Appendix 5A

AVERAGE WEEKLY SOCIAL RENT INCREASES BY PROPERTY TYPE (52 WEEKS)

Property Type	No of Properties	Actual Rent 2024/25	Formula Rent 2024/25	Proposed Rent 2025/26	Formula Rent 2025/26	Average Increase 2024/25 - 2025/26	Average Percentage Increase 2024/25-2025/26
Bedsit Bungalow	45	£80.52	£83.54	£82.69	£89.97	£2.17	2.7%
Bedsit Flat	70	£76.47	£79.60	£78.54	£86.26	£2.06	2.7%
1 Bedroom Bungalow	214	£94.40	£97.55	£96.95	£105.94	£2.55	2.7%
1 Bedroom Flat	469	£88.17	£91.63	£90.54	£98.68	£2.37	2.7%
2 Bedroom Bungalow	20	£114.21	£118.50	£117.29	£127.62	£3.08	2.7%
2 Bedroom House	521	£106.81	£111.32	£109.70	£119.96	£2.88	2.7%
2 Bedroom Flat	529	£98.42	£102.31	£101.08	£110.28	£2.66	2.7%
3 Bedroom Bungalow	1	£113.91	£118.98	£116.99	£128.14	£3.08	2.7%
3 Bedroom House	679	£119.78	£124.86	£123.02	£134.39	£3.23	2.7%
3 Bedroom Flat	106	£110.88	£115.58	£113.87	£124.48	£2.99	2.7%
4 Bedroom House	28	£129.42	£134.36	£132.91	£145.33	£3.49	2.7%
5 Bedroom House	2	£144.29	£155.33	£148.19	£167.29	£3.90	2.7%
Sheltered Bedsit for the Disabled	9	£74.19	£76.76	£76.20	£88.98	£2.00	2.7%
Sheltered Bedsit	187	£74.14	£80.89	£76.14	£87.12	£2.00	2.7%
1 Bedroom Sheltered	67	£84.01	£87.30	£86.28	£95.56	£2.27	2.7%
2 Bedroom Sheltered	6	£97.27	£100.48	£99.89	£108.22	£2.62	2.7%
1 Bedroom Sheltered Bungalow	17	£86.00	£99.30	£88.32	£96.81	£2.32	2.7%
Overall Average*	**2,970**	**£100.76**	**£105.10**	**£103.68**	**£113.53**		
*(Total rental income / total number of properties)							

Appendix 5B

AVERAGE WEEKLY AFFORDABLE RENT INCREASES BY PROPERTY TYPE (52 WEEKS)

Property Type	No of Properties	2024/25 Local Housing Allowance	2024/25 Average rent	2025/26 Proposed Average Affordable Rent	2024/25 Local Housing Allowance	Average Rent Increase	Average Percentage Increase 2024/25-2025/26
1 Bedroom Flat	13	£155.34	£137.57	£141.29	£155.34	£3.72	2.7%
2 Bedroom Flat	32	£195.62	£178.08	£182.88	£195.62	£4.80	2.7%
3 Bedroom Flat	1	£216.33	£210.62	£216.31	£216.33	£5.69	2.7%
2 Bedroom House	22	£192.62	£191.27	£196.23	£192.62	£4.96	2.6%
Shared Accommodation	8	£94.36	£77.25	£79.34	£94.36	£2.09	2.7%
Overall Average*	**76**	**£177.48**	**£167.47**	**£172.33**	**£178.58**		
*(Total rental income / total number of properties)							

Appendix 5C

HOUSING REVENUE ACCOUNT - SERVICE CHARGES SUMMARY (52 Weeks)

	Average Weekly Service Charge 2024/25 (52 weeks) £	Proposed Percentage Increase/(decrease) for 2025/26 %	** Proposed Average Weekly Service Charge 2025/26 (52 weeks) £	** Projected weekly increase/ (decrease) fr 2024/25 to 2025/26 £	Projected (Surplus)/ Deficit 2025/26 £'000
a) Eligible for Housing Benefit					
Adult Services Facilities	0.00	0.0%	0.00	0.00	0
Estate Services (Caretaking)	5.71	(6.1%)	5.36	(0.35)	0
Communal Electricity	2.14	(15.9%)	1.80	(0.34)	0
Grounds Maintenance	0.78	(1.1%)	0.78	(0.01)	0
Sheltered Management	22.79	3.8%	23.67	0.88	0
Window Cleaning	0.41	3.0%	0.42	0.01	0
Council Tax	11.93	5.0%	12.52	0.59	0
Laundry Room Sheltered	0.56	13.4%	0.64	0.08	0
Laundry Room General	0.47	(10.6%)	0.42	(0.05)	0
Heating - Communal	3.15	(39.2%)	1.92	(1.24)	0
Water - Communal	0.90	8.6%	0.98	0.08	0
Communal Lifts	0.66	12.8%	0.74	0.08	0
Communal TV Aerials	0.13	(9.4%)	0.12	(0.01)	0
CCTV	1.47	(1.9%)	1.44	(0.03)	0
b) Not Eligible for Housing Benefit					
Cooker	0.63	(1.2%)	0.62	(0.01)	0
Fridge	0.54	(1.9%)	0.53	(0.01)	0
Heating - Residential	13.24	(39.5%)	8.02	(5.23)	0
Water - Residential	3.55	8.2%	3.84	0.29	0
Average sections a & b (weekly)	**3.84**		**3.55**	**(0.29)**	**0**
c) Housing Related Support Eligible Charges					
Sheltered Helpline	4.11	12.8%	4.63	0.53	0
Community Alarm	8.80	(1.9%)	8.63	(0.17)	0
Sheltered Support	5.50	(1.9%)	5.40	(0.10)	0
Average sections c (weekly)	**6.14**		**6.22**	**0.09**	**0**
Average all sections (weekly)	**4.17**		**3.93**	**(0.24)**	**0**

Appendix 5D

HOUSING REVENUE ACCOUNT - BUDGET SUMMARY 2025/26

	Budget 2024/25			R2 Forecast 2024/25			Proposed Budget 2025/26		
Description	Exp	Inc	Net	Exp	Inc	Net	Exp	Inc	Net
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
HRA Working Balance B/F			£6,827			£7,524			£2,188
HOUSING MAINTENACE	£3,654	£0	£3,654	£3,720	£0	£3,720	£3,717	£0	£3,717
HOMES FOR INDEPENDENT LIVING	£854	(£2)	£852	£820	(£2)	£818	£923	(£1)	£922
TENANCY SERVICES	£1,482	£0	£1,482	£1,331	£0	£1,331	£1,405	£0	£1,405
ESTATE SERVICES	£579	(£5)	£574	£550	(£5)	£545	£562	(£5)	£557
COMMUNITY DEVELOPMENT	£175	£0	£175	£171	(£16)	£155	£452	£0	£452
CENTRALISED ACCOUNTS	£263	£0	£263	£164	£0	£164	£603		£603
CLIENT SIDE	£2,327	(£268)	£2,059	£2,451	(£268)	£2,183	£2,371	(£277)	£2,094
CAPITAL DEVELOPMENT PROGRAMME	£165	£115	£280	£182	(£137)	£45	£248	(£198)	£50
CAPITAL FINANCING	£8,942	£0	£8,942	£8,967	£0	£8,967	£8,805	£0	£8,805
RENTAL INCOME	£0	(£17,767)	(£17,767)	£0	(£17,914)	(£17,914)	£0	(£18,378)	(£18,378)
OTHER INCOME	£0	(£284)	(£284)	£0	(£298)	(£298)	£0	(£227)	(£227)
TOTAL - HOUSING REVENUE ACCOUNT	**£18,441**	**(£18,211)**	**£230**	**£18,356**	**(£18,640)**	**(£284)**	**£19,086**	**(£19,086)**	**£0**
Revenue Contribution to Capital Expenditure			**£0**			**£5,620**			**£0**
HRA Working Balance C/F			£6,597			£2,188			£2,188

Appendix 5E
MEDWAY COUNCIL
HOUSING REVENUE ACCOUNT BUSINESS PLAN 2023/24:
UPDATED REVIEW ON PROJECTIONS & CAPACITY – AUGUST 2023

Introduction

This revisit of the plan comes after the last review of the plan undertaken in January 2023 taking into account the latest forecasts, assumptions and stock investment requirements.

The model is launched from April 2023 (2023.24 financial year) and runs for 30 years to March 2053. The first year of the plan is balanced exactly to the Round 1 forecasts.

Currently the financial environment surrounding the HRA (and other social housing organisations) is creating some uncertainty in terms of:

- High levels of inflation – driving both salary, maintenance and new development costs up by greater increments than assumed
- Government intervention in respect of capping rent increases by 7% for April 2023 and with the potential for future intervention measures.
- Continual increases for the cost of new borrowing reflecting both base rate changes and more importantly gilt rate rises
- The revisit to the decent homes standard

These continue the theme of a ‘perfect storm’ in terms of business planning.

Therefore, we have updated the business plan model, which demonstrates the impact of the above based on the latest budgetary forecasts.

The plan has been developed with regards to the following "big picture" factors:

- The loss of properties through the Right to Buy
- The investment into the Development Phases 4,5 and 6 with additional acquisition and development programmes a total investment in 123 new homes, delivered from April 2023.
- The latest capital investment requirements which total £174.3million, without inflation and adjustment for stock losses and gains, on its existing properties, which remain unchanged as per the previous plan. Inclusion of a SHDF grant of £1.024m.
- Repayment of loans through an MRP mechanism, based on existing annuity values.

Overall Headlines – Baseline Position

The previous plan, based on the assumptions, data and budgets at that time projected a relatively balanced position in that:

- HRA Surpluses were projected at £18.6million (including the major repairs reserve)
- HRACFR (Debt) was projected at £72.1million

Therefore there was scope to increase the repayment of debt, if so required.

In overall terms, the updated plan is able to be fully funded over the 30-year term, generating surpluses in the HRA totalling **£33.2million**, and a closing debt balance of **£71.2million**. This compares to an opening HRA balance of £6.1million and debt of £42.5million. The plan, therefore, has a had a marginal impact on account of a number factors which are discussed below. In summary forecast borrowing has decreased by £0.9million and reserve balances increased by £14.6million.

As part of this review we have modelled a scenario that takes into account the costs of development ensuring that stock numbers grow year on year by a net 1%, for 7 years, after allowing for right to buys and also implementing additional energy efficiency works.

Key Baseline Assumptions

The following schedule is not exhaustive - however this lists the main assumptions affecting the viability of the plan.

<u>HRA Budget assumptions</u>

The table below shows the original 2023.24 budgets and latest Round 1 forecasts for 2023.24 to which the plan is initially based upon:

	Budget 2023.24	Forecast 2023.24
Dwelling rents	£14,710,687	£14,710,687
Non-dwelling rents	£243,709	£254,700
Service charge income	£1,302,063	£1,302,063
Other income and contributions	£40,525	£44,800
Total Income	**£16,296,984**	**£16,312,250**
Repairs & maintenance	-£3,249,447	-£3,120,226
Management (incl RRT)	-£5,259,383	-£5,024,573
Bad debts	-£50,000	-£50,000
Dwelling Depreciation	-£3,686,770	-£3,686,770
Debt management	-£63,364	-£63,364
Total costs	**-£12,308,964**	**-£11,944,933**
Debt Repayment (MRP)	-£357,933	-£357,933
Interest payable	-£2,300,715	-£1,845,791
Interest income	£105,217	£133,758
Revenue contributions to capital	-£1,430,081	-£1,430,081

Opening Balance	£5,207,028	£6,140,168

Surplus / (Deficit)	£4,508	£867,270
Closing Balance	**£5,211,536**	**£7,007,438**

In overall terms the HRA is forecast to make £867,270 surplus this financial year according to round one forecasts on account of projected interest charges, reduced repairs and management costs.

The actual model has a positive variance against the interest payable of £0.156m on account of the receipt of a SHDF grant of £1.024m which has reduced the borrowing requirement for this value in 2023.24.

1. The model is launched with opening properties of 3,026 with right to buy sales adjusted to reflect the 11 projected in 2023.24 and 2024.25, then a further 10 per annum for 4 years then reducing by 1 every five 5 years – total loss 230 properties over the 30 years of the plan. Stock additions total 123, post April 2023.
2. Net stock loss over the term is therefore 3.5%, though at this stage the model does not assume a reduction in base costs for management, repair costs for these losses (only capital works).
3. Average stock rents are £93.40/week at April 2023, for social rents and £170.32 for affordable rents. CPI is assumed at 6% for 2024.25 and therefore rents increase by 7.0% and at CPI thereafter (2.5% then 2.0% onwards).
4. Long-term void rates are 1.0% and bad debt provision of £50,000 is included within the management costs equivalent to 0.33% of net rental income.
5. The forecast management costs are based on latest forecast.
6. Repairs expenditure is based on the latest forecasts. A real increase of 1.0% above CPI is modelled for 2024.25.
7. The stock condition survey-based capital maintenance expenditure into the existing stock is based on outputs from the Codeman database, which is continually updated. The required levels of works are summarised below and are without any inflation or uplift allowances. The costs of the backlog works have been modelled for 5 years commencing in 2024.25.

	Backlog	2022.23	2023.24	2024.25	2025.26	2026.27	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Major Works (Codeman)	£13,247,196	£4,513,243	£4,232,457	£6,186,780	£4,531,095	£5,515,611	£21,077,529	£13,609,314	£13,463,703	£16,751,693	£16,201,190	**£119,329,808**
Other Works	£0	£680,666	£500,666	£316,666	£316,666	£316,666	£1,583,330	£1,583,330	£375,000	£1,583,330	£1,583,330	**£8,839,650**
Fire Risk Assessments	£0	£400,000	£400,000	£200,000	£150,000	£150,000	£750,000	£750,000	£1,958,330	£750,000	£750,000	**£6,258,330**
Disabled Facilities Grants	£0	£200,000	£200,000	£200,000	£200,000	£200,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	**£6,000,000**
Energy Works	£0	£400,000	£400,000	£400,000	£400,000	£400,000	£2,400,000	£4,000,000	£4,000,000	£4,000,000	£4,000,000	**£20,400,000**
Contingency Sum	£0	£200,000	£200,000	£200,000	£200,000	£200,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	**£6,000,000**
Professional Fees	£0	£250,000	£250,000	£250,000	£250,000	£250,000	£1,250,000	£1,250,000	£1,250,000	£1,250,000	£1,250,000	**£7,500,000**
Total	**£13,247,196**	**£6,643,909**	**£6,183,123**	**£7,753,446**	**£6,047,761**	**£7,032,277**	**£29,060,859**	**£23,192,644**	**£23,047,033**	**£26,335,023**	**£25,784,520**	**£174,327,788**

8. For 2023.24 we have matched the provisional capital expenditure and funding for both investment in existing stock and new developments as per the Round 1 forecasts.

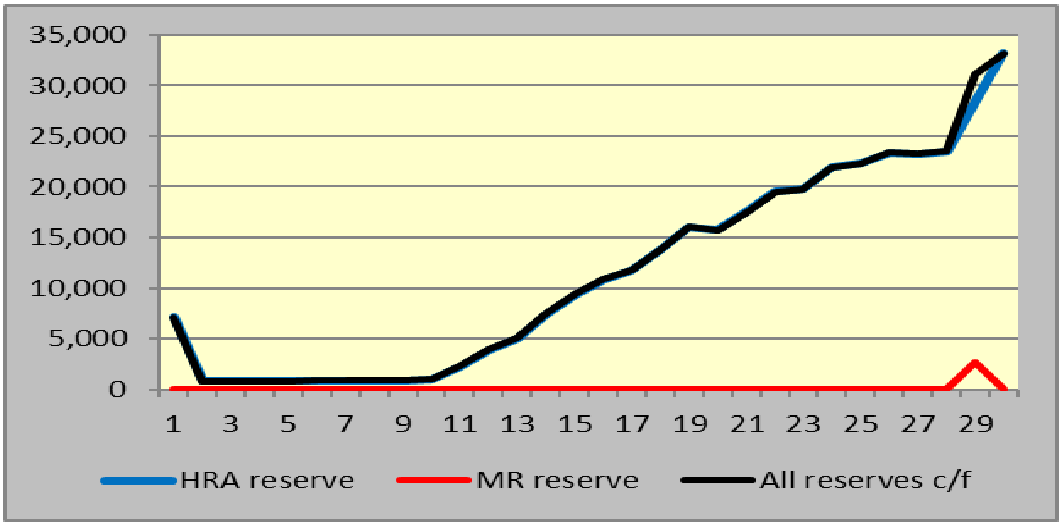
9. Given that gross stock losses are estimated at 7.6% the investment costs have been adjusted to reflect stock losses by a 50% variable factor, which provides a small level of contingency.
10. Total investment into existing stock is £174.3million at current prices and equates to £58.2k per unit over 30 years. This is based on all categories of work to establish the base position for the model and test its viability in order meet these investment needs throughout the scenarios modelled. A core reason for the increase is in respect to energy efficiency works. Costs will increase by CPI, with an additional 5% applied in 2024.25.
11. Depreciation to finance existing stock improvements is charged to the HRA at an equivalent £1,220 per unit, which is adjusted for inflation on a unit-cost basis throughout the plan.
12. Rent income from the developments and acquisitions are included, with a standard range of costs added to existing repair and investment budgets. Development and acquisition expenditure is funded, where possible, via retained '1-4-1' receipts and Homes England Grant.
    Overall development expenditure stands at £36.174million. The existing schemes on-site will deliver 24 homes at a cost of £8.062million. Beyond this we have modelled provisional expenditure of £28.1million (inclusive of inflation) to deliver an additional 99 homes with an assumed subsidy of 30% through grant or retained '1-4-1' receipts delivered between 2024.25 and 2026.27.
13. The average interest rate applied to the HRA existing debt level is c4.2% throughout. Any new borrowing will be at 5% in 2024.25, 4.5% 2025 to 2027 than 4.25% 2027.28 the 4.0% based on long-term forecasts.
14. In line with previous iterations, the business plan does make provision for the part-repayment of loans as part of an MRP mechanism. The values have been calculated on annuity values provided by officers. It should be recognised that there is no statutory requirement for the repayment of debt, but given the 'one-pool' nature of the council's treasury management for both the HRA and General Fund, there may be need to revisit this as future borrowing is required.

The Baseline Summary Outputs

The charts below summarise the forecast:

- Revenue reserves forecast over 30 years
- Capital programme forecast over 30 years
- HRA Debt forecast over 30 years.

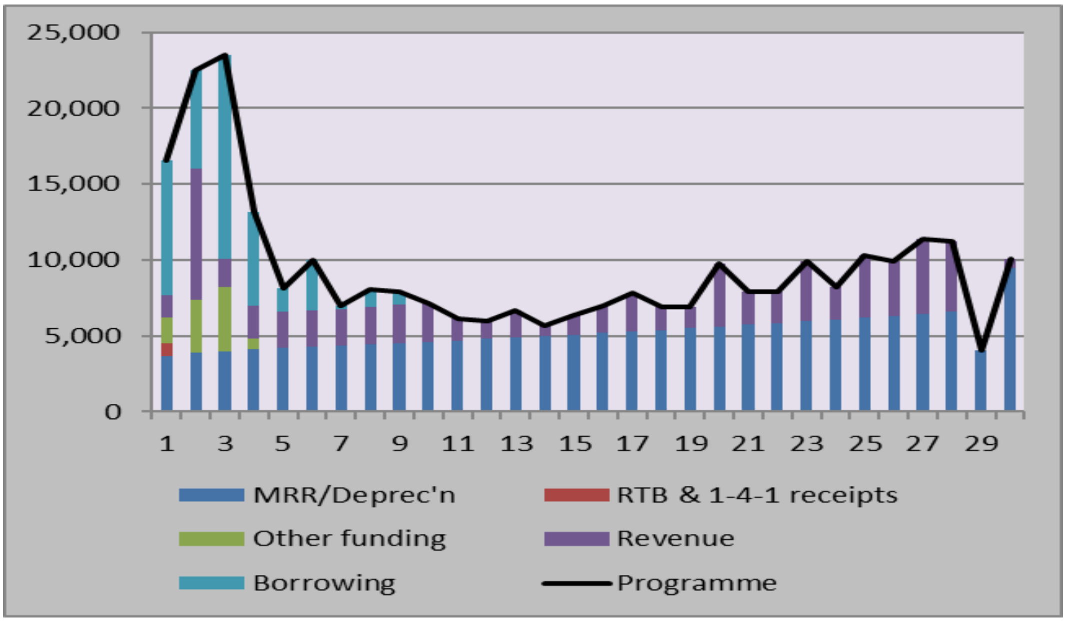
Figure 1 - Revenue Reserves forecast 2023-2053 Baseline Position



The main outputs from the revenue forecast are as follows.

1. There is a call on revenue reserves modelled in the early - this is to assist the financing of the stock investment in existing stock, and new homes. Medway does, of course, have the opportunity to borrow rather than utilise reserves. The HRA does not go below the pre-set minimum balance of £0.750million (inflated on an annual basis) in any year of the plan. The overall trajectory of revenue reserves is however upwards towards the end of the 30-year term. Revenue reserves are part-called on to repay loans through the MRP mechanism, but this could be revisited to increase the level of debt repaid thus reducing revenue balances but also the level of debt at the end of the plan.
2. The Major Repairs Reserve is fully utilised in the early years of the plan to assist in the funding of the Codeman in-year works and backlog repairs; thereafter the trajectory (blue line) is upwards suggesting that long-term investment costs are able to be covered more than fully.
3. The overall level of reserves (black line) is positive at the end of term highlighting that the plan generates sufficient revenue to meet all its obligations (but could not fully repay the full value of the HRA debt outstanding if the council so wished).

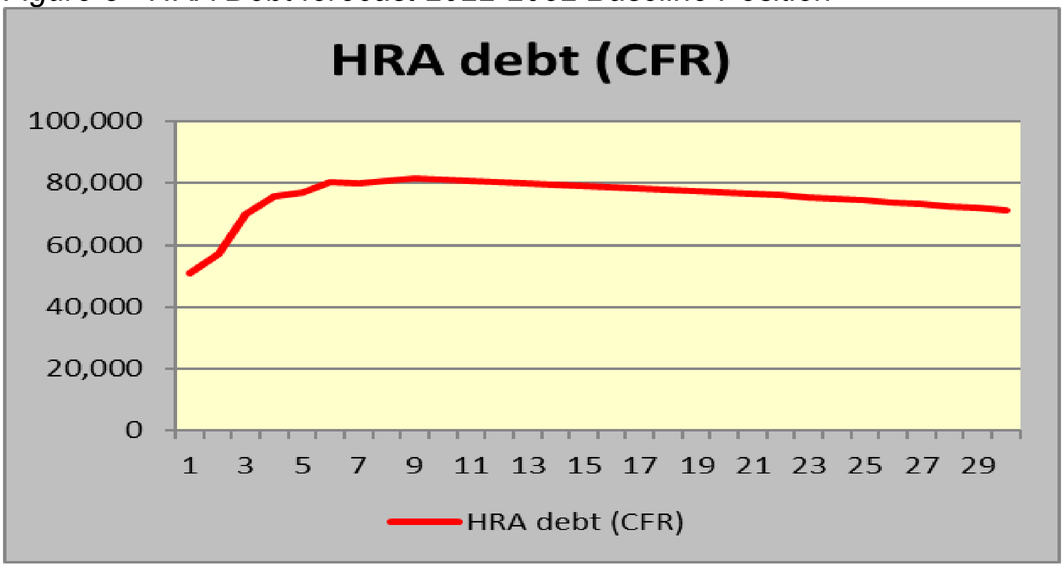
Figure 2 - Capital expenditure and financing forecast 2022-2052 Baseline Position



The capital forecast is fully financed as follows.

1. The total programme over 30 years is £247.6million (at outturn prices - which is £174.3million at today's prices), excluding the values assumed for development and acquisition programme (which extends into year 4, 2026.27)
2. Between years 1 and 9 borrowing is required to cover investment in the stock identified in section 7 above and developments and acquisitions.

Figure 3 - HRA Debt forecast 2022-2052 Baseline Position



In summary, the debt forecast highlights the following.

1. Following a short to medium period in which borrowing is drawn to assist in financing the stock investment programme, loan repayments are scheduled based on the annuity calculations.
2. There are alternative approaches to the repayment of loan balances based on the treasury management position for the council. An alternative plan, such as increasing the annuity payments would affect the level of reserves, debt and funding/investment profile within the plan.

3. However, the plan provides for the repayment of c£13.5million of debt balances, set against borrowing of £42.2million during the term. Closing debt is £71.2million, which when offsetting the reserve balances of £33.2million, presents a relatively positive position in that c44.7% of debt balances can potentially be covered (or repaid) over the duration of the plan, allowing for the HRA minimum balance requirement.

Scenarios

1. Impact of Growth to the Plan

As with previous reviews we have assessed the impact of additional development within the plan to ensure a net growth of an average 1% overall for the first 10 years of the plan.

The initial modelling results in an additional 266 units delivered from 2026.27 to 2032.33, in addition to the 123 properties within phases 4, 5 and 6 and other properties acquired. Expenditure split 50:50 where appropriate over the prior and year of delivery. The key assumptions are as follows:

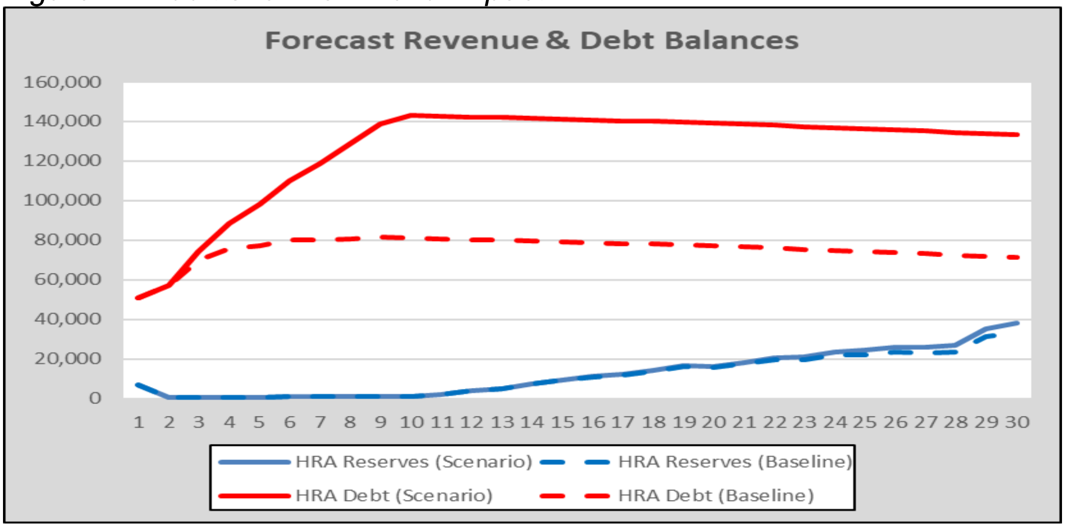
Year	Scheme	Properties	Cost
2025.26 - 2029.30	Unidentified Sites	266	£73.15m*

*Note * Inflation excluded*

Subsidy by way of 1-4-1 receipts, limited at 30% of development cost.
New Borrowing based on an adjusted interest rate of 4.0%
Rents: Based at affordable rent levels
Operational Costs (per unit): Management £0, Repairs £680 and Life-Cycle Costs £1,000 (year 11 onwards)

The impacts is as follows:

Figure 4 : Additional New Build Impact



The introduction of the additional units increase forecast reserve balances to £38.1million (£33.2million) at the expense of an increase of borrowing of £62.0million to £133.2million.

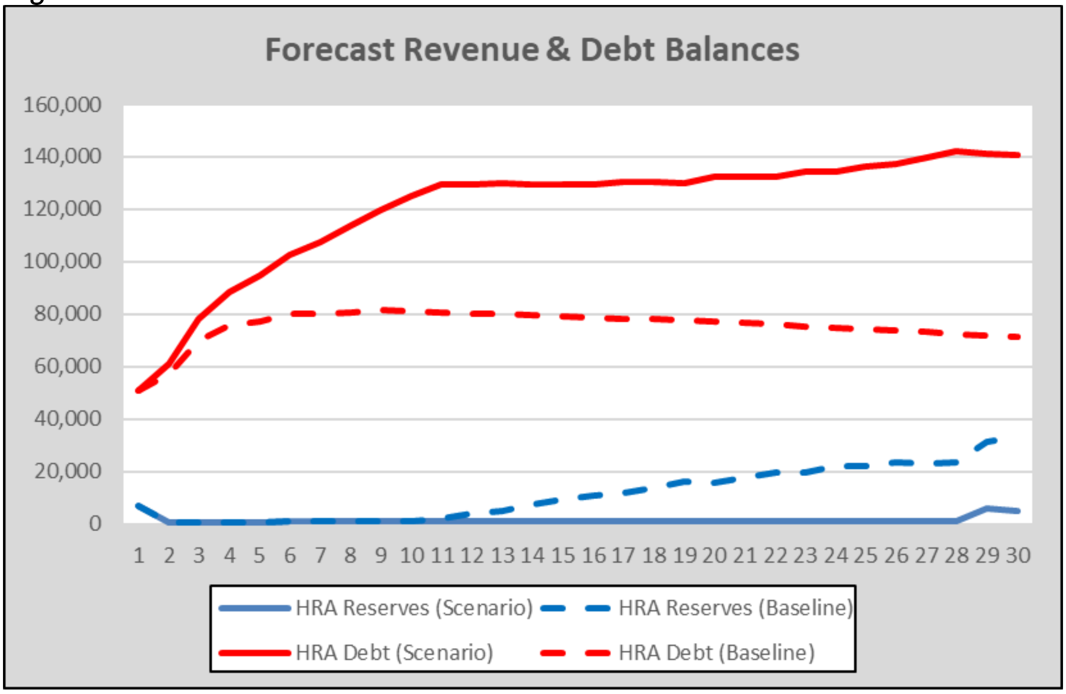
2. Impact of De-Carbonising the Stock to the Plan

The recent Social Housing White Paper reiterated the focus on climate change and along with the Council declaring a climate emergency we have modelled the potential impact for improving the energy efficiency of the current stock.

Drawing upon our national modelling for the Local Government Association we have assumed an average cost of £20,000 per property based on a programme spread over a 10-year period commencing 2024.25, less £6,800 due to the existing provision within the baseline model.

We have assumed no form of Government subsidy for these works.

Figure 5 – Additional Zero Carbon



The inclusion of these works has a significant impact to the plan. We have modelled the existing levels of annuity payments made to reduce debt in order to maximise the revenue position. In addition, we have followed the same principles in the stock growth scenario where new borrowing is factored in at 4.0%.

Debt balances increase by £69.4million on account on meeting the costs of zero-carbon but also maintaining the capital programme for existing stock.

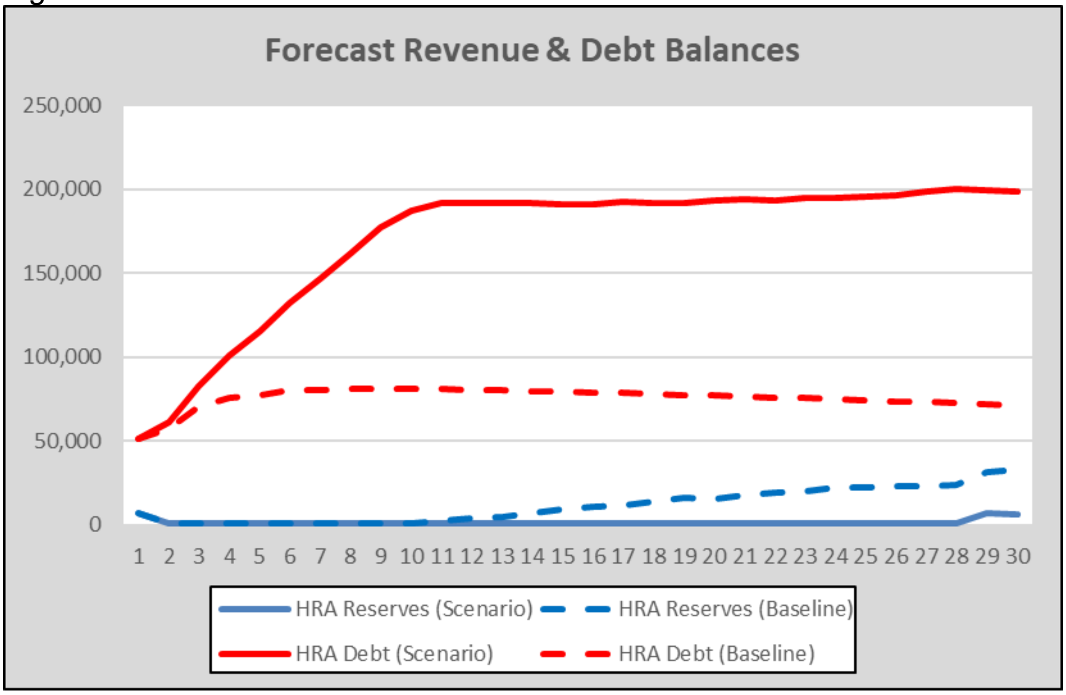
Reserve balances fall, but remain in a positive position, albeit below the minimum balance level set.

In order to mitigate this it is possible that some form of subsidy may be made available and that the Council could consider reducing its investment of all priority categories for existing stock as per section 7.

3. Combination of Impact of Growth and De-Carbonising the Stock to the Plan

This scenario includes both growth in terms of new homes and de-carbonisation.

Figure 6 – Additional Growth and Zero Carbon



The inclusion of both new build and zero-carbon works has a significant impact to the plan. We have modelled the existing levels of annuity payments made to reduce debt in order to maximise the revenue position. In addition, we have followed the same principles in the individual scenarios where new borrowing is factored in at 4.0%.

Debt balances increase by £127.2million to £198.4million on account on the additional costs but also maintaining the capital programme for existing stock.

Reserve balances reduce by £26.8million to £6.4million, but remain above the minimum balance level set.

Capacity Analysis

In previous reviews we have considered the potential for borrowing capacity within the plan.

As a reference we have used the interest cover ratio as a guide to borrowing limits as described below.

Interest Cover Ratio (ICR)

This is the ratio of operating surplus divided by interest costs, and represents the cover that the HRA has against its interest cost liabilities in any year; the ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest. For housing associations, the usual definition of operating surplus is EBITDA (Earnings before Interest, Tax, Depreciation and Appropriations). The average ICR for the HA sector in 2021.22 was around 2.85; typical lending covenants vary between 1.10 and 1.50 depending on the size and nature of the HA, with 1.25 being a typical expectation.

For the HRA, this is best defined as:

- Turnover (dwelling rents, other rents, service charges, contributions)
- Less
- Operating Costs (general management, special management, other management, repairs & maintenance, major repairs)

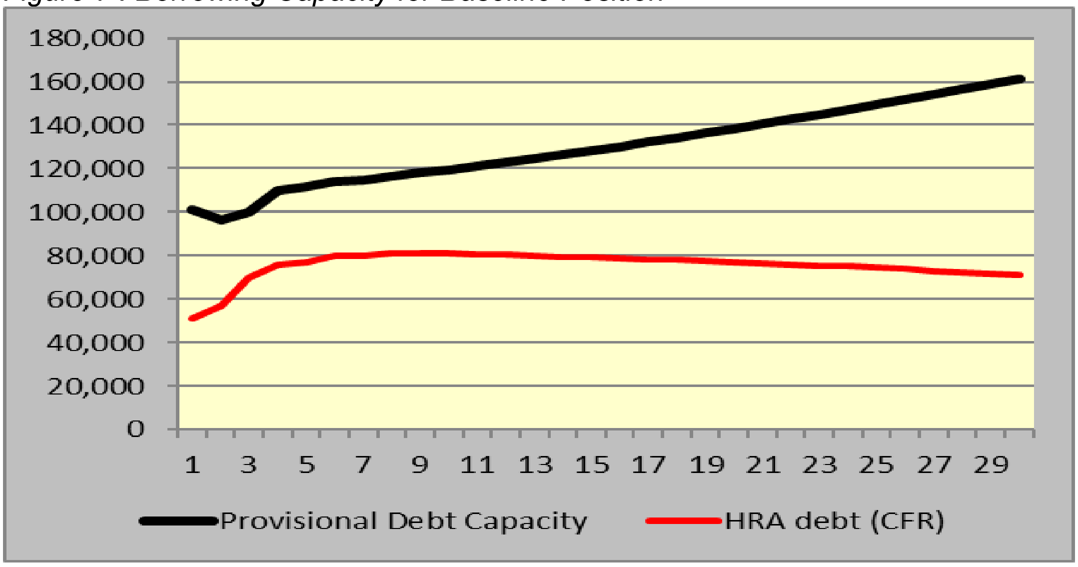
For housing associations, depreciation is not a cash transaction. In the HRA, because of the treatment of depreciation as a cash transfer to the MRR plus or minus an adjustment to reflect actual transfers to MRR, it is essential to include the net amount transferred to MRR in the calculation. This represents the revenue expenditure on major repairs made legitimately as part of operating costs. Notwithstanding that these are subsequently treated as part of the capital programme, they are funded from revenue and property an operating cost. Whilst transfers to the MRR may not be spent in-year, our experience is that the majority of balances carried in the MRR tend to be from expenditure slippage.

The above definition of ICR works in the HRA context as it determines the revenue surplus before interest, appropriations, and other “below the line” adjustments.

We have assumed a “golden rule” in that the ICR does not fall below 1.25.

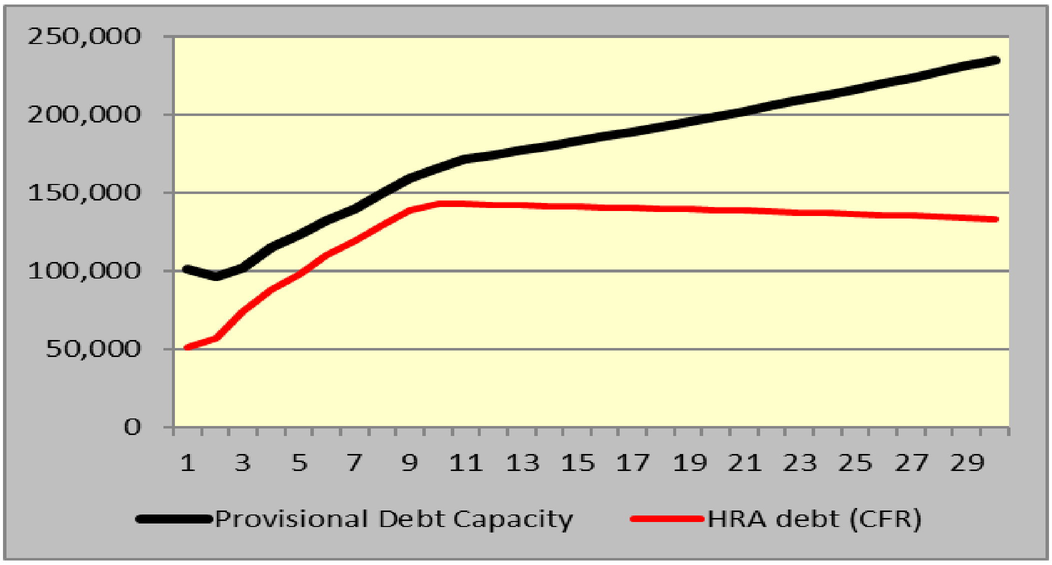
In order to provide context we have demonstrated borrowing capacity for the baseline position and 2 scenarios below.

Figure 7 : Borrowing Capacity for Baseline Position



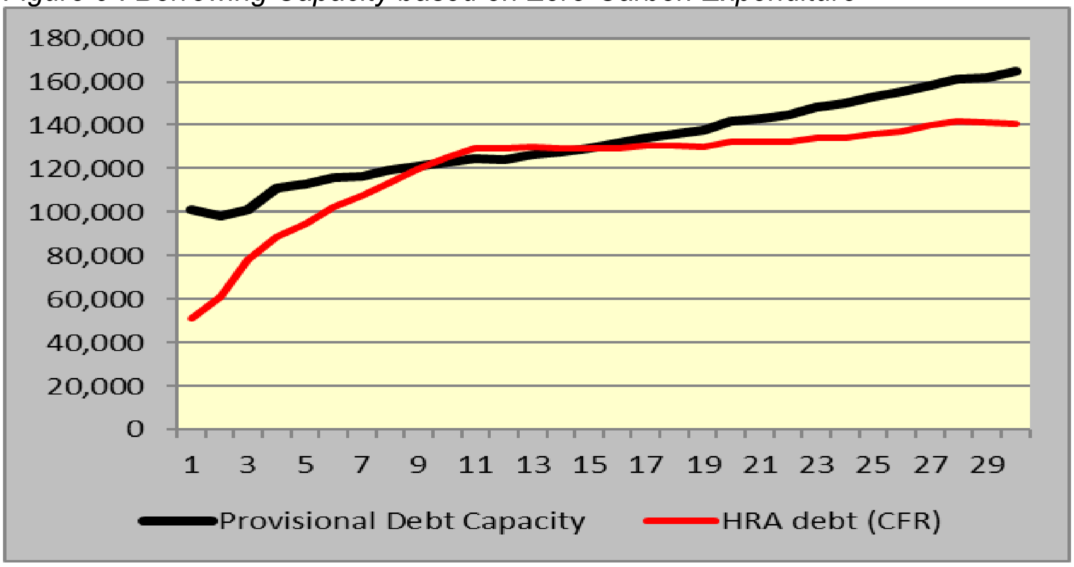
This demonstrates that there is borrowing capacity, the differential between the black and red line. At its minimum, borrowing capacity is estimated at £30.0million in year 3.

Figure 8 : Borrowing Capacity with Additional New Build



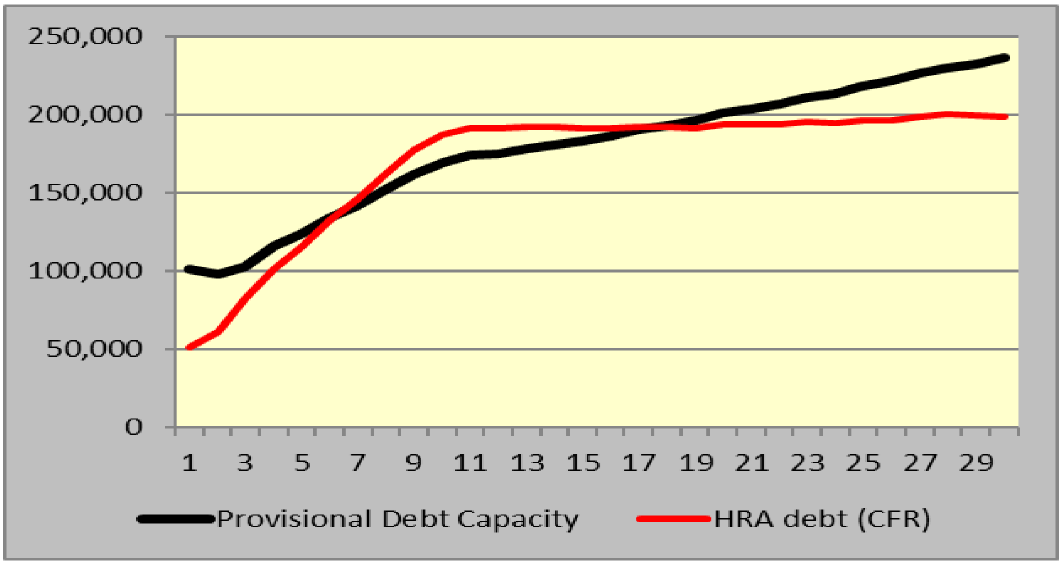
Whilst borrowing increases on account of additional development, the new properties generate additional rental income contributing to borrowing capacity. The minimum level of borrowing capacity is £20.3million in year 9 but continues to grow at a steady rate beyond the development phase.

Figure 9 : Borrowing Capacity based on Zero-Carbon Expenditure



The increase in costs to meet zero carbon without any form of subsidy of additional income results in the “golden-rule” applied being exceeded beyond year 10, but recovers by year 15.

Figure 10 : Borrowing Capacity based on Growth and Zero-Carbon Expenditure



The combination of borrowing for new growth and zero-carbon combined exceed the "golden-rule" from year 7 and at its maximum is in excess of £18.3million but reduces over the term of the plan.

Overall Summary

This review has demonstrated that a combination of:

- Increased assumed development expenditure on the pipeline schemes for 99 properties
- Higher interest rates for new borrowing
- Benefits of the Round 1 forecasts

Have resulted in the plan requiring additional borrowing but higher forecast reserves.

Other external factors will play heavily upon on the future of this plan and could result in the need to revisit the plan more often in order to make strategic decisions moving forward.

Simon Smith
August 2023