STATES OF JERSEY

THE REFORM OF SOCIAL HOUSING (P.33/2013): SECOND AMENDMENT

Lodged au Greffe on 16th April 2013
by Deputy G.P. Southern of St. Helier

STATES GREFFE

PAGE 2, PARAGRAPH (a)(iii) –

For paragraph (a)(iii) substitute the following paragraph –

> "(iii) a rent policy of returning rents to a maximum of 82% of private sector rent levels, with the annual financial return by the new Company to the States being capped beyond 2015 at the 2015 level".

DEPUTY G.P. SOUTHERN OF ST. HELIER

REPORT

The Housing Transformation Plan, which is a response to the Review of Housing conducted by Professor Whitehead in 2009, sets out to achieve a number of apparently laudable aims, namely –

1. That a new Strategic Housing Unit be established to co-ordinate a long-term housing strategy.

2. That a new Social Housing Regulator is established to ensure that tenants' best interests are protected and that public investment in social housing delivers optimal value for money.

3. That a new, not-for-profit, wholly States-owned Housing Company is established to improve the States-owned social housing stock and with the financial capacity to develop new social housing when required on a sustainable basis.

4. That social housing rents are returned to near market fair rent levels to ensure that tenants who can afford to do so, pay a fair rent.

This amendment is only concerned with the proposals which address the setting of rent levels and the business model proposed. The figure of 82% of private sector rent levels is chosen because it is the level to which the current "fair rents" is currently funded.

What is social housing?

I take my definition from Shelter UK.

Social housing is housing that is let at low rents and on a secure basis to people in housing need. It is generally provided by councils and not-for-profit organizations such as housing associations.

A key function of social housing is to provide accommodation that is **affordable** to people on low incomes. Rents in the social housing sector are kept low through state subsidy. The social housing sector is currently governed by a strictly defined system of rent control to ensure that rents are kept affordable.

In a relatively recent decision, local authorities and other social housing providers have been required to move to "affordable" housing provision, following a reduction in central government grants.

What's the difference between social rent and affordable rent?

Market rent is the rent that private landlords charge in an area. Social rent is set at **between 40% and 60% of market rent levels** and residents have a lifetime tenancy. That means they can stay in their home for as long as they want, providing they don't break the terms of their tenancy agreement, which could lead to them being evicted.

Affordable rent is set according to market conditions – **up to 80% of market rent levels**. Most new residents will also have a fixed-term tenancy, usually for 5 years. In most cases it will be renewed. All residents in sheltered and supported homes will still have lifetime tenancies.

UK Social rent levels

By way of illustrating the range of rent levels in the changing UK market, I reproduce here weekly rents from UK providers for comparison with Jersey (Jersey rents in brackets).

Notting Hill: Housing has introduced caps that are fixed below the 80% level to make sure that residents can afford them –

- One-bedroom homes – £220 (£162 – £183)
- Two-bedroom homes – £225 (£203 – £240)
- Newly built three-bedroom or larger homes – £230 (£231 – £267).

Lambeth: The planning committee… approved the plans from Barratts Homes to change the provision of 48 homes at their Coldharbour Lane development from "social" housing provision to "affordable". The change means that the flats will cost Lambeth's poorest residents about 20% more. Under the changes, a four-bedroom flat will go from £166.39 to £202.70 per week (Jersey £245) and a two-bedroom from £149.74 to £192.88 (Jersey £203).

Cambridge: A government proposal that new social housing tenants should pay 80% of market rents in Cambridge has been condemned by the city council. Currently the city's council tenants pay 40% of the market rent, while its social housing tenants pay 60%. "80% of a market rent for a two-bedroom house is over £700 (Jersey £960) a month," said John Marais, who represents council tenants.

Basingstoke: Social housing might not be as affordable for you as it used to be as rents are likely to increase – for example –

- affordable rent on a three-bedroomed house £165 per week – the social rent would be £110 (Jersey £267.05) per week
- affordable rent on a two-bedroomed house is £128 per week – the social rent is £85 (Jersey £239.40) per week.

It is worth noting that in most cases rents (including those in London) are set significantly below the levels of rents in Jersey.

In moving from social rent levels to "affordable" rents, the UK government has set a cap of 80% of local private market rents. This level is designed to meet 2 criteria –

1. to be affordable to tenants, and
2. to be financially sustainable.

One has to ask why the Minister, given Jersey's high rent levels, is proposing a cap of 90% of market rents. If the UK authorities can produce sustainable provision of rental housing at 80%, then Jersey should surely be able to come up with a model that delivers at those rates.

As is demonstrated below, the inability of the Housing Transformation Plan to match the level of the cap in the UK, and the need for rent levels as high as 90% of the market, can largely be put down to failure of the Minister to address the issue identified by Professor Whitehead as the central flaw in the provision of social rental housing – the return of significant sums to the Treasury.

The prime task of the Minister for Housing, as set out in the Strategic Plan 2012, is to ensure that *"All island residents are housed adequately."* In adopting this aim, the minister has accepted that "*The provision of housing is a major challenge for the island in the face of increased demand.*"

The growing demand for social rented housing in particular is reflected, not only in the 2013 – 2015 Housing Needs Survey, but also in the increase in the Housing Gateway waiting lists recently. It is somewhat surprising then to discover that the Housing Transformation Plan (HTP), which contains projections for the next 30 years, fails to give any space to discussion of population and immigration levels that will have a direct impact on demand for housing over this period. The absence of any attempt to make proper use of the extensive population modelling produced by the Statistics Unit in the HTP to discuss potential demand is lamentable. This was noted by the Scrutiny Sub-Panel in its key findings (S.R.6/2013) –

> ***"The present reforms are not sufficient to make any meaningful contribution to the future provision of affordable and social housing. The demand for social housing has increased in recent years, yet the proposals do not explicitly state how this need can be met by the proposed Housing Company or any other Social Housing Provider."*** **Section 9**

Apart from this failure to produce any realistic projections of housing demand and the means to meet potential need, the content of P.33/2013, The Reform of Social Housing, and R.15/2013, States of Jersey Housing Transformation Programme: Full Business Case, contains 2 interlinked and fundamental flaws, namely –

- the failure to address the historic requirement to fund rental subsidy schemes, which in turn results in –
  - the inability to produce a sustainable business plan for affordable housing at a rate less than 90% of market rents.

Rental subsidies

Prior to the introduction of the Income Support System in 2008, the Housing Department was responsible for administering rent rebate and rent abatement to tenants on low incomes. When the Income Support System was brought in, in January 2008, the Housing Department which operated the Rent Abatement and Rebate schemes subsequently had the budget (and cost) for them transferred to Social Security.

This amounted to £24 million, turning the Housing Department into a net income budget which was effectively then "redirected" through the Consolidated Fund to Social Security to part-fund the cost of Income Support. The Treasury maintains that, as a result of these changes, the direct link between the Housing element of support and funding has been broken (i.e. there is no explicit link between the amount of money paid to States' tenants for housing costs through Income Support and the payment made from the Department to the Treasury). Nonetheless, many still regard the "return to Treasury" as funding the Income Support rental component. The inexorable growth of rent abatement and private sector rebate is illustrated here in Table A.

Table A: Growth of rental subsidies 1991 – 2011

Year	*States abatement £, m*	*Private rebate £, m*	*Total subsidy £, m*	*Year*	*States abatement £, m*	*Private rebate £, m*	*Total subsidy £, m*
1991	7.1	1.3	8.4	2002	15.3	6.5	21.8
1992	9.0	2.5	11.5	2003	16.3	7.4	23.7
1993	10.0	2.1	12.1	2004	16.2	8.1	24.3
1994	10.5	3.4	13.9	2005	16.1	8.5	24.6
1995	10.5	4.2	14.7	2006	15.2	8.5	23.7
1996	10.8	5.2	16.0	2007	14.8	9.1	23.9
1997	11.2	5.3	16.5	2008			
1998	11.8	5.1	16.9	2009			22.7
1999	12.3	5.2	17.5	2010			24.1
2000	13.3	5.5	18.8	2011	13.7	10.7	24.4
2001	13.9	6.0	19.9	2012			

Data extracted from States Financial Reports and Accounts

Many thought that the Housing Transformation Plan presented the opportunity to address the growing expenditure on housing subsidies, which form a significant part of the total Income Support bill, as can be seen below in Table B.

As is demonstrated below in this report, not only has this opportunity been ignored, but the measures proposed by the Minister in his plan significantly increase the level of rental subsidies needed to protect social rental tenants from hardship.

Table B: Income Support: rental components

Component	*States Housing*	*Trust*	*Private/Other*	*Total*
Adult	£9,935,000	£2,024,000	£9,751,000	£21,710,000
Single Parent	£1,014,000	£256,000	£543,000	£1,813,000
Child	£3,650,000	£929,000	£1,749,000	£6,328,000
Household	£4,192,000	£831,000	£2,662,000	£7,685,000
Rental	£13,719,000	£3,101,000	£7,605,000	£24,425,000
Other	£2,267,000	£381,000	£2,331,000	£4,979,000
Total	£34,777,000	£7,522,000	£24,641,000	£66,940,000

The problem with the maintenance of the “Return to Treasury” policy is demonstrated by the figures given in the HTP Financial Business Case presented on page 45 of the report attached to P.33/2013, produced here as Table C.

Table C: Financial Business Case: Summary

Income Statement	**Years**						
	1-5	**6-10**	**11-15**	**16-20**	**21-25**	**26-30**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Rental income	240	340	430	530	655	812	3,007
Expenditure including depreciation	-183	-188	-221	-255	-335	-390	1,572
Net profit before finance costs	57	152	209	275	320	422	1,435
Interest on borrowing	-20	-46	-30	-6	–	–	-102
Profit after finance costs	37	106	179	269	320	422	1,333
Depreciation charge included in the above	89	116	129	142	157	175	808
Profit excluding depreciation charge	126	222	308	411	477	597	2,141
Return to States of Jersey	-153	-182	-216	-256	-304	-361	-1,472
Net profit excluding depreciation charge	-27	40	92	155	173	236	669

This table demonstrates why the model proposed is not viable, let alone sustainable. The “return to States of Jersey”, at £1,472 million, amounts to almost half of the £3,000 million rental income of the housing company over the 30 years presented.

P.33/2013 presents several of the key points made by Professor Whitehead in her review of Social Housing in 2009. I highlight here just one of these –

- ***“the current balance of income and expenditure is only met by running down the condition of the(States housing) stock”;***

The viability of housing finance was further explored by Professor Whitehead thus –

“2.12. Professor Whitehead considered that the Property Plan was a response to the constraints of a situation created by the combination of the policy of only funding investment from revenue, rather than from borrowing***, and the requirement for the Housing Department to make a significant annual return to the Treasury which left insufficient revenue to address the annual repair needs of the stock*** [my emphasis].”

The Housing Department budget

"The vast majority of Housing Department income comes from tenants' rents. Gross rent income in 2008 was £33m. The annual expenditure on the running costs of managing and maintaining the housing stock are £11m. As a result, there is a substantial surplus of gross rents over costs of £22m. This is paid into the States' central budget.

The States have recognised that annual expenditure of £11m. is insufficient to ensure the adequate repair and modernisation of the States' housing stock, and this has resulted in the backlog identified in the Property Plan."

This backlog was estimated at £75 million in 2006, but has been reduced by several fiscal stimulus projects to around £48 million today. The chronic shortfall is described as £2.5 million for responsive repairs and £5 million for planned maintenance and improvements annually. The mechanisms available to meet this shortfall are –

- Reduced payment to the centre
- Rent increases
- Sales of properties
- Borrowing.

It is notable that the proposals brought forward by the Minister for Housing pay no attention to the first of these 4 solutions, and yet the leakage of £26 million (and rising) from the Housing Department's rental income has surely been a fundamental block to the creation of a viable and sustainable plan for housing in the past, and remains so now.

The income and expenditure figures, along with the contribution of Income Support, are illustrated in Figure A.15 of the Whitehead report as follows –

Rent income and the Housing Department budget

"In 2007, the Housing Department expended a total of some £32.3 million, of which some £10.3m was spent on the management and maintenance of the housing stock. The balance, a surplus of some £24.3m, was transferred to the States Treasury.

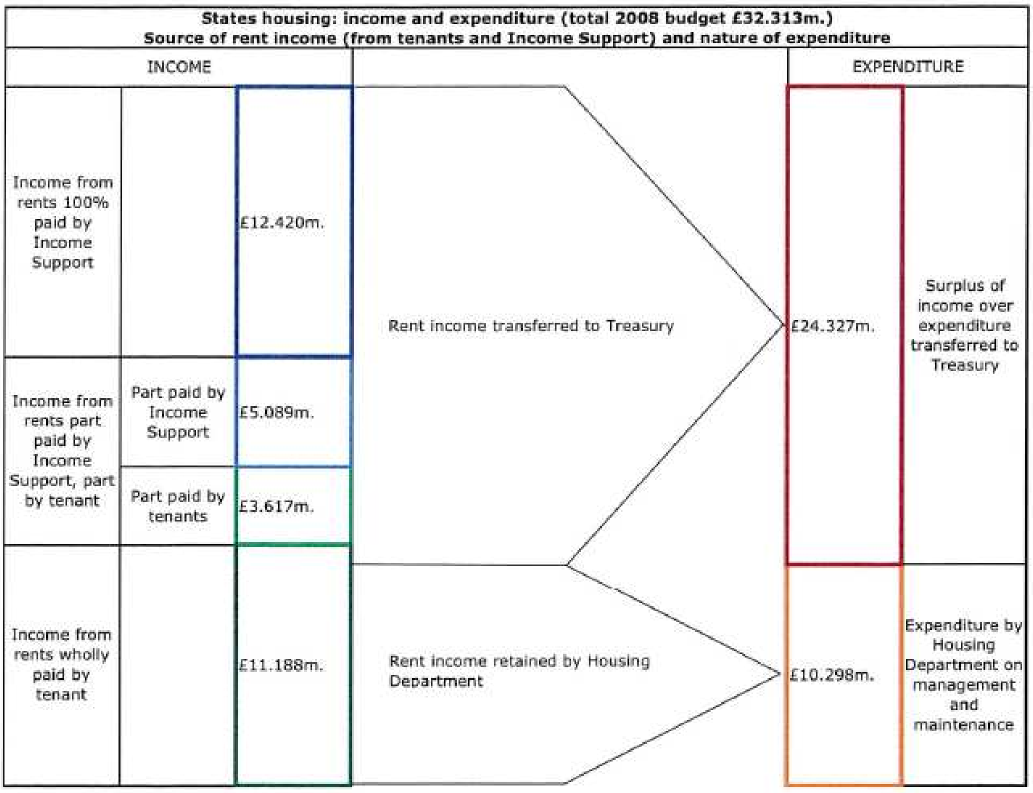
Figure A.15 clarifies where the income came from, and what it was spent on.

The Figure shows that of the total income from rents of £32.3m, some £17.5m came from Income Support, and some £14.8m was collected from tenants.

The total payment of Income Support to tenants, of £17.5m, was less than the surplus of income over expenditure on managing or maintaining the housing stock that was transferred to the States Treasury. Therefore, there was no net contribution by the taxpayer to the cost of Income Support for States tenants.

In addition, the equivalent of some £4.5m, collected directly from tenants, also contributed towards the surplus of income over expenditure on managing or maintaining the housing stock, and was transferred to the States Treasury."

Figure A.15



This essential problem with the financing of the Housing Department's capacity to deliver housing and to enable a proper maintenance regime is at the heart of historic failings in housing. It forms a major part of Professor Whitehead's report. This issue has been ignored in the proposed HTP.

The figures which enable us to examine the financing of the HTP in detail are given in Appendices 1 – 3 of this report.

Return to Treasury

The growth of the return to the Treasury as proposed by the Minister is shown in Appendix 1. This effectively reduces the income of the new housing body by almost 50%. Unsurprisingly, we are told that such a reduction in income results in the need to raise rents to 90% of private market rents to make the business model viable. Appendix 3 shows that maintaining the return to the Treasury in a repayment schedule at 80% of market rents requiring 28 years to be repaid, whilst at 90% the repayment period is reduced to a much more manageable16 years.

If, however, we allow the Housing Company to retain more of its rental income by capping the return to Treasury at the level contained in the MTFP for 2015, that is, £29.4 million, then the cumulative income generated over the 30 year period of the plan amounts to nearly £600 million additional revenue. This would appear to make the business plan viable, with a rent set of 80% of market rents, as shown here in Table D –

Table D: Impact of capping "return to Treasury"

Year	*2018*	*2023*	*2028*	*2033*	*2038*	*2043*	*Total*
Indexed return £,m	153	182	216	256	304	361	1,475
Capped return £,m	147	147	147	147	147	147	882
Additional revenue to HTP £,m	6	35	69	109	157	214	593

The overall impact of these changes on the business plan and the borrowing required can be estimated from the figures presented for rents in Appendix 2, and summarised here –

Year	*2018*	*2023*	*2028*	*2033*	*2038*	*2043*	*Total*
Total rent @ 90% £,m	240	340	429	529	654	812	3,004
Total rent @ 82% £,m	218	310	391	482	596	740	2,737
Additional revenue £,m	6	35	69	109	157	214	593
New Total	220	338	451	580	739	937	3,330

Income Support

We now come to examine the impact of the new rental policy on Income Support. The proposed rise of States social rents from its current average of 69% to 90% of market rents will have 2 significant impacts. One will be on the 67% of tenants claiming the rental component of Income Support, which will require additional funding from taxation; the other will be on the one third of tenants who do not currently claim Income Support.

The figures for the impact on Social Security funding given on page 52 of the report are reassuringly small, growing by a mere £2 million (15%) from £13.7 million over the 30 years of the Plan. One has to examine these figures carefully.

The figures are presented in "real terms" with inflation stripped out. The relatively slow accumulation is presumably due to the mitigation put in place for all tenants that only new tenancies (at a rate currently of 7% annually) will be charged at the full 90% rate. Other changes, such as new builds coming of line or demolitions will cause further variations. However, all other rents, including those in the private sector, are subject to inflation at RPI (3.5%) + 0.75%, or 4.25% in total.

To compare real terms figures with those in the business plan which do contain inflation is to compare apples with pears. It is meaningless. The reality is vastly different. The effect of increasing rents on existing tenancies by inflation + 0.75% (4.25%) is shown in columns 2 and 3 of the Table in Appendix 2. This shows an increase of rental income over the first 10 years of £19.5 million. This 50% increase will result in a near doubling of Income support to £26 million.

If one includes all measures in the plan (taken from the Total Rental Income in Appendix 2) –

- Increase on existing tenancies
- Re-lets
- New builds
- Uplift on refurbishments
- Less sales, decants, voids and demolished properties,

then this produces a very different picture. The actual projected additional rent is given in Table E here. The additional rent generated amounts to £35.2 million. This, in turn, will add £26.3 million to the Income Support bill over the 10 year period.

Table E: Impact of new rent policy on Income Support

Year	**Operating year**	**Additional rent (real terms) £,m**	**Additional IS (real terms) £,m**		**Actual additional rent £,m**	**Actual additional IS £,m**
Starting point 2013	*Rent base £40m*					*Based on 67% coverage*
2014	1	0.5	0.3		1.4	0.9
2015	2	1.1	0.7		4.4	2.9
2016	3	1.1	0.7		7.5	5.0
2017	4	1.5	1.0		10.8	7.2
2018	5	1.6	1.1		15.6	10.4
2019	6	1.9	1.3		20.2	13.5
2020	7	2.2	1.5		23.8	15.9
2021	8	2.2	1.5		28.5	19.1
2022	9	2.2	1.5		31.8	21.3
2023	10	2.4	1.6		35.2	23.6

Financial and manpower statement

There are no manpower consequences. The amendment caps the return to Treasury at the level of £29.4 million annually, enabling an additional £593 million funding over the 30 year period of the Housing Transformation Plan. It requires the Treasury to find funding for rental support schemes by 2016.

APPENDIX 1

Return to Treasury: Growth

Annual return to Treasury				
		£m	%	£m
2013		26		
2014	1	28	107.90%	
2015	2	30	104.86%	
2016	3	31	103.50%	
2017	4	32	103.50%	
2018	5	33	103.50%	153
2019	6	34	103.50%	
2020	7	35	103.50%	
2021	8	36	103.50%	
2022	9	38	103.50%	
2023	10	39	103.50%	182
2024	11	40	103.50%	
2025	12	42	103.50%	
2026	13	43	103.50%	
2027	14	45	103.50%	
2028	15	46	103.50%	216
2029	16	48	103.50%	
2030	17	49	103.50%	
2031	18	51	103.50%	
2032	19	53	103.50%	
2033	20	55	103.50%	256
2034	21	57	103.50%	
2035	22	59	103.50%	
2036	23	61	103.50%	
2037	24	63	103.50%	
2038	25	65	103.50%	304
2039	26	67	103.50%	
2040	27	70	103.50%	
2041	28	72	103.50%	
2042	29	75	103.50%	
2043	30	77	103.50%	361

Annual return increases in line with MTFP requirements up to 2015. Thereafter, it increases by RPI.

Business model assumption is RPI at 3.5% per annum (in line with States of Jersey Statistics Unit central projections).

APPENDIX 2

Rental income on exisiting tenancies will be increased annually by RPI plus 0.75% (up to 90% of market rent). Business modelling assumes this to be an annual increase 4.25% in total (incorporating States of Jersey Statistics Unit central RPI projections of 3.5%)

Rental income breakdown

		Existing tenancies £000s	*Increase on existing tenancies %*	Re-lets £000s	New builds £000s	Uplift on refurbs £000s	Demolished properties £000s	Properties sold £000s	Decanted properties £000s	Other (mostly void costs) £000s	Total rental income £000s	Increase %	5 year totals £000s
2013		40,067				46 -	36 -	191		136	40,022		
2014	1	41,532	*103.7%*	1,031	608	152 -	431 -	333 -	1,056 -	102	41,401	*103.4%*	
2015	2	42,985	*103.5%*	1,963	1,855	315 -	1,059 -	483 -	1,083 -	108	44,385	*107.2%*	
2016	3	44,587	*103.7%*	2,611	2,918	486 -	1,491 -	664 -	805 -	121	47,521	*107.1%*	
2017	4	46,450	*104.2%*	3,266	4,172	637 -	1,699 -	866 -	984 -	134	50,842	*107.0%*	
2018	5	48,380	*104.2%*	3,939	6,564	739 -	1,769 -	1,078 -	1,025 -	145	55,605	*109.4%*	239,754
2019	6	50,430	*104.2%*	4,613	8,412	929 -	1,844 -	1,311 -	787 -	157	60,285	*108.4%*	
2020	7	52,545	*104.2%*	5,308	9,418	1,123 -	1,922 -	1,615 -	820 -	177	63,860	*105.9%*	
2021	8	54,794	*104.3%*	5,997	10,494	1,293 -	2,004 -	1,889	-	189	68,496	*107.3%*	
2022	9	57,099	*104.2%*	6,717	10,940	1,637 -	2,088 -	2,246	-	209	71,850	*104.9%*	
2023	10	59,524	*104.2%*	7,442	11,404	1,868 -	2,177 -	2,589	-	224	75,248	*104.7%*	339,738
2024	11	62,052	*104.2%*	8,180	11,888	1,962 -	2,269 -	2,956	-	239	78,618	*104.5%*	
2025	12	64,699	*104.3%*	8,926	12,394	2,057 -	2,366 -	3,346	-	254	82,110	*104.4%*	
2026	13	67,436	*104.2%*	9,703	12,921	2,155 -	2,466 -	3,765	-	270	85,714	*104.4%*	
2027	14	70,302	*104.2%*	10,491	13,470	2,257 -	2,571 -	4,215	-	287	89,447	*104.4%*	
2028	15	73,297	*104.3%*	11,291	14,042	2,362 -	2,680 -	4,697	-	304	93,311	*104.3%*	429,200
2029	16	76,404	*104.2%*	12,120	14,638	2,472 -	2,794 -	5,214	-	321	97,305	*104.3%*	
2030	17	79,650	*104.2%*	12,966	15,260	2,586 -	2,913 -	5,766	-	340	101,443	*104.3%*	
2031	18	83,035	*104.2%*	13,833	15,910	2,705 -	3,036 -	6,356	-	359	105,732	*104.2%*	
2032	19	86,565	*104.3%*	14,722	16,585	2,829 -	3,166 -	6,987	-	378	110,170	*104.2%*	
2033	20	90,244	*104.2%*	15,636	17,290	2,957 -	3,300 -	7,661	-	399	114,767	*104.2%*	529,417
2034	21	94,080	*104.3%*	16,575	18,025	3,080 -	3,440 -	8,192	-	421	119,707	*104.3%*	
2035	22	98,078	*104.2%*	17,546	18,792	3,213 -	3,587 -	8,545	-	442	125,055	*104.5%*	
2036	23	102,246	*104.2%*	18,550	19,590	3,356 -	3,739 -	8,927	-	465	130,611	*104.4%*	
2037	24	106,592	*104.3%*	19,587	20,423	3,505 -	3,898 -	9,323	-	489	136,397	*104.4%*	
2038	25	111,123	*104.3%*	20,663	21,291	3,661 -	4,064 -	9,736	-	514	142,424	*104.4%*	654,194
2039	26	115,846	*104.3%*	21,776	22,196	3,823 -	4,236 -	10,167	-	540	148,698	*104.4%*	
2040	27	120,769	*104.2%*	22,930	23,139	3,991 -	4,416 -	10,614	-	567	155,232	*104.4%*	
2041	28	125,902	*104.3%*	24,125	24,122	4,166 -	4,604 -	11,081	-	596	162,034	*104.4%*	
2042	29	131,252	*104.2%*	25,366	25,147	4,349 -	4,800 -	11,566	-	625	169,123	*104.4%*	
2043	30	136,831	*104.3%*	26,651	26,216	4,539 -	5,004 -	12,072	-	656	176,505	*104.4%*	811,592

APPENDIX 3

90% on re-lets loan schedule

Year		Brought forward £000s	Drawn £000s	Repaid £000s	Interest £000s	Carried forward £000s
2013		-	108		-	108
2014	1	108	20,953	11	5	21,055
2015	2	21,055	30,697	4,278	1,053	48,527
2016	3	48,527	39,880	1,989	2,432	88,850
2017	4	88,850	38,294	2,307	4,442	124,479
2018	5	124,479	17,657	4,113	6,224	144,247
2019	6	144,247	6,493	4,997	7,213	152,956
2020	7	152,956	4,414	5,480	7,648	159,538
2021	8	159,538	442	14,120	7,976	153,836
2022	9	153,836		18,607	7,692	142,921
2023	10	142,921		24,266	7,146	125,802
2024	11	125,802		21,620	6,290	110,471
2025	12	110,471		23,193	5,524	92,802
2026	13	92,802		24,771	4,640	72,671
2027	14	72,671		26,464	3,634	49,841
2028	15	49,841		29,612	2,492	22,721
2029	16	22,721		23,856	1,136	-
2030	17					
2031	18					
2032	19					
2033	20					
2034	21					
2035	22					
2036	23					
2037	24					
2038	25					
2039	26					

80% in 2014 loan schedule

Year		Brought forward £000s	Drawn £000s	Repaid £000s	Interest £000s	Carried forward £000s
2013		-	108		-	108
2014	1	108	22,040	10	5	22,143
2015	2	22,143	32,738	4,168	1,107	51,820
2016	3	51,820	42,555	1,813	2,596	95,159
2017	4	95,159	36,630	1,885	4,758	134,662
2018	5	134,662	21,527	3,644	6,733	159,278
2019	6	159,278	10,872	4,268	7,964	173,846
2020	7	173,846	9,418	4,685	8,692	187,271
2021	8	187,271	442	7,672	9,364	189,405
2022	9	189,405		11,404	9,470	187,471
2023	10	187,471		16,353	9,373	180,492
2024	11	180,492		13,071	9,024	176,445
2025	12	176,445		13,963	8,823	171,304
2026	13	171,304		14,855	8,565	165,015
2027	14	165,015		15,852	8,250	157,413
2028	15	157,413		18,285	7,871	146,999
2029	16	146,999		16,832	7,350	137,516
2030	17	137,516		17,882	6,876	126,510
2031	18	126,510		19,421	6,325	113,414
2032	19	113,414		21,025	5,671	98,060
2033	20	98,060		26,290	4,903	76,673
2034	21	76,673		14,444	3,834	66,062
2035	22	66,062		15,312	3,303	54,053
2036	23	54,053		15,757	2,703	40,999
2037	24	40,999		16,921	2,050	26,128
2038	25	26,128		23,311	1,306	4,123
2039	26	4,123		4,329	206	0

90% in 2014 loan schedule

Year		Brought forward £000s	Drawn £000s	Repaid £000s	Interest £000s	Carried forward £000s
2013		-	108		-	108
2014	1	108	21,775	11	5	21,877
2015	2	21,877	31,972	4,308	1,094	50,635
2016	3	50,635	41,224	2,018	2,537	92,378
2017	4	92,378	34,784	2,148	4,619	129,633
2018	5	129,633	19,133	4,028	6,481	151,220
2019	6	151,220	8,838	5,675	7,561	161,943
2020	7	161,943	6,131	5,327	8,097	170,844
2021	8	170,844	442	12,379	8,542	167,649
2022	9	167,649		16,424	8,383	159,608
2023	10	159,608		21,789	7,980	145,800
2024	11	145,800		18,820	7,290	134,270
2025	12	134,270		19,957	6,714	121,026
2026	13	121,026		21,308	6,051	105,969
2027	14	105,969		22,371	5,298	88,896
2028	15	88,896		25,084	4,445	68,257
2029	16	68,257		23,921	3,413	47,749
2030	17	47,749		25,270	2,387	24,866
2031	18	24,866		26,110	1,243	0
2032	19					
2033	20					
2034	21					
2035	22					
2036	23					
2037	24					
2038	25					
2039	26					

The Business Case assumes that 15 properties will be sold each year up to year 20.

The loan schedule above relates solely to the external loans. Internal loans of £40M would also need to be repaid. This would take approximately 2 further years in each of the scenarios above.