

HOUSING REVENUE ACCOUNT BUSINESS PLAN 2014 - 19



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA

WHY HAVE A BUSINESS PLAN?

- ❑ Move to Self-financing - Council is able to more accurately predict levels of income giving more certainty over capital resources we have to spend on the stock
- ❑ The HRA Business Plan has now been completed for 2014 – 2019 which sets out:
 - the priorities and investment requirements for the Council's housing stock over the next 5 years
 - opportunities to regenerate the stock and provide additional units
 - the potential sources of funding to deliver the Business Plan over the medium term.
- ❑ To do this we will be using the information from the:
 - stock condition survey & manual updates
 - emerging Asset Management strategy



The Need to Spend

- ❑ The Business Plan will be supported by an asset management strategy in the future which is currently being finalised with the TMO
- ❑ This will establish investment priorities using the recent stock condition survey which has identified capital expenditure requirements of £1.4bn over the next 30 years
- ❑ The estimated cost over the next 5 years to deliver the proposed investment standard is approximately £100 million
- ❑ A funding gap of at least £30 million and options for addressing this shortfall will be identified in future versions of the Business Plan



For 2014/15 the Plan recommends that:

- ☐ Capital resources of £10m are allocated to the 2014/15 capital programme
- ☐ Borrowing headroom is not used to fund maintenance works, including the backlog but to fund regeneration or the development of affordable housing
- ☐ Consideration is given to selling a small number of properties on the open market thereby releasing capital receipts which could be used to increase the Capital Programme to fund new and additional units
- ☐ The focus is ensuring the statutory minimum standards of decency are maintained



Capital Programme 2014-15

Trellick:	£200k
Aids/adaptations:	£200k
Domestic electrics:	£160k
Communal electrics:	£160k
Domestic heating /improvements:	£150k
Door entry systems:	£100k
Environmental:	£100k
Kitchens/bathrooms:	£2,651,546
Lifts:	£306k
Communal heating:	£1m
Fire safety:	£200k
Roof Renewal & external elemental renewals:	£3,550,000
Design Fees:	£250k
Commercial Properties:	£100k
Capitalised Salaries:	£525k
Capitalised Repairs & Minor Repairs:	£350k
TOTAL:	£10,002,546

