South Holland District Council

Housing Revenue Account Business Plan 2026-2056

Summary

Draft v3.1 (22 December 2025)

Housing Revenue Account Business Plan 2026+

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1. Introduction

1.1. Background

Welcome to South Holland's Housing Revenue Account Business Plan for 2026. The Housing Revenue Account (HRA) is the account we use for the finances for council housing. The HRA is operated as a separate account within the Council's overall finances and covers the income and expenditure for council housing, including both day to day services and investment into our homes.

Every year, we set budgets and financial plans for our council housing stock and services as part of the Council's overall financial management processes. As we need to set out how we will manage and maintain our homes over the long-term, we also produce a business plan that covers the finances for the next 30 years.

The Council last set out a comprehensive approach to business planning some years ago. Changes in national policy and the framework for regulation of council housing has led to us developing a completely new approach to the business plan, work which has been going in since summer 2024 and which is closely linked to work on understanding the investment needs of our stock contained within our Asset Management Strategy.

Whilst business planning is intrinsically linked to our Asset Management Strategy, our transformation programme for Housing Landlord Services, and the Council's wider strategic objectives, this document summarises the main themes around our business plan from a financial perspective.

This business plan summary sets out the financial basis for the delivery of services and investment into our homes. It should therefore be read in conjunction with the Housing Landlord Strategy (developed in 2024) and Asset Management Strategy (which has been developed alongside the business plan).

Our plan is based on a robust and comprehensive evidence base of data around our stock and the needs of our tenants and residents. We can plan with confidence over the next 5-10 years to invest in our services, homes and neighbourhoods. Our planned investment is very substantial, particularly over the next 10 years and represents the largest ever programme of investment into council housing in the district.

As will be seen within the summary, the business plan is not without financial pressures and we will need to manage our future planning carefully to address the risks and challenges that face council housing services. This summary also includes a commentary on the main risks and "stresses" that might arise if financial or other conditions change over time and how we will respond to manage those risks.

In summary, the business plan provides assurance that the resources and financial plans are sufficient over the long term to allow us to finance the investment plans set out in the Landlord and Asset Management Strategies.

As will be seen throughout this summary, there are certain elements of government policy and guidance that remain to be agreed at a national level. At the same time, we are continuing to analyse a substantial amount of data about our stock and customers collected in the last 18 months. This plan will therefore be subject to refresh and review within its first year and will be updated in the autumn of 2026.

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1.2. How the Business Plan fits in

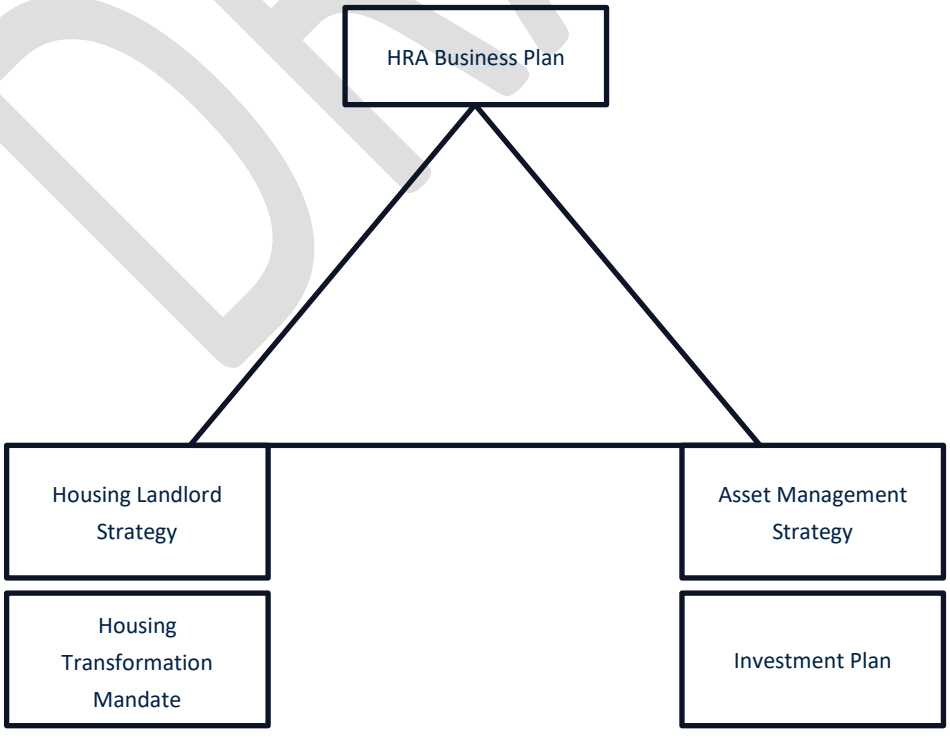
The overall planning framework for South Holland is set out in the Council's Partnership Alignment and Delivery Plan https://democracy.sholland.gov.uk/documents/s43271/Appendix%206%20Partnership%20Alignment%20and%20Delivery%20Plan%2025.26.pdf.

The overarching strategic objectives for South and East Lincolnshire, and how the HRA business plan aligns with them, are as follows:

- Growth and Prosperity – the expanded investment programmes set out within the Asset Management Strategy financed within the business plan mean opportunities for increased jobs locally
- Healthy Lives – the safety and quality of our homes directly impacts the health and wellbeing of our tenants and residents, and our services provide the support for our communities to live healthier lives.
- Safe and resilient communities – investment in our homes and in our communities within our council housing estates provides the basis for community resilience.
- Environment – investing in the environment through increased energy efficiency is an intrinsic part of the business plan.

As the primary financial planning document for council housing, the business plan is directly aligned with the two principal strategies around service delivery and stock investment as set out in the diagram below. In turn, the two strategies have short-medium plans within them to deliver over the next few years. The business plan forms the basis for the delivery of these plans, setting out how these plans will be financed.

Figure 1.1: business plan linkages



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The Housing Landlord Strategy 2024-2026 provides a key framework for the Asset Management Strategy, and together these form the basis of our future plans. The Landlord Strategy was approved by Council in 2024 and sets our plans for transformation of the housing landlord service, of which repairs, maintenance and investment are an integral part. The business plan sets out how all of this will be financed.

1.3. Business Plan context

Our landlord strategy and housing transformation plan represent an integral part of the Council's overall Partnership Alignment and Delivery Plan, a plan which is annually updated to reflect the priorities of the Council in its sub-regional and wider Lincolnshire context.

Our Housing Landlord Strategy sets out our ambitions to deliver on four overarching themes:

1. Culture and Operational Excellence

   We will deliver a service that meets the needs and aspirations of our tenants, whilst keeping them safe

2. Quality Homes and Connected Neighbourhoods

   We will be well governed and financially resilient, operating efficiently and responsibly, and investing wisely to fulfil our social purpose.

3. Accountability and Transparency

   We will deliver well maintained, safe, affordable homes and neighbourhoods, where people are proud to live that supports their health and wellbeing.

4. Tenant Voice and Opportunity

   Tenants will be at the heart of everything we do and every decision we make.

The Social Housing (Regulation) Act 2023 reformed regulation and strengthened social landlord obligations around transparency and accountability to residents. It also stresses the importance of good data to demonstrate compliance. The Government consulted in the summer of 2025 on updating the Decent Homes Standard with a key proposal to introduce a minimum standard for energy efficiency for the first time, and for this standard to become part of the Decent Homes Standard. At the time of agreeing this business plan, the outcome of the consultation process is awaited, although we have made some assumptions around future requirements that we believe will ensure that we are compliant with the new standard when it is finalised, and that we will have sufficient resources to finance what is required.

Demand for affordable housing in the district continues, in line with the national trend. The financial plans within this business plan underpin our ambitions to deliver new social homes.

The Business Plan is a forward looking document. It is rooted in the current and near-term future financial plans for the HRA but sets out that short-term investment can be sustained in a long-term context. The standard approach to the "long-term" is 30 years, as the overwhelming majority of investment into homes takes place within a 30 year period.

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2. Our approach to business planning

2.1. Introduction, preparation and governance

This section sets out how we have arrived at this document and the financial planning within the business plan.

The business planning process began in the summer of 2024 with a cross-service and multi-disciplinary team of senior officers including officers from housing management, asset management and finance.

The team has been supported by external advisors, Savills, and are utilising their business plan modelling platform to deliver the projections that are set out in this summary. Our advisors have also brought insight from good practice at other local authorities, providing both assurance that South Holland's income and costs are in line with benchmarks and bringing opportunities for us to consider best practice on delivery from other authorities.

There has been regular contact with key decision makers including the Council's s151 Officer, Senior Leadership Team and the Portfolio Holder for Strategic and Operational Housing.

2.2. Decision making during plan development

There have been a number of iterations of the business plan financial projections since we commenced this process, starting with those prepared for the 2025/26 financial year.

As a result of work undertaken by the project team, the Council has already introduced a series of changes to the way it manages and delivers council housing services. In particular, the Council has done the following:

- Put in place procedures to ensure that the Budget and Medium Term Financial Strategy approved by the Council for all services are in alignment with the business plan so that the first year of the business plan has the same financial basis as the approved budget and capital programme.
- Introduced a policy of reletting vacant properties at formula rent in April 2025.
- Worked closely with external support from stock condition surveyors and Savills to model future options for investment into the stock and services, in conjunction with detailed discussions with the s151 Officer.
- Identified that the outputs from the work undertaken to gather data and insight for the Asset Management Strategy put the Council above benchmark in terms of investment requirements in a number of key areas: energy efficiency and meeting EPC C standards as a minimum across our stock; and the need to address investment in the sewage works that are held within the HRA. The full Asset Management investment profile is incorporated into the Business Plan.
- Determined that the level of depreciation that we had been assuming within the HRA was high compared to benchmarks and following a review of the technical financial assumptions, reduced the amount for 2025/26.

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- Benchmarked and reviewed the cost base for Housing Services, focusing on costs represented by services provided by other parts of the Council. Whilst we have not changed the core assumptions relating to the costs of these services, we have agreed that we will subject these costs to further detailed review in time for the 2027/28 financial year.

2.3. Governance, monitoring and review

The Business Plan is approved by the Council prior to adopting the HRA budget, the HRA Capital Programme (represented within the Medium Term Financial Strategy) and the setting of rents and service charges.

The key stages in the approval process are:

- Compilation of the business plan and financial modelling: September-November by the project team, working in conjunction with external advisers, and taking into account financial progress within the current financial year
- Review of business plan by s151 Officer, Senior Leadership Team, informal Cabinet and the Portfolio Holder for Strategic and Operational Housing: November-December
- Consultation and engagement with stakeholders: November-December with tenants and wider Members
- Finalisation and approval: January-February.

The plans and strategies set out within the Landlord and Asset Management Strategies are able to be delivered with the confidence and assurance that they are financed within the business plan.

Whilst the business plan is refreshed annually to reflect changes in operational, economic and financial conditions, the fundamental building blocks of the strategies and plans are unaffected. We have put in place risk mitigation measures to address any changes which reduce future financial resources and have approved plans to bring forward additional investment should financial resources improve in the future.

The Business Plan is therefore subject to annual refresh only and will be reviewed fully in line with the review of the Asset Management Strategy in the run up to 2030. As this period crosses over with the anticipated timetable for the implementation of Local Government Reorganisation, we would expect this full review to take place in the successor authority to South Holland, noting that this successor is likely to have housing stock from other current Lincolnshire authorities and therefore the business plan would no longer apply just to South Holland's council housing.

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3. Inputs and Assumptions

3.1. Economic, financial and policy context

The assumptions that we have used to inform the financial modelling that underpins the business plan projections are established in the context of the economic and financial backdrop for local authorities and social housing. The policy and regulatory framework for council and social housing has a key and critical impact on the assumptions that we have to make about how much income and resources we will receive in the future and what those resources need to be spent on.

A summary of the key influences on our financial assumptions is set out below:

- Substantial increases in capital investment needs within social housing driven by high levels of inflation, updated stock condition data and revised investment assumptions. Based on this, the Council plans to spend over £62,000 per home (at today's prices) over the next 30 years.
- Pressures on repairs expenditure driven by increased demand from tenants for day to day and responsive repairs, especially since the Covid pandemic, but also arising from the implementation of Awaab's Law.
- Inflationary pressure nationally has increased development costs and affected the potential costs of acquisition of new homes due to market driven pressures.
- Continued high levels of interest rates available from the PWLB, albeit with discounts currently applied for HRA borrowing. (PWLB rates are at historically high rate and a factor of three times what they were less than 3 years ago).
- Potential for continuing inflationary pressures on current operating costs which could outweigh income growth in the short-term, particularly affecting the delivery of services by third party contractors and suppliers.
- Government consultations on changes to the Decent Homes Standard and the introduction of a Minimum Energy Efficiency Standard (MEES) have recently concluded but are yet to be finalised and formalised into a revised comprehensive Standard. These both inform business planning subject to confirmation by government with MEES in particular affecting South Holland, given the energy efficiency position of our stock.
- The Spending Review in 2025 set out a 10 year rent policy with maximum increases allowed up to CPI+1%; providing a much greater level of income in the plan than had previously been provided for.
- A government consultation on the rate and pace at which rent convergence may be reintroduced has not been set for an outcome in January 2026; rent convergence covers how the Council might be able to charge an additional amount of rent on top of the government's maximum rent increase (CPI+1%) in order to bring actual rents up to the level of formula rents far more quickly than reletting at formula rent when properties become vacant.
- Changes to the Right to Buy (RTB), following an extensive government consultation in late 2024, the outcome of which is to restrict access to the RTB whilst also providing a greater degree of flexibility for the reinvestment of RTB receipts, including some measures which are subject to primary legislation yet to be introduced.

3.2. Key financial assumptions

The following is a schedule of the key financial inputs and assumptions to the plan.

- 30-year financial projections are launched from 2026/27, based on the budget and Medium Term Financial Strategy (MTFS) running from 2026-2031.

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- Property numbers were 3,780 as at 30th November 2025 including 127 Affordable Rent properties and 46 shared ownership homes.

- Core inflation (subject to scenario testing) projected at the following, and aligned with the latest forecasts from the Office for Budget Responsibility:
  - 3.8% for 2025/26 driven by the September 2025 CPI used as the basis for 2026/27 rent increases.
  - 2.5% for 2027/28
  - 2.0% from 2028/29 onwards.

- Rents of £99.80 average in 2026/27 are increased as follows:
  - Increases of CPI + 1.0% for 10 years, in line with the current rent settlement, before reverting to CPI only from April 2036
  - Homes are relet at formula rent including the rent flexibility, with a 6.6% annual tenancy turnover rate.

- Rent loss from voids is assumed to be 1.0%, and provision for the writing off of bad debts is £75,000 pa (the equivalent of 0.38% of rent income)

- Service charge income from tenants and leaseholders is increased in line with CPI.

- Following the initial MTFS period, management and repairs costs are inflated with CPI throughout. Management budgets include front line landlord services, as well as the costs of services provided to housing from other services within the Council: they are £8.4million in 2026/27 and repairs budgets are £5.3million.

- Provision for depreciation increasing at CPI throughout starting at £4.2million in 2026/27.

- Capital maintenance of the existing stock is modelled at a total of £235m (at today's prices before any adjustment) over 30 years from 2026/27; this provides for an enhanced capital programme for years 1 to 5, an extension of the Investment Plan to year 10 (2036) and phasing of future investment per the outputs from our stock condition survey.

- The overall stock investment profile as financed within the business plan equates to £62,100 per property (at today's prices), which is in line with benchmarks for authorities of a similar size to South Holland. We have specific challenges around bringing all homes up to energy efficiency standards (EPC C) and the need to repair 49 sewage treatment works and 11 pumping stations which are held within the HRA.

  The investment profile has been adjusted from the raw totals based on existing life cycle replacement timeframes; the total investment requirement identified in the Asset Management Strategy is £249.9m, per the strategy. We propose to increase life cycles by 5 years for planning purposes (where our current cycles are below the national standard, whilst reducing those that are beyond the national standard (i.e. roof repairs). whilst maintaining the principle that elements will be replaced when they are in a poor state of repair. This approach reduces the 30 year profile by £16m, albeit that this does not impact the first 5 years as there are already contracts and suppliers in place fully procured for the programme and has only a marginal impact on the period from 2030-2035.

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- A steep reduction in the volume of Right to Buy sales has been modelled, at 5 per annum, following the recent reduction of maximum discounts introduced by government in November 2024.

- Inclusion of 5 homes for development and/or acquisition per annum from 2026 to 2031 and then 20 homes for all future years at a gross cost of £220,000 per home at today's prices based on current market, section 106 and other development market conditions, fully financed with right to Buy receipts in the first 5 years and then with the receipt of grant of an estimate 40% of the acquisition or development cost from 2031. The Council will apply for grants such as the Social and Affordable Homes Programme, the Local Authority Housing Fund as well as apply our own Right to Buy receipts to help finance the acquisition of homes into the HRA.

- Interest calculations are based upon a housing debt (the HRA Capital Financing Requirement or HRACFR) of £69.5m, at a rate of at 3.79% in line with the Council's Treasury Management Strategy 2025/26; a rate of 5.00% has been taken forward throughout the term of the plan acknowledging that current rates are higher than this and that treasury costs must be carefully managed.

3.3. Financing methodology

The overall financial methodology within the plan is founded on the following:

- Net operating income is generated from rents and income less management costs, day to day repairs costs and transfers of depreciation to the Major Repairs Reserve; this is reported as "net Cost of Services" within the HRA.

- This income is then utilised to finance interest costs on debt net of interest income; this results in a net operating surplus that is able to then be used flexibly to finance additional investment, if required.

- The capital programme needs are set out as per the stock survey and other profile inputs plus the development and acquisition programme; this is first financed utilising resources from the Major Repairs Reserve (i.e. depreciation), from capital receipts, then from any grants that might be receivable to support expenditure. If there remains expenditure that is not covered by these, the balance will be financed from additional revenue top-ups (formally revenue contributions to capital) and, if necessary, borrowing.

- Net operating surpluses are first committed to support capital expenditure needs as additional revenue contributions, and if there remain a balance to be financed, the remainder will be covered by borrowing.

Our medium-term policy towards the setting of reserves is to set a minimum of 10% of total rent income; we are currently well above that level and will reduce our reserves prudently to this level by 2030 allowing further investment resources to be released.

The above methodology therefore utilises borrowing as the "financing of last resort" in that it is our policy to only borrow to finance capital expenditure that is unable to be financed from all other possible sources. This approach offers the best value for money for the HRA business plan, especially at a time when interest rates are at a relatively high level.

No provision is set aside to repay debt during the life of the business plan, with refinancing of loans assumed as they mature.

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3.4. Managing the financial health of the HRA

Limits on borrowing within the HRA were lifted in 2018. Since then, the Council has a statutory obligation to publish Prudential Indicators for the HRA. These indicators have a dual effect:

- They set out the financial health of the HRA and HRA business plan over the short, medium and long terms.
- They set out the future financial capacity within the business plan to bring forward more investment.

We have worked with our Savills to develop an approach to management of debt levels and future investment capacity within the HRA and a summary is set out below.

We measure the affordability of debt and borrowing on the basis of the Interest Cover Ratio (ICR) which sets a prudent limit on borrowing based upon the underlying net income generated within the plan. Our measure of the ICR is calculated at Net Operating Income – this shows how net income from services is able to cover interest costs. we then set a "Golden Rule" for managing the ICR – at 1.25 – i.e. that the HRA should be generating sufficient income to cover debt costs plus 25%. This approach allows us to operate a risk buffer against any unexpected costs of drops in income during a year such that we should always be able to cover interest costs without dipping into reserves.

There is no obligation to set borrowing at this level; it is adopted solely for prudence and risk management within the HRA. The outputs below show how the plan is able to be managed within the framework set by this risk buffer.

The second key measure is the proportion of rent income that is spent on day to day services. Within 2026/27, net costs of management and repairs (after taking into account service charges and non-rent income) represents some 63p of every £1 of rent income collected. We know that this is relatively high compared to benchmarks and will keep opportunities to seek greater efficiencies under regular review.

Linked to the above "pence in the £", the net operating income determining the availability of revenues to cover interest payments can also be expressed in percentage terms as "Operating Margin". The Operating Margin in 2026/27 is relatively low compared to similar authorities at around 15% representing the investment we are making into day to day service delivery and transformation. We plan to increase this to over 25% within 10 years as rent increases proceed at CPI+1%.

We will monitor the Interest Cover Ratio, Operating Margin and the proportion of rent income we spend on day to day services as three key metrics when assessing the current future financial health of the HRA, and whether there is sufficient risk buffer and resilience within the plan to withstand deterioration in the assumptions we have made.

At the same time, we will also utilise these metrics to express the extent to which we can extend investment programmes into enhanced service standards, increased investment into the existing stock and neighbourhoods and/or investment into new homes delivery or acquisition.

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4. Financial projections

4.1. Introduction

We have compiled our financial assumptions into a core projection from 2026 to 2056 which we term the "Baseline Business Plan". The baseline plan represents the approved plan for the next 30 years. In the next section, we have demonstrated how sensitive the baseline plan is to changes in inputs and assumptions. This is termed "stress testing" and has a link to the Risk Management Strategy that we have within the Housing Landlord Service.

The plan is fundable and fully financed over the entire business plan term. However, as the plan incorporates the potential to increase borrowing over a period of up to 15 years, it is not without its financial challenges and it is essential that we a) understand how things might change , b) what the impact of those changes might be on our plans, and c) what we would do to make sure that the plan remained viable.

4.2. Baseline business plan: Revenue, capital and debt

The charts below show the overall financial projections for the business plan. The initial planning period is presented in detail in table form at appendix 1.

Chart 4.1: revenue projection against minimum reserves £'000's

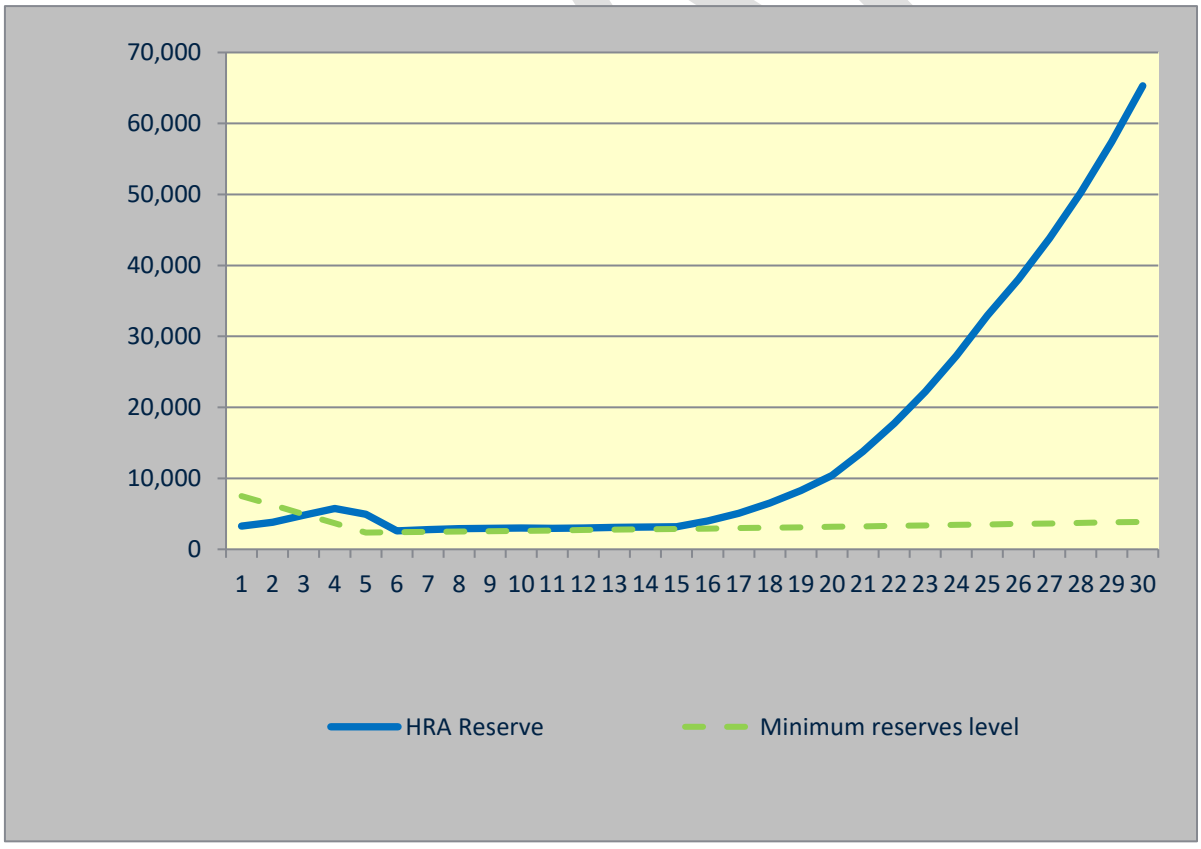


Chart 4.2: forecast capital programme with sources of finance £'000's

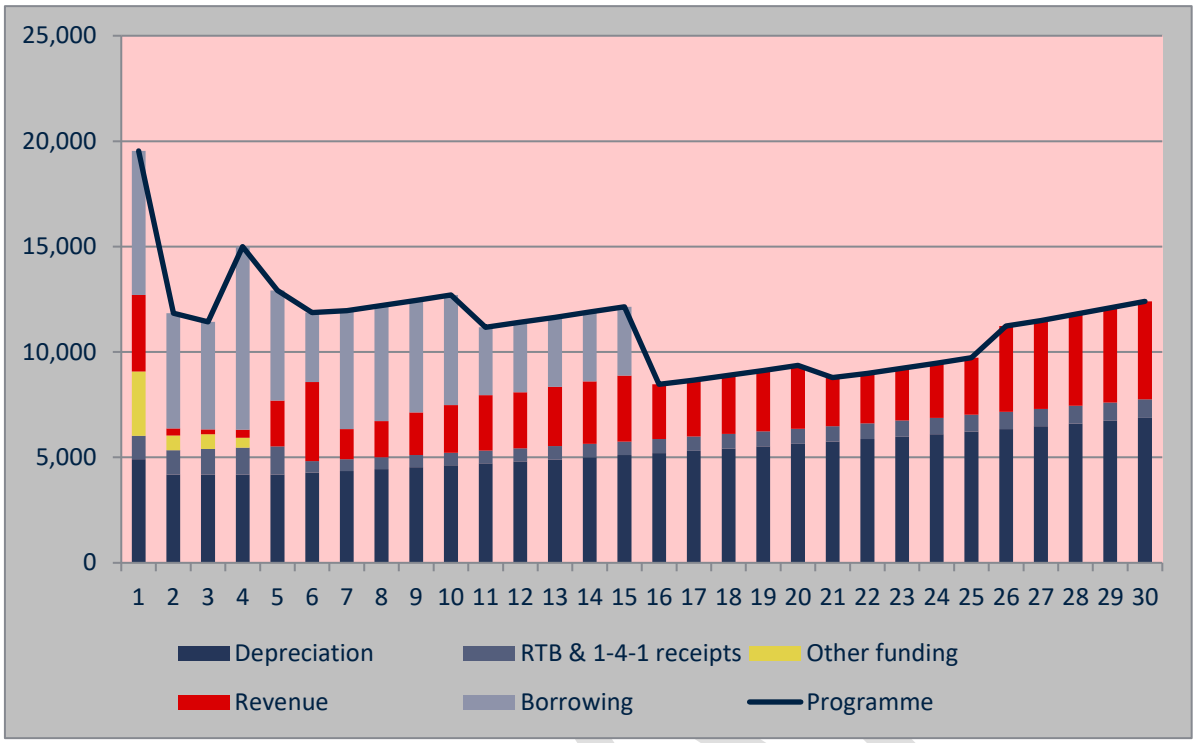
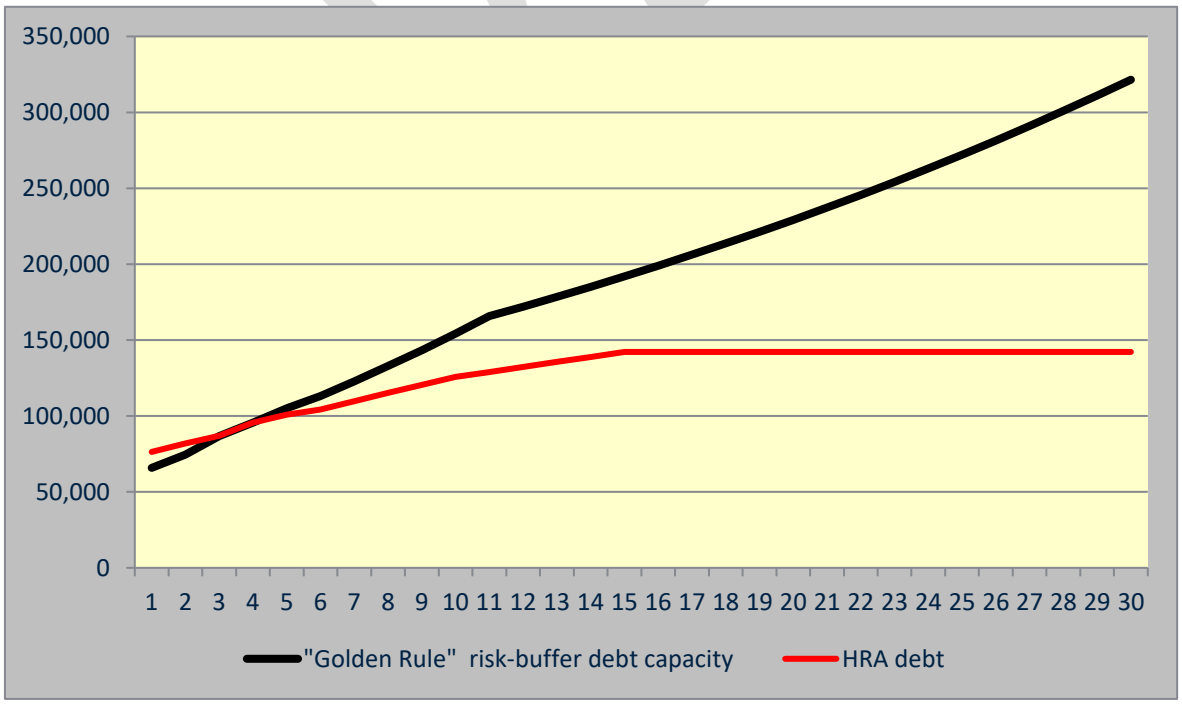


Chart 4.3: forecast debt projection against golden rule debt capacity £'000's



The charts highlight the following headline summary points for our Business Plan.

The revenue reserve is always able to be maintained at or above the minimum reserve level of 10% of total income every year and begins to increase significantly to generate additional capacity for investment from the middle years of the plan.

Revenue reserves are almost entirely used up in the first half of the plan given the need to top up resources for the capital programme.

In the latter half of the plan, reserves grow, generating resources for future investment (for example in the second tranche of sewage works), without the need for additional borrowing from that point.

The capital programme is fully financed throughout the entire term. This is a significant output given the scale of investment required; an investment is envisaged into achieving EPC C by 2030 for all homes, completing works to sewage treatment facilities across the lifetime of the plan, and ensuring that we are still able to deliver life cycle replacement programmes which are at a higher standard than the national average.

Financing the capital programme relies on significant additional revenue top-ups (in every year) plus additional borrowing to year 15 (2040).

The debt chart compares the forecast level of debt against what is able to be afforded given a golden rule interest cover ratio of 1.25. In all but the first two years, the plan operates with capacity for additional investment within this metric, highlighting that there may be the potential to bring forward additional investment in the medium-long term.

4.3. Investment framework

The charts below show the financial projections in terms of the metrics that we have adopted to manage the financial health of the HRA and assessment of future investment capacity.

Chart 4.4: operating margin over 30 years

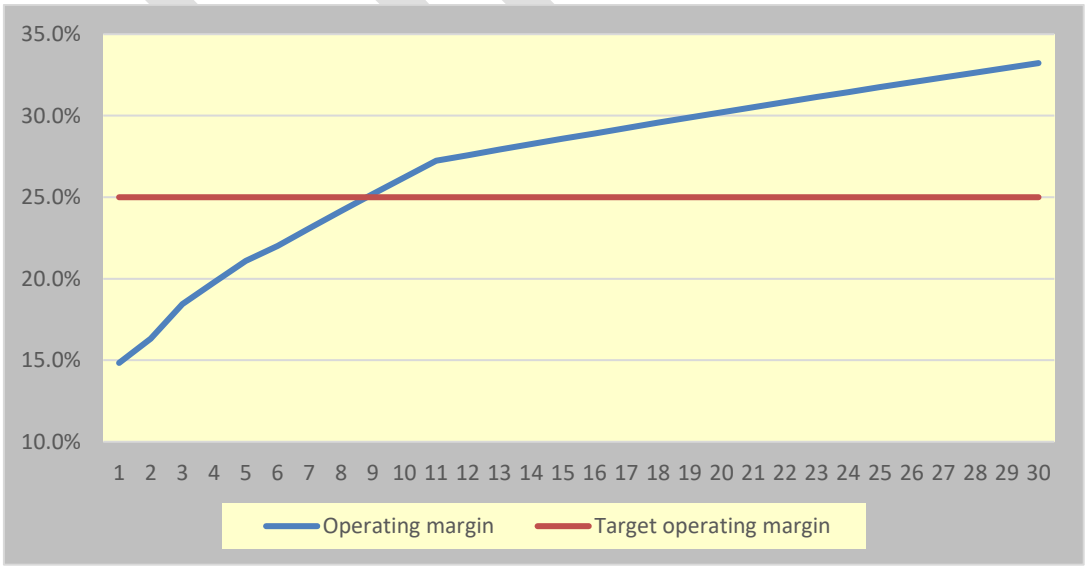
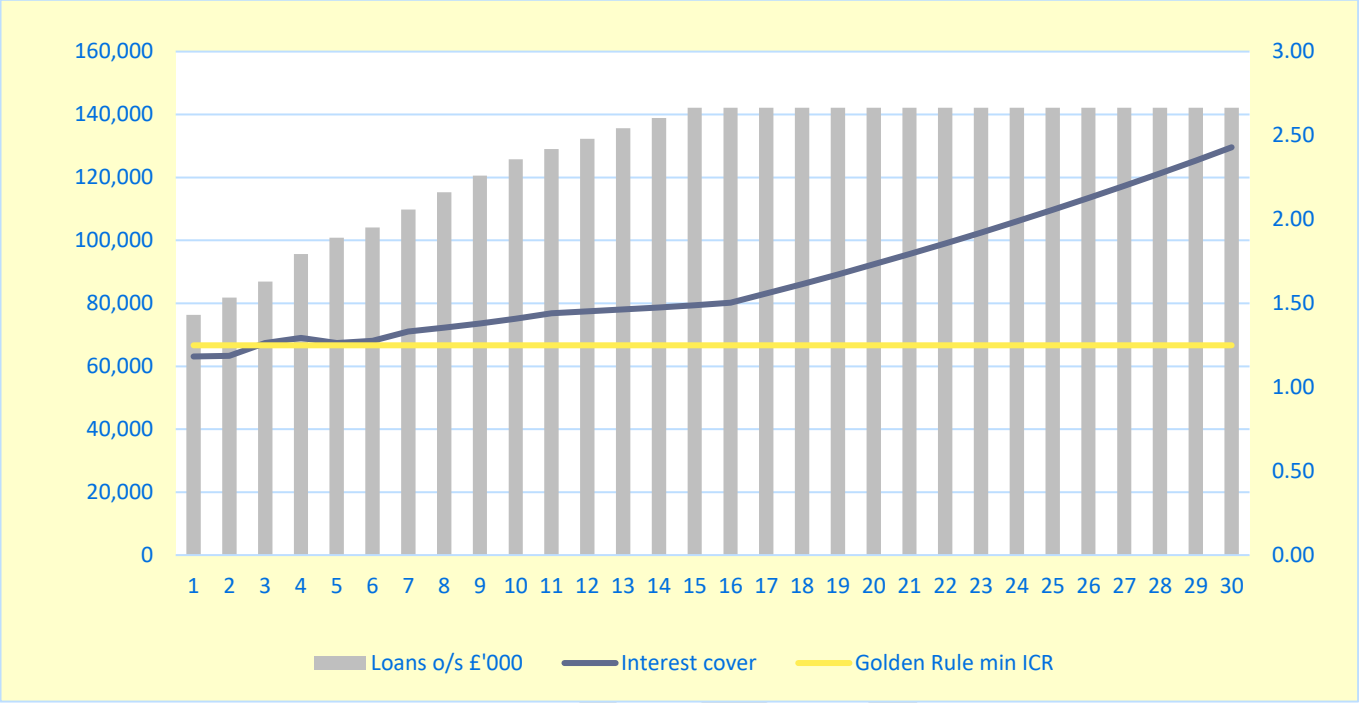


Chart 4.5: interest cover against borrowing and debt plans £'000's (golden rule 1.25)



The charts highlight that following an initial period when the financial metrics are managed to come to our target levels, the plan is sustainable.

4.4. Summary

In summary, the Baseline Business Plan represents a significant development in the evolution of our planning at South Holland. The Plan:

- Is based on much more robust data than it ever has been before.
- Allows investment into the stock at a level substantially above anything the Council has been able to finance previously.
- Continues to provide for investment into services to support transformation plans, controlling them to real terms levels (i.e. increasing with inflation) at a time when rents are set to increase at a higher rate.
- Allows a limited but significant programme of development or acquisition.

This is a substantial achievement for the Council at a time when finances are under pressure across the social housing sector.

Notwithstanding the above, given the reliance on borrowing to support investment and the projected increase in debt to above £140million by 2040, additional financial pressures do have the potential to affect the delivery of the plan over the medium term. We will need to monitor the delivery of the plan carefully and refine and review in detail on an annual basis to ensure that our plans are able to continue to be delivered.

4.5. Sensitivity and stress testing

The Regulator of Social Housing requires all housing associations to develop a robust approach to stress testing to test the financial viability of business plans against changes in assumptions (known as "downside" stresses).

There are also some possible changes which might work to the benefit of the HRA, including for example if the government were to allow rent convergence, and the Council were to implement higher rent increases as a result.

Whilst the Regulator does not have oversight of HRA business planning, the rules around future delivery mean that it is best practice for councils to operate similar stress testing within the business planning process. We have therefore applied the following sensitivities to the baseline plan and summarised the outputs below.

Table 4.6 Stress testing and upside modelling outputs

	Debt at year 30	Debt capacity at year 30	Minimum Interest Cover Ratio after year 3	Maximum operating margin
Baseline plan	**142,189**	**321,467**	**1.26**	**33.2%**
Stress tests				
Management & Maintenance costs increase by 1% above all years	189,928	184,195	1.03	23.9%
Interest rates on new debt are 1% higher	150,061	321,467	1.19	33.2%
Life cycle changes not implemented	144,888	321,467	1.26	33.2%
CPI+1% rent increases for 5 years not 10	157,475	278,335	1.17	30.1%
Capital costs increase 1% above inflation for 10 years	180,085	321,467	1.22	33.2%
Possible "upsides"				
Rent convergence £1 to 2036	135,692	334,248	1.34	34.1%
Increased acquisitions to 40pa to 2035	119,292	282,420	1.44	31.6%

The outputs above highlight the following:

- The plan is relatively resilient to changes in capital costs driven by inflation of shorter life cycle replacements.
- However, the key challenges from downside stress testing arise from expenditure inflation outpacing income inflation, be that cost pressures on the expenditure side, or the inability to increase rents at CPI+1% beyond an initial 5 year period.

- Interest rate increases are also a downside stress given the reliance in the plan on additional borrowing to meet investment needs.

All of these sensitivities highlight the importance of managing budgets to ensure that income and cost levels are aligned over the long-term, which may include reducing budgets for day to day services, increasing efficiency in service delivery and/or reducing investment in the stock and in neighbourhoods.

On the possible "upsides", should the government allow convergence to formula rent at £1 per annum up to 2036 (by which time all but a handful of properties would have converged), this enhances investment capacity in the short-medium term. The long term positive impact is more limited as all properties would eventually be relet at formula rent without convergence, hence the real benefit of convergence would be in managing short-term investment opportunities.

Both of the scenarios with increased new build or acquisition are accretive to the plan overall but result in higher borrowing rates but with the substantial upside of much increased investment capacity.

4.6. Summary

The HRA Business Plan for 2026-2056 represents a substantial investment into our communities, services for our tenants and residents and into our stock.

The plan is fundable, sustainable and delivers on all of our principal objectives.

At the same time, we recognise that a business plan of this scale and magnitude is a departure from previous practice and represents a significant shift in terms of the scale of delivery and therefore the risks that such a plan includes, particularly given the proposal to finance much-enhanced investment through borrowing.

The plan will be kept under regular review, refresh annually, and updated fully in the run up to 2030 as the next phase of the Asset Management Strategy is developed. We will also need to be sensitive to changes in policy at the national level and in respect of the regulation of the Council as a provider of social housing.

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Appendix One: MTFS projections

Revenue projection

Year	1	2	3	4	5
Financial Year	2026.27	2027.28	2028.29	2029.30	2030.31
Dwelling rents	19,660,787	20,275,807	20,893,249	21,529,480	22,185,070
Non-dwelling rents	100	100	100	100	100
Service charge income	1,364,800	1,375,100	1,385,700	1,396,600	1,407,700
Other income and contributions	1,500	1,500	1,500	1,500	1,500
Total income	**21,027,187**	**21,652,507**	**22,280,549**	**22,927,680**	**23,594,370**
Repairs & maintenance	5,263,700	5,321,000	5,325,000	5,417,300	5,508,500
Management (incl RRT)	8,372,200	8,532,500	8,580,600	8,711,300	8,842,000
Bad debts	75,313	75,638	75,901	76,164	76,450
Dwelling Depreciation	4,196,500	4,188,500	4,188,500	4,188,500	4,188,500
Depreciation of Right of Use assets	0	0	0	0	0
Debt management	0	0	0	0	0
Total costs	**17,907,713**	**18,117,638**	**18,170,001**	**18,393,264**	**18,615,450**
Net income from services	**3,119,474**	**3,534,869**	**4,110,549**	**4,534,416**	**4,978,920**
Interest payable	-2,635,816	-2,977,294	-3,251,178	-3,505,900	-3,940,397
Interest income	327,000	327,000	327,000	327,000	327,000
Net income/expenditure before appropriations	**810,658**	**884,574**	**1,186,371**	**1,355,516**	**1,365,523**
Set aside for debt repayment	0	0	0	0	0
Revenue contributions to capital	-3,631,500	-334,030	-226,193	-374,400	-2,168,181
Voluntary top-up to MRR	0	0	0	0	0
Allocation (to) / from other reserves	0	0	0	0	0
Other appropriations	0	0	0	0	0
Net HRA Surplus/Deficit	**-2,820,842**	**550,544**	**960,178**	**981,116**	**-802,658**
HRA Balance brought forward	**6,093,553**	**3,272,712**	**3,823,256**	**4,783,434**	**5,764,550**
HRA surplus/(deficit)	-2,820,842	550,544	960,178	981,116	-802,658
HRA Balance carried forward	**3.272.712**	**3.823.256**	**4.783.434**	**5.764.550**	**4.961.892**

Capital programme projection

Year	1	2	3	4	5
Financial Year	2026.27	2027.28	2028.29	2029.30	2030.31
HRA CAPITAL PROGRAMME					
Stock capital investment	17,282,700	10,405,700	9,889,208	13,526,029	11,579,617
Other Improvements	0	0	0	0	0
Development/Acquisition	2,110,000	1,155,000	1,212,750	1,273,388	1,337,057
ICT and vehicles	144,000	283,000	322,200	196,400	0
Capital programme	**19,536,700**	**11,843,700**	**11,424,158**	**14,995,817**	**12,916,674**
Scheduled Debt Repayment	0	0	0	0	0
Financed by...					
Major Repairs Reserve	-4,922,640	-4,188,500	-4,188,500	-4,188,500	-4,188,500
RTB receipts	0	0	0	0	0
1-4-1 receipts	-1,108,000	-1,155,000	-1,212,750	-1,273,388	-1,337,057
Other receipts, Reserves and grants	-3,045,000	-688,500	-702,270	-469,585	0
Revenue contributions	-3,631,500	-334,030	-226,193	-374,400	-2,168,181
Release of revenue reserve	0	0	0	0	0
HRA borrowing	-6,829,560	-5,477,670	-5,094,445	-8,689,945	-5,222,936
Capital financing	**-19,536,700**	**-11,843,700**	**-11,424,158**	**-14,995,817**	**-12,916,674**
Net balance on capital programme	**0**	**0**	**0**	**0**	**0**