

**CABINET
2 DECEMBER 2025**

HOUSING REVENUE ACCOUNT – MTFP 2026-27 TO 2029-30

**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 2026-27 in the context of the HRA Medium Term Financial Plan to 2029-30 and the 30-year Business Plan.

Summary

2. Darlington Borough Council is the largest provider of social housing in the Borough, providing 5,266 homes to local residents. Our homes offer a high standard of accommodation that meets the Decent Homes Standards, 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 £8.2m.
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 2026-27, which includes:
 - (a) Proposed revenue expenditure of £32.042m, including:
 - (i) £7.579m to fund our responsive repairs and maintenance service, and
 - (ii) £12.261m contribution to the capital programme.
 - (b) A proposed capital programme of £22.119m, including:
 - (i) £1.352m for heating system replacements,
 - (ii) £1.617m for property adaptations, structural works, external works, and roofing,
 - (iii) £2.025m for windows and door replacements,
 - (iv) £3.672m for kitchen and bathroom replacements,
 - (v) £5.237m to deliver energy efficiency measures to tackle climate change,
 - (vi) £6.821m to complete capital schemes approved in previous years, and to deliver our new build Council housing programme.
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 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 2025 was 3.8%, which means for 2026-27 Members could increase rents by up to 4.8%. A rise of this level would mean that rents for our Council homes are still more affordable than all other social housing providers in Darlington, whilst allowing the Council to continue to provide the best service to tenants and increase the quality of homes.
9. Members will recall that a 2.7% rent increase was agreed in February 2025 for the current financial year. This was the maximum increase allowable and was made in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and services. As far as we are aware, most social landlords in England also increased their rents in 2025-26 by the maximum 2.7%.
10. The Council has continued to face 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 £4.759m in 2021-22 to £7.153m in 2024-25, a 50% increase in 3 years.
11. In addition, the significant unknown pressure is Government energy efficiency targets. 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. 2,350 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 have successfully bid for £3.5m of funding from the Warm Homes: Social Housing Fund (WHSHF) wave 3. Including expenditure from the HRA, around 1,000 Council homes will be upgraded in the next 3 years at a total cost of £13.9m. However, significantly more investment will be required to meet Government targets.
13. The Government has also consulted 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, introduced in October 2025, also requires 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 4.8% is recommended, or an average of £4.24 each week. It is also recommended to increase service charges in line with the projected costs of the services provided. We anticipate the vast majority of, if not all, other social housing providers in England will propose to raise rents by 4.8% but will keep a watching brief on this. As far as we know in years following higher inflation (2023 and 2024) Darlington Borough Council increased rents by less than all other social landlords in England. This means that we anticipate council homes continuing to be the best value for money social homes in the Borough.

Recommendations

15. It is proposed that the following recommendations are agreed for wider consultation:
 - (a) An average weekly rent increase of 4.8% for 2026-27 be implemented, giving an average social rent of £89.92 and affordable rent of £101.95.
 - (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 2026
Key Decision	This is not a key decision for Cabinet, as the approval of Council in February 2026 will be required
Urgent Decision	This is not an urgent decision for Cabinet, as the approval of Council in February 2026 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 5,266 homes to local residents. Our homes offer a high standard of accommodation that meet the Decent Homes Standards 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 2026-27

21. Detailed estimates have been prepared based on current service levels and the following expenditure amounts for the revenue account are proposed for 2026-27:

Area	£m	Description
Operational costs	7.084	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	3.767	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	7.579	This covers the on-going general repairs to our 5,266 Council properties, which is an average of £1,439 for each property in 2026-27. 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	4.833	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	12.261	This represents the amount by which the HRA can fund major capital works. A breakdown of the proposed Capital Programme for 2026-27 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 2026-27 are:

Area	£m	Description
Adaptations and lifts	0.153	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	1.352	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 2026-27 will predominantly be completed in the Eastbourne, Park East, Bank Top and Lascelles, Red Hall and Lingfield and Cockerton wards.
Structural works	0.250	This budget will be used to address structural issues identified within the year.
Lifeline services	0.379	This budget will continue to fund any upgrades required to Lifeline equipment.
Repairs before painting	0.069	This budget will be invested in joinery repair works in anticipation of the cyclical external painting programme. This work for 2026-27 will be completed in various locations across the Borough.
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 2026-27 will be aligned to the energy efficiency work taking place (see below).
Garages	0.329	This budget will be invested in improvements to the Council's garage blocks, including demolition, where they are beyond economical repair. This work for 2026-27 will predominantly be completed in the Red Hall and Lingfield ward.
External works	0.214	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.
Pavements	0.028	This budget will be used to fund any identified work to upgrade or adapt any pavements (including requirements for

Area	£m	Description
		dropped kerbs for Council properties) across the Borough.
Window and door replacements	2.025	This budget will fund the window and external door replacement programme, including replacement fire doors in sheltered schemes and blocks of flats. This budget will also fund any window and door replacements required because of a responsive repair. This work for 2026-27 will predominantly be fire doors to be fitted in sheltered schemes and blocks of flats, in various locations across the Borough.
Internal planned maintenance (IPM)	3.672	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 2026-27 will predominantly be completed in the Bank Top and Lascelles, Eastbourne, Cockerton and Park West wards.
Energy efficiency	5.237	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	0.204	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 2026-27 will be completed in various locations across the Borough.
Capital Schemes approved in previous year	5.821	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 2026-27.
New build and acquisitions	1.000	This budget will continue to fund the new build Council housing programme (see the 'New Build' section below) and acquisitions in 2026-27.

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. We have an ambitious programme to build new Council homes. Since the programme began, 365 new Council properties have already been delivered at various locations around Darlington, providing exceptionally high-quality homes to local residents, with a further 108 under construction. Demand for our properties continues to be high, with just under 2,000 Darlington residents on the Housing Allocations register. Therefore, along

with a range of other measures, efforts continue to be made to develop more schemes, which will have to be costed on a scheme-by-scheme basis for affordability.

25. Since the abolition of the HRA borrowing cap, we have been able to prudentially borrow and have included estimated additional borrowing of £8.2m in 2026-27 to build new affordable homes and contribute to energy efficiency. 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 previously lost around 40 homes each year through the Right to Buy scheme, although following new Government rules, which has reduced the discounts available, there were 36 Council homes sold under Right to Buy in 2024-25, and 54 to date in 2025-26. However, due to further changes by the Government, we are expecting the numbers to reduce in the future years. 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 is a summary of our current new build work programme:
 - (a) Work on the Neasham Road site commenced in September 2022 and will deliver 150 new homes by the beginning of 2026-27. So far, 72 new Council homes have been completed to date, and 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, including 2 homes being offered as rent to buy, and is due to be completed by the end of 2025-26. 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 2026, following the completion of the demolition of the existing commercial buildings. The construction phase is then due to be completed by December 2026. 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 awaiting decision and we are anticipating an award of approx. £2m.
28. As noted previously, the new build programme for 2026-27 will partly be funded through additional borrowing. In addition, grant funding bids to Homes England's Affordable Housing Programme will also provide around 30% of the overall costs. It is difficult to predict exact grant funding levels, as decisions are made by Homes England on a scheme-by-scheme 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 current and previous stock condition surveys, 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 surveys have provided us with a complete picture of our stock condition and analysis of this data will continue in 2026-27 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 external wall 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 £63m over the next four years and £461m 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 £31.2m for responsive repairs and maintenance over the next four years.

Energy Efficiency and Climate Change

35. We are committed to make our homes more energy efficient, to help tenants with fuel bills and tackle climate change, 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 £4m 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) and the Warm Homes: Social Housing Fund (WHSHF) 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 delivered 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.
 - (c) The WHSHF (wave 3) scheme will deliver external and cavity wall insulation, solar panels, loft insulation, double glazing, and low energy lighting to approx. 680 Council homes using £3.55m of Government funding. Matched funding from the HRA, together with non-grant funded works, will deliver a 3-year programme of improvements to around 1,000 Council homes at a total estimated cost of £13.9m.
38. We have approx. 2,350 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. Therefore, significantly more investment will be required to meet Government targets.

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 2.7% rent increase was agreed in February 2025 for the current financial year. This was the maximum increase allowable and was made in recognition of the need to balance ongoing economic pressures facing our tenants and the need to invest in our Council homes and services. As far as we are aware, all social landlords in England increased their rents in 2025-26 by the maximum 2.7%.
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 £4.759m in 2021-22 to £7.153m in 2024-25, a 50% 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 has also consulted 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, introduced in October 2025, also requires 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 4.8% is recommended, or an average of £4.24 each week. It is also recommended to increase service charges in line with the projected costs of the services provided.
- 45. In addition to the income from rent and service charges, in 2026-27 we plan to borrow an additional £8.2m to help fund our new build programme. This will be supplemented with grants from Homes England, which usually cover around 30% 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 2024-25, which 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 2024-25 (no service charges included)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£74.65	£82.51
2 Bedroom	£84.52	£97.52
3 Bedroom	£93.97	£104.55
4 Bedroom	£100.23	£125.60
All properties	£84.36	£97.35

Table 2: Average Affordable Rents 2024-25 (including service charges)

House size	DBC	Other Social Landlords in Darlington
1 Bedroom	£106.78	£104.62
2 Bedroom	£109.29	£119.75
3 Bedroom	£123.88	£133.71
4 Bedroom	£182.68	£144.89
All properties	£112.64	£122.33

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 2026-27, 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 2025-26. Therefore, the proposed service charge for 2026-27 has been decreased accordingly. The proposed meals charge for Extra Care schemes will increase by 20% from £58.43 each week, to £70.14 as the costs have been subsidised by the Council, although the actual cost increase of the service has been staggered over 2 years (20% increase in 2025-26 and 20% increase in 2026-27). Similarly, the building cleaning charge has also been increased above inflation, as this service was also being subsidised by the Council and has been phased over 2 years in a similar way to the meals charge. In addition, there is a plus budget pressure for window cleaning, which is the reason for the 38% increase in the weekly charge to the flats.
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 (25-26)	Proposed Weekly Charge (26-27)	% increase
	£	£	
Garage Rents	10.07	10.45	4%
Building Cleaning – Flats	2.82	3.89	38%
Building Cleaning – Sheltered Schemes	5.15	6.43	25%
Building Cleaning – Extra Care Schemes	18.87	22.09	17%
Grounds Maintenance – General Housing	2.28	2.47	8%
Grounds Maintenance – Blocks of Flats	2.28	2.47	8%
Heating – Sheltered and Extra Care Schemes	19.89	15.41	-23%
Heating – Blocks of Flats	3.29	3.29	0%
Administration – Leaseholders	2.16	2.24	4%
Furnishings and Fittings – Sheltered and Extra Care Schemes	2.58	2.67	4%
Furnishings and Fittings – Good Neighbour Schemes	1.26	1.31	4%
Lifeline Response	8.57	8.90	4%
Lifeline – Sheltered and Extra Care Schemes	30.48	30.73	1%
Pavement Crossings and Hard Standings	5.20	5.40	4%

Description	Current Weekly Charge (25-26)	Proposed Weekly Charge (26-27)	% increase
Mid-day Meal – Extra Care (Residents Only)	58.43	70.14	20%
Mid-day Meal – Extra Care (Non-Residents)	70.12	84.17	20%
Guest Rooms in Sheltered Schemes	110.75	116.29	5%
Door Entry Systems	0.95	0.96	2%
TV Aerials	0.26	0.27	2%
Furniture Charge	14.32	14.87	4%
Housing Plus Service	22.90	25.90	13%

Consultation

50. 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 2026 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.

APPENDIX 1

HOUSING REVENUE ACCOUNT - MTFP

	2026/27	2027/28	2028/29	2029/30
	£000	£000	£000	£000
<u>Income</u>				
Rents of Dwellings (Gross)	(25,584)	(26,063)	(26,540)	(27,026)
Sundry Rents (Including Garages and Shops)	(500)	(500)	(500)	(500)
Charges for Services and Facilities	(3,767)	(3,828)	(3,910)	(3,993)
Contribution Towards Expenditure	(1,662)	(1,681)	(1,708)	(1,736)
Interest Receivable	(531)	(369)	(284)	(201)
Total Income	(32,042)	(32,441)	(32,942)	(33,455)
<u>Expenditure</u>				
Operational Costs	7,084	7,142	7,251	7,387
Service Charges	3,767	3,828	3,910	3,993
Capital Financing Costs	4,833	4,928	4,886	4,844
Increase in Bad Debt Provision	263	271	279	288
HRA Revenue Repairs	7,579	7,723	7,875	8,032
Revenue Contribution to Capital (RCCO)	12,261	12,210	11,903	11,811
Contribution to/(from) Balance	(3,745)	(3,660)	(3,163)	(2,901)
Total Expenditure	32,042	32,441	32,942	33,455
(Surplus) / Deficit	0	0	0	0
Opening Balance	16,227	12,483	8,823	5,660
Contribution to/(from) Balance	(3,745)	(3,660)	(3,163)	(2,901)
Closing Balance	12,483	8,823	5,660	2,759

APPENDIX 2

30 YEAR HOUSING BUSINESS PLAN 2026/27 - 2055/56

	Years 1-10 (£000)	Years 11-20 (£000)	Years 21-30 (£000)	Total Spend (£000)
Adaptations and Lifts	1,675	2,042	2,489	6,207
Communal Works	2,234	2,723	3,534	8,490
Repairs Before Painting	1,373	1,749	2,225	5,347
External Works (footpaths, fencing, etc.)	2,345	2,859	3,625	8,829
Garages	573	327	388	1,288
Heating Replacements	14,799	18,039	21,990	54,828
Internal Planned Maintenance (IPM)	40,207	58,582	60,176	158,965
Roofing and Repointing Work	10,950	13,348	16,271	40,568
Structural Works	2,737	3,337	4,331	10,405
Lifeline Services	1,686	921	1,195	3,802
Energy Efficiency (including Window and Door Replacements)	41,192	39,857	47,973	129,022
Professional Fees	4,234	5,163	7,079	16,477
Smoke / Fire Alarms	0	1	2	3
Pavements	311	379	491	1,181
Capital Schemes Approved in the Previous Year	5,821	0	0	0
New Build and Acquisitions	10,000	0	0	10,000
Total expenditure	140,137	149,327	171,769	461,233

APPENDIX 3

HOUSING REVENUE ACCOUNT – CAPITAL PROGRAMME

	2026/27	2027/28	2028/29	2029/30
	£000's	£000's	£000's	£000's
<u>Scheme / Project</u>				
Adaptations and Lifts	153	156	159	162
Heating Replacements	1,352	1,379	1,406	1,434
Structural Works	250	255	260	265
Lifeline Services	379	380	382	73
Repairs Before Painting	69	134	136	139
Roofing and Repointing Work	1,000	1,020	1,040	1,061
Garages	329	25	26	26
External Works (footpaths, fencing, etc.)	214	218	223	227
Pavements	28	29	30	30
Window and Door Replacements	2,025	2,065	1,607	1,639
IPM	3,672	3,745	3,820	3,897
Energy Efficiency	5,237	5,200	1,500	1,530
Communal Works	204	208	212	216
Capital Schemes Approved in the Previous Year	5,821	0	0	0
New Build and Acquisitions	1,000	1,000	1,000	1,000
Fees	386	395	402	410
Total spend	22,119	16,210	12,203	12,111
<u>Resourced by:</u>				
Capital Receipts	300	300	300	301
RCCO	12,261	12,210	11,903	11,811
Capital Grant	1,320	1,283	0	0
Additional Borrowing	8,238	2,417	0	0

Examples of Weekly Rent Changes for 2026/27

Appendix 4

Area		Property Type	Approved Rent 2025/26	Proposed Rent 2026/27	Increase between 25/26 & 26/27	Increase between 25/26 & 26/27
					£	%
<u>Middleton St George</u>						
	Pounteys Close	2 Bedroom House	91.52	95.92	4.39	4.8%
	Thorntree Gardens	3 Bedroom House	104.40	109.41	5.01	4.8%
<u>Cockerton</u>						
	Newton Court	1 Bedroom Flat	75.58	79.21	3.63	4.8%
	Elvet Place	2 Bedroom House	88.51	92.76	4.25	4.8%
	Minors Crescent	3 Bedroom House	95.36	99.94	4.58	4.8%
<u>Haughton</u>						
	Ted Fletcher Court	1 Bedroom Flat	76.22	79.88	3.66	4.8%
	Lyonette Road	2 Bedroom Flat	86.34	90.48	4.14	4.8%
	Nightingale Avenue	2 Bedroom House	89.36	93.65	4.29	4.8%
	Rockwell Avenue	2 Bedroom House	86.34	90.48	4.14	4.8%
	Dunelm Walk	3 Bedroom House	97.71	102.40	4.69	4.8%
<u>Branksome</u>						
	Branksome Hall	1 Bedroom Flat	75.70	79.33	3.63	4.8%
	Whitby Way	1 Bedroom Flat	75.70	79.33	3.63	4.8%
	Malvern Crescent	2 Bedroom House	86.83	91.00	4.17	4.8%
	Rosedale Crescent	3 Bedroom House	98.71	103.45	4.74	4.8%
	Sherborne Close	2 Bedroom Flat	104.81	109.84	5.03	4.8%
<u>Lascelles</u>						
	Coxwold House	1 Bedroom Flat	74.82	78.41	3.59	4.8%
	Gilling Crescent	2 Bedroom Flat	74.82	78.41	3.59	4.8%
	Aldbrough Walk	2 Bedroom House	85.67	89.78	4.11	4.8%
	Caldwell Green	3 Bedroom House	94.80	99.35	4.55	4.8%
	Fenby Avenue	3 Bedroom House	98.11	102.82	4.71	4.8%
<u>Bank Top</u>						
	Graham Court	1 Bedroom Flat	76.18	79.84	3.66	4.8%
	Graham Court	3 Bedroom House	97.61	102.30	4.69	4.8%
<u>Red Hall</u>						
	Bramall House	1 Bedroom Flat	73.09	76.60	3.51	4.8%
	Aviemore Court	2 Bedroom Flat	80.38	84.24	3.86	4.8%
	Murrayfield Way	2 Bedroom House	83.72	87.74	4.02	4.8%
	Aintree Court	2 Bedroom House	82.15	86.10	3.94	4.8%
	Aintree Court	3 Bedroom House	108.14	113.33	5.19	4.8%
<u>Eastbourne</u>						
	West Moor Road	1 Bedroom Flat	71.79	75.24	3.46	4.8%
	Tansley Gardens	2 Bedroom Flat	79.96	83.80	3.84	4.8%
	Firthmoor Crescent	2 Bedroom House	83.27	87.27	4.00	4.8%
	Brignall Moor Crescent	3 Bedroom House	90.12	94.45	4.33	4.8%
<u>Skerne Park</u>						
	Trent Place	2 Bed House	84.20	88.24	4.04	4.8%
	Humber Place	3 Bed House	90.99	95.35	4.37	4.8%

<u>Parkside</u>						
	Wordsworth Road	1 Bedroom Flat	76.28	79.94	3.66	4.8%
	Shakespeare Road	2 Bedroom House	89.19	93.48	4.28	4.8%
	Ruskin Road	3 Bedroom House	96.71	101.35	4.64	4.8%

*

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