

REPORT TITLE: Housing Revenue Account (HRA) rent and service charge inflationary uplift report and the HRA Budget

Meeting	Cabinet
Date	10 th December 2024
Cabinet Member	Cllr Moses Crook Deputy Leader of the Council, Cabinet Member for Transport and Housing
Key Decision Eligible for Call In	Yes Yes
<p>Purpose of Report This report provides the financial context and basis for the annual rent and service charges inflationary uplift as well as for the HRA budget, which will be considered by Cabinet on 10th December, and by Council on 5th March for approval.</p> <p>This report is for a decision for the annual rent and service charge inflationary uplift for 2025-2026, which will form part of the HRA budget proposals.</p>	
<p>Recommendations</p> <ul style="list-style-type: none"> To uplift the proposed rents by an average of £2.30 per week (2.7%) and service charges payable by between 0.01p and £0.48 per week (2.7%) for social housing from 1st April 2025, which are contained within this report. To introduce a service charge for communal grounds maintenance services capped at £1.00 per week each year until full cost recovery is achieved. That Members approve the charges for Extra Care Services – Intensive Housing Management to be uplifted by between £1.92 and £4.90 (6.7%) and Extra Care Services – Night Care Service to be uplifted by £1.48 per week (6.7%). That Members note the national and local financial challenges outlined as part of the HRA budget proposals for 2025-26. To give delegated authority to the Executive Director of Place in consultation with the Deputy Leader of the Council and Cabinet Member for Transport and Housing to approve the rate for personal charges for Sheltered Heating and District Heating. That the updated Capital Plan for 2024-33, be recommended to Council for approval; Appendix 3 That the draft HRA Budget for 2025/26 be recommended to Council for approval; Appendix 2 	
<p>Reasons for Recommendations</p> <ul style="list-style-type: none"> To maximise rent and service charge income which complies with the requirements of the Local Government and Housing Act 1989 to have a balanced HRA and the Welfare Reform and Work Act 2016 and the rent standard. To propose a balanced HRA revenue and capital budget for 2025-26. To hold reserves at a level which is set at £500 per property at c£10m. 	
Resource Implications	

<p>Date signed off by <u>Executive Director</u> & name</p> <p>Is it also signed off by the Service Director for Finance?</p> <p>Is it also signed off by the Service Director for Legal Governance and Commissioning?</p>	<p>David Shepherd – Executive Director of Place</p> <p>Kevin Mulvaney – Service Director of Finance</p> <p>Samantha Lawton - Service Director of Legal, Governance and Commissioning (Monitoring Officer)</p>
--	--

Electoral wards affected: All

Ward councillors consulted: No

Public or private: Public

Has GDPR been considered? Yes

1. Executive Summary

- 1.1 The Council is required to maintain a self-financing Housing Revenue Account (HRA), which is a ring-fenced account separate to the General Fund and is a record of all revenue expenditure and income relating to the authority’s own housing stock. It is the responsibility of all councils with an HRA to ensure it sets a balanced budget and make provision for adequate resources to invest in council properties. This is to keep tenants safe and ensure that they are living in properties that meet a decent home standard including energy efficiency which will support tenants with the cost of living. This report sets the provisional budget for 2025-26 for the HRA, details of which are included in the following pages and appendices.
- 1.2 The Council regularly reviews and updates the HRA business plan with the aim to produce a self-financed and balanced budget position over the 30-year plan that delivers the key objectives.
- 1.3 The main source of income for the HRA is from rents and service charges, income from leaseholder service charges and charges paid by tenants for specific services. The income is used to support the management and maintenance of the Council’s circa 21,700 housing stock and is reviewed annually and is increased as required within the guidelines agreed by government. This report sets out the approach to the annual rent and service charge inflationary uplift for council tenants for the 2025/26 financial year. The annual proposed uplift to social housing rents and service charges is based on the government formula of CPI + 1% (Consumer Price Index) which was agreed for five years from April 2020 to March 2025 and now extended to 2031 where the CPI rate is taken from September each year. This year the rate of inflation at the end of September 2024 was 1.7% which means a proposed uplift of 2.7%. The Council needs to uplift rents and service charges by this amount to continue to invest in tenants’ homes. The Council is also proposing a 6.7% uplift for the extra care - Intensive Housing Management service and night-time security service charges because the costs are linked directly to staffing and the increase for the National Living Wage.
- 1.4 A review of service charges has been carried out because the Council needs to ensure

that it recovers income to cover the cost of providing services to tenants and leaseholders.

- 1.5 The Regulator of Social Housing benchmarking data for 2023-24 shows an average weekly social rent across the country of £99.45 and for Yorkshire and Humberside of £84.10. This compares to the average weekly social rent for Kirklees in 2023-24 of £79.20, where Kirklees continues to charge one of the lowest average rents. The Yorkshire and Humberside region reports the lowest average social rent across the country. The average weekly social rent for Kirklees being proposed for 2025-26 is £87.54. (*Local authority registered provider (LARP) social housing stock in England - stock and rents profile 2023/24*)
- 1.6 Where new council housing is being developed for rent there will be the consideration, subject to a business case to charge a social rent/target rent or an affordable rent, which is 80% of the market rental charge. The affordable rent would be less than the agreed local housing allowance and supports the published rent standard. When a property is relet, the tenant will automatically be charged the target rent for that property, plus any relevant service charge unless the property is subject to an affordable rent, in which case the agreed affordable rent will be charged.
- 1.7 The Proposed HRA revenue budget is £110m, where 29% is budgeted to be spent on repairs and maintenance, 28% to be spent on management and community facility costs, 11% to be spent on extra care schemes, 22% to contribute to the cost of capital and major works, 7% for financing costs and 3% for other provisions and taxes.

2. Information required to take a decision

- 2.1 The Council needs to deliver a balanced 30-year business plan. The HRA (Housing Revenue Account) business plan has been modelled based on a number of scenarios and an inflationary uplift of 2.7% is required to be able to fund all its commitments in the capital plan and support a minimum reserve balance of £500 per unit, (2024-25 - £10.865m). A minimum reserve of £500 per unit is considered prudent and provides for unexpected costs or economic shocks.
- 2.2 Following the outcome of the capital review carried out by ARK consultancy, a backlog of works has been identified that will be required to make council homes decent and the current capital plan is forecast to invest £382m up to March 2032 (Appendix 3). The proposed budgets for 2025-26 are as follows:
- 2.3 For the baseline capital budget there is £35.6m made up as follows:
 - Planned Maintenance of £20.1m which includes Planned components replacements to circa 4800 properties and includes kitchens, bathrooms, roofs, rewires, doors, boilers and four district heating schemes which will service 154 properties.
 - Building Safety of £10.2m, which includes capital works relating to fire, Asbestos, water hygiene and refurbishment of six storey blocks, low rise blocks and retirement living schemes.
 - Decarbonisation of £1.5m, which is the resource to be used to match fund resources to bring council properties up to an efficiency level C or above and for retrofitting properties.

- For adaptations there is a budget of £3.8m, which relates to works needed to adapt circa 500 properties for tenants with additional needs, including handrails, ramps, and other adaptations.

2.4 For Strategic Priorities there is a budget of £12m which is made up as follows:

- Council Housing Building and Housing Growth of £5m, which relates to existing committed schemes on site and in development and buybacks, where we are buying back properties previously sold through the right to buy scheme.
- New build extra care scheme, Ash view of £0.2m, which is the final balance for the development costs of fifty units completed in November 2024.
- Remodeling high rise project of £5m (total £57m), which includes works and related costs to Buxton House and Berry Brow.
- IT system replacement of £1.8m

2.5 Most planned and responsive repair works are carried out by the council's in-house property team. Where they do not have the skills or capacity to deliver the works this will be procured externally.

2.6 A budget for fuel poverty of £1.5m has been provided, which is hoped to be matched by funding resources accessed through West Yorkshire Combined Authority. We plan to complete EPCs for Fuel Poverty with the aim to increase the efficiency rating of properties to C or above.

2.7 An inflationary provision of 3% of staffing costs has been provided for, until the pay award for 2025-26 has been finalised.

2.8 Homes and Neighborhoods are implementing a new housing management system (CX) which includes an integrated customer contact and relationship module. This will support the ongoing transformation work, which includes end to end process reviews, a focus on compliance, statutory, legislative, regulatory and a culture review. This will be supported by better insight and data provided by more efficient systems and processes.

2.9 Homes and Neighbourhoods revenue management cost budgets have reduced by £2.6m, which relate to a proportion of the costs for the Assets and Development team of £1.9m being capitalised and staffing savings of £570k being proposed.

2.10 The proposed budget for repairs and maintenance is £32.3m, which is a net increase of £1.4m. Resources will be set aside to carry out 40% stock condition surveys, for water quality testing and for the increased demand for damp and mould works. There are ongoing savings from no longer requiring a waking watch service at Buxton House and Harold Wilson Court and savings will be achieved from the review of the concierge service and the move to decorating vouchers agreed as part of the lettable standard. This means that savings can be redirected to other planned investment and responsive repairs areas. An inflationary increase of 3% will be applied to works related budgets.

2.11 Savings and additional income of circa £3.7m have been proposed for 2025-26, (Appendix 5) which includes a reduction of 12 days in the time it takes to repair and relet a property, which will reduce the rent lost by £255k, recovery of service charge income of £725k for Grounds Maintenance and £20k for cleaning, which will be eligible for housing benefit or universal credit, recovery of personal charges of District Heating costs of circa £573k and

Sheltered Heating charges of £267k and there will be £190k savings proposed from better ways of working.

- 2.12 The Grounds Maintenance service is provided to tenants and leaseholders in Kirklees and costs £1.7m. It is proposed to introduce a service charge increase of a maximum of £1 per week, per year. The summary of charges shows that costs have been divided equally between tenants and leaseholders based on each property they live in, on an estate-by-estate basis. This means that 1,486 will pay nothing, 7,680 will pay less than 50p, 4,261 will pay between 50p and less than £1 and the remaining 6,942 will pay £1. Service standards will be issued, and regular monitoring will take place.
- 2.13 For district heating schemes, meters will be adjusted by the appropriate cost per kwh to match current prices. It is requested that the decision to approve those charges is delegated to the Service Director for Homes and Neighbourhoods along with the Deputy Leader of the Council and Cabinet Member for Transport and Housing.
- 2.14 For Sheltered heating schemes, it is requested that the decision to approve charges is delegated to the Service Director for Homes and Neighbourhoods along with the Deputy Leader of the Council and Cabinet Member for Transport and Housing. Increased charges will be effective from April 2025.
- 2.15 Given the need to invest in Tenant Safety, High Rise remediation and regeneration, meeting the Decent Homes Standard, decarbonising the council's housing stock and building new council homes, there is a requirement to propose a rent and service charge uplift of 2.7% for the financial year 2025-26. The report aims to provide context in terms of the key challenges for the Housing Revenue Account even with the proposed 2.7% rent uplift. The appendix to the report sets out the full schedule of proposed weekly dwelling rent, service and other charge inflationary uplifts to Council tenants for 2025/26, noting that these will be calculated on a basis that matches the billing period to the number of weeks in the year (i.e., 52 weeks for 2025/26) Appendix 1.
- 2.16 For 2025-26 budget purposes there is a net reduction of £253k to rental income. This is because there will be a net reduction of 296 properties where rents will no longer be charged. This is made up of properties at Berry Brow and Sycamore Grange which are planned for demolition in 2025-26 and through the reduction of 140 properties sold through the right to buy with the addition of properties developed or purchased.
- 2.17 The proposed inflationary uplift will mean an average uplift across all tenancies of £2.30 per week, which will be an average uplift of £2.03 per week for a one-bedroom property, £2.41 per week for a two-bed property, £2.71 per week for a three-bedroom property and £2.86 per week for a four plus bedroom property.
- 2.18 There are 72% of council tenants that are currently in receipt of some benefit either Universal Credit or Housing Benefit and so the Council needs to ensure that they consider the impact of the proposed uplift for the 28% of tenants who are not in receipt of any benefits. The council have a dedicated Income Management and Money Advice Team who will work with these tenants to support them with completing claims for benefits and signposting them to other agencies. Tenants can also access Kirklees corporate support. [Local Welfare Provision | Kirklees Council](#)
- 2.19 Where new council housing is being developed for rent, there will be the consideration, subject to a business case to charge a social rent/target rent or an affordable rent. An affordable rent may be charged, which is 80% of the market rental charge and is inclusive

of service charges. This is supported by the rent standard published by the regulator of social housing.

- 2.20 There are 46% of tenants that are currently reported as having some arrears of which 65% are in receipt of Universal Credit and so it cannot be guaranteed that payments will be made because the benefit goes direct to the tenant, although claims to have the benefits paid direct to Kirklees can be made if the tenant is reported to have more than eight weeks arrears. There are 46% of tenants who pay by direct debit and 54% who pay by alternative methods of payment. Tenants are encouraged to sign up for direct debit arrangements.
- 2.21 All services are looking to achieve efficiencies to address the cost-of-living inflationary increases and in total savings of £3.7m for 2025-26 have been proposed. These savings have been built into the proposed budget to ensure there is budgetary control and accountability.
- 2.22 The Intensive Housing Management service charge provides a manager presence in the extra care schemes and the provision of a housing related support service to tenants to help them maintain their tenancies. Of the total cost of this service tenants pay for 80% and the charge is eligible for housing benefit. An uplift of 6.7% is proposed because the costs are linked directly to staffing and the increase for the National Living Wage.
- 2.23 There are two service charges which are commissioned by the Council's Adult Social Care. The Night-time Security service charge provides a staff presence in the extra care schemes overnight and to respond to emergency calls made by tenants during the night. The charge that tenants pay for this service amounts to 50% of the total cost and the service charge is eligible for housing benefit. The total cost of this service will increase annually due to an uplift to the National Living Wage. An uplift of 6.7% is proposed because the costs are linked directly to staffing and the increase for the National Living Wage.
- 2.24 The Council assumes a number of properties will be sold through the RTB Scheme, which on average is around 200 properties per annum. The number of sales has reduced over the last two years and for 2025-26 there is an assumption that there will be 140 sales. There has been an increased number of applications due to the budget announcement to amend the discount levels with effect from 21st November 2024. These will be assessed and managed appropriately.

3. Implications for the Council as part of the Council Plan

3.1 Working with People by providing direct support to tenants.

- 3.1.1 The rollout of Universal Credit (UC) started in June 2015 and is now accelerating due to DWP Managed Migration with 44% of tenants currently in receipt of UC, 28% partial or full Housing Benefit (HB) and 28% in receipt of no benefits and so there are dedicated staff to support tenants transitioning from Housing Benefit to Universal Credit. As of 14th October 2024, there were 5683 tenants who were not in receipt of any benefits of which 4753 (84%) of those tenants who are already on an arrangement to pay by Direct Debit. The Money Advice team will support these tenants to assess whether they will be eligible for any benefits, will support them to claim any entitlements and to put in place an arrangement to pay by Direct Debit. Contact details for support and additional information will be sent out to all tenants with the statutory increase notice.
- 3.1.2 Tenants will have access to a discretionary Housing Fund which is still available to fund short term gaps in customer benefit entitlement etc. Unfortunately, the Housing Support

Fund where tenants received support with fuel poverty ended in September 2024. All assessments are made on specific need.

3.2 Working with Partners

3.2.1 Homes & Neighbourhoods Income Management resources are being made available and targeted towards new and transitioning UC claimants to ensure that they receive the support that they need to successfully make the change and keep in control of their rent accounts. The waiting period is around 5 weeks before the first payment is received, although tenants can claim an advance payment. There are significant strategic and operational challenges in dealing with the claimants in receipt of benefits in Kirklees Council tenancies and as UC continues to be rolled out in Kirklees, with increased risks associated with managing the HRA, cashflow and income collection rates. The Homes & Neighbourhoods Income Management team work with partners to oversee the delivery of a set of action plans designed to directly mitigate the impact of welfare reform changes such as UC on tenants through a dedicated debt advice team that adopts a restorative approach to debt management.

3.3 Place Based Working

3.3.1 Engagement proposals are informed by intelligence and evidence gathered from previous successful place-based engagement programmes delivered by Homes & Neighbourhoods and other partner services. This includes consultation at the high-rise blocks at Berry Brow and Harold Wilson Court in 2021 to inform full regeneration and fire safety improvement programmes, working with ward members and tailored to the needs of Kirklees as a place and the individual needs of its distinct communities.

3.4. Climate Change and Air Quality

3.4.1 There is a plan for Sycamore Grange to be redeveloped, this will see the removal of an existing building heated by fossil fuelled gas boilers built to the building standards and requirements of the early 1970s. In removing the existing and outdated building, and combining new heat and power technologies, the future scheme is likely to lead to a net reduction in carbon emissions over its lifetime.

3.5 Improving outcomes for children

3.5.1 The current baseline capital plan is forecast to invest £191m over the next five years, which includes resources set aside for component replacements, estate improvements, compliance, fuel poverty and adaptations. Investing in council properties will improve living conditions by providing a warm and safe home for tenants to live in, which will improve outcomes for children.

3.5.2 The Money Advice team work closely with tenants to assess whether they are entitled to benefits and then support them to claim entitlements. This relieves poverty in the household and therefore supports children to have a better start in life, which improves outcomes.

3.6 Financial Implications

3.6.1 The Council will propose a balanced budget for 2025-26 and maintain a balanced 30-year HRA business plan, which will be supported by funding from reserves and additional borrowing.

3.6.2 A number of key policy announcements have been made following the enactment of the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016. The implications of the new legislation have been included within the 30-year financial modelling for the HRA. The budget proposals for 2025/26 result from a review of the HRA with the key objective to deliver a balanced 30-year HRA business plan.

3.6.3 People living or working in Kirklees will have access to the Kirklees local welfare provision: [Local Welfare Provision | Kirklees Council](#)

3.7 Legal Implications

3.7.1 The approval of the above recommendations will ensure that a balanced HRA is achieved, which means the Council is compliant with section 76 of the Local Government and Housing Act 1989. Section 24 of the Housing Act 1985 allows the council as a registered provider the discretion to set its own rents, but the charges must be reasonable and are subject to legislative rent caps imposed by the government. The Local Government and Housing Act 1989 also covers the recovery of service charges, and the rent standard applies to both rents and service charges.

3.7.2 The Equality Act 2010 (Section 149) requires the Council to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act.
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

3.7.3 A landlord, including a social landlord has the legal right to impose charges for services they provide which are payable in addition to the charges imposed for rent. The tenancy agreement or lease the landlord has with a tenant sets out the obligations on the tenant to pay these service charges. The service charges each tenant is required to pay should be clearly set out at the commencement of the tenancy. The Council, as a landlord must ensure it meets its statutory obligations when deciding to increase or introduce service charges and ensure the right to impose such charges is clearly set out in the tenancy agreement/lease as this may limit the ability to charge. The amount of service charges each tenant is required to pay should be reasonable. This applies to both secure and leasehold tenants.

3.8 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

3.8.1 It is believed that the proposals to change rents and other charges set out in this report will not have an unduly adverse impact on any persons in any of the nine protected characteristics namely, age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion, or belief, sex, and sexual orientation. All tenants affected by any approved changes to rents and other charges will be notified of the specific changes to their charges and be provided with information and guidance on how to access information and guidance on housing and other benefits. Ref: IIA-667140185 Ref: IIA- 656525132.

4. Consultation

- 4.1.1 Consultation has been carried out with the Tenant Led Panel in relation to the proposed inflationary uplift and Consultation with TRA's (Tenant and Residents Associations) and tenants' groups as required. The proposal has been reported to Homes and Neighbourhoods Senior Management Team, Place Senior Leadership Team, Homes and Neighbourhoods Improvement Board, Executive Leadership Team and Executive Board before the proposal will be reported to Cabinet on 10th December 2024. From a previous recommendation from the Tenant Advisory & Grants Panel, direct contact details to access support and a summary breakdown of budget expenditure will be included with the rent uplift notifications.
- 4.1.2 Consultation was undertaken with tenants and leaseholders to introduce a service charge for the provision of communal Grounds Maintenance (GM) services capped at £2.00 per week from 2025/26. There were 2369 responses received, equating to approximately 11% of all tenants and leaseholders. The following provides a summary of the key findings from the consultation:
- 1647 of those who responded disagree with the proposal to charge a maximum of £2 per week for providing a communal grounds maintenance service.
 - 1470 of those who responded said that introducing the £2 per week service charge would have a high impact on them.
 - 749 of those who responded said that the charge would impact on them financially from an affordability perspective and
 - 317 of those who responded said that the current service is poor and is not worth paying for
- 4.1.3 In response to the above feedback and to reflect that the council have listened to and considered the views of tenants, it is proposed that the charge for grounds maintenance will be capped at £1 per week until full cost recovery is achieved. This should generate income of up to £725,000 in 2025/26 and it is assumed that full cost recovery will be achieved by 2028/29.

5. Engagement and communication

- 5.1.1 There is a requirement to give tenants 28 days' notice of any uplift in rents or service charges.
- 5.1.2 Given the proposal contained in this report is to introduce a service charge for the provision of communal grounds maintenance services there will be a requirement to vary the existing tenancy agreement to reflect this. This approval is subject to the period of consultation with tenants and evaluation of the issues raised in that consultation. The Service Director of Homes & Neighbourhoods has delegated authority to consider feedback from tenants and provide final approval for the amendment to the Tenancy Agreements in consultation with the Portfolio Holder. The amendment can be implemented by serving a Notice of Variation of tenancy that would take effect from 1 April 2025.

6. Options

6.1 Options considered

6.1.1 To do nothing would mean that Kirklees would have to either increase its borrowing to cover the cost of services, make additional savings or would have to consider reducing the level of services delivered.

6.1.2 To maximise rental income based on the government formula to uplift rents annually by CPI +1% and to move to a full cost recovery for service charges.

6.2 Reasons for recommended option

6.2.1 To maximise income so that Kirklees can invest in tenants' safety and decent homes and so it can set a balanced budget.

6.2.2 To recover income where Kirklees Homes and Neighbourhoods has incurred costs on behalf of tenants, so that tenants are charged for the service they receive.

6.2.3 To recover service charge income to cover the cost of services provided to tenants and leaseholders to achieve a full cost recovery position.

7. Next steps and timelines

7.1 In order to comply with the requirements of the Local Government and Housing Act 1989 to have a balanced HRA and the Welfare Reform and Work Act 2016 and the rent standard which requires registered providers to comply with specified rules about their levels of rent set under section 194(2A) of the Housing and Regeneration Act 2008; to implement the uplift of 2.7% subject to Cabinet approval,

7.2 Council Officers will prepare for the implementation of rents and service charge changes from 1st April 2025 as set out in Appendix 1 and the issuing of prior notification letters to individual tenants in accordance with the statutory 4 week notice period.

8. Contact officer

Jacqui Fieldhouse, Head of Finance – Homes & Neighbourhoods

Tel: 01484 221000 ext 79267

Mobile: 07795 080373

Email: jacqui.fieldhouse@kirklees.com

9. Background Papers and History of Decisions

9.1 Rent setting report to Cabinet – 12th December 2023 and Approved budget for 2024-25

10. Appendices

10.1 Appendix 1 – Schedule of weekly rent and service charges for 2025-26

10.2 Appendix 2 – Revenue Medium Term Financial Plan - April 2025 to March 2030

10.3 Appendix 3 – HRA Capital Plan for the period April 2025 to March 2032

10.4 Appendix 4 – HRA Reserves – March 2025

10.5 Appendix 5 – Summary of proposed savings for 2025-26

11. Service Director responsible

Naz Parkar for Homes & Neighbourhoods

Tel: 01484 221000 ext 75312

Email: naz.parkar@kirklees.gov.uk

	Schedule as at 1 April 2024 £		Schedule as at 7 April 2025 £		Increase %
RENTS					
Average Dwelling Rent	85.24		87.54		2.7
Split:					
Average 1 Bedroom Rent	75.21		77.24		2.7
Average 2 Bedroom Rent	89.24		91.65		2.7
Average 3 Bedroom Rent	100.22		102.93		2.7
Average 4 and Over Bedroom Rent	105.80		108.66		2.7
Garage Rents (Excl VAT)	6.40		6.57		2.7
51					
Housing Benefitable Service Charges					
Concierge	2.70 to 17.64		2.77 to 18.12		2.7
Door Entry Systems	0.48		0.49		2.7
Communal Cleaning	1.10 to 8.47		1.13 to 8.70		2.7
Communal Cleaning (contract extension)	2.44		2.51		2.7
Window Cleaning	0.24 to 2.81		0.25 to 2.89		2.7
Sheltered Housing:					
Scheme Management	15.53		15.95		2.7
Independent Living Officer	5.73		5.88		2.7
Furnishings	20.01, 21.32		20.55, 21.90		2.7
PFI Service Charges					
Communal Cleaning	12.00 to 16.33		12.32 to 16.77		2.7
Communal Utilities	2.46 to 13.07		2.53 to 13.42		2.7
External Lighting (General Needs Only)	1.93 to 2.85		1.98 to 2.93		2.7
Grounds Maintenance	3.23 to 8.39		3.32 to 8.62		2.7
Intensive Housing Management (Extra Care Only)	28.65 to 73.07		30.57 to 77.97		6.7
Management and Admin	1.45 to 1.46		1.49 to 1.50		2.7
Night Time Security (Extra Care Only)	22.15		23.63		6.7
Property Management (Extra Care Only)	24.44		25.10		2.7
R&M Com fac&ut cost	5.74 to 13.11		5.89 to 13.46		2.7
Other Charges					
Parking Spaces	5.50		5.65		2.7
Other Utilities charges	16.26, 22.71		16.70, 23.32		2.7
Older People Support	6.95, 23.42		6.95, 24.05		2.7
Council Tax	5.45, 8.55		5.72, 8.98		4.99
Gardening	3.67		3.77		2.7

Appendix 2

SERVICE ACTIVITY	24-25 BUDGET	CHANGES	25-26 BUDGET PROPOSAL	CHANGES	26-27 BUDGET PROPOSAL	CHANGES	27-28 BUDGET PROPOSAL	CHANGES	28-29 BUDGET PROPOSAL	CHANGES	29-30 BUDGET PROPOSAL
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Repairs & Maintenance	30,909	1,400	32,309	350	32,659	- 300	32,359	100	32,459	250	32,709
Housing Management											
Policy & Management	14,297	65	14,362	166	14,528	168	14,696	171	14,867	-	14,867
Council Services bought in	7,751	531	8,282	190	8,472	-	8,472	-	8,472	-	8,472
Homes & Neighbourhoods Man't Costs	19,322	(2,570)	16,752	(281)	16,471	494	16,965	509	17,474	524	17,998
Property Services	-	(190)	(190)	-	(190)	-	(190)	-	(190)	-	(190)
Special Services (Communal facilities)	4,200	(486)	3,714	-	3,714	-	3,714	-	3,714	-	3,714
sub-total	45,570	(2,650)	42,920	75	42,995	662	43,657	680	44,337	524	44,861
Other Expenditure											
Depreciation charge on HRA Assets	20,600	3,389	23,989	250	24,239	250	24,489	250	24,739	500	25,239
Interest payable on capital debt	7,282	224	7,506	1,000	8,506	1,000	9,506	1,000	10,506	1,000	11,506
Bad debt provision	1,000	0	1,000	-	1,000	-	1,000	-	1,000	-	1,000
Rents, Rates, Taxes & other charges	529	100	629	(100)	529	-	529	-	529	-	529
Inflation Provision	2,370	(840)	1,530	840	2,370	500	2,870	500	3,370	500	3,870
Sub total	31,781	2,873	34,654	1,990	36,644	1,750	38,394	1,750	40,144	2,000	42,144
Total Expenditure	108,260	1,623	109,883	2,415	112,298	2,112	114,410	2,530	116,940	2,774	119,714
Dwelling Rent income	(96,084)	253	(95,831)	(2,285)	(98,116)	(2,502)	(100,618)	(2,556)	(103,174)	(2,476)	(105,650)
Non-Dwelling Rent Income	(300)	16	(284)	(8)	(292)	(7)	(299)	(4)	(303)	(3)	(306)
Tenant & Leaseholder charges for services & facilities	(3,664)	(1,892)	(5,556)	(122)	(5,678)	(128)	(5,806)	(131)	(5,937)	(135)	(6,072)
HRA Interest income on cashflow	(300)	-	(300)	-	(300)	-	(300)	-	(300)	-	(300)
Excellent Homes for Life (PFI)											
Government Grant	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)	-	(7,912)
Total Income	(108,260)	(1,623)	(109,883)	(2,415)	(112,298)	(2,637)	(114,935)	(2,691)	(117,626)	(2,614)	(120,240)
Net Operating Expenditure	-	-	-	-	-	(525)	(525)	(161)	(686)	160	(526)

Appendix 3

HRA Capital Plan	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
	£	£	£	£	£	£	£	£	£
STRATEGIC PRIORITIES									
Housing Growth	867,000	2,516,000	732,460	11,000	0	0	0	0	4,126,460
LAHF - Refugee Housing	492,000	358,000	1,142,087	0					1,992,087
LAHF 3 - Refugee Housing	1,090,000	1,560,000	521,000	0					3,171,000
New Build Phase 1 - Ashbrow Extra Care	3,700,000	146,302	0	0	0	0	0	0	3,846,302
Berry Brow Remodelling	1,267,000	901,000	15,000,000	16,000,000	1,993,269	0	0	0	35,161,269
Harold Wilson Court	2,367,000	0	0	0	0	0	0	0	2,367,000
Buxton House	1,357,000	4,148,000	6,145,000	3,267,000	79,271	0	0	0	14,996,271
IT System (Universal Housing Replacement)	530,000	808,832	0	0	0	0	0	0	1,338,832
IT System Property/Assets	0	1,000,000	500,000	0	0	0	0	0	1,500,000
Council House Building	1,396,000	564,500	4,557,000	8,433,926	13,871,936	7,506,309	277,700	1,595,273	38,202,644
Strategic Priorities Total	13,066,000	12,002,634	28,597,547	27,711,926	15,944,476	7,506,309	277,700	1,595,273	106,701,865
BASELINE									
Housing Capital Plan	17,850,000	19,150,000	19,285,000	19,785,000	19,785,000	20,135,000	21,230,163	22,135,000	159,355,163
Estate Improvement (Neighbourhood Investment)	1,233,000	990,000	1,100,000	1,100,000	1,100,000	1,100,000	1,128,720	1,100,000	8,851,720
Building Safety	1,506,000	1,274,000	1,324,000	1,530,000	1,430,000	1,380,000	1,487,809	1,250,000	11,181,809
Six Storey Blocks - 2 projects	915,000	3,674,713	6,000,000	5,420,000	6,295,000	5,406,000	9,805,287	0	37,516,000
Low Rise Blocks - 700 blocks in batches	1,750,000	1,500,000	1,500,000	1,500,000	1,500,000	0	0	0	7,750,000
Retirement Living Schemes	1,500,000	3,750,000	4,500,000	4,500,000	4,500,000	6,000,000	250,000		25,000,000
Fuel Poverty	1,632,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,526,411	1,500,000	12,158,411
Adaptations	3,714,000	3,760,437	3,260,400	2,760,400					13,495,237
Baseline Total	30,100,000	35,599,150	38,469,400	38,095,400	36,110,000	35,521,000	35,428,390	25,985,000	275,308,340
Overall Total	43,166,000	47,601,784	67,066,947	65,807,326	52,054,476	43,027,309	35,706,090	27,580,273	382,010,205

Appendix 4

HRA RESERVES	Balance at 31 March 2024	Approved Movement in Reserves	Balance at 31 March 2025
	£'000	£'000	£'000
Set aside for business risks	(15,000)	4,135	(10,865)
Set aside to meet investment needs (as per HRA Business Plan)	(18,942)	9,792	(9,150)
Total	(33,942)	13,927	(20,015)

HRA Proposed Savings	2025-26	
	£000	
Reduction of void rent loss with improved relet days	255	Reduction of 12 days turnaround
Establishment efficiencies	100	Review of Asset Structure
Additional income from the recovery of service charges	725	Grounds Maintenance
Additional income from the recovery of service charges	20	Communal Cleaning contract
Income from the cost for heating	573	District heating charges
Income from the cost for heating	267	Sheltered heating charges
Staff savings from review of ILO and use of Graduates	80	Total of £470k where £390k provided for
Savings from council tax	50	Better management of policy voids
R&M and move to Decorating vouchers	500	For new void properties
Review of the concierge service	250	Review service delivered from Berry Brow
Property Service savings	190	Efficiencies through service delivery
Interest charges and inflationary pressures	775	Reduction due to profiling the capital plan
Total of all savings proposed	3,785	