

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	02 FEBRUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2022-23/feb/HCSCommittee
SUBJECT:	HRA BUDGET AND RENT SETTING 2023-24 AND FINANCIAL PLAN TO 2033	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HC 01

1.0 Recommendations

- 1.1 That options for Council House Rents for 2023/24 detailed in **Appendix 1** are considered and a preferred option is agreed for 2023/24.
- 1.2 That the proposed revenue income and expenditure for 2023/24, for the Housing Revenue Account (HRA) are considered and approved.
- 1.3 That the HRA is kept under review and measures identified to mitigate the financial risks detailed in the report and to maintain a sustainable financial position.
- 1.4 That the final HRA position **Appendix 2** and rent options **Appendix 1** is approved and referred to Finance and Management Committee on 9 February 2023.

2.0 Purpose of the Report

- 2.1 As part of the annual financial cycle, the report details the HRA's base budget for 2023/24, with a comparison to the current year, 2022/23. In addition, the report details the updated 10-year financial projection for the HRA following a review during the annual budget round.
- 2.2 The report also sets out details of the proposed rent levels for 2023/24 in accordance with Government directions. The Government have announced a rent cap for 2023/24 of 7%, after consideration of other options of 3% and 5%.
- 2.3 Therefore, the current HRA Budget and financial projection models the impact of each of four options. The options highlighted in the report are 0%, 3%, 5% and 7% increases in rental income. Clearly, there are potentially several other

options available within this range up to a maximum of 7%. The Committee is requested to agree their preferred option.

3.0 Detail

The Position Entering the 2023/24 Budget Round

- 3.1 During the current financial year, the financial position of the HRA has been reviewed and updated to reflect changes to the staffing structure previously approved plus the budget out-turn position for 2022/23.
- 3.2 The latest position reported in November 2022, highlighted that large deficits were projected, due to be funded from the HRA Reserve. Dependant on the decision for rental increases in 2023/24 as demonstrated in Appendix 1 the lowest point is reached in 2026/27 where the estimated reserve falls to £1.5m.
- 3.3 This shows the worst-case scenario with no increase in rents and voids remaining at the current level throughout 2023/24. This would reduce the Reserve close to the statutory minimum set for the HRA of £1m. The following year, HRA reserves recover to £2.5m. This is due to the reduction in debt repayment funds. The level of reserves does not leave a big contingency for any unforeseen issues.
- 3.4 Clearly, the higher the rent rise and the quicker the reduction in voids, will have a greater beneficial impact on the sustainability of the HRA in the longer-term.

Formulating the 2023/24 Base Budget

- 3.5 Budgets are generally calculated on a “no increase basis,” i.e. they are maintained at the same level as the previous year adjusted only for known changes, price increases and variations due to contractual conditions, etc.
- 3.6 In addition, budgets are also subject to a base line review which is used to justify proposed spending. This process places responsibility on budget holders to justify their spending budgets by specifying their needs in a more constructed manner. This is supported by the Financial Services unit, who analyse recent trends across services compared to current budgets.

On-going Service Provision

- 3.7 The budgets are based substantively on a continuation of existing service provision (in respect of staffing levels, frequency, quality of service, etc.).
- 3.8 The full year effects of previous year’s restructures and budget savings have been included, with any non-recurring items removed.

Base Budget 2023/24

3.9 The HRA's Base Budget and longer-term financial projection up to 2032/33 is detailed in Appendix 2. A projection of this length is considered good practice for the HRA to ensure that future debt repayments and capital expenditure are affordable for the longer-term sustainability of the Council's housing stock.

3.10 The following table provides an overall summary of the HRA's cost of services with a comparison to the approved 2022/23 budget, excluding the rental income.

HOUSING REVENUE ACCOUNT - BUDGET SETTING 2023/24

	Proposed Budget 2023/24 £'000	Approved Budget 2022/23 £'000	Movement £'000
Non-Dwelling Income	-107	-124	17
Other Income	-190	-169	-21
Supporting People Grant	-130	-130	0
General Management	2,226	2,067	159
Supporting People	994	946	48
Responsive	1,777	1,724	53
Planned Maintenance	1,761	1,810	-49
Bad Debt Provision	131	125	6
Interest Payable & Receivable	1,362	1,453	-91
Earmarked Reserve	-45	0	-45
Service costs			77
Depreciation	4,844	4,213	631
Total Cost of Service	12,623	11,915	708

3.11 The above table shows that the HRA's budget is estimated to increase from 2022/23 to 2023/24 by £708K. Excluding depreciation which is an accounting adjustment and not a cost to the Council, the actual increase in expenditure proposed in the budget is £77k.

3.12 The main variances are summarised in the following table.

	Movement £'000
Depreciation	631
General Fund Recharges	116
Housing Programme Manager Recharge	51
Employee Costs	26
Computer Maintenance	31
Utilities	15

Materials	11
Professional fees	12
Council Tax	8
Tools & Equipment Purchase	7
Repairs and Maintenance	4
Income	3
Interest Payable	-91
Insurance	-71
Earmarked Reserves	-45
Budget Increase	709

Staffing Costs

- 3.13 A pay award is not included within the Base Budget at this stage as no official notification has been submitted to the Council.
- 3.14 The MTFP was updated in November 2022 to include a pay award for 2022/23 and also includes a provision for a potential pay award increase of 3.5% per year for all employees from 2023/24.
- 3.15 Incremental salary increases are included within the MTFP each year and are expected ahead of the Budget round.
- 3.16 Base salary costs have increased between years due to Direct Labour Organisation (DLO) transferring from Craft JNC pay scales to the National Joint Council (JNC) spinal column points, as approved at Finance and Management Committee in April 2022.

General Fund Recharges

- 3.17 The total impact of the increase in HRA recharges is £116k and after a full review of all charges, the following table details the movement by General Fund service area.

	Movement £'000
Head of Finance	27
Head of Business Change & ICT	15
Head of Legal & Democratic	4
Strategic Director (Corporate Resources)	9
Head of Organisational Development & Performance	18
Head of Customer Services	14
Head of Corporate Property	7
Head of Operational Services	22
	116

- 3.18 The increases for each area represent the rise in the costs for providing direct support from each of the service areas. The biggest increase is due to staff costs resulting from the recent pay award, and the increased rates of inflation added to costs of service.

Repairs and Maintenance

- 3.19 Repairs and Maintenance costs have remained consistent in line with the existing planned maintenance schedule.

Interest Payable and Receivable

- 3.20 The overall movement in interest payable and receivable shows the increase in receivable income, due to the current interest rates yielding higher returns on the Councils Investment Portfolio. The budget for interest payable remains static at £1.5m, until the next repayment of £10m in March 2024 for the scheduled debt taken out as part of self-financing.

Insurance

- 3.21 Insurance savings (£71k) are the result of the Council's tendering of its insurance services as reported in November.

Computer Maintenance Agreements

- 3.22 Increases to licence and maintenance fees are expected year on year in line with inflation and is included within the MTFP at 2.5%. The financial year has recorded record highs in inflation resulting in licenses and maintenance agreements increasing by 10.1%, the £31k budget increase reflects this percentage uplift.

Void Dwellings

- 3.23 The impact of void properties not only effects the income losses as noted earlier in the report, but also costs the HRA. When dwellings become void, they are subject to Council Tax charges the increase (£8k) in budget is due to the high levels of voids currently experienced. The costs of utilities have also been increased (£15k) to allow for the increased costs of prepayment meter, standing charges and to allow for refurbishment works to be carried out.

Other Factors

- 3.24 The following detail is for information on the HRA position and are not variances between budgeted years.

Depreciation

- 3.25 The increase is due to the revaluation of all Council dwellings in March 2022 which will be depreciated in accordance with accounting practice.
- 3.26 Depreciation is calculated on the existing use value and age of each property in the HRA. This is designed to ensure that the Council sets-aside sufficient resources to maintain and replace properties in future years.

Council House Rents

3.27 As detailed in **Appendix 1** the impacts on Housing Revenue General Reserves are illustrated by calculations for rental increases by percentage and allowance of void properties.

3.28 Percentage increases range from 0% to the Government's rental cap of 7%. Each of these calculations are then shown with the impact on rental income dependant on the percentage level of voids expected in the year.

3.29 The void levels in Appendix 1 are presented in three different variations as detailed below.

	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29
Assumed voids %	3.41% (100)	2.39% (70)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)
Assumed voids %	2.39% (70)	2.39% (70)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)
Assumed voids %	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)

3.30 The Medium-Term Financial Plan (MTFP) includes a 3% increase of rental income in 2023/24 with a void level of 1%. Each of the increases are measured against the MTFP as presented in November 2022.

3.31 The following table illustrates the increase in weekly rents for each of the increase options.

Government Cap %	Weekly Rental Increase between		Average rental increase per week	Average weekly property rent
0%	£0.00	£0.00	£0.00	£84.38
3%	£1.84	£4.00	£2.53	£86.91
5%	£3.06	£6.67	£4.22	£88.60
7%	£4.29	£9.34	£5.91	£90.29

3.32 This excludes temporary accommodation and new build/acquisition as these rents are higher and also not comparable with prior years due to timing on the introduction of the rent.

3.33 Prevailing Government guidance allows rent levels to increase by CPI plus 1% each year. However, the Government were concerned that the current level of CPI is too high and have issued a Direction on the Rent Standard 2023 to cap increases on Social Housing Rents at 7%.

3.34 The MTFP in Appendix 2, assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year. The volatile fiscal markets make assumption of CPI difficult to predict, however experts predict that inflation will

level off in 2024/25 to around 2%. It is considered that a 3.0% increase is deemed to be a prudent assumption.

3.35 **Appendix 1** demonstrates how the various levels of increases in rental income for 2023/24 affect the £1m statutory balance over the life of the Plan. This also highlights the potential (depending on the level of increase) for investment into the housing stock, in line with the Housing White Paper and enable additional environmental options not previously deemed affordable to be a consideration.

3.36 The impact on rental income and the varying levels of voids for 2023/24 are summarised below:

Assumed Void Level	Voids 3.41% (100)	Voids 2.39% (70)	Voids 1.71% (50)
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 0% increase	-12,493	-12,625	-12,713
Total Impact	631	499	411
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 3% increase	-12,868	-13,004	-13,094
Total Impact	256	120	30
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 5% increase	-13,066	-13,256	-13,348
Total Impact	58	-132	-224
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 7% increase	-13,368	-13,509	-13,603
Total Impact	-244	-385	-479

MTFP assumes 3% rent increase & voids 1%

3.37 This highlights how the different void levels impact the income against each percentage increase. The level of voids is not optional, but more a reflection on the success of the Council House letting and Void Properties Report as reported in January 2023 at Overview and Scrutiny Committee.

3.38 There is a requirement that the statutory balance on the HRA must be at least £1m in any one year and where there appears to be a risk to that balance, measures have to be taken to ensure that the Council reviews costs and income to ensure the HRA is sustainable.

- 3.39 The General reserve balance has been impacted by the loss of Careline income from 2024/25 which has resulted in nearly £1.2m deduction to the reserve. Although the loss of income is under review, at this stage the increased rental income included in the MTFP has covered the impact.
- 3.40 Right to Buy (RTB) losses forecasted have remained in line with the budget 2022/23 with 6 sales recorded to date. Losses have reduced to a forecast of 18 from 2023/24.
- 3.41 It is likely that this assumption is too low, but the forecast does not currently take into account any future properties purchased or built by the Council over the Plan beyond 2022/23. A programme of new build homes and acquisitions is, however, currently under discussion with the Council House Development Group with a view to updating Members once all options have been considered. This forecast of income losses is a worst-case scenario but will be kept under review.
- 3.42 Rental income for HRA garages has been proposed in the fees and charges to increase at the same level as Dwellings.

Capital Expenditure and Debt Repayment

- 3.43 Proposed capital expenditure is based on stock condition survey data and the fluctuation in required expenditure year-on-year and is included within the MTFP.
- 3.44 The contribution to the Debt Repayment Reserve is profiled in line with capital expenditure to not only ensure that the HRA General Reserve does not fall below the statutory £1m but to also have available funds to repay debts as they become due. The contribution and repayment of debt is included within the MTFP.
- 3.45 Due to the approved agreement under self-financing to repay debt of £30m from 2022 to 2027, the HRA has significant pressure over the next five years to generate enough in reserve to afford the repayments. The debt repayment contribution is included over the life of the MTFP.
- 3.46 The Council has an on-going capital programme and properties generally have a substantial useful life if maintained properly. Although the depreciation charge is included as a cost charged in the net operating income of the HRA, it is reversed out when calculating the overall surplus or deficit on the HRA.
- 3.47 However, under accounting regulations, the annual amount of capital expenditure, plus sums set-aside to repay debt, need to be equal to or greater than the depreciation charge for the year. This is effectively testing that the Council is properly maintaining and financing the liabilities associated with its housing stock.

3.48 Where the depreciation charge is higher than actual capital expenditure/debt repayment, the HRA would be charged with the difference in that particular year. For 2023/24, expenditure is in excess of depreciation.

The Longer-term Financial Projection

3.49 Following the introduction of the self-financing framework for the HRA in 2012, this generated a surplus for the HRA as the Council was no longer required to pay a proportion (approximately 40%) of its rental income to the Government in accordance with a national redistribution framework.

3.50 This released resources, which in the early years of the Housing Business Plan, were available for capital investment in the existing stock, together with resources for New Build. Surpluses in later years are to be used to repay the debt that the Council inherited in return for becoming “self-financing” and to continue a programme of capital maintenance in future years.

3.51 The HRA budget and projection is based on the principles that the HRA will carry a minimum unallocated contingency of at least £1m as a working balance and that sufficient resources are set-aside in an earmarked reserve to repay debt as instalments become due.

HRA Reserves

3.52 The HRA has 5 separate reserves as detailed in the following table.

General Reserve	Held as a contingency with a minimum balance of at least £1m.
New Build Reserve (Capital Receipts Reserve)	Accumulated Capital Receipts pending expenditure on building new properties/acquisition of properties. The financial model assumes that these are drawn down each year to finance new build or acquisition ahead of any further borrowing. The carrying balance from year to year remains low.
Debt Repayment Reserve	Sums set-aside to repay debt; contributions to the Reserve started from 2016/17 in accordance with the debt repayment profile.
Major Repairs Reserve	A Capital Reserve with sums set-aside each year for future programmed major repairs on the housing stock. A large balance is accruing in this reserve to be utilised against future capital and environmental works.
Earmarked Reserve	Sums set-aside for future replacement of vehicles for the Direct Labour Organisation.

The Updated Financial Position

3.53 Following the base budget review, the 10-year Financial Plan for the HRA has been reviewed and updated, however it omits changes to rental income

pending agreement. The updated 10-year Financial Plan for the HRA will be presented at Finance and Management Committee on the 9th February 2023 following the actual calculations of rental income. This is detailed in **Appendix 2**.

- 3.54 The General Reserve remains above the statutory £1m for the duration of the 10-year projection. Irrespective of the agreement in rental income the balance is predicted to remain above the statutory level.
- 3.55 After review of the capital programme, sums are being set-aside in the Major Repairs Reserve to ensure that future capital improvements can be funded. A revised stock condition survey has been completed and an update regarding profiling of the works over the next 30 years was reported during 2019/20.
- 3.56 There are a number of sites in development for acquisition pending future approvals, however the Capital Receipts Reserve is set to increase each year due to receipts from the sale of houses under the Right to Buy Scheme. The reserve has increased in line with the expected losses of properties through RTB noted earlier in the report.

Debt Repayments and Borrowing

- 3.57 The Council took on the management of debt valued at £58m in 2012. No additional borrowing has been required. The current level of debt is £48m following the first repayment of £10m in March 2022.
- 3.58 The following debt repayments are due over the life of the current financial plan:
- 2023/24 - £10m
 - 2026/27 - £10m
 - 2031/32 - £10m
- 3.59 The financial projection to 2031/32 shows that these repayments can be met. The next repayments are not then due until 2032/33.

Key Variables and Assumptions

- 3.60 The Financial Plan is based on certain assumptions in future years regarding what are considered to be the key variables. These are summarised in the following table.

Cost inflation	2.5% per year. This is lower than the current level of inflation with the volatile fiscal markets assumption of CPI are difficult to predict and economic experts predict that inflation will level off in 2024/25 to around 2%. A provision of 2.5% in the short-term is considered prudent to reflect that prices for materials in the building industry tend to rise quicker than average inflation.
Annual rent increases	CPI + 1% - Capped in 2023/24 due to high inflation (to be announced) 3% per year thereafter.

Council house sales – “Right to Buys”	18 from 2023/24 and going forwards. Targets set by the Government in calculating the self-financing settlement expect sales of 10 per annum.
Interest Rates	Fixed until 2024 after the second tranche of £10m due in 2023/24. There after the interest will reduce and remain fixed until the next payment in 2026/27.

Financial Risks

3.61 The main risks to the HRA are considered to be those as detailed in the following sections.

Future Rent Levels

3.62 The biggest risk in the Financial Plan is considered to be future rent levels. Government guidance expects the rent levels to increase by CPI plus 1% each year. The MTFP assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year.

3.63 The HRA is dependent on rental income (currently £13m per year) for its resources. Even small variations in rent changes can have significant implications in monetary terms for the Financial Plan over the longer-term.

Right to Buys

3.64 A decrease in current properties from sales continues to be built into the Budget and Financial Plan and this reflects the current level of sales. Therefore, the HRA will continue to generate resources for further new build and acquisition in the future, although on-going rental income is lost.

3.65 The main risk relates to a sudden surge in sales which has been apparent in recent years; although this generates capital, the loss in on-going rental income could have a much more adverse impact on the HRA which has now been built into the MTFP at a higher level.

Supporting People

3.66 Derbyshire County Council has confirmed the extension of the current contract until March 2024 after that it will no longer support the Careline service.

3.67 The MTFP has removed the contribution of £130k per annum from March 2024. Service provision is currently under review and a new working model will be reported to the Committee during 2023.

3.68 In additional to the loss of income, there are likely to be significant costs incurred for the transfer of the service from analogue to digital. The estimated costs are still unknown but further detail will be included in a report to the Committee during 2023.

Impairment

- 3.69 Impairment is an accounting adjustment that reflects a sudden reduction in the value of an asset. An asset becomes impaired where a one-off event (e.g. fire, vandalism, etc.) causes significant damage or there is a significant change in market conditions, which reduces the value of the asset.
- 3.70 In accordance with accounting regulations, provision has to be made in an organisation's accounts for the loss in an asset's value through impairment. However, as with depreciation, this is purely an accounting exercise for local authorities. Impairment charges are reversed out of revenue accounts to ensure that it does not affect the "bottom line" and Rent (in the HRA's case) payable by Council Tenants.
- 3.71 The Government has been reviewing this accounting treatment to bring local authorities into line with other organisations in accordance with International Reporting Standards. This has been challenged by the relevant professional bodies.
- 3.72 Large impairment adjustments are rare. In addition, impairment needs to affect the wider asset base. For example, damage to one property would not affect the overall value of the Council's stock, which is currently valued at £130m in total.
- 3.73 If there was a wider event affecting many properties however, this would lead to an impairment charge. It is considered that the most likely scenario is a sudden fall in property values as this would affect the overall valuation of the stock. The potential for impairment charges could have serious implications for all housing authorities and this is why it has been challenged.

Changes in Central Government Policy

- 3.74 Although the HRA continues to operate under a self-financing framework, Central Government retain the power to change policy in many areas which can impact upon the Financial Projection.

Universal Credit (UC)

- 3.75 A greater number of Council tenants are now receiving Universal Credit and not Housing Benefit. There is a risk that this change leads to an increase in rent arrears.
- 3.76 Housing Benefit is paid directly to a tenant's Rent Account where this is due. In a system of Universal Credit, the benefit element is effectively paid direct to the Tenant, and this gives the potential for tenants to default on their rent payments and increases rent arrears.
- 3.77 The rebate directly received from Housing Benefit by the HRA has noticeably reduced during 2022/23 compared to 2021/22.

3.78 The debt position at this stage is lower than in last financial year. Rent arrears have decreased over the year by £78k from March 2022. This is due to a review of debt recovery and new processes for collecting rent arrears being introduced.

Rent Levels

3.79 As part of Welfare Reform, rent charges from Registered Providers have been scrutinised and a standard format of charges has been updated within the Rent Standard 2020.

3.80 The Council is currently reviewing the impact of the Rent Standard and will report to Committee with an updated Rent Policy during 2023.

3.81 In accordance with the statutory provisions, the final HRA Budget 2023/24 and proposed rent level will be reported for approval at Finance and Management Committee on 9th February 2023.

Effect on Individual Tenants

3.82 The effect on tenants will be reported once confirmation of the actual rent increase has been agreed. The calculation on the potential effects of rental increases per tenant is illustrated in 3.31.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

Employment Implications

5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

5.3 The proposed budgets and spending included in the HRA provides the financial resources to enable on-going services and Council priorities to be delivered.

Risk Impact

5.4 The Financial Risk Register is detailed in the Medium-Term Financial Plan and financial risks specific to the HRA are detailed in Section 3.

6.0 Community Impact

Consultation

- 6.1 There is no statutory requirement to consult with tenants or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

Equality and Diversity Impact

- 6.2 None.

Social Value Impact

- 6.3 None.

Environmental Sustainability

- 6.4 None.

7.0 Conclusions

- 7.1 That the proposed base budgets are scrutinised and approved to provide the financial resources for continuation of service delivery.

8.0 Background Papers

- 8.1 None.

Assumed Void Level	Voids 3.41% (100)	Voids 2.39% (70)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)
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	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,493	-12,928	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	631	505	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-2,724	-2,263	-2,134	-1,570	-2,586	-3,585	-4,969	-6,295	-8,004	-10,033

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-12,868	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	256	117	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,099	-2,651	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,066	-13,575	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	58	-142	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
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Impact to General Fund Reserve (MTFP) -3,297 -2,910 -2,800 -2,252 -3,284 -4,299 -5,700 -7,044 -8,770 -10,817

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 7% increase	-13,368	-13,769	-14,182	-14,607	-15,045	-15,497	-15,961	-16,440	-16,934	-17,442
Total Impact	-244	-336	-433	-534	-642	-757	-876	-1,003	-1,137	-1,258

General Reserve Balance (MTFP) -3,355 -2,768 -2,556 -2,002 -3,026 -4,033 -5,426 -6,762 -8,480 -10,538
 Impact to General Fund Reserve (MTFP) -3,599 -3,103 -2,989 -2,536 -3,668 -4,790 -6,303 -7,765 -9,616 -11,796

Assumed Void Level Voids 2.39% (70) Voids 2.39% (70) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50) Voids 1.71% (50)

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,625	-12,928	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	499	505	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP) -3,355 -2,768 -2,556 -2,002 -3,026 -4,033 -5,426 -6,762 -8,480 -10,538
 Impact to General Fund Reserve (MTFP) -2,856 -2,263 -2,134 -1,570 -2,586 -3,585 -4,969 -6,295 -8,004 -10,033

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-13,004	-13,409	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	120	24	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,235	-2,744	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,256	-13,575	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	-132	-142	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,487	-2,910	-2,800	-2,252	-3,284	-4,299	-5,700	-7,044	-8,770	-10,817

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 7% increase	-13,509	-13,833	-14,259	-14,596	-14,940	-15,292	-15,651	-16,018	-16,393	-16,777
Total Impact	-385	-400	-510	-523	-537	-552	-566	-581	-596	-593

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserves (MTFP)	-3,740	-3,168	-3,066	-2,525	-3,563	-4,585	-5,992	-7,343	-9,076	-11,131

Assumed Void Level	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%	Voids 1.71%
	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)
	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,713	-13,019	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	411	414	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-2,944	-2,353	-2,134	-1,570	-2,586	-3,585	-4,969	-6,295	-8,004	-10,033

	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-13,094	-13,409	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	30	24	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,326	-2,744	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,348	-13,669	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	-224	-236	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,580	-3,004	-2,800	-2,252	-3,284	-4,299	-5,700	-7,044	-8,770	-10,817

2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184	-16,777
Rent at 7% increase	-13,603	-13,930	-14,259	-14,596	-14,940	-15,292	-15,651	-16,018	-16,393	-16,777	-17,184
Total Impact	-479	-497	-510	-523	-537	-552	-566	-581	-596	-596	-593
General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538	-13,131
Impact to General Fund Reserves (MTFP)	-3,834	-3,265	-3,066	-2,525	-3,563	-4,585	-5,992	-7,343	-9,076	-11,131	-13,131

Asset Replacement	0	0	270	0	0	0	0	0	280	0	0
Reserve C/fwd	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113	-163

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve											
Balance B/fwd	-4,457	-5,157	-6,542	-7,142	-7,742	-7,992	-8,642	-9,292	-9,892	-10,492	-11,092
Transfers to reserve	-600	-550	-600	-600	-250	-650	-650	-600	-600	-600	-600
Earmarked non-traditional properties	-100	0	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-5,157	-5,707	-7,142	-7,742	-7,992	-8,642	-9,292	-9,892	-10,492	-11,092	-11,692
New Build Reserve											
Capital Receipts B/fwd	-2,935	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884
Acquisitions in year	280	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-721	-615	-612	-612	-612	-612	-612	-612	-612	-612	-612
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884	-9,495