**Decision Report: Full Council**
Meeting Date: 5 March 2025
Key Decision: Yes

# Housing Revenue Account (HRA) Revenue Budget for 2025/26, Capital Budget for 2025/26 to 2029/30, MTFP Update and 30-Year Business Plan Update

Chair of Committee: Cllr Bill Revans Leader of the Council and Lead Member for Governance & Communications
Executive Member(s): Cllr Liz Leyshon Deputy Leader of the Council and Lead Member for Resources, Procurement and Performance and Cllr Federica Smith-Roberts Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity
Local Member(s) and Division(s) affected: All
Executive Director: Maria G. Christofi Interim Chief Finance Officer (Section 151 Officer)

## Executive Summary

1. This report presents to Members the Housing Revenue Account (HRA):

    a. Annual Revenue Budget for 2025/26

    b. Capital Programme for 2025/26 to 2029/30

2. The Rent Setting and Fees & Charges for 2025/26 were approved by Full Council on the 12 February 2025.

3. The proposals included in this report would enable the Council to set a balanced budget for the HRA for 2025/26.

4. This report also provides an update on the 5-Year Medium Term Financial Plan (MTFP) and the 30-Year Business Plan Review.

## Recommendations

That following on from Full Council approving the Rent Setting and Fees & Charges for 2025/26 on the 12 February 2025, approve the following recommendations:

1. The HRA Annual Revenue Budget for 2025/26 as set out in **Section 3** and in **Appendix A**.

2. The Capital Programme of £304.638m including new additions of £213.587m and budget deletions of £4.738m as detailed in **Section 4** and **Appendix B**.

3. Delegate to the Chief Finance Officer (Section 151 Officer) to approve the final capital financing of the capital programme annual spend.

4. Delegate to the Chief Finance Officer (Section 151 Officer) and the Executive Director of Community, Place & Economy, in conjunction with the Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance and the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity to approve the tenure (social vs affordable rents) of each social housing scheme.

5. Delegated authority to the Executive Director of Community, Place & Economy and the Chief Finance Officer (Section 151 Officer), in conjunction with the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity, to acquire dwellings in accordance with the HRA Capital Programme for 2025/26 to 2029/30 and updated Business Plan 2025/26.

6. To approve the minimum balance for the HRA General Reserves at £5.863m, the equivalent of 10% of revenue for 2025/26 and approximately £600 per property.

7. To note the updated Medium Term Financial Plan 2025/26 to 2029/30.

8. To note the updated 30-Year Business Plan in **Section 7** and **Appendix C**.

**Reasons for Proposals**

1. The Council has a legal duty to set a balanced budget for the Housing Revenue Account prior to the start of the financial year to which the budget relates. This report fulfils this legal duty by presenting a balanced budget for 2025/26.

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## Main report and supporting information

## 1 Background

1.1 Since the 1 April 2023, Somerset Council has managed two landlord operating models within the Housing Revenue Account (HRA). The two landlord operating models are an in-house service in the West, formerly Somerset West and Taunton (SWT), and Homes in Sedgemoor which is an Arm's Length Management Organisation (ALMO) operating in the North, formerly Sedgemoor District Council (SDC). The combined total dwelling stock as at 1 April 2024 is 9,754 (5,708 from SWT and 4,046 from SDC). In addition to this there are 602 leasehold properties (491 from SWT and 111 from SDC).

1.2 The HRA is a ring-fenced, self-financing account used to manage the Council's housing stock, with the Council acting as the Landlord. This has been the case since April 2012 where, under the Localism Act 2011, the government abolished the national subsidy system (which required an annual payment from the HRA to Central Government) and introduced 'self-financing'. This system enabled Councils to retain all rental income to fund the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of debt. As part of the self-financing agreement, Councils had to buy themselves out of the subsidy system by making a one-off payment to the Government. The capital debt taken on in 2012 was a total of £133m; £85.198m for the Taunton Deane Borough Council and £47.321m for the Sedgemoor District Council.

1.3 In order to manage the freedoms gained by the HRA through self-financing, a new 30-Year Business Plan (2012-2042) was introduced. The plan is reviewed and updated on an annual basis, to take into consideration changes in national policies, local aspiration and the economic operating environment. The plan sets out the Councils' overall aims and objectives for the Housing Service, as well as laying out plans to manage the increased risks and opportunities.

1.4 The system of 'self-financing' does bring financial benefits and more flexibility, especially since the borrowing cap was removed on the 29 October 2018 which assisted with the ability to fund new build development. However, the HRA is still heavily regulated from both a financial and operational perspective. For example, rent increases are restricted by the Regulator of Social Housing's Rent Standard and there are specific regulations which govern eligible income and expenditure to prevent cross subsidy with the General Fund.

1.5 In addition, the HRA faces regulatory pressures in terms of the substantial investment required in existing stock and management resources required to deliver:

(a) the Decent Homes Standard that stipulates the condition of properties,

(b) building safety compliance (as per the requirements of the Building Safety Act 2022 and the new regulatory regime being introduced by the Building Safety Regulator),

(c) the requirements of the Social Housing (Regulation) Act which hold Housing Providers (including council managed housing) to account for poor performance,

(d) EPC C by 2030 as set by the government under the Clean Growth Strategy 2017,

(e) decarbonisation commitments by 2050, as well as

(f) continuing to invest in much needed new homes.

1.6 The HRA continues to face a number of risks, some of which could be significant, but the actual financial impact is not yet known. These risks are more significant for us as the 30-Year Business Plan (the Business Plan) is sensitivity to the external economic climate and does not have the financial capacity to consider substantial investment in the existing housing stock to achieve Net Zero Carbon by 2050 or to maintain the housing stock levels through new build social housing development schemes. These risks are discussed in **Section 10** and as part of the Business Plan update.

## 2 Purpose of Report

2.1 This report presents the Revenue Budget for 2025/26 and the Capital Budget for 2025/26 to 2029/30. This report also provides an update on the 5-Year Medium Term Financial Plan (MTFP) and 30-Year Business Plan.

## 3 Revenue Budget for 2025/26

3.1 Members are asked to approve the proposed HRA Revenue Budget for 2025/26 as shown in **Appendix A**.

3.2 The HRA Revenue Budget includes income received from managing the Council’s housing stock and closely related services or facilities, which are provided primarily for the benefit of the Council’s own tenants. The main sources of income are from tenants in the form of rents and service charges. The HRA main items of expenditure are repairs and maintenance costs, depreciation, supervision and management, and interest payments.

3.3 Table 1 below provides a summary of the main proposed changes to the annual revenue budget estimates from 2024/25 to 2025/26.

**Table 1: HRA Budget Setting 2024/25 to 2025/26 Changes**

| | 2024/25 £m | Movement £m | 2025/26 £m |
|---|---|---|---|
| **Income** | | | |
| Dwelling Rents | (50.914) | 0.149 | (50.765) |
| Non Dwelling Rents | (1.336) | (0.211) | (1.547) |
| Charges for Services / Facilities | (3.580) | (0.988) | (4.568) |
| Contribution Towards Expenditure | (1.630) | (0.097) | (1.727) |
| Revenue Government Grants | (0.072) | 0.047 | (0.025) |
| **Sub-total** | **(57.532)** | **(1.099)** | **(58.631)** |
| **Expenditure** | | | |
| Repairs and Maintenance | 14.276 | 1.773 | 16.049 |
| Supervision and Management | 11.356 | 0.545 | 11.901 |
| Special Services | 1.287 | (0.025) | 1.263 |
| Rents, Rates, Taxes and Other Charges | 1.366 | 0.536 | 1.902 |
| Central Recharges (to / from the General Fund) | 4.490 | (1.087) | 3.403 |
| Change in Provision for Bad Debt | 0.197 | 0.080 | 0.277 |
| Depreciation | 17.141 | (1.162) | 15.979 |
| **Sub-total** | **50.113** | **0.660** | **50.773** |
| **Net Cost of Services** | **(7.419)** | **(0.439)** | **(7.858)** |
| **Other Operating Income and Expenditure** | | | |
| Interest Payable | 6.128 | 1.730 | 7.858 |
| Interest Receivable | - | - | - |
| Capital Financing | - | - | - |
| Contributions To/(From) Reserves | 1.291 | (1.291) | - |
| **Sub-total** | **7.419** | **0.439** | **7.858** |
| **Net Surplus (-) / Deficit for the Year** | **-** | **-** | **-** |

3.4 The main changes over £0.100m resulting in growth to manage the pressures include:

3.5 **Repairs & Maintenance:** There is an ongoing pressure relating to the void repairs service which returns properties to the Lettable Standard before reletting. The voids service is a demand led and reactive service that has experienced increasing volumes of work compared to previous years. The void service has also seen an increase in the deteriorating condition of properties being returned for reletting which increases the average void cost per property. Additionally, there has been an increase in costs of materials. A growth of £1.300m has been added for 2025/26 with the expectation that the Void Action Plan will reduce the spend in this area and the budget will reduce accordingly over the MTFP.

3.6 The reported growth of £1.773m for Repairs and Maintenance in Table 1 also includes inflation on staffing costs and the Homes In Sedgemoor Management Fee as mentioned below.

3.7 **Supervision and Management:** The budget increase relates to the estimated pay award of 2% for 2025/26 and the increase in the Employer's National Insurance Contributions as per the Autumn Statement 2024.

3.8 **Homes In Sedgemoor (HiS) Management Fee:** The housing stock in the North of the county (from the legacy Sedgemoor District Council area) is being managed through an arm's length management organisation (ALMO) by HiS. The annual management fee payable to HiS is included in the Business Plan and includes an annual inflationary increase of £0.275m, an increase for the change in Employer's National Insurance Contributions of £0.080m, an increase for the additional cost of Extra Care Housing Related Support of £0.156m and an increase for the additional cost of Somerset Lifeline of £0.112m. The total Housing Management Fee payable to HiS in 2025/26 is £10.765m.

3.9 To note that the total Housing Management Fee payable to HiS in 2025/26 is subject to change in relation to the approved TUPE transfer of the Somerset Council Development Team to Homes In Sedgemoor, with the associated change to the Management Agreement, subject to formal HR consultation (Executive 15 January 2025). There will be no financial pressure to the HRA overall as the cost will move from being included within the in-house service operational costs to be included within the costs of the Management Fee.

3.10 To also note that the Executive approved the name change from Homes In Sedgemoor to Homes in Somerset (Executive 15 January 2025).

3.11 Table 2 below shows how the management fee is allocated out across the HRA, noting the budget allocated to each line will be updated in year following advice from HiS.

**Table 2: HiS Revenue Management Fee for 2025/26**

| | £m | £m |
|---|---|---|
| **Income** | | **1.699** |
| **Expenditure:** | | |
| Repairs and Maintenance | 5.306 | |
| Supervision and Management | 5.268 | |
| Special Services | 1.333 | |
| Rents, Rates, Taxes and Other Charges | 0.557 | |
| **Total Expenditure** | | **12.464** |
| **Net Management Fee** | | **10.765** |

3.12 **Rents, Rates Taxes and Other Charges:** The increase to the budget relates to the estimated insurance premiums for 2025/26. Insurance market for local authorities is extremely challenging at present, with the overall market responding to the global economic downturn and the increased cost of materials, labour and reinstatement driving claims inflation and subsequent premium inflation.

3.13 **Interest Payable:** Most of our capital financing requirement is funded from existing long-term borrowing which continues into 2025/26 and is based on fixed interest rates for the term of the loan. Therefore, the HRA can predict the interest payment for these elements with a high degree of certainty. The remainder of this budget is subject to the 2025/26 year-end capital financing requirement and position of reserves. The budget pressure relates to the increase in borrowing requirements and the cost of borrowing estimated 4.60% for 2024/25 and 2025/26.

3.14 The main changes over £0.100m in savings / increase in income include:

3.15 **Income:** To note that the Rent Setting and Fees & Charges for 2025/26 were agreed by Full Council on the 12 February 2025. The rents have been increased by 2.7% for 2025/26. The total income for rents and service charges is £55.333m. The 2025/26 Budget for the rents has not increased from 2024/25 due to the removal of the extra week of income in 2024/25 and a large number of properties being demolished. The main increase in income relates to additional income on service charges where costs that can be recovered have increased and therefore subsequent service charges have also increased to cover this.

3.16 **Central Recharges (to / from the General Fund):** This relates to specific services provided to the HRA (e.g. Grounds Maintenance and Somerset Lifeline) as well as costs shared by the General Fund and the HRA (e.g. office space, ICT systems, HR support, democratic services and related staff). All Service Level Agreements have been refreshed for 2025/26 based on the new cost of service provision. This has resulted in a reduction to the HRA.

3.17 **Depreciation:** The depreciation charge for the HRA is transferred to the Major Repairs Reserve (MRR) to be reinvested in existing housing stock through financing the capital programme and/or repaying capital debt. Depreciation is calculated based on each of the major components of each property (for example kitchen, bathroom, roof, etc.) and is impacted by any changes in the Housing Price Index inflating the value of the dwellings and the Construction Output Price Index inflating the component replacement cost of materials. The budget for 2025/26 is based on the actual depreciation charge for 2023/24 and estimated changes in inflation and stock volumes.

3.18 **Contributions To / (From) Reserves:** This is the reversal of a one-off budgeted transfer to General Reserves for the one-off surplus income obtained from the additional rent week that occurred in 2024/25.

## 4 Capital Programme 2025/26

4.1 The HRA Capital Programme consists of two main elements:

a. Major Works and Improvements programme which mainly focuses on existing housing stock and ensures that a decent homes standard is maintained and that major components are replaced periodically, and
b. Social Housing Development and Regeneration schemes which are mainly focused on building / purchasing new and replacement homes.

4.2 The HRA 2025 Business Plan's strategic operational and financial focus is on maintaining Decent Homes Standard and achieving EPC C by 2030. The Business Plan also includes a 5-year capital investment programme working towards Net Zero Carbon by 2050 and growth in housing stock.

4.3 The total approved HRA Capital Programme in February 2025 will be £304.638m to be spent during 2024/25 to 2029/30 (see **Appendix B**). This includes new additions of £213.587m and budget deletions of £4.738m.

4.4 The Council plans to finance this investment through an appropriate combination of Major Repairs Reserve (from depreciation), Capital Receipts, Capital Grants and Borrowing (see **Appendix B**).

**Budget Deletions**

4.5 There is £4.738m of budget deletions. This is for Taunton Road to provide capacity to reappraise this scheme, the Step Down / Move on Accommodation schemes so that they can be reinstated (see Table 3 Budget Additions) with a new funding profile, as well as minor underspends on active schemes.

**Budget Additions for Social Housing Development and Regeneration**

4.6 All new build homes (built by the Council or developer new builds) will work towards being built to low carbon standards, either net zero or net zero ready, in excess of building regulations. Net zero ready allows the property to be net zero without the need for extra investment as the national grid decarbonises. The development programme has introduced construction materials such as porotherm blocks, underfloor ultra insulated slabs/tiles, mechanical ventilation and heat recovery, solar Photovoltaic panels and air source heat pumps. All alternatives are considered at time of construction to provide the most efficient and value for money solutions for each site.

4.7 The specifications (regarding low carbon) allow tenants to benefit from affordable warmth. In order to manage the additional cost of achieving net zero or net zero ready the rents are set at affordable rent levels as opposed to social rent levels. Though this may be dependent on any external capital grant funding terms and conditions.

4.8 The capital financing strategy is aimed at maximising capital grant income by prioritising RTB receipts in the first instance unless improved capital grant rates can be achieved through other sources such as Homes England.

4.9 The Social Housing Development and Regeneration Capital Programme for 2024/25 to 2029/30 (a combination of existing budgets approved in prior years and capital additions to the capital programme) will result in net 358 new homes (454 new homes and 96 existing homes demolished).

4.10 There are a number of **new acquisition and new development schemes** included that will deliver a net gain of 252 new homes within the County during

2025/26 to 2029/30. These are listed below in Table 3 below.

**Table 3: New Social Housing Development and Regeneration Budget Additions 2025/26**

| Scheme Name | Location in Somerset | £m | Net Gain (Homes) | Delivery Method | Capital Financing |
|---|---|---|---|---|---|
| Badgers Close* | Langport, South Somerset | 1.355 | 6 | Acquisition | Capital Receipts & Borrowing |
| Bespoke Homes Phase 3 & 4 | Bridgwater, North Somerset | 2.217 | 8 | 4 new builds & 4 extensions | Capital Grant & Borrowing |
| Brymore Way | Cannington, North Somerset | 7.535 | 48 | Acquisition | Capital Receipts & Borrowing |
| Charlton Adam | Somerton, South Somerset | 2.566 | 9 | Acquisition | Capital Receipts & Borrowing |
| Coombe Batch | Wedmore, North Somerset | 4.378 | 12 | Acquisition | Capital Receipts & Borrowing |
| Cricketers Farm Phase 2 | Nether Stowey, North Somerset | 3.757 | 23 | Acquisition | Capital Receipts & Borrowing |
| Garage Redevelopment | North Somerset | 9.852 | 39 | Design & Build | Capital Grant & Borrowing |
| Lovens Farm | North Newton, North Somerset | 0.430 | 2 | Acquisition | Capital Receipts & Borrowing |
| Newtown Road** | North Petherton, North Somerset | 4.114 | 14 | Acquisition | Capital Grant & Borrowing |
| North Street | Bridgwater, North Somerset | 0.428 | 2 | Acquisition | Capital Grant & Borrowing |
| North Taunton Phase Cii&Ciii *** | Taunton, West Somerset | 4.150 | 22 | Design & Build | Capital Receipts & Borrowing |
| North Taunton Phase D | Taunton, West Somerset | 21.282 | 17 | New Build | Borrowing |
| Purchase & Repair | Somerset | 1.000 | 4 | Acquisition | Capital Receipts & Borrowing |
| Queens Square | Highbridge, North Somerset | 2.114 | 8 | Acquisition | Capital Grant & Borrowing |
| Sneddon Grove and Wheatley Crescent | Taunton, West Somerset | 6.805 | 17 | Design & Build | Borrowing |
| Step Down / Move On Accommodation | Taunton, West Somerset | 2.968 | 24 | Design & Build | Capital Grants & Capital Contributions |
| Wordsworth | Taunton, West Somerset | 7.601 | 14 | Design & Build | Borrowing |
| **Total** | | **82.552** | **274** | | |

** includes a large five-bed property*

*** subject to a Section 106 agreement that stipulates that they are let to local families*

**** this is a continuation of an existing scheme with a new budget addition*

4.11 Members are requested to delegate authority to the Chief Finance Officer (Section 151 Officer) to approve the final capital financing of the capital programme annual spend. This is to ensure that resources are used efficiently to reduce the HRA's borrowing requirement each financial year within the limits of legislation. This could be dependent on delivery timescales of individual schemes, the latest RTB guidance, the availability of RTB receipts and the success of external funding bids.

4.12 Members are requested to delegate authority to the Chief Finance Officer (Section 151 Officer) and the Executive Director of Community, Place & Economy, in conjunction with the Deputy Leader of the Council and Lead Member for Finance, Procurement and Performance and the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity to approve the tenure (social vs affordable rents) of each social housing scheme. This will provide the necessary flexibility to adjust the tenure based on the final capital financing of each scheme, the final design of the scheme (e.g. houses vs flats, etc), the final cost of the scheme and the impact on the Business Plan. To note that the Rent Standard and Rent Policy Statement stipulates that the movement between different types of rent.

4.13 Members are requested to delegate authority to the Executive Director of Community, Place & Economy and the Chief Finance Officer (Section 151 Officer), in conjunction with the Lead Member for Communities, Housing Revenue Account, Culture and Equalities and Diversity, to acquire dwellings in accordance with the HRA Capital Programme for 2025/26 to 2029/30 and updated Business Plan 2025/26.

**Energy Company Obligation**

4.14 The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain designed to tackle fuel poverty and help reduce carbon emissions. The ECO4 scheme applies to measures installed from 1 April 2022 and will cover a four-year period until 31 March 2026. The ECO scheme works by placing a Home Heating Cost Reduction Obligation (HHCRO) on medium and large energy suppliers. Under HHCRO, obligated suppliers must promote measures that improve the ability of low-income, fuel-poor and vulnerable households to heat their homes. This includes actions that result in reduced energy usage, such as installing insulation or upgrading a heating system. The overall target for these measures is divided between suppliers based on their relative share of the domestic gas and electricity market. Ofgem administer ECO4 on behalf of The Department for Energy Security and Net Zero (DESNZ).

4.15 This scheme is on target to install Solar PV, Loft Insulation and Cavity Wall Insulation measures on an estimated 150 of Somerset Council's HRA properties in 2025/26 at a cost of approximately £1.5m under the ECO (externally funded) scheme. These retrofit measures are contributing towards upgrading properties from an EPC E rating to an EPC C rating (or above) by 2030.

## 5 Reserves

5.1 The HRA have a number 'useable reserves' that can be used by the Council to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. Table 4 below provides a summary of the opening balances as at 1 April 2024 (subject to the completion of the external audit of the statutory financial statements for 2023/24) and a brief description of each of the usable reserves is provided below.

**Table 4: HRA Useable Reserves Opening Balance as at 1 April 2024**

| Reserves | £m |
|---|---|
| General Reserves | 13.166 |
| Earmarked Reserves | 0.209 |
| Major Repairs Reserve | 0.188 |
| Capital Receipts Reserve | 0.818 |
| Capital Receipts Reserve (RTB) | 18.526 |
| **Total** | **32.907** |

### HRA Earmarked Reserves

5.2 The Housing Revenue Account (HRA) Earmarked Reserves of £0.209m, are forecast to be spend in 2024/25. Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis.

### HRA General Reserves

5.3 The Housing Revenue Account (HRA) General Reserve opening balance for 2024/25 is £13.166m. The HRA General Reserve provides ongoing financial resilience and mitigation and is the last point of call for unbudgeted financial risks that cannot be managed within the in year HRA revenue budget.

5.4 As part of the 2024/25 budget setting proposals to Full Council in February 2024, £1.323m of surplus income from the extra rental week was transferred to general reserves. The forecast outturn position for 2024/25 at the end of December 2024 (Quarter 3) is an overspend of £1.327m.

5.5 Members are recommended to approve minimum balance for the HRA General Reserves of £5.863m, the equivalent of 10% of revenue for 2025/26 and approximately £600 per property.

5.6 Table 5 below summarises the financial forecast for the HRA General Reserves and the proposed recommended minimum balance.

**Table 5: HRA General Reserves**

| | £m |
|---|---|
| **Balance Brought Forward 1 April 2024** | **13.166** |
| 2024/25 Budgeted Contribution to reserves | 1.323 |
| 2024/25 Forecast Overspend | (1.327) |
| **Forecast Balance 31 March 2025** | **13.162** |
| Recommended Minimum Balance | 5.863 |
| Forecast Balance above Minimum Reserve Balance | 7.299 |

**HRA Major Repairs Reserve**

5.7 The Major Repairs Reserve (MRR) is funded by annual depreciation charges transferred from the HRA revenue account. These funds are to be reinvested in the existing housing stock through financing of the capital programme and/or repay capital debt. The opening balance for 2024/25 is £0.188m. The forecast is that all annual transfers will be fully utilised each financial year to contribute towards financing the capital programme.

**HRA Capital Receipts Reserve**

5.8 The HRA Capital Receipts opening balance for 2024/25 is £0.818m. These balances relate to HRA assets that have been sold on the open market and do not relate to the Right to Buy scheme.

5.9 The MTFP Asset Management Strategy incorporates a plan to sell poor performing stock (to reduce excessive costs to bring the property up to decent homes and energy efficiency standards on relet) on the open market to generate new capital receipts of £1.225m until 2030 in the Business Plan. This is approximately 7 units at an average capital receipt of £0.175m per property. Though other assets such as shops and garages may contribute towards this.

5.10 The updated MTFP and Business Plan forecasts to fully utilise these balances to make a voluntary repayment provision (VRP) and / or reduce the capital financing requirement. In effect these receipts would be used to help pay for new low carbon affordable homes.

**HRA Right to Buy Capital Receipts Reserve**

5.11 The Right to Buy (RTB) Scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The scheme's maximum discount increased significantly in 2012 from £0.030m up to £0.075m followed by a steady increase year on year of up to £0.102m across England prior to 21 November 2024. The Autumn Statement 2024 has reduced the maximum cash discount for eligible tenants in the South West to £0.030m for applications received after the 21 November 2024.

5.12 The original "1-4-1 Agreement" stated that RTB receipts had to be spent over a period of three years and the RTB subsidy towards new affordable homes was 30% (with the remainder funded from borrowing). The government increased this in April 2021 to a period of five years and a subsidy of 40%. In

April 2024 the government maintained the period of five years but increased the subsidy to 50%.

5.13 On the 30 July 2024 the government announced further flexibilities including lifting the acquisition cap that previously limited the number of replacements that could be delivered as acquisitions, allowing Section 106 Contributions to be used alongside RTB receipts and enabling local authorities to use up to 100% of retained RTB receipts to fund replacement affordable housing in 2024/25 and 2025/26.

5.14 This does reduce the borrowing requirement during 2024/25 and 2025/26 on eligible schemes. However, when the subsidy drops back to a maximum of 50% RTB receipts from 2026/27 onwards the Council will need to fund the remaining 50% from borrowing. In addition, future RTB capital receipts are uncertain as tenants may not wish to now purchase their home due to the reduced discount.

5.15 Since the increase to the discount was implemented in 2012, RTB sales have increased. The RTB sales during the last four years and predicted for 2024/25 are shown in Table 6 below.

**Table 6: RTB Sales from 2020/21 to 2023/24, and estimated for 2024/25**

| | HiS | In-House | Combined Total |
|---|---|---|---|
| **2020/21** | 21 | 34 | **55** |
| **2021/22** | 36 | 35 | **71** |
| **2022/23** | 22 | 28 | **50** |
| **2023/24** | 3 | 14 | **17** |
| **2024/25*** | 7+4 | 11+3 | **25** |

** estimated total RTB sales*

5.16 The number of RTB sales dropped significantly during 2023/24 most likely due to the rise in interest rates on mortgages and the overall increase in the cost of living. The Council may see a temporary increase in sales in 2024/25 and the early part of 2025/26 due to the influx of applications received by the deadline of the 21 November 2024 in response to Autumn Statement substantially reducing the RTB discount. However, sales are then expected to drop significantly thereafter. The Business Plan has been updated to forecast that on average 19 properties will be sold each year through the Right to Buy Scheme from 2026/27 onwards, with 25 sales in 2024/25 and 2025/26.

5.17 The HRA RTB Receipts opening balance for 2024/25 is £18.526m. This is a combination of balances held for 1-4-1 spend and also unadjusted allowable debt. The updated MTFP and Business Plan forecasts to fully utilise these balances over the next five years.

5.18 The updated MTFP and Business Plan forecasts that the Council can continue to exceed its RTB 1-4-1 spend target for the next 5 years as per the proposed capital social housing development programme (**Appendix B**).

5.19 To note that if a Council is unable to meet its 1-4-1 spend target, then a Council must return the unspent receipts to the Treasury along with interest penalties at 4% above base rate.

5.20 To date, with the exception of one instance in Quarter 1 2015/16 where receipt and interest was repaid by Sedgemoor District Council, the Council has successfully fully spent all of their retained 1-4-1 receipts.

## 6 HRA Medium Term Financial Plan

6.1 The draft Medium Term Financial Plan (MTFP) has been based on the continued operation of the HRA within Somerset Council and is included in **Appendix A.**

6.2 Members are asked to note the updated assumptions in the 2025/26 5-Year Medium Term Financial Plan (MTFP) as discussed below.

6.3 In summary, the current forecasts show that the HRA can set a balanced budget for 2025/26 to 2029/30. However, the addition of a five-year social housing development programme and a decarbonisation programme delivering works 50% funded by Wave 3 Social Housing Decarbonisation Fund (SHDF), in addition to the baseline operating and compliance requirements of the HRA, does increase debt and a long-term financing requirement that the Business Plan forecasts the HRA cannot repay over the next 30 years. This will need to be revisited in future MTFP and 30-Year Business Plan modelling to ensure that the capital programme approved to be delivered is affordable in the HRA revenue annual budget.

6.4 The strategic operational and financial direction of the updated HRA MTFP for 2025/26 to 2029/30 is based on the following assumptions:

### Capital Programme for Major Works and Improvements

6.5 The budget to be approved for the next five years will be spent on:

- Maintaining Decent Homes Standard
- Component replacement
- Achieving EPC C by 2030
- Aids & Adaptations and Disabled Facilities Grants
- Decarbonisation works (with 50% funding from SHDF)

### Social Housing Development & Regeneration Programme

6.6 The headlines for the total approved (existing and new schemes) budget to be delivered during 2025/26 to 2030/31 include:

- Demolition of 96 homes
- Stock growth of 454 homes
- Net growth of 358 homes
- Delivery over 6 years
- Total budgeted spend of c£116m
- Funded using capital receipts, capital grants and borrowing
- Built to low carbon standards, either net zero or net zero ready

- Acquisition of 126 new homes
- New build of 164 new homes
- 24 temporary accommodation units
- Redevelopment of 140 new homes (net gain 54 homes)

**Asset Management Strategy**

6.7 The HRA has a strategic approach to improve or replace properties that have a poor social, economic or environmental performance, because of low demand or high costs, and either improving them or replacing them with properties which are fit for purpose. This approach is standard practice within the sector to replace poorly performing stock with new stock that makes a positive contribution to the Business Plan. The HRA Asset Management Strategy incorporates all 10,000 homes plus other HRA assets.

6.8 This strategic approach assumes the HRA will dispose of poorly performing properties to gain a capital receipt but also reduce excessive costs to bring the property up to decent homes and energy efficiency standards on relet. This approach will result in the disposal of a small number of dwellings, but the HRA also have other land and assets that may be suitable for disposal to generate receipts such as vacant land that could create a single building plot on the market.

6.9 The MTFP and Business Plan incorporates an Asset Strategy (agreed by Full Council 20 Feb 2024 as part of the Budget Setting report) where the HRA would actively obtain new capital receipts of £1.225m for the lifetime of the Business Plan.

6.10 The updated MTFP and Business Plan currently forecasts disposal of stock at approximately 7 units at an average capital receipt of £0.175m per property to a total of 35 units until 2030 to align with the delivery of EPC C to 2030.

6.11 The updated MTFP and Business Plan forecasts to fully utilise these balances to make a voluntary repayment provision (VRP) and / or reduce the capital financing requirement. In effect these receipts would be used to help pay for new low carbon affordable homes.

**Right to Buy Sales**

6.12 As mentioned above in **Section 5**, the Autumn Statement 2024 is forecasted to have a negative impact on the number of RTB sales and the forecast capital receipt seen by the HRA. Therefore, the Business Plan has been updated to forecast that on average 19 properties will be sold each year through the RTB from 2026/27 onwards, with 25 sales in 2024/25 and 2025/26.

**Economic Operating Environment**

6.13 The MTFP has referred to the Bank of England’s Monetary Policy published in November 2024, the Autumn Statement 2024 and advice from other independent advisors to build the following assumptions:

- Underlying inflation assumptions with Consumer Price Index (CPI) in September 2024 at 1.7%; forecast to rise to 2.75% in 2025, dropping to 2.25% in 2026 and dropping again to 1.75% in 2027

- Dwelling Rent increases assumed at CPI+1% for 2025/26 to 2029/30 as per the Autumn Statement 2024

- Properties relet to new tenants at Formula Rent plus Rent Flex

- Interest on new debt at 4.60% for 2024/25 and 2025/26, 5.00% for 2026/27 to 2029/30, dropping to 4.00% from 2030/31 onwards

## 7 HRA 30-Year Business Plan Review

7.1 The HRA 30-Year Business Plan (the Business Plan) is updated on an annual basis alongside the budget setting process. This is to ensure that any changing assumptions do not adversely affect the ongoing concern of the business. This review also ensures that significant programmes of work (e.g. within the capital programme) are still viable and affordable and gives the business opportunity to flex the delivery of these schemes if required to improve the financial operating position of the business.

7.2 The Business Plan has been updated to reflect the Budget Estimates for 2025/26 (see **Appendix C**) as well as updated assumptions surrounding the current economic operating environment. These updates have been reviewed by an independent financial housing advisor, Altair (Housing Finance Associates Ltd).

7.3 **Baseline Summary:** The assumptions contained within the updated Business Plan presents a baseline position that includes a 5-year programme of works on decarbonisation and social housing development schemes. The projections show that levels of debt increase in the first five years to pay for the 5-year capital programme with absolute minimal interest cover (at 100%) achieved and no headroom for any additional borrowing and / or increase in the cost of borrowing. The position then starts to improve slightly with the ability to repay minimal levels of debt towards the middle of the period and interest cover improving significantly. However, this is not sustainable, and debt continues to rise again to £370m and interest cover starts to drop towards the end of the period. The key performance measures described in **Appendix C** provide more explanation on this.

7.4 Altair have tested the projections in the Business Plan on four specific scenarios to show the potential impact of different strategic operational decisions and three sensitivity tests to show the potential impact of external economic factors.

7.5 The **scenarios** undertaken indicate that the Council’s HRA does not have the financial capacity to (after 2029/30) continue the capital investment required for full decarbonisation of its existing stock, even if the Council could secure 50% external funding. There is some financial capacity to extend the new build programme for a further 5 years (after 2029/30) though at the risk of reducing its ability to respond to unforeseen financial circumstances.

7.6 The **sensitivity tests** indicate that the HRA is sensitive to the economic operating environment e.g. increases in building costs and / or increase in interest rates. The Council will need to review and update its modelling assumptions regularly to ensure that exposure to interest cover risk (affordability to finance its debts) is understood and remains manageable.

7.7 It is recommended that the Council understands the long-term impact of the short- and medium-term decisions regarding the HRA.

7.8 **Potential Options for Mitigation:** The Council needs to consider options to safeguard the long-term financial sustainability of its HRA and to provide financial capacity for capital investment. Considerations include:

(a) resolving gaps in the underlying data particularly with regards stock data to improve the long-term stock investment requirements,

(b) minimise ongoing operating costs and maximising income, and

(c) making a case to the Government for additional resources to help finance the cost of decarbonisation.

## 8 Treasury Management

8.1 In 2012 the legacy Councils took out additional external borrowing of £133m (£85.198m for the Somerset West and Taunton Council legacy authority and £47.321m for the Sedgemoor District Council legacy authority) as part of the self-financing settlement with the Government.

8.2 As part of the self-financing agreement, an individual housing revenue borrowing cap was implemented (£116m for SWT and £61m for SDC). This meant that the HRA was unable to exceed capital borrowing within the HRA Business Plan. The Government has since abolished the HRA Debt Cap in October 2018 and HRAs are able to borrow against their expected rental income, in line with the Prudential Code.

8.3 The HRA is charged with the costs of any borrowing – both for external loans attributed to HRA capital investment and for any internal borrowing required from the Council’s cash reserves to fully cover the HRA’s capital borrowing requirement (also known as the Capital Financing Requirement – CFR).

8.4 The estimated CFR as at 31 March 2025 is £212m. It is currently forecasted that this will be financed with £157m of existing external loans, and a combination of new borrowing and internal borrowing.

8.5 The estimated CFR on 31 March 2026 is £234m. It is currently forecast that this will be financed with £187m of existing external loans, and a combination of new borrowing and of internal borrowing. These estimates will be updated as capital expenditure is incurred, and treasury management decisions are taken regarding use of internal and external borrowing throughout the year.

8.6 From 15 June 2023, the government introduced the HRA rate which applies an interest rate of the gilt yield plus 40 basis points (0.40%) which is equivalent to the PWLB standard rate less 60 basis points (0.60%). This rate is solely intended for use in Housing Revenue Accounts and primarily for new housing delivery. This discount was extended to March 2026 in the Autumn Statement 2024.

8.7 The existing external loans attributable to the HRA carry an average interest rate of 3.17%. It is assumed that any new borrowing will incur interest costs at an average 4.85%. The 2025/26 budget includes an estimate of £8m for total interest costs taking into account the forecast capital financing requirements for the year ahead. This includes an estimate for internal borrowing costs from the Council and as such there is no expectation for any investment interest earned by the Council in proportion to HRA reserve balances.

8.8 The Business Plan assumes that there will be a significant increase in new borrowing in the medium term to meet the increased ambitions for capital investment. This will result in additional cost pressures to cover the financing of this new investment and refinancing of existing loans. The Business Plan model uses Major Repairs Reserve and other capital reserves first to finance capital spend, with borrowing used as 'last resort' for the residual balance of financing required.

8.9 Unlike the General Fund, there is no statutory requirement for the HRA to make a minimum revenue provision (MRP) charge to revenue in respect of paying off the principal sum of the borrowing undertaken to finance the capital programme. The HRA can however make a voluntary revenue provision (VRP). At present the HRA revenue budget does not have ongoing financial capacity to fund this and instead has committed to use new capital receipts from the open market to repay debt, finance any new external borrowings as required or to reduce the year-on-year capital financing requirement up to £1.821m per year (this was the amount previous set aside by SWT) where reserves balances allow.

8.10 The cashflow, investment and borrowing activities related to the HRA will be undertaken within the overarching framework and operations for treasury management within Somerset Council and advice sought from the Council's Treasury Management Advisors. Please refer to the Council's Capital Strategy 2025/26 and Treasury Management Strategy 2025/26 being presented to Full Council on the 26 February 2025.

## 9 Challenges and Next Steps

9.1 The HRA needs to continue to operate as a long-term business that is able to finance and repay its debt. A long-term view is required when making decisions. The HRA forecasts should be treated as part of the early warning system that helps it to identify, manage and mitigate the effects of emerging risks, while spotting and maximising potential opportunities.

9.2 To deliver an HRA that is and remains financially sustainable over the long term requires a medium-term focus on reducing costs and maximising income, while exploring further options that help safeguard its financial health. The HRA needs to deliver an ongoing cost reduction programme to improve the medium to long-term financial position of the HRA. The management team have a number of active projects that aim to contribute towards this objective:

- **Options Appraisal:** This project is to identify the future single operating model for the HRA that is anticipated to deliver savings. There is not enough information available at present to financially quantify the impact this project will have on the MTFP.

- **Void Action Plan:** This project aims to both improve efficiency to reduce the number of voids so that this increases income, as well as reduce costs. There is not enough information available at present to financially quantify the impact this project will have on the MTFP.

- **Service Charge Review:** This project will deliver

  (a) a unified service charge policy and more efficient procedures,

  (b) ensure that the HRA is maximising income recovery within the boundaries of legislation, and

  (c) improve customer service.

  There is not enough information available at present to financially quantify the impact this project will have on the MTFP.

- **Capital Grants:** To obtain alternative sources of financing for the capital programme to reduce the estimated borrowing requirement and the subsequent impact financing this debt has on the revenue account. For example, bidding for Homes England capital grant to fund growth in stock as well as lobbying the government for further capital grant to subsidy the cost of decarbonisation works. This opportunity may not be available if the Council issued a Section 114 Notice.

- **Stock Condition Data:** To continue to improve the data held on stock condition and aligning the useful life of components between the two operations with regard to the recommendations in the Decent Homes Standard. The improved data will drive an efficient and effective stock replacement programme that can be smoothed across financial years, to avoid fluctuations in requests for works with our suppliers and deliver better value for money (than if replaced when void).

## 10 Risk and Pressures

10.1 Since 2012 the HRA has operated on a ‘self-financing’ basis, where the income generated from rents and other charges funds the delivery of the social landlord function and maintaining stock. Although ‘self-financing’ has provided the

Council with more flexibility, the HRA is still governed by regulations that restrict full control over income (e.g. increases in rent are capped) and costs (e.g. meeting decent homes standards), and this has brought additional risk. Those risks are primarily concerned with threats to income and expenditure that could compromise the viability of the HRA Business Plan.

10.2 The Council places Housing Landlord risks on its risk register and this is supplemented by the Homes in Sedgemoor Board who also hold risks for the Arm's Length Management Organisation.

10.3 The following general risks and pressures have been identified when setting the budget for 2025/26.

**Regulatory and Compliance**

10.4 In recent years housing landlords have seen a significant increase in legislation and requirements from the Regulator of Social Housing which has increased workloads and costs. This trend is likely to continue. Some examples have been provided below which will have costs attached, and the HRA can anticipate other new requirements on social housing in the coming years.

- Awaabs Law – This came into force in 2024 with secondary legislation due and provides strict timelines for damp and mould to be inspected and repaired.

- Revised Decent Homes Standard – this is due in 2025 and will set out higher standards for all social housing which will have a cost attached.

- Conduct and Competency Standard - this is a requirement for all Housing Managers to have Housing qualifications within a given timescale and will require the service to send managers on appropriate training and pay for the course and the qualifications.

- Expectations of Housing Regulator and Housing Ombudsman. The HRA is seeing new requirements coming as a result of the Housing Regulator's Consumer Standards and findings from the Regulator and Ombudsman (e.g. increasing expectations on support to tenants; pest control support, noise nuisance, etc).

**Operational Delivery**

10.5 **General Fund Financial Emergency:** Although the HRA is a ring-fenced account the potential of the General Fund serving a Section 114 Notice due to the General Fund financial emergency could potentially create a risk of the withdrawal of capital grant funding from government organisations including Homes England and Department of Energy Security and Net Zero (DESNZ).

10.6 **Repairs & Maintenance:** Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g. flooding, cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g. void refurbishments), consumer demand on minor internal / external repairs (e.g. broken door or fence) and the type of repair work required. Market pricing of materials etc can also be volatile with some unit costs increasing in recent years. The HRA therefore caveats the forecasts in these areas to account for fluctuations.

10.7 **Fluctuation in demand for services:** The HRA operates many demand-led services, and the levels of demand do not always follow a recognisable trend, which may lead to fluctuations in costs and income compared with current budget estimates. The HRA has certainly seen an increase in demand for tenancy management support for complex cases, often related to poor mental health, which brings additional costs to the service. Regulatory change is increasing the landlords need to improve access to the service and by its nature increase demand. Increase in demand can be a positive, if there is sufficient officer capacity to meet it as early intervention can limit damage and save maintenance costs to the landlord.

**Economic Operating Environment**

10.8 **Recruitment:** The attraction of staff for particularly trades and those with technical knowledge including surveyors and compliance specialists is challenging. There may be a requirement to backfill vacant posts with agency which could cause an overspend against permanent position budget provision.

10.9 **Inflation:** Whilst expenditure budgets have been increased for anticipated pressures with regards to inflation, the actual costs incurred will be dependent on individual suppliers.

10.10 **Interest Rates:** There is a significant level of borrowing required to finance the HRA capital programme. As seen in recent years a number of external factors can cause fluctuations in PWLB borrowing rates. Therefore the estimates for new borrowing are likely to change.

10.11 **National Insurance:** The Autumn Statement 2024 announced an increase in National Insurance rates that would impact employers. The risk is that suppliers will look to recoup this cost by increasing their charges on supply and that is over above the current budget estimates included for inflation for 2025/26.

**Technical Accounting Risks**

10.12 **Bad Debt Provision:** The budgeted bad debt provision (0.50% of budgeted dwelling rent and service charge income) provides financial capacity for any increase in arrears and / or aging debt from one year to the next as well as any in-year write offs. This is a year-end technical accounting adjustment. The key challenges facing the arrears position are the pressures to maximise rental income in an environment of reduced government support and greater need to utilise internal resources; the ‘cost of living crisis’ marked by reductions in real income accompanied by increases in utility, fuel costs and food prices; welfare reforms which have made extensive use of sanctions and reductions in eligibility; and the impact of the COVID pandemic. Homes in Sedgemoor have excelled at managing income and are currently in the top ten social housing landlord nationally. The in-house service does not compare as well but is still performing within the top quartile industry standard. Income generation and managing debt is being elevated in importance for the service and new software is being introduced to support this critical work.

10.13 **Depreciation:** The depreciation charge for the HRA is transferred to the Major Repairs Reserve (MRR) to be reinvested in existing housing stock through financing the capital programme and/or repaying capital debt. Depreciation is calculated based on each of the major components of each property (for example kitchen, bathroom, roof, etc.) and is impacted by any changes in the Housing Price Index inflating the value of the dwellings and the Construction Output Price Index inflating the component replacement cost of materials. The estimated budget for 2025/26 is based on the actual depreciation charge for 2023/24 and changes in inflation and stock volumes. The HRA therefore caveats the budget estimates to account for the multiple variables involved in this calculation.

### Links to Council Plan and Medium-Term Financial Plan

The HRA plays a crucial role in delivering Somerset Council's "Council Plan 2023-2027"[1] through

(a) the investment in sustainable homes as part of the Council's commitment towards the transition to zero carbon,

(b) enhancing the quality of life for residents by improving the housing conditions as set by the Regulator of Social Housing,

(c) ensuring that housing policies promote fairness and reduce inequality, and

(d) supporting local economic growth by creating jobs and opportunities through housing development projects.

### Other options considered

The updated 30-Year Business Plan includes the consideration of a number of scenarios where the Capital Programme is enhanced to deliver extended new homes and decarbonisation programme of work. This is discussed in **Appendix C**.

## Key considerations for the Council

### Scrutiny comments / recommendations:

This report will be considered by Corporate and Resources Scrutiny on 24 February 2025. A summary of the comments and recommendations discussed will be provided here (or a verbal update) for the Executive to consider on 3 March February 2025.

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[1] Somerset-Council-Council-Plan.pdf

**Consultation and feedback**

This report will be presented, for information purposes and discussion, to the Tenants Strategic Board on the 24 March 2025. A formal consultation is not required for this report.

**Financial and Risk Implications**

The financial risks and pressures identified when setting the budget for 2025/26 have been discussed in **Section 10** above. A summary is provided below.

The areas of risk for the year will relate to **regulatory and compliance requirements** with further changes expected in the forthcoming year. The seven big compliance areas include Gas, Electric, Water, Asbestos, Fire Safety, Lifts and Damp and Mould.

From an **operational perspective**, the challenge here relates to the levels of demand from our tenants for support and service, for example for debt and benefit advice, repairs and maintenance on their properties, and the number and condition of void properties. This is a very reactive service based on the needs of the tenants. Additionally, as other services face budget pressures (social care, police, ambulance, mental health services, addiction services etc) the levels of complexity and demand increases and can require additional cost and resource to service this and meet our tenancy management responsibilities. There is also a risk that if the General Fund issued a Section 114 Notice then external capital grant providers could withdraw their funding.

There are risks associated with the **economic operating environment** and the positive or negative impact this may have on any variation from the forecasts assumed when setting the budget, for example the cost of borrowing for the refinancing of debt and inflation rates on expenditure and income. We continue to work in a very buoyant market for skilled workforce and materials and cost pressures continue to present a challenge.

**Legal and Procurement Implications**

The HRA is governed by the following legislation[2]:

- Housing Act 1985 (Part II)
- Housing Act 1988
- Local Government and Housing Act 1989 (section 74)
- Local Government Act 2003
- Localism Act 2011

Under section 76 of the Local Government and Housing Act 1989, in January and February each year the Council is required to formulate income and expenditure proposals for the financial year commencing on 1 April. There is an associated duty under section 74 to keep the HRA as a 'ring-fenced' account, completely separated

[2] Housing Revenue Account - GOV.UK

from the GF. The items local authorities can include in the HRA are prescribed by legislation and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. In essence, rents cannot be subsidised by transfers from the General Fund, and Council Tax cannot be subsidised by transfers from the HRA. However, local authority housing revenue accounts are able to retain all rental income to meet the costs of managing and maintaining their housing stock.

**HR / Workforce Implications**

There are no specific HR / Workforce implications arising from this report.

**Equalities Implications**

An Equalities Impact Assessment was included within the Rents and Fees & Charges report taken to Full Council on 12 February 2025 that sets out the impact on tenants of the increased charges and how the Council will mitigate these impacts. It included how the Housing Service will continue to provide several initiatives to enable tenants to manage their finances and maximise their income (such as bespoke housing debt and benefit officers to provide support to tenants; access to Case Managers who are experienced at debt and benefit advice, as well as signposting to external agencies for support i.e. CAB and the Money Matters service that the Housing Service funds). Furthermore, for those tenants who are struggling with debt and hardship, the HRA also has access to a hardship fund that can be used to support some tenants.

**Community Safety Implications**

There are no community safety implications arising from this report.

**Climate Change and Sustainability Implications**

There are no climate change and sustainability implications arising from this report.

**Health and Safety Implications**

There are no health and safety implications arising from this report.

**Health and Wellbeing Implications**

There are no health and wellbeing implications arising from this report.

**Social Value**

There are no social value implications arising from this report.

**Background Papers**

- Full Council[3] - 21 February 2019 - North Taunton Woolaway Project

[3] Agenda for Shadow Council on Thursday, 21st February, 2019, 6.00 pm - Modern Council

- Full Council[4] - 3 December 2019 - North Taunton Woolaway Project
- Full Council[5] - 3 December 2020 - North Taunton Woolaway Project
- Full Council[6] - 20 February 2024 - HRA Budget Setting 2024/25
- Executive[7] – 15 January 2025 – HRA Development Team (Item 73)
- Full Council[8] - 12 February 2025 – HRA Rents and Fees & Charges 2025/26

**Appendices**

Appendix A: HRA Revenue Budget for 2025/26 and MTFP 2025/26 to 2029/30
Appendix B: HRA 5-Year Capital Programme 2025/26 to 2029/30
Appendix C: HRA 30-Year Business Plan 2025/26

[4] Agenda for SWT Full Council on Tuesday, 3rd December, 2019, 6.15 pm - Modern Council
[5] Agenda for SWT Full Council on Thursday, 3rd December, 2020, 6.15 pm - Modern Council
[6] Agenda for Full Council on Tuesday, 20th February, 2024, 10.00 am - Modern Council
[7] Agenda for Executive on Wednesday, 15th January, 2025, 10.00 am - Modern Council
[8] Agenda for Full Council on Wednesday, 12th February, 2025, 1.00 pm - Modern Council

**Report assurance checklist ahead of report publication**

**(for Audit, Executive, Full Council and Scrutiny Committees)**

| | Officer Name | Date Completed |
|---|---|---|
| Legal & Governance Implications | Jill Byron & Alyn Jones | 16/02/2025 / 14/02/2025 |
| Finance & Procurement | Maria Christofi | 16/02/2025 |
| Workforce (*) | Dawn Bettridge | 14/02/2025 |
| Asset Management (*) | Chris Hall | 14/02/2025 |
| Executive Director | Maria G Christofi / Chris Hall | 12/02/2025 / 14/02/2025 |
| Executive Lead Member | Cllr Liz Leyshon / Cllr Federica Smith-Roberts | 17/02/2025 |
| **Consulted:** | | |
| Local Division Members | N/A | |
| Opposition Spokesperson(s) | Cllr Diogo Rodrigues - Deputy Leader of the Opposition & Opposition Lead Member for Finance, Procurement & Performance | 17/02/2025 |
| Relevant Scrutiny Chair(s) | Cllr Steven Pugsley, Chair - Scrutiny Corporate & Resources Committee | 17/02/2025 |

Note:
Directors may nominate additional officers to act on their behalf
(*) – these areas only need to be consulted on proposals if the proposals have workforce or asset management implications

Reports will not be published if assurance checklist has not been adequately completed – report author to liaise with Democratic Services well ahead of publication deadline