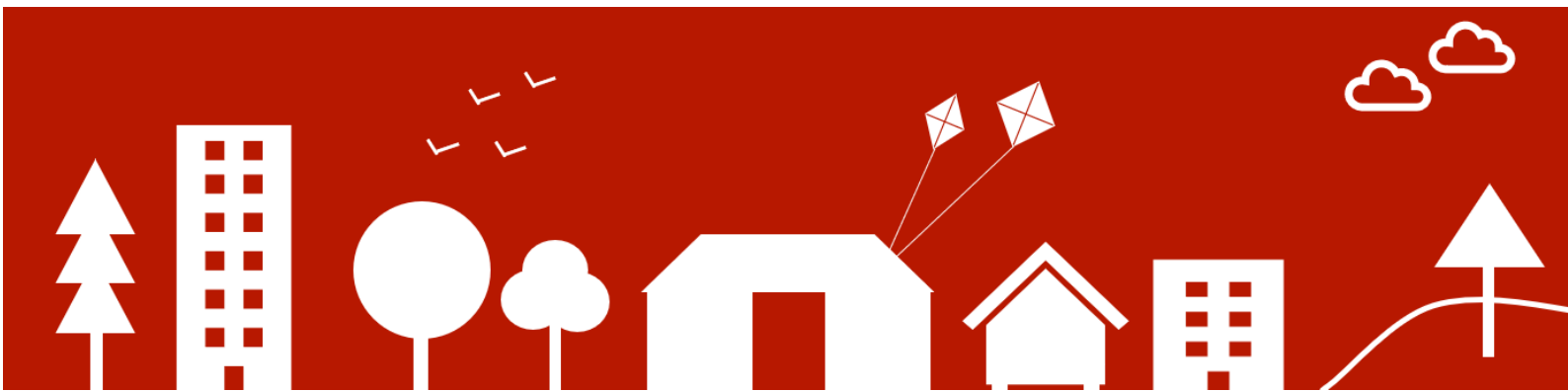




WOKING
BOROUGH COUNCIL

DRAFT

**Housing Revenue Account
(HRA) 30-Year Business Plan
2024/25 to 2053/54**



November 2024

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1. Introduction

- 1.1. The Housing Revenue Account (HRA) covers all income and expenditure relating to the portfolio of housing stock owned by the Council. It is required by the Local Government and Housing Act 1989 to be ring-fenced from the Council's General Fund. The legislation specifies that only expenditure relating to the Council's landlord role can be charged to the HRA and, by extension, funded by the rents and service charges paid by tenants.
- 1.2. Section 76 of the Local Government and Housing Act 1989 requires Local Authorities with a Housing Revenue Account (HRA) to set a budget for the account that avoids a deficit, whilst using robust and valid assumptions. Furthermore, there is a statutory requirement for the Council to prepare a 30-Year Business Plan for the HRA on an annual basis. The purpose of this exercise is to keep the long-term financial viability of the HRA under regular review.
- 1.3. Preparing the 30-year HRA Business Plan involves a long-term assessment of the funding needed to deliver landlord duties alongside wider strategic housing objectives. This involves detailed modelling of operating resource requirements, capital investment plans and external funding streams against wider economic factors and potential legislative changes.
- 1.4. In December 2023, the Council initiated a Housing Improvement Programme to improve the delivery of housing services in Woking. The Housing Improvement Programme forms part of the Council's wider Improvement and Recovery Programme. This programme covers seven workstreams impacting all areas of the service to deliver improvements for residents, including Housing Finance.
- 1.5. Whilst the Council has maintained a business plan financial model in the past, this has not previously been presented in a business plan document available for tenant and other stakeholders to review and scrutinise. The development of this HRA Business Plan therefore is a key milestone for the Housing Improvement Programme, providing greater visibility and transparency about the long-term financial stability of the HRA.
- 1.6. This HRA Business Plan is intended to be a dynamic document, which reflects the Council's ambition to be a high-performing landlord. This is the first plan prepared in this format for Woking. The Council intends to build upon this initial plan through improved data and intelligence, including ongoing dialogue with tenants and residents. This will help to identify investment and service priorities that will improve the quality of homes and tenant services provided.

2. National Context

- 1.7. Preparing the HRA Business Plan requires careful consideration of a range of external factors that have the potential to materially alter the level of resources that the HRA has at its disposal. The implementation of the HRA Business Plan marks a key transitional phase in the Council's Housing improvement journey and has been developed at a time of significant regulatory change for the housing sector.
- 1.8. The key considerations for this iteration of the business plan are briefly outlined below:

Inflation

- 1.9. The UK has experienced high levels of inflation over the last few years. Whilst the Consumer Price Index (CPI) has reduced from the levels experienced in 2022/23, where it

was consistently running into double figures, it has remained high during early 2024. The impact of inflation on the HRA has been exacerbated by its exposure to sectors such as construction and utilities which have experienced much greater inflationary pressure.

- 1.10. The business plan has been prepared using latest Bank of England projections. This is based on an inflation assumption of 1.7% for 2025/26 (based on September's CPI).

Social Rent Policy

- 1.11. The Government's Social Rent Policy from 2020/21 to 2024/25 allows for a maximum annual rent uplift of CPI+1% (based on CPI in the September preceding the new financial year). This was subject to a cap of 7% in 2023/24. The current financial year (2024/25) was due to be the final year that is covered by the current national rent policy, but the Government confirmed in April 2024, that the policy would continue for 2025/26.
- 1.12. In the Autumn Budget, the Government announced its intention to continue the CPI+1% rent policy for a further 5 years at least and to commence a consultation on national rent policy. On 30 October 2024, the Government launched the consultation proposing that the CPI+1% rent policy should remain in place for at least 5 years, from 1 April 2026 to 31 March 2031. Views are also sought on alternative lengths of settlement, including a longer 7- or 10-year rent settlement, or a 'rolling' 5-year settlement.
- 1.13. Given the challenging financial position of the HRA outlined in this plan, the Council will need to adopt the maximum rent uplift permitted by Government to ensure that it has the resources it needs to absorb the impact of inflation and deliver on other key statutory obligations. Based on the recent announcements, the Business Plan has taken the prudent assumption that social and affordable rents will increase by CPI+1% up to 2030/31 and by CPI only thereafter.

Legislative and Policy Changes

- 1.14. The HRA is always exposed to the impact of new requirements being imposed on social landlords as a result of new legislation, policy and regulatory standards.
- 1.15. The Building Safety Act was implemented in April 2022 and saw the Health and Safety Executive appointed as the new Building Safety Regulator to oversee the safety and performance of all buildings, including Council housing. There will be a particular focus on high-rise and high-risk buildings. The new regulator is set to complete its transition to the new regime during 2024/25. Any necessary actions to ensure that our buildings remain safe and compliant are likely to mean increased costs for the HRA. As part of its Housing Improvement Programme, the Council will need to commit substantial capital investment to improving building safety, particularly in respect of fire safety.
- 1.16. The Social Housing (Regulation) Act received Royal Assent in July 2023 and signifies a new era of more stringent consumer regulation for the social housing sector and increased powers for the Regulator of Social Housing (RSH). This means that stock-holding councils can expect to be subject to regular inspections by the Regulator going forward. It also means some additional costs will be incurred as social landlords are expected to make financial contributions to support this regulation. Following a self-referral last year, the Council received a Regulatory Notice for breaching the then "Homes Standard" in respect of fire safety. The Council is fully engaged with the Regulator on delivering the necessary improvements and is working hard to ensure that it meets the full requirements of the new regulatory regime and improves services for tenants.

- 1.17. The Government has committed to reviewing the Decent Homes Standard with a consultation anticipated in the near future. The new standard will look to ensure safe, secure housing is the standard people can expect in both social housing and private rented properties. Several potential areas have been identified as being likely to be updated or included in the new standard, including:
- ventilation
 - home security
 - thermostatic mixer valves
 - window restrictors
 - electrical safety
 - refuse management
 - water efficiency
- 1.18. This will have an impact on the budgets required to meet the standard. At the time of drafting the Business Plan, the Government has not commenced a consultation on changes to Decent Homes Standard and the timeline for implementing changes is not known.
- 1.19. Furthermore, the Government has committed to delivering a zero-carbon economy by 2050, which will have far-reaching implications for social landlords. This will require councils to virtually eliminate the carbon emissions of all social homes over the next 25 years. Whilst this will bring enormous benefits for residents and the environment, addressing the need to reduce emissions while investing in building safety, Decent Homes and high-performing services will be a major challenge and cost. In the shorter term, the Government has announced its plans to consult on uplifting the minimum energy efficiency standards of all rented homes to Energy Performance Certificate (EPC) rating C by 2030.
- 1.20. It is not yet possible to evaluate the costs of a new Decent Homes Standard and decarbonisation without more detail from Government. Nevertheless, the risk of increased costs exists and will need to be reflected in future business plans.
- 1.21. Finally, the Government has announced wide-reaching changes to the Right to Buy process. This will include reduced discounts and stricter eligibility criteria. As a result, it is expected that fewer Council homes will be lost to the HRA in future years.

Interest Rates

- 1.22. The Bank of England's response to high inflation in recent years has been to take swift action to increase interest rates. This is a critical assumption within the HRA business plan given the impact that it has on the HRA's ability to borrow in order to fund the capital programme.
- 1.23. As part of the development of this business plan, the Council has assumed interest rates of 3.7% throughout the life of the plan, which is consistent with levels assumed by other local authorities. However, if higher interest rates were sustained for a longer period, then the HRA's borrowing capacity will be reduced as a result.

3. Local Context

- 1.24. The Council has developed this HRA Business Plan following an extended period of weak financial management. The Council's financial systems have improved, but it is accepted that there is further work to do. This will ensure that the quality and accuracy of financial reporting and forecasting develops and in turn, increasing the confidence of future HRA Business Planning.

- 1.25. Within the Housing Service, there are also areas where there is uncertainty around short, medium and long-term assumptions that should feature in this 30-year business plan.

Stock Condition

- 1.26. Between April 2012 and March 2022, the Council's Housing landlord function was externally managed by New Vision Homes (NVH). NVH undertook a rolling programme of stock condition surveys, with 20% of council homes inspected each year. The plan was that every home would have a stock condition survey that was no older than 5 years old.
- 1.27. Stock condition surveys ceased towards the end of the NVH contract and therefore, the Council's current available data on stock condition dates back to 2016 to 2021. In August 2024, the Council commissioned consultants, Ridge and Partners, to commence a programme of stock condition surveys on 100% of its housing stock. The surveys are not expected to complete until early 2025 with the analysis unlikely to be available until Spring 2025. Therefore, this business plan has had to rely on outdated stock condition data and cost estimates and will need to be refreshed once the new stock condition data is available.
- 1.28. There has been historic underinvestment in maintenance of Council homes and as such, the scale and timing of capital works is likely to have a significant impact on the business plan.

Sheerwater Regeneration

- 1.29. The Council's original plans for the Sheerwater regeneration project involved the loss of circa 400 homes from the Housing Revenue Account (HRA). These homes have been gradually vacated since 2017 resulting in reduced rental income and additional costs in securing the empty homes (pending their demolition and redevelopment).
- 1.30. In October 2023, the Council agreed to a scaled back proposal for the regeneration project, including retaining and refurbishing approximately 100 council homes. The homes will now remain within the HRA. Approximately half of these houses are still occupied and generating rental income. It is anticipated that the remainder will be brought back into use over the next 2 years, but the programme and costs for these works are as yet unclear.
- 1.31. The Council has secured Government Local Authority Housing Fund (LAHF) grant towards the cost of refurbishing some of these homes, with the balance to be raised from capital receipts. Assumptions have been made within the business plan around future rental income from these homes being relet, but any delay will adversely impact the revenue position.

Capital Receipts

- 1.32. Given the significant scale of capital works required during the life of the plan (and particularly over the next 5 years), the HRA Business Plan has made assumptions around the amount and timing of capital receipts from the disposal of HRA assets. This includes the anticipated receipts from disposal of development parcels within Sheerwater and the Brockhill site, along with an assumption that £1 million of capital receipts will be generated per year from sale of poorly performing and/or high cost void properties.
- 1.33. Should these capital receipts not be realised or the timing be later than projected, this will adversely impact the Council ability to fund the capital programme and/or necessitate additional borrowing.

Housing Improvement Programme

1.34. The Council is embarking on an ambitious and extensive Housing Improvement Programme with the aim of improving our homes and services to tenants. Through the programme development and implementation, additional gaps and investment needs are being identified. The business plan has included some additional revenue provision for increasing staffing capacity and capability within the service based on our current understanding of the service needs. However, whilst the service remains in a period of discovery, there is the possibility that additional resources may be required.

4. HRA Business Plan Aims and Objectives

1.35. The HRA Business Plan will ensure that there is sufficient money available to manage and maintain council homes efficiently. The priorities of the HRA Business Plan will be:

- To provide safe, well-maintained and well-managed council homes;
- To improve the quality of our homes to meet modern standards and over time, increase energy efficiency;
- To improve the service offer to Council tenants;
- To improve the quality of the environment to make our communities better places to live.

1.36. Through having a long-term business plan for the HRA, the Council will be able to more effectively manage the service and ensure that:

- Rents and other resources are sufficient to pay for its service plans and to invest in its homes;
- Borrowing is at a level that it is affordable;
- The Council can meet all Regulatory Standards.
- The risks faced by the HRA are understood and can be managed effectively;
- Opportunities to increase revenue and capital available to the HRA are maximised;
- Ways of making efficiencies and ensuring value for money are investigated;
- The HRA remains financially viable now and into the future.

5. Key Assumptions

1.37. Woking Borough Council owns and manages almost 3,300 homes (inclusive of rented and shared ownership properties) across the Borough with the majority being let at social rents. Whilst the overall number of homes in the borough has increased since the inception of self-financing in 2012, the number of council homes has fallen over the same period due to Right to Buy and other disposals (for example, the Sheerwater regeneration).

1.38. Given the challenging financial position faced by the HRA, it is assumed that no new build homes are developed within the HRA during the plan period (unless fully grant funded). However, a small acquisitions programme (of circa 15 homes) is assumed using available Section 106 developer contributions to buy street properties. The Council will continue to explore partnership with other social housing providers interested in building new social and affordable homes in the Borough.

1.39. Demand for council homes remains high with demand outstripping supply. If the council is unable to provide the kind of homes that people want to live in, or can afford to live in, there

is a risk that the void rates will increase, undermining both the financial viability of the HRA and the stability of local communities.

Table 1: Key Business Plan Assumptions

Key Area	Assumptions
General Inflation (CPI)	CPI = 1.7% for 2025/26; 2.25% for 2026/27; 1.5% for 2027/28 and 2% from 2028/29 and thereafter
Social Rent	2.7% increase in 2025/26; CPI + 1% from 2026/27 to 2030/31 and CPI only thereafter.
Re-Lets	Assumes 5% of stock re-let at formula rent each year. From 2025/26, it is assumed that rent flexibility of 5% be added to formula rents when a property is relet (subject to consultation and adoption of new Rent Policy).
Right to Buy Sales	Assumes 12 Right to Buy sales per annum.
Debt Management	Additional borrowing is planned to finance capital programme. Interest rates for new borrowing assumed at 3.7% throughout. HRA opening Capital Financing Requirement (CFR) is £163m.
HRA Minimum Working Balances	The Council has historically stated that a minimum HRA working balance of £100-150 per property should be prudent. This business plan aims to increase this to £500 per property to give the HRA more resilience.
Repairs and Maintenance, including major works	Expenditure assumed to increase by CPI +1% throughout.
Voids	Rent loss from voids assumed to be 1% on Council dwellings (excluding regeneration stock).

6. Capital Programme

- 1.40. The Council's housing stock has suffered from many years of under-investment. A capital budget of up to £16.8m (four times recent levels) was approved for 2024/5 to invest in existing stock. Fire risk assessments in 2023 identified substantial fire safety remedial works required to the Council's apartment blocks and this will continue to be the priority for the capital programme in the short-term.
- 1.41. Given the scale of capital works required, there will need to be choices around affordability, deliverability and prioritisation and the business plan sets out how the Council will approach these things. **Landlord Health and Safety will always remain the top priority for the Council as a responsible landlord.**
- 1.42. As shown below, it is possible to achieve the minimum level of Decent Homes despite some building components, particularly kitchens and bathrooms, being old and/or in poor condition.

DECENT HOMES STANDARD

A “Decent Home” needs to meet the following four criteria under the current definition:

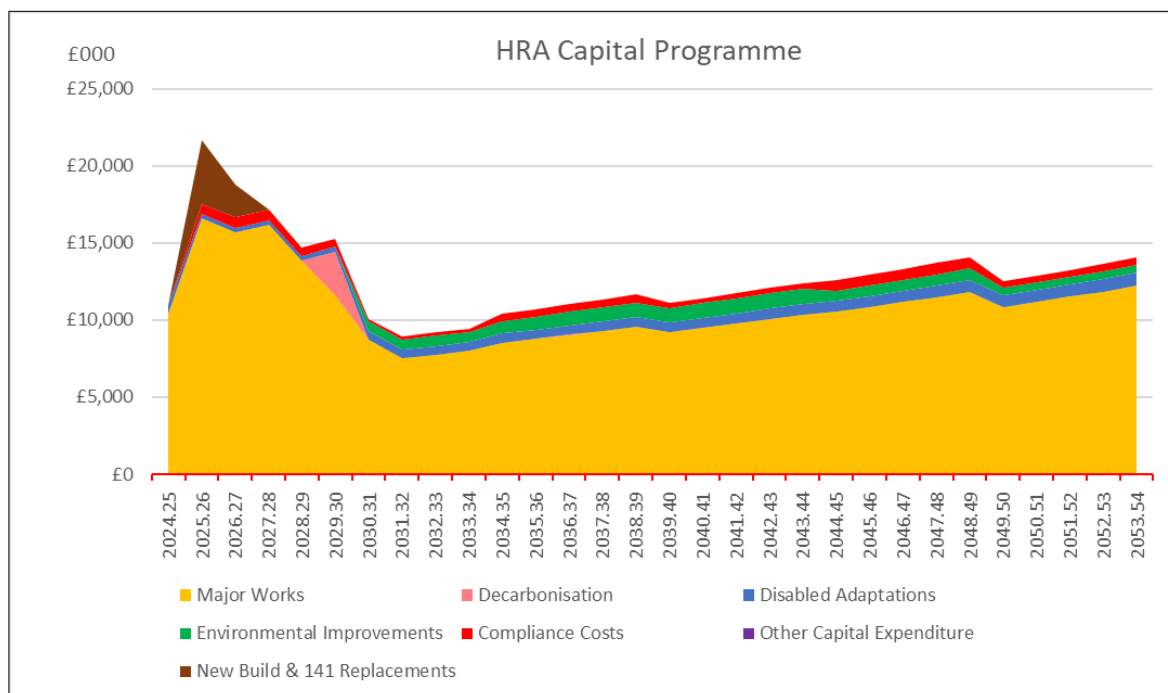
1. It meets the current statutory minimum standard for housing - Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious (‘Category 1’) under the HHSRS.
2. It is in a reasonable state of repair. Dwellings which fail to meet this criterion are those where either:
 - **one or more** of the key building components (external walls; roofs; windows/doors; chimneys; boilers; gas fires; storage heaters; plumbing; electrics) are old and, because of their condition, need replacing or major repair; or
 - **two or more** of the other building components (kitchens; bathrooms; central heating distribution) are old and, because of their condition, need replacing or major repair.
3. It has reasonably modern facilities and services. Dwellings which fail to meet this criterion are those which lack **three or more** of the following:
 - a reasonably modern kitchen (20 years old or less);
 - a kitchen with adequate space and layout;
 - a reasonably modern bathroom (30 years old or less);
 - an appropriately located bathroom and WC;
 - adequate insulation against external noise (where external noise is a problem); and
 - adequate size and layout of common areas for blocks of flats.
4. It provides a reasonable degree of thermal comfort.

1.43. The current stock condition data shows that there are currently 269 properties failing the Decent Homes standard (9.1% of the stock) in Woking. However, this position is likely to change when the results of the 100% stock condition survey are received.

1.44. Going forward, the Decent Homes programme will focus on a ‘fabric first’ approach to protect council housing assets, to reduce our ongoing and long-term repairs and maintenance obligations and increase tenants’ satisfaction with their homes. The focus will be on replacing building fabric components such as roofing; windows and doors and heating systems. Replacement of kitchens (20 years old) and bathrooms (30 years old) will only be undertaken if the condition requires that they are replaced.

1.45. The table below summarises the projected position against the Decent Homes standard based on current stock condition data resulting from this business plan:

	2025-26	2026-27	2027-28	2028-29	2029-30
Projected Year End Decency	87.75%	95.15%	100.00%	100.00%	98.71%



1.46. A summary of the capital programme for the next 5 years is included in the table below.

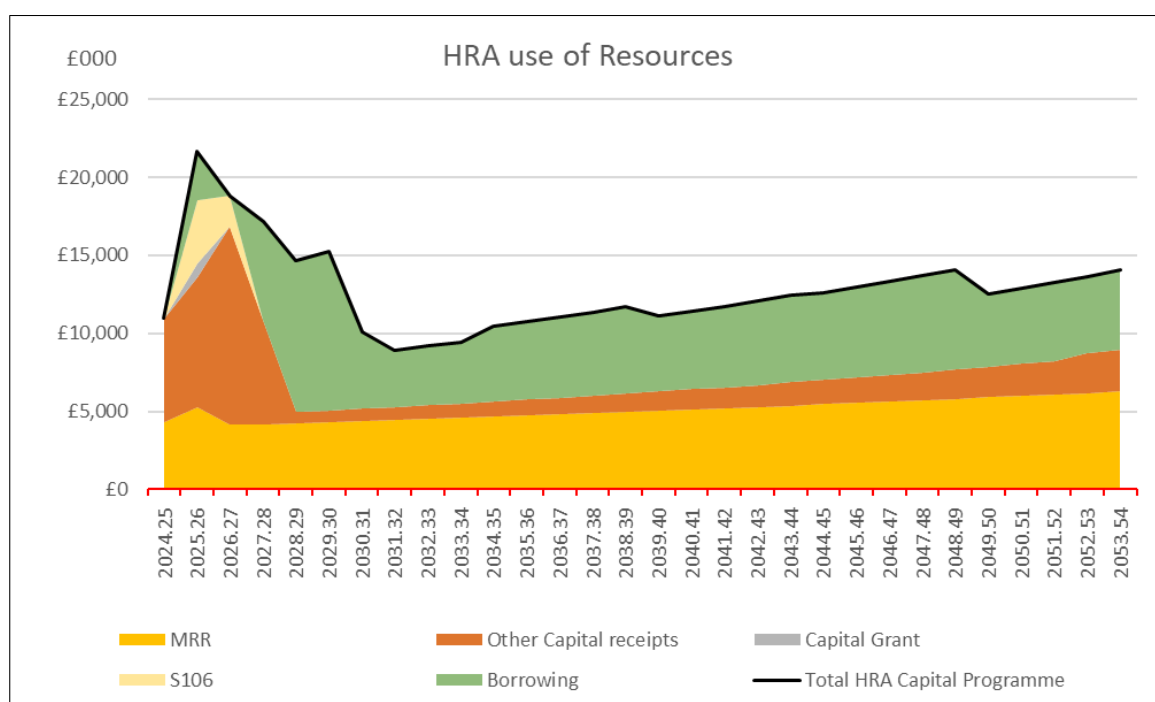
Table 2: Capital Programme for next 5 years

Item	2025-26	2026-27	2027-28	2028-29	2029-30
01 - Decent Homes	£4,678,415	£2,286,487	£3,335,382	£2,286,487	£3,000,262
01.1 - Decent Homes From Previous Years	£0	£2,329,752	£464,750	£0	£0
01.2 - Decent Homes From Future Year	£0	£0	£1,331,379	£1,103,034	£0
01.3 - Reactive Decent Homes Works	£600,000	£600,000	£600,000	£600,000	£600,000
01.4 - Catch Up Of Component Backlog	£0	£0	£0	£0	£0
02 - Disabled Adaptations	£300,000	£300,000	£300,000	£300,000	£300,000
03 - Communal Heating Upgrades	£2,389,000	£1,951,500	£1,500,000	£1,932,500	£3,518,000
03.01 - Communal Heating Upgrades From Previous Years	£0	£728,000	£543,000	£0	£0
04 - Compliance Remedial Works	£607,000	£637,000	£662,000	£457,000	£417,000
05 - Passenger Lift Upgrades	£240,000	£120,000	£120,000	£120,000	£120,000
06 - Decarbonisation and Energy Efficiency	£0	£0	£0	£0	£2,400,000
07 - Consultancy	£588,500	£619,000	£237,425	£190,900	£284,900
08 - Capitalised Staff Costs	£442,583	£442,583	£442,583	£442,583	£442,583

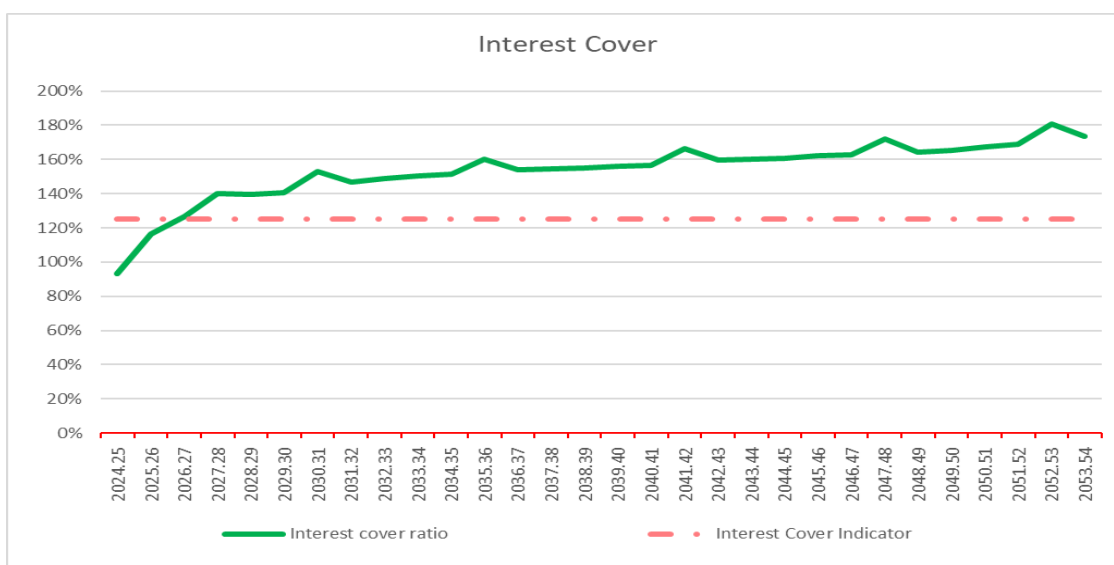
Item	2025-26	2026-27	2027-28	2028-29	2029-30
09 - Fire Safety Works	£3,622,796	£3,054,250	£2,358,750	£2,108,750	£175,000
09.1 - Lakeview Cladding Works	£2,403,168	£2,253,168	£3,355,280	£1,839,168	£0
10 - Asbestos Removal	£120,000	£350,000	£350,000	£350,000	£350,000
11 - Cyclical Works	£0	£325,000	£375,000	£375,000	£375,000
TOTAL	£15,991,462	£15,996,740	£15,975,549	£11,973,378	£11,982,745

NOTE: All costs at 2024/25 Prices

- 1.47. The above programme seeks to balance maintaining the Council's Decent Homes position above 85% whilst delivering the fire safety remedial works as expediently as funds allow. This does mean it is likely to take the Council at least 3 years to complete the full fire safety remedial programme with works prioritised based on risk. This approach will be subject to completing all necessary procurement, obtaining cost certainty for the required works and having adequate assurance that risk is balanced with appropriate risk mitigation in place. This approach is likely to incur continued scrutiny by the Regulator of Social Housing with the Council's risk exposure in terms of Building Safety and Compliance remaining into the medium term. The above programme will be kept under continuous review to ensure that the various workstreams are prioritised appropriately as the programme develops and new risks are identified.
- 1.48. It should be noted that elements of the planned maintenance programme include works to leaseholder properties. Contributions from leaseholders will help to finance the Planned Maintenance programme. These funds will be held separately and ringfenced towards the specific works to which they relate. Leaseholders will be consulted and billed in accordance with their lease for contributions they are required to make towards qualifying works.
- 1.49. The HRA business plan will need to rely on multiple sources of finance to deliver the capital programme and aims to adopt the optimal funding approach in any given year. This ensures that both individual schemes are viable and value for money is achieved for the HRA overall.



- 1.50. Capital receipts form a key part of the funding of the early years of the capital programme, but borrowing becomes a growing feature from 2027/28 onwards.
- 1.51. Any surplus above the minimum working balance on the HRA will be prioritised for repayment of HRA debt. The plan assumes £115m of existing debt will be repaid over the 30-year period, utilising the surpluses generated by the HRA. HRA borrowing is expected to rise from £163m currently, peaking at £202.8m in 2048/49.
- 1.52. The key consideration, ultimately, is the ability of the HRA revenue budget to cover the cost of servicing additional borrowing (i.e. interest costs). Capital financing costs currently constitute almost 25% of the total income generated from rents and service charges in Woking and therefore represent a significant element of the revenue budget. Whilst there is no requirement for the HRA to set a Minimum Revenue Provision (MRP), as is the case for the General Fund, it is important that the HRA provides an appropriate level of interest cover to ensure that the level of borrowing it commits to is sustainable.
- 1.53. The plan aims to ensure that the interest cover ratio rises and remains above 120%, which effectively means that the revenue budget is always able to absorb the impact of a 20% swing in total borrowing costs. It also means that this allowance is available to either finance capital or pay down debt in the event that a swing in interest costs does not materialise. This is achieved from 2026/27 onwards.



- 1.54. The HRA Business Plan is intended to be an evidence-led document and will be informed and updated based on a range of matters, including the stock condition survey and feedback from tenants.

7. HRA Revenue Assumptions

- 1.55. HRA reserve balances are primarily designed to cover in-year risks. The opening balance on the HRA general reserve at the start of the 2024/25 financial year was £599,000. It is currently forecast to increase to £978,000 by the end of this financial year. Over the last decade, the Council has assumed a minimum working balance of £100-£150 per property as a prudent assumption (circa £300,000). However, recent shocks and overspends impacting the HRA have demonstrated that this is insufficient for a budget of this size.

- 1.56. The business plan assumes that the Council aims to move to a minimum working balance of £500 per property in future. This will increase the financial strength and resilience of the HRA whilst internally financial managements systems and processes improve and in the face of a volatile economic environment nationally. This means it never drops below circa £1.5m over the life of the business plan.
- 1.57. Rent assumptions are a critical element of the HRA Business Plan. In line with recent Government announcements, the business plan assumes that rents increase by CPI + 1% up to 2030/31 and by CPI only thereafter.
- 1.58. Government allows some flexibility to set rents up to 5% above formula rent for general needs properties and up to 10% for sheltered/supported housing (including extra care) if there is clear rationale for doing so, including taking into account local circumstances and affordability, and following tenant consultation. This is known as “Rent Flexibility”. Where there is intent to let a property using Rent Flexibility, this should be set out in the Rent Policy.
- 1.59. Historically, the Council has made little use of “Rent Flexibility”. However, this business plan highlights the significant financial challenge facing the Council in meeting its housing obligations, complying with regulatory standards and ensuring its homes are safe and well-maintained.
- 1.60. In light of this, the business plan assumes the Council will apply “rent flexibility” to all relets of its existing HRA homes when they become vacant. A Draft Rent Policy has been prepared and will be subject to consultation during late 2024/25.
- 1.61. Service charges reflect additional discretionary services currently provided to tenants and leaseholders and include communal heating and lighting, cleaning, block maintenance and grounds maintenance. These costs are recovered from relevant tenants and leaseholders.
- 1.62. Rent and service charge income for 2025/26 (net of void losses) is currently projected to total circa £23m. This includes social housing and affordable dwelling rents and, tenant and leasehold service charge income.
- 1.63. The HRA also receives interest on general or earmarked revenue balances, funds set aside in the major repairs reserve (MRR) and any unapplied capital balances or unspent grants. The projected interest income in the HRA business plan for 2025/26 and onward is £0.1m.
- 1.64. The repairs and maintenance (R&M) budget funds the cost of repairing and maintaining the HRA housing stock and associated assets, including statutory compliance inspections. This expenditure is projected at £3.8m in 2025/26 and is estimated to increase annually by CPI + 1% in line with current contractual arrangements. Going forward, the business plan assumes repairs and maintenance costs are variable and costs can be saved when the housing stock decreases due to either Right to Buy sales, demolitions, or other disposals or increases due to additions.
- 1.65. The general management budget includes all costs of managing the housing stock and is estimated at £6m in 2025/26. This includes staffing, cleaning and grounds maintenance, utility costs and central recharges. General management costs are assumed to be 80% fixed and so 20% of the average cost per unit is variable when stock numbers increase or decrease.
- 1.66. The HRA needs to target revenue savings in the order of £1m from 2025/26 to deliver a viable 30-year plan. This has been included in this business plan. Finance is currently

concluding a review of the recharge allocations to the HRA to ensure that they are accurate, fair, and reasonable. This review may support achievement of this savings target. Work will continue to identify savings, including the conclusion of the recharge review.

- 1.67. The table in Appendix 1 sets out the current 30-year HRA forecast. The table demonstrates that the HRA revenue budget will be balanced over the life of the business plan.

2. Risk Management

- 2.1. This plan requires the HRA to commit to an increased level of HRA borrowing over the next 30 years in order to meet its capital investment requirements. This will reduce the ability of the HRA to absorb or manage the financial impact of unforeseen risks that may materialise over the course of the plan.
- 2.2. The HRA Business Plan is built on a series of assumptions about the expected future impact of numerous variables (including inflation, rent increases, interest rates, etc). The first aspect of risk management within the HRA is to ensure that the assumptions built into the plan are as prudent as possible. An overview of key assumptions is included at Table 1. The primary area in which prudence has been exercised is on future rent assumptions, which have been held at CPI from 2031/32 onwards. A more favourable settlement following the current Government consultation would therefore create headroom within the HRA business plan and increase flexibility in terms of its ability to absorb risk.
- 2.3. The second aspect of the risk management approach is to actively build financial cover into the business plan that would allow the HRA to absorb the impact of any adverse movements on key assumptions or the emergence of any more general unforeseen risks. These measures allow the HRA to manage the impact of emerging risks without necessarily having to compromise on either service delivery or the level of capital ambition. The business plan does this in 3 key areas:
- a) Minimum Working Balance – This has been maintained at £100-£150 per property for the last decade. This is inadequate to manage any short or medium-term financial volatility. This business plan proposes that this is increased to £500 per property to build in additional financial resilience.
 - b) Revenue Interest Cover – The business plan aims to achieve a minimum ratio of interest cover in the revenue budget of 120% from 2026/27.
 - c) Planned Maintenance Inflation – the Planned Maintenance programme represents a rolling programme of works to improve the condition of existing stock. It is set based on information in the asset management database which uses today's prices. The business plan therefore models a level of inflation on the capital budgets to reflect the fact that a boiler replacement will be more expensive in 15 years' time, for example. Again, this is built into the projected borrowing requirement and ensures that planned maintenance requirements have a level of insulation against the impact of inflation within the plan. The inflation assumptions in the model exceed those in many existing maintenance contracts, so there is some headroom built in for the early years of the plan.
- 2.4. The measures covered above demonstrate that the HRA Business Plan has been prepared with careful consideration of how best to provide resilience against financial risk without compromising the ability of the HRA to deliver its strategic objectives. If the financial shocks to the HRA were extreme, there are some further risk management measures available to

ensure that the HRA remains viable in a worst-case scenario. These can be summarised as follows:

- a) Re-Profiling – not all expenditure on the capital programme is fully committed. This provides an opportunity to re-profile by extending or delaying the delivery of certain works to meet revised affordability parameters.
- b) Reduce Planned Maintenance Schedule – whilst the HRA is required to make a minimum investment in existing stock, the planned maintenance programme could be revised to manage affordability concerns. This is likely to have an adverse impact on stock condition and increase the volume/cost of revenue repairs.
- c) Disposing of further HRA Assets – a more aggressive assessment of which assets are surplus to requirements and/or poorly performing could generate increased capital receipts to help fund the capital programme in the event of a significant HRA funding shortfall. Capital receipts of £1 million per annum have already been assumed in the business plan for some small-scale asset disposals of high-cost voids or poorly-performing assets.

2.5. The three stages of risk management covered above demonstrate how the HRA might manage and mitigate financial risk. A key aspect of the approach to risk management is also how risks are identified and captured in the first place. Clearly, the Council’s monthly budget monitoring and reporting processes are a key component of this. This helps to capture in-year risks within the outturn forecast, but the HRA Business Plan will also need to be regularly reviewed in tandem with this process as new information emerges (and is not a one-off exercise undertaken annually). This allows the impact of emerging risks to be fully understood in the context of the whole business plan and scenario testing to be undertaken to assess how the HRA might manage these risks over the medium- to long-term. Furthermore, the directorate holds a risk register that is regularly reviewed and updated by the Communities Leadership Team.

2.6. The key risks currently identified are set out in Table 3 below.

Table 3: Summary of Risks

Risk Area	Risk Description	Potential Mitigation
Inaccuracies in business plan assumptions	Given historic weak financial controls and data, the assumptions in the business plan may be inaccurate. Small changes in assumptions can have a material impact on the business plan.	Regular review of business plan. Retaining specialist consult to scrutinise and advise on inputs.
Revenue savings not achieved	If revenue savings are not realised, the business plan will be adversely affected.	Rigorous review underway to look at recharge allocations.
New legislation and regulations	Changes in national housing or rent policy may impact costs and income to the HRA and the ability to support the housing debt or deliver against planned investment programmes.	Regular horizon scanning. Ensure that implications are identified, quantified, and highlighted at earliest opportunity and business plan refreshed accordingly.
Stock condition survey	The new stock condition survey necessitates further capital spending (and/or re- prioritisation of capital spend), potentially requiring more borrowing.	Update the business plan to reflect new data. Reprofile and reprioritisation of capital programme based on evidence.

Risk Area	Risk Description	Potential Mitigation
Sheerwater Regeneration – Capital Receipts	Delays in disposing of the development parcels will impact funding of the capital programme and lead to security costs continuing for longer.	Ongoing engagement with preferred bidder.
Sheerwater Regeneration – Refurbishments	Delays in bringing long-term empty HRA homes back into use will reduce income assumptions in the business plan.	Utilise available grants. Appoint project manager and develop refurbishment plan.
Cost of Living impacts on tenants and leaseholders	With those on lower salaries suffering disproportionately in the current cost of living crisis, some tenants may fall into arrears as they struggle to pay higher rates of rent and service charge. This will impact on the Council's collection rates.	Proactive and early engagement with tenants when arrears arise. Signposting to support agencies. Utilising Household Support Fund where available. Agreeing affordable repayment plans for tenants.
Poor collection of rent	Rental income is under-recovered due to staffing shortages in the Income Team.	Utilise Mobyssoft RentSense (or similar product). Recruitment to vacant posts on permanent or temporary basis as required. Performance closely monitored to allow further positive action if required.
Inflation	Inflation will always be a risk to the business plan as it can impact projected costs significantly.	Aim to increase rents by the maximum level permitted by Government Rent Policy. Update business plan with latest market projection. Refiling capital programme as required.
Interest Rates	If interest rates were to exceed assumptions, this would impact borrowing costs and the ability to fund the capital programme.	Refiling capital programme as required.
Borrowing	Given the issuing of the Section 114 notice, the Council may not be able to obtain borrowing to fund the capital programme, which would impact regulatory compliance.	Regular and ongoing discussions with Government. Strong supporting evidence to justify expenditure and borrowing.
Decarbonisation of Housing Stock	The Government's commitment to target net zero carbon emission by 2050 and EPC C by 2030 will bring significant cost to the HRA.	Stock condition surveys will complete any missing EPC rating data. Bid for external funding where available and eligible.
Business Planning Capacity	The Council may not have the capacity and expertise in place to produce and update the businesses plan effectively.	Retain services of specialist consultant to support as required.
Regulatory compliance	Additional investment may be required to meet new regulatory standards and deliver Housing Improvement Programme. The need to balance meeting the Decent Homes standard and completing fire safety remedial works poses continued risk to the Council.	Consultancy costs included in business plan. Constant review of the capital programme based on risk assessment.

9. Conclusion

- 2.7. The HRA business plan sets out the Council's spending and borrowing needs to maintain its stock and operate services for its tenants and leaseholders. As with any other business plan, it must show that the Council has clear proposals for achieving its objectives and that these are financially viable in the short, medium, and long term.
- 2.8. Having an HRA Business Plan that is approved by full Council, based on reasoned assumptions and an underlying financial model, forms the basis of good governance and sound financial management. This is the first plan prepared in this format for Woking and it is likely to require regular review and refresh as financial data and information improves across the Council.
- 2.9. This business plan demonstrates that we are spending residents' rent and service charges effectively and achieving value for money and managing debt and reserves to maintain a viable HRA overall. This business plan recognises the realities of the financial pressures faced by local housing authorities across the country, but particularly the local situation in Woking. The business plan reflects a legacy position of weak financial management, under-investment in housing stock and investment decisions that have adversely impacted the viability of the HRA. A prudent and pragmatic approach has been adopted to reflect an organisation that is prepared to live within its means, focus on its statutory responsibilities, balance its budgets and deliver best value for its residents.
- 2.10. The need to ensure that Woking Borough Council stays on a financially sustainable footing and delivers the stock investment required to meet government and regulatory standards has meant a significant increase to the capital programme. The proposed 5-year HRA capital programme budget allows for £71.9m between 2025/26 and 2030/31, compared to historic investment of circa £4m per annum. The increase is necessary to meet our obligations in respect of fire safety and Decent Homes. It will be essential that our capital resources prioritised in the short to medium term as follows:
 1. Health and Safety works (including fire safety)
 2. Works to the building fabric (under Decent Homes)
 3. Other component replacement (under Decent Homes)
 4. Energy efficiency and decarbonisation (dependent on Government regulations)
- 2.11. Based on current information, the business plan demonstrates that the HRA appears to be viable, subject to some over-arching assumptions and prioritisation of resources.

Appendix 1 – 30-Year HRA Business Plan Schedules

Description	Local Authority HRA Model				Woking Borough Council										
	1 2024.25 £000	2 2025.26 £000	3 2026.27 £000	4 2027.28 £000	5 2028.29 £000	6 2029.30 £000	7 2030.31 £000	8 2031.32 £000	9 2032.33 £000	10 2033.34 £000	11 2034.35 £000	12 2035.36 £000	13 2036.37 £000	14 2037.38 £000	15 2038.39 £000
Income															
Gross Rental Income	£22,280	£21,754	£21,830	£22,223	£22,858	£23,508	£24,637	£24,616	£25,064	£25,517	£25,975	£26,941	£26,907	£27,381	£27,862
Void Losses	-£2,170	-£1,597	-£974	-£288	-£239	-£246	-£258	-£257	-£262	-£267	-£272	-£282	-£281	-£286	-£292
Other Rental Income	-£141	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Tenanted Service Charges	£2,841	£2,889	£2,954	£2,999	£3,059	£3,120	£3,182	£3,246	£3,311	£3,377	£3,444	£3,513	£3,584	£3,655	£3,728
Leasehold Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Non-Dwelling Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
RTB - Administration	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£22,810	£23,047	£23,810	£24,933	£25,677	£26,382	£27,562	£27,604	£28,112	£28,627	£29,148	£30,173	£30,209	£30,750	£31,299
Expenditure															
General Management	-£6,908	-£5,923	-£6,018	-£6,095	-£6,213	-£6,333	-£6,455	-£6,580	-£6,707	-£6,837	-£6,969	-£7,104	-£7,241	-£7,381	-£7,523
Special Management	-£684	-£696	-£711	-£722	-£736	-£751	-£766	-£781	-£797	-£813	-£829	-£846	-£863	-£880	-£898
Other Management	-£1,376	-£1,399	-£1,431	-£1,452	-£1,481	-£1,511	-£1,541	-£1,572	-£1,604	-£1,636	-£1,668	-£1,702	-£1,736	-£1,770	-£1,806
Bad Debt Provision	-£267	-£261	-£262	-£223	-£230	-£236	-£248	-£247	-£252	-£256	-£261	-£271	-£270	-£275	-£280
Responsive & Cyclical Repairs	-£4,009	-£3,866	-£3,885	-£3,969	-£4,111	-£4,258	-£4,411	-£4,525	-£4,642	-£4,762	-£4,884	-£5,010	-£5,139	-£5,272	-£5,407
Other revenue expenditure	-£89	-£91	-£93	-£94	-£96	-£98	-£100	-£102	-£104	-£106	-£108	-£110	-£112	-£115	-£117
Total expenditure	-£13,333	-£12,235	-£12,399	-£12,555	-£12,867	-£13,187	-£13,521	-£13,807	-£14,105	-£14,409	-£14,720	-£15,042	-£15,361	-£15,692	-£16,031
Capital financing costs															
Interest paid on debt	-£5,497	-£5,610	-£5,669	-£5,801	-£6,082	-£6,258	-£6,279	-£6,330	-£6,335	-£6,356	-£6,390	-£6,447	-£6,475	-£6,531	-£6,591
Interest paid on 141 receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Debt management expenses	-£71	-£72	-£74	-£75	-£76	-£78	-£79	-£81	-£82	-£84	-£86	-£88	-£89	-£91	-£93
Interest Received	£120	£113	£161	£208	£224	£261	£194	£202	£213	£224	£236	£251	£261	£274	£287
Depreciation	-£4,272	-£4,210	-£4,159	-£4,171	-£4,237	-£4,305	-£4,373	-£4,443	-£4,513	-£4,585	-£4,658	-£4,732	-£4,806	-£4,882	-£4,959
Capital financing costs	-£9,719	-£9,779	-£9,740	-£9,838	-£10,171	-£10,380	-£10,537	-£10,652	-£10,718	-£10,801	-£10,898	-£11,015	-£11,110	-£11,231	-£11,356
Appropriations															
Revenue provision (HRA CFR)	£0	£0	£0	£0	£0	-£10,383	-£3,573	-£3,096	-£3,251	-£3,379	-£3,504	-£4,066	-£3,709	-£3,787	-£3,871
RCCO	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other appropriations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriations	£0	£0	£0	£0	£0	-£10,383	-£3,573	-£3,096	-£3,251	-£3,379	-£3,504	-£4,066	-£3,709	-£3,787	-£3,871
Net income/ (expenditure)	-£243	£1,033	£1,671	£2,540	£2,639	-£7,569	-£69	£48	£39	£39	£26	£50	£29	£40	£41
HRA Balance															
Opening Balance	£1,841	£1,598	£2,631	£4,302	£6,842	£9,481	£1,913	£1,844	£1,892	£1,931	£1,969	£1,996	£2,045	£2,074	£2,114
Generated in year	-£243	£1,033	£1,671	£2,540	£2,639	-£7,569	-£69	£48	£39	£39	£26	£50	£29	£40	£41
Appropriated in	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriated out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Balance	£1,598	£2,631	£4,302	£6,842	£9,481	£1,913	£1,844	£1,892	£1,931	£1,969	£1,996	£2,045	£2,074	£2,114	£2,155

©Housing Finance Associates															
Description	16 2039.40 £000	17 2040.41 £000	18 2041.42 £000	19 2042.43 £000	20 2043.44 £000	21 2044.45 £000	22 2045.46 £000	23 2046.47 £000	24 2047.48 £000	25 2048.49 £000	26 2049.50 £000	27 2050.51 £000	28 2051.52 £000	29 2052.53 £000	30 2053.54 £000
Income															
Gross Rental Income	£28,348	£28,840	£29,896	£29,843	£30,354	£30,871	£31,394	£31,924	£33,079	£33,006	£33,557	£34,115	£34,681	£35,925	£35,834
Void Losses	-£297	-£302	-£313	-£312	-£318	-£323	-£329	-£334	-£347	-£346	-£352	-£358	-£364	-£377	-£376
Other Rental Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Tenanted Service Charges	£3,803	£3,879	£3,957	£4,036	£4,116	£4,199	£4,283	£4,368	£4,456	£4,545	£4,636	£4,729	£4,823	£4,920	£5,018
Leasehold Service Charges	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Non-Dwelling Income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Grants	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
RTB - Administration	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total income	£31,854	£32,417	£33,540	£33,566	£34,152	£34,746	£35,348	£35,958	£37,188	£37,205	£37,841	£38,486	£39,141	£40,467	£40,476
Expenditure															
General Management	-£7,669	-£7,817	-£7,968	-£8,122	-£8,278	-£8,438	-£8,601	-£8,767	-£8,937	-£9,109	-£9,285	-£9,465	-£9,647	-£9,834	-£10,024
Special Management	-£916	-£934	-£953	-£972	-£991	-£1,011	-£1,031	-£1,052	-£1,073	-£1,094	-£1,116	-£1,138	-£1,161	-£1,184	-£1,208
Other Management	-£1,842	-£1,879	-£1,916	-£1,955	-£1,994	-£2,034	-£2,074	-£2,116	-£2,158	-£2,201	-£2,245	-£2,290	-£2,336	-£2,383	-£2,430
Bad Debt Provision	-£285	-£290	-£300	-£300	-£305	-£310	-£315	-£321	-£332	-£332	-£337	-£343	-£348	-£361	-£360
Responsive & Cyclical Repairs	-£5,546	-£5,689	-£5,835	-£5,984	-£6,138	-£6,295	-£6,456	-£6,621	-£6,791	-£6,964	-£7,142	-£7,324	-£7,510	-£7,702	-£7,898
Other revenue expenditure	-£119	-£122	-£124	-£126	-£129	-£132	-£134	-£137	-£140	-£142	-£145	-£148	-£151	-£154	-£157
Total expenditure	-£16,376	-£16,729	-£17,096	-£17,459	-£17,835	-£18,220	-£18,613	-£19,014	-£19,430	-£19,843	-£20,271	-£20,708	-£21,155	-£21,618	-£22,077
Capital financing costs															
Interest paid on debt	-£6,638	-£6,687	-£6,698	-£6,726	-£6,767	-£6,824	-£6,851	-£6,896	-£6,935	-£6,978	-£7,000	-£6,989	-£6,995	-£6,954	-£6,924
Interest paid on 141 receipts	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Debt management expenses	-£95	-£97	-£99	-£101	-£103	-£105	-£107	-£109	-£111	-£113	-£116	-£118	-£120	-£123	-£125
Interest Received	£301	£316	£334	£347	£363	£380	£397	£416	£438	£454	£475	£497	£519	£545	£563
Depreciation	-£5,038	-£5,117	-£5,198	-£5,279	-£5,362	-£5,446	-£5,532	-£5,618	-£5,706	-£5,795	-£5,885	-£5,977	-£6,070	-£6,164	-£6,260
Capital financing costs	-£11,470	-£11,585	-£11,660	-£11,759	-£11,869	-£11,995	-£12,092	-£12,207	-£12,314	-£12,432	-£12,526	-£12,587	-£12,665	-£12,696	-£12,745
Appropriations															
Revenue provision (HRA CFR)	-£3,950	-£4,059	-£4,726	-£4,315	-£4,402	-£4,481	-£4,595	-£4,688	-£5,379	-£4,893	-£4,955	-£5,134	-£5,264	-£6,076	-£5,611
RCCO	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Other appropriations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriations	-£3,950	-£4,059	-£4,726	-£4,315	-£4,402	-£4,481	-£4,595	-£4,688	-£5,379	-£4,893	-£4,955	-£5,134	-£5,264	-£6,076	-£5,611
Net income/ (expenditure)	£59	£44	£58	£33	£46	£50	£49	£49	£65	£38	£88	£57	£57	£78	£43
HRA Balance															
Opening Balance	£2,155	£2,214	£2,258	£2,315	£2,349	£2,395	£2,445	£2,494	£2,543	£2,607	£2,645	£2,733	£2,791	£2,848	£2,926
Generated in year	£59	£44	£58	£33	£46	£50	£49	£49	£65	£38	£88	£57	£57	£78	£43
Appropriated in	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Appropriated out	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Closing Balance	£2,214	£2,258	£2,315	£2,349	£2,395	£2,445	£2,494	£2,543	£2,607	£2,645	£2,733	£2,791	£2,848	£2,926	£2,969

Appendix 2 – Glossary

Term	Meaning
Capital Expenditure	Spending on asset items, such as, major repairs or new homes
Capital Programme	Plan of works to properties to be funded from capital expenditure.
Capital Receipts	Money received as a result of the sale of an asset, such as, a house or other building
Consumer Price Index (CPI)	The main inflation rate used in the UK.
Cyclical Works	Work that we do regularly, usually as part of a repeat programme, such as, decorating and gutter replacements.
Decarbonisation	The removal or reduction of carbon emissions output into the atmosphere to reduce the impact on the climate.
Decent Homes Standard	The Government standard that all social housing should meet, requiring properties to be fit, in reasonable repair, have reasonably modern facilities and be thermally efficient.
Disabled Adaptations	Adaptations to a property, such as, a level access shower, that make living easier for disabled residents.
Energy Performance Certificate (EPC)	The EPC records how energy efficient a property is using an A+ to G rating scale.
Grants	Are received from a variety of sources and can be either revenue or capital. Revenue grants are used to support the operation of a service. Capital grants are used to provide or invest in an asset.
Fire Risk Assessment (FRA)	A Fire Risk Assessment is an assessment of a property, the activities carried out there and the risk of fire. It identifies potential fire hazards and what can be done to reduce the risk of harm.
Fire Safety Remedial Works	Works to buildings to address fire safety risks, such as, new fire doors and cladding replacement.
Formula Rent	The Government formula for calculating 'social rent' levels, using the market value of a home, the number of bedrooms and average earnings in the local area.
General Fund	The Council's main revenue account which includes day-to-day income and expenditure on the provision of services.
Housing Improvement Programme	The Council's project to improve housing services to residents and the condition of its housing stock.
Housing Revenue Account (HRA)	The ringfenced account used in the management and maintenance of our Council housing stock. It is ringfenced to avoid cross subsidy between Council Tax payers and rents from tenants.
HRA Business Plan	30-year plan for the future management and maintenance of the Council's housing stock
Inflation	The general rate by which the cost of services are increasing or decreasing.
Interest	The interest payable on borrowed money.
Interest Cover	Interest cover measures the ability to meet interest payments from operational income (i.e. rents and service charges).
Local Authority Housing Fund (LAHF)	Government grant funding programme to support selected local authorities to obtain and/or refurbish property in order to provide housing for those unable to secure their own accommodation as a result of various resettlement schemes.

Term	Meaning
Minimum Working Balance	The minimum cash which the authority needs in the normal course of its business and to meet contingencies not otherwise provided for. These are also known as Reserves.
Minimum Revenue Position (MRP)	The minimum amount which must be charged to a revenue account each year and set aside as provision for repaying borrowing and meeting other credit liabilities.
Planned Works/Maintenance	Scheduled works to maintain a building and replace certain components to extend the building's lifespan.
Recharge Allocation	The transfer of costs from central services to other services to reflect the support functions provided (e.g. payroll, office space, etc.)
Regulator for Social Housing (RSH)	Body responsible for setting standards and regulating social landlords in England
Rent Flexibility	Rent flexibility allows social housing landlords to have some discretion over the Social Rent set for individual properties, taking into account local factors. This allows landlords to set rents at up to 5% above formula rent (10% for supported housing) if there is clear rationale for doing so.
Revenue Expenditure	Expenditure on day-to-day items, which do not generate an asset.
Right to Buy (RTB)	The Right to Buy scheme gives secure tenants in a local authority home the opportunity to buy their home at a discount.
Section 106	Sums of money received from developers for specific infrastructure delivery, including additional affordable homes.
Self-financing	Revised Government methodology for funding council housing implemented in 2012.
Service Charge	A payment made by a resident to reflect additional services which may not be provided to every resident or which may be connected with communal facilities. Service charges are subject to separate legal requirements and are limited to covering the cost of providing the services.
Social Rent	Most Council homes are let at a social rent level. The rent is calculated using a set Government formula. Social rents are typically around 50% of an open market rent.
Stock Condition Survey	A visual inspection of a home, including an assessment of the age and condition of all the main structural elements and components (such as, the kitchen, bathroom, windows and doors, roof, etc.)
Void	An empty Council home.