.14 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 almost £95m of net receipts are estimated to accrue by the end of the Business Plan period, this figure including amounts that arose prior to 2022/23 (Year 1).
- 3.15 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 to various degrees in all three new build phases while from 2021/22 no further funding is assumed to be deployed on HRA acquisitions due to the aforementioned viability issue and the proposal to remove the acquisition portfolio from the HRA (see chapter 6).
- 3.16 The final column in Appendix D shows, on a cumulative basis, the net receipts that are either spent or remain available to be applied. As can be seen, from Year 5 (2026/27) a 'reserve' of unused net receipts begins to build up, reaching almost £44m by Year 30.

Other Funding Sources

GLA grant and additional HRA borrowing

- 3.17 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.
- 3.18 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 that is part funded by grant. However, the Government is considering allowing greater flexibility in this area.
- 3.19 The funding of Phases 2 and 3 of the programme of new build social rented homes, alongside an additional amount to fund a further 49 new homes (which would bring the overall total to 250) is incorporated into the Base Model.

Funding for energy efficiency works

- 3.20 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 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, has allowed SHP to undertake whole house retrofit refurbishments to an initial five properties with three more currently being targeted.
- 3.21 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, the Council made a successful bid for additional match funding from the Department for Business, Energy & Industrial Strategy (BEIS) and were awarded £3.1m subject to agreements being signed. Sutton has also been awarded £480k of ECO3i funding (the government's latest Energy Company Obligation scheme) from British Gas and 1m euros via Interreg European Union funding, (all projects to be completed in 2022). More recently the Council, via SHP, has submitted a bid for £880k of funding from the government's Social Housing Decarbonisation Fund, the outcome of which is anticipated in December. The retrofit programme is discussed further in chapter 5.

4 Financial Modelling

Base Model

- 4.1 The Council, working with SHP, has produced a new 30 year 'Base' financial model, where Year 1 becomes 2022/23. 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 only to new build in the early years, with an average interest rate of 2.56% 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 revenue contributions to capital outlay (RCCO) when the latter are both available and required;
 - that annual general inflation rates decrease from 3.1% in 2022/23 to 2.5% in 2023/24 and remain at 2.0% from 2024/15 onwards;
 - that inflationary uplifts to major works costs are applied at a rate of 5.0% in 2023/24 and 2024/25, 4.0% in 2025/26 and then drop to 3.0% from 2026/27 onwards;
 - that rents will increase by CPI + 1% over the next three years and then increase at CPI only each year thereafter;
 - that allowances for bad debt are assumed at 1.0% p.a. from 2022/23 to 2024/25% and then at 0.9% from 2025/26 onwards;
 - that the amounts set to cover the cost of depreciation of assets from Year 1 are calculated using an aggregated per property figure, with the intention to switching to a 'component accounting approach' in the next iteration, 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.
- 4.2 In relation to new build, the following assumptions are made:
- that new build reflects the programme set out in Appendix E, which comprises the Phase 2 and 3 programmes along with additional investment to provide a further 49 homes which would bring to total new build portfolio up to 250 dwellings;
 - that 51 of the Phase 2 new build homes are let at the Mayor's London Affordable Rent, with the remainder let at around 65% of market rents;

- 4.3 In relation to the HRA acquisition programme, the Base Model assumes no further acquisitions into the HRA after 2021/22 but that the properties acquired up to that point remain in the HRA and continue to be let as temporary accommodation, with rents charged at 90% of 2011 Local Housing Allowance (LHA) rates from 1 April 2022.
- 4.4 The revenue modelling also factors in appropriate management and maintenance costs for the new build and existing acquired units while the capital modelling allows for renewal of building elements according to standard cycles.
- 4.5 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.
- 4.6 From the revenue summary, the following can be seen:
- I. Total annual income amounts to £40.687m in Year 1, and rises gradually over the period to almost £73m in Year 30.
 - II. SHP's costs or management fee (excluding contributions to major works) is set at £17.4m in Year 1 and rises to £31.3m in Year 30. The Council's management costs amount to £2.4m in Year 1 and increase with inflation to £4.1m by Year 30.
 - III. Depreciation increases from £8.528m in Year 1 to £20.748m in Year 30. This significant increase since the last iteration is mainly a reflection of the higher investment need identified by the recent stock condition survey. The depreciation figures transfer across to the Major Repairs Reserve in the capital summary (see below).
 - IV. Debt management costs and interest payments on historic debt (including the self-financing debt) are approximately £7.2m p.a. up to and including Year 20; they then fall substantially in Year 21 of the Business Plan period after 50% of the self-financing debt is paid off. The increase in costs from Year 21 onwards are to support the remaining historic debt, which is set to be refinanced.
 - V. Debt management costs and interest on new debt, including debt on the acquired stock, reaches £1.2m by year 3 and remains at that level throughout the rest of the plan period.
 - VI. RCCO is applied in varying amounts as and when it is available and required but only to investment in the existing stock (see below).
 - VII. Amounts are set aside to repay debt, including the self-financing debt, across the 30 year period albeit that the self-financing debt will be refinanced and partially paid off when due in Year 20. The working balance of £11.1m carried forward into Year 1 reflects the accumulated debt set aside amounts from previous years.
 - VIII. A minimum HRA balance is applied throughout the Business Plan period and shown in the final column.

- IX. Throughout the 30 year period a modest working balance remains on the account, which is in line with the minimum required, but in this iteration of the Business Plan Base Model no Investment Reserve builds up.

4.7 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. The future investment needs of the acquired stock (mainly flats) is factored into the purchase costs and the depreciation allowance.
- II. Column 3 shows the costs of the new build programme (from 2022/23 onwards). As can be seen, there are no costs associated with acquisitions as the Base Model assumes no further buy backs of ex council homes by the HRA from 2022/23.
- III. Borrowing is applied to new build, 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 and borrowing is no longer applied to acquisitions.
- IV. The existing stock investment requirement is inclusive of the cost of works to leasehold units, with these costs offset by leaseholder contributions (column 7).
- V. RTB net receipts applied to the new build programme and are shown in column 8.
- VI. The MRR column reflects the depreciation figures set out in the revenue summary, and includes a carry forward of £5m from the previous year.
- VII. Column 10 shows the varying amounts of RCCO applied each year to investment in the existing stock and includes a £3m carry forward from 2021/22.
- VIII. The difference between the total investment requirement and the total financing available is reflected in the 'In Year Surplus/(Shortfall)' column, and subsequently in the 'Cumulative Surplus/(Shortfall)' column. The latter shows a significant shortfall building up from Year 6, reaching £92.8m by Year 30.

4.8 The Base Model position represents a significant worsening of the overall HRA financial position since the last iteration of the Business Plan. This is principally due to the much greater existing stock investment need identified by the stock condition survey, and to some extent the increased cost of building materials, reflected in the higher depreciation figures. Given the shortfall in the capital summary the HRA, under the Base Model, has effectively become unviable in the long term, albeit it is sustainable in the short to medium term.

Sensitivity Modelling

4.9 In light of the new Government restrictions on applying net RTB receipts to acquisitions, a sensitivity or variation to the Base Model has been produced on the assumption that the acquired property portfolio is removed from the HRA on 1 April

2022. Revenue and capital summaries from this are set out respectively at Appendices H (i) and H (ii).

- 4.10 In this sensitivity total income reduces with the loss of the acquisition rental income, while at the same time depreciation reduces to reflect the loss of the acquired stock. It can also be seen that a net capital receipt from the disposal of the acquired assets, estimated at £13.650m over Years 1 and 2, is included and shown in column 8 of the capital summary. The estimated gross receipt (£62.1m) is firstly used to pay off the debt on the acquired units, and consequently the new debt management and interest costs (column 9 of the revenue summary) reduce. The amount of the receipt left after settling the debt is assumed to be equal to the RTB receipts invested. At the same time, there are significantly more resources available to go into RCCO to fund the existing stock major works programme.
- 4.11 The overall effect of this is that while the Year 30 revenue working balance remains as per the Base Model the Year 30 shortfall on the capital summary reduces from £92.8m to £39.4m. This clearly illustrates the substantial net beneficial impact on the HRA of disposing of the acquired units, albeit the HRA Business Plan still remains unviable in the longer term.
- 4.12 To illustrate the potential impact of rendering the housing stock net carbon neutral by 2050, a separate sensitivity or variant to the Base Model has been produced, with revenue and capital summaries set out respectively at Appendices I (i) and I (ii). As in the last iteration of the Business plan, this has been broadly calculated at £25k per property and applied over the plan period up until 2049/50 (shown in column 4 of the capital summary). However, the cost estimates will be refined as the building industry gears up to meet the zero carbon agenda, and should become much more accurate in due course.
- 4.13 As can be seen from the revenue summary, while the Year 30 working balance in the revenue summary remains the same as in the Base Model, the shortfall on the capital summary at Year 30 increases from £92.8m to £292.3m, an additional £200m when inflation is taken into account. Although a combined sensitivity model has not been produced, the removal of the acquisition portfolio is likely to only reduce the shortfall to around £150m.

5 Stock Investment

5.1 Considerable investment has been made in the Council's housing stock in recent years, with 100% decency being achieved two years ago and huge numbers of major repair and improvement works undertaken 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 meet the emerging new standard when adopted), and also to undertake works of a health and safety nature, in particular in relation to building and fire safety. Further, we 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

5.2 The overall HRA capital programme projected outturn for 2021/22, together with the outturn for the previous two years is set out in the following table.

Table 5.1: HRA Capital Programme Outturns 2019/20 to 2021/22

	2019/20 outturn (£000s)	2020/21 outturn (£000s)	2021/22 projected outturn (£000s)
Expenditure			
Major works programme	6,273	7,035	11,290
Adaptations for disabled tenants	245	387	400
Redevelopment of Richmond Green	671	5	277
Estate regeneration	254	1,215	1,500
New build	2,075	506	9,097
Property acquisitions	9,173	14,316	10,941
Total Expenditure	18,691	23,464	33,505
Resources			
Major Repairs Reserve (MRR)	4,458	5,229	9,430
Revenue contributions to capital outlay (RCCO)	2,646	1,746	156
Borrowing	6,959	11,475	14,952
RTB net receipts	0	0	500
Leaseholder contributions	432	250	260
s106 receipts	671	0	107
GLA Grant	254	439	4,550
Total Resources	18,691	23,464	33,505

- 5.3 The major works programme for 2021/22 amounts to over £11m and includes £3.5m on standard planned maintenance to residents' homes, (including £800k at Rosehill Court), £2.5m on Fire Safety works, (including £900k for fire doors, and £500k for works at Chaucer House) and £2m on energy efficiency works benefitting from match funded grant.

Future Investment

- 5.4 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 programme. As the new stock condition survey has shown, a significant element of the investment requirement during the next five years is major repairs, the costs of which totals £17.4m (before fees and inflation etc are factored in). The other major area is improvements, with £10.6m of spend identified over the next five years.
- 5.5 On the basis of the funding position under the Base Model, the Council and SHP have been examining how the anticipated resources available for capital investment in the existing stock might best 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 approach to asset management.
- 5.6 The proposed outline five year programme of works is set out in Appendix J and summarised in Tables 5.2 and 5.3 below, the latter showing the numbers of homes benefitting from each key building element repair/replacement.

Table 5.2: Outline Investment Programme 2022/23 to 2026/27

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Major repairs	4.471	4.392	2.471	2.566	3.592	17.391
Contingent major repairs	0.371	0.387	0.404	0.422	0.441	2.024
Improvements	2.640	2.242	2.642	1.542	1.445	10.512
Estate works and related assets	0.417	1.778	1.782	1.805	1.811	7.593
Exceptional extensive works	4.241	0.600	0	0	0.300	5.141
Aids and adaptations	0.400	0.400	0.400	0.400	0.400	2.000
Mechanical & Electrical	1.780	1.445	1.369	3.729	1.614	9.937
All	14.319	11.244	9.068	10.464	9.503	54.599

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 5.3: Outline Investment Programme 2022/23 to 2026/27 – Key Building Elements

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Bathrooms/WCs	216	171	184	183	180	933
Kitchens	374	219	0	0	67	659
Heating & Hot Water	204	31	15	668	56	974
Electrics	232	232	232	232	232	1,161
Windows and Doors*	228	192	71	71	166	727

*Assumes all properties have both windows and doors replaced. However, this will not always be the case so the total number of actual homes receiving work is likely to be higher than the number presented.

- 5.7 Table 5.4 (below) gives a breakdown of the average costs for the key building elements, while Table 5.5 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, since completion of the decent homes programme, SHP has adopted a 'just in time' approach to replacing building elements, which should help to reduce expenditure.

Table 5.4: Key Building Element Unit Costs

	Average cost per home (£)*
Bathrooms/WCs	2,800
Electric Rewire	2,500
Front doors	1,200
Heating Boilers	2,200
Kitchens	4,500
Windows (assumed 6 per home)	3,000

*As per the stock condition survey, at 2021/22 prices.

Table 5.5: Decent Homes Life Cycles of Key Building Elements

	Life cycle (years)
Bathrooms/WCs	30
Boiler	15
Electrics	30
Front doors	30
Kitchens	20
Roof coverings	60-80
Windows	30

- 5.8 The total cost of the modelled programme shown in Appendix J matches the resources available within the Base Model over Years 1 - 5, albeit that the resource available in Year 1 is spread over later years to help manage the programme and procurement processes. 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

- 5.9 SHP's asset management strategy for the Council's housing stock is in the process of being revised to take into account the recent stock condition survey and a range of emerging issues, but the current draft can be found at: <https://www.suttonhousingpartnership.org.uk/download.cfm?doc=docm93jjm4n1300.pdf&ver=2384> The strategy includes a number of principles or policy proposals; the key ones are summarised briefly below.

Stock decency

- 5.10 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 is proposed in the social housing white paper, the priority will be to achieve and adhere to it.

Planned and responsive repairs integration

- 5.11 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 holistic fashion.

‘Just in time’ approach to building element renewal

- 5.12 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 the net zero carbon agenda

- 5.13 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 67.9 (out of 100). Although lower than was estimated prior to the new stock condition survey, it still compares very favourably with the private sector. That said, there are a number of properties that have complex requirements that must be addressed in order to allow this improvement to continue.
- 5.14 The UK government has committed to achieving net zero carbon by 2050, with an interim target of bringing as many buildings as possible to Energy Performance Certificate (EPC) C, (minimum SAP rating of 69) by 2035 “where practical, cost-effective and affordable”. The recent survey has provided a significantly more detailed and robust analysis of our stock condition, inclusive of energy performance. It identified that we have 2,468 homes below EPC C rating, (see Appendix C for the full analysis).
- 5.15 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.
- 5.16 One way of achieving this aim is to deliver major whole house retrofits of ill-performing properties using the Energiesprong methodology aimed at achieving net zero carbon or close to net zero carbon performance. To that end, a pilot Energiesprong project has been run to deliver retrofits to five homes at Clockhouse, with an additional three being targeted, and with over 50% of the estimated cost funded by the GLA. Works have now been completed on the homes with handover expected shortly.

- 5.17 The retrofit programme has been extended to support the retrofitting of up to 25 additional homes at Clockhouse along with the opportunity to further extend the scheme to around 50 homes at St Helier (funded by BEIS). The unit cost of retrofitting will reduce considerably with increasing numbers of homes included in the programme.
- 5.18 Initial cost projections for up to 100 units are in the region of £80,000 per home; however, it is expected that over 50% of the necessary funding would be provided externally through successful capital bids - i.e. £3.1m from BEIS, £0.5m from the GLA and £0.5m from British Gas. It should be noted that these sums relate to *whole house* zero carbon retrofit works, and grant levels for the government's Social Housing Decarbonisation Fund, (SHDF) are much less, (generally a maximum of £10,000 per home). This is due to the SHDF targeting a lower level of carbon reduction - i.e. achievement of EPC C rating rather than whole house retrofit which would be expected to achieve EPC A or B. In total, £4.1m is set to fund energy efficiency works during 2022/23, and this is the amount included in the modelled investment requirement.
- 5.19 A preliminary 'ballpark' assessment of the costs of decarbonising the whole stock, as discussed earlier, has been calculated at £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 data.
- 5.20 Although the Council, like all other social landlords, faces a huge funding gap to meet the 2050 target, it is committed to continuing to improve the energy efficiency of its homes as far as it possibly can in the meantime, and will pursue all options for increasing resources. SHP has already invested a significant proportion of its available funding to works that contribute to reducing carbon emissions and has a target set within its annual Delivery Plan to reduce the proportion of homes rated EPC band D and below.

Building and fire safety

- 5.21 There are approximately 320 housing sites with communal areas which require a fire risk assessment (FRA). To enhance the robustness of its approach to fire safety, SHP has carried out a full programme of FRAs in 2021, (expected to complete in December). From 2022 onwards, the FRA programme will move to a three year cycle, with higher risk buildings reassessed each year and lower risk buildings every three years. FRAs are now openly published on SHP's website. The ALMO also holds regular strategic and operational meetings, involving the London Fire Brigade, to ensure that communication channels are maintained.
- 5.22 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 is maintained. Alongside this programme, the remedial works to be undertaken at Chaucer House are being

completed ensuring that all remaining building element issues, identified following the tragic events at Grenfell Tower, are dealt with.

- 5.23 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 once enacted, and this work will inform the next iteration of the HRA Business Plan.

Door entry systems

- 5.24 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 entrances, 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

- 5.25 Although the vast majority of the Council's housing provides good quality homes for residents there are occasions where the costs of maintaining an individual 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 building's future viability. Where the costs of maintaining the property exceed its value from its 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

- 5.26 Many of our garages are now beginning to require extensive repairs and maintenance. In most cases these 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 life. In addition, the majority of these garages are too small to accommodate modern cars and therefore, as opposed to being used for their originally intended purpose, are often used instead for storage. If increasing numbers of repairs are either not possible or are so extensive as to render the asset unviable the future of the garages will be reviewed.
- 5.27 Given growing pressures on parking within the borough it is likely that battery garage sites will be redeveloped over a period, subject to SHP being able to negotiate the re-acquisition of individual garages where they have been sold. Where appropriate, the sites vacated may be considered for alternative usage, and some already have been allocated for redevelopment. Otherwise the land vacated could be created as off-street parking for the residents of the estates, or maybe landscaped.

Voids

- 5.28 There may be occasions when a property or group of properties become empty or void and for various reasons are assessed as 'high risk' from an investment point of view. 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

- 5.29 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, as part of its new asset management strategy, 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 better fit for purpose.

Clockhouse 'Unitys'

- 5.30 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.
- 5.31 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

- 5.32 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. An earlier review of under-used garage sites has already yielded a number of potential plots which are being redeveloped. SHP will continue to explore options for further estate re-modelling in conjunction with the Council's regeneration team.

Estate Regeneration Programme

- 5.33 The Council has a long track record of housing regeneration, with the wholesale redevelopment of the 2,000 home Roundshaw estate in Wallington some years ago, the ownership of which was transferred to the housing association sector. In addition, The Lavender Housing Partnership has recently concluded the regeneration of the former Durand Close estate, Corbet Close, Nightingale Close and a number of

associated sites mainly in The Wrythe and St Helier areas. This has resulted in a total of 675 new homes delivered across the life of the regeneration programme, increasing the provision of affordable housing from 64% to 73%.

Current and future schemes

- 5.34 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 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 Ambitious for Sutton wider place-making aspirations over the next 10 to 15 years.
- 5.35 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 full resident engagement, may be brought forward through an Area Action Plan.
- 5.36 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."
- 5.37 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, however, only Beech Tree Place, Elm Grove and Benhill Estate are being taken forward.
- 5.38 In October 2020 approval was given to go ahead with the redevelopment of Beech Tree Place, and a planning application has now been submitted. In September 2021 the go ahead was given for a resident ballot to be held at Elm Grove, planned for February 2022. A Landlord Offer Document for Elm Grove is being developed to go out to residents in advance of the ballot. On the Benhill Estate resident engagement is ongoing and an architect selection competition in partnership with residents is underway, with a preferred architect due to be appointed in December 2021.

6 New Local Authority Housing Supply

New Build and Conversions

- 6.1 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 Ltd. The HRA Business Plan, however, is focused solely on the former.
- 6.2 Set out in Appendix E is a summary of the HRA new build programme. This includes retention amounts for the now completed Phase 1 together with an outline of the approved Phases 2 and 3. Phase 2 comprises 71 units, of which 51 are eligible to receive up to £5.1m of GLA grant subsidy at £100,000 per unit. These are divided into three sub-phases: Phase 2a - garage sites; Phase 2b - purchase of a new development at Alexandra Gardens in Wallington being developed by Sutton Living; and Phase 2c - sites at Beddington Lane, Beddington and Woodcote Road, Wallington.
- 6.3 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 (Rosehill) - 4 no. two bedroom houses
- 6.4 Phase 3 is more indicative, comprising an anticipated 31 new homes, with some sites still to be identified. In addition, in light of a Council decision, taken in December 2020, to achieve a total of 250 new homes by 2024/25, Appendix E includes 49 further units all assumed to complete in that year.
- 6.5 Alongside its new build programme, the Council is in the process of converting the former Eagle Chambers commercial unit at Rosehill into temporary accommodation for rough sleepers. This will result in six one bedroom self-contained flats, and is currently anticipated to complete in 2021/22.
- 6.6 Appendix E also includes the redevelopment of Beech Tree Place, which is due to start on site in September 2022. The work will be phased over a number of years and will replace the 20 outmoded older person units with a total of 92 new affordable homes, comprising 15 new modern older person units, 42 new affordable rented homes and 35 shared ownership units.
- 6.7 The new supply programme, broken down by year, is summarised in the table below.

Table 5.1: Outline HRA New Supply Programme (from 2021/22)

Year	Scheme	Cost (£000s)	Units
2021/22	New build Phase 1 retentions	500	93
	New Build Phase 2	7,917	
	Eagle Chambers conversion	778	6
2022/23	New build Phase 2	13,303	28
	New Build Phase 3	3,830	
	Beech Tree Place	3,035	
	Additional new build	4,000	
2023/24	New build Phase 2	2,834	43
	New build Phase 3	3,830	22
	Additional new build	8,000	
	Beech Tree Place	8,828	
2024/25	New build Phase 2	107	
	New build Phase 3	5,140	15
	Additional new build	5,500	49
	Beech Tree Place	10,484	
2025/26	Beech Tree Place	7,892	
2026/27	Beech Tree Place	1,502	
2027/28	Beech Tree Place	450	92
Totals		87,930	348

Acquisitions

- 6.8 In June 2017 the Council commenced a programme of property acquisitions aimed primarily at providing an alternative source of housing for families that would otherwise need to be placed in expensive nightly paid temporary accommodation such as B&B, often out of the borough. Another important objective was to ensure the longer term viability of the HRA, which might otherwise be at risk from ongoing diminishing stock numbers.
- 6.9 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 former, the acquired units would be ex-council

homes that had been sold under RTB, which would become HRA units and therefore form part of the HRA business plan modelling. In 2020/21 the average cost of an acquisition, including all ancillary costs in addition to the purchase price, was around £280,000. In the case of (ii), purchases would be focussed on the open market, and the acquired units held outside of the HRA.

- 6.10 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 51 units were bought back in 2020/21. The modelling assumes that a further 64 units will be acquired in 2021/22 giving a portfolio of 223 homes at year end.
- 6.11 However, as discussed in previous chapters, due to a new Government restriction on the use of RTB net receipts, which precludes the funding of units used for temporary accommodation, and given the loss of subsidy on rents charged at 90% of current LHA rates, consideration is now being given to transferring the acquisition portfolio out of the HRA, potentially into some form of lease arrangement with an investor. As discussed in chapter 4, while the Base Model assumes retention of the portfolio but with no further properties being acquired after March 31 2022, a sensitivity model has been produced to illustrate the effect of removing all acquisitions from the HRA on 1 April 2022, which is financially very positive.

7 Strategic Options for the Future

- 7.1 In terms of the condition of the existing stock, the latest modelling shows that the large majority of the Council's homes are viable into the future. However, there is a significant number of properties where the unit future investment costs are at least 50% greater than the average. Consideration will be given to the future of these homes over the coming years, and this will be taken forward as part of SHP's new asset management strategy. It should be noted that funding is earmarked for the Shanklin Village estate to begin to address defective walkways, the main reason for the identified higher than average investment costs.
- 7.2 The first phase of the new build programme yielded 93 new homes, with second and third phases set to deliver up to a further 108 units by 2024/25. The Business Plan modelling allows for the development of a further 49 units, funded from borrowing and RTB net receipts, which would bring the new build portfolio to 250 homes.
- 7.3 For the first time, the HRA Business Plan modelling has taken into account the proposed redevelopment of one of the schemes within the estate regeneration programme - Beech Tree Place. However, there are a number of other potential estate redevelopments in the pipeline, at varying stages of advancement, which will need to be incorporated into future iterations.
- 7.4 Over the last four years, the HRA has funded 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. However, the recent change in Government policy in terms of the application of RTB net receipts and the limitation on benefit subsidy payable by the DWP means that the programme has effectively become financially unviable.
- 7.5 Under the Base Model, as a result of the much higher than previously estimated existing stock investment need, as evidenced by the stock condition survey, no 'Investment Reserve' builds up, with only the recommended minimum revenue working balance being maintained. However, a significant shortfall of capital resources builds from Year 6, reaching £92.8m at Year 30, effectively rendering the Business Plan unviable in the longer term.
- 7.6 Disposing of the acquired assets will result in a substantial net financial benefit to the HRA but even under this scenario the Year 30 capital shortfall is still £39.4m. Moreover, the climate change agenda and the target for dwellings to achieve net zero carbon by 2050 will necessitate huge additional investment over the Business Plan period. The inclusion of the estimated unit cost of £25k per property has the effect of increasing the Year 30 shortfall on the capital account to £292.3m.
- 7.7 In the short to medium term, under the Base Model there are sufficient resources to cover revenue services, meet the investment needs of the existing stock and fund the new build programme at least up to Year 5, by which time the current new build programme should have almost completed. Beyond that point shortfalls on the capital account rapidly build up, which will necessitate measures put in place to mitigate this.

- 7.8 In order to bring the HRA back into balance over the longer term it will be necessary to find ways of reducing expenditure and/or increasing resources. The options for the former are limited essentially to: (i) restricting the investment on the existing stock, (ii) reviewing the stock portfolio and potentially disposing of or regenerating higher cost estates/blocks, (ii) reducing day to day management costs and (iii) further rephasing debt payments.
- 7.9 The options for increasing HRA resources are also limited, and as a legally ring-fenced account, there can be no cross-subsidy from the rest of the General Fund even if resources were available for this. Rents are likely to remain strictly controlled by the Government through the Regulator, although there may be some limited scope to increase certain service charges. Developing new homes, depending upon the business model adopted for these, could result in a net financial gain over the long term. Similarly, further redevelopment of estates could bring a net financial benefit to the HRA. It is likely that these and potentially other options will all need to be explored in future years.

8 Monitoring and Review

- 8.1 The HRA Business Plan sets the broad strategic context for the delivery of, primarily, capital investment in Sutton Council's housing stock in both the medium and long term and new affordable housing supply. 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 annual delivery plans.
- 8.2 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.
- 8.3 In light of this relationship, the delivery of this Business Plan, and in particular the programmes of capital investment undertaken on the Council's behalf by SHP, will be monitored closely through the existing performance management arrangements. These involve resident representatives, senior officers of the Council and SHP as well as the ALMO board.
- 8.4 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 supply and regeneration schemes.

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 London 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)	The former 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 the 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 give its value were it to be all available now
Non-decent	A home not meeting the decent homes standard (see above)
Orlit	A type 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 (now referred to as Independent Living Schemes)
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 arms-length management organisation or ALMO
Unity	A make of system built housing of which Sutton Council holds a portfolio located in the Clockhouse area
Universal Credit	The wide-ranging welfare benefit payment for working age households, introduced from October 2013
Void	An empty council property

Sustainability Assessment

Estate		No. of Homes	Average investment required per home (over Years 1-10)	% above the average
Average per all homes			£14,861	
1.	Abbotsleigh Close Estate	11	£27,159	83%
2.	Cheam (SM3)	46	£22,424	51%
3.	Kedeston Court	19	£24,374	64%
4.	Kingslee & Thorn Court	3	£62,272	319%
5.	Lavender Road	3	£35,965	142%
6.	Lorraine House, (Acre Lane)	10	£29,062	96%
7.	Mellow View, (Sandy Lane North)	1	£84,140	466%
8.	Muschamp Road	51	£22,942	54%
9.	Shanklin Village*	393	£23,388	54%
10.	Waleton Acres	46	£22,232	50%
Total		583		

*The above average investment per home at Shanklin Village is primarily due to £2.4m required to be spent on the estate walkways over the next 10 years. However, £1.2m has now been included in the outline major works programme, spread over Years 1 and 2, to begin to address this.

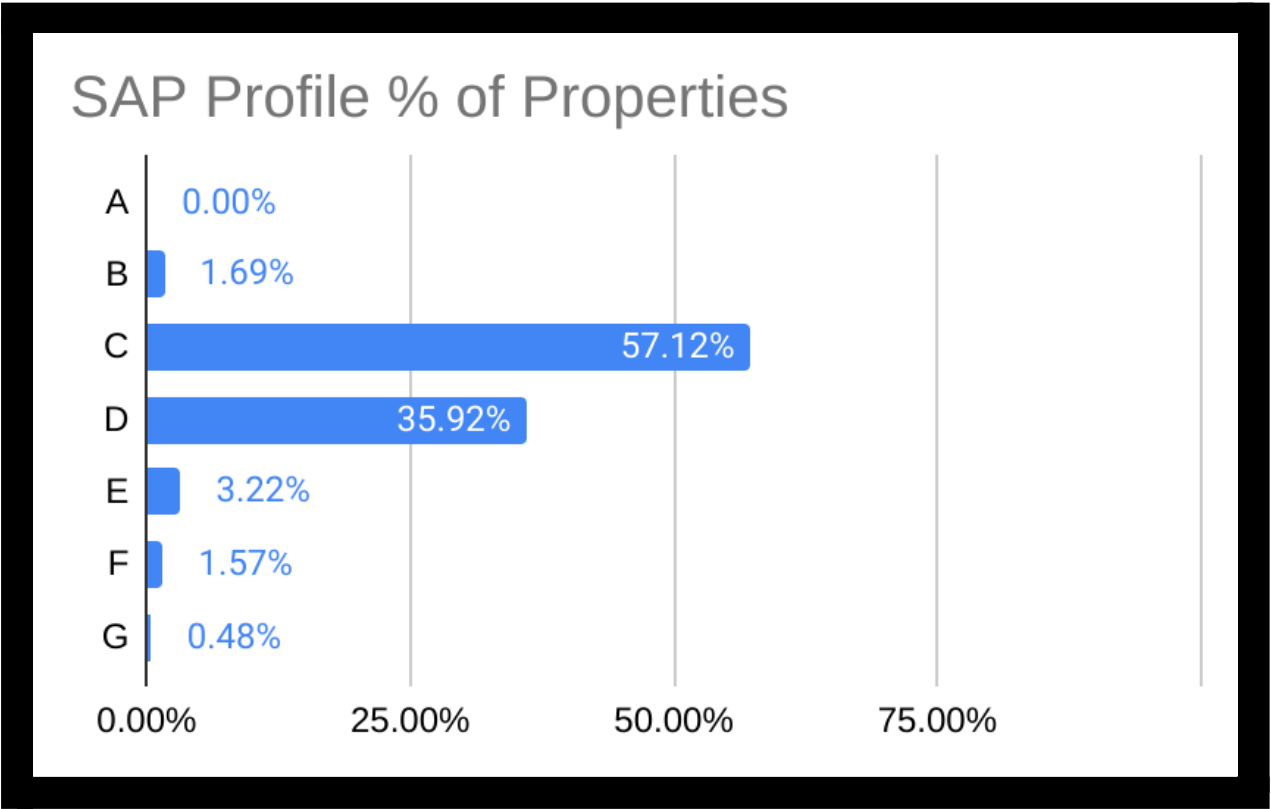
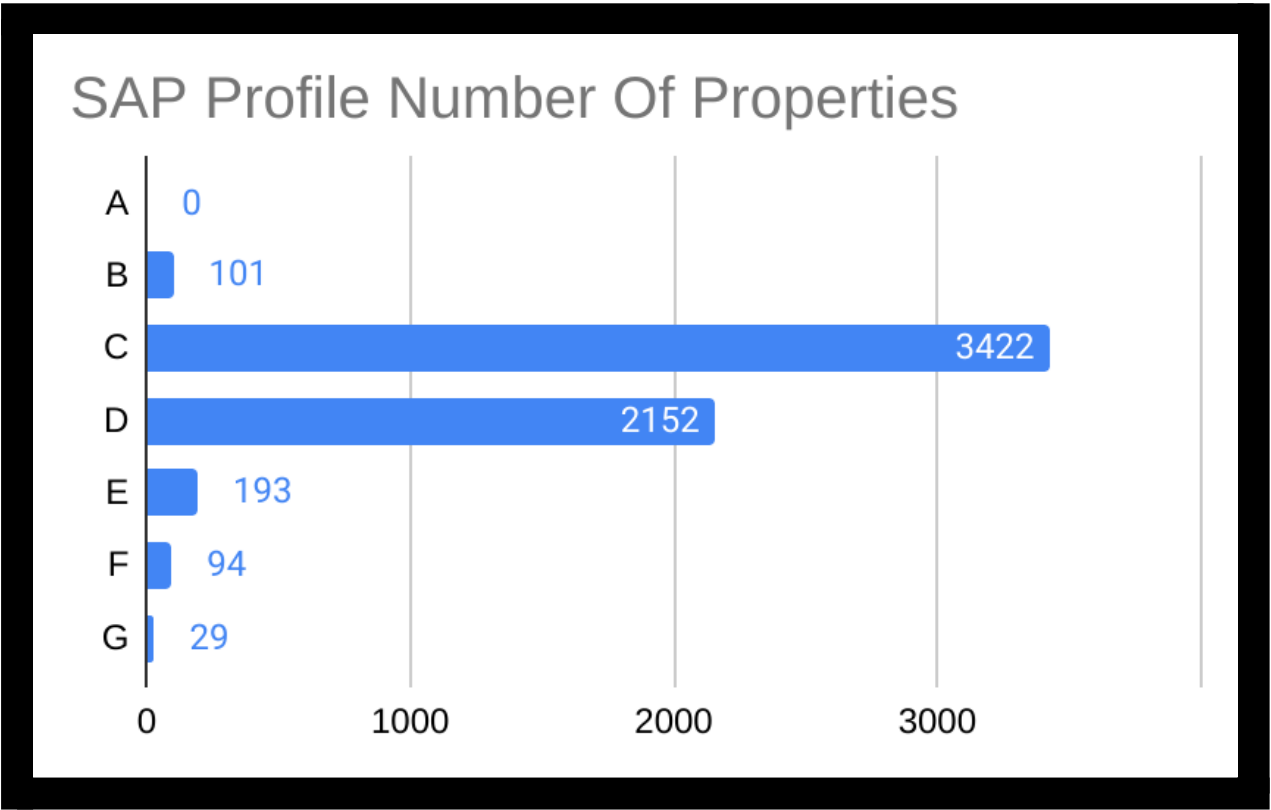
Stock Investment Requirement Years 1 - 30

	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
	2022/23	2023/24	2024/25	2025/26	2026/27	2022/23 - 2026/27	2027/28 - 2031/32	2032/33 - 2036/37	2037/38 - 2041/42	2042/43 - 2046/47	2047/48 - 2051/52	2022/23 - 2051/52
	£	£	£	£	£	£	£	£	£	£	£	£
Major Repairs	3,528,329	3,355,199	3,351,699	3,731,889	3,424,314	17,391,430	27,498,575	25,396,482	31,530,562	26,115,962	28,046,030	155,979,040
AERIALS	6,000	3,500		81,250	36,250	127,000	277,250	33,000	127,000	277,250	33,000	874,500
BALCONIES	161,488	161,488	161,488	161,488	161,488	807,440	1,718,100	358,520	724,280	109,040	388,260	4,105,640
BATHROOMS	522,360	522,360	522,360	522,360	522,360	2,611,800	3,587,500	1,132,000	7,928,900	7,329,700	2,667,300	25,257,200
DECORATIONS	676,200	676,200	676,200	676,200	676,200	3,381,000	2,924,800	2,914,400	3,021,900	3,330,000	2,831,600	18,403,700
EXTERNAL STAIRS	14,000			12,000		26,000	104,000	12,000	20,000	6,000	6,000	174,000
INTERNAL FINISHES	156,630			282,865	36,365	475,860	373,185	252,010	468,570	191,125	84,860	1,845,610
KITCHENS	593,300	593,300	593,300	593,300	593,300	2,966,500	10,666,000	8,786,000	3,339,500	2,966,500	10,666,000	39,390,500
LAUNDRY				4,075		4,075			1,575			5,650
ROOFS	574,657	574,657	574,657	574,657	574,657	2,873,285	2,643,730	2,643,730	4,167,890	2,813,800	6,108,285	21,250,720
WALLS EXTERNAL	212,674	212,674	212,674	212,674	212,674	1,063,370	2,026,660	974,655	3,440,780	802,380	1,514,275	9,822,120
WINDOWS AND DOORS	611,020	611,020	611,020	611,020	611,020	3,055,100	3,177,350	8,290,167	8,290,167	8,290,167	3,746,450	34,849,400
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 REMEDIATION	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 TREATMENT	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	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
STATUTORY DISREPAIR WORKS	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 (INCLUDING INSULATION AND WINDOW UPGRADES)	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	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	1,707,216	1,450,451	1,447,761	1,506,226	1,481,411	7,593,065	5,958,976	2,320,825	4,044,993	1,998,158	5,341,227	27,257,244
BIN STORES	45,575	5,470		36,170	4,940	92,155	133,680	53,425	53,490	52,005	192,015	576,770
BOUNDARIES	725,695	725,695	725,695	725,695	725,695	3,628,475	1,643,550	1,057,225	703,150	396,600	3,126,675	10,555,675
GARAGE	120,280	3,620	6,400	28,695	35,110	194,105	175,350	73,340	89,060	56,680	258,685	847,220
HARDSTANDINGS	256,566	256,566	256,566	256,566	256,566	1,282,830	2,313,315	295,185	1,867,025	231,355	475,600	6,465,310
OUTBUILDINGS/STORES	51,811	51,811	51,811	51,811	51,811	259,055	261,590	40,405	122,525	92,730	185,650	961,955
PLAY AREAS	92,440	92,440	92,440	92,440	92,440	462,200	120,000	140,175	461,000	97,500	127,500	1,408,375
PRAM/BICYCLE SHEDS	14,849	14,849	14,849	14,849	14,849	74,245	82,475	12,970	21,630	59,670	53,325	304,315
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
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

Stock Investment Requirement Years 1 - 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
	2022/23	2023/24	2024/25	2025/26	2026/27	2022/23 - 2026/27	2027/28 - 2031/32	2032/33 - 2036/37	2037/38 - 2041/42	2042/43 - 2046/47	2047/48 - 2051/52	2022/23 - 2051/52
	£	£	£	£	£	£	£	£	£	£	£	£
Exceptional Extensive Works and Surveys	4,240,575	600,000			300,000	5,140,575	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	12,640,575
SHANKLIN VILLAGE WALKWAYS	600,000	600,000				1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	7,200,000
STOCK CONDITION SURVEYS					300,000	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
EXTERNAL WALL SURVEY	30,000					30,000						30,000
COULSDON UNITY ENERGISPRONG 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	2,273,957	1,642,812	1,642,777	2,679,072	1,697,967	9,936,583	22,405,806	14,727,455	9,619,412	12,912,628	9,816,477	79,418,361
CCTV	3,000	0	0	52,500	1,500	57,000	4,500	57,000	4,500	57,000	4,500	184,500
DOOR ENTRY SYSTEMS	40,000	3,200	25,200	118,400	55,200	242,000	428,000	47,600	242,000	428,000	47,600	1,435,200
DRAINAGE	281,860	22,015	10,480	374,575	34,170	723,100	1,857,180	330,845	584,375	461,335	477,740	4,434,575
ELECTRICS	580,660	580,660	580,660	580,660	580,660	2,903,300	6,183,275	6,183,275	4,990,150	3,191,600	1,989,650	25,441,250
FIRE DETECTION	195,195	195,195	195,195	195,195	195,195	975,975	396,875	1,050,475	494,375	1,050,975	421,875	4,390,550
HEATING AND HOT WATER	426,242	426,242	426,242	426,242	426,242	2,131,208	11,146,976	6,261,510	2,015,012	6,908,718	6,783,362	35,246,786
LIFT REFURBISHMENT		10,500		101,500		112,000	234,000	541,500	922,000	369,000	91,500	2,270,000
WATER SERVICES				12,000		12,000	1,000	30,250			250	43,500
LIFT REPLACEMENT	327,000			413,000		740,000	154,000	225,000	367,000	446,000		1,932,000
BUILDING MONITORING SYSTEMS	20,000	5,000	5,000	5,000	5,000	40,000						40,000
M&E EQUIPMENT UPGRADES (INCL FIRE SUPPRESSION WORKS)	400,000	400,000	400,000	400,000	400,000	2,000,000	2,000,000					4,000,000
TOTAL WORKS EXPENDITURE	16,160,137	9,578,178	8,989,355	10,482,491	9,487,998	54,698,157	64,222,388	50,176,722	52,459,067	48,379,248	50,556,234	320,491,815
Consultancy (3%)	484,804	287,345	269,681	314,475	284,640	1,640,945	1,926,672	1,505,302	1,573,772	1,451,377	1,516,687	9,614,754
Project management fees (7%)	1,131,210	670,472	629,255	733,774	664,160	3,828,871	4,495,567	3,512,371	3,672,135	3,386,547	3,538,936	22,434,427
Total Programme Cost (incl fees etc)	17,776,150	10,535,995	9,888,290	11,530,740	10,436,797	60,167,973	70,644,627	55,194,394	57,704,973	53,217,172	55,611,857	352,540,997
Total Programme Cost with Inflation	17,776,150	11,062,800	10,901,800	13,221,100	12,325,800	65,287,650	91,247,100	82,645,800	100,167,300	107,090,500	129,733,500	576,171,850

Stock Energy Efficiency Rating



Actual and Projected Right to Buy Income and Expenditure

HRA BP Year	Year	No. Sales	Net Receipt £'000	Cumulative Sales	Cumulative Net Receipt £'000	Actual and Planned Capital Expenditure					Expenditure of Net RTB Receipts					Used / (Unused) RTB net receipts (cumulative) £'000
						Annual				Cumulative	Annual				Cumulative	
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
						New Build	Acquisition	Other*	Total	Cumulative	New Build	Acquisition	Other*	Total	Cumulative	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	31	3,544	408	34,605	138	14,316	0	14,454	89,639	41	4,295	0	4,336	24,087	119
	2021.22	30	3,444	438	38,049	1,479	0	0	1,479	91,118	592	0	0	592	24,679	5,548
1	2022.23	15	1,702	453	39,751	8,897	0	0	8,897	100,015	3,559	0	0	3,559	28,238	4,270
2	2023.24	20	2,118	473	41,869	9,723	0	0	9,723	109,738	3,889	0	0	3,889	32,127	4,582
3	2024.25	20	2,203	493	44,072	10,747	0	0	10,747	120,485	4,299	0	0	4,299	36,426	5,365
4	2025.26	15	1,535	508	45,607	0	0	0	0	120,485	0	0	0	0	36,426	1,821
5	2026.27	15	1,618	523	47,225	0	0	0	0	120,485	0	0	0	0	36,426	(1,623)
6	2027.28	15	1,791	538	49,016	0	0	0	0	120,485	0	0	0	0	36,426	(3,325)
7	2028.29	10	980	548	49,996	0	0	0	0	120,485	0	0	0	0	36,426	(5,443)
8	2029.30	10	1,040	558	51,036	0	0	0	0	120,485	0	0	0	0	36,426	(7,646)
9	2030.31	10	1,102	568	52,138	0	0	0	0	120,485	0	0	0	0	36,426	(9,181)
10	2031.32	10	1,167	578	53,305	0	0	0	0	120,485	0	0	0	0	36,426	(10,799)
11	2032.33	10	1,234	588	54,539	0	0	0	0	120,485	0	0	0	0	36,426	(12,590)
12	2033.34	10	1,304	598	55,843	0	0	0	0	120,485	0	0	0	0	36,426	(13,570)
13	2034.35	10	1,376	608	57,219	0	0	0	0	120,485	0	0	0	0	36,426	(14,610)
14	2035.36	10	1,450	618	58,669	0	0	0	0	120,485	0	0	0	0	36,426	(15,712)
15	2036.37	10	1,528	628	60,197	0	0	0	0	120,485	0	0	0	0	36,426	(16,879)
16	2037.38	10	1,608	638	61,805	0	0	0	0	120,485	0	0	0	0	36,426	(18,113)
17	2038.39	10	1,691	648	63,496	0	0	0	0	120,485	0	0	0	0	36,426	(19,417)
18	2039.40	10	1,777	658	65,273	0	0	0	0	120,485	0	0	0	0	36,426	(20,793)
19	2040.41	10	1,865	668	67,138	0	0	0	0	120,485	0	0	0	0	36,426	(22,243)
20	2041.42	10	1,958	678	69,096	0	0	0	0	120,485	0	0	0	0	36,426	(23,771)
21	2042.43	10	2,053	688	71,149	0	0	0	0	120,485	0	0	0	0	36,426	(25,379)
22	2043.44	10	2,152	698	73,301	0	0	0	0	120,485	0	0	0	0	36,426	(27,070)
23	2044.45	10	2,255	708	75,556	0	0	0	0	120,485	0	0	0	0	36,426	(28,847)
24	2045.46	10	2,361	718	77,917	0	0	0	0	120,485	0	0	0	0	36,426	(30,712)
25	2046.47	10	2,471	728	80,388	0	0	0	0	120,485	0	0	0	0	36,426	(32,670)
26	2047.48	10	2,584	738	82,972	0	0	0	0	120,485	0	0	0	0	36,426	(34,723)
27	2048.49	10	2,702	748	85,674	0	0	0	0	120,485	0	0	0	0	36,426	(36,875)
28	2049.50	10	2,823	758	88,497	0	0	0	0	120,485	0	0	0	0	36,426	(39,130)
29	2050.51	10	2,949	768	91,446	0	0	0	0	120,485	0	0	0	0	36,426	(41,491)
30	2051.52	10	3,080	778	94,526	0	0	0	0	120,485	0	0	0	0	36,426	(43,962)

 Actual Spend
 Planned Spend

HRA New Supply Programme

Year	Net RTB receipts used (max 40% of total funding) (£000s)	Borrowing HRA (£000s)	s106 funding (£'000s)	Revenue funding (HRA) (£000s)	GLA Grant	Capital receipt from shared ownership sales	Total funding (£000s)	Nos/sizes/ tenure/ rents etc of units
New Build Phase 1								
2021/22	67	170	107	156	0	0	500	
New Build Phase 2								
2018/19	0	104	0	0	0	0	104	
2019/20	0	271	0	0	0	0	271	
2020/21	24	439	0	0	0	0	463	
2021/22	180	5,187	0	0	2,550	0	7,917	
2022/23	1,959	8,794	0	0	2,550	0	13,303	51 units (12 x 2 bed houses, 28 x 2 bed flats, 2 x 2 bed wheelchair flats, 8 x 1 bed flats, 1 x 1 bed wheelchair adapted flat)
2023/24	689	2,145	0	0	0	0	2,834	20 units (5 x 3 bed houses, 2 x 1 bed wheelchair adapted flats, 1 x 1 bed flat, 12 x 2 bed flat)
2024/25	43	64	0	0	0	0	107	
Total	2,894	17,006	0	0	5,100	0	25,000	
New Build Phase 3								
2021/22	0	0	0	0	0	0	0	
2022/23	0	1,905	0	0	1,925	0	3,830	
2023/24	0	1,905	0	0	1,925	0	3,830	22 units (16 x 2 bed, 6 x 3 bed) indicative delivery
2024/25	2,056	3,084	0	0	0	0	5,140	15 x 2 bed indicative delivery
Total	2,056	6,894	0	0	3,850	0	12,800	
Additional funding needed to meet HEB Committee commitment to build 250 units by 2024								
2022/23	1,600	2,400	0	0	0	0	4,000	
2023/24	3,200	4,800	0	0	0	0	8,000	
2024/25	2,200	3,300	0	0	0	0	5,500	49 units indicative delivery
Total	7,000	10,500	0	0	0	0	17,500	
Eagle Chambers Rough Sleeper Accommodation								
2020/21	3	7	0	0	0	0	10	
2021/22	311	467	0	0	0	0	778	6 x 1 bed flats
Total	314	474	0	0	0	0	788	
Beech Tree Place Redevelopment								
2021/22	0	2,184	0	0	0	0	2,184	
2022/23	0	0	0	0	3,035	0	3,035	
2023/24	0	8,537	0	0	291	0	8,828	
2024/25	0	10,484	0	0	0	0	10,484	
2025/26	0	6,518	0	0	1,374	0	7,892	
2026/27	0	0	0	0	1,502	0	1,502	
2027/28	0	0	0	0	450	0	450	Social Rent: 13 x 1 bed flats London Affordable Rent: 22 x 1 bed flats, 18 x 2 bed flats, 4 x 3 bed flats Shared Ownership: 14 x 1 bed flats, 20 x 2 bed flats
Sub Total	0	27,723	0	0	6,652	0	34,375	
2027/28	0	-8,582	0	0	0	8,582	0	Capital receipt from initial percentage sale of shared ownership units
Total	0	19,141	0	0	6,652	8,582	34,375	
Grand Total	12,331	62,767	107	156	15,602	8,582	90,963	

NB: The figures are estimates as at October 2021 and may be subject to further change.

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

NB: Phase 2 is split into three separate programmes: Phase 2a - garage sites; Phase 2b Alexandra Gardens development; and Phase 2c Beddington Lane and Woodcote Road. These total £25m.

NB: Phase 3 is an indicative programme and may change as information becomes more robust.

NB: Although £3.326m of GLA Grant funding is received in 2022/23 only £3.035m of it is applied that year.

NB: Although GLA Grant funding on Practical Completion is received in 2026/27 for the purpose of this model it will be applied in 2025/26, 2026/27 and 2027/28.

NB: Initial borrowing for Beech Tree Place is £8.582m, which includes £10.3m of temporary borrowing until the capital receipt from the shared ownership element is received.

Base Model Revenue Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year	Year	Original Income £,000	Additional Acquisition Rental 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 Management and Interest New Debt £,000	Debt Management and Interest Historic Debt £,000	RCCO - Existing Stock £,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
																		11,141	
1	2022.23	40,687	0	40,687	17,379	2,401	511	389	8,528	397	7,199	998	37,800	2,887	14,028	10	4,788	9,250	2,034
2	2023.24	42,678	0	42,678	18,126	2,463	526	408	9,010	830	7,200	1,791	40,352	2,327	11,577	23	3,661	7,939	2,134
3	2024.25	44,132	0	44,132	18,765	2,517	539	420	9,511	1,263	7,201	1,116	41,330	2,802	10,741	78	4,001	6,818	2,207
4	2025.26	45,873	0	45,873	19,323	2,579	554	399	9,996	1,430	7,202	2,939	44,421	1,452	8,270	183	4,138	4,315	2,294
5	2026.27	46,966	0	46,966	19,740	2,639	568	408	10,323	1,430	7,203	1,707	44,018	2,948	7,263	194	4,348	3,109	2,348
6	2027.28	47,965	0	47,965	20,102	2,692	584	417	10,617	1,210	7,204	1,636	44,462	3,503	6,612	164	4,348	2,428	2,398
7	2028.29	48,661	0	48,661	20,465	2,745	600	423	10,914	1,210	7,205	0	43,563	5,098	7,526	193	5,285	2,434	2,433
8	2029.30	49,526	0	49,526	20,843	2,800	617	431	11,224	1,210	7,206	96	44,426	5,099	7,533	228	5,285	2,476	2,476
9	2030.31	50,407	0	50,407	21,227	2,855	635	439	11,542	1,210	7,208	225	45,340	5,067	7,543	262	5,285	2,520	2,520
10	2031.32	51,435	0	51,435	21,619	2,912	652	448	11,869	1,210	7,209	476	46,394	5,041	7,561	297	5,285	2,573	2,572
11	2032.33	52,217	0	52,217	22,018	2,969	671	454	12,206	1,210	7,210	488	47,225	4,992	7,564	332	5,285	2,611	2,611
12	2033.34	53,148	0	53,148	22,424	3,028	690	462	12,551	1,210	7,211	606	48,183	4,965	7,576	366	5,285	2,657	2,657
13	2034.35	54,095	0	54,095	22,838	3,088	709	471	12,907	1,210	7,213	728	49,163	4,932	7,589	401	5,285	2,705	2,705
14	2035.36	55,202	0	55,202	23,259	3,149	729	480	13,273	1,210	7,214	982	50,296	4,905	7,611	435	5,285	2,761	2,760
15	2036.37	56,044	0	56,044	23,688	3,212	750	488	13,649	1,210	7,215	976	51,187	4,857	7,618	470	5,285	2,803	2,802
16	2037.38	57,045	0	57,045	24,125	3,275	771	496	14,036	1,210	7,217	1,087	52,216	4,829	7,632	505	5,285	2,852	2,852
17	2038.39	58,065	0	58,065	24,570	3,340	793	505	14,433	1,210	7,218	1,200	53,269	4,796	7,648	540	5,285	2,903	2,903
18	2039.40	59,255	0	59,255	25,023	3,406	816	516	14,842	1,210	7,219	1,452	54,484	4,772	7,674	574	5,285	2,963	2,963
19	2040.41	60,162	0	60,162	25,484	3,474	839	523	15,262	1,210	7,221	1,428	55,441	4,721	7,684	609	5,285	3,008	3,008
20	2041.42	61,240	0	61,240	25,954	3,542	863	533	15,695	1,210	7,657	1,037	56,490	4,750	7,758	590	5,285	3,063	3,062
21	2042.43	62,337	0	62,337	26,433	3,612	888	542	16,139	1,210	4,891	3,282	56,997	5,340	8,403	0	5,285	3,118	3,117
22	2043.44	63,618	0	63,618	26,920	3,684	913	553	16,596	1,210	4,893	3,499	58,268	5,349	8,468	0	5,285	3,183	3,181
23	2044.45	64,594	0	64,594	27,416	3,757	939	562	17,066	1,210	5,196	3,115	59,261	5,333	8,516	0	5,285	3,231	3,230
24	2045.46	65,754	0	65,754	27,922	3,831	966	572	17,549	1,210	6,704	1,656	60,410	5,344	8,575	0	5,285	3,290	3,288
25	2046.47	66,998	0	66,998	28,464	3,907	994	583	18,046	1,210	6,706	1,741	61,651	5,347	8,637	0	5,285	3,352	3,350
26	2047.48	68,435	0	68,435	28,989	4,127	1,022	595	18,556	1,210	6,708	1,871	63,078	5,357	8,708	0	5,285	3,423	3,422
27	2048.49	69,548	0	69,548	29,523	4,168	1,051	605	19,082	1,210	6,709	1,860	64,208	5,340	8,763	0	5,285	3,478	3,477
28	2049.50	70,859	0	70,859	30,067	4,197	1,081	560	19,622	1,210	6,711	2,060	65,508	5,352	8,830	0	5,285	3,545	3,543
29	2050.51	72,197	0	72,197	30,622	4,226	1,111	513	20,177	1,210	6,713	2,274	66,845	5,351	8,896	0	5,285	3,611	3,610
30	2051.52	72,981	0	72,981	31,339	4,074	1,148	517	20,748	1,210	6,715	1,907	67,657	5,325	8,936	0	5,285	3,651	3,649
		1,712,124	0	1,712,124	724,663	98,668	23,532	14,711	425,966	35,596	206,577	44,232	1,573,944				152,124		

Base Model Capital Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13
Year	Year	Existing Stock Investment Requirement £,000	Funding Required - Acquisitions £,000	New Build Development Costs £,000	Total Investment Requirement £,000	Borrowing- New Build £,000	GLA Grant £,000	Leaseholder Contributions & Match Funding £,000	RTB Receipts- New Build £,000	MRR £,000	RCCO- Existing Stock £,000	Total Financing £,000	In Year Surplus / (Shortfall) £,000	Cumulative Surplus / (Shortfall) £,000
	B/F									5,000	3,000	8,000		
1	2022.23	17,776	0	24,168	41,944	13,099	7,510	250	3,559	8,528	998	33,944	0	0
2	2023.24	11,063	0	23,492	34,555	17,387	2,216	263	3,889	9,010	1,791	34,555	0	0
3	2024.25	10,902	0	21,231	32,133	16,932	0	276	4,299	9,511	1,116	32,133	0	0
4	2025.26	13,221	0	7,892	21,113	6,518	1,374	287	0	9,996	2,939	21,113	0	0
5	2026.27	12,326	0	1,502	13,828	0	1,502	295	0	10,323	1,707	13,828	0	0
6	2027.28	17,187	0	450	17,637	0	450	304	0	10,617	1,636	13,007	(4,630)	(4,629)
7	2028.29	17,702	0	0	17,702	0	0	313	0	10,914	0	11,228	(6,475)	(11,104)
8	2029.30	18,234	0	0	18,234	0	0	323	0	11,224	96	11,642	(6,591)	(17,696)
9	2030.31	18,781	0	0	18,781	0	0	332	0	11,542	225	12,099	(6,681)	(24,377)
10	2031.32	19,344	0	0	19,344	0	0	342	0	11,869	476	12,687	(6,657)	(31,033)
11	2032.33	15,567	0	0	15,567	0	0	353	0	12,206	488	13,046	(2,521)	(33,554)
12	2033.34	16,034	0	0	16,034	0	0	363	0	12,551	606	13,521	(2,513)	(36,067)
13	2034.35	16,515	0	0	16,515	0	0	374	0	12,907	728	14,009	(2,506)	(38,573)
14	2035.36	17,670	0	0	17,670	0	0	385	0	13,273	982	14,640	(3,030)	(41,602)
15	2036.37	19,117	0	0	19,117	0	0	397	0	13,649	976	15,022	(4,096)	(45,698)
16	2037.38	18,867	0	0	18,867	0	0	409	0	14,036	1,087	15,531	(3,336)	(49,034)
17	2038.39	19,433	0	0	19,433	0	0	421	0	14,433	1,200	16,054	(3,379)	(52,413)
18	2039.40	20,016	0	0	20,016	0	0	434	0	14,842	1,452	16,728	(3,288)	(55,701)
19	2040.41	22,019	0	0	22,019	0	0	447	0	15,262	1,428	17,137	(4,882)	(60,583)
20	2041.42	25,051	0	0	25,051	0	0	460	0	15,695	1,037	17,192	(7,859)	(68,442)
21	2042.43	20,171	0	0	20,171	0	0	474	0	16,139	3,282	19,895	(276)	(68,718)
22	2043.44	20,776	0	0	20,776	0	0	488	0	16,596	3,499	20,583	(193)	(68,911)
23	2044.45	21,399	0	0	21,399	0	0	503	0	17,066	3,115	20,683	(716)	(69,627)
24	2045.46	22,041	0	0	22,041	0	0	518	0	17,549	1,656	19,723	(2,319)	(71,946)
25	2046.47	22,703	0	0	22,703	0	0	533	0	18,046	1,741	20,320	(2,383)	(74,329)
26	2047.48	24,436	0	0	24,436	0	0	549	0	18,556	1,871	20,977	(3,459)	(77,788)
27	2048.49	25,169	0	0	25,169	0	0	582	0	19,082	1,860	21,524	(3,645)	(81,433)
28	2049.50	25,924	0	0	25,924	0	0	617	0	19,622	2,060	22,299	(3,625)	(85,059)
29	2050.51	26,702	0	0	26,702	0	0	651	0	20,177	2,274	23,102	(3,600)	(88,659)
30	5051.52	27,503	0	0	27,503	0	0	687	0	20,748	1,907	23,341	(4,161)	(92,820)
		583,647	0	78,735	662,382	53,936	13,052	12,628	11,747	425,966	44,232	561,561		

Base Model Assumptions

Item	Assumption	Comments
Start Year In Model	2022/23	
General Inflation 2021/22 onwards 2022/23 2023/24 2024/25 onwards SHP Management Fee 2022/23 2023/24 2024/25 then follows CPI LB Sutton Expenses 2022/23 2023/24 2024/25 then follows CPI	3.1% 2.5% 2.0% 4.1% 3.5% 3.0% 4.1% 3.5% 3.0%	Consumer Price Index (CPI) forecasts Linked to rent increase (CPI + 1%) Linked to rent increase (CPI + 1%)
Inflation on capital works 2023/24 - 2024/25 2025/26 2026/27 onwards	5.0% 4.0% 3.0%	Forecast Building Cost Inflation rates
Interest Rates Consolidated Rate of Interest (CRI) on pre-settlement debt Self-Financing Payment <ul style="list-style-type: none"> Subsequent borrowing 	3.8% 3.5% 2.5% - 3.4%	Based on the detailed loan portfolio of the council Fixed rate Based on loan portfolio
Interest on Balances 2022/23 2023/24 2024/25 2025/26 onwards	0.05% 0.10% 0.30% 0.65%	
Opening stock at 1st April 2022 Social Rent Affordable Rent Acquisitions Leasehold Section 16 Freehold	5743 93 223 1338 84	Includes 6.0 full dwelling equivalent Shared Ownership properties
Average Opening Rent (2022/23) Social rent 90% 2011 LHA rent Affordable Rent	£113.49 £179.31 £213.04	Existing stock Acquired properties New Build

Real (above inflation) Rent Growth 2021/22 - 2024/25 2025/26 onwards 90% LHA rent is fixed with no increase	1.0% 0.0%	CPI + 1% CPI only
Voids losses	0.60%	
Provision for Bad Debts 2022/23 - 2024/25 2025/26 onwards	1.0% 0.9%	c. £390k
Service Charges – 2022/23 Tenanted Leasehold	£3.07 £223.00	Per week Per quarter
Service Charge Growth 2022/23 2023/24 -2024/25 2025/26 onwards	4.1% CPI + 1% CPI	
Other Income 2022/23 Commercial Properties Heating Charges Garages Rechargeable Works Intensive Housing Management Charge	£265k £278k £527k £10k £386k	
Real Other Income Growth		Dependent on the individual source of income.
Financing Insufficient revenue to set aside for debt repayment		
Opening Debt 2021/22 HRA Capital Financing Requirement	£220,210m	
New Borrowing 2022/23 2023/24 2024/25 2025/26	£13.1m £17.4m £16.9m £6.5m	New Build
RTB Sales (per annum) 2022/23 – 2027/28 2028/29 onwards	15 10	8 freehold, 7 leasehold 5 freehold, 5 leasehold
Real RTB Sales Growth	Nil	
Other Stock Movements 2022/23	71	Phase 2 new build rented stock completions

SHP Management Fee 2022/23	£17,379,000	Plus capital works management
LB Sutton Management Costs 2022/23	£2,401,000	
Service Costs 2022/23 Heating Communal Alarm (Eldercare) Sutton Connect Service	£311k £170k £200k	Paid to SHP
Real Service Cost Growth	RPI/CPI	Actuals dependent on supplier costs.
Depreciation Dwellings Non Dwelling Assets 2022/23	£1,394 £61k	Annually per property Per annum

Sensitivity Model (removal of acquisitions) Revenue Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year	Year	Original Income £,000	Acquisition Rental 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 Management and Interest New Debt £,000	Debt Management and Interest Historic Debt £,000	RCCO - Existing Stock £,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
																		11,141	
1	2022.23	38,615	0	38,615	17,120	2,395	511	368	8,218	110	6,400	1,309	36,431	2,184	13,325	10	3,952	9,383	1,931
2	2023.24	40,600	0	40,600	17,858	2,457	526	387	8,683	533	6,401	2,117	38,962	1,638	11,021	22	2,825	8,219	2,030
3	2024.25	42,060	0	42,060	18,489	2,511	539	401	9,168	966	6,402	1,458	39,934	2,126	10,344	72	3,165	7,252	2,103
4	2025.26	43,801	0	43,801	19,042	2,573	554	381	9,639	1,133	6,403	3,295	43,019	782	8,033	167	3,302	4,899	2,190
5	2026.27	44,894	0	44,894	19,453	2,633	568	390	9,956	1,133	6,404	2,074	42,611	2,283	7,182	174	3,512	3,843	2,245
6	2027.28	45,887	0	45,887	19,809	2,686	584	398	10,239	913	6,405	6,644	47,678	1,837	5,680	126	3,512	2,294	2,294
7	2028.29	46,589	0	46,589	20,166	2,739	600	405	10,525	913	6,407	2,352	44,107	2,482	4,776	128	2,575	2,329	2,329
8	2029.30	47,453	0	47,453	20,538	2,794	617	412	10,823	913	6,408	2,476	44,980	2,473	4,802	145	2,575	2,372	2,373
9	2030.31	48,334	0	48,334	20,917	2,849	635	420	11,129	913	6,409	2,607	45,877	2,457	4,829	162	2,575	2,416	2,417
10	2031.32	49,357	0	49,357	21,302	2,905	652	429	11,444	913	6,410	2,857	46,911	2,445	4,862	179	2,575	2,466	2,468
11	2032.33	50,145	0	50,145	21,695	2,963	671	435	11,767	913	6,411	2,870	47,725	2,420	4,886	196	2,575	2,507	2,507
12	2033.34	51,075	0	51,075	22,094	3,021	690	444	12,100	913	6,413	2,992	48,666	2,409	4,916	213	2,575	2,554	2,554
13	2034.35	52,023	0	52,023	22,501	3,081	709	452	12,442	913	6,414	3,118	49,630	2,392	4,946	230	2,575	2,602	2,601
14	2035.36	53,123	0	53,123	22,916	3,142	729	461	12,794	913	6,415	3,369	50,740	2,384	4,985	247	2,575	2,658	2,656
15	2036.37	53,971	0	53,971	23,338	3,205	750	469	13,156	913	6,417	3,373	51,619	2,352	5,010	265	2,575	2,699	2,699
16	2037.38	54,973	0	54,973	23,768	3,268	771	477	13,527	913	6,418	3,487	52,629	2,343	5,042	282	2,575	2,749	2,749
17	2038.39	55,993	0	55,993	24,206	3,333	793	486	13,910	913	6,419	3,605	53,664	2,328	5,077	299	2,575	2,801	2,800
18	2039.40	57,177	0	57,177	24,651	3,399	816	497	14,303	913	6,421	3,859	54,858	2,319	5,120	315	2,575	2,860	2,859
19	2040.41	58,090	0	58,090	25,106	3,466	839	505	14,707	913	6,422	3,845	55,802	2,288	5,148	333	2,575	2,906	2,904
20	2041.42	59,167	0	59,167	25,568	3,534	863	514	15,123	913	6,858	3,489	56,862	2,306	5,211	321	2,575	2,958	2,958
21	2042.43	60,265	0	60,265	26,039	3,604	888	524	15,550	913	4,093	6,025	57,635	2,630	5,588	0	2,575	3,013	3,013
22	2043.44	61,539	0	61,539	26,518	3,676	913	535	15,989	913	4,094	6,263	58,901	2,639	5,652	0	2,575	3,077	3,077
23	2044.45	62,522	0	62,522	27,006	3,749	939	543	16,441	913	4,397	5,909	59,897	2,625	5,701	0	2,575	3,126	3,126
24	2045.46	63,682	0	63,682	27,504	3,823	966	553	16,905	913	5,906	4,479	61,049	2,633	5,759	0	2,575	3,184	3,184
25	2046.47	64,926	0	64,926	28,037	3,899	994	564	17,383	913	5,907	4,592	62,289	2,637	5,821	0	2,575	3,246	3,246
26	2047.48	66,357	0	66,357	28,553	4,118	1,022	577	17,873	913	5,909	4,744	63,709	2,647	5,893	0	2,575	3,318	3,318
27	2048.49	67,475	0	67,475	29,079	4,159	1,051	586	18,378	913	5,911	4,768	64,845	2,630	5,949	0	2,575	3,374	3,374
28	2049.50	68,787	0	68,787	29,614	4,188	1,081	541	18,897	913	5,913	5,000	66,147	2,640	6,014	0	2,575	3,439	3,439
29	2050.51	70,124	0	70,124	30,159	4,217	1,111	494	19,430	913	5,914	5,243	67,482	2,642	6,081	0	2,575	3,506	3,506
30	2051.52	70,903	0	70,903	30,865	4,074	1,148	498	19,979	913	5,917	4,897	68,290	2,614	6,120	0	2,575	3,545	3,545
		1,649,904	0	1,649,904	713,911	98,459	23,532	14,143	410,476	26,694	182,617	113,116	1,582,947				82,068		

Sensitivity Model (removal of acquisitions) Capital Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Year	Year	Existing Stock Investment Requirement £,000	Funding Required - Acquisitions £,000	New Build Development Costs £,000	Total Investment Requirement £,000	Borrowing- New Build £,000	GLA Grant £,000	Leaseholder Contributions & Match Funding £,000	Capital Receipt from Acquisitions £,000	RTB Receipts- New Build £,000	MRR £,000	RCCO- Existing Stock £,000	Total Financing £,000	In Year Surplus / (Shortfall) £,000	Cumulative Surplus / (Shortfall) £,000
	B/F										5000	3000	8,000		
1	2022.23	17,776	0	24,168	41,944	0	7,510	250	13,099	3,559	8,218	1,309	33,944	0	0
2	2023.24	11,063	0	23,492	34,555	16,838	2,216	263	550	3,889	8,683	2,117	34,555	0	0
3	2024.25	10,902	0	21,231	32,133	16,932	0	276	0	4,299	9,168	1,458	32,133	0	0
4	2025.26	13,221	0	7,892	21,113	6,518	1,374	287	0	0	9,639	3,295	21,113	0	0
5	2026.27	12,326	0	1,502	13,828	0	1,502	295	0	0	9,956	2,074	13,828	0	0
6	2027.28	17,187	0	450	17,637	0	450	304	0	0	10,239	6,644	17,637	0	0
7	2028.29	17,702	0	0	17,702	0	0	313	0	0	10,525	2,352	13,190	(4,512)	(4,512)
8	2029.30	18,234	0	0	18,234	0	0	323	0	0	10,823	2,476	13,621	(4,612)	(9,125)
9	2030.31	18,781	0	0	18,781	0	0	332	0	0	11,129	2,607	14,068	(4,713)	(13,837)
10	2031.32	19,344	0	0	19,344	0	0	342	0	0	11,444	2,857	14,643	(4,701)	(18,538)
11	2032.33	15,567	0	0	15,567	0	0	353	0	0	11,767	2,870	14,990	(577)	(19,115)
12	2033.34	16,034	0	0	16,034	0	0	363	0	0	12,100	2,992	15,455	(579)	(19,694)
13	2034.35	16,515	0	0	16,515	0	0	374	0	0	12,442	3,118	15,934	(581)	(20,275)
14	2035.36	17,670	0	0	17,670	0	0	385	0	0	12,794	3,369	16,548	(1,122)	(21,396)
15	2036.37	19,117	0	0	19,117	0	0	397	0	0	13,156	3,373	16,925	(2,192)	(23,588)
16	2037.38	18,867	0	0	18,867	0	0	409	0	0	13,527	3,487	17,423	(1,444)	(25,032)
17	2038.39	19,433	0	0	19,433	0	0	421	0	0	13,910	3,605	17,936	(1,497)	(26,530)
18	2039.40	20,016	0	0	20,016	0	0	434	0	0	14,303	3,859	18,596	(1,421)	(27,950)
19	2040.41	22,019	0	0	22,019	0	0	447	0	0	14,707	3,845	18,999	(3,020)	(30,970)
20	2041.42	25,051	0	0	25,051	0	0	460	0	0	15,123	3,489	19,072	(5,979)	(36,950)
21	2042.43	20,171	0	0	20,171	0	0	474	0	0	15,550	6,025	22,049	1,878	(35,072)
22	2043.44	20,776	0	0	20,776	0	0	488	0	0	15,989	6,263	22,740	1,964	(33,108)
23	2044.45	21,399	0	0	21,399	0	0	503	0	0	16,441	5,909	22,852	1,453	(31,655)
24	2045.46	22,041	0	0	22,041	0	0	518	0	0	16,905	4,479	21,902	(140)	(31,794)
25	2046.47	22,703	0	0	22,703	0	0	533	0	0	17,383	4,592	22,508	(195)	(31,989)
26	2047.48	24,436	0	0	24,436	0	0	549	0	0	17,873	4,744	23,167	(1,269)	(33,258)
27	2048.49	25,169	0	0	25,169	0	0	582	0	0	18,378	4,768	23,728	(1,441)	(34,699)
28	2049.50	25,924	0	0	25,924	0	0	617	0	0	18,897	5,000	24,514	(1,410)	(36,109)
29	2050.51	26,702	0	0	26,702	0	0	651	0	0	19,430	5,243	25,325	(1,377)	(37,486)
30	5051.52	27,503	0	0	27,503	0	0	687	0	0	19,979	4,897	25,563	(1,940)	(39,426)
		583,647	0	78,735	662,382	40,288	13,052	12,628	13,649	11,747	415,476	116,116	622,955		

Sensitivity Model (Inclusion of net zero carbon costs) Revenue Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year	Year	Original Income £,000	Additional Acquisition Rental 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 Management and Interest New Debt £,000	Debt Management and Interest Historic Debt £,000	RCCO - Existing Stock £,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
																		11,141	
1	2022.23	40,687	0	40,687	17,379	2,401	511	389	8,528	397	7,199	998	37,800	2,887	14,028	10	4,788	9,250	2,034
2	2023.24	42,678	0	42,678	18,126	2,463	526	408	9,010	830	7,200	1,791	40,352	2,327	11,577	23	3,661	7,939	2,134
3	2024.25	44,132	0	44,132	18,765	2,517	539	420	9,511	1,263	7,201	1,116	41,330	2,802	10,741	78	4,001	6,818	2,207
4	2025.26	45,873	0	45,873	19,323	2,579	554	399	9,996	1,430	7,202	2,939	44,421	1,452	8,270	183	4,138	4,315	2,294
5	2026.27	46,966	0	46,966	19,740	2,639	568	408	10,323	1,430	7,203	1,707	44,018	2,948	7,263	194	4,348	3,109	2,348
6	2027.28	47,965	0	47,965	20,102	2,692	584	417	10,617	1,210	7,204	1,636	44,462	3,503	6,612	164	4,348	2,428	2,398
7	2028.29	48,661	0	48,661	20,465	2,745	600	423	10,914	1,210	7,205	0	43,563	5,098	7,526	193	5,285	2,434	2,433
8	2029.30	49,526	0	49,526	20,843	2,800	617	431	11,224	1,210	7,206	96	44,426	5,099	7,533	228	5,285	2,476	2,476
9	2030.31	50,407	0	50,407	21,227	2,855	635	439	11,542	1,210	7,208	225	45,340	5,067	7,543	262	5,285	2,520	2,520
10	2031.32	51,435	0	51,435	21,619	2,912	652	448	11,869	1,210	7,209	476	46,394	5,041	7,561	297	5,285	2,573	2,572
11	2032.33	52,217	0	52,217	22,018	2,969	671	454	12,206	1,210	7,210	488	47,225	4,992	7,564	332	5,285	2,611	2,611
12	2033.34	53,148	0	53,148	22,424	3,028	690	462	12,551	1,210	7,211	606	48,183	4,965	7,576	366	5,285	2,657	2,657
13	2034.35	54,095	0	54,095	22,838	3,088	709	471	12,907	1,210	7,213	728	49,163	4,932	7,589	401	5,285	2,705	2,705
14	2035.36	55,202	0	55,202	23,259	3,149	729	480	13,273	1,210	7,214	982	50,296	4,905	7,611	435	5,285	2,761	2,760
15	2036.37	56,044	0	56,044	23,688	3,212	750	488	13,649	1,210	7,215	976	51,187	4,857	7,618	470	5,285	2,803	2,802
16	2037.38	57,045	0	57,045	24,125	3,275	771	496	14,036	1,210	7,217	1,087	52,216	4,829	7,632	505	5,285	2,852	2,852
17	2038.39	58,065	0	58,065	24,570	3,340	793	505	14,433	1,210	7,218	1,200	53,269	4,796	7,648	540	5,285	2,903	2,903
18	2039.40	59,255	0	59,255	25,023	3,406	816	516	14,842	1,210	7,219	1,452	54,484	4,772	7,674	574	5,285	2,963	2,963
19	2040.41	60,162	0	60,162	25,484	3,474	839	523	15,262	1,210	7,221	1,428	55,441	4,721	7,684	609	5,285	3,008	3,008
20	2041.42	61,240	0	61,240	25,954	3,542	863	533	15,695	1,210	7,657	1,037	56,490	4,750	7,758	590	5,285	3,063	3,062
21	2042.43	62,337	0	62,337	26,433	3,612	888	542	16,139	1,210	4,891	3,282	56,997	5,340	8,403	0	5,285	3,118	3,117
22	2043.44	63,618	0	63,618	26,920	3,684	913	553	16,596	1,210	4,893	3,499	58,268	5,349	8,468	0	5,285	3,183	3,181
23	2044.45	64,594	0	64,594	27,416	3,757	939	562	17,066	1,210	5,196	3,115	59,261	5,333	8,516	0	5,285	3,231	3,230
24	2045.46	65,754	0	65,754	27,922	3,831	966	572	17,549	1,210	6,704	1,656	60,410	5,344	8,575	0	5,285	3,290	3,288
25	2046.47	66,998	0	66,998	28,464	3,907	994	583	18,046	1,210	6,706	1,741	61,651	5,347	8,637	0	5,285	3,352	3,350
26	2047.48	68,435	0	68,435	28,989	4,127	1,022	595	18,556	1,210	6,708	1,871	63,078	5,357	8,708	0	5,285	3,423	3,422
27	2048.49	69,548	0	69,548	29,523	4,168	1,051	605	19,082	1,210	6,709	1,860	64,208	5,340	8,763	0	5,285	3,478	3,477
28	2049.50	70,859	0	70,859	30,067	4,197	1,081	560	19,622	1,210	6,711	2,060	65,508	5,352	8,830	0	5,285	3,545	3,543
29	2050.51	72,197	0	72,197	30,622	4,226	1,111	513	20,177	1,210	6,713	2,274	66,845	5,351	8,896	0	5,285	3,611	3,610
30	2051.52	72,981	0	72,981	31,339	4,074	1,148	517	20,748	1,210	6,715	1,907	67,657	5,325	8,936	0	5,285	3,651	3,649
		1,712,124	0	1,712,124	724,663	98,668	23,532	14,711	425,966	35,596	206,577	44,232	1,573,944				152,124		

Sensitivity Model (inclusion of net zero carbon costs) Capital Summary

		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Year	Year	Existing Stock Investment Requirement £,000	Funding Required - Acquisitions £,000	New Build Development Costs £,000	Net Zero Carbon Costs £,000	Total Investment Requirement £,000	Borrowing- New Build £,000	GLA Grant £,000	Leaseholder Contributions & Match Funding £,000	RTB Receipts- New Build £,000	MRR £,000	RCCO - Existing Stock £,000	Total Financing £,000	In Year Surplus / (Shortfall) £,000	Cumulative Surplus / (Shortfall) £,000
	B/F										5,000	3,000	8,000		
1	2022.23	17,776	0	24,168	5,357	47,301	13,099	7,510	250	3,559	8,528	998	33,944	(5,357)	(5,357)
2	2023.24	11,063	0	23,492	5,491	40,046	17,387	2,216	263	3,889	9,010	1,791	34,555	(5,491)	(10,848)
3	2024.25	10,902	0	21,231	5,601	37,734	16,932	0	276	4,299	9,511	1,116	32,133	(5,601)	(16,449)
4	2025.26	13,221	0	7,892	5,713	26,826	6,518	1,374	287	0	9,996	2,939	21,113	(5,713)	(22,162)
5	2026.27	12,326	0	1,502	5,827	19,655	0	1,502	295	0	10,323	1,707	13,828	(5,827)	(27,989)
6	2027.28	17,187	0	450	5,944	23,581	0	450	304	0	10,617	1,636	13,007	(10,573)	(38,562)
7	2028.29	17,702	0	0	6,063	23,765	0	0	313	0	10,914	0	11,228	(12,538)	(51,100)
8	2029.30	18,234	0	0	6,184	24,417	0	0	323	0	11,224	96	11,642	(12,775)	(63,875)
9	2030.31	18,781	0	0	6,308	25,088	0	0	332	0	11,542	225	12,099	(12,989)	(76,864)
10	2031.32	19,344	0	0	6,434	25,778	0	0	342	0	11,869	476	12,687	(13,090)	(89,954)
11	2032.33	15,567	0	0	6,562	22,129	0	0	353	0	12,206	488	13,046	(9,083)	(99,037)
12	2033.34	16,034	0	0	6,694	22,727	0	0	363	0	12,551	606	13,521	(9,207)	(108,244)
13	2034.35	16,515	0	0	6,828	23,342	0	0	374	0	12,907	728	14,009	(9,333)	(117,577)
14	2035.36	17,670	0	0	6,964	24,634	0	0	385	0	13,273	982	14,640	(9,994)	(127,570)
15	2036.37	19,117	0	0	7,103	26,221	0	0	397	0	13,649	976	15,022	(11,199)	(138,769)
16	2037.38	18,867	0	0	7,245	26,112	0	0	409	0	14,036	1,087	15,531	(10,581)	(149,350)
17	2038.39	19,433	0	0	7,390	26,823	0	0	421	0	14,433	1,200	16,054	(10,769)	(160,120)
18	2039.40	20,016	0	0	7,538	27,554	0	0	434	0	14,842	1,452	16,728	(10,827)	(170,946)
19	2040.41	22,019	0	0	7,689	29,708	0	0	447	0	15,262	1,428	17,137	(12,571)	(183,517)
20	2041.42	25,051	0	0	7,843	32,893	0	0	460	0	15,695	1,037	17,192	(15,702)	(199,219)
21	2042.43	20,171	0	0	8,000	28,171	0	0	474	0	16,139	3,282	19,895	(8,276)	(207,494)
22	2043.44	20,776	0	0	8,159	28,936	0	0	488	0	16,596	3,499	20,583	(8,353)	(215,847)
23	2044.45	21,399	0	0	8,323	29,722	0	0	503	0	17,066	3,115	20,683	(9,039)	(224,885)
24	2045.46	22,041	0	0	8,489	30,531	0	0	518	0	17,549	1,656	19,723	(10,808)	(235,693)
25	2046.47	22,703	0	0	8,667	31,370	0	0	533	0	18,046	1,741	20,320	(11,050)	(246,743)
26	2047.48	24,436	0	0	8,841	33,277	0	0	549	0	18,556	1,871	20,977	(12,300)	(259,043)
27	2048.49	25,169	0	0	9,018	34,187	0	0	582	0	19,082	1,860	21,524	(12,663)	(271,706)
28	2049.50	25,924	0	0	9,198	35,122	0	0	617	0	19,622	2,060	22,299	(12,823)	(284,529)
29	2050.51	26,702	0	0	0	26,702	0	0	651	0	20,177	2,274	23,102	(3,600)	(288,129)
30	5051.52	27,503	0	0	0	27,503	0	0	687	0	20,748	1,907	23,341	(4,161)	(292,291)
		583,647	0	78,735	199,471	861,852	53,936	13,052	12,628	11,747	425,966	44,232	561,561		

Outline Major Works Programme 2012/23 to 2026/27

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total Yrs 1 - 5
	2022/23	2023/24	2024/25	2025/26	2026/27	2022/23 - 2026/27
	£	£	£	£	£	£
Major Repairs	4,471,070	4,392,513	2,470,601	2,565,586	3,491,671	17,391,441
AERIALS	0	5,000	1,500	82,750	37,750	127,000
BALCONIES	0	201,860	201,860	201,860	201,860	807,440
BATHROOMS	604,800	477,600	514,190	512,000	503,210	2,611,800
DECORATIONS	0	845,775	845,775	845,775	843,675	3,381,000
EXTERNAL STAIRS	0	3,500	3,500	15,500	3,500	26,000
INTERNAL FINISHES	0	118,965	118,965	118,965	118,965	475,860
KITCHENS	1,681,500	985,000	0	0	300,000	2,966,500
LAUNDRY	0	0	0	4,075	0	4,075
ROOFS	1,229,220	684,620	219,818	219,818	519,818	2,873,294
WALLS EXTERNAL	0	265,843	265,843	265,843	265,843	1,063,372
WINDOWS AND DOORS	955,550	804,350	299,150	299,000	697,050	3,055,100
Contingent Major Repairs	370,060	386,713	422,301	441,303	441,303	2,024,492
DRAIN FAILURE REMEDIATION	100,000	104,500	109,203	114,117	119,252	547,072
ASBESTOS TREATMENT	54,573	57,029	59,595	62,277	65,079	298,553
UNINSURED STRUCTURAL WORKS	65,487	68,434	71,513	74,732	78,094	358,260
STATUTORY DISREPAIR WORKS	150,000	156,750	163,804	171,175	178,878	820,607
Improvements	2,640,000	2,242,337	2,642,337	1,542,337	1,445,000	10,512,011
ENERGY EFFICIENCY WORKS (INCLUDING INSULATION AND WINDOW UPGRADES)	545,000	545,000	545,000	545,000	545,000	2,725,000
ENVIRONMENTAL IMPROVEMENTS	45,000	100,000	100,000	100,000	0	345,000
FIRE SAFETY WORKS	2,050,000	1,597,337	1,997,337	897,337	900,000	7,442,011
Estate Works and Related Assets	417,155	1,778,432	1,782,212	1,804,507	1,810,922	7,593,228
BIN STORES	92,155	0	0	0	0	92,155
BOUNDARIES	0	907,169	907,169	907,169	907,169	3,628,676
GARAGE	0	33,690	36,470	58,765	65,180	194,105
HARDSTANDINGS	0	319,948	320,948	320,948	320,948	1,282,792
OUTBUILDINGS/STORES	0	64,764	64,764	64,764	64,764	259,056
PLAY AREAS	0	115,550	115,550	115,550	115,550	462,200
PRAM/BICYCLE SHEDS	0	18,561	18,561	18,561	18,561	74,244
GARAGES	75,000	168,750	168,750	168,750	168,750	750,000
ROADS AND PATHS	250,000	150,000	150,000	150,000	150,000	850,000
Exceptional Extensive Works and Surveys	4,640,575	1,000,000	400,000	400,000	700,000	7,140,575
SHANKLIN VILLAGE WALKWAYS	600,000	600,000	0	0	0	1,200,000
STOCK CONDITION SURVEYS	0	0	0	0	300,000	300,000
EXTERNAL WALL SURVEY	30,000	0	0	0	0	30,000
COULSDON UNITY	0	0	0	0	0	0
ENERGISPRONG 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 (M&E) Works	1,780,330	1,444,504	1,368,969	3,729,222	1,614,309	9,937,333
CCTV	3,000	0	0	52,500	1,500	57,000
DOOR ENTRY SYSTEMS	0	43,200	25,200	118,400	55,200	242,000
DRAINAGE	0	92,480	80,945	445,040	104,635	723,100
ELECTRICS	580,730	580,730	580,730	580,730	580,730	2,903,650
FIRE DETECTION	0	244,094	244,094	244,094	244,094	976,375
HEATING AND HOT WATER	449,600	68,500	33,000	1,456,958	123,150	2,131,208
LIFT REFURBISHMENT	0	10,500	0	101,500	0	112,000
WATER SERVICES	0	0	0	12,000	0	12,000
LIFT REPLACEMENT	327,000	0	0	313,000	100,000	740,000
BUILDING MONITORING SYSTEMS	20,000	5,000	5,000	5,000	5,000	40,000
M&E EQUIPMENT UPGRADES (INCL FIRE SUPPRESSION WORKS)	400,000	400,000	400,000	400,000	400,000	2,000,000
Total Works Expenditure	14,319,190	11,244,499	9,068,234	10,463,953	9,503,205	54,599,080
Consultancy (3%)	429,576	337,335	272,047	313,919	285,096	1,637,972
Project management fees (7%)	1,002,343	787,115	634,776	732,477	665,224	3,821,936
Total Programme Cost incl fees etc (2022/23 Prices)	15,751,109	12,368,949	9,975,057	11,510,348	10,453,525	60,058,988
Inflation (from base 2022/23 Prices)	0	618,447	1,022,443	1,687,417	1,892,088	5,220,396
Total Programme Cost with Inflation	15,751,109	11,062,800	10,901,800	13,221,100	12,325,800	65,287,650