Babergh District Council

Housing Revenue Account Business Plan

BABERGH
DISTRICT COUNCIL
SOUTH SUFFOLK

HRA Business Plan 2025-26 – 30 Year Summary

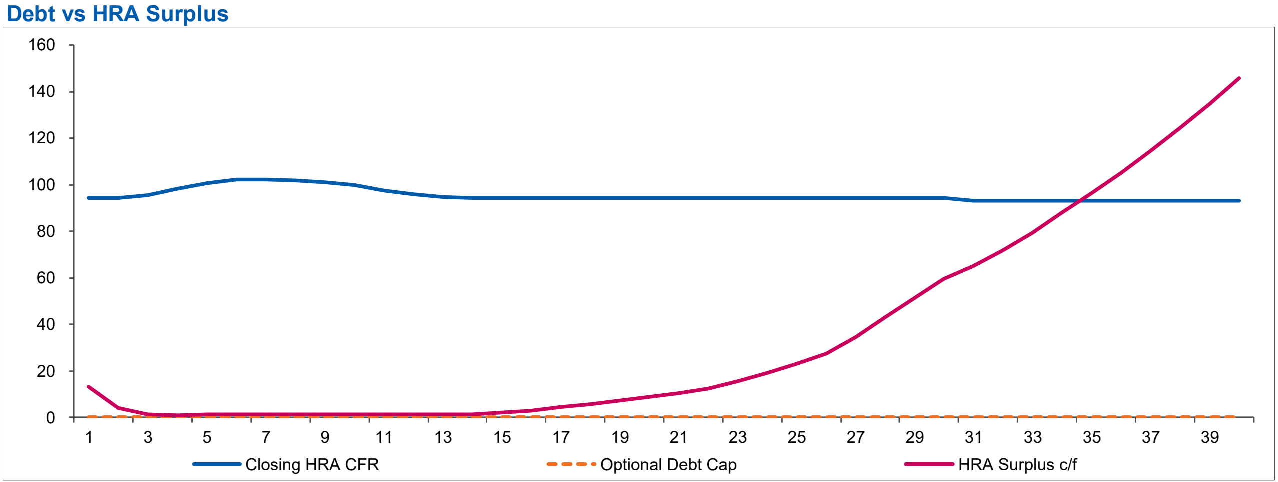
UPDATED CONVERGENCE

HRA Business Plan | Babergh DC Fortress HRA BP 2025

Financing Summary

Year	Year	Opening Loan Balance £'000	Loan Drawdowns £'000	Loan Repayments £'000	Drawdown of Revolver £'000	Repayment of Revolver £'000	**Closing Loan Balance £'000**	**HRA Surplus c/f £'000**
1	2025/26	94,419	6,000	-6,000	0	0	**94,419**	**13,079**
2	2026/27	94,419	0	0	0	0	**94,419**	**4,223**
3	2027/28	94,419	0	0	0	0	**94,419**	**2,324**
4	2028/29	94,419	0	0	1,778	0	**96,197**	**1,075**
5	2029/30	96,197	0	0	2,250	0	**98,447**	**1,088**
6	2030/31	98,447	25,000	-25,000	1,439	0	**99,886**	**1,121**
7	2031/32	99,886	0	0	185	0	**100,071**	**1,154**
8	2032/33	100,071	0	0	0	-301	**99,769**	**1,187**
9	2033/34	99,769	0	0	0	-811	**98,958**	**1,221**
10	2034/35	98,958	0	0	0	-1,348	**97,610**	**1,255**
11	2035/36	97,610	46,647	-46,647	0	-2,512	**95,098**	**1,289**
12	2036/37	95,098	0	0	0	-679	**94,419**	**1,993**
13	2037/38	94,419	0	0	0	0	**94,419**	**3,281**
14	2038/39	94,419	0	0	0	0	**94,419**	**3,761**
15	2039/40	94,419	0	0	0	0	**94,419**	**4,419**
16	2040/41	94,419	0	0	0	0	**94,419**	**5,258**
17	2041/42	94,419	0	0	0	0	**94,419**	**6,976**
18	2042/43	94,419	0	0	0	0	**94,419**	**8,207**
19	2043/44	94,419	0	0	0	0	**94,419**	**9,633**
20	2044/45	94,419	0	0	0	0	**94,419**	**11,258**
21	2045/46	94,419	0	0	0	0	**94,419**	**13,089**
22	2046/47	94,419	0	0	0	0	**94,419**	**15,134**
23	2047/48	94,419	0	0	0	0	**94,419**	**18,187**
24	2048/49	94,419	0	0	0	0	**94,419**	**21,964**
25	2049/50	94,419	0	0	0	0	**94,419**	**26,060**
26	2050/51	94,419	0	0	0	0	**94,419**	**30,485**
27	2051/52	94,419	0	0	0	0	**94,419**	**37,598**
28	2052/53	94,419	0	0	0	0	**94,419**	**46,057**
29	2053/54	94,419	0	0	0	0	**94,419**	**54,159**
30	2054/55	94,419	0	0	0	0	**94,419**	**62,770**

Debt vs HRA Surplus

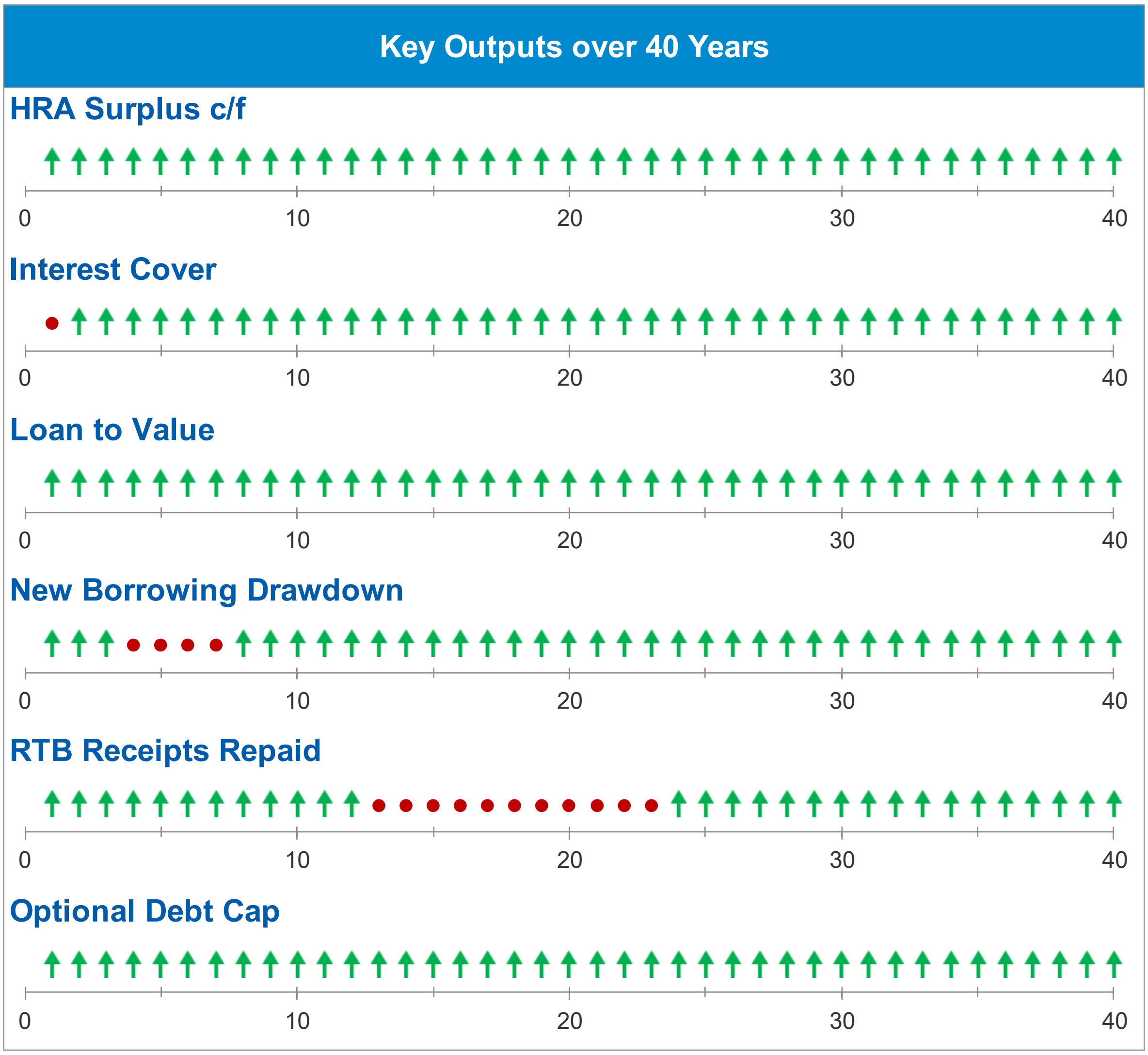


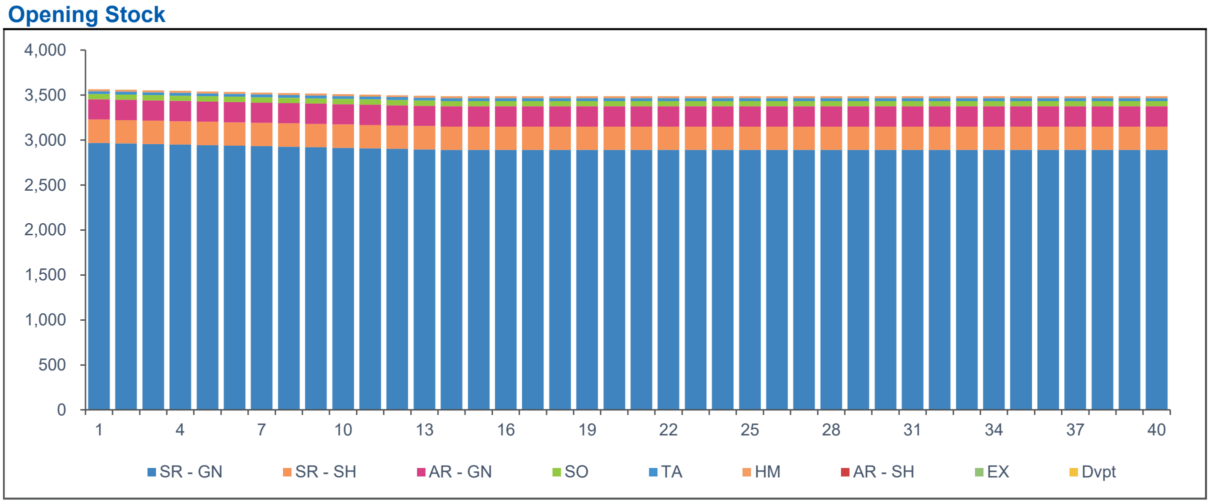
The base plan shows that the minimum revenue balance of £1m is maintained.

Interest cover after year 1 is maintained above 1.25 times, reaching 3.04 times by year 30.

Borrowing more than the current loans is only required between years 4 and 8 to maintain the programme of works throughout the plan.

RTB 1-4-1 receipts would be repaid from year 13 if no more development is planned (if sales continue as estimated).

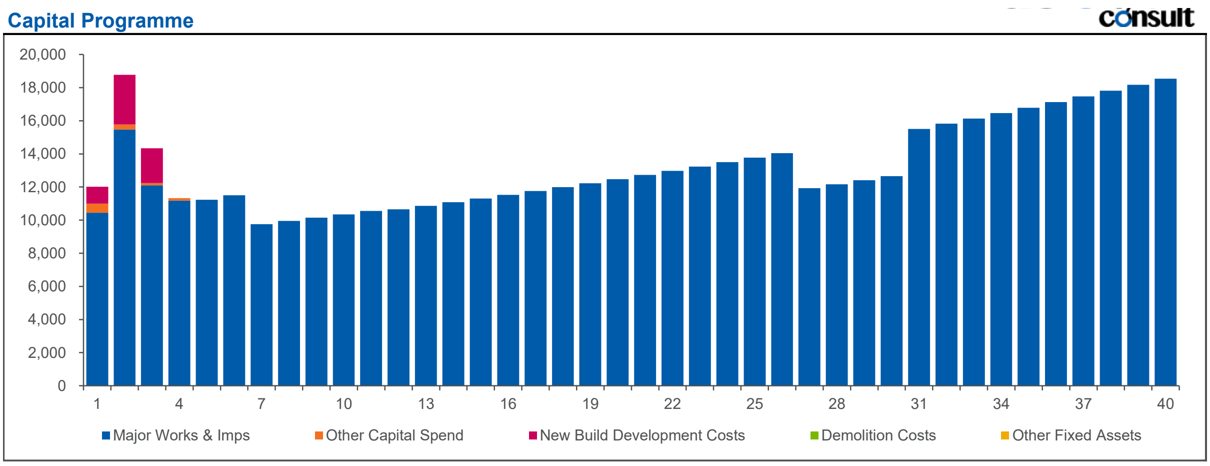




Key:
SR = Social Rents
AR = Affordable Rents
SH = Sheltered Housing
SO = Shared Ownership
TA= Temporary Accommodation
HM = Homelessness
Dvpt = Developments

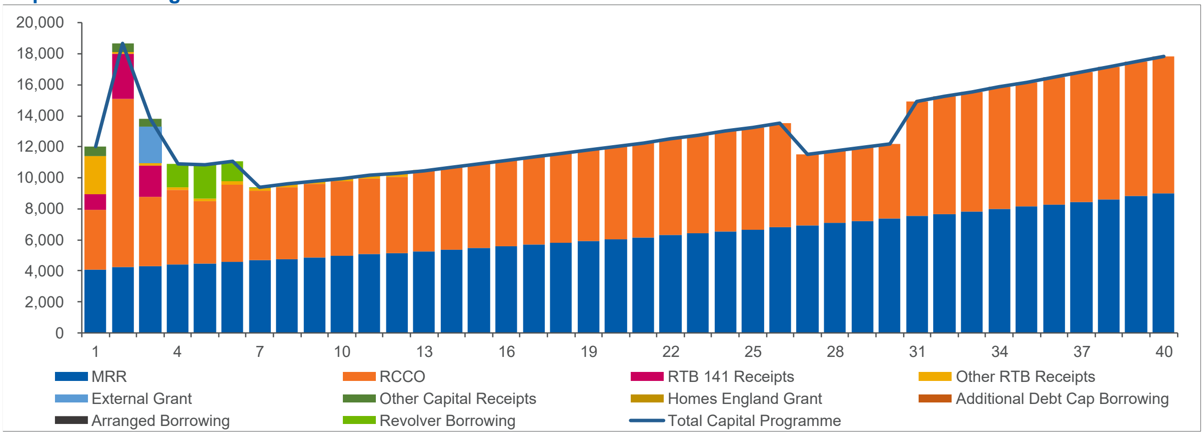
Developments are due to complete in year 3 (2027/28) and then without further grant funding, we cannot afford to develop further. Therefore, our stock will reduce whilst the Right to buy scheme is assumed to continue until year 13, 2037/38.

Plans for the Development spend can be seen in detail below:

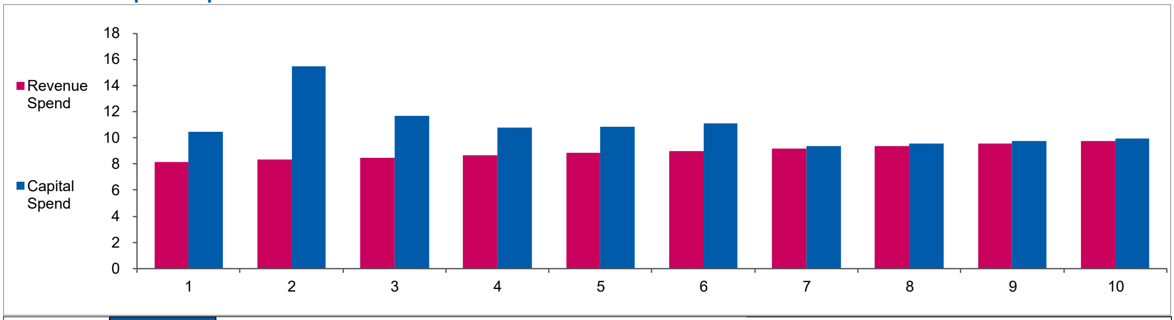


Please note that the large increased spend in years 1 to 3 is on the Decarbonisation project and years 1 to 6 increased spend on Major Works and Improvements to bring our level of non-decent homes down. The drop in spend from years 27-30 is the result of spending more at the start of the 30-year roofing works cycle.

Capital Financing



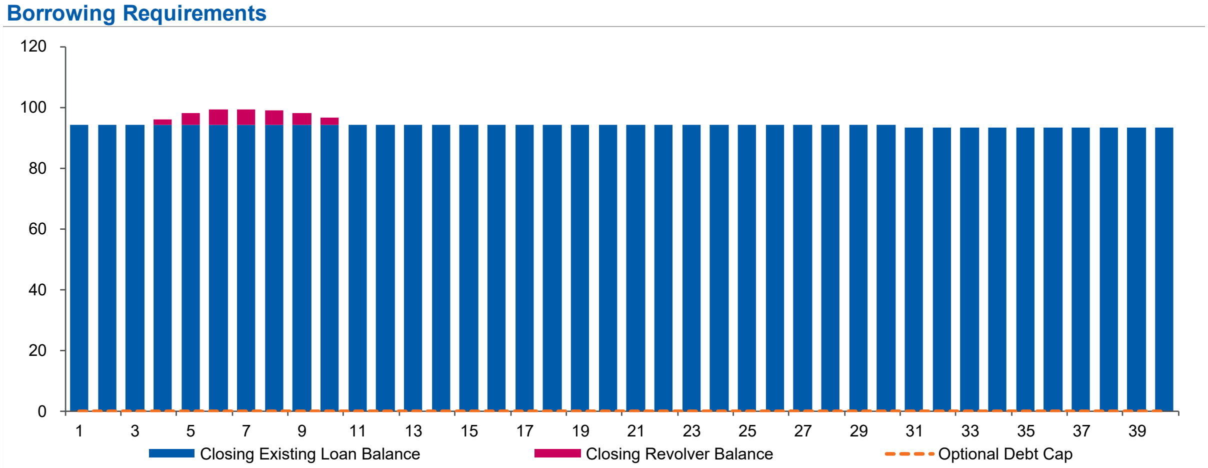
Revenue / Capital Repairs



Year	1	2	3	4	5	6	7	8	9	10
Revenue	2,285	2,341	2,383	2,435	2,488	2,542	2,597	2,654	2,712	2,770
Capital	2,932	4,350	3,272	3,031	3,049	3,127	2,656	2,714	2,773	2,833

Previously the Revenue spend outweighed the Capital spend. Our plan is to switch this around and by investing in our properties and spending more on the assets, we will in turn, reduce the need for repairs and maintenance spend in the revenue accounts.

Borrowing Requirements



HRA Business Plan | Babergh DC Fortress HRA BP 2025

Operating Account - Traditional View

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Year	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**	**2036/37**	**2037/38**	**2038/39**	**2039/40**	**2040/41**	**2041/42**	**2042/43**	**2043/44**	**2044/45**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rental Income	(21,562)	(22,775)	(23,886)	(25,086)	(26,112)	(27,553)	(27,959)	(28,897)	(29,849)	(30,816)	(32,413)	(32,491)	(33,185)	(33,911)	(34,671)	(35,440)	(36,915)	(37,007)	(37,807)	(38,620)
Service Charge Income	(985)	(994)	(1,029)	(1,065)	(1,102)	(1,124)	(1,146)	(1,169)	(1,193)	(1,217)	(1,241)	(1,266)	(1,291)	(1,317)	(1,343)	(1,370)	(1,398)	(1,425)	(1,454)	(1,483)
Void Losses	267	282	295	310	323	341	346	357	369	381	401	402	410	419	428	438	456	457	467	476
Non-Dwelling Rents	(430)	(356)	(363)	(370)	(378)	(385)	(393)	(401)	(409)	(417)	(425)	(434)	(442)	(451)	(460)	(470)	(479)	(489)	(498)	(508)
Other Income	(43)	(39)	(40)	(41)	(42)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Total Income	**(22,753)**	**(23,882)**	**(25,023)**	**(26,252)**	**(27,311)**	**(28,764)**	**(29,196)**	**(30,154)**	**(31,126)**	**(32,115)**	**(33,725)**	**(33,837)**	**(34,557)**	**(35,310)**	**(36,097)**	**(36,894)**	**(38,388)**	**(38,518)**	**(39,348)**	**(40,191)**
Service and Management	6,444	4,523	4,613	4,705	4,799	4,895	4,993	5,093	5,195	5,299	5,405	5,513	5,623	5,736	5,851	5,968	6,087	6,209	6,333	6,459
Responsive & Cyclical	8,136	8,323	8,490	8,660	8,833	9,009	9,190	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202	11,426	11,655	11,888
Depreciation	4,077	4,232	4,317	4,403	4,491	4,581	4,673	4,766	4,861	4,959	5,058	5,159	5,262	5,367	5,475	5,584	5,696	5,810	5,926	6,045
Bad Debts	112	119	125	132	137	144	147	151	156	162	170	170	174	178	182	186	193	194	198	202
Corp & Demo Core Charge	221	1,637	1,670	1,703	1,737	1,772	1,807	1,844	1,880	1,918	1,956	1,996	2,035	2,076	2,118	2,160	2,203	2,247	2,292	2,338
Revenue Contribution to Capital	3,846	10,856	4,460	4,571	3,913	4,887	4,361	4,635	4,725	4,818	4,912	4,891	5,193	5,305	5,411	5,519	5,629	5,742	5,857	5,974
Total Expenditure	**22,836**	**29,690**	**23,674**	**24,174**	**23,910**	**25,289**	**25,170**	**25,862**	**26,380**	**26,907**	**27,449**	**27,875**	**28,637**	**29,218**	**29,802**	**30,399**	**31,011**	**31,628**	**32,261**	**32,906**
Net Cost of HRA Services	**83**	**5,808**	**(1,349)**	**(2,078)**	**(3,400)**	**(3,475)**	**(4,026)**	**(4,292)**	**(4,747)**	**(5,207)**	**(6,277)**	**(5,962)**	**(5,920)**	**(6,092)**	**(6,294)**	**(6,495)**	**(7,378)**	**(6,890)**	**(7,087)**	**(7,285)**
Interest Received	(600)	(321)	(120)	(75)	(88)	(121)	(154)	(187)	(221)	(255)	(289)	(334)	(392)	(415)	(400)	(390)	(396)	(407)	(414)	(426)
Interest Charges	3,294	3,369	3,369	3,401	3,476	3,563	4,147	4,144	4,123	4,080	4,020	4,913	5,025	6,027	6,036	6,046	6,056	6,066	6,076	6,086
(Surplus) / Deficit for the Year	**2,777**	**8,855**	**1,900**	**1,249**	**(13)**	**(32)**	**(33)**	**(335)**	**(845)**	**(1,382)**	**(2,546)**	**(1,383)**	**(1,288)**	**(480)**	**(658)**	**(839)**	**(1,718)**	**(1,232)**	**(1,425)**	**(1,625)**
Opening Reserves Balance	**15,856**	**13,079**	**4,223**	**2,324**	**1,075**	**1,088**	**1,121**	**1,154**	**1,187**	**1,221**	**1,255**	**1,289**	**1,993**	**3,281**	**3,761**	**4,419**	**5,258**	**6,976**	**8,207**	**9,633**
Closing Reserves Balance	**13,079**	**4,223**	**2,324**	**1,075**	**1,088**	**1,121**	**1,154**	**1,187**	**1,221**	**1,255**	**1,289**	**1,993**	**3,281**	**3,761**	**4,419**	**5,258**	**6,976**	**8,207**	**9,633**	**11,258**

Major Repairs & Development Financing

		Capital Expenditure						Financing									
Year	Year	Major Works & Imps £'000	Other Capital Spend £'000	New Build Development Costs £'000	Demolition Costs £'000	Other Fixed Assets £'000	**Total Capital Expenditure £'000**	External Grant £'000	Homes England Grant £'000	RTB 141 Receipts £'000	Arranged Borrowing £'000	Other RTB Receipts £'000	Other Capital Receipts £'000	MRR £'000	RCCO £'000	Revolver Borrowing £'000	**Total Financing £'000**
1	2025/26	10,439	559	1,021	0	0	**12,019**	0	0	1,021	0	2,466	609	4,077	3,846	0	**12,019**
2	2026/27	15,464	310	2,890	0	0	**18,664**	0	0	2,890	0	154	533	4,232	10,856	0	**18,664**
3	2027/28	11,654	136	2,030	0	0	**13,820**	2,337	0	2,030	0	159	518	4,317	4,460	0	**13,820**
4	2028/29	10,777	138	0	0	0	**10,916**	0	0	0	0	164	0	4,403	4,804	1,545	**10,916**
5	2029/30	10,823	0	0	0	0	**10,823**	0	0	0	0	169	0	4,491	4,026	2,137	**10,823**
6	2030/31	11,080	0	0	0	0	**11,080**	0	0	0	0	174	0	4,581	4,998	1,328	**11,080**
7	2031/32	9,397	0	0	0	0	**9,397**	0	0	0	0	179	0	4,673	4,466	79	**9,397**
8	2032/33	9,585	0	0	0	0	**9,585**	0	0	0	0	185	0	4,766	4,635	0	**9,585**
9	2033/34	9,777	0	0	0	0	**9,777**	0	0	0	0	190	0	4,861	4,725	0	**9,777**
10	2034/35	9,972	0	0	0	0	**9,972**	0	0	0	0	196	0	4,959	4,818	0	**9,972**
11	2035/36	10,172	0	0	0	0	**10,172**	0	0	0	0	202	0	5,058	4,912	0	**10,172**
12	2036/37	10,258	0	0	0	0	**10,258**	0	0	0	0	208	0	5,159	4,891	0	**10,258**
13	2037/38	10,463	0	0	0	0	**10,463**	0	0	0	0	8	0	5,262	5,193	0	**10,463**
14	2038/39	10,672	0	0	0	0	**10,672**	0	0	0	0	0	0	5,367	5,305	0	**10,672**
15	2039/40	10,885	0	0	0	0	**10,885**	0	0	0	0	0	0	5,475	5,411	0	**10,885**
16	2040/41	11,103	0	0	0	0	**11,103**	0	0	0	0	0	0	5,584	5,519	0	**11,103**
17	2041/42	11,325	0	0	0	0	**11,325**	0	0	0	0	0	0	5,696	5,629	0	**11,325**
18	2042/43	11,552	0	0	0	0	**11,552**	0	0	0	0	0	0	5,810	5,742	0	**11,552**
19	2043/44	11,783	0	0	0	0	**11,783**	0	0	0	0	0	0	5,926	5,857	0	**11,783**
20	2044/45	12,018	0	0	0	0	**12,018**	0	0	0	0	0	0	6,045	5,974	0	**12,018**
21	2045/46	12,259	0	0	0	0	**12,259**	0	0	0	0	0	0	6,165	6,093	0	**12,259**
22	2046/47	12,504	0	0	0	0	**12,504**	0	0	0	0	0	0	6,289	6,215	0	**12,504**
23	2047/48	12,754	0	0	0	0	**12,754**	0	0	0	0	0	0	6,414	6,340	0	**12,754**
24	2048/49	13,009	0	0	0	0	**13,009**	0	0	0	0	0	0	6,543	6,466	0	**13,009**
25	2049/50	13,269	0	0	0	0	**13,269**	0	0	0	0	0	0	6,674	6,596	0	**13,269**
26	2050/51	13,535	0	0	0	0	**13,535**	0	0	0	0	0	0	6,807	6,728	0	**13,535**
27	2051/52	11,494	0	0	0	0	**11,494**	0	0	0	0	0	0	6,943	4,551	0	**11,494**
28	2052/53	11,724	0	0	0	0	**11,724**	0	0	0	0	0	0	7,082	4,642	0	**11,724**
29	2053/54	11,958	0	0	0	0	**11,958**	0	0	0	0	0	0	7,224	4,734	0	**11,958**
30	2054/55	12,197	0	0	0	0	**12,197**	0	0	0	0	0	0	7,368	4,829	0	**12,197**