Nottingham City Council

Housing Revenue Account Business Plan 2012 - 2042

In partnership with:

Nottingham City Homes







Housing Revenue Account Business Plan 2012 - 2042

Contents

page

Outline of the Plan

Foreword

Section 1: Local, regional and national context

Section 2: Stock condition

Section 3: Housing services

Section 4: Resources and risks

Section 5: Investment priorities

Section 6: Consultation

Section 7: Conclusion

Appendix 1
Modelling and Stock Evaluation Models
- Stock Performance-Net Present Value (NPV) Calculation

Appendix 2
HRA Business Strategy - Investment Strategy
- HRA Capital Programme

Foreword

The Housing Revenue Account Business Plan (HRA BP) describes Nottingham City Council's vision for the future of our housing stock. It sets out how we intend to meet the investment requirements necessary to maintain our homes to a decent standard over the next 30 years and build much needed new council homes.

The business plan details our resources and how we plan to use them to deliver decent homes and meet our tenants' priorities. Our focus is to provide a programme of maintenance and investment for our current homes which meets our tenants and leaseholders' expectations.

However, funding will be limited by the available budget and there are a number of other financial risks over this 30 year period - so Nottingham plans to secure additional resources to ensure effective delivery of this programme and continues to meet tenants and leaseholders' expectations into the future.

The plan also sets out Nottingham's wider ambitions. We want to build more homes so we can provide good quality, affordable housing for more residents - and reduce the number of people on the housing register and living in temporary accommodation.

Investing in our homes will improve the quality of life for our tenants and leaseholders and also have a measurable positive impact on the local economy.

This plan is written at a time of considerable change for housing. The way that Council housing is funded changed in April 2012 - from the Government's nationally managed subsidy system to one of Council's 'self-financing' their Housing Revenue Accounts (more details in Section 5).

Under this new financial regime the Council is responsible for generating all the money needed to manage our stock. This means long term planning and careful asset management is essential to make sure we meet our tenants and leaseholders' priorities and properly manage and maintain our homes.

This plan has been developed with our tenants and leaseholders to make sure their priorities for investment are reflected in our objectives.

The plan also sets out Nottingham's wider ambitions. We want to build more homes so we can provide good quality, affordable housing for more residents.

Priorities

Council housing in Nottingham offers thousands of people the opportunity to live in a decent, affordable home. We believe that a decent home, which is truly affordable, is the foundation for a good quality of life. It is a valuable asset to the city and its residents. This asset needs to be well maintained and invested in if we are to provide quality homes for the future. This plan sets out the Council's long term investment strategy to maintain the quality of our stock. It also sets out our ambitious plans to build much needed additional homes as resources allow.

Nottingham City Council has a long and proud tradition of housing local residents. Through the services provided by Nottingham City Homes - its Arms Length Management Organisation, our performance as a housing authority has markedly improved with overall tenant satisfaction with our services and homes running at more than 80%.

This plan aims to improve that satisfaction rate. Existing tenants and leaseholders have told us their overall priorities are

Investment in homes	Improving security - new composite doors and uPVC windows Improving energy efficiency – better insulation, lower fuel bills and carbon emissions New kitchens and bathrooms Creating local jobs and apprenticeships
A quality repairs and maintenance service	Right first time, flexible and efficient, value for money
Effective neighbourhood management	Making all neighbourhoods a safe place to live – by tackling anti-social behaviour with our partners
Meaningful tenant engagement	Keeping tenants and leaseholders informed about what matters - and listening to views Encouraging more customers to challenge, scrutinise, shape and improve services Supporting tenant and resident groups to deliver local improvements and shape their communities
Excellent customer service	Supporting all Nottingham City Homes employees to deliver excellent customer service as standard Empowering Nottingham City Homes employees to resolve customer concerns at the first point of contact wherever possible Treating people as individuals – whatever their background or culture Making sure rent continues to provide good value for money

In addition to existing tenants and leaseholders, there are nearly 12,000 households on the housing register seeking the opportunity of a decent, affordable home. New housing is a priority to meet their housing needs, and the needs of Nottingham families into the future.

This HRA Business Plan is designed to achieve current and future tenants and leaseholders' expectations of a secure, warm, modern home, and maintain these standards over the next thirty years.

More details of this planned programme of investment can be found in Section 5.

Section 1: Context

How council housing is managed in Nottingham

Nottingham City Council owns all the council housing in Nottingham. Councillors are responsible for making the longer-term investment decisions in this plan. In 2005 the Council established Nottingham City Homes as an Arms-length Management Organisation (ALMO) to manage the stock.

Nottingham City Homes has significantly improved performance in key services including rent collection, re-letting empty homes and repairs, with higher levels of tenant satisfaction as a result. As a result, the Council signed a new 10 year Partnership Agreement with Nottingham City Homes in 2011.

Nottingham City Homes manage our homes, putting tenants at the heart of the decision making process. This plan is customer focused and has been agreed with our tenants and leaseholders.

The strategic context

This plan has been written at a time of recession and economic difficulty. This wider economic background of recession, public spending cuts, reduction in benefits (including Housing Benefit), rising costs of living and the reduction in new housing being built has an impact on this plan.

Given the economic constraints that Nottingham City Council has to work within, this plan is designed to maximise funding for investment in council housing – both to maintain secure, warm, modern homes in the existing stock, and also, as resources allow, to build new council housing for future generations.

National policy

As well as the current economic climate the Council's housing plans are also affected by government policy for social housing. The Hills Report[1] set out a wider role for social housing, and pointed towards the important role that it could play in providing pathways into work and opportunity - set in the context of lower cost rents and security of tenure.

The coalition government has set out a role for social housing - with broad objectives that aim to see it used in ways that create incentives for people to move into work. This involves a move away from the tradition of security of tenure associated with the sector - with new social housing provided by Housing Associations funded by government subsidy, at rents that are more closely linked to those on the open market and with greater flexibility of tenure.

Those policy drivers with a direct impact are the changes to social housing embodied in the Localism Act and the English Housing Strategy[2], with consequent changes to social housing regulation. The Government is committed to a 'localist' approach that permits some flexibility around the way in which national policy proposals are adopted - including making local decisions about how to prioritise housing spend under HRA self financing.

The Government has, however, made changes to the Right to Buy. They have increased the discounts available to encourage greater take-up, and are committed to replacing sold homes with new affordable homes.

Those with an indirect but highly significant impact include welfare reform, the new Affordable Homes Framework, and new approaches to carbon reduction in residential housing such as the Green Deal.

1 John Hills, 2007. Ends and means: The future roles of social housing in England (the "Hills Report"). Centre for Analysis of Social Exclusion.

Sub-regional working

We work with our neighbouring councils, the Local Economic Partnership (LEP), health and social care providers, the police, the voluntary sector and other housing providers to meet the needs of our residents.

In addition, Nottingham City Homes is a founding member of Efficiency East Midlands (EEM) a procurement consortium of 16 members who together manage more than 160,000 homes in the East Midlands. EEM provides significant savings for Nottingham both in direct procurement costs and cost of goods and services. Nottingham has also benefited through grant funding won by EEM at both UK and European levels to pay for environmental projects.

Local strategic context

One Nottingham - the city's Local Strategic Partnership (LSP) - has a number of themed partnerships, one of which is the Housing Strategic Partnership (HSP).

This brings together the Council, the main registered providers operating in Nottingham, the private rented sector, housing developers and the voluntary sector.

This plan aligns with other city wide plans:

- The 2030 Vision (the Local Strategic Partnership vision)
- The Nottingham Plan to 2020 (the Sustainable Community Strategy)
- The Housing Nottingham Plan (the city's housing strategy)
- Other city wide strategies such as our crime strategy the Crime and Drugs Partnership Plan

The Housing Revenue Account Business Plan fits within this local strategic context:

The HRA Business Plan in Context

The Nottingham Plan to 2020

Key strategies

- Local Development Framework
- Growth Plan
- Housing Nottingham Plan and Homelessness Prevention Strategy
- Health and Wellbeing Strategy (in development)
- Respect Strategy
- Crime and Drugs Partnership Plan
- Children's and Young Peoples Plan
- Vulnerable Adults Plan
- Energy Strategy and Waste Strategy
- Nottingham Local Transport Plan

HRA Business Plan

Nottingham City Homes Corporate Plan

2 Department for Communities and Local Government, 2001. Laying the Foundations: A Housing Strategy for England

The Nottingham Plan

The Nottingham Plan is Nottingham's Sustainable Community Strategy (SCS). This sets out the strategic direction and long-term vision for the City of Nottingham. Housing has an importance in the delivery of these wider City priorities:

- Making sure all children and young people thrive and achieve
- Tackling poverty and deprivation by getting more local people into good jobs
- Reducing crime and the fear of crime; and reducing substance misuse and anti social behaviour
- Improving health and wellbeing.

The Housing Nottingham Plan

The Housing Nottingham Plan takes its lead from the Nottingham Plan and details how housing contributes to these priorities. This plan responds to all of the major policy changes in housing and analysis of our local housing market - and sets out how partners will achieve choice, quality and balance to meet peoples' housing aspirations.

There are three key themes and one cross-cutting theme:

- **Supply**: Increasing the supply of homes in all sectors of the market
- **Standards**: Improving and maintaining the standard of existing homes across all tenures
- **Specialist**: Meeting the housing and support needs of specific and specialised groups
- **Neighbourhoods**: Maximising housing's contribution in the improvement of Nottingham's neighbourhoods – a cross cutting theme

This HRA Business Plan supports the delivery of the Housing Strategy through:

Supply

- Through decommissioning of poor quality older homes and re-provision of new homes
- Making HRA land available for new homes
- Attracting new funding for new homes whenever possible

Standards

- Achieving and maintaining decent homes
- Helping tenants reduce energy bills and CO2 emissions
- Providing a consistently high quality housing management and maintenance service
- Buying goods and services with others to get the best value for money

Specialist

- Modernising sheltered housing
- Delivering Nottingham 'On Call' services for older people
- Sustaining tenancies
- Tackling homelessness
- Meeting the needs of vulnerable tenants

Neighbourhoods

Providing a range of services in areas with a significant number of council homes to contribute to the overall improvement of neighbourhoods, including:

- Estate management
- Action on antisocial behaviour
- Offering housing management services for other providers
- Maintenance of public spaces
- Community regeneration
- Contributing to crime reduction, health improvement and reducing 'worklessness' through major housing investment.

Nottingham City Homes Corporate Plan

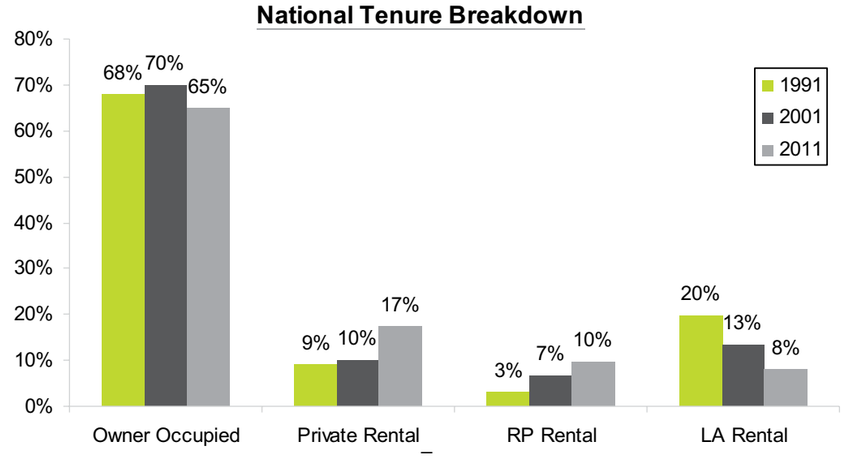
Nottingham City Homes has developed a three year Corporate Plan with the overall vision of "creating Homes and Places where people want to live". This Corporate Plan provides the framework for Nottingham City Homes to take actions which deliver the City's housing strategic aims and the wider strategic objectives for the City in the Nottingham Plan. Nottingham City Homes' goals over the 3 year period are:

- To be a first class housing organisation in the eyes of our tenants and leaseholders
- To be a major player in transforming the quality of life in our neighbourhoods
- To be a great place to work, widely respected as an efficient and professional organisation

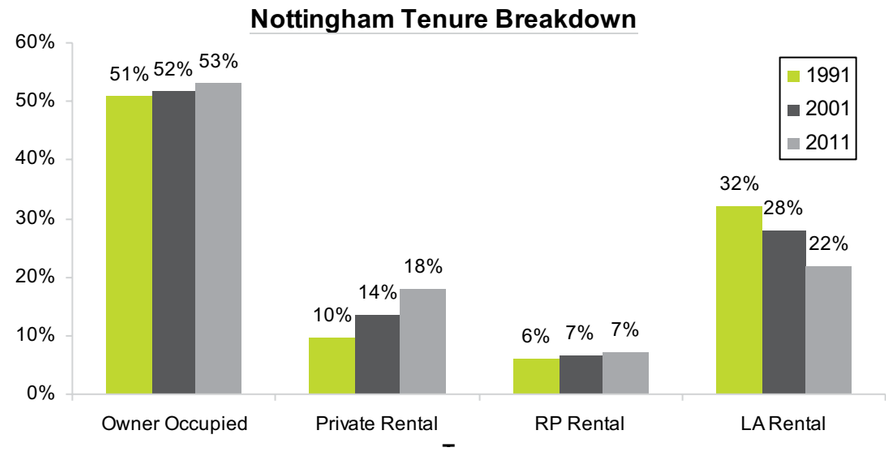
The Nottingham housing market

To invest effectively in our homes we need to understand current and likely demand for council housing in the city.

Historically Nottingham has had a high proportion of social rented housing - around a quarter of the city's homes.



Source: 1991 and 2001 data: Census. 2011 data: CLG Live Table 109: Dwelling Stock by Tenure and Region



Source: 1991 and 2001 data: Census. 2011 data: CLG Live Table 100: Dwelling stock - Number of Dwellings by Tenure and district: England 2011

Within the current economic climate, the demand for social renting in Nottingham is likely to remain high. This demand will be driven at least in part by house price affordability within the city. Nottingham has comparatively low house prices - but it also has comparatively low average incomes. More than a third of potential first time buyers are priced out of the market - putting greater demand on rented housing.

Current average property price

Nottingham	£113,526
England	£231,803

Ratio of median house price to median earnings

Nottingham	4.02
England	7.01

This shows the ability of the average earner to afford the average property in the local market given the mortgage borrowing that would be required to access home ownership. As can be seen, Nottingham is more affordable than England as a whole, but significant numbers of people are still unable to afford ownership due to low incomes that can not sustain the level of borrowing required to take on a mortgage for the cheapest types of homes in the city.

Current percentage of households priced out of the Nottingham market when the house price is 3.5 times their income:

- First time buyer of a flat – 39%
- First time buyer of a terraced house – 24%
- First time buyer of a semi-detached house – 39%

As people are priced out of the owner-occupier sector, the demand on rental properties increases. Currently the average council rent in Nottingham is £71 a week, whilst private rents for 2 and 3 bedroom homes in the city average £113 a week[3].

3 Source: Hometrack

A recent National Housing Federation report into the state of the UK housing market estimates that private sector rents will rise by another 20% over the next five years[4]. While council rents are set to go up over the next few years at a similar rate, this is still the most affordable housing option.

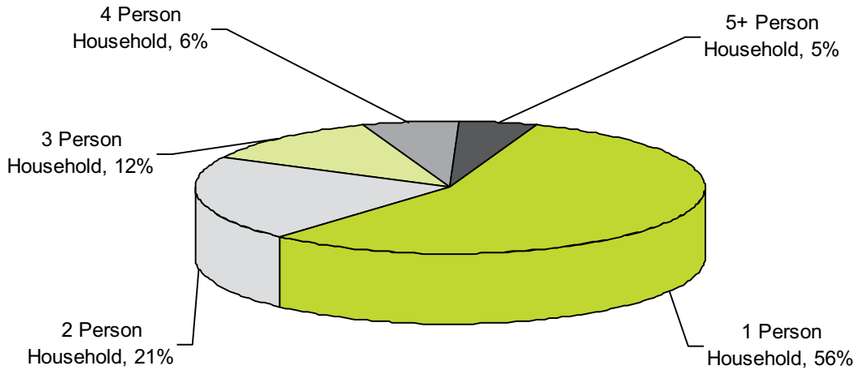
Housing Need

Housing demand in the city is very high - with an average of 62 bids for each of the properties available under our Nottingham HomeLink choice based lettings (CBL) scheme[5].

There are currently 11,907 households on the HomeLink housing waiting list representing all ages and household types.

The chart below shows the breakdown of the housing waiting list by household size. The majority (56%) of applicants are single person households.

Housing Register by Household Composition

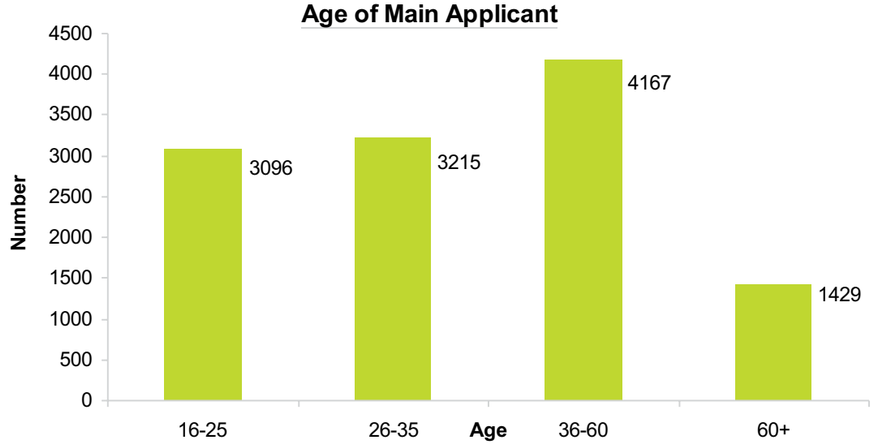


Source: Homelink Choice Based Letting system

4 National Housing Federation, 2011. Home Truths - Fixing our Broken Housing Market
5 CBL bids register 2011

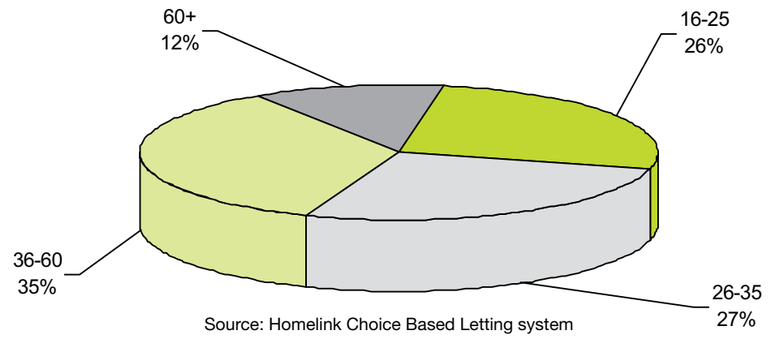
The charts below show the waiting list by age of the main applicant. Those households where the main applicant is aged 36-60 make up the biggest single group. However, over half (53%) of the housing register consists of households where the main applicant is aged under 35.

Age of Main Applicant



Source: Homelink Choice Based Letting system

Age of Main Applicant on Housing Register



Source: Homelink Choice Based Letting system

We expect the number of people under 35 years of age to increase as a result of proposed changes in Housing Benefit for this age group. Once the upper age limit for the shared room rate is raised to age 35 there is likely to be an increase in the number of low earning people for whom living independently in the private rented sector becomes both unaffordable and undesirable.

There are also more than 900 single people aged 60 or over on the housing waiting list. Considering the availability of specialist housing for older people, this could indicate that people aged over 60 do not regard our accommodation as a preferable housing choice for their needs. Considerable effort and investment is being made to modernise our services for older people and to make this accommodation more attractive to future residents.

Section 2: Stock Condition

Housing stock

Nottingham City Council has a stock of 28,134[6] rented properties and 1,048 leasehold properties. This includes approximately 18,000 houses and bungalows, 2,000 high-rise flats in 20 blocks and almost 8,000 low-rise flats (including those that are Independent Living accommodation).

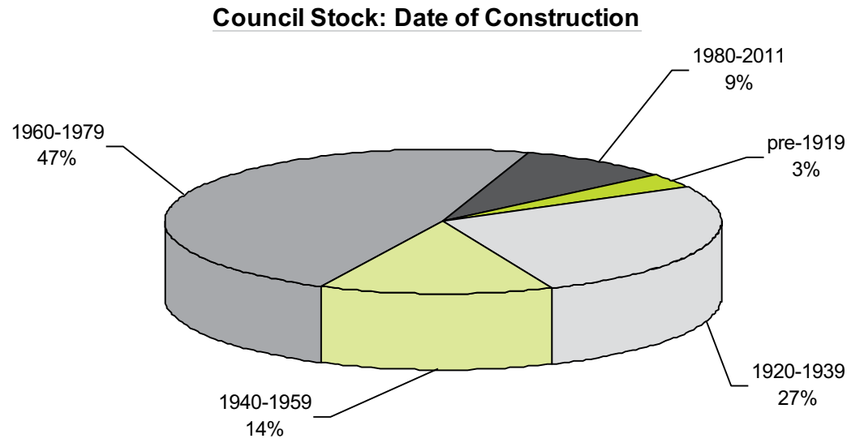
Ward	House	Bungalow	Low Rise Flat	High Rise Flat	Other	Independent Living	Total
Arboretum	332	4	150	0	74	29	589
Aspley	2,946	17	93	0	9	77	3,142
Basford	977	60	128	0	11	208	1,384
Berridge	201	0	8	0	1	0	210
Bestwood	1,492	166	1,058	0	21	180	2,917
Bilborough	1,436	856	386	0	0	186	2,864
Bridge	666	22	431	0	243	188	1,550
Bulwell Forest	356	3	213	0	75	26	673
Bulwell	1,421	310	599	0	54	217	2,601
Clifton (North)	552	36	249	124	2	0	963
Clifton (South)	990	221	375	0	2	133	1,721
Dales	622	0	174	269	3	123	1,191
Dunkirk & Lenton	131	0	56	384	48	96	715
Leen Valley	394	49	107	0	0	66	616
Mapperley	287	5	133	0	8	21	454
Radford & Park	314	42	317	371	129	57	1,230
Sherwood	679	6	131	0	6	175	997
St Ann's	1,425	42	1,046	432	195	214	3,354
Wollaton East & Lenton Abbey	386	146	1	0	1	0	534
Wollaton West	104	15	26	0	0	26	171
Outside City	116	2	80	0	0	60	258
Total	**15,827**	**2,002**	**5,761**	**1,580**	**882**	**2,082**	**28,134**

6 5th Jan 2012

Stock by age

The majority of our homes were built between the 1920's and the 1970's. These include large purpose built estates such as Broxtowe, Bestwood and Clifton. Other areas such as St Ann's and Bulwell have a greater mix of homes in terms of age and type.

This chart illustrates the current age profile of the Council's stock.



Source: NCH Asset Records

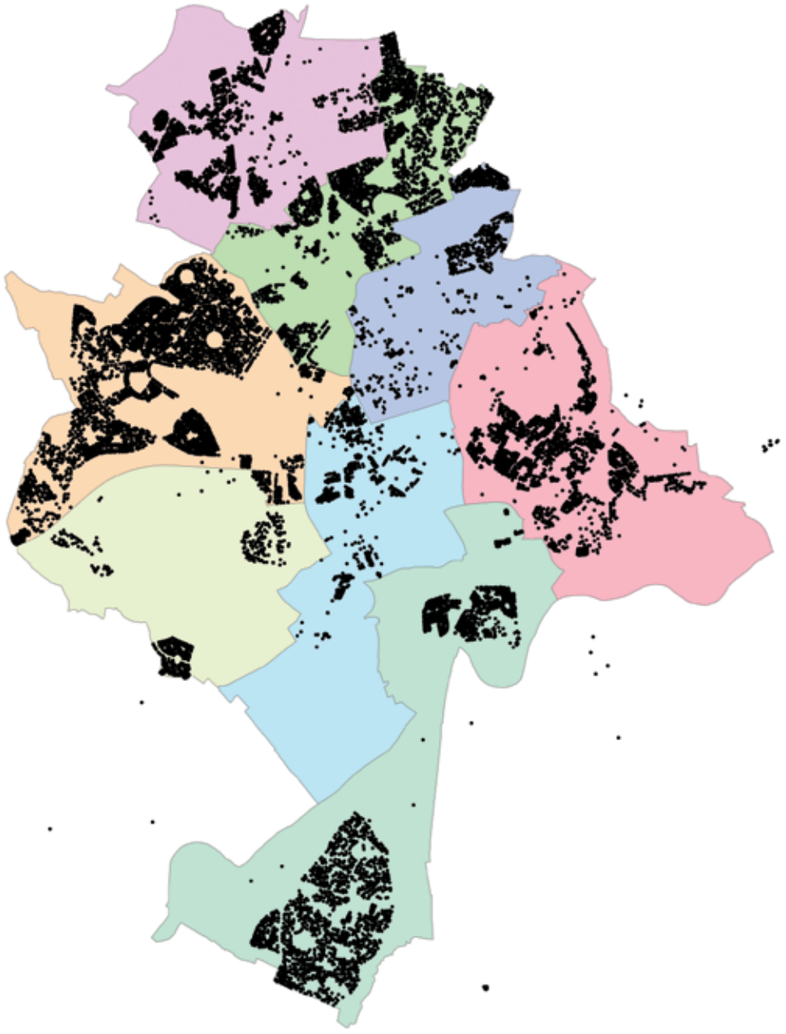
Most of our homes can, with the investment detailed in this plan, continue to provide quality accommodation over the next 30 years. These properties will need on-going maintenance, while some of the non-traditional construction and solid wall properties will require additional insulation to improve their energy efficiency.

Nearly 2,500 of these properties will be, or already have been, insulated through funding available through the Community Energy Saving Programme (CESP) which has a completion date of 31st December 2012. Post CESP, however, there will remain over 7,500 properties of various "no cavity" construction types requiring external wall insulation, the most common being nearly 4,000 "Wimpey No Fines" homes and nearly 3,000 solid brick wall properties. It is hoped that the Energy Company Obligation (ECO) element of the Governments Green Deal initiative will assist in funding these works.

Stock location

Nearly all of our homes are located within the boundary of the City of Nottingham, as illustrated on the map. A majority of the stock is located in the north of the city. We own 62 specialist older peoples' housing schemes, two of which are outside the city boundary.

Geographical Distribution of Nottingham City Council Owned Housing Stock



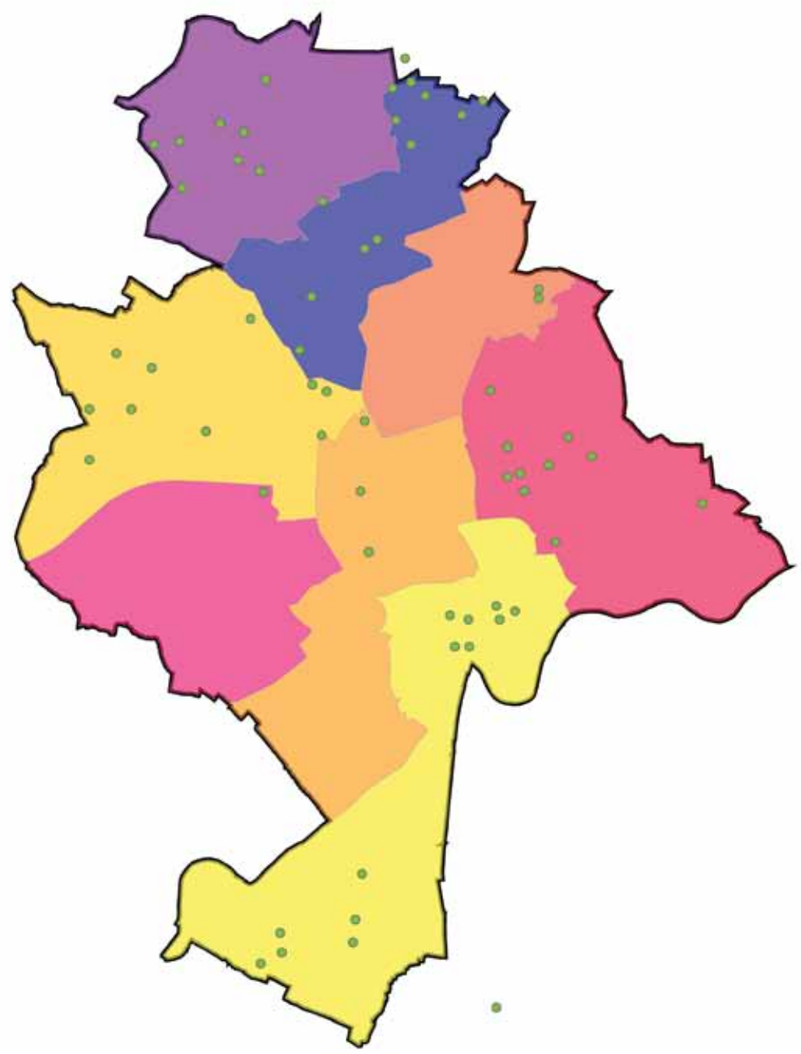
Nottingham City Homes Stock Location by Area September 2012

0 800 1,600 3,200 Meters

Scale: 1:45,000

© Crown copyright and database right 2012. Ordnance Survey Licence number 100019317. Map Produced on: 18/07/12 Map Produced by: BID Team.
pathname S:\Business Improvement and Development\BID_09_10\Strategy\Phil\Mapping\HRA BusPlan0712

Nottingham City Homes



Independent Living Schemes

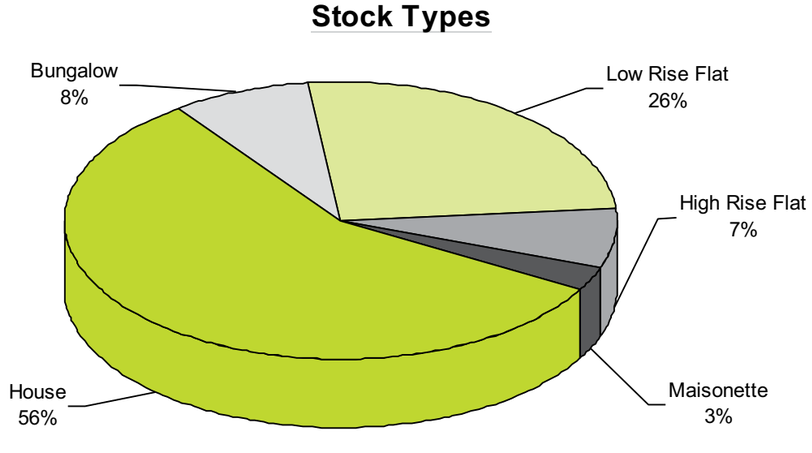
0 800 1,600 3,200 Meters

Scale: 1:44,729

© Crown copyright and database right 2012. Ordnance Survey Licence number 100019317. Map Produced on: 18/07/12 Map Produced by: BID Team.
pathname S:\Business Improvement and Development\BID_09_10\Strategy\Phil\Mapping\HRA BusPlan0712

Nottingham City Homes

Stock Types



High Rise

We own 20 high-rise blocks, one of which, Victoria Centre flats, is in leasehold ownership. We have assessed the long-term viability and options for all of these blocks. The clusters are:

- Woodlands (four blocks) - which has proved popular since a major refurbishment in the 1990's
- Victoria Centre - a successful location in the city centre
- Lenton (five blocks) - due to their construction methods and significant investment needs we plan to demolish them by 2017
- Radford (three blocks) – all being emptied and demolished by 2013
- Colwick Woods Court (one block); Sneinton (three blocks – one sheltered) Sherwood (two sheltered blocks) scheduled for future investment including more energy efficient heating systems
- Southchurch Court, Clifton (one block)

Bungalows

We have a significant number of bungalows (2,002), many of which are conventionally constructed rebuilds of the popular early post war prefab bungalows and as are relatively modern. Certain other prefabrication bungalows are currently undergoing work to improve their thermal insulation to ensure they fully meet the decent homes standard.

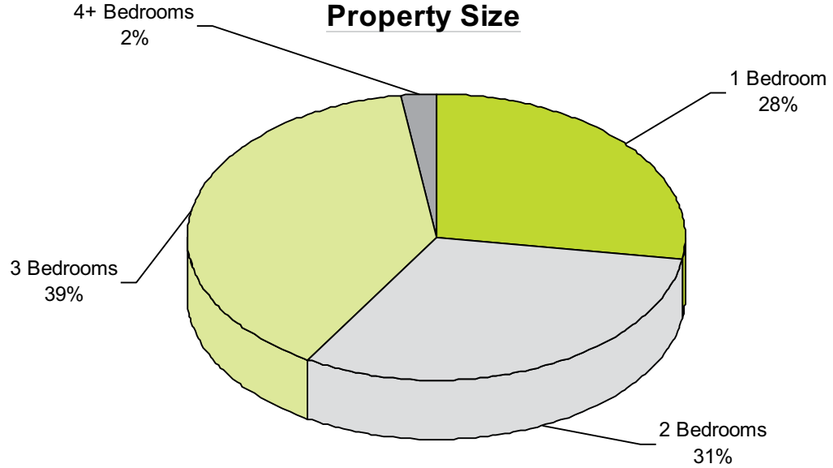
Housing for Older People

We invested £3.2million between 2010-2012 to adapt all our independent living accommodation for older people – so they help maintain maximum mobility and quality of life for our residents. However, there are undoubtedly issues with the desirability and suitability of some of our schemes. These include demand for the property type from the client group concerned, demand for the locations where certain buildings are situated, in the broader context of demographic change. There are also issues in some schemes relating to facilities, the space standards in the flats and accessibility, particular to upper floor accommodation. It is not always cost effective to alter the buildings to resolve these matters.

More recently built schemes have set new benchmarks for housing for older people. It will be necessary to meet the challenges provided by these sorts of issues.

We are therefore reviewing the use of and demand for certain schemes with a view to widening their customer base, as well as identifying resources to invest in these homes to make them more appealing and sustainable, so that they meet the needs and aspirations of older people seeking housing of this nature.

Property Size



Leasehold properties

We have more than 1,000 leasehold properties, most of which are owner occupied. We will meet our commitments to maintain appropriate parts of these properties to a decent standard. We will consult leaseholders on investment decisions, and continue to invite leaseholders to be involved in developing their services.

Some former Right to Buy flats are now in the private rented sector, where the leasehold owner is an absentee landlord. We will look at ways to buy back former Right to Buy properties where it is appropriate to return their use to social rented housing.

Stock condition surveys

Savills Plc, valuers and surveyors, surveyed our homes[7] between 2009 and 2011. This captured full stock condition data including asbestos and energy performance.

96% of properties we are retaining have now been surveyed (with the remaining properties being surveyed when access is available).

Stock condition data is held on a 'real-time' live database, which is constantly updated with additional stock information and actual costs incurred from a variety of refurbishment programmes. In short, every time there is work done to the properties, the database is updated.

Using the stock condition data, Nottingham City Homes has produced an assessment tool to assist in making decisions about the Council's homes. This allows a better understanding about likely impact of investment than before.

As a result, and because of HRA self financing, we will demolish 973 properties by 2017. This reduces the opening self-financing HRA debt by £10.2m, and saves an additional £13.5m in interest rate charges over the life of this plan. Our investment and demand modelling shows that it is better to invest in developing new homes than to continue to maintain and modernise these properties. We plan to demolish this stock to release land to build new social housing.

More information on the modelling data and how it is used is attached as Appendix 1.

Decent Homes Standard

Before the start of HRA self financing in April 2012 the national system of funding Council housing has, as the Government's own research noted, led to considerable under-investment. This meant Nottingham (like other Councils) has built up a backlog of major repairs work.

We are now addressing this backlog through the Secure Warm Modern programme – more than 70% of Nottingham's stock is at or above the Decent Homes Standard[8]. We plan to finish the improvements to achieve 100% decency by 2015.

To maintain the stock at this level in the future will require planned investment. This business plan is structured to make sure achieving and maintaining safety and decency is our top priority.

Fire risk assessment

Nottingham City Homes has assessed the fire risks on all 20 high rise blocks - and begun to assess medium-rise blocks and sheltered schemes. To make sure effective fire precautions are in place and up to date Nottingham City Homes has regular fire strategy meetings with Nottinghamshire Fire and Rescue Service. Nottingham City Homes has developed an ongoing programme to install new fire doors in all high-rise properties. This plan prioritises any investment that is needed following these assessments to make sure our residents are safe.

7 Except for the Meadows area which was not originally surveyed as it would have been part of the Meadows housing PFI redevelopment scheme. The area is currently being surveyed and information in this area is drawn from a previous 10% stock data, and costs from similar archetypes within the city.
8 January 2011 data

Asbestos

Our survey data has identified which properties contain asbestos and where it is located. This information is kept on a database and made available to all contractors and partners working on our homes.

Adaptations to properties

A number of factors are increasing demand for provision of adaptations in our homes to meet the needs of residents with disabilities. These include:

- increased ability for people to live independently using technological adaptations to the home
- greater awareness and higher expectations of the service – especially following delivery of the Secure Warm Modern improvements ,which includes the offer of a full Occupational Therapy assessment
- a wider acceptance of the benefits and desirability of people remaining in their own home, with support, for as long as possible
- changes in health care with greater emphasis on hospital discharge and avoidance of admission

We will continue to fund household adaptations of £2.1m per annum, equating to more than £63m over the course of this 30 year plan. The funding also includes a Preventative Adaptations Scheme to enable innovative ways of helping residents stay in their homes for longer.

Section 3: Housing Services

Through Nottingham City Homes we have a strong record of improving the performance of key services and delivering higher levels of tenant satisfaction.

Nottingham City Homes has come from a 1-star (poor prospects for improvement) ALMO in 2006, to a 2-star (excellent prospects for improvement) ALMO in 2009[9]. Its tenant service inspectors rated all 32 neighbourhoods at 3 stars in 2011.

Since the 2009 inspection, performance has improved even further:

- Customer satisfaction with NCH services at an all time high of 80% (up from 61%)
- Rent arrears have been dramatically reduced to an all time low of £1.58 million – down from £2.6m
- Thousands of council homes have been improved under the 'Secure Warm Modern' programme
- Empty lettable properties reduced to a record low of 255 – worth more than £1m per annum in extra income
- The time taken to re let empty properties down from 72 days to 29 days
- Emergency repairs carried out on target at an all time high of 99.56%
- Tenant satisfaction with the way Nottingham City Homes deals with repairs has risen to 75% - up from 52%
- 99.9% of properties have a valid gas safety certificate – among the best in the country
- 100% of estates rated as two or three star by Tenant Service Inspectors

The company is now recognised as one of the best in the country for a wide range of services demonstrated through the achievement of nationally recognised accreditations:

- NCH was the first ALMO to achieve the prestigious anti social behaviour accreditation from the Social Landlords Crime and Nuisance Group and HouseMark
- NCH retained the Customer Contact Association (CCA) global accreditation for customer excellence for a second year running
- Telecare Standards Association accreditation for Nottingham on Call
- NCH has been awarded Tenant Participation Advisory Service (TPAS) accreditation for its work on tenant and leaseholder involvement
- Received the Sustainability Award in the 'Committed to Construction in the East Midlands' awards held by the Chartered Institute of Building
- NCH was the first organisation to achieve Rent Income Excellence Network (RIEN) accreditation for income management

9 Audit Commission Housing Inspectorate inspections

Tenant and leaseholder priorities for improvements

Tenants and leaseholders are at the centre of the Nottingham City Homes' work, with service improvements targeted on what they say is important to them. Nottingham City Homes uses a range of mechanisms to listen to tenant and leaseholder views and opinions and check that it is prioritising what is important to our residents.

As a result of this extensive consultation Nottingham City Homes has developed a corporate Plan with challenging performance targets to deliver by 2015.

	Target 2015
Overall tenant satisfaction with services delivered	86%
Tenant satisfaction that their repair has been completed right first time	85%
Lettable void properties	200
Tenant satisfaction that Nottingham City Homes listens to their views and acts on them	80%
Tenant satisfaction with the neighbourhood as a place to live	85%
Percentage of tenants who feel that Nottingham City Homes has delivered on its vision of creating homes and places where people want to live	80%
Tenant satisfaction that their rents provide value for money	87%

Section 4: Resources and risks

This is the first HRA Business Plan produced by Nottingham City Council under the new self financing arrangements.

From April 2012 Council housing is no longer funded through the subsidy system. Changes introduced in the Localism Act 2011 mean that Councils are 'self financing', i.e. they fund their services from the rents and service charges they collect and from the investment decisions they make. Freedom from the subsidy system means that Councils are able to make longer term planning and investment decisions. Self-financing allows Councils to make effective use of their housing assets and plan efficiently.

This 30 year plan underpins this long term approach to service planning and provides a long-term view of the best way to manage our stock and to invest for the future.

The reform of the HRA provides an opportunity for us to consider the long term financial position relating to Council housing, and to place it on a secure footing. This plan sets out the principles that will drive the governance of the HRA in the future.

These principles are:

1. Taking a long term view of the income for the HRA from rents and service charges to meet tenant and leaseholder priorities to manage and maintain homes and estates into the future. This will ensure the delivery of customer focused services that help create homes and places where people want to live.

2. Placing tenants and leaseholders at the heart of policy and priorities for housing services and investment in their homes.

3. Providing value for money and efficiency, by challenging ourselves to ensure the HRA is spent as efficiently and effectively as possible.

4. Making sure the plan supports the Council's strategic aims.

The resources available from self-financing alone are insufficient to undertake our ambitious programme of investment. We must manage our resources to get the best outcomes, with a commitment to seek additional funding whenever possible, to invest in our priorities.

Given the constraints on resources, and to ensure the HRA balances over the life of this plan, a number of key assumptions have been made:

- A rent convergence date of 2019/2020, thereby avoiding a steep rent increase at the beginning of this plan
- Inflation at 2.5% per annum
- Interest rates at 4.46% increasing to a long term average of 5%

Working within these assumptions the total investment available for the housing stock is £1.8bn over 30 years. The investment plan detailed in section 6 utilises the investment capability to meet tenant and leaseholder expectations.

The debt cap and headroom

Under HRA self financing the Government has paid a one off sum of £63.94m rather than an annual subsidy and imposes a borrowing debt cap.

	Final Determination £
Opening debt allocation	317.658m
HRA Subsidy Debt	383.646m
Debt to be repaid	**65.988m**
Debt Cap	**319.784m**

For 2012/2013 the debt cap is £319.784m, the debt supported by the HRA was estimated to be £286.280m at 1 April 2012 giving Nottingham an estimated borrowing headroom of £33.504m.

Resources in the HRA

Resources available to the housing service during the life of this plan include both capital sources (e.g. assets, the HRA self financing settlement and revenue streams e.g. rental income). This plan makes a number of assumptions as to how these resource streams will work over the next 30 years.

Over time these assumptions become less reliable - as factors that cannot be predicted, such as interest rate changes and new government requirements. alter the way this plan will work. However, we can be confident that the plan enables us to make decisions about investment in the medium term which has already enabled the Council to agree the capital programme to 2015.

Decent Homes Grant

The Homes and Community Agency (HCA) is responsible for delivering funding for the Decent Homes Programme. We successfully bid for a share of Decent Homes grant funding in 2011 as shown in **Table 2**.

The allocation is subject to the following:

- The programme has been extended to at least 2014/2015.
- Councils will be expected to fund the cost of making 10% of the stock decent from their own resources.

TABLE 2: Decent homes allocation to nottingham city council

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Decent Homes spend	31.554	24.864	27.577	26.081	110.076
Decent Homes grant	23.007	17.550	24.770	20.801	86.128
City Council investment in decent homes	8.547	7.314	2.807	5.280	23.948

HRA Capital Programme to 2015

The Council has approved a three year investment programme based on the priorities in this plan, balanced within the available financial resources expected during the period. The total cost of delivering Decent Homes within the city will be financed partly through the Decent Homes grant with the balance being met by the Council.

TABLE 3: Summary HRA capital programme to 2015

	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Total Investment	**50.673**	**48.278**	**40.226**	**139.177**
RESOURCES				
Capital Resources	45.976	42.778	40.226	128.980
Capital Receipts	4.697	5.500	0.000	10.197
TOTAL RESOURCES	**50.673**	**48.278**	**40.226**	**139.177**

The summary HRA capital programme for 2012/15 is shown in **Table 4** below:

TABLE 4: HRA investment summary to 2015

Description	2012/13 £m	2013/14 £m	2014/15 £m	TOTAL £m
Decent homes – secure, warm, modern	24.864	27.577	26.081	**78.522**
Nottingham standard – other works	7.746	6.080	4.942	**18.768**
Disabled adaptations	2.100	2.100	2.100	**6.300**
Cladding and energy	3.051	0.000	0.000	**3.051**
Tenant priorities	3.500	5.000	3.000	**11.500**
Decommissioning / demolitions	9.168	7.521	4.103	**20.792**
Other	0.244	0.000	0.000	**0.244**
Total	**50.673**	**48.278**	**40.226**	**139.177**

Generating additional resources

We will seek to generate additional resources to support this plan given the need to meet our aspirations.

Right to Buy (RTB) sales have been at low levels in recent years. However, the Government has recently announced higher levels of discount which is likely to result in a boost in sale numbers. Following this change we have signed up to the Government policy whereby the HRA will retain the additional capital receipts (above the assumed level) and have the opportunity to reinvest locally rather than seeing receipts pooled by the Homes and Communities Agency (HCA). Given the context of this uncertainty no assumption has been made for HRA receipts going forward to 2014/15 and beyond.

Capital receipts (other than RTB receipts) are available for reinvestment and are not subject to government pooling. The receipts may be used to finance any capital expenditure - it is the council's policy that these are used for public sector housing and we have approved the disposal of non-purpose built council houses as they become available. Expected receipts are included in the resources available for planning purposes and will be monitored closely to ensure projections reflect the latest position.

The resources available for the work we want to undertake are very close to the predicted income over the life of the business plan. The revenue streams beyond rental income will produce limited additional resources in the next few years, and whilst the capital programme is achievable we will need to look for additional capital resources to allow us to fulfil the ambitions of our tenants and our strategy.

Risk to the Business Plan

There are a number of risks that could impact on our plan.

The key ones are:

1. rental income does not keep pace with the expected levels of increase set out in the settlement and this plan
2. bad debts increase, especially with regard to welfare reform
3. we fail to secure the planned for capital receipts
4. interest rates rise considerably
5. right to buy numbers increase above the expected levels, which without the receipts being fully reinvested - would mean a loss of income not matched by a loss of costs
6. void numbers increase in future
7. the stock is not adequately maintained to a lettable standard
8. reductions in public services may increase management and maintenance costs

These risks and the assumptions that underpin them within the business model will need to be closely monitored and corrective action taken as needed.

Section 5: Investment Priorities

Investment in our homes not only improves the quality of life for our tenants, it also brings economic benefits to the community in the form of jobs.

Our Secure Warm Modern programme, whilst primarily aimed at bringing our homes up to the Decency Standard, has gone further and delivered wider community and social benefits such as helping to reduce crime, improving residents health and providing employment and training opportunities[10]. It is our intention that our programme of investment will enable us to continue to work in ways which bring additional benefits to our residents.

Tenant and leaseholder priorities

As previously detailed, extensive tenant and leaseholder consultation has resulted in a clearly focussed set of priorities for investment:

- Improved security – new composite doors and uPVC windows
- Improved energy efficiency – better insulation, lower fuel bills and reduced carbon emissions
- New kitchens and bathrooms
- Creating local jobs and apprenticeships to deliver the programme

In addition to existing tenants and leaseholders, our housing waiting list is comprised of nearly 12,000 households seeking an affordable, decent home. The supply of new homes will be key to meeting their needs.

Our planned investment is shaped around three key themes:

1. Meeting the Nottingham Homes Standard
2. Delivering additional tenant priorities
3. Decommissioning, regeneration and new build

1. Meeting the Nottingham Homes Standard

The Nottingham Homes Standard is the standard developed with our tenants and leaseholders to agree the minimum home standards for all council housing in the city.

This programme of investment will ensure that all our properties are:

- safe, and
- Secure, Warm and Modern

10 See Nottingham Trent University and Nottingham City Homes Knowledge Transfer Partnership: Decent Homes impact study: the effects of Secure, Warm, Modern homes in Nottingham. www.nottinghamcityhomes.org.uk/improving_your_home/impact_study/default.aspx

a) Safe

Our top priority will always be maintaining the safety of our homes. Along with revenue funded activities such as gas servicing, electrical and water safety testing, we will continue to invest in works which improve the safety of the existing stock. This includes:

- Asbestos replacement - which is currently high due to the invasive nature of Decent Homes works
- Fire risk reduction - particularly in our high rise blocks
- Electrical upgrades
- Smoke alarms for our most vulnerable households
- Regularly scheduled structural surveys

b) Secure Warm Modern

This plan supports the delivery of the Secure Warm Modern programme - prioritised by tenants as part of the Nottingham Standard. This standard will be achieved for all homes by 2015. This plan will make sure the standard is maintained for the 30-year business planning cycle.

- Secure: fitting double glazed windows and high security replacement composite doors (meeting the Secured by Design standard[11]) for all properties by 2013
- Warm: full boiler replacement programme by 2015 and a programme of improvements to the electrical heating in high rise blocks
- Modern: our programme of bathroom and kitchen replacement and modernisation in all properties by 2015, to ensure that decency standards are met and maintained thereafter

Major maintenance and repairs to homes are scheduled on a regular basis. The table below shows the estimated life span of each component. These life spans have been used to inform the spending decisions made in this plan.

Components average life cycle

Component	Estimated Life (years)
Roofs	50
Chimneys	60 (rebuild), 40 (repair)
Windows	30
Doors	30
Structural	60
Central heating	20 (electrical), 40 (wet distribution)
Boilers	15
Common areas	20-40

11 www.securedbydesign.com

2. Additional tenant priorities

Tenant priorities are clear in that they would like to see:

- A citywide door programme to ensure that every household has a front and back door that meets the Secured by Design standard
- energy efficiency measures helping to tackle fuel poverty
- modernising sheltered housing
- area environmental improvements

a) Citywide door programme

The top priority for tenants is a citywide Secured by Design door programme, which will have major benefits for keeping our homes secure, and reducing crime.

b) Energy efficiency / helping to tackle fuel poverty

Nottingham City Homes has already replaced most single glazed windows, inefficient boilers and topped up loft insulation where possible, as well as carried out work to insulate the walls of some of our solid wall homes. Nottingham City Homes has installed photo voltaic (PV) panels on 2,300 homes, helping to reduce the fuel bills for many of our tenants.

Despite this investment, tenants are still understandably concerned about the cost of heating their homes. Tenants are being hit by rising energy prices whilst incomes are under pressure. Nottingham City Homes will continue to find alternative heating methods for our homes and look for funding opportunities to maximise energy efficiency for our tenants and leaseholders and reduce the city's carbon footprint.

Specific areas for investment are:

- upgrade, where possible, our high rise blocks where they have expensive electrical heating systems
- linking Sneinton's three high rise blocks to the district heating system
- Combined Heat and Power (CHP) conversions at Woodthorpe and Winchester sheltered high-rise blocks
- an energy efficient cladding programme for non-traditional / solid wall construction properties – many of which face high-energy bills due to a lack of insulation.

Our actions will ensure that all our homes will have a minimum SAP[12] rating of 55 or above by 2017 with an average SAP rating of 70 per dwelling.

Nottingham City Homes and Nottingham City Council are involved in opportunities to deliver Green Deal measures. Nottingham City Homes will work to secure Energy Company Obligation (ECO) funding to help deliver these ambitions, and work with tenants and leaseholders to secure the financial benefits they can gain by changing the way they use energy.

12 SAP – BRE Standard Assessment Procedure on energy performance of a dwelling

c) Modernising housing for older people

Nottingham City Homes is modernising the services and facilities in our housing dedicated for older people with the aim of making this option more attractive and a better solution for Nottingham's future needs. Most of our current schemes will remain specifically for older persons housing and we have plans to invest in these homes accordingly. We will undertake consultation with residents on schemes to discuss possible options where we need to consider their future.

d) Area environmental improvements

We will continue to invest in our neighbourhoods through our environmental improvement programme. Each year we work with local residents and our Area Committees to determine how best to invest our £1m expenditure to achieve the greatest possible impact.

3. Decommissioning, regeneration and new build

We are committed to a significant decommissioning programme, managed by Nottingham City Homes. Moving residents from almost 1,000 homes and demolishing these properties will cost £21m and is accounted for in full in this plan.

Housing need remains high in Nottingham - the recession has had a significant impact on people's income, private sector rents are increasing, and new housing association tenancies will be let at higher rent levels (Affordable Rent). With nearly 12,000 households on our housing register we are committed to building new affordable homes in the city, including building new Council housing to replace those being demolished with better designed, environmentally friendly new homes. We will ensure that all new developments meet all surpass appropriate standards, legislation and guidance including for such matters as radon protection, accessibility and thermal efficiency. We are especially committed to building new family homes, and bungalows, and this plan commits £35m to develop at least 350 much needed new homes.

As well as new build we are keen to support initiatives such as tackling empty homes in private ownership on our estates, and exploring ways of buying back properties sold under the Right to Buy where this will help create more sustainable communities in the longer term.

Appendix 2 shows a full breakdown of the HRA Capital Programme between 2012 and 2017 based on this 30 year investment plan.

Repairs and maintenance

In addition to the capital investment detailed above, we expect to deliver a 'right first time' repairs service that secures high levels of satisfaction from tenants.

This plan will fund a repairs programme of £932m over the 30 year period. At current demand levels, this will include a responsive repairs service at a cost of £417m; a programme of planned repairs of £175m; empty property repairs of £232m and public realm works of £108m.

Over the next five years we will increase our planned programmes by 10% by reducing the need for responsive works. The repairs service will further improve customer satisfaction and deliver faster repairs through continued investment in mobile working technology, improved transportation solutions and implementing best practice.

Section 6: Consultation

This plan has been developed with tenants and leaseholders including:

- our 'STAR' tenant satisfaction survey
- tenant representatives on the Board of Nottingham City Homes
- listening to staff who work with tenants and leaseholders on a daily basis
- open consultation events such as 'Building our Future Together' to help determine investment priorities
- consulting tenant groups, including specialist forums for ethnic minority and disabled customers
- asking for views in the Nottingham City Homes tenant newsletter - 'News from Nottingham City Homes' and through the Nottingham City Homes website
- a mailshot to every tenant and leaseholder asking their views on service and investment priorities

In addition to talking to tenants and leaseholders, consultation on this plan has taken place with our partners through the Housing Strategic Partnership.

Tenant and Leaseholder Engagement in delivering this plan

All leaseholder consultation on planned works to homes is undertaken when the timing and costs of the work are known, thereby ensuring that leaseholders have all the information they need to be able to discuss this work properly. There is a statutory process detailing consultation with leaseholders at the start of any major work programme, where it affects their properties. Leaseholders are updated and consulted at regular intervals throughout the process.

We have adopted a range of innovative approaches to engagement and consultation, including our nationally recognised team of over 50 tenant inspectors and our Resident Procurement Group helping to ensure value for money in the products we buy. A key element of our approach for the future is the development of our Tenant Academy to engage, enthuse and equip residents to deliver effectively on resident led self-regulation and participation.

Nottingham City Homes is implementing an enhanced tenant and leaseholder involvement strategy which ensures customers are leading on service reviews and determining a 4* standard of excellence for the future

We see the development of tenant scrutiny as central to our approach of self improvement and transparency. Nottingham City Homes' Customer Excellence Panel will serve to give tenants and leaseholders collective power whilst remaining independent from other governance structures. This group will oversee a programme of scrutiny, commissioning work across all areas of Nottingham City Homes' activities. This structure will be supported by a range of engagement activities including mystery shopping, tenant inspection, performance review and service specific reviews/forums.

These mechanisms will help ensure that the delivery of the Business Plan continues to meet tenants and leaseholders expectations into the future.

Section 7: Conclusion

The advent of HRA self financing together with good financial management, and the planned rent increases to meet the convergence level by 2019, will ensure adequate resources to sustain a long term approach to investing in Nottingham's Council housing. This plan provides a strategic investment framework to ensure the Council can meet the expectations of current and future tenants and leaseholders and maintain the decent homes standard over the next 30 years.

There will be, however, a number of challenges to the HRA in the medium and long term. These include the risks associated with maintaining rent levels, minimising arrears in the light of welfare reform and uncertainty over right to buy levels. This plan will require close monitoring and response to any changes in the underlying assumptions to ensure we remain on track to deliver homes and places where people want to live.

Appendix 1 – Modelling and Stock Evaluation Models

Stock Performance - Net Present Value (NPV) Calculation

Using the stock data, NCH has produced an assessment tool to assist in the decision making on the Council's stock. The original model was developed with advice from other consultants in October 2010 but has been refined using NCH's own Keystone database capability and by integrating data on stock performance where this is available.

Net Present Value (NPV) is a central tool in discounted cash flow (DCF) analysis, and is a standard method for using the time value of money to appraise long-term management of assets and capital budgeting. It measures the excess or shortfall of cash flows, in present value terms, once the inherent costs are met. Some assumptions, such as the annual DCF are made in order to determine the most likely NPV.

HRA Self Financing makes it essential that there is awareness of the likely NPV of property to inform decision making and ensure the affordability of the HRA in future years. It also allows a more 'active' approach to asset management where the goal moves from a passive approach keeping the current stock at the current standard to gradual and affordable replacement and improvement.

In addition to the 30 year replacement costs from the Keystone Asset Management System, a maintenance cost and a prescribed life cycle (taken from the CIPFA/CLG guidelines on life cycle replacement) are added plus NCH housing management costs. Income from the properties over the same time frame is also calculated including rental income, service charges and other incidentals.

All calculations apply to all of the stock with the exception of some known costs from other surveys, non traditional property cladding costs and other high rise and sheltered structural costs.

Income and costs are then calculated using a DCF rate and an NPV is created for each property.

The hierarchy of the stock can then be used to get an NPV level by whole stock, area, estate, ward or a more individual area such as a sheltered scheme. It is also available per individual property.

Clearly decisions on the investment of the stock will not be taken on a purely commercial basis. To assist consultation and decision making, we have assessed the available quantitative information and added some qualitative judgement from the NCH Housing Management team to indicatively rate stock on its performance and desirability.

The inputs to this are the quantitive data on tenancy duration and stock turnover during the past five years taken from the Northgate IT system. Home and Neighbourhood satisfaction is taken from the STATUS[13] survey (09/10). A deprivation assessment is taken from the Census 2010.

A housing management assessment of the 'on the ground manageability' of the estate (taking into account such matters as anti social behaviour levels and tenancy and neighbourhood issues) is used and the stock is rated from calculations based upon the above.

13 The standard measure of customer satisfaction for Councils until 2010

Energy Performance

In addition to the NPV and stock performance data, we have also collected energy performance information which can also be used within the model to sense check investment decisions which have an energy impact.

Investing council funding in stock which has a very low SAP rating may not be the right decision due to incoming legislation and funding such as the Energy Company Obligation[14] (ECO) from which external funding may be available from October 2012.

How we have managed and used the information

Financial analysis was compiled to establish the Net Present Value of retaining and maintaining those properties across a 30 year period i.e. a calculation in today's prices of the net investment required, or surplus produced, over 30 years. NCC and NCH worked in partnership to develop a list of properties where the NPV indicated that investment would not make strong financial sense and demolition and replacement should be considered.

On the basis of this information, it was agreed at NCC Executive Board to propose to demolish nearly 1000 high negative end NPV properties which was included in the pre self financing debt allocations made by the CLG.

The stock condition and NPV data was also a key factor in informing the council's initiative to build new council houses over the five years from April 2012, i.e. new build properties have a positive impact on the 30 year cost model.

14 A potential source of funding for insulation and cladding works which will come from energy providers. This legislation is still passing through parliament.

HRA Business Plan - Investment Strategy
HRA Capital Programme

30 YEAR BUSINESS PLAN INVESTMENT STRATEGY

NCH Programme / Project	5 Year Programme	Major Repairs	Garages	Communal electrics	Asbestos	Disabled adaptations	Major voids	Environ-ment	Other	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Decent Homes										103,762
Nottingham Secure	10,480	10,480								0
Modern Living	41,520	41,520								0
Warmth for Nottingham	9,400	9,400								0
Roof and Chimney Replacement	18,816	18,816								0
Externals (Properties)	17,625	17,625								0
Garage Demolitions	200		200							0
Decent Homes Mgt Fee	5,721	5,721								0
Decent Homes Totals	**103,762**	**103,562**	**200**	**0**						

NCH Programme / Project	5 Year Programme	Major Repairs	Garages	Communal electrics	Asbestos	Disabled adaptations	Major voids	Environ-ment	Other	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**
Nottingham Standard										
Outbuilding Essential Works	2,875		2,875							
Sanctuary Project	325	325								
CCTV City Wide	200			200						
Fire Alarm Installations	60			60						
Smoke Alarms	1,000			1,000						
Replacement Care Alarms	75			75						
Safe & Security City Wide	5,000	5,000								
CESP Enabling Works	50	50			0	0	0	0	0	**103,762**
Wall Pointing Essential Works	9,550	9,550								
Top Valley Environmentals	580							580		
Paving & Lighting On Estates	250							250		
Paving Works - Area Committee	1,800							1,800		
Asbestos Works	5,500				5,500					
Major (Capital) Void Works	10,000						10,000			
HRA Shop Investment Strategy	100	100								
Lift Replacement Programme	170			170						
Warden Aided Decommissioning	1,000								1,000	
Communal Facilities Additional	703			703						
City Wide Environmentals	5,000							5,000		
Nottingham Standard Totals	**44,238**	**15,025**	**2,875**	**2,208**	**5,500**	**0**	**10,000**	**7,630**	**1,000**	**44,238**

NCH Programme / Project	5 Year Programme	Major Repairs	Garages	Communal electrics	Asbestos	Disabled adaptations	Major voids	Environ-ment	Other	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Disabled Adaptations										
Adaptations	10,000					10,000				
PAD Preventative Adaptations	500					500				
	10,500	**0**	**0**	**0**	**0**	**10,500**	**0**	**0**	**0**	10,500
Cladding and energy efficiency										
Cranwell / Meadows Cladding	2,500	2,500								
	2,500	**2,500**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,500**
Additional Tenant Priorities										
No Fines Upgrades	10,000	10,000						250		
BISF Upgrades	2,500	2,500						1,800		
Timber to PVCu Windws	1,000	1,000			5,500					
Composite Doors CityWide	10,000	10,000					10,000			
Sheltered Redesign	1,500	1,500								
Sneinton District Heating	3,000	3,000		170						
Electrical HiRise Heating to CHP	1,000	1,000							1,000	
Additional Tenant Priorities Total	**29,000**	**29,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**29,000**

NCH Programme / Project		5 Year Programme	Major Repairs	Garages	Communal electrics	Disabled adaptations	Major voids	Environ-ment	Other	Total
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**
Demolition Decomission										**20,119**
Garage Site Demolitions	481								481	
983 - Rehousing Costs	7,000								7,000	
983 - Leaseholder Costs	2,740								2,740	
983 - LH Retail Costs (St Anns)	210								210	
983 - Demolition Costs	7,187								7,187	
983 - Security and Cl Tax Costs	2,500								2,500	
Decom/Demo Total	**20,119**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**20,119**	
5 Year Programme TOTAL	**210,119**	**150,087**	**3,075**	**2,208**	**10,500**	**10,000**	**7,630**	**21,119**	**545**	**1,151,445**
Remainder of 30 Year Programme (at current prices)		**994,689**	**11,925**	**13,666**	**49,500**	**50,000**	**22,370**	**545**	**21,664**	**1,361,564**
30 Year Investment Programme (at current prices)		**1,144,776**	**15,000**	**15,874**	**60,000**	**60,000**	**30,000**	**21,664**	**0**	**457,160**
Add inflation		**393,940**	**4,078**	**5,385**	**19,853**	**19,853**	**10,176**	**0**	**21,664**	**1,818,724**
30 Year Investment Programme (with inflation)		**1,538,716**	**19,078**	**21,259**	**79,853**	**79,853**	**40,176**	**21,664**		

		Income	Expenditure							
Year	Year	**Total Income**	Manage-ment	Repairs	Depreciation	Direct Revenue Financing	Capital Charges	**Surplus (Deficit) for the Year**	**Surplus B/fwd**	**Surplus C/fwd**
		£,000	£,000	£,000	£,000	£,000	£,000	**£,000**	**£,000**	**£,000**
1	2012.13	**100,198**	(34,150)	(21,603)	(25,702)	(3,600)	(14,074)	**1,070**	**3,000**	**4,070**
2	2013.14	**104,257**	(35,028)	(22,034)	(26,081)	(5,500)	(14,070)	**1,543**	**4,070**	**5,613**
3	2014.15	**108,052**	(35,929)	(23,076)	(26,473)	(9,834)	(14,025)	**(1,285)**	**5,613**	**4,328**
4	2015.16	**111,490**	(36,854)	(23,473)	(26,762)	(6,986)	(13,979)	**3,436**	**4,328**	**7,764**
5	2016.17	**114,054**	(37,802)	(23,897)	(26,964)	(7,208)	(13,933)	**4,250**	**7,764**	**12,014**
6	2017.18	**117,056**	(38,775)	(24,413)	(27,345)	(17,827)	(13,888)	**(5,190)**	**12,014**	**6,823**
7	2018.19	**120,311**	(39,773)	(24,986)	(27,943)	(15,755)	(13,874)	**(2,019)**	**6,823**	**4,804**
8	2019.20	**123,589**	(40,796)	(25,573)	(28,555)	(14,663)	(13,927)	**75**	**4,804**	**4,878**
9	2020.21	**126,940**	(41,846)	(26,174)	(29,179)	(15,600)	(14,006)	**135**	**4,878**	**5,013**
10	2021.22	**129,994**	(42,924)	(26,789)	(29,817)	(16,285)	(14,067)	**112**	**5,013**	**5,126**
11	2022.23	**133,848**	(44,029)	(27,418)	(30,469)	(17,690)	(14,119)	**124**	**5,126**	**5,250**
12	2023.24	**137,427**	(45,163)	(28,061)	(31,134)	(18,781)	(14,152)	**135**	**5,250**	**5,385**
13	2024.25	**141,097**	(46,326)	(28,720)	(31,814)	(19,872)	(14,155)	**209**	**5,385**	**5,594**
14	2025.26	**144,859**	(47,519)	(29,395)	(32,508)	(21,072)	(14,127)	**238**	**5,594**	**5,833**
15	2026.27	**148,725**	(48,743)	(30,085)	(33,218)	(21,531)	(14,081)	**1,068**	**5,833**	**6,901**
16	2027.28	**152,676**	(49,999)	(30,791)	(33,942)	(24,835)	(14,036)	**(926)**	**6,901**	**5,975**
17	2028.29	**156,719**	(51,287)	(31,513)	(34,682)	(25,124)	(13,996)	**117**	**5,975**	**6,092**
18	2029.30	**160,886**	(52,609)	(32,253)	(35,437)	(25,928)	(13,956)	**703**	**6,092**	**6,794**
19	2030.31	**165,175**	(53,965)	(33,010)	(36,209)	(26,493)	(13,910)	**1,589**	**6,794**	**8,384**
20	2031.32	**169,581**	(55,356)	(33,784)	(36,997)	(27,069)	(15,388)	**988**	**8,384**	**9,371**
21	2032.33	**174,071**	(56,783)	(34,577)	(37,801)	(30,466)	(15,337)	**(893)**	**9,371**	**8,478**
22	2033.34	**178,664**	(58,247)	(35,388)	(38,623)	(31,128)	(15,286)	**(7)**	**8,478**	**8,471**
23	2034.35	**183,399**	(59,749)	(36,218)	(39,463)	(31,804)	(15,235)	**931**	**8,471**	**9,402**
24	2035.36	**188,282**	(61,290)	(37,067)	(40,320)	(32,494)	(15,184)	**1,927**	**9,402**	**11,329**
25	2036.37	**193,316**	(62,870)	(37,937)	(41,195)	(33,199)	(15,133)	**2,982**	**11,329**	**14,311**
26	2037.38	**197,097**	(64,492)	(38,826)	(42,089)	(37,556)	(15,082)	**(949)**	**14,311**	**13,362**
27	2038.39	**202,287**	(66,156)	(39,737)	(43,002)	(38,370)	(15,031)	**(8)**	**13,362**	**13,353**
28	2039.40	**207,638**	(67,863)	(40,668)	(43,934)	(39,202)	(14,980)	**991**	**13,353**	**14,344**
29	2040.41	**213,153**	(69,614)	(41,622)	(44,886)	(40,051)	(14,929)	**2,051**	**14,344**	**16,395**
30	2041.42	**218,837**	(71,411)	(42,597)	(45,859)	(40,917)	(14,878)	**3,175**	**16,395**	**19,570**
Total		**4,623,679**	(1,517,347)	(931,683)	(1,028,405)	(696,839)	(432,836)	**16,570**		

		Expenditure			Financing				
Year	Year	Major Repairs	Planned & Other Works	**Total Expenditure**	Borrowing	Other	Major Repairs Reserve	Direct Revenue Financing	**Total Financing**
		£,000	£,000	**£,000**	£,000	£,000	£,000	£,000	**£,000**
1	2012.13	46,912	11,285	**58,198**	1,846	27,050	25,702	3,600	**58,198**
2	2013.14	50,863	10,988	**61,851**	0	30,270	26,081	5,500	**61,851**
3	2014.15	45,929	11,179	**57,108**	0	20,801	26,473	9,834	**57,108**
4	2015.16	22,401	11,348	**33,749**	0	0	26,762	6,986	**33,749**
5	2016.17	22,642	11,530	**34,172**	0	0	26,964	7,208	**34,172**
6	2017.18	38,378	6,793	**45,171**	0	0	27,345	17,827	**45,171**
7	2018.19	38,132	6,942	**45,074**	1,376	0	27,943	15,755	**45,074**
8	2019.20	38,966	7,216	**46,183**	2,965	0	28,555	14,663	**46,183**
9	2020.21	39,819	7,451	**47,269**	2,490	0	29,179	15,600	**47,269**
10	2021.22	40,689	7,614	**48,303**	2,200	0	29,817	16,285	**48,303**
11	2022.23	42,439	7,780	**50,219**	2,060	0	30,469	17,690	**50,219**
12	2023.24	43,366	7,950	**51,316**	1,400	0	31,134	18,781	**51,316**
13	2024.25	44,312	8,123	**52,436**	750	0	31,814	19,872	**52,436**
14	2025.26	45,279	8,301	**53,580**	0	0	32,508	21,072	**53,580**
15	2026.27	46,267	8,482	**54,748**	0	0	33,218	21,531	**54,748**
16	2027.28	50,440	8,337	**58,777**	0	0	33,942	24,835	**58,777**
17	2028.29	51,539	8,519	**60,057**	252	0	34,682	25,124	**60,057**
18	2029.30	52,661	8,704	**61,365**	0	0	35,437	25,928	**61,365**
19	2030.31	53,808	8,894	**62,701**	0	0	36,209	26,493	**62,701**
20	2031.32	54,978	9,087	**64,066**	0	0	36,997	27,069	**64,066**
21	2032.33	58,982	9,285	**68,267**	0	0	37,801	30,466	**68,267**
22	2033.34	60,264	9,487	**69,751**	0	0	38,623	31,128	**69,751**
23	2034.35	61,574	9,693	**71,266**	0	0	39,463	31,804	**71,266**
24	2035.36	62,911	9,903	**72,814**	0	0	40,320	32,494	**72,814**
25	2036.37	64,276	10,118	**74,395**	0	0	41,195	33,199	**74,395**
26	2037.38	69,308	10,338	**79,645**	0	0	42,089	37,556	**79,645**
27	2038.39	70,810	10,562	**81,372**	0	0	43,002	38,370	**81,372**
28	2039.40	72,345	10,791	**83,136**	0	0	43,934	39,202	**83,136**
29	2040.41	73,912	11,025	**84,937**	0	0	44,886	40,051	**84,937**
30	2041.42	75,513	11,263	**86,776**	0	0	45,859	40,917	**86,776**
Total		1,539,716	278,987	**1,818,703**	15,339	78,121	1,028,405	696,839	**1,818,703**

BLANK PAGES

BLANK PAGES

BLANK PAGES



Nottingham
City Council