

Annex 2

Financial modelling of additional Intensive Housing Management costs offset by increased service charge

all figures in £000

Year	Additional staffing costs	provision for voids and bad debt	total Additional Costs	income from tenants in new scheme	income from HB eligible tenants in existing scheme	income from self paying tenants in existing scheme	Total income	(Surplus)/deficit
2017/18	78	2	80	(42)	0	0	(42)	38
2018/19	190	13	203	(111)	(136)	(4)	(250)	(47)
2019/20	190	13	203	(111)	(140)	(7)	(257)	(54)
2020/21	190	13	204	(111)	(144)	(9)	(263)	(60)
2021/22	190	13	204	(111)	(148)	(10)	(269)	(65)
2022/23	190	14	204	(111)	(152)	(10)	(273)	(69)
2023/24	190	14	204	(111)	(156)	(10)	(277)	(73)
2024/25	190	14	204	(111)	(164)	(6)	(281)	(77)
2025/26	190	14	205	(111)	(168)	(3)	(283)	(78)
2026/27	190	14	205	(111)	(168)	(4)	(283)	(79)
2027/28	190	14	205	(111)	(173)	0	(283)	(79)

Assumptions:

Costs

Social Care staffing - additional 198 hours per week at £17.35/hr (Grade 5 plus on costs and provision for shift allowances, sickness etc)

Housing staffing - additional 14 hours per week at £17.35/hr

NB Housing and Social Care staff are already providing an element of Intensive Housing Management within their existing budgets. This models the additional costs arising from the decision to reprovide the service in this manner

5% of the anticipated extra income has been budgeted to provide for the cost of void properties and unpaid charges

Income

Tenants in the new extension will pay the full service charge immediately - this applies to 27 customers

Tenants in the existing building will not pay any additional charge in 1718.

Housing Benefit eligible tenants in the existing scheme will pay the full service charge from 1st April 2018 - there are 33 tenants currently

Self paying tenants in the existing scheme will have their service charge increased by £8 annually from 1st April 2018

- there are 9 such tenants currently

It is assumed that the number of self payers will reduce by one annually and those eligible for Housing benefit will increase by one annually when modelling the likely impact

Surplus / Deficit

The deficit in 2017/18 will be met from and has been modelled into the Older Person's Accommodation Programme financial model

The surplus generated thereafter will be used to offset the existing cost of Intensive Housing Management that Social Care staff already provide within their base staffing establishment.