

**CABINET
3 DECEMBER 2024**

HOUSING REVENUE ACCOUNT – MTFP 2025-26 TO 2028-29

**Responsible Cabinet Member - Councillor Matthew Roche,
Health and Housing Portfolio**

**Responsible Director – Elizabeth Davison,
Executive Director of Resources and Governance**

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 2025-26 in the context of the HRA Medium Term Financial Plan to 2028-29 and the 30-year Business Plan.

Summary

2. Darlington Borough Council is the largest provider of social housing in the Borough, providing 5,260 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 help our tenants reduce their energy consumption and bills, meet Government targets and tackle climate change), 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 £13.8m.
5. The HRA also funds a Tenancy Sustainment Service to provide our tenants with advice and support to help address the current financial challenges they are facing. This includes support to claim welfare benefits, including the transition to Universal Credit, budgeting advice, saving money on gas and electricity, opening bank accounts and applying for the Northumbrian Water tariff, which can reduce water bills by up to 50%. Referrals are also

made to Citizens Advice for independent financial advice, as well as to food banks and furniture recycling schemes.

6. This report sets out the key decisions for the HRA for 2025-26, which includes:
 - (a) Proposed revenue expenditure of £30.186m, including:
 - (i) £6.503m to fund our responsive repairs and maintenance service, and
 - (ii) £15.947m contribution to the capital programme.
 - (b) A proposed capital programme of £30.092m, including:
 - (i) £1.325m for heating system replacements,
 - (ii) £1.760m for property adaptations, structural works, external works, and roofing,
 - (iii) £1.495m for windows and door replacements,
 - (iv) £3.600m for kitchen and bathroom replacements,
 - (v) £4.020m to deliver energy efficiency measures to tackle climate change,
 - (vi) £16.925m to complete capital schemes approved in previous years, and to deliver our new build Council housing programme and property acquisitions.
7. 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.
8. Councils have the discretion to increase rents each year by the Consumer Price Index (CPI) plus 1%. CPI for September 2024 was 1.7%, which means for 2025-26 Members could increase rents by up to 2.7%.
9. Members will recall that a 6.7% rent increase was agreed in February 2024 for the current financial year, although rents could have been increased by 7.7%. This was in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and service. As far as we are aware, all other social landlords in England increased their rents by the maximum 7.7%.
10. The Council has faced substantial financial pressures over the last 12 months. There is a country wide pressure regarding building materials and contractor costs, which has, and continues to, increase prices above inflation, which subsequently impacts on the cost of both repairs and maintenance and new build properties. For example, our Repairs and Maintenance costs have increased from £4.758m in 2021-22 to an estimated £6.295m in 2024-25, a 32% increase in 3 years.

11. In addition, the significant unknown pressure is the energy efficiency programme. An independent report from Savills in 2021 estimated replacing gas boilers with air source heating will cost more than £100m. At this point we don't know the Government's long-term intentions on funding for these measures, but currently, grants are awarded on a matched funding basis.
12. We have approx. 2,500 properties that don't meet the Energy Performance Certificate (EPC) C rating which will need to be addressed by 2030. We don't know the full costs yet, but current estimates, based on stock condition data, suggest the amount to be around £32m, which is approx. £12.8k for each property. We are currently bidding for funding from the Social Housing Decarbonisation Fund (SHDF) wave 3, which will upgrade over 1,600 Council homes, however, significantly more investment will be required to meet Government targets.
13. The Government will also be consulting on new Decent Homes Standards and the Regulator of Social Housing introduced new Consumer Standards in April 2024 that places greater emphasis on social landlords to provide good quality homes to their tenants. Awaab's Law, due to be introduced in 2025, will also require social landlords to address damp and mould reports with higher priority and new Fire Safety regulations introduced in 2022 also require us to replace all our doors in blocks of flats and communal housing schemes over the next few years.
14. Considering 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 2.7% is recommended, or an average of £2.81 each week. It is also recommended to increase service charges by an appropriate inflationary amount.

Recommendations

15. It is proposed that the following recommendations are agreed for wider consultation:
 - (a) An average weekly rent increase of 2.7% for 2025-26 be implemented, giving an average social rent of £86.15 and affordable rent of £97.55.
 - (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

16. 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
Executive Director of Resources and Governance

Background Papers

Regulator of Social Housing - Rent Standard

Anthony Sandys: Ext 6926

Council Plan	This report supports the Council Plan's HOMES priority to provide affordable and secure homes that meet the current and future needs of residents
Addressing inequalities	There are no issues which this report needs to address
Tackling Climate Change	There are a range of energy efficiency measures included in the business plan, which will support our Housing Services Climate Change Strategy
Efficient and effective use of resources	As the HRA is a ring-fenced budget every effort is made to maximise income and identify savings to maintain a high-quality service
Health and Wellbeing	By ensuring our housing stock is in good condition, we are making a positive contribution to the health and wellbeing of our tenants
S17 Crime and Disorder	There are no issues which this report needs to address
Wards Affected	All wards with Council housing
Groups Affected	All Council tenants and leaseholders, 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 2025
Key Decision	This is not a key decision for Cabinet, as the approval of Council in February 2025 will be required
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council in February 2025 will be required
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Background

17. Darlington Borough Council is the largest provider of social housing in the Borough, providing 5,260 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.
18. 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 to support people to live independently and maintain a good quality of life.

19. 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.
20. 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 2025-26

21. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2025-26:

Area	£m	Description
Operational costs	6.241	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	3.593	This covers services charged to tenants such as building cleaning, heating, 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	6.503	This covers the on-going general repairs to our 5,260 Council properties, which is an average of £1,236 for each property in 2025-26. 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	4.429	This covers the historic and ongoing cost of paying for borrowing undertaken to fund capital expenditure.
Bad debt provision	0.263	Provision to cover rents that are deemed to be unrecoverable.
Revenue contribution to the capital programme	15.947	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2025-26 is given below in 'Housing Business Plan'.

Housing Business Plan

22. 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 and our Housing Asset Management Strategy, which are regularly reviewed to ensure investment is targeted in the areas of most need. The funding proposals for 2025-26 are:

Area	£m	Description
Adaptations and lifts	0.150	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 replacements	1.325	This budget will fund new condensing boilers, air source heat pumps 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 2025-26 will predominantly be completed in the Eastbourne, North Road and Cockerton wards.
Structural works	0.400	This budget will be used to address structural issues identified within the year.
Lifeline services	0.310	This budget will continue to fund any upgrades required to Lifeline equipment.
Repairs before painting	0.068	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme. This work for 2025-26 will predominantly be completed in the Red Hall and Lingfield, Heighington and Coniscliffe, Sadberge and Middleton St. George, and College wards.
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. The programme of works for 2025-26 has yet to be determined, as it will be aligned to any successful funding bid for energy efficiency work (see below).
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 2025-26 will predominantly be completed in the Red Hall and Lingfield ward.
External works	0.210	This budget will be 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	0.028	This budget will be used 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 replacements	1.495	This budget will 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 because of a responsive repair. This work for 2025-26 will predominantly be completed in the Park East, Stephenson, Cockerton, Whinfield, Haughton and Springfield, Red Hall and Lingfield, and Sadberge and Middleton St. George wards.
Internal planned maintenance (IPM)	3.600	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 2025-26 will predominantly be completed in the Red Hall and Lingfield, Stephenson, Hummersknott and Whinfield wards.
Energy efficiency	4.020	This budget will continue to fund energy efficiency improvements such as improved insulation and new low carbon heating systems. This will also include any match funding required for Government energy efficiency grant bids (see the 'Climate Change' section below).
Communal works	0.200	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 2025-26 will be completed in various locations across the Borough.
Capital Schemes approved in previous year	12.835	This budget will be used to fund ongoing capital schemes, including new build schemes, that were approved in a previous year but are due to be completed in 2025-26.
New build and regeneration capital investment	4.090	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below). This budget will also fund any property acquisitions during 2025-26.

23. 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

24. Darlington Borough Council has set an ambitious programme to build additional new Council homes to meet increasing demand for social housing in the Borough. Since the

programme began, 315 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 2,000 Darlington residents on the Housing Allocations register.

25. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included estimated additional borrowing of £13.8m in 2025-26 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.
26. We lose around 40 homes each year through the Right to Buy scheme, although this may change under new Government rules, which has reduced the discounts available. 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.
27. The following new build work is planned to be delivered in 2025-26:
 - (a) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by the end of 2025-26. The first 22 new Council homes were completed in August 2024 and tenants have already moved in. The rest of the site will be completed in phases, including 19 homes being offered as rent to buy. The site has been partly funded through £7.35m of grant from Homes England.
 - (b) Phase 2 of the Sherbourne Close site commenced in July 2024, providing an additional 14 new homes and is due to be completed in August 2025. The site has been partly funded through £0.91m of grant from Homes England.
 - (c) Construction work on the Skinnergate site is due to commence in early 2025-26, following the demolition of the existing commercial buildings. The first phase of the demolition has already been completed, with the remainder due to take place early in 2025. Development of the site has been delayed because of ongoing legal issues regarding adjoining commercial and residential properties, nutrient neutrality issues and enquiries raised by Historic England. An application for grant funding from Homes England is currently being prepared and we are anticipating an award of approx. £1.1m.
28. As noted previously, the new build programme for 2025-26 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. 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 People with Vulnerabilities

29. Each year, Housing Services complete a range of minor and major adaptations to individual Council properties where an Occupational Therapist has identified a need. Works range

from the provision of lever taps and grab rails to semi-permanent ramps, stair lifts, hoists, and ground floor extensions.

30. The HRA adaptations budget reflects the fundamental role adaptations play in supporting people with vulnerabilities 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. Occupational Therapists and Housing Officers work closely with our tenants 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

31. From our previous stock condition surveys, undertaken by external consultants, 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. We now have dedicated Stock Condition Surveyors who will undertake a rolling programme of surveys to inform our provision of good quality, well maintained and safe homes for our tenants. Our annual stock condition surveys will continue to shape our Business Plan and energy efficiency priorities.
32. 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 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, fire door surveys and fire risk assessments.
33. The Housing Business Plan identifies a capital works budget of around £71m over the next four years and £453m budget for capital works over the next 30 years, including the New Build Programme (see Appendix 2).
34. 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 £26.8m for responsive repairs and maintenance over the next four years.

Climate Change

35. We are committed to improve the energy efficiency of our homes, reduce our carbon impact, help tackle climate change, and reduce tenant's fuels bills, reflected in our Housing Services Climate Change Strategy, approved by Cabinet in January 2024. Our strategy confirmed that significant investment is required to achieve Government targets to ensure all our homes:
 - (a) Achieve a minimum EPC rating of C by 2030.
 - (b) Achieve a net zero carbon rating by 2050.

36. An independent report from Savills in 2021 estimated replacing gas boilers with air source heating will cost more than £100m. At this point we don't know the Government's long-term intentions on funding for these measures, but currently, grants are awarded on a matched funding basis.
37. The Council has already committed over £3m 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 Social Housing Decarbonisation Fund (SHDF) to deliver improvements to Council homes as follows:
 - (a) 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.
 - (b) 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.
38. We have approx. 2,500 properties that don't meet the EPC C rating which will need to be addressed by 2030. We don't know the full costs yet, but current estimates, based on stock condition data, suggest the amount to be around £32m, which is approx. £12.8k for each property. We are currently bidding for funding from the SHDF (wave 3), which will upgrade over 1,600 Council homes, however, significantly more investment will be required to meet Government targets.

Income

Rents

39. All registered providers of social housing (including Councils) must set rents in accordance with the Government's Rent Standard, which allows social housing providers to increase rents, by CPI plus 1%.
40. Members will recall that a 6.7% rent increase was agreed in February 2024 for the current financial year, although rents could have been increased by 7.7%. This was in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and service. As far as we are aware, all other social landlords in England increased their rents by the maximum 7.7%.
41. The Council has faced substantial financial pressures over the last 12 months. There is a country wide pressure regarding building materials and contractor costs, which has, and continues to, increase prices above inflation, which subsequently impacts on the cost of both repairs and maintenance and new build properties. For example, our Repairs and Maintenance costs have increased from £4.758m in 2021-22 to an estimated £6.295m in 2024-25, a 32% increase in 3 years.
42. 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 tackle climate change.

43. The Government will also be consulting on new Decent Homes Standards and the Regulator of Social Housing introduced new Consumer Standards in April 2024 that places greater emphasis on social landlords to provide good quality homes to their tenants. Awab’s Law, due to be introduced in 2025, will also require social landlords to address damp and mould reports with higher priority and new Fire Safety regulations introduced in 2022 also require us to replace all our doors in blocks of flats and communal housing schemes over the next few years.
44. Considering 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 2.7% is recommended, or an average of £2.81 each week. It is also recommended to increase service charges by an appropriate inflationary amount.
45. In addition to the income from rent and service charges, in 2025-26 we plan to borrow an additional £13.8m 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.
46. In terms of benchmarking data, the following tables are the Government figures for 2023-24, which is the latest published and show Darlington rents both social and affordable (except for one-bedroom and four-bedroom homes with an affordable rent) as being lower.

Table 1: Average Social Rents 2023-24 (no service charges included)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£69.95	£76.50
2 Bedroom	£79.20	£90.23
3 Bedroom	£88.08	£96.53
4 Bedroom	£93.94	£117.31
All properties	£79.08	£89.98

Table 2: Average Affordable Rents 2023-24 (including service charges)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£100.17	£98.80
2 Bedroom	£101.46	£111.19
3 Bedroom	£113.03	£123.88
4 Bedroom	£144.14	£134.68
All properties	£103.94	£113.86

Garage Rents and Service Charges

47. The proposed service charges are 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.
48. For 2025-26, the heating costs for sheltered and extra care schemes has been estimated by the North East Procurement Organisation's (NEPO) to decrease, reflecting gas price decreases in 2024-25. Therefore, the proposed service charge for 2025-26 has been decreased accordingly. The proposed meals charge for Extra Care schemes will increase by 20% from £48.61 each week, to £58.43 as the costs are currently being subsidised by the Council, although the actual cost increase of the service will be staggered over 2 years. However, by comparison, Anchor Housing currently charge £71.12 each week for a similar service and Hanover Housing charge £68.53, so our service will continue to provide value for money for residents. Similarly, the building cleaning charge has also been increased above inflation, as this service is also being subsidised by the Council.
49. 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 Citizens Advice 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 (24/25)	Proposed Weekly Charge (25/26)	% increase
	£	£	
Garage Rents	9.76	10.07	3%
Building Cleaning – Flats	2.62	2.82	7%
Building Cleaning – Sheltered Schemes	4.66	5.15	10%
Building Cleaning – Extra Care Schemes	16.63	18.87	13%
Grounds Maintenance – General Housing	2.20	2.28	4%
Grounds Maintenance – Blocks of Flats	2.20	2.28	4%
Heating – Sheltered and Extra Care Schemes	28.85	19.89	-31%
Heating – Blocks of Flats	3.29	3.29	0%
Administration – Leaseholders	2.12	2.16	2%
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.53	2.58	2%
Furnishings and Fittings – Good Neighbour Schemes	1.24	1.26	2%
Lifeline Response	7.92	8.57	8%
Lifeline – Sheltered and Extra Care Schemes	28.38	30.48	7%
Pavement Crossings and Hard Standings	5.12	5.20	2%
Mid-day Meal – Extra Care (Residents Only)	48.61	58.43	20%
Mid-day Meal – Extra Care (Non-Residents)	58.33	70.12	20%
Guest Rooms in Sheltered Schemes	105.48	110.75	5%
Door Entry Systems	0.93	0.95	2%
TV Aerials	0.26	0.26	2%
Furniture Charge	14.08	14.32	2%
Housing Plus Service	22.60	22.90	1%

Consultation

50. 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 2024 report.

Financial Implications

51. 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.
52. 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

	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000
<u>Income</u>				
Rents of Dwellings (Gross)	(24,180)	(24,764)	(25,397)	(25,674)
Sundry Rents (Including Garages and Shops)	(513)	(523)	(533)	(544)
Charges for Services and Facilities	(3,593)	(3,685)	(3,754)	(3,829)
Contribution Towards Expenditure	(1,527)	(1,642)	(1,661)	(1,681)
Interest Receivable	(374)	(210)	(163)	(163)
Total Income	(30,186)	(30,823)	(31,509)	(31,890)
<u>Expenditure</u>				
Operational Costs	6,241	6,340	6,449	6,547
Service Charges	3,593	3,685	3,754	3,829
Capital Financing Costs	4,429	4,394	4,359	4,324
Increase in Bad Debt Provision	263	276	283	291
HRA Revenue Repairs	6,503	6,624	6,752	6,883
Revenue Contribution to Capital (RCCO)	15,947	13,976	14,208	11,482
Contribution to/(from) Balance	(6,791)	(4,471)	(4,297)	(1,466)
Total Expenditure	30,186	30,823	31,509	31,890
(Surplus) / Deficit	0	0	0	0
Opening Balance	24,701	17,910	13,439	9,142
Contribution to/(from) Balance	(6,791)	(4,471)	(4,297)	(1,466)
Closing Balance	17,910	13,439	9,142	7,676

APPENDIX 2

30 YEAR HOUSING BUSINESS PLAN 2025/26 - 2054/55

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	1,642	2,002	2,441	6,085
Communal Works	2,190	2,670	3,434	8,293
Repairs Before Painting	1,284	1,715	2,170	5,169
External Works (footpaths, fencing, etc.)	2,299	2,803	3,534	8,636
Garages	323	334	398	1,054
Heating Replacements	14,504	17,680	21,552	53,736
Internal Planned Maintenance (IPM)	39,419	54,103	62,523	156,045
Roofing and Repointing Work	7,467	8,676	10,576	26,719
Structural Works	4,380	5,339	6,868	16,586
Lifeline Services	1,299	694	892	2,885
Energy Efficiency (including Window and Door Replacements)	40,535	39,075	47,120	126,731
Professional Fees	3,416	4,164	5,618	13,199
Smoke / Fire Alarms	0	1	2	3
Pavements	305	371	477	1,153
Capital Schemes Approved in the Previous Year	12,835	0	0	12,835
New Build and Regeneration Capital Investment	13,090	1,000	0	14,090
Total expenditure	144,990	140,627	167,602	453,219

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2025/26	2026/27	2027/28	2028/29
	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>				
Adaptations and Lifts	150	153	156	159
Heating Replacements	1,325	1,351	1,378	1,406
Structural Works	400	408	416	424
Lifeline Services	310	203	214	217
Repairs Before Painting	68	69	134	136
Roofing and Repointing Work	1,000	663	676	690
Garages	50	50	26	27
External Works (footpaths, fencing, etc.)	210	214	218	223
Pavements	28	28	29	30
Window and Door Replacements	1,495	2,025	2,065	1,607
IPM	3,600	3,672	3,745	3,820
Energy Efficiency	4,020	3,917	3,917	1,500
Communal Works	200	204	208	212
Capital Schemes Approved in the Previous Year	12,835	0	0	0
New Build and Regeneration Capital Investment	4,090	1,000	1,000	1,000
Fees	312	318	325	331
Total spend	30,092	14,276	14,508	11,782
Resourced by:				
Capital Receipts	300	300	300	300
RCCO	15,947	13,976	14,208	11,482
Additional Borrowing	13,845	0	0	0

Examples of Weekly Rent Changes for 2025/26

Appendix 4

Area		Property Type	Approved Rent 2024/25	Proposed Rent 2025/26	Increase between 24/25 & 25/26	Increase between 24/25 & 25/26
					£	%
<u>Middleton St George</u>						
	Mount Pleasant Close	1 Bedroom Bungalow	93.41	95.93	2.52	2.7%
	Pounteys Close	2 Bedroom House	89.12	91.52	2.41	2.7%
	Thorntree Gardens	3 Bedroom House	101.65	104.40	2.74	2.7%
<u>Cockerton</u>						
	Newton Court	1 Bedroom Flat	73.59	75.58	1.99	2.7%
	Elvet Place	2 Bedroom House	86.19	88.51	2.33	2.7%
	Minors Crescent	3 Bedroom House	92.86	95.37	2.51	2.7%
<u>Haughton</u>						
	Ted Fletcher Court	1 Bedroom Flat	74.21	76.21	2.00	2.7%
	Lyonette Road	2 Bedroom Flat	84.07	86.34	2.27	2.7%
	Nightingale Avenue	2 Bedroom House	87.01	89.36	2.35	2.7%
	Rockwell Avenue	2 Bedroom House	84.07	86.34	2.27	2.7%
	Dunelm Walk	3 Bedroom House	95.14	97.71	2.57	2.7%
<u>Branksome</u>						
	Branksome Hall	1 Bedroom Flat	73.71	75.70	1.99	2.7%
	Whitby Way	1 Bedroom Flat	73.71	75.70	1.99	2.7%
	Malvern Crescent	2 Bedroom House	84.55	86.83	2.28	2.7%
	Rosedale Crescent	3 Bedroom House	96.12	98.71	2.60	2.7%
	Sherborne Close	2 Bedroom Flat	99.66	102.35	2.69	2.7%
<u>Lascelles</u>						
	Coxwold House	1 Bedroom Flat	72.85	74.82	1.97	2.7%
	Gilling Crescent	2 Bedroom Flat	72.85	74.82	1.97	2.7%
	Aldbrough Walk	2 Bedroom House	93.45	95.97	2.52	2.7%
	Caldwell Green	3 Bedroom House	92.31	94.80	2.49	2.7%
	Fenby Avenue	3 Bedroom House	112.96	116.01	3.05	2.7%
<u>Bank Top</u>						
	Graham Court	1 Bedroom Flat	74.18	76.18	2.00	2.7%
	Graham Court	3 Bedroom House	95.05	97.61	2.57	2.7%
<u>Red Hall</u>						
	Bramall House	1 Bedroom Flat	71.17	73.09	1.92	2.7%
	Aviemore Court	2 Bedroom Flat	78.26	80.38	2.11	2.7%
	Murrayfield Way	2 Bedroom House	81.52	83.72	2.20	2.7%
	Aintree Court	2 Bedroom House	79.99	82.15	2.16	2.7%
	Aintree Court	3 Bedroom House	102.89	105.67	2.78	2.7%
<u>Eastbourne</u>						
	West Moor Road	1 Bedroom Flat	69.90	71.79	1.89	2.7%
	Tansley Gardens	2 Bedroom Flat	77.86	79.96	2.10	2.7%
	Firthmoor Crescent	2 Bedroom House	81.08	83.27	2.19	2.7%
	Brignall Moor Crescent	3 Bedroom House	87.76	90.13	2.37	2.7%

<u>Skerne Park</u>						
	Trent Place	2 Bed House	87.73	90.10	2.37	2.7%
	Humber Place	3 Bed House	88.59	90.99	2.39	2.7%
<u>Parkside</u>						
	Wordsworth Road	1 Bedroom Flat	74.27	76.28	2.01	2.7%
	Shakespeare Road	2 Bedroom House	90.73	93.18	2.45	2.7%
	Ruskin Road	3 Bedroom House	94.16	96.71	2.54	2.7%

* Affordable rent properties - these rents include applicable service charges.