

**CABINET
6 DECEMBER 2022**

HOUSING REVENUE ACCOUNT – MTFP 2023-24 TO 2025-27

**Responsible Cabinet Member - Councillor Kevin Nicholson,
Health and Housing Portfolio**

Responsible Director – Elizabeth Davison, Group Director of Operations

SUMMARY REPORT

Purpose of the Report

1. To consider proposals for the revenue budget, capital programme, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2023-24 in the context of the HRA Medium Term Financial Plan to 2026-27 and the 30-year Business Plan.

Summary

2. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,291 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standard and we provide a range of quality services to tenants, including a responsive repairs and maintenance service, lifeline services and emergency call out provision.
3. We are proud of our housing and want to continually improve so in addition to the day to day maintenance, significant investment is made in our housing stock each year to maintain and improve those standards, enhance the energy efficiency of our homes to reduce our carbon impact and help our tenants reduce their energy consumption and bills, whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes.
4. The great quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington. Our new build Council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and through estimated borrowing of £11.7m.
5. This report sets out the key decisions for the HRA for 2023-24, which includes:
 - (a) Proposed revenue expenditure of £26.557m, including
 - (i) £5.539m to fund our responsive repairs and maintenance service, and
 - (ii) £12.609m contribution to the capital programme.

- (b) A proposed capital programme of £24.585m, including
- (i) £1.225m for heating system replacements,
 - (ii) £1.800m for property adaptations, structural works, external works and roofing,
 - (iii) £1.400m for windows and door replacements,
 - (iv) £2.760m for kitchen and bathroom replacements,
 - (v) £1.000m to deliver energy efficiency measures to tackle climate change,
 - (vi) £15.673m to deliver our new build Council housing programme.
6. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change and maintain services.
7. Councils usually have the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%. CPI for September 2022 was 10.1%, which means for 2023-24 Members would usually be able to increase rents by up to 11.1%.
8. However, the Government consulted on proposals to place a cap on social housing rent increases for 2023-24, and a decision to cap rent increases at 7% has been made.
9. Members will recall that a 2% rent increase was decided in February 2022 for the current financial year, although rents could have been increased by 4.1%. This was in recognition of the economic pressures facing our residents in the aftermath of Covid.
10. The Council has also faced substantial financial pressures over the last 12 month particularly around inflation and the cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and general day to day repairs, with an average overall increase in cost of 8.4%. These costs are anticipated to increase by a further 6.1% in 2023/24, as detailed in the main report.
11. Member discounted the option of CPI plus 1+ at an early stage, acknowledging this would be unaffordable for our tenants. Given the government consultation options, a 5% increase a 3% increase and a 2% increase have been considered and taking into account the current economic pressures facing our tenants and balancing this with the increased costs of maintaining and improving our housing and the need to deliver our ambitious capital and energy efficiency programmes, an increase of 5% is recommended, or an average of £3.69 each week. This is lower than CPI and lower than the Government's rent increase cap. It is also recommended to increase service charges by an appropriate inflationary amount.

Recommendations

12. It is proposed that the following recommendations are agreed for wider consultation:-
- (a) An average weekly rent increase of 5% for 2023-24 be implemented giving an average social rent of £78.70 and affordable rent of £88.35.
 - (b) Garage rents and service charges are increased as shown in **Table 3**.
 - (c) The revenue budget at **Appendix 1** is approved.

(d) The Housing Business Plan at **Appendix 2** is agreed.

(e) The capital programme at **Appendix 3** is approved.

Reason

13. To enable the Council to deliver an appropriate level of services to tenants to meet housing need and to support the economic growth of the Borough through housing development.

Elizabeth Davison
Group Director of Operations

Background Papers

Regulator of Social Housing - Rent Standard

Anthony Sandys: Ext 6926

S17 Crime and Disorder	There are no issues
Health and Well Being	By ensuring our housing stock is in good condition we are making a positive contribution to the health and well-being of our tenants
Carbon Impact	There are a range of energy efficiency measures included in the business plan which will have a positive carbon impact
Diversity	There are no diversity issues
Wards Affected	This will have an effect on all Wards in the Borough with Council Housing
Groups Affected	All Council tenants and Lifeline service users
Budget and Policy Framework	The issues contained within this report require Council approval and the report will be presented to Council in February 2023
Key Decision	This is not a key decision
Urgent Decision	This is not an executive decision
Council Plan	This report contributes to the Council Plan by involving Members in the plans to build new Council houses and ensuring the existing Council housing stock is maintained to a high standard and is environmentally friendly by maximising rental and service charge income
Efficiency	As the HRA is a ring fenced budget every effort is made to maximise income and identify savings in order to maintain a high quality service
Impact on Looked After Children and Care Leavers	No impact

MAIN REPORT

Background

14. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,291 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standard and provides a range of quality services to tenants including a responsive repairs and maintenance service, lifeline services and emergency call out provision.
15. In addition, significant investment is made in our housing stock each year to maintain and improve those standards. A comprehensive capital programme delivers a range of home improvements to tenants, improves the energy efficiency of our homes to reduce our carbon impact and reduce the bills of our residents, whilst ensuring we have the financial capacity to continue with our ambitious programme of building new Council homes. Over 50% of households in Council housing have one or more person with a disability and we are therefore committed to providing good quality homes with generous space standards and lifetime homes principles to support people to live independently and maintain a good quality of life.
16. The great quality of our homes and the services provided mean they are in high demand, which is why we have an ambitious programme to build new Council homes in Darlington.
17. The key decision regarding the HRA each year is the balance between setting rent and service charge levels that are affordable to our tenants, whilst ensuring we have sufficient resources to invest in our housing stock, tackle climate change and maintain services.

Setting the MTFP for the HRA

Projected HRA Expenditure for 2023-24

18. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2023-24:

Area	£m	Description
Operational costs	4.441	This includes all the costs associated with the provision of our housing management, housing income, tenancy sustainment and tenancy enforcement services, central support services and other associated support costs such as ICT, buildings and insurance.
Service charges	3.654	This covers services charged to tenants such as grounds maintenance and Lifeline charges to a range of clients. All service charges are fully recoverable. It also includes recharges that will be recovered through additional income including court costs and recharges to the General Fund for grounds maintenance.
Responsive repairs and maintenance	5.539	This covers the on-going general repairs to our 5,291 Council properties, which is an average of £1,047 for each property in 2023-24. The continued investment in a good quality repairs and maintenance service is essential to maintaining the high

Area	£m	Description
		standards of our housing stock, whilst also ensuring we meet all the statutory requirements to provide for the health and safety of our tenants.
Capital financing	3.447	Historic and ongoing cost of paying for borrowing undertaken to fund capital expenditure.
Bad debt provision	0.250	Provision to cover rents that are deemed to be unrecoverable.
Revenue contribution to the capital programme	12.609	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2023-24 is given below in 'Housing Business Plan'.

Housing Business Plan

19. All Housing Capital schemes are funded fully from the HRA and this section explains what future capital investment is planned. The priorities are identified through the Housing Business Plan, which is constantly reviewed to ensure investment is targeted in the area of most need. The funding proposals for 2023-24 are:

Area	£m	Description
Adaptations and lifts	0.200	This budget delivers adaptations to Council homes to enable tenants with a disability to remain in their own home and live independently. In addition, the budget also covers any unplanned works to passenger lifts within sheltered and extra care schemes.
Heating replacement	1.225	To fund new condensing boilers and central heating upgrades that are due for replacement and in addition, to any unplanned replacements required due to boiler failure before their due replacement date.
Structural works	0.400	This budget will be used to address structural issues identified within the year.
Lifeline services	0.150	This budget will to continue fund any upgrades required to Lifeline equipment.
Repairs before painting	0.060	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme.
Roofing and repointing work	1.000	This budget will fund the replacement of flat and pitched roofs and the replacement of fascia's, soffits and rainwater goods. In addition, it will also fund loft insulation work, where appropriate.

Area	£m	Description
Garages	0.025	This budget will be invested in improvements to the Council's garage blocks including demolition where they are beyond economical repair.
External works	0.200	Used to provide new rear dividing fences and new footpaths to Council properties based on their condition, in various locations across the borough.
Pavements	0.032	To fund any identified work to upgrade or adapt any pavements (including requirements for dropped kerbs for Council properties) across the Borough.
Window and door replacement	1.400	To fund the window and external door replacement programme, including replacement fire doors in communal areas. This budget will also fund any window and door replacements required as a result of a responsive repair.
Internal planned maintenance (IPM)	2.760	This budget will fund kitchen and bathroom replacements that are due. This budget will also fund any kitchen and bathroom renewal works for properties as required, including any void properties that require this work before letting.
Communal works	0.150	This budget will fund any work required to communal areas and will also be used to carry out upgrades to card entry systems.
Energy efficiency improvements	1.000	This budget will continue to fund energy efficiency improvements such insulation and heating systems. This will also include any match funding required for Government energy grant bids (see the 'Climate Change' section below).
New build	15.673	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below).

20. The purpose of the Housing Business Plan is to ensure that Housing Services has a sustainable medium-term financial plan, which focuses investment towards our strategic priorities. The following proposals will outline our strategic priorities and how resources will be aligned against these priorities (subject to final decisions on rent levels).

New Build

21. Darlington Borough Council has set an ambitious programme to build additional new Council homes to meet increasing demand for social housing in the area. Since the programme began, 293 new Council properties have already been delivered at various locations around Darlington, providing exceptionally high quality homes to local residents. Demand for our properties continues to be high, with over 1,100 Darlington residents on the Housing Allocations register.

22. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included additional borrowing of £11.7m in 2023-24 to build new affordable homes. Our new build council housing programme is funded through capital receipts from right to buy sales, grant funding from Homes England and prudential borrowing.
23. The Housing Business Plan is funded by the rents and service charges received from Council properties and the loss of income from ongoing right to buy sales would put the Business Plan at risk if these properties were not replaced.
24. The following new build work is planned to be delivered in 2023-24:
 - (a) Phase 2 of the Sherbourne Close site is due to commence, providing an additional 14 new homes. Phase one of this site has already delivered 18 new homes.
 - (b) Work on the Skinnergate site is due to commence, delivering 15 new homes and will initially require some demolition work of existing commercial buildings.
 - (c) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by 2026. The first new Council homes on the site are due to be completed in 2023-24.
25. As noted previously, the new build programme for 2023-24 will partly be funded through additional borrowing. In addition, grant funding bids to Homes England's Affordable Housing Programme will also provide around 25% of the overall costs. It is difficult to predict exact grant funding levels as decisions are made by Homes England on a site by site basis, therefore grant projections are based on previous successful bids. In order to reduce financing costs, unallocated balances will be used before borrowing, however this is purely for treasury management purposes, as all new build schemes are self-financing.
26. Several new build 'pipeline' sites have been identified and are currently being worked up in more detail to enable planning permission to be sought. Meanwhile, delegated powers are being requested for the Group Director of Operations to enable new build schemes to be progressed in a timely manner, subject to planning permission.

Housing for Vulnerable People

27. Each year, Housing Services complete a range of minor and major adaptations to individual Council properties where a need has been identified by an Occupational Therapist. Works range from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts, hoists and ground floor extensions.
28. The HRA adaptations budget reflects the fundamental role adaptations play in supporting vulnerable people to continue to live independently, reducing the need for expensive care packages and prevent a premature move into residential or care accommodation. These high levels of need have also been considered in developing our new build housing programme and properties are built in accordance with Lifetime Homes standards.
29. Inexpensive features include flush door entrances at the front and rear for wheelchair access, and raised sockets, as well as low level windowsills and openings. Increased space standards allow for hallways wide enough for 360° wheelchair turning circles, wider doors, and ground floor toilets. Occupational Therapists and Housing Officers also work closely with individuals to meet their needs where appropriate, such as bespoke lowered kitchens

and specific bathing requirements before they move in, wherever possible.

Existing Stock Investment and Responsive Repairs

30. In accordance with good practice, our housing stock is surveyed by an independent specialist organisation every five years and detailed analysis of the data takes place to help inform our priorities. Overall, our properties have been assessed as being in good condition, reflecting our significant annual investment as part of a structured programme for both on-going capital improvements and responsive repairs and maintenance. A new stock condition survey is currently taking place and data from this will continue to shape our Business Plan and energy efficiency priorities.
31. All of our properties reached the basic Decent Homes Standard in 2006 and continue to do so. This can be largely attributed to a central heating programme providing A-rated combi-boilers and a planned maintenance programme which ensures properties benefit from cavity wall insulation and 300mm of loft insulation. Properties have also been targeted in recent years for a more comprehensive package of energy efficiency measures including double glazed UPVC windows, composite doors and loft insulation.
32. The Housing Business Plan identifies a capital works budget of around £76m over the next four years and £477m budget for capital works over the next 30 years, including the New Build Programme (see **Appendix 2**).
33. The Business Plan also anticipates the number of responsive repairs will remain at current levels, with an annual inflationary increase for costs and so allocates a budget of £24m for responsive repairs and maintenance over the next four years.

Climate Change

34. We are committed to improve the energy efficiency of our homes, reduce our carbon impact and help tackle climate change and reduce tenant's fuel bills. However, significant investment is required to achieve Government targets to ensure all of our homes:
 - (a) Achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030.
 - (b) Achieve a net zero carbon rating by 2050.
35. An independent consultant was commissioned earlier this year to produce a zero carbon study and our zero carbon plan, to retrofit our housing stock to meet Government targets over the next 30 years. The full cost of retrofitting all properties is difficult to determine at this stage, but estimates are in excess of £100m. The study recognised that the majority of this amount will need to come from Government funding.
36. The Council has already committed £1m of capital expenditure to tackle climate change in 2022-23 and this has been supplemented with Government funding from successful bids through the Local Authority Delivery (LAD) scheme and the Social Housing Decarbonisation Fund (SHDF) to deliver improvements to Council homes as follows:
 - (a) The LAD(1b) scheme delivered loft insulation and double glazed windows to 709 Council homes using £1.26m of Government funding and £0.71m of capital expenditure.

- (b) The LAD(2) scheme delivered Air Source Heat Pumps, Smart heating controls, loft insulation and solar panels to 28 Council homes using £0.26m of Government funding and £0.07m of capital expenditure.
 - (c) The SHDF (wave 1) scheme is currently delivering external and cavity wall insulation, Air Source Heat Pumps, loft insulation and solar panels to 23 Council homes using £0.25m of Government funding and £0.25m of capital expenditure.
 - (d) The SHDF (wave 2) scheme (currently awaiting approval) is proposing to deliver external and cavity wall insulation, solar panels, loft insulation, double glazing and low energy lighting to 130 Council homes using £1.2m of Government funding and £1.2m of capital expenditure.
37. In addition, all single glazed windows in Council properties are currently being replaced with double glazing and this work will be completed in 2023. A further £1m investment is recommended for each year in the HRA MTFP, which will help to deliver the following improvements:
- (a) Replacing timber front and back doors with composite doors.
 - (b) Improvements to external wall insulation.
 - (c) Installation of solar panels and air source heat pumps.
 - (d) Loft insulation upgrades as part of our roofing and IPM programmes.
38. All Government funding bids require match funding from the Council. Our initial objective is to ensure the EPC rating for all our Council homes is at a minimum of C. Over 3,400 Council properties currently have an EPC rating of D or lower, although it is recognised that many of these properties just fall short of an EPC rating of C where minimal investment is required to achieve this. Our zero carbon plan currently being developed will identify what actions are required from 2023-24 onwards to deliver this.

Income

Rents

39. All registered providers of social housing (including Councils) must set rents in accordance with the Government's Rent Standard guidance. The guidance allows social housing providers to increase rents, usually by CPI plus 1%, which means for 2022/23, Councils would have the discretion to increase rents by up to 11.1%.
40. However, the Government consulted on proposals to place a cap on social housing rent increases for 2023-24, and a decision to cap rent increases at 7% has been made.
41. Members will recall that a 2% rent increase was decided in February 2022 for the current financial year, although rents could have been increased by 4.1%. This was in recognition of the economic pressures facing our residents in the aftermath of Covid.
42. The Council has faced substantial financial pressures over the last 12 month around inflation, energy and the rising cost of materials and services to maintain our homes, the most significant increases being in roofing, door and window replacements, and

responsive day to day repairs, with an average overall increase in costs of 8.4% (see **Table 1**). These costs are anticipated to increase by a further 6.1% in 2023/24, as shown in **Table 2** below.

Table 1: Cost increases 2022-23

Item	Average cost 21-22	Average cost 22-23	Estimated properties	Total cost 21-22	Total cost 22-23	Percentage increase
Roofing	£6,569	£8,000	100	£656,900	£800,000	21.8%
Kitchen / bathroom	£8,782	£9,329	220	£1,932,040	£2,052,380	6.2%
Heating	£3,387	£3,600	200	£677,400	£720,000	6.3%
External doors	£595	£737	230	£136,850	£169,510	23.9%
Windows	£2,700	£3,000	250	£675,000	£750,000	11.1%
Painting	£250	£255	1,000	£250,000	£255,000	2.0%
Responsive repairs and maintenance	£159	£170	25,000	£3,975,000	£4,250,000	6.9%
Total				£8,303,190	£8,996,890	8.4%

Table 2: Estimated cost increases 2023-24

Item	Total cost 22-23	Estimated total cost 23-24	Percentage increase
Roofing	£800,000	£880,000	10.0%
Kitchen / bathroom	£2,052,380	£2,169,389	5.7%
Heating	£720,000	£759,056	5.4%
External doors	£169,510	£181,351	7.1%
Windows	£750,000	£833,250	11.1%
Painting	£255,000	£280,245	9.9%
Responsive repairs and maintenance	£4,250,000	£4,440,512	4.5%
Total	£8,996,890	£9,543,803	6.1%

43. The option of CPI plus 1+ was discounted at an early stage acknowledging this would be a significant pressure on tenants. Given the government consultation, a number of options were considered including a 5% increase, a 3% increase and a 2% increase for 2023-24. The Council recognises that the last 18 months have been a difficult time for all our tenants and in the current economic climate the pressures on fuel and price inflation in general puts a strain on family finances. Conversely, rising prices also means the cost of repairs, maintenance, contractor and material costs to maintain and invest in our stock are also increasing. Without any rise there would be an impact on our ability to maintain and invest in our tenants' homes and the ability to implement the required energy efficiency measures to tackle climate change. It is worth noting that over 70% of our tenants will have their rent and most service charges covered by Universal Credit or Housing Benefit payments. This means that the full amount of any increase will be covered by those benefits.

44. Taking into account the current economic pressures facing our tenants, the recent increase in CPI and balancing this with the need to deliver our ambitious capital and energy efficiency programmes, an increase of 5% is recommended for 2023-24, an average of £3.69 each week. This is lower than CPI and lower than the Government's rent increase cap. It is also recommended to increase service charges by an appropriate inflationary amount. The proposed increases reflect the rising cost of wages, building materials and contracted services.
45. In addition to the income from rent and service charges, in 2023-24 we plan to borrow an additional £11.7m to help fund our new build programme. This will be supplemented with grants from Homes England, which usually cover around 25% of the new build costs. We also plan to continue to bid for Government funding through the SHDF to improve the energy efficiency of our homes and reduce our carbon impact.

Garage Rents and Service Charges

46. The proposed service charges shown at **Table 3** below and achieves full recovery of costs from those tenants who directly benefit from the services provided. In most cases, this means an inflationary increase is necessary that either matches or is below CPI but in some instances, a higher increase is needed to maintain current levels of service and these are detailed below:
 - (a) Heating – The heating charge for sheltered and extra care schemes covers the cost of heating the individual apartments, as well as the communal areas of the schemes. The heating charge for blocks of apartments only covers the cost of heating the communal areas. The price of gas over the past 12 months for these buildings, has increased by 43% and is estimated by NEPO (North East Procurement Organisation) to increase by a further 263% in 2023-24. The service charges for 2023-24 have been adjusted to reflect these increases. However, if the actual heating costs are lower than these forecasts in 2023-24, the service charge will be amended to reflect this change.
 - (b) Lifeline – The Lifeline service charges have been increased to take into account a re-grading of Lifeline staff following a job evaluation exercise, which has increased the cost of salaries to run the service. In addition, all Lifeline equipment (assistive technology and personal alarms) will need to be replaced over the next 3 years to ensure that it continues to operate under the national switch from analogue to digital telephony services by 2025. The Lifeline charge for sheltered and extra care schemes also includes the electricity costs relating to communal areas (lighting and other equipment). The price of electricity over the past 12 months for these buildings, has increased by 118% and is estimated by NEPO to increase by a further 142% in 2023-24. These costs and charges will be reviewed in 2023-24 (in line with the heating charges above).
47. Any additional costs will be covered by Housing Benefit or Universal Credit for the approximate 70% of tenants who are eligible. The HRA funds a Tenancy Sustainment Service and Income Management Team to address the financial challenges facing a significant number of Council tenants. Referrals are also made to CAB for independent financial advice as well as to food banks and furniture recycling schemes. Those tenants, particularly first-time tenants who require more sustained intensive support, will be referred to the Housing Plus Team.

Table 3: Garage Rents and Service Charges

Description	Current Weekly Charge (22-23)	Proposed Weekly Charge (23-24)	Percentage increase
	£	£	%
Garage Rents	8.33	8.74	5
Building Cleaning – Blocks of Flats	2.11	2.30	9
Building Cleaning – Sheltered and Extra Care Schemes	3.86	4.09	6
Building Cleaning – Extra Care Schemes	13.74	14.56	6
Grounds Maintenance – General Housing	1.80	2.06	14
Grounds Maintenance – Blocks of Apartments	1.80	2.06	14
Heating – Sheltered and Extra Care Schemes	12.86	42.88	233
Heating – Blocks of Apartments	1.70	6.21	266
Administration – Leaseholders	1.81	1.99	10
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.30	2.42	5
Furnishings and Fittings – Good Neighbour Schemes	1.06	1.11	5
Lifeline Response	6.27	7.58	21
Lifeline – Sheltered and Extra Care Schemes	18.96	27.59	46
Pavement Crossings and Hard standings	4.50	4.72	5
Mid-day Meals – Extra Care Schemes (Residents only)	40.56	45.43	12
Mid-day Meals – Extra Care Schemes (Non-Residents only)	48.67	54.51	12
Guest Rooms in Sheltered Schemes	89.06	98.85	11
Door Entry Systems	0.82	0.86	5
TV Aerials	0.20	0.24	19
Housing Plus Service	19.78	20.62	4

Consultation

48. The Annual Review of the HRA Business Plan, together with the recommendation to increase rents and service charges is developed in consultation with Council tenants through our Tenants Panel and tenant surveys. The specific proposals included in this report have not yet been considered by the Tenants Panel but the outcome of consultation will be reported to Cabinet in the February 2023 report.

Financial Implications

49. The estimates included in this report represent a fair view of ongoing plans and commitments although Members will appreciate some budgets are subject to volatility and will continue to be monitored closely.
50. With the proposed increase in rents the expenditure plans presented are affordable and the level of revenue balances projected in this report represent an adequate level of risk.

HOUSING REVENUE ACCOUNT – REVENUE BUDGET

	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000
<u>Income</u>				
Rents of Dwellings (Gross)	(21,964)	(23,328)	(24,342)	(24,967)
Sundry Rents (Including Garages and Shops)	(422)	(498)	(514)	(530)
Charges For Services and Facilities	(3,654)	(4,091)	(4,272)	(4,479)
Contribution towards expenditure	(928)	(966)	(980)	(994)
Interest Receivable	(6)	(6)	(6)	(6)
Total Income	(26,974)	(28,889)	(30,114)	(30,976)
<u>Expenditure</u>				
Operational Costs	4,441	4,719	4,871	5,009
Service Charges	3,654	4,091	4,272	4,479
Capital Financing Costs	3,447	3,926	4,371	4,337
Bad Debt Provision	250	263	270	278
Responsive Repairs and Maintenance	5,539	5,818	5,992	6,335
Revenue Contribution to Capital (RCCO)	12,609	12,150	12,097	9,381
Contribution to/(from) balance	(2,966)	(2,077)	(1,760)	1,157
Total Expenditure	26,974	28,889	30,114	30,976
(Surplus) / Deficit	0	0	0	0
Opening balance	11,811	8,845	6,768	5,008
Contribution to/(from) balance	(2,966)	(2,077)	(1,760)	1,157
Closing balance	8,845	6,768	5,008	6,165
Estimated closing dwelling numbers	5,291	5,324	5,400	5,471
Closing balance for each dwelling	£1,671.76	£1,271.21	£927.41	£1,126.94

APPENDIX 2

30 YEAR HOUSING BUSINESS PLAN 2023/24 - 2052/53

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	2,354	3,171	4,262	9,787
Communal Works	1,765	2,378	3,269	7,412
Decoration following IPM	408	862	1,170	2,440
External Works (footpaths, fencing, etc.)	2,405	3,264	4,453	10,122
Garages	509	748	983	2,240
Heating Replacements	14,379	19,368	26,618	60,365
Internal Planned Maintenance (IPM)	32,716	50,062	66,435	149,213
Repairs before painting	730	986	1,296	3,012
Roofing and Repointing Work	8,169	9,911	13,520	31,600
Structural Works	4,707	6,342	8,716	19,765
Lifeline Services	1,765	2,378	3,269	7,412
Energy Efficiency	28,509	38,484	51,937	118,929
Professional Fees	3,574	4,794	6,844	15,212
Pavements	383	517	711	1,611
New Build	38,357	0	0	38,357
Total expenditure	140,730	143,264	193,483	477,477

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2023/24	2024/25	2025/26	2026/27
	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>				
Adaptations and Lifts	200	212	218	225
Heating Replacement	1,225	1,295	1,334	1,374
Structural Works	400	424	437	450
Lifeline Services	150	159	164	169
Repairs before painting	60	66	68	70
Roofing	1,000	1,100	683	703
Garages	25	27	52	53
External Works	200	210	221	232
Pavements	32	34	36	37
Window and Door Replacement	1,400	1,484	1,558	1,605
Internal Planned maintenance	2,760	2,898	3,043	3,134
Energy Efficiency	1,000	1,060	1,092	1,125
Communal Works	150	159	164	169
New build (net of HE grant)	15,673	11,546	11,138	0
Fees	310	326	333	340
Total spend	24,585	20,999	20,538	9,684
<u>Resourced by:</u>				
Capital Receipts	303	303	303	303
RCCO	12,609	12,150	12,097	9,381
Additional Borrowing	11,673	8,546	8,138	0

APPENDIX 4

Examples of Weekly Rent Changes for 2023/24						
Area		Property Type	Approved Rent 2022/23	Proposed Rent 2023/24	Increase between 22/23 & 23/24 £	Increase between 22/23 & 23/24 %
Middleton St George						
	Mount Pleasant Close	1 Bedroom Bungalow	85.00	89.25	4.25	5.0%*
	Pounteys Close	2 Bedroom House	79.54	83.52	3.98	5.0%
	Thorn tree Gardens	3 Bedroom House	90.74	95.27	4.54	5.0%
Cockerton						
	Newton Court	1 Bedroom Flat	65.69	68.98	3.28	5.0%
	Elvet Place	2 Bedroom House	76.93	80.78	3.85	5.0%
	Minors Crescent	3 Bedroom House	82.88	87.03	4.14	5.0%
Haughton						
	Ted Fletcher Court	1 Bedroom Flat	66.24	69.56	3.31	5.0%
	Lyonette Road	2 Bedroom Flat	75.03	78.78	3.75	5.0%
	Nightingale Avenue	1 Bedroom Bungalow	79.72	83.71	3.99	5.0%*
	Rockwell Avenue	2 Bedroom House	78.94	82.89	3.95	5.0%
	Dunelm Walk	3 Bedroom House	88.25	92.67	4.41	5.0%
Branksome						
	Branksome Hall	1 Bedroom Flat	65.79	69.08	3.29	5.0%
	Whitby Way	1 Bedroom Bungalow	72.77	76.41	3.64	5.0%
	Malvern Crescent	2 Bedroom House	75.46	79.24	3.77	5.0%
	Rosedale Crescent	3 Bedroom House	85.79	90.08	4.29	5.0%
	Sherborne Close	2 Bedroom Flat	90.92	95.46	4.55	5.0%*
Lascelles						
	Coxwold House	1 Bedroom Flat	65.03	68.28	3.25	5.0%
	Gilling Crescent	2 Bedroom Flat	72.52	76.14	3.63	5.0%
	Aldbrough Walk	2 Bedroom House	85.38	89.65	4.27	5.0%*
	Caldwell Green	3 Bedroom House	82.39	86.51	4.12	5.0%
	Fenby Avenue	3 Bedroom House	102.78	107.92	5.14	5.0%*
Bank Top						
	Graham Court	1 Bedroom Flat	66.21	69.52	3.31	5.0%
	Graham Court	3 Bedroom House	94.27	98.99	4.71	5.0%*
Redhall						
	Bramall House	1 Bedroom Flat	79.08	83.03	3.95	5.0%*
	Avimore Court	2 Bedroom Flat	69.85	73.35	3.49	5.0%
	Murrayfield Way	1 Bedroom Bungalow	67.35	70.72	3.37	5.0%
	Aintree Court	2 Bedroom House	71.40	74.97	3.57	5.0%
	Aintree Court	3 Bedroom House	93.80	98.49	4.69	5.0%*
Eastbourne						
	West Moor Road	1 Bedroom Flat	62.40	65.52	3.12	5.0%
	Tansley Gardens	2 Bedroom Flat	69.49	72.97	3.47	5.0%
	Firthmoor Crescent	2 Bedroom House	72.37	75.99	3.62	5.0%
	Brignall Moor Crescent	3 Bedroom House	78.34	82.25	3.92	5.0%
Skerne Park						
	Trent Place	2 Bed House	73.18	76.84	3.66	5.0%
	Humber Place	3 Bed House	79.08	83.03	3.95	5.0%
Parkside						
	Wordsworth Road	1 Bedroom Flat	66.30	69.61	3.31	5.0%
	Shakespeare Road	2 Bedroom House	82.94	87.08	4.15	5.0%*
	Ruskin Road	3 Bedroom House	86.61	90.94	4.33	5.0%
* Affordable rent properties - these rents include applicable service charges.						