

**CABINET
5 DECEMBER 2023**

HOUSING REVENUE ACCOUNT – MTFP 2024-25 TO 2027-28

**Responsible Cabinet Member –
Councillor Matthew Roche, 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 2024-25 in the context of the HRA Medium Term Financial Plan to 2027-28 and the 30-year Business Plan.

Summary

2. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,278 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 high 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 £13.5m.
5. This report sets out the key decisions for the HRA for 2024-25, which includes:
 - (a) Proposed revenue expenditure of £31.783m, including
 - (i) £6.179m to fund our responsive repairs and maintenance service, and

- (ii) £13.455m contribution to the capital programme.
- (b) A proposed capital programme of £27.270m, including
 - (i) £1.286m for heating system replacements,
 - (ii) £1.851m for property adaptations, structural works, external works, and roofing,
 - (iii) £1.495m for windows and door replacements,
 - (iv) £2.898m for kitchen and bathroom replacements,
 - (v) £3.068m to deliver energy efficiency measures to help reduce tenants' energy bills and to tackle climate change,
 - (vi) £15.815m 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, meet the challenges of new Decent Homes Standards and new Fire Safety Regulations, and maintain services.
- 7. Councils have the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%. CPI for September 2023 was 6.7%, which means for 2024-25 Members could increase rents by up to 7.7%.
- 8. Members will recall that a 5% rent increase was agreed in February 2023 for the current financial year, although rents could have been increased by 7%. This was in recognition of the ongoing economic pressures facing our tenants. CPI for September 2022 was 10.1%, which meant for 2023-24 Members would have usually been able to increase rents by up to 11.1%. However, the Government placed a rent increase cap of 7% for 2023-24.
- 9. The Council has faced substantial financial pressures over the last 12 months 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 7.9%. These costs are anticipated to increase by a further 5.1% in 2024-25, as detailed in the main report.
- 10. 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 6.7% is recommended, or an average of £5.54 each week. It is also recommended to increase service charges by an appropriate inflationary amount.

Recommendations

- 11. It is proposed that the following recommendations are agreed for wider consultation:-

- (a) An average weekly rent increase of 6.7% for 2024-25 be implemented giving an average social rent of £83.98 and affordable rent of £94.17.
- (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

- 12. 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 and Climate Change	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 2024
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

13. Darlington Borough Council is the largest provider of social housing in the borough, providing 5,278 homes to local residents. Our homes offer a high standard of accommodation that meet 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.
14. 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 energy bills of our tenants, 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.

15. The high 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.
16. 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 2024-25

17. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2024-25:

Area	£m	Description
Operational costs	4.859	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	3.377	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	6.179	This covers the on-going general repairs to our 5,278 Council properties, which is an average of £1,171 for each property in 2024-25. The continued investment in a good quality repairs and maintenance service is essential to maintaining the high 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	3.911	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	13.455	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2024-25 is given below in 'Housing Business Plan'.

Housing Business Plan

18. 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 2024-25 are:

Area	£m	Description
Adaptations and lifts	0.214	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	1.286	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. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles, Eastbourne and Cockerton wards.
Structural works	0.427	This budget will be used to address structural issues identified within the year.
Lifeline services	0.250	This budget will to continue fund any upgrades required to Lifeline equipment.
Repairs before painting	0.066	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles, Park East, Harrowgate Hill and Stephenson wards.
Roofing and repointing work	1.050	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. This work for 2024-25 will predominantly be completed in the Haughton and Springfield ward.
Garages	0.050	This budget will be invested in improvements to the Council's garage blocks including demolition where they are beyond economical repair. This work for 2024-25 will predominantly be completed in the Bank Top and Lascelles and Red Hall and Lingfield wards.
External works	0.210	Used to provide new rear dividing fences and new footpaths to Council properties based on their condition, in various locations across the borough.

Area	£m	Description
Pavements	0.027	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	1.495	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. This work for 2024-25 will predominantly be completed in the Sadberge and Middleton St. George, Bank Top and Lascelles, Whinfield and North Road wards.
Internal planned maintenance (IPM)	2.898	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. This work for 2024-25 will predominantly be completed in the Red Hall and Lingfield and Cockerton wards.
Communal works	0.160	This budget will fund any work required to communal areas and will also be used to carry out upgrades to card entry systems. This work for 2024-25 will predominantly be completed in the Park East and Cockerton wards.
Energy efficiency improvements	3.068	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	15.815	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below).

19. The purpose of the Housing Business Plan is to ensure that Housing Services has a sustainable medium-term financial plan, which focuses investment on 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

20. 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 1,192 Darlington residents on the Housing Allocations register.

21. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included estimated additional borrowing of £13.5m in 2024-25 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.
22. 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.
23. The following new build work is planned to be delivered in 2024-25:
 - (a) Phase 2 of the Sherbourne Close site is due to commence in 2024, delivering an additional 14 new homes. Development of the site was due to commence in January 2023 but has been delayed due to nutrient neutrality issues. Phase one of this site has already delivered 18 new homes.
 - (b) Work on the Skinnergate site is due to commence in 2024, delivering 16 new homes and will initially require some demolition work of existing commercial buildings. Development of the site was due to commence in 2022 but has been delayed as a result of ongoing legal issues in regard to adjoining commercial and residential properties, nutrient neutrality issues and enquiries raised by Historic England.
 - (c) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by 2025-26. The first new Council homes on the site are due to be completed in March 2024.
24. As noted previously, the new build programme for 2024-25 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.

Housing for Vulnerable People

25. 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.
26. 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.
27. 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

28. Previously, a percentage of our housing stock has been surveyed by an independent specialist organisation every five years and detailed analysis of the data takes place to help inform our priorities. However, the Regulator of Social Housing (RSH) has recommended that social housing providers should have an accurate record of all their stock, and in response, we have recruited a dedicated Stock Condition Surveyor who will undertake a rolling programme of surveys to inform our provision of good quality, well maintained and safe homes for our tenants.
29. 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. Our annual stock condition surveys will continue to shape our Business Plan and energy efficiency priorities.
30. All our properties comply with Decent Homes Standards. 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. In addition, all our properties comply with health and safety legal requirements and part of the cyclical maintenance programme includes statutory gas and electrical safety checks.
31. The Housing Business Plan identifies a capital works budget of around £59m over the next four years and £472m budget for capital works over the next 30 years, including the New Build Programme (see **Appendix 2**).
32. 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 £26.4m for responsive repairs and maintenance over the next four years.

Climate Change

33. 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 our homes:
 - (a) Achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030.
 - (b) Achieve a net zero carbon rating by 2050.
34. An independent consultant was commissioned in 2021 to produce a zero carbon study, 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. To meet the EPC target of C, an estimated £2.1m to 4.1m additional investment is required each year up to 2030. The study recognised that the majority of this amount will need to come from Government funding.

35. The Council has already committed £1m of capital expenditure to tackle climate change in the current financial year 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 £1.08m of Government funding and £0.62m 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 £0.17m of Government funding and £0.07m of capital expenditure.
 - (c) The SHDF (wave 1) scheme delivered external and cavity wall insulation, Air Source Heat Pumps, loft insulation and solar panels to 23 Council homes using £0.24m of Government funding and £0.28m of capital expenditure.
 - (d) The SHDF (wave 2) scheme is currently delivering external and cavity wall insulation, solar panels, loft insulation, double glazing, and low energy lighting to 130 Council homes using £1.27m of Government funding and £1.27m of capital expenditure.
36. In addition, all single glazed windows in Council properties were replaced with double glazing and this work was completed earlier this year. To meet the Government's targets, £3.1m investment is recommended for 2024-25 in the HRA MTFP, increasing by inflation to £3.4m by 2027-28. Investing in the energy efficiency of our homes will also help to reduce our tenant's energy bills and will 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.
37. All Government funding bids require match funding from the Council, usually on a 50/50 basis. 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 Housing Services Climate Change Strategy is currently being developed and will identify what actions are required from 2024-25 onwards to deliver this and is due to be considered by Cabinet in January 2024.

Income

Rents

38. 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, by CPI plus 1%, which means for 2024-25, Councils would have the discretion to increase rents by up to 7.7%.
39. Members will recall that a 5% rent increase was agreed in February 2023 for the current financial year, although rents could have been increased by 7%. This was in recognition of the ongoing economic pressures facing our tenants. CPI for September 2022 was 10.1%, which meant for 2023-24 Members would have usually been able to increase rents by up to 11.1%. However, the Government placed a rent increase cap of 7% for 2023-24.
40. 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 7.9% (see **Table 1**). These costs are anticipated to increase by a further 5.1% in 2024-25, as shown in **Table 2** below.

Table 1: Cost increases 2023-24

Item	Average cost 22-23	Average cost 23-24	Estimated properties	Total cost 22-23	Total cost 23-24	Percentage increase
Roofing	£8,000	£8,800	100	£800,000	£880,000	10.0%
Kitchen / bathroom	£9,329	£10,040	220	£2,052,380	£2,208,900	7.6%
Heating	£3,600	£3,871	200	£720,000	£774,200	7.5%
External doors	£737	£788	230	£169,510	£181,350	7.0%
Windows	£3,000	£3,333	250	£750,000	£833,250	11.1%
Painting	£255	£280	1,000	£255,000	£280,250	9.9%
Responsive repairs	£170	£182	25,000	£4,250,000	£4,552,000	7.1%
Total				£8,996,890	£9,709,950	7.9%

Table 2: Estimated cost increases 2024-25

Item	Total cost 23-24	Estimated total cost 24-25	Percentage increase
Roofing	£880,000	£880,000	0.0%
Kitchen / bathroom	£2,208,900	£2,329,300	5.5%
Heating	£774,200	£816,000	5.4%
External doors	£181,350	£194,050	7.0%
Windows	£833,250	£891,600	7.0%
Painting	£280,250	£299,900	7.0%
Responsive repairs	£4,552,000	£4,791,000	5.3%
Total	£9,709,950	£10,201,850	5.1%

41. The Council recognises that the last few years 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 tenant’s homes and the ability to implement the significant energy efficiency measures required to lower tenants’ energy bills and tackle climate change.
42. In addition, new Decent Homes Standards are due to be published in 2024 and the Regulator of Social Housing is consulting on new Consumer Standards that place greater emphasis on social landlords to provide good quality homes to their tenants, including tackling issues such as damp and mould. New Fire Safety regulations also require us to replace all our doors in communal housing schemes over the next few years. 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.
43. 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 6.7% is recommended for 2024-25, an average of £5.54 each week. 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. We anticipate that our average rents will continue to be lower than other social housing providers in Darlington and the latest published figures confirm this (see **Tables 3 and 4** below).

Table 3: Average Weekly Social Rents 2022-23 (no service charges included)

House size	Darlington BC	All Other Registered Providers in Darlington
1 bedroom	£66.45	£71.21
2 bedroom	£75.41	£85.07
3 bedroom	£83.91	£89.84
4 bedroom	£89.70	£109.54

Table 4: Average Weekly Affordable Rents 2022-23 (including service charges)

House size	Darlington BC	All Other Registered Providers in Darlington
1 bedroom	£90.03	£92.90
2 bedroom	£94.68	£103.65
3 bedroom	£105.89	£115.19
4 bedroom	£134.76	£126.31

44. In addition to the income from rent and service charges, in 2024-25 we plan to borrow an additional £13.5m 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 available Government funding to improve the energy

efficiency of our homes and reduce our carbon impact. Even with the proposed 6.7% rent increase for 2024-25, our reserves are estimated to reduce from £20.7m in 2024-25 to £11.1m by 2027-28.

Garage Rents and Service Charges

45. The proposed service charges shown at **Table 5** 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.
46. For 2023-24, the heating charge for sheltered and extra care schemes was increased to £42.88 each week to reflect the North East Procurement Organisation’s (NEPO) estimate of gas price increases in 2023-24. However, Members agreed to review this amount during 2023 and amend the service charge to reflect actual heating costs for the schemes. Following a review, the heating charge was reduced to £28.85 from 1 October 2023 and it is proposed to keep this charge for 2024-25 at the same level.
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 considerable 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 5: Garage Rents and Service Charges

Description	Current Weekly Charge (23/24)	Proposed Weekly Charge (24/25)	Percentage Increase
	£	£	%
Garage Rents	8.74	9.76	12%
Building Cleaning – Flats	2.30	2.62	14%
Building Cleaning – Sheltered Schemes	4.09	4.66	14%
Building Cleaning – Extra Care	14.56	16.63	14%
Grounds Maintenance – General Housing	2.06	2.20	7%
Grounds Maintenance – Blocks of Flats	2.06	2.20	7%
Heating – Wardens schemes*	42.88	28.85	-33%
Heating – Blocks of flats	6.21	3.29	-47%
Administration – Leaseholders	1.99	2.12	7%
Furnishings and Fittings – Comprehensive Schemes	2.42	2.53	5%
Furnishings and Fittings – Good Neighbour Schemes	1.11	1.24	12%

Description	Current Weekly Charge (23/24)	Proposed Weekly Charge (24/25)	Percentage Increase
Lifeline Response	7.58	7.92	4%
Lifeline – Sheltered and Extra Care Housing	27.59	28.38	3%
Pavement Crossings and Hard standings	4.72	5.12	9%
Mid-day Meal – Extra Care (Residents only)	45.43	48.61	7%
Mid-day Meal – Extra Care (Non-Residents only)	54.51	58.33	7%
Guest Rooms in Sheltered Schemes	98.85	105.48	7%
Door Entry Systems	0.86	0.93	9%
TV Aerials	0.24	0.26	9%
Furniture Charge	12.00	14.08	17%
Housing Plus Service	20.62	22.60	10%

* Reduced from £42.88 to £28.85 each week from October 2023.

Consultation

48. The Annual Review of the HRA Business Plan, together with the recommendation to increase rents and service changes 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 2024 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 - MTFP

	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000
<u>Income</u>				
Rents Of Dwellings (Gross)	(23,640)	(24,606)	(25,393)	(25,966)
Sundry Rents (Including Garages & Shops)	(497)	(512)	(527)	(543)
Charges For Services & Facilities	(3,377)	(3,528)	(3,641)	(3,768)
Contribution towards expenditure	(887)	(909)	(924)	(936)
Interest Receivable	(6)	(6)	(6)	(6)
Total Income	(28,407)	(29,562)	(30,492)	(31,220)
<u>Expenditure</u>				
Operational Costs	4,859	4,954	5,092	5,222
Service Charges	3,377	3,528	3,641	3,768
Capital Financing Costs	3,911	3,971	3,941	3,912
Increase in Bad Debt Provision	250	263	270	278
HRA Revenue Repairs	6,179	6,490	6,685	7,048
Revenue Contribution to Capital (R.C.C.O.)	13,455	12,668	12,535	12,956
	0			
Contribution to/(from) balance	(3,625)	(2,312)	(1,673)	(1,965)
Total Expenditure	28,407	29,562	30,492	31,220
(Surplus) / Deficit	0	0	0	0
Opening balance	20,702	17,077	14,765	13,091
Contribution to/(from) balance	(3,625)	(2,312)	(1,673)	(1,965)
Closing balance	17,077	14,765	13,091	11,127
Estimated closing dwelling numbers	5,329	5,397	5,387	5,461
Closing balance per dwelling	£3,204.48	£2,735.70	£2,430.19	£2,037.46

APPENDIX 2

30 YEAR HOUSING BUSINESS PLAN 2024/25 - 2053/54

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	2,492	3,355	4,508	10,355
Communal Works	1,869	2,516	3,505	7,890
Decoration following IPM	483	888	1,194	2,565
External Works (footpaths, fencing, etc.)	2,450	3,298	4,517	10,265
Garages	331	378	493	1,202
Heating Replacements	15,007	20,201	27,149	62,357
Internal Planned Maintenance (IPM)	33,811	51,388	67,324	152,523
Repairs before painting	769	1,036	1,353	3,158
Roofing and Repointing Work	8,222	9,911	13,320	31,453
Structural Works	4,984	6,709	9,346	21,039
Lifeline Services	1,390	748	1,042	3,180
Energy Efficiency	38,394	40,253	53,467	132,114
Professional Fees	2,931	3,934	5,705	12,570
Pavements	315	424	591	1,330
New Build / Acquisitions	26,328	2,000	0	28,328
Total expenditure	139,776	147,039	193,514	480,329

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2024/25	2025/26	2026/27	2027/28
	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>				
Adaptations / Lifts	214	224	231	238
Heating replacement programme	1,286	1,351	1,391	1,433
Structural works	427	449	462	476
Lifeline Services*	250	210	202	213
Repairs before painting	66	69	71	136
Roofing	1,050	1,103	683	703
Garages	50	50	26	27
External Works (footpaths, fencing, fabric etc.)	210	221	227	234
Pavement Crossing	27	28	29	30
Window and Door Replacement Programme	1,495	1,570	1,617	1,666
IPM works	2,898	3,043	3,134	3,228
Energy Efficiency	3,068	3,221	3,318	3,418
Communal Works	160	168	173	178
New build (net of HE grant)/regeneration	15,815	2,513	1,000	1,000
Fees	254	265	274	279
Total spend	27,270	14,485	12,838	13,259
<u>Resourced by:</u>				
Capital Receipts	303	303	303	303
RCCO	13,455	12,668	12,535	12,956
Additional Borrowing	13,512	1,514	0	0

EXAMPLES OF WEEKLY RENT CHANGES FOR 2024/25

Area		Property Type	Approved Rent 2023/24	Proposed Rent 2024/25	Increase between 23/24 & 24/25	Increase between 23/24 & 24/25
					£	%
<u>Middleton St George</u>						
	Mount Pleasant Close	1 Bedroom Bungalow	87.55	93.41	5.87	6.7%
	Pounteys Close	2 Bedroom House	83.52	89.12	5.60	6.7%
	Thorntree Gardens	3 Bedroom House	95.27	101.65	6.38	6.7%
<u>Cockerton</u>						
	Newton Court	1 Bedroom Flat	68.97	73.59	4.62	6.7%
	Elvet Place	2 Bedroom House	80.77	86.19	5.41	6.7%
	Minors Crescent	3 Bedroom House	87.03	92.86	5.83	6.7%
<u>Haughton</u>						
	Ted Fletcher Court	1 Bedroom Flat	69.55	74.21	4.66	6.7%
	Lyonette Road	2 Bedroom Flat	78.79	84.07	5.28	6.7%
	Nightingale Avenue	2 Bedroom House	81.55	87.01	5.46	6.7%
	Rockwell Avenue	2 Bedroom House	78.79	84.07	5.28	6.7%
	Dunelm Walk	3 Bedroom House	89.17	95.14	5.97	6.7%
<u>Branksome</u>						
	Branksome Hall	1 Bedroom Flat	69.08	73.71	4.63	6.7%
	Whitby Way	1 Bedroom Flat	69.08	73.71	4.63	6.7%
	Malvern Crescent	2 Bedroom House	79.24	84.55	5.31	6.7%
	Rosedale Crescent	3 Bedroom House	90.08	96.12	6.04	6.7%
	Sherborne Close	2 Bedroom Flat	93.40	99.66	6.26	6.7%
<u>Lascelles</u>						
	Coxwold House	1 Bedroom Flat	68.28	72.85	4.57	6.7%
	Gilling Crescent	2 Bedroom Flat	68.28	72.85	4.57	6.7%
	Aldbrough Walk	2 Bedroom House	87.58	93.45	5.87	6.7%
	Caldwell Green	3 Bedroom House	86.51	92.31	5.80	6.7%
	Fenby Avenue	3 Bedroom House	105.87	112.96	7.09	6.7%
<u>Bank Top</u>						
	Graham Court	1 Bedroom Flat	69.52	74.18	4.66	6.7%
	Graham Court	3 Bedroom House	89.08	95.05	5.97	6.7%
<u>Redhall</u>						
	Bramall House	1 Bedroom Flat	66.70	71.17	4.47	6.7%
	Aviemore Court	2 Bedroom Flat	73.35	78.26	4.91	6.7%
	Murrayfield Way	2 Bedroom House	76.40	81.52	5.12	6.7%
	Aintree Court	2 Bedroom House	74.97	79.99	5.02	6.7%
	Aintree Court	3 Bedroom House	96.43	102.89	6.46	6.7%

Area		Property Type	Approved Rent 2023/24	Proposed Rent 2024/25	Increase between 23/24 & 24/25	Increase between 23/24 & 24/25
					£	%
<u>Eastbourne</u>						
	West Moor Road	1 Bedroom Flat	65.51	69.90	4.39	6.7%
	Tansley Gardens	2 Bedroom Flat	72.97	77.86	4.89	6.7%
	Firthmoor Crescent	2 Bedroom House	75.99	81.08	5.09	6.7%
	Brignall Moor Crescent	3 Bedroom House	82.25	87.76	5.51	6.7%
<u>Skerne Park</u>						
	Trent Place	2 Bed House	82.22	87.73	5.51	6.7%
	Humber Place	3 Bed House	83.03	88.59	5.56	6.7%
<u>Parkside</u>						
	Wordsworth Road	1 Bedroom Flat	69.61	74.27	4.66	6.7%
	Shakespeare Road	2 Bedroom House	85.03	90.73	5.70	6.7%
	Ruskin Road	3 Bedroom House	88.25	94.16	5.91	6.7%

* Affordable rent properties - these rents include applicable service charges