

AGENDA MANAGEMENT SHEET

Report Title: Draft Housing Revenue Account Capital & Revenue Budgets 2026/27 and Medium-Term Financial Plan 2026-2030

Name of Committee: Cabinet

Date of Meeting: 6 January 2026

Report Director: Chief Officers for Finance & Performance and Communities & Homes

Portfolio: Communities, Homes, Digital and Communications and Finance, Performance, Legal and Governance

Ward Relevance: All

Prior Consultation: Group Leaders, Leadership Team, Portfolio Holder for Community and Homes and the Liberal Democrat spokesperson on Housing Issues. All members were invited to the November workshop on rent setting.

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Public or Private: **Public**

Report Subject to Call-In: **Yes**

Report En-Bloc: **No**

Forward Plan: **Yes**

Corporate Priorities: **This report relates to the following priority(ies):**
 A Healthier Rugby – To support people to live healthier, longer, and more independent lives.
 A Thriving Rugby – To deliver a thriving economy which brings Borough-wide investment and regenerates Rugby Town Centre.
 A Greener Rugby – To protect the environment and ensure the Borough adapts to climate change.
A Fairer Rugby – To reduce the inequalities and improve housing across the Borough.

Corporate Strategy 2025-2035

This report does not specifically relate to any Council priorities, but a robust and balanced budget is essential to be able to deliver the Corporate Strategy.

Summary:	The primary purpose of this report is to present the proposed HRA rent increase, a draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2026/27, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).
Financial Implications:	The financial implications are contained in the report.
Risk Management/Health and Safety Implications:	None as a direct result of this report
Environmental Implications:	A Climate Change and Environmental Impact Assessment will be included in the final budget report which will be presented to Cabinet 3 February.
Legal Implications:	Rent increases are governed by the Housing Act 1985
Equality and Diversity:	An Equality Impact Assessment will be included in the final budget report which will be presented to Cabinet 3 February
Options:	None as a direct result of this report
Recommendation:	<ol style="list-style-type: none">1) The initial review of the budget and rent increases for 2026/27 be noted
Reasons for Recommendation:	The rent and budget for 2026/27 is required to be approved by council to meet with statutory guidelines. The proposed rent increase is necessary to ensure that continued investment can be made into providing quality homes and housing services.

Cabinet - 6 January 2026

**Draft Housing Revenue Account Capital & Revenue Budgets 2026/27 and
Medium-Term Financial Plan 2026-29****Public Report of the Chief Officer Finance & Performance and Chief Officer
Communities & Homes****Recommendation**

1. The initial review of the budget and rent increases for 2026/27 be noted

EXECUTIVE SUMMARY

The Council manages 3,510 HRA homes. For 2026/27, a balanced budget is proposed that maintains the HRA Revenue Balance at £4.085m. A rent uplift of 4.8% is recommended from 1 April 2026, following the national rent policy approach of CPI (September) + 1%. This uplift is essential to sustain service quality, meet rising compliance requirements, and continue investment in the housing stock without eroding reserves or deferring critical works.

The capital programme continues major investment and regeneration. Navigation Way (formerly Biart Place) has completed, adding 100 social rent homes; work on Rounds Gardens moves from demolition to design and planning; and the acquisitions programme will contribute to meeting local housing need. Total HRA reserves (excluding capital receipts) are forecast at £46.336m at the end of 2025/26, providing prudent resilience for shock events and regulatory demands.

The report highlights new and emerging regulatory duties that will shape workloads and budgets over the medium term, especially Awaab's Law (damp, mould and hazard response times), electrical safety (five year EICR and PAT testing), Tenant Satisfaction Measures (TSMs), and the proposed Minimum Energy Efficiency Standard (MEES) at EPC C by 2030. Each carries operational and financial implications that are reflected in the risk and resource planning.

1. Purpose

- 1.1. The HRA is a ringfenced landlord account established by law. It records all housing-related income and expenditure and must not subsidise non-housing services. It is also not permitted to fall into deficit. Annual rent setting follows the Regulator of Social Housing's Rent Standard and Government rent policy, and the Council must notify tenants at least 28 days before any change takes effect on 1 April.

1.2. This report sets out:

- The proposed rent increase for 2026/27.
- The draft HRA revenue budget for day-to-day services (Appendix A).
- The draft HRA capital programme for investment in homes and estates (Appendix B).
- The Medium Term Financial Plan (MTFP) for 2026–2030 (Appendix C).

1.3. It also explains the statutory context, the financial implications, the impact on tenants, and the principal risks and mitigations.

2. Key Proposals

2.1. Rent Uplift (from 1 April 2026)

- A 4.8% increase is proposed CPI (September 2025) 3.8% plus 1%.
- Sensitivity: every 0.5% movement up or down equates to approximately £97,000 in annual income across the HRA.

2.2. If a lower uplift were chosen (e.g., below CPI+1), the shortfall would have to be offset by service reductions, deferral of planned works, or drawing down reserves, which would weaken resilience and could affect compliance and customer outcomes.

3. Background

3.1. The Council is required by the Local Government and Housing Act 1989 (Section 74) to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of Council dwellings and related services. The use of this account is prescribed by statute. The Council is not allowed to fund any expenditure for non-housing related services from this account. In addition, the Act ensures that the HRA does not fall into a deficit position.

3.2. The rent for the year needs to align with the Regulator for Social Housing Rent Policy Statement. The Rent Policy Statement sets requirements and expectations regarding charges including increasing and decreasing rents and service charges

3.3. Throughout the report savings on expenditure and income are shown in brackets

4. Summary

4.1. The estimates contained within this report represent the latest information available at 10 December. Further changes may arise from the following;

- Updates in cost estimates, project timelines, and external funding in relation to the capital schemes

- Staffing and other changes arising from a review of costs
- Updates to inflation estimates impacting construction industry materials and labour costs; and
- Direct and indirect impact of efficiency measures arising from:
 - Digitalisation measures
 - Structure and delivery mechanisms of support service recharges
 - Updated requirements for the capital programme

4.2. In April 2025, the Government announced that the current rent settlement would be rolled over for another year. Therefore for 2026/27 the indicative rise in rents is an increase of 4.8%, using prior years guidance of CPI (at September) +1%. For financial planning within the Medium-Term Financial Plan, rent uplifts are estimated at 3% from 2026/27 (Bank of England CPI target of 2% + 1%).

4.3. The government is currently consulting on a new rent settlement covering the next five years along the same lines of CPI +1% to give Councils more certainty about the future.

5. Revenue

5.1. The current proposed revenue income and expenditure account for the HRA is shown in Appendix A, however in summary;

5.2. The significant areas of movement in 2025/26 relates to rental income. Total rental income is projected to increase by £1.717m across the housing stock, which include the impact of the 100 new homes at Navigation Way. This additional income is currently expected to support future capital expenditure and will partially offset the reduced capital contributions made in previous years due to in-year service pressures.

6. Capital

6.1. The current proposed capital programme is shown in Appendix B, however in summary:

	2025/26	2026/27	2027/28	2028/29	2029/30
	£000s	£000s	£000s	£000s	£000s
Expenditure	22,107	14,699	13,683	4,867	4,867
Funded by					
Revenue Contributions / RTB receipts	8,222	6,607	6,871	1,805	1,805
Grants	4,807	3,857	3,750	0	0
Major Repair Reserve	3,614	4,235	3,062	3,062	3062
Borrowing	5,464	0	0	0	0
Total	22,107	14,699	13,683	4,867	4,867

- 6.2. The capital expenditure is significantly higher in the first three years (2025/26 and 2026/27) due to expenditure associated with major projects:

Purchase of Council Houses

The Housing Service and Project Management Team lead on the acquisition process with cross-departmental collaboration between housing advice, legal, insurance, property repairs and finance in helping to ensure that the property meets needs, is of a suitable quality, is financially viable and that the conveyancing process runs smoothly. Anticipated completions for 2025/26 currently stand at 16 properties for HRA.

- 6.3. The Prudential Code for Capital Finance in Local Authorities sets out that to demonstrate that an authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a Capital Strategy. The Capital Strategy will set out the long-term context in which capital expenditure and investment decisions are made and gives consideration to both risk and reward and impact on the achievement of priority outcomes.
- 6.4. The Capital Strategy also gives the Chief Financial Officer the delegated authority to review the funding of the capital programme and make changes where appropriate.

7. Funding of the HRA

- 7.1. The funding for the HRA is generated through:

- Dwelling/Garage Rents
- Service charges
- Individual heating system charges

Rent

- 7.2. CPI in September 2025 was 3.8%. This means rents could rise by a maximum of 4.8%. The increase in rent is critical to the delivery of the social landlord function as this income is also used to provide household repairs for example plumbing and electrical repairs and improvements such as energy efficient boilers replacements at no additional cost to the tenant.
- 7.3. Each 0.5% of rent increase up or down has an impact on the income budget of approximately £97,000. The table below shows the effect of an increase below the government guideline of 4.8% and its impact over the next 3 years.

Possible % rent increase 2026/27		Loss of income with subsequent 3% increase in future years			Total Accumulative Loss
	2026/27	2026/27	2027/28	2028/29	3 Years
	£000s	£000s	£000s	£000s	£000s
4.80%	931	0	0	0	0
4.30%	834	97	100	103	300
3.80%	737	194	200	206	600
3.30%	640	291	300	309	899

7.4. Rent estimates for 2026/27 assume a stock level of 3,510 available to let HRA properties at the start of April 2026. An average void rate of 2.70% is estimated for 2026/27. The 100 properties at Navigation are now included in the stock figures.

8. Rent Calculation

8.1. The calculations for rents are based on average rents over the entire year. The percentages applied to this may not be the same as the ones applicable when considering a 48 or 49-week rent year.

	2025/26	2026/27	Average Increase	Average Increase
	£	£	%	£
Average Weekly Rent 52-week basis	107.42	112.58	4.8	5.16
Average Weekly Rent 48-week basis	116.37	121.96	4.8	5.59
Total annual rent	19.229m	20.946m		

8.2. Estimated rental income from dwellings of £20.946m for 2026/27. The estimate is based on the central business case of:

- An average 2.70% void rate across the stock
- 5 Right-to-Buy sales
- Acquisition of 15 properties.

8.3. The rent uplift sustains the repairs service, planned improvements and safety/compliance programmes. It funds day-to-day work (plumbing, electrical repairs), renewal programmes (e.g., heating system upgrades), and compliance actions (e.g., smoke alarm replacements and electrical testing), all with a focus on keeping homes safe, warm and well maintained.

9. Affordability and support

- Approximately 52% of tenants receive help through Universal Credit or Housing Benefit; awards will adjust to reflect rent and eligible service charges.
- For tenants on 48/49 week agreements, there are four non-charging weeks in the year; tenants who are in arrears are encouraged to continue paying in those weeks to reduce debt.
- The Council will provide plain English communications, budgeting support, and targeted hardship assistance for vulnerable households.
- Service charges remain de-pooled for transparency; draft average weekly charges will be confirmed in the final budget, reflecting the latest cost and void assumptions.

10. Rent Collection/Bad Debt Provision

10.1. The collection rate for rent and service charges and the performance in managing rent debt is critical to the financial position of the HRA and has a direct impact on the amount of bad debt provision that must be set aside.

10.2. The Council's bad debt provision for HRA rents is currently £0.738m. This figure is reviewed as part of the year-end process and adjusted appropriately. Each year the Council includes a budget relating to the increase of this provision and for 2026/27 this budget will marginally increase £0.069m. The level of rent arrears will be reviewed in year and will be monitored until final budget setting in February. Arrears amounted to £0.774m as at 31 March 2025 for current tenants or 38%. The overall debt owed to the Council has increased due to bad debt. The bad debt management will be moving to a debt collection agency in 2025.

11. Service Charges

11.1. In line with government guidance, service charges are de-pooled from rent charges which enables tenants to see the estimated amount spent on services. Income from service charges is estimated at £1.253m in 2026/27 including a void allowance of 2.70%.

11.2. The average weekly impact upon utilities and cleaning service charges arising from the estimates of costs associated with that service in 2025/26 (on a 52-week basis) is as follows:

Charge Type	Average Charge p/w (52 wk basis)	Average Charge p/w (52 wk basis)	Average Change p/w (£)
	2025/26 (£)	2026/27 (£)	
Communal Lighting – Electricity (Rebateable – eligible for Housing Benefit)	2.02	1.64	(0.38)
Communal Heating – Gas (Rebateable – eligible for Housing Benefit)	0.61	0.81	+0.20
Communal Cleaning (Rebateable – eligible for Housing Benefit)	3.37	3.35	(0.02)
Independent Living Co-ordinator (to be increased in line with rent rise)	10.31	9.83	(0.48)
Water	7.33	7.33	0.00

12. Woodside Park Rents

12.1. It is proposed that Pitch fees for Woodside Park are to rise in line with HRA rents. The current pitch fee is £152.70 and will rise in 2026/27 to £157.59 - an increase of £4.89 per annum (CPI 3.2%). Changes to pitch fees are governed by the Mobile Homes Act 1983.

13. Individual Apartment Heating costs

13.1. The recovery of heating costs only relates to 3 Independent Living schemes (Albert Square, Tanser Court and Lesley Souter House).

Charge Type	Average Charge p/w (52 wk basis)	Average Charge p/w (52 wk basis)	Average Change p/w (£)
	2025/26 (£)	2026/27 (£)	
Individual Apartment heating cost – Communal Heating – Gas (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	15.43	7.95	(7.49)

13.2. Unlike a service charge, this is the heating charge for the tenants as the sites have a centralised heating system, which feeds the domestic supply of each individual property within the housing scheme. Tenants are responsible for their domestic utility costs as are other households within the HRA. According to the Housing Benefit guidance for supported housing claims (Section 184), heating, lighting, and hot water charges are considered ineligible for housing benefit.

13.3. This is also a fixed charge so the affected tenants will be insulated from any in year price fluctuations.

14. Reserves

14.1. An assessment of required level of reserves is required, taking account of the potential future financial risks faced by the landlord. It is considered prudent to hold sufficient reserves and balances to give the ability to manage any peaks in expenditure and troughs in income and funding over the medium term and give the Council time to plan service changes and further efficiencies.

14.2. The availability of these reserves provides resilience to enable services to provide a positive and dynamic response to any shock events such as unexpected interventions from the Regulator, without compromising the service to our tenants.

14.3. A summary of total balances is shown below:

	1 April 2025	1 April 2026	1 April 2027	1 April 2028
	£000s	£000s	£000s	
Housing Revenue Account	4,085	4,085	4,085	4,085
Major Repairs Reserve	6,127	6,587	5,720	6,127
Housing Capital Reserve	17,621	20,839	21,383	21,044
Climate Change Reserve	1,512	385	385	385
Sheltered Accommodation Reserve	456	506	556	606
Transformation Reserve	227	33	33	33
Right to Buy Receipts	12,023	13,901	12,301	10,601
Total	42,051	46,336	44,463	42,881

- **HRA Revenue Balance** (£4.1m): Day-to-day safety net (c. £1,000 per property) to absorb unforeseen costs and provide stability.
- **Major Repairs Reserve (MRR)**: Funds replacement of long-life components (heating systems, roofs, windows, etc.), keeping homes in good condition.
- **Housing Capital Reserve**: Supports estate regeneration, new build and acquisitions, aligning investment with strategic priorities.
- **Sheltered Accommodation Reserve**: Targeted improvements within Independent Living schemes.
- **Transformation Reserve**: Funding for capacity, systems and delivery improvements required by the new consumer regulation landscape.

- (Note: The **Climate Change Reserve** was fully utilised to match fund £2.2m decarbonisation works to 112 hard to heat homes in Rokeby and Long Lawford.)

15. Right-to-Buy (RTB) Capital Receipts

15.1. The Council has a 1-4-1 retention agreement with MHCLG allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 5 years. Receipts that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%.

15.2. In July 2024, the Government announced changes to rules surrounding Right to Buy receipts to increase flexibility from previous system.

- The maximum contribution of Right to Buy receipts for replacement affordable housing was increased from 50% to 100%.
- Right to Buy receipts can now be used alongside Section 106 contributions
- The cap on the number of replacement properties delivered as acquisitions (as opposed to built) has been removed.

Following a Government consultation response published in July 2025, the Government confirmed its intention for these flexibilities to continue beyond 2025/26, rather than being limited to the original two-year period.

From 2026/27 onwards, councils are expected to be able to combine RTB receipts with other grant funding (such as Homes England grant), subject to the implementation of the necessary legislative changes.

15.3. Under the changes to the Right to Buy discount allowable from November 2024 it is likely that amount of capital receipts becoming available will reduce along with the balance on the reserve.

15.4. The total amount of capital receipts relating to HRA sales at the beginning of 2025/26 was £12,023m.

16. New and emerging regulatory duties

- Awaab's Law – Hazards in Social Housing: Requires timely inspection and remediation of hazards (e.g., damp and mould), with defined response times for significant or emergency hazards.
- Electrical Safety – EICR & PAT testing: Extends five year electrical installation condition reports (EICRs) and appliance testing (PAT) to social housing, with copies provided to tenants and the Council on request.
- Tenant Satisfaction Measures (TSMs): Annual publication and regulator submission (for landlords with ≥1,000 homes) covering repairs satisfaction, building safety, complaints handling and tenant engagement.

- Minimum Energy Efficiency Standards (MEES) – EPC C by 2030 (proposed): Consultation signals a new minimum energy performance standard in the social rented sector.

Mitigations across these areas include procurement strategies, programme planning, targeted reserves, strengthened asset data, proactive communications, and embedding compliance in the medium term financial plan and risk registers.

17. MEDIUM TERM FINANCIAL PLAN 2026/27-2030/31

17.1. Appendix C shows the MTFP for the next four financial years, below is a summary:-

	2026/27	2027/28	2028/29	2029/30
	£000s	£000s	£000s	£000s
Income	(22,454)	(22,171)	(22,892)	(23,636)
Expenditure	22,454	22,171	22,892	23,636
Net	0	0	0	(0)

17.2. The MTFP projects a sustainable HRA given the rent policy basis (CPI+1%) and continued operational focus on voids, arrears, and efficiency. However, compliance and decarbonisation demands will increase both revenue and capital requirements. The service will seek external funding, partnerships and area based programmes; continue digital and process improvements; and balance investment between existing stock quality and new supply.

17.3. Right to Buy discount reductions from late 2024 are expected to moderate sales, with time limited flexibilities (up to 100% use of retained receipts with s106) aiding replacement delivery. The overall approach remains to preserve social housing supply, invest to modern standards, and maintain financial resilience.

18. Next steps

18.1. Officers will continue to review the requirements of the HRA to ensure that budget for 2026/27 aligns with the priorities set by the administration in the corporate strategy.

18.2. Following with a consistent theme with the General Fund, the February draft budget will have a HRA “budget booklet” This will give the reader a more comprehensive view of the fund in time for the rent setting meeting on the 18 February.

19. Conclusion

- 19.1. The draft Housing Revenue Account budget for 2026/27 and the accompanying Medium Term Financial Plan set out a prudent, sustainable and compliant financial framework for managing the Council's landlord responsibilities over the next four years. The proposed rent uplift of 4.8% in line with Government policy of CPI + 1% provides the essential income growth required to maintain a balanced HRA, protect service standards, and ensure that investment in existing homes, compliance programmes, and regeneration schemes can continue without eroding reserves or compromising safety.
- 19.2. The financial position is strengthened by stable reserves with £46.336m forecast across HRA balances at the start of 2026/27 creating resilience to absorb inflationary pressures, regulatory change, and emerging risks such as Awaab's Law, electrical safety, Tenant Satisfaction Measures and proposed MEES/EPCC requirements. The capital programme, including major projects at Navigation Way and Rounds Gardens, alongside ongoing acquisitions, demonstrates a clear commitment to maintaining and expanding good quality, affordable housing to meet local need.
- 19.3. The Medium Term Financial Plan shows a balanced position in every year from 2026/27 to 2029/30, reflecting continued discipline in managing voids, arrears, service efficiency and the strategic use of Right to Buy receipts under the revised national flexibilities. While future compliance and decarbonisation demands are expected to increase both revenue and capital spend, the service is well positioned to mitigate these through procurement planning, external funding opportunities, strengthened asset data, and targeted reserves.
- 19.4. Overall, the proposals maintain financial resilience, safeguard essential services for tenants, and support ongoing investment in safe, warm and sustainable homes. This draft budget provides a sound basis for consultation and refinement ahead of the final HRA budget and rent setting decisions in February, ensuring the Council continues to fulfil its statutory duties and long term housing ambitions.

DRAFT REVENUE BUDGETS 2026/76 SUMMARY

HOUSING REVENUE ACCOUNT

	2025/26 Draft Budget £000s	2025/26 Revised Budget £000s	2026/27 Draft Budget £000s	Movement £000s	
INCOME :-					
Rent Income From Dwellings	(19,229)	(19,229)	(20,946)	(1,717)	Rent estimates based on rent increase of 4.8 % and 20 Right to Buy sales, 15 purchases in 2026/27, 100 New Builds handed over in 2025/26 and voids at 2.7%.
Rent Income From Non - Dwellings	(129)	(129)	(102)	27	Garage rents have increased based upon current usage and a 4.8% increase.
Charges For Services	(1,212)	(1,212)	(1,253)	(41)	Currently based on workings from the Service Charge Estimate V3 spreadsheet
Contributions Towards Expenditure	(158)	(152)	(153)	(1)	Based on 174 lettable garages only
Total Income	(20,728)	(20,722)	(22,454)	(1,731)	
EXPENDITURE :-					
Transfer To Housing Repairs Account	5,881	5,874	5,932	58	Includes increases for salaries of £64k (incremental and pay award costs), £293k increase for planned repairs and maintenance and capital charges, and a £115k increase to legal cost and bad debt provision budget lines. The budget increases above are offset by a £300k reduction in void external contractor costs and a £85k reduction in General Running expenditure (mainly Materials). Further reduction £27k due to saving on business rates at Victoria House.
Supervision & Management	6,864	7,080	7,083	3	Includes increases for salaries (incremental and pay award costs) of £77k and inflationary increases of £58k which are offset by structural changes to staffing establishment.
Rents, Rates, Taxes & Other Charges	150	125	125	0	
Depreciation and Impairment	3,424	3,368	3,368	0	MHCLG and CIPFA have produced guidelines regarding council dwelling depreciation to co-incide with the introduction of HRA self-financing. Estimates for 2026/27 have been prepared on this basis.
Debt Management Cost	0	0	0	0	There will be no borrowing within the HRA so no broker fees are due.
Provision For Bad or Doubtful Debt	69	69	69	0	The Council's bad debt provision for HRA rents is currently £0.738m
Total Expenditure	16,388	16,516	16,577	61	
HRA Share of Corporate & Democratic					
Core Costs	329	318	318	0	
NET COST OF HRA SERVICES	(4,011)	(3,888)	(5,559)	(1,670)	
HRA SHARE OF OPERATING INCOME & EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME & EXPENDITURE ACCOUNT					
Interest Payable & Similar Charges	1,104	1,104	1,105	1	Borrowing to remain consistent with previous years fixed-term estimate
Interest & Investment Income	(1,063)	(1,063)	(1,063)	0	Will be reviewed following the Bank of England interest rate decisions
NET OPERATING EXPENDITURE	(3,969)	(3,846)	(5,516)	(1,669)	
Contributions to (+) / from (-) Reserves	50	50	50	0	
Revenue Contributions to Capital Expenditure	3,919	3,796	5,466	1,669	Overall net changes for income and expenditure detailed above are reflected in the amount contributed to capital expenditure.
Surplus(-)/Deficit for year	(0)	(0)	0	0	

Proposed Housing Revenue Account (HRA) Capital Programme 2025/26 and onwards					
	Proposed 2025/26 Capital Programme	Proposed 2026/27 Capital Programme	Proposed 2027/28 Capital Programme	Proposed 2028/29 Capital Programme	Proposed 2029/30 Capital Programme
	£000s	£000s	£000s	£000s	£000s
Improvements & Capitalised Repairs per Capital Strategy					
Bathrooms	90	100	65	65	65
Bathrooms - Voids	100	684	100	100	100
Bathrooms - Unplanned Renewals	50	10	50	50	50
Fire Risk Prevention Works	100	101	100	100	100
Fire Risk Prevention Works Voids	70	50	70	70	70
Fire Risk Prevention Works - Unplanned Renewals	60	1	60	60	60
Heating Upgrades	20	772	20	20	20
Kitchen Improvements	1,510	1,138	1,510	1,510	1,510
Kitchen Improvements - Voids	200	60	200	200	200
Kitchen Improvements Unplanned Renewals	52	24	52	52	52
Driveways	25	0	25	25	25
Rewiring	160	160	160	160	160
Rewiring Unplanned Renewals	177	177	100	100	100
Finlock Gutter Improvements	100	0	100	100	100
Roofing Unplanned Renewals	50	0	50	50	50
Major Repairs - Roofing	0	250	0	0	0
Major Repairs - FSG	0	180	0	0	0
Major Repairs - Building	0	182	0	0	0
Replacement Footpaths	100	0	100	100	100
Rebuilding Retaining Walls	50	0	50	50	50
Housing Window Replacement	0	96	0	0	0
Lesley Souter house new boiler and building management system	0				
Housing Management System	77	15	60	60	60
Low Carbon Skills Fund	58				
Carbon Management Plan - Wave 2	59				
Carbon Management Plan - Wave 3	3,632	8,764	8,816	0	0
Disabled Adaptations	250	250	250	250	250
Lifeline Renewal Programme	60	0	60	60	60
Property Repairs Vehicle Replacement	0	0	0	0	0
Purchase of Council Homes	6,740	1,685	1,685	1,685	1,685
Rounds Gardens demolition	338	0	0	0	0
Rounds Gardens- Design and Legal Fees	171				
Biart Place	6,655	0	0	0	0
Tanser Court Boilers & Roof	450				
Capital roofing programme	500				
Garage Management Plan	150				
Tiber Way	53				
TOTAL	22,107	14,699	13,683	4,867	4,867
Draft Financing: -					
HRA Capital Balances	1,424	4,922	5,187	120	120
RTB receipts	6,740	1,685	1,685	1,685	1,685
Climate change reserve	58	0	0	0	0
Grants	4,807	3,857	3,750	0	0
Major Repairs Reserve	3,614	4,235	3,062	3,062	3,062
Borrowing	5,464	0	0	0	0
TOTAL	22,107	14,699	13,683	4,867	4,867

Appendix C

MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2026/27 - 2030/31

	2025/26	2026/27	2027/28	2028/29	2029/30	Notes	
	£000s	£000s	£000s	£000s	£000s		
INCOME							
Dwelling Rent	(19,229)	(20,946)	(20,622)	(21,302)	(22,004)	*1 / *2	
Non Dwelling Rent (Garages)	(129)	(102)	(100)	(98)	(96)	*3	
Service Charges	(1,212)	(1,253)	(1,291)	(1,330)	(1,370)	*2	
Contributions towards expenditure	(152)	(153)	(157)	(162)	(167)	*2	
TOTAL	(20,722)	(22,454)	(22,171)	(22,892)	(23,636)		
EXPENDITURE							
Repairs & Maintenance	5,874	5,932	6,050	6,171	6,294	*4	
Supervision & Management	7,080	7,083	7,225	7,370	7,517	*5	
Rents, Rates, Taxes	125	125	128	131	134		
Charges for Capital	3,368	3,368	3,436	3,539	3,645		
Debt Management	0	0	0	0	0		
Provision for Bad Debts	69	69	68	70	72	*6	
HRA Share of Corporate & Democratic Core Costs	318	318	324	330	337		
Net Interest Payments	42	43	43	43	43		
Revenue Contributions to Capital Expenditure	3,796	5,466	4,847	5,188	5,544		
Contribution to/from(-) reserves	50	50	50	50	50		
Total	20,722	22,454	22,171	22,892	23,636		
Data							
Stock	Stock at 1st April	3,431	3,510	3,520	3,515	3,525	
	Purchases	19	15	15	15	15	
	Sales	(40)	(5)	(20)	(5)	(5)	
	Additional new builds	100	0	0	0	0	
	Total before voids	3,510	3,520	3,515	3,525	3,535	
	Voids	(85)	(95)	(95)	(95)	(95)	
	Chargeable housing stock	3,527	3,425	3,420	3,430	3,440	*1
Rents	Prior year rent £ (52 week basis)	104.60	107.42	112.58	115.96	119.44	
	Current year rent £ (52 week basis)	107.42	112.58	115.96	119.44	123.02	
	Increase £	2.82	5.16	3.38	3.48	3.58	
	Rent Increase % (CPI + 1%)	2.70	4.80	3.00	3.00	3.00	*2
	Prior year rent £ (48 week basis)	113.31	116.37	121.96	125.62	129.39	
	Current year rent £ (48 week basis)	116.37	121.96	125.62	129.39	133.27	
	Increase £	3.06	5.59	3.66	3.77	3.88	
	Rent Increase % (CPI + 1%)	2.70	4.80	3.00	3.00	3.00	
Other	Salaries/Cleaning/Contractors/Internal recharges %			2.00	2.00	2.00	
Increases	Inflation			2.00	2.00	2.00	*2
	Electricity			2.00	2.00	2.00	*5
	Gas			2.00	2.00	2.00	*5
	Other Supervision and Management %			2.00	2.00	2.00	

Notes

- *1 Based upon current projections 19 purchases and 40 sales and 95 voids for each financial year. This includes the additional 100 properties for Navigation way (Biarf Place)
- *2 Projections from the Bank of England are that inflation is expected to remain above the 2% target during 2025 before gradually easing back towards the Average inflation for each year after 2025/26
- | | | | | | |
|------------------------------------|------|------|------|------|------|
| | % | % | % | % | % |
| Inflation as at September 2025 % | 1.70 | 3.80 | 2.00 | 2.00 | 2.00 |
| Including 1% for rent calculations | 2.70 | 4.80 | 3.00 | 3.00 | 3.00 |
- *3 Decreased garage rental as usage is in decline
- *4 Increases for Repairs and Maintenance:-
- | | | | | | |
|--|---|---|------|------|------|
| | % | % | % | % | % |
| Direct Employment Costs | | | 2.00 | 2.00 | 2.00 |
| Repairs and Maintenance - Planned | | | 2.00 | 2.00 | 2.00 |
| Repairs and Maintenance - Unplanned | | | 2.00 | 2.00 | 2.00 |
| Transportation Expenses | | | 2.00 | 2.00 | 2.00 |
| General Running Expenses (Eg. Materials, Tools, PPE) | | | 2.00 | 2.00 | 2.00 |
| Other Income | | | 2.00 | 2.00 | 2.00 |
| Other costs | | | 2.00 | 2.00 | 2.00 |
- | | | | | | |
|--|-------|-------|-------|-------|-------|
| | £000s | £000s | £000s | £000s | £000s |
| Direct Employment Costs | 2,163 | 2,189 | 2,233 | 2,277 | 2,323 |
| Repairs and Maintenance - Planned | 1,350 | 1,643 | 1,676 | 1,709 | 1,744 |
| Repairs and Maintenance - Unplanned | 2,268 | 2,063 | 2,104 | 2,146 | 2,189 |
| Transportation Expenses | 99 | 102 | 104 | 106 | 108 |
| General Running Expenses (Eg. Materials, Tools, PPE) | 778 | 715 | 731 | 748 | 765 |
| Other Income | -918 | -918 | -936 | -955 | -974 |
| Other costs | 134 | 137 | 140 | 143 | 145 |
| Total before change in stock | 5,874 | 5,932 | 6,050 | 6,171 | 6,294 |
- *5 Increases for Supervision and Management
Gas/Electricity increase have been based utility price estimates from ESPO

MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2026/27 - 2030/31

	%	%	%	%	%
Salaries/Cleaning/Internal recharges			2.00	2.00	2.00
Electricity			2.00	2.00	2.00
Gas			2.00	2.00	2.00
Other Supervision and Management			2.00	2.00	2.00
	£000s	£000s	£000s	£000s	£000s
Salaries/Cleaning/Internal recharges	6,119	6,011	6,131	6,254	6,379
Electricity	228	248	256	261	266
Gas	110	118	120	123	125
Stock Condition Survey	150	150	150	153	156
Other Supervision and Management	473	556	567	578	590
	<u>7,080</u>	<u>7,083</u>	<u>7,225</u>	<u>7,370</u>	<u>7,517</u>

*6 Provision for bad debt based upon rent debit