

SUMMARY OF MAJOR MOVEMENTS IN HOUSING REVENUE ACCOUNT BUDGET 2024/25 - 2025/26**Note 1 - Dwelling Rents**

Rents for 2025/26 have been increased by 2.7% the maximum cap set by government for 2024/25 and assumed to be set for 2025/26. The average dwelling rent is proposed to be £141.03 in 2025/26.

Note 2 - Interest & Investment Income

Interest rates are forecast at an average of 5% over the year.

Note 3 - Repairs and Maintenance

Due to continuing demand for housing repairs a 821k increase has been applied to the repairs and maintenance budgets for 2025/26. Included in this is growth towards fire door repairs and refuse chute servicing.

Note 4 - Supervision and Management and Corporate and Democratic Core

The draft budget includes the following growth assumptions and changes :

Corporate Graduate 1 New posts £50k

Year 1 Training & Qualification £31k

Subscription for Ombudsman and Regulator for Social Housing 109k

Housing Transformation Improvement Programme additional £300k budget for 25/26.

Increase in Utility costs £332k

Total £822k

Note 5 - Interest Payable

Increased borrowing will be required to fund the HRA Capital programme following the removal of the RCCO contribution over the last few years and future year requirements.

Note 6 - Housing Revenue Account Working Balance

The HRA Working Balance is maintained by the Council at a level of not below 5% of turnover, as approved by Members as part of the MTFs Reserves Strategy. Due to the increase in income to maintain this balance a contribution to the HRA working balance of £161K is required.

Note 7 - Contribution to Other Revenue Reserves

A contribution is proposed of £1.389m in 25/26 to a new HRA Funding Equalisation Reserve. This will build increased resilience in the HRA and allow investment in future development and initiatives identified by ongoing service reviews.

Note 8 - Contribution to Debt Repayment Reserve

As the HRA borrows to finance investment in its capital programme, it is proposed that contributions are made to a new Debt Repayment Reserve to ensure the HRA can repay this borrowing when it matures. A contribution of £825k is proposed for 25/26.