



<b>Title of Report</b>	<b>HOUSING REVENUE ACCOUNT BUDGET AND RENTS 2025/26</b>	
<b>Presented by</b>	Councillor Andrew Woodman Housing, Property & Customer Services Portfolio Holder	
<b>Background Papers</b>	<p><b>Council 22 February 2024:</b> <a href="#">Housing Revenue Account (HRA) Budget and Rent Setting 2024/25</a></p> <p><b>Corporate Scrutiny 7 January 2025:</b> <a href="#">Minutes</a></p> <p><b>Cabinet 9 January 2025:</b> <a href="#">Draft 2025/26 Housing Revenue Account (HRA) Budget and Rent Setting</a></p>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	<p>This report sets out the Housing Revenue Account (HRA) budget including both capital and revenue for the period 2025/26 to 2029/30.</p> <p>It also sets out the proposed increase in rents along with other planned changes to the fees and charges levied by the Council for some services delivered within the scope of the HRA.</p>	
	<b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	No direct legal implications arising.	
	<b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	No direct Staffing and Corporate implications arising.	
	<b>Signed off by the Head of Paid Service: Yes</b>	

<b>Purpose of Report</b>	To allow the Council to approve the 2025/26 Housing Revenue Account budget and rents.
<b>Recommendations</b>	<p><b>THAT COUNCIL:</b></p> <ol style="list-style-type: none"> <li><b>1. APPROVES THE HOUSING REVENUE ACCOUNT (HRA BUDGET FOR 2025/26 (APPENDIX 1) AS SUMMARISED IN SECTION 2 OF THIS REPORT, INCLUDING THE INCREASING OF RENTS BY 2.7%.</b></li> <li><b>2. NOTES THE FEES AND CHARGES APPROVED BY CABINET ON 28 JANUARY 2025 (APPENDIX 3).</b></li> <li><b>3. NOTES THE HRA BUDGET FOR 2026/27 TO 2029/30 (APPENDIX 1).</b></li> <li><b>4. APPROVES THE PROPOSED HRA CAPITAL PROGRAMME FOR 2025/26 (APPENDIX 4) AND PLANNED FINANCING, AS SET OUT IN SECTION 3 OF THIS REPORT.</b></li> <li><b>5. NOTES THE HRA CAPITAL PROGRAMME FOR 2026/27 TO 2029/30 (APPENDIX 4)</b></li> </ol>

## **1.0 BACKGROUND**

1.0.1 The Housing Revenue Account (HRA) Medium Term Financial Plan (MTFP) sets out the financial strategic direction for the HRA and is updated as it evolves and develops throughout the year, to form the framework for financial planning.

1.0.2 The purpose of the HRA MTFP is to set out the key financial management principles, budget assumptions and service issues. It is then used as the framework for the detailed budget setting process to ensure that resources are effectively managed and are able to deliver the aspirations of the Council, as set out in the Council Plan, over the medium term.

### **1.1 Context**

1.1.1 The Council is setting the HRA budget at a time when the council and its residents face a range of issues.. In broad terms, these can be split into two categories: economic and housing. Each of these is explored below:

#### **1.2 Economic**

1.2.2 The recent report by the Office of Budget Responsibility (OBR) in respect of the Economic and Fiscal Outlook describes how the economy has proved to be more resilient, having stagnated last year, the economy is expected to grow by just over 1% this year, rising to 2% in 2025. Before falling to around 1.5%, slightly below its estimated

potential growth rate of 1.6% over the remainder of the forecast.

- 1.2.3 Inflation is expected to rise by Consumer Prices Index (CPI) inflation by around 0.5% percentage point, meaning it is projected to rise to 2.65% in 2025 and gradually fall back to target.

### 1.3 Housing

- 1.3.1 The government published its English Devolution White paper on 16 December 2024. It put English regions centre stage in the government's plan for change with a mission to grow the economy, delivering the 1.5m homes and infrastructure.

- 1.3.2 The Government's ambitions for housing growth were also set out in its revised National Planning Policy Framework also published in December 2024.

- 1.3.3 Recognising the wider context within which the budget is being set, the Council has made improvements to financial management in the last 12 months and has continued to use processes to develop its draft budget plans for 2025/26 and over the medium term. This recognises the greater focus within the organisation on its finances. The process, coupled with that used in previous years, has involved:

- Services completing budget proposals to justify the need for any changes to the budget
- Budget STAR Chamber sessions between Directors and Heads of Service
- Regular reporting to the Corporate Leadership Team on the Council's overall budget position
- Engagement with councillors through Portfolio Holder briefings, Strategy Group and an all-councillor budget briefing. Further engagement is planned through scrutiny, consultation with the public and the HRA tenants' forum.

### 1.4 **Budget Assumptions**

- 1.4.1 The following budget assumptions have been built into the forecast:

- Pay award
  - 2024/25 – additional 1%, increasing from 3% to 4%
  - 2025/26 – additional 1%, increasing from 2% to 3%
  - 2026/27 onwards to remain as 2%
- Each budget line for the HRA has been reviewed to reflect the forecast actual value for future years, considering contract values, expected activity levels and previous years' expenditure with inflation added, as per contracts.
- Staffing requirements have been considered to ensure the delivery of an effective housing service with the best outcomes for tenants.
- Contracts have been linked to the Consumer Price Index (CPI)/ Retail Price Index (RPI) as per individual agreements.
- Inflation – fuel and utilities inflation are very volatile. After reviewing the current prices and future indications based on the best information available, and allowing for reviewing utility contracts, a minimal level of inflation has been included.

- Fees and charges have been increased by inflation and where appropriate, these have been considered where demand has changed (see section 2.4 for more detailed information on fees and charges).
- Rents are assumed to increase, as per the rent standard, at the 12-month CPI from September 2024 which was 1.7% plus 1%, giving a total increase of 2.7%.
- The number of properties sold through Right to Buy is assumed to increase from previous years' estimate of 16 to 75 for the current year (2024/25) then reducing each year thereafter. Higher numbers of homes have been sold through Right to Buy in the current financial year due to the reduction in the right to buy discount that the government introduced in the recent budget in 2024.
- Future borrowing is assumed to cost 5.05% in interest payments.

## 2.0 HOUSING REVENUE ACCOUNT BUDGET AND MTFS 2025/26 to 2029/30

### 2.1 HRA Budget Summary

2.1.1 Appendix 1 shows the HRA budget position for 2024/25 and the budget for 2025/26 to 2029/30.

2.1.2 Table 1 below shows that in 2025/26 the budgeted net operating expenditure has reduced by £1.166m compared to 2024/25 and the income has increased by £217K from increased rental income.

**Table 1: Changes to the Housing Revenue Account budget from the previous year**

	2024/25	2025/26	Movement
	£'000	£'000	£'000
Income	(21,613)	(21,830)	(217)
Operating Expenditure	20,168	19,002	(1,166)
<b>Operating (surplus)/deficit</b>	<b>(1,445)</b>	<b>(2,828)</b>	<b>(1,384)</b>
Appropriations	4,063	2,766	(1,297)
<b>Net (surplus)/deficit</b>	<b>2,618</b>	<b>(62)</b>	<b>(2,680)</b>

2.1.3 The appropriations in the table are the use of the HRA working balance to fund the capital programme as well as contributing to the loan repayment reserve. These appropriations are lower in 2025/26 as the HRA balance has a lower capacity to fund capital.

### 2.2 Rents

2.2.1 As a self-financing account, the HRA's main source of income is domestic rental income. From 2016/17 to 2020/21 the Welfare Reform Act (2016) required all social rents to be reduced by 1% each year. This negatively impacted on the budget and the Council's ability to fund improvements. In 2023/24 a rent cap was imposed which capped rent increases at 7%.

2.2.2 For 2025/26, the Council proposes to increase the rent by 2.7%, which is in line with the Rent Standard of CPI +1% for 2025/26. (The rent standard is a policy that registered providers of social housing in England must comply with and is overseen by the Regulator of Social Housing). The increase is expected to result in a total rental income of £21.02 million in 2025/26.

2.2.3 The average annual rent for Social and Affordable Rent properties in 2025/26 is £5,163.15 and £7,107.50 respectively (2024/25: £5,009.29; £6,480.83). The average weekly rent in 2025/26 is £103.26 and £142.15 for Social and Affordable rent respectively, (2024/25: £100.19; £138.50, respectively) which is an increase of £3.07 and £3.65 on average per week. Those tenants who are more vulnerable are protected via increases in their benefits above this level, meaning that the worst off in the district will not be negatively impacted.

## 2.3 Budget Proposals

2.3.1 Appendix 2 summarises the most significant proposed changes to the HRA budgets. Looking at 2025/26 specifically, the total budget changes of (£1,499k) include:

- **Net increase in income totaling (£460k).** This is largely due to rental increases.
- **Repairs and maintenance savings of (£1.3m).** Changes in the use of contractors and the Council's internal repairs team.
- **Pay-related increased costs of £214K** is due to £120k of budget proposals, to ensure compliance with new Consumer Standards, with the rest being the additional increase in pay award in both 2024/25 and 2025/26.

## 2.4 Fees and charges

2.4.1 In addition to the rental charges for dwellings, there are several other fees and charges in relation to services provided within the HRA. Some properties have service charges, on top of the rent, to pay for specific services relevant to their properties. The proposed fees and charges for 2025/26 are listed in Appendix 3. Most service charges increased by 1.7%, (September CPI) in line with the corporate charging policy. Whilst others have increased by contract inflation.

### 3.0 HRA CAPITAL PROGRAMME 2025/26 TO 2029/30

3.1.1 The proposed HRA capital programme is outlined in Appendix 4. The Council has continued to ensure governance improvements by strengthening the Capital Strategy for managing the capital programme through its life cycle. The capital programme has been split into Active and Development Pool to allow development schemes in the early stages to go through further governance before being allocated an appropriate budget for each stage of development. A summary of the capital programme is shown in Table 2 below.

**Table 2: Summary Capital Programme**

	2025/26 Budget £'000	2026/27 Indicative £'000	2027/28 Indicative £'000	2028/29 Indicative £'000	2029/30 Indicative £'000	Total £'000
Stock Investment	9,715	9,715	9,465	6,715	6,715	42,325
Estate Improvements	500	500	500	500	500	2,500
Fleet Replacement	100	300	0	0	0	400
Other Capital	2,250	1,550	1,400	800	800	6,800
<b>Total Approved Programme</b>	<b>12,565</b>	<b>12,065</b>	<b>11,365</b>	<b>8,015</b>	<b>8,015</b>	<b>52,025</b>
<b>Total Development Pool</b>	<b>3,013</b>	<b>3,066</b>	<b>4,433</b>	<b>1,396</b>	<b>4,189</b>	<b>16,097</b>
<b>Housing Revenue Account Total</b>	<b>15,578</b>	<b>15,131</b>	<b>15,798</b>	<b>9,411</b>	<b>12,204</b>	<b>68,122</b>

3.1.2 Over the five-year period, the total programme totals £68.122m, an increase of £1.897m over the previous five-year programme. The difference is due to a reduction of £1.6m in the Development pool (New Supply) and the approved programme has a net increase of £3.5m mainly due to Major Aids and Adaptation within the Other Capital programme.

- **New Supply:** The programme has been extended to include sites being initially developed by registered providers.
- **Home Improvement Programme:** The backlog of work is on-going, and a budget has been made available for this within the capital programme.

3.1.3 Work has commenced on a revised Asset Management and Business Plan for the HRA. This will continue in 2025/26 and will inform the future programming of the HRA in future years.

### 3.2 Funding the Capital Programme

3.2.1 The capital programme is funded by a variety of sources, including revenue, grants, capital receipts and borrowing. Table 3 below summarises the funding sources identified for each year of the proposed HRA capital programme.

**Table 3: Sources of funding for the Capital Programme**

	<b>2025/26 Budget £'000</b>	<b>2026/27 Indicative £'000</b>	<b>2027/28 Indicative £'000</b>	<b>2028/29 Indicative £'000</b>	<b>2029/30 Indicative £'000</b>	<b>Total £'000</b>
Reserves	3,023	3,877	4,193	3,705	3,439	18,237
Capital Receipts	3,965	1,500	1,500	1,500	1,500	9,965
RTB Receipts	1,204	1,071	938	849	761	4,823
Revenue contributions	1,476	461	954	750	1,062	4,703
External Borrowing	1,909	8,221	8,213	2,607	5,443	<b>26,393</b>
Grants	4,000	0	0	0	0	4,000
<b>Housing Revenue Account Total</b>	<b>15,578</b>	<b>15,130</b>	<b>15,797</b>	<b>9,411</b>	<b>12,204</b>	

3.2.2 Table 3, above, shows a borrowing requirement of £26.4m (2024/25: £27.9m) over five years to fund the programme. This is a reduction of £1.5m when compared to the five-year plan for 2024/25. This is due to the increased usage of reserves to fund projects.

#### **4.0 DEBT**

4.1 The loan balance for the HRA is forecast to be £50.9m at the end of 2024/25. There are annuity loan repayments of approximately £1.3m to make each year, these repayments are usually funded from working balances but once working balances reach the £1m minimum, they will be funded from other capital resources.

4.2 There are also loans to be repaid at maturity. The next of these to repay is a £10m repayment in 2036/37. In accordance with the strategy agreed in 2012, when self-financing for the HRA was introduced, the Council sets aside funding each year in a Debt Repayment Reserve to ensure there is sufficient funding to repay debt when it matures. The budget assumes £2.7m is set aside in 2025/26 from the HRA to make the scheduled repayments at maturity, this increases each year as there is further borrowing to finance the capital programmed (shown in Table 4).

4.3 The HRA business plan is to be reviewed during 2025/26, and it will be investigated whether the approach of using a debt repayment reserve presents the best approach for a well-funded HRA and best use of resources. The findings will be presented to Scrutiny and Cabinet.

#### **5.0 RESERVES**

5.1 The Council has several reserves for the use of the HRA. Most of the reserves are used for capital financing. Table 4 below shows the projected reserve balances over the MTFP period.

**Table 4: Reserve balances**

Reserve	31/03/2026 £000	31/03/2027 £000	31/03/2028 £000	31/03/2029 £000	31/03/2030 £000
Major Repairs Reserve	4,162	4,399	4,545	4,719	4,888
Capital Receipts	5,410	5,446	5,393	5,279	5,106
Debt Repayment Reserve	3,357	5,945	8,944	12,353	15,893
<b>Total Capital Reserves</b>	<b>12,929</b>	<b>15,790</b>	<b>18,882</b>	<b>22,351</b>	<b>25,887</b>
HRA Reserve	1,000	1,000	1,000	1,000	1,000
Earmarked Reserves	115	0	0	0	0
<b>Total Revenue Reserves</b>	<b>1,115</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## 6.0 KEY RISKS TO THE BUDGET

- 6.1 Table 5 provides an assessment of the key risk areas to determine the robustness of the estimates and adequacy of reserves included in the HRA budgets:

**Table 5: Key Risks to the Budget**

Area	Y/N	Comments
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately reflected in the plans?	Y	The 2024/25 financial monitoring is showing a projected underspend of £1m on the HRA. This is mainly due to staff vacancies and the overachievement of income due to the reductions in voids. However, there are some costs for the housing systems that have not been interfaced into the main financial systems. Hence, a further deep dive is required to verify the underspend.



Area	Y/N	Comments
The reasonableness of the underlying budget assumptions	Y	External review has also been undertaken by the treasury advisers, Arlingclose on the Treasury Management Strategy.
The alignment of resources with the Council's service and organisational priorities	Y	Resources are aligned to the current priorities of the Council. The latest Council Delivery Plan (CDP) was approved by Council on 14 November 2023. The CDP is aligned to the resources available and risks faced by the Council.
A review of the major risks associated with the budget	Y	The major risks within the budget have been assessed and are set out in the budget report, including mitigations and strategies about how these are being managed.
The availability of unearmarked reserves to meet unforeseen cost pressures	Y	The Council has a minimum level of reserves for HRA (£1m). This level is to be reviewed as part of the HRA business planning process.
Have realistic income targets been set and 'at risk' external funding been identified?	Y	An assessment of income targets has been undertaken as part of the development of the draft budget. The most significant area of income is from dwelling rents. The budget for this is produced with reference to current stock levels and expected stock loss, reconciling data and changes from the previous year to the current year. Fees and charges have been increased, where it is appropriate to do so, in accordance with the Council's Corporate Charging Policy.
Has a reasonable estimate of demand and cost pressures been made?	Y	The development of the draft budget has improved the reasonableness of estimates.
Has a reasonable estimate of future income been made?	Y	The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.

Area	Y/N	Comments
Have one-off cost pressures been identified?	Y	All pressures have been reviewed to assess if they are one-off or ongoing in nature. Services will need to ensure exit plans exist for one-off expenditure.
Are arrangements for monitoring and reporting performance against the budget plans robust?	Y	<p>For 2024/25, quarterly financial reporting to Cabinet and Scrutiny Committee has been introduced. There is a new finance system, which is intended to bring enhanced financial reporting for budget holders to support robust and regular monitoring of budgets.</p> <p>The Council will also need to enhance its development, monitoring and delivery of its plans to deliver balanced budgets over the medium term.</p>
Is there a reasonable contingency available to cover the financial risks faced by the Council?	Y	The Council has incorporated estimates for pay award, inflation and demand pressures into its budget. It has also made provisions for key income streams not materialising for business rates and council tax.
Is there a reasonable level of reserves, which could be used to mitigate any issues arising and are they reducing as the risks decrease?	Y	The Council has a range of earmarked, MTFP and minimum levels of reserves to ensure its financial stability.
The strength of the financial management function and reporting arrangements?	Y & N	<p>Y –The Council implemented a new financial system in April 2023 to improve its reporting. Further enhancements to the system are required in the short-term to deliver this.</p> <p>N – A review of the Financial Procedures Rules is planned.</p>
Have the previous year's Accounts been signed off by external audit to verify balances?	N	The Council's Accounts for 2022/23 have been approved by Audit and Governance Committee. The audit completion date for the 2023/24 final account has not been set. Budget estimates and reserves balances for 2024/25 and beyond are based on the latest information incorporated into the 2022/23 and 2023/24 accounts.

Area	Y/N	Comments
Has there been a degree and quality of engagement with colleagues and councillors in the process to develop and construct the budget?	Y	There has been a continuation of the improvements introduced to the budget setting process last year. This has included a series of budget challenge sessions between the Directors and Heads of Service, as well as engagement with Corporate Leadership Team, Portfolio Holders, Strategy Group and an all-councillor briefing.

## 7.0 CONSULTATION

### 7.1 Consultation with Members

7.1.1 The Corporate Scrutiny Committee considered the draft HRA fund budget at the meeting on the 7 January 2025. Members asked a number of questions around the proposals, and more detail can be seen in the minutes for the meeting, which are included as a background paper to this report.

### 7.2 Public Consultation

7.2.1 As part of the budget consultation, the Council launched an online survey on 13 until the 26 January 2025 to seek the views of residents and businesses on the main changes within the budget. The survey was promoted via social media and set out the key changes to the budget and asked responders to state the extent to which they supported the proposed changes. Residents could also provide additional comments if they wanted to.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The budget provides funding for the Council to deliver against the priorities for the HRA.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	There have been equality impact assessments conducted by services on relevant proposals during this period.
Customer Impact:	Customers are likely to be impacted by the changes to rents and fees and charges.
Economic and Social Impact:	The HRA capital programme allocates £22.5m over five years to improve homes, and £16m on new homes to give homes to more people.
Environment and Climate Change:	The budget includes a capital programme of Zero Carbon works for dwellings worth £15m.
Consultation/Community Engagement:	Corporate Scrutiny Committee 7 January 2025 Public consultation - 13 January to 26 January 2025 Parish and town councils, trade unions and the Federation of Small Businesses - 13 January to 26 January 2025. Tenants and Leaseholders Consultation Forum – date to be confirmed. The results of the above consultations will be detailed in the final report.
Risks:	The budgets will be monitored throughout the year to ensure the Council remains within its funding envelope and planned budget savings are delivered. Key risks to the budget are discussed in further detail in section 5 of the report.
Officer Contact	Anna Crouch Head of Finance and Deputy Section 151 Officer <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>

## Appendix 1

### NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL HRA SUMMARY BUDGET 2025/26 to 2029/30

2024/25 Revised Budget	HOUSING REVENUE ACCOUNT SUMMARY	2025/26 Requested Budget	2026/27 Indicative	2027/28 Indicative	2028/29 Indicative	2029/30 Indicative
£		£	£	£	£	£
	<b>Expenditure</b>					
9,749,113	Repairs & Maintenance	8,492,780	8,773,042	8,957,276	9,100,593	9,282,604
4,314,095	Supervision & Management	4,385,000	4,528,610	4,622,619	4,695,483	4,789,393
100,000	Provision for Doubtful Debts	100,000	100,000	100,000	100,000	100,000
4,161,536	Depreciation	4,161,536	4,399,299	4,545,101	4,719,136	4,887,661
1,843,184	Capital Financing & Debt Management	1,862,408	2,089,732	2,475,562	2,722,862	2,911,458
20,167,928	<b>Total Expenditure</b>	19,001,724	19,890,683	20,700,558	21,338,074	21,971,116
	<b>Income</b>					
(21,004,680)	Rent & Service Charges	(21,483,043)	(22,390,692)	(23,208,646)	(24,091,056)	(24,969,817)
(38,900)	Non-Dwelling Rents	(40,200)	(40,200)	(40,200)	(40,200)	(40,200)
(283,252)	Other Income	(13,235)	(13,235)	(13,235)	(13,235)	(13,235)
(286,000)	Investment Income	(293,722)	(315,200)	(382,400)	(455,200)	(536,000)
(21,612,832)	<b>Total Income</b>	(21,830,200)	(22,759,327)	(23,644,481)	(24,599,691)	(25,559,252)
(1,444,904)	<b>Net Operating Expenditure/(Surplus)</b>	(2,828,476)	(2,868,644)	(2,943,923)	(3,261,617)	(3,588,136)
	<b>Appropriations</b>					
0	Debt repayment	1,290,145	1,319,347	569,205	583,927	599,031
2,492,444	Transfer to/(from) reserves	0	1,087,872	1,420,844	1,927,262	1,927,262
1,570,668	Revenue Contribution to Capital	1,476,325	461,425	953,875	750,429	1,061,844
4,063,112	<b>Total Appropriations</b>	2,766,470	2,868,644	2,943,924	3,261,618	3,588,136
2,618,208	<b>NET (SURPLUS)/DEFICIT</b>	(62,005)	0	0	(0)	0
(3,618,209)	Balance brought Forward	(937,995)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
2,618,208	(Surplus)/Deficit In Year	(62,005)	0	0	(0)	0
(1,000,001)	Balance Carried Forward	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)

## North West Leicestershire District Council

### Housing Revenue Account- Proposed Amendments to Budgets 2025/26 to 2029/30

Proposal Title	Proposal Description & Service Impact	2025/26	2026/27	2027/28	2028/29	2029/30
		£	£	£	£	£
Pay Changes	Salary pressures (including pay award + budget proposals)	213,727	220,780	225,417	229,023	233,604
<b>Total Pay Related Costs</b>		<b>213,727</b>	<b>220,780</b>	<b>225,417</b>	<b>229,023</b>	<b>233,604</b>
Heating contract	Inflation on heating maintenance contract	47,334	48,896	49,923	50,722	51,737
Recharges from the General Fund	Inflation on services provided by the General Fund to the HRA	(145,469)	(150,270)	(153,425)	(155,880)	(158,998)
General inflation	Through Capital Charges and inflationary pressures	97,087	804,217	659,690	623,233	891,453
<b>Total Inflation Increases</b>		<b>(1,048)</b>	<b>702,844</b>	<b>556,188</b>	<b>518,075</b>	<b>784,192</b>
Other	Management Recharge to GF	(1,020)	(1,054)	(1,088)	(1,124)	(1,161)
<b>Other Budget Adjustments</b>		<b>(1,020)</b>	<b>(1,054)</b>	<b>(1,088)</b>	<b>(1,124)</b>	<b>(1,161)</b>
Repairs Backlog	Savings in Repairs and Maintenance costs	(1,250,000)	0	0	0	0
Change Consultant	Change Consultant to advise and assist with service transformation in 24/25 (Expenditure in 24/25, income 25/26)	(50,000)	0	0	0	0
<b>Cost Pressures</b>		<b>(1,300,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Investment Income	Investment income on HRA balances	(7,722)	(7,977)	(8,240)	(8,512)	(8,793)
Loan interest	Changes in loan interest due to capital financing requirements	76,357	398,771	676,864	456,936	320,236
<b>Total Other Corporate Amendments</b>		<b>68,635</b>	<b>390,794</b>	<b>668,624</b>	<b>448,424</b>	<b>311,443</b>
Dwellings Rents	Dwellings Rent (decrease)/increase	(459,619)	(741,215)	(802,557)	(869,784)	(862,738)
Service Charges	Recharge to General Fund for services delivered by HRA	(18,649)	(22,793)	(14,505)	(11,051)	(13,814)

Grant Income	Domestic Renewable Heat Incentive	0	0	0	0	0
Leaseholder Service Charge	Income from leaseholders	(94)	(115)	(73)	(56)	(70)
Income	Two proposals below £15k	(1,300)	(1,589)	(1,011)	(770)	(963)
<b>Total Changes In Income</b>		<b>(479,663)</b>	<b>(765,713)</b>	<b>(818,146)</b>	<b>(881,662)</b>	<b>(877,585)</b>
<b><u>Total Budget Amendments</u></b>		<b><u>(1,499,368)</u></b>	<b><u>547,652</u></b>	<b><u>630,994</u></b>	<b><u>312,736</u></b>	<b><u>450,493</u></b>

**North West Leicestershire District Council**  
**Proposed Fees & Charges 2025/26 - Housing Revenue Account**

Fee/Charge	2024/25 Fees	2025/26 Proposed Fees	% Change in Fees	Basis for Change
Central Heating	0 Bed: £9.01pw 1 Bed: £10.88pw 2 Bed: £12.47pw 3 Bed: £14.36pw	0 Bed: £9.46pw 1 Bed: £11.42pw 2 Bed: £13.09pw 3 Bed: £15.08pw	5.00%	Contract inflation
Garage and Site Rent	Garage: £8.63pw Garage Site: £5.53pw	Garage: £8.78pw Garage Site: £5.62pw	1.70%	Sept CPI
<b>Service charges:</b>				
Cleaning & Window Cleaning	£0.69 to £10.77	£0.70 to £10.95	1.70%	Sept CPI
Grounds Maintenance	£0.37 to £7.87	£0.38 to £8.11	3.00%	As per cost
Repairs to common parts	£0.02 to £0.42	£0.08 to £1.74 (prior year not inflated fully)	314%	As per cost
Repairs/replacement of items in Laundry	£0.10 to £8.55	£0.10 to £8.70	1.70%	Sept CPI
Admin Fee	15% of chargeable services	15% of chargeable services	1.70%	Sept CPI
Cleaning Blocks £0.87 to £11.55 pw	£0.93 to £12.32	£0.95 to £12.53	1.70%	Sept CPI
Control Centre Link Equipment	£3.39 pw	£3.45 pw	1.70%	Sept CPI
Door Entry Systems	£0.03 to £0.13	£0.04 to £0.14	1.70%	Sept CPI
Electricity	£9.15 to £13.99	£9.61 to £14.69	5.00%	Contract inflation
Older Persons Service Management Fee (incl. 15% management Fee)	£3.58 pw	£3.68 pw	2.70%	Sep RPI
Scooter Store	£0.45 to £1.11pw	£0.47 to £1.17pw	5.00%	Contract inflation
Repairs and replacement in kitchen and common rooms	Charged but not included previously in this report	£0.01 to £0.13	N/A	N/A
Health & Safety: Legionella testing	Charged but not included previously in this report	£1.08 to £2.00	N/A	N/A



Health & Safety: Fire alarm and  
emergency lighting checks

Charged but not included previously in this  
report

£0.11 to £0.28

N/A

N/A

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Appendix 4

NORTHWEST LEICESTERSHIRE DISTRICT COUNCIL HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2025/26-2029/30

PROJECT	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	For Approval	Indicative	Indicative	Indicative	Indicative	
	£	£	£	£	£	£

Major Repairs Reserve	Capital Receipts	RTB Receipts	RCCO	Grant	Prudential Borrowing	Total
£	£	£	£	£	£	£

Stock Investment

Home Improvement Programme	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	22,500,000
Asbestos	400,000	400,000	400,000	400,000	400,000	2,000,000
Roofs	500,000	500,000	250,000	250,000	250,000	1,750,000
Commercial Boilers	250,000	250,000	250,000	-	-	750,000
Stock Condition Surveys	65,000	65,000	65,000	65,000	65,000	325,000
Zero Carbon	4,000,000	4,000,000	4,000,000	1,500,000	1,500,000	15,000,000
<b>Total Stock Investments</b>	<b>9,715,000</b>	<b>9,715,000</b>	<b>9,465,000</b>	<b>6,715,000</b>	<b>6,715,000</b>	<b>42,325,000</b>

18,236,421	-	-	4,056,874	-	206,704	22,500,000
-	400,000	-	-	-	1,600,000	2,000,000
-	500,000	-	-	-	1,250,000	1,750,000
-	250,000	-	-	-	500,000	750,000
-	65,000	-	-	-	260,000	325,000
-	6,000,000	-	647,024	4,000,000	4,352,976	15,000,000
<b>18,236,421</b>	<b>7,215,000</b>	<b>-</b>	<b>4,703,898</b>	<b>4,000,000</b>	<b>8,169,680</b>	<b>42,325,000</b>

Estate Improvements

Off-Street Parking	300,000	300,000	300,000	300,000	300,000	1,500,000
Estate Projects	100,000	100,000	100,000	100,000	100,000	500,000
Garage Demolition	50,000	50,000	50,000	50,000	50,000	250,000
Footpaths and Unadopted Roads	50,000	50,000	50,000	50,000	50,000	250,000
<b>Total Estate Improvement</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>2,500,000</b>

-	300,000	-	-	-	1,200,000	1,500,000
-	100,000	-	-	-	400,000	500,000
-	50,000	-	-	-	200,000	250,000
-	50,000	-	-	-	200,000	250,000
<b>-</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>	<b>2,500,000</b>

Fleet Replacement

Vehicles	100,000	300,000	-	-	-	400,000
<b>Total Fleet Replacement</b>	<b>100,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>

-	-	-	-	-	400,000	400,000
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>

Other Capital

Sheltered Scheme Improvements	700,000	700,000	700,000	100,000	100,000	2,300,000
Passive Fire Safety	800,000	100,000	100,000	100,000	100,000	1,200,000
Scheme Lighting	350,000	350,000	200,000	200,000	200,000	1,300,000

-	700,000	-	-	-	1,600,000	2,300,000
-	800,000	-	-	-	400,000	1,200,000
-	350,000	-	-	-	950,000	1,300,000

Tunstall System	-	-	-	-	-	-
Major Aids and Adaptations	400,000	400,000	400,000	400,000	400,000	2,000,000
Housing Management IT System	-	-	-	-	-	-
<b>Total Other Capital</b>	<b>2,250,000</b>	<b>1,550,000</b>	<b>1,400,000</b>	<b>800,000</b>	<b>800,000</b>	<b>6,800,000</b>
<b>Total Active Projects</b>	<b>12,565,000</b>	<b>12,065,000</b>	<b>11,365,000</b>	<b>8,015,000</b>	<b>8,015,000</b>	<b>52,025,000</b>

-	-	-	-	-	-	-
-	400,000	-	-	-	1,600,000	2,000,000
-	-	-	-	-	-	-
-	<b>2,250,000</b>	-	-	-	<b>4,550,000</b>	<b>6,800,000</b>
-	-	-	-	-	-	-
<b>18,236,421</b>	<b>9,965,000</b>	<b>-</b>	<b>4,703,898</b>	<b>4,000,000</b>	<b>15,119,680</b>	<b>52,025,000</b>

**DEVELOPMENT POOL**

New Supply	3,012,605	3,065,507	4,433,413	1,396,361	4,189,083	16,096,969
<b>Total Development Pool</b>	<b>3,012,605</b>	<b>3,065,507</b>	<b>4,433,413</b>	<b>1,396,361</b>	<b>4,189,083</b>	<b>16,096,969</b>
<b>TOTAL HRA CAPITAL PROGRAMME</b>	<b>15,577,605</b>	<b>15,130,507</b>	<b>15,798,413</b>	<b>9,411,361</b>	<b>12,204,083</b>	<b>68,121,969</b>

-	-	4,823,310	-	-	11,273,659	16,096,969
-	-	<b>4,823,310</b>	-	-	<b>11,273,659</b>	<b>16,096,969</b>
<b>18,236,421</b>	<b>9,965,000</b>	<b>4,823,310</b>	<b>4,703,898</b>	<b>4,000,000</b>	<b>26,393,339</b>	<b>68,121,969</b>

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL  
HOUSING REVENUE ACCOUNT SUMMARY BUDGET RECONCILIATION  
DRAFT 1 BUDGET 2025/26 TO DRAFT 2 BUDGET 2025/26**

	2025/26			Reason for Change
	Draft 1 £	Draft 2 £	Variance £	
<b>Expenditure</b>				
Repairs & Maintenance	8,492,780	8,492,780	0	
Supervision & Management	4,385,000	4,385,000	0	
Provision for Doubtful Debts	100,000	100,000	0	
Depreciation	4,161,536	4,161,536	0	
Capital Financing & Debt Management	1,913,336	1,862,408	-50,928	More capital expenditure has been funded by RCCO (below) so financing costs reduced here.
<b>Total Expenditure</b>	<b>19,052,652</b>	<b>19,001,724</b>	<b>-50,928</b>	
<b>Income</b>				
Rent & Service Charges	-20,433,281	-21,483,043	-1,049,762	Income was revaluated and amended.
Non-Dwelling Rents	-40,200	-40,200	0	
Other Income	-253,252	-13,235	240,017	Income was revaluated and amended.
Investment Income	-293,722	-293,722	0	
<b>Total Income</b>	<b>-21,020,455</b>	<b>-21,830,200</b>	<b>-809,745</b>	
<b>Net Operating Expenditure/-Surplus</b>	<b>-1,967,803</b>	<b>-2,828,476</b>	<b>-860,673</b>	

<b>Appropriations</b>				
Debt repayment	1,290,145	1,290,145	0	
Transfer to/from reserves	0	0	0	
Revenue Contribution to Capital	615,652	1,476,325	860,672	More income has made more cash available to fund the capital expenditure.
<b>Total Appropriations</b>	<b>1,905,797</b>	<b>2,766,470</b>	<b>860,672</b>	
<b>NET (SURPLUS)/DEFICIT</b>	<b>-62,006</b>	<b>-62,006</b>	<b>0</b>	
Balance brought Forward	-937,995	-937,995	0	
-Surplus/Deficit In Year	-62,006	-62,005	0	
Balance Carried Forward	-1,000,000	-1,000,000	0	