

HRA Financial Projections

Report for BCP Council

Executive Summary

The BCP Council HRA is in a strong financial position. The Baseline financial projections indicate that there is sufficient capacity for the authority to continue investing in its stock and to deliver 680 new homes by 2034/35.

To deliver this level of investment and new homes delivery the authority needs to ensure that it maintains downward pressure on its operating costs. This will require a permanent reduction in its operating budgets for general management and repairs and maintenance in 2026/27. This represents a 2% reduction across its base budget (at 2025/26 levels) for both services. In addition, the authority must increase the level of service costs it recovers via service charges.

The projections include assumptions that are subject to change, but outside of the authority's direct control. These include:

- Underlying rates of inflation
- Interest rates
- Future requirements for investment in decent homes and decarbonisation
- External funding available for future stock investment and new homes
- Government policy on rent convergence

While stress testing of the projections suggests that the authority's HRA is in a strong position, the situation is very sensitive to changes in future costs and income. The financial strength of the HRA weakens if costs rise without a corresponding increase in income or funding. For this reason, the authority needs to ensure that it delivers the revenue cost reductions and additional service charge income that help its ability to finance the delivery of additional new homes.

The council needs to remain alert to the potential effects of the decisions it takes and their impact on the financial capacity of the HRA. It will be important to reassess any changes in key assumptions as they become apparent and adjust the authority's future plans accordingly.

Introduction

Background

It is good practice for a local housing authority to maintain and update long term financial projections for its housing revenue account (HRA) and capital programme. These projections enable the authority to test the financial capacity of its HRA over the short, medium and long terms, while stress testing the results help to illustrate current and potential risks. Armed with this knowledge, the authority is better informed when setting and updating its budget and capital programme

Housing Finance Associates supports BCP Council in preparing and analysing the long term financial projections for its HRA. We provide the authority with our comprehensive financial model, which enables dynamic modelling and testing of long term income, expenditure, investment, resources and debt. We work with council officers to ensure that the modelling assumptions are evidence-based and represent the authority's current position. We also ensure that changes made to the underlying assumptions when stress testing the projections or exploring alternative scenarios are reasonable.

Methodology

The projections outlined in this report have been prepared in consultation with council officers, who met regularly during the process. This iteration of the process started in July 2025 and has involved a wide range of council officers. It has operated through a core group of officers, which has co-ordinated the necessary data collection and provided the main steer when refining the modelling assumptions.

The core officer group was led by the Director of Housing and Public Protection and included heads of service from property services, BCP Homes and Finance.

Our consultancy team initiated data collection in July 2025 and worked with officers to check the information provided and prepare an initial financial model. This was discussed and refined at meetings during August and a first draft was presented to officers on 22 August. Further revisions were then made to prepare a briefing that was presented to an informal Cabinet meeting on 29 September. Discussion at that meeting led to final adjustments to the modelling assumptions that have been reflected in this report.

Housing Finance Associates

Housing Finance Associates is a specialised consultancy, providing financial modelling and associated support to housing authorities in England. We work with a wide range of local housing authorities, of all types and sizes. Our services are provided by a team of highly experienced HRA finance consultants.

Key assumptions

Best available evidence

The HRA financial projections are based on the best available evidence base available to the authority. This includes verifiable data, provided by the council, such as stock numbers, rents and opening balances as at April 2025. The projections also reflect the authority's current spending plans, as described by its current budgets and capital programme.

Supporting Assumptions

We supplement this evidence with a range of assumptions, which draw on other information sources and are developed in consultation with council officers. These assumptions include:

- Future policy on rent increases (based on recent government consultations)
- Inflation (based on Monetary Policy Reports from the Bank of England)
- Future rent loss from voids and bad debts (reflecting local experience and expectations)
- Future right to buy sales (reflecting local experience and expectations)
- Changes in the levels of revenue income and expenditure for future years

The Appendix to this report provides a summary of all the key assumptions made over the first five years of the financial projections. Further information for specific areas of the financial modelling is described in the graphics that follow.

Inflation

The projections include allowances for inflation on both expenditure and income. The underlying rates of inflation used are based on the August 2025 monetary policy report from the Bank of England, which projected CPI at:

- 3.75% in the final quarter of 2025 (applied to projections for 2026/27)
- 2.5% in the final quarter of 2026 (applied to projections for 2027/28)
- 2.0% in the final quarters of 2027 (applied to projections for 2028/29)
- 2.0% thereafter (reflecting long standing government inflation targets)

Most costs allow for inflation to be applied at CPI. For building costs, which have a tendency to increase at higher rates over the long term, inflation has been assumed at CPI +1% each year.

Interest Rates

Assumed interest rates reflect the authority's expectations when the projections were prepared during August 2025. They allow for current rates to be applied to the authority's existing portfolio of HRA-related loans. For new borrowing that is required to finance the capital programme, the projections assume a long term average interest rate of 5.3%.

Capital Financing

The projections allow for the authority to maintain a minimum balance on its HRA, which has been set at 5% of its operating expenditure. This includes depreciation but excludes capital financing charges. Any surplus the HRA generates that takes the balance above this minimum level is made available for use in repaying debt or to finance the capital programme as a revenue contribution to capital outlay (RCCO).

Right to buy sales generate a variety of different types of capital receipt. Allowable Debt receipts that are generated from those sales are held in reserve, for use in repaying the authority's HRA-related loans. Retained right to buy receipts must be used for the supply of new homes and the

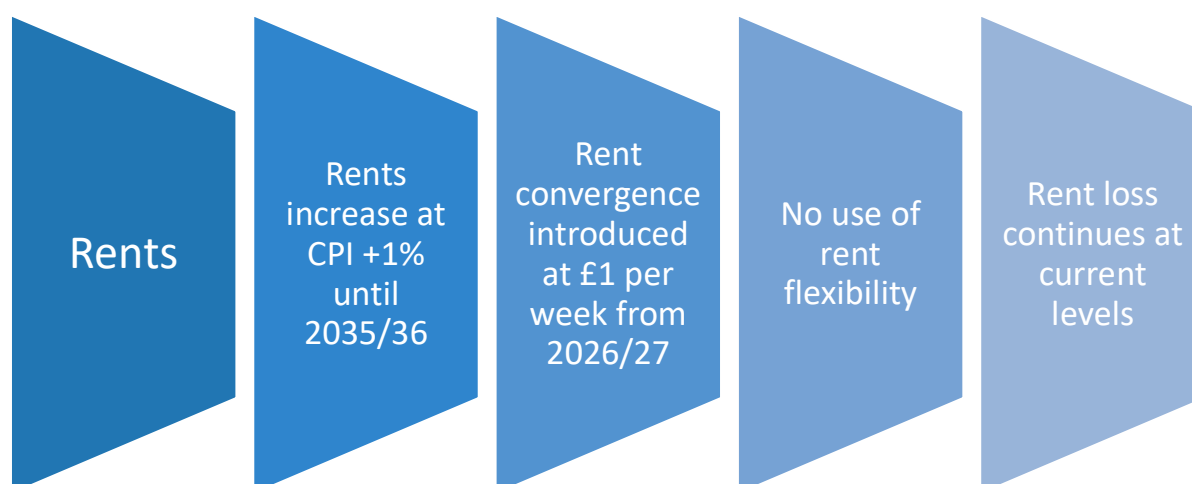
modelling assumes that the authority uses them to part pay for new homes that it delivers itself or (after the medium term development programme) that are provided by a housing association in exchange for nomination rights.

The projections allow for the planned use of Homes England grant, first tranche shared ownership receipts and S106 to help pay for the delivery of new homes.

Other projected capital resources include the major repairs reserve (MRR) and HRA balances that are above the minimum level. Both of these resources are self-generated by the HRA. MRR comes from HRA depreciation charges and HRA balances build up when HRA income is greater than HRA expenditure. The projections allow for the authority to prioritise its MRR for repaying its existing schedule of HRA-related loans. HRA balances above the minimum level are made available to finance the HRA capital programme as a revenue contribution to capital outlay (RCCO).

Rent Assumptions

The principal assumptions that have been used with the authority's existing stock and rents as at 1 April 2025 are described below:



The assumption on rent increases at CPI +1% reflects current government policy, which was first published as a five year settlement in October 2024 and updated to ten years in July 2025. We have assumed that rents would continue to increase at CPI only after that ten year period ends, from 2036/37 onwards.

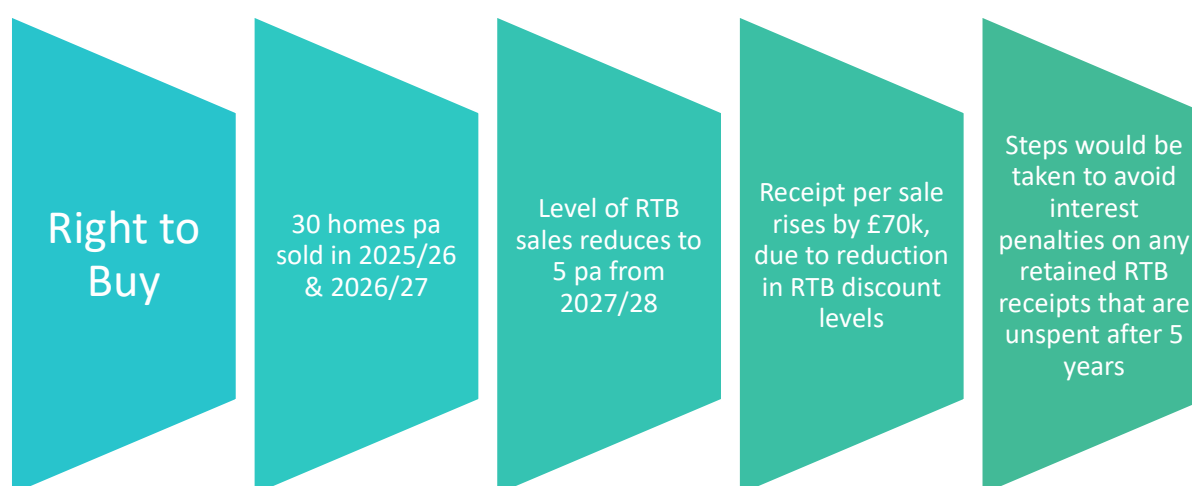
The approach to rent convergence reflects the lower of two specific options that the government consulted on in July 2025. We have allowed for the rents of existing tenants to converge with the formula rent for their homes at a rate of up to £1 per week. Using the authority's own data, this would lead to actual rents converging with formula rents from 2038/39 onwards and generates substantial additional rent income during the period covered by the projections.

Right to Buy Assumptions

The government announced a series of reforms to the right to buy in England in July 2025. These reforms came into effect from 21 November 2024 and included:

- Extending the period required for a tenant to qualify for the right to buy from three to ten years
- Discounts were reduced to pre-2012 levels. This sets the maximum discount for BCP and other authorities in the South West of England at £30,000
- New homes to be exempt from the right to buy for 35 years
- Adjustments to the cash floor, used when calculating a discount
- Discounts may be part-repayable for ten years after the sale
- The council has an indefinite first right of refusal when a property is re-sold

These measures have impacted on the future level of right to buy sales and the receipts they generate. The following graphic describes the main assumptions made:



In addition to the measures outlined above, in July 2025 the government also announced a range of changes to the treatment of future right to buy receipts, some of which extended flexibilities previously announced in July 2024. These changes included:

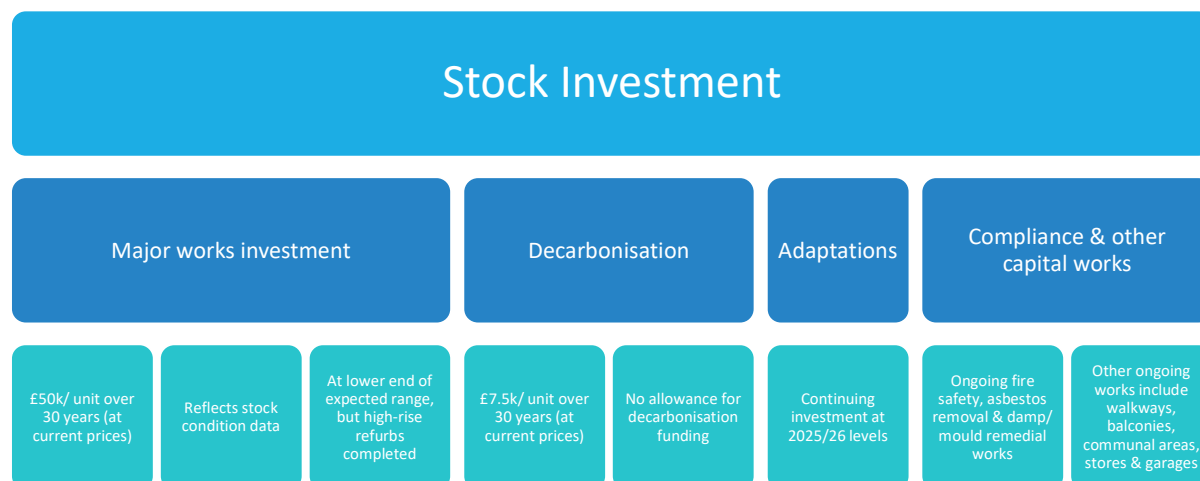
- The ability to use retained right to buy receipts to pay for up to 100% of the eligible cost of providing a new home
- Removal of previous caps on the number of acquisitions that may be made using retained right to buy receipts
- Allowing retained right to buy receipts to be combined with the use of S106 funding
- Allowing retained right to buy receipts to be combined with the use of government grant from 2026/27
- Extending the maximum time period for spending retained right to buy receipts from 5 to 10 years from 2027/28
- Allowing authorities to use retained right to buy receipts to deliver new homes via an ALMO
- Requiring local authority share and buyback receipts from the right to buy to be spent on new homes

These changes have been taken into account when considering how the authority uses its right to buy receipts in future.

Stock Investment Assumptions

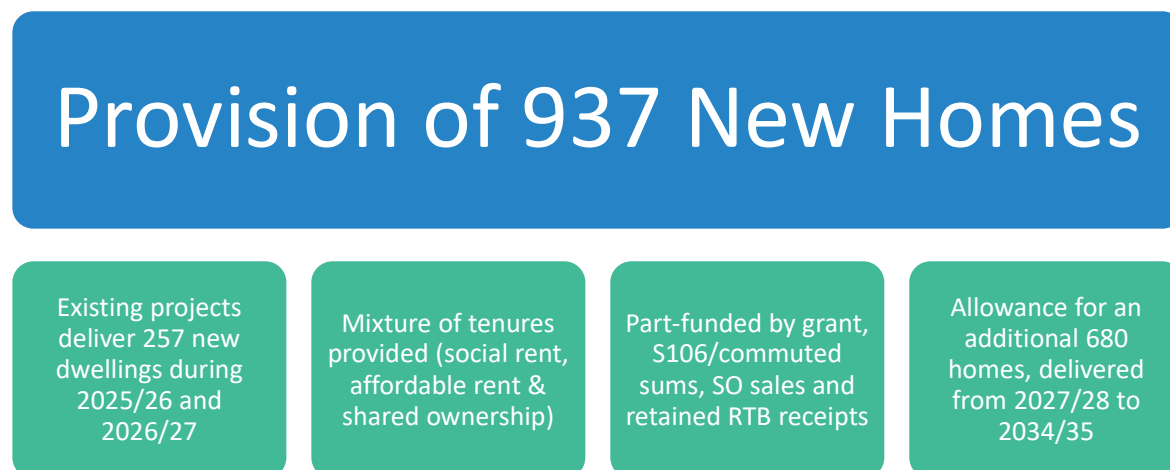
Projections on stock investment are largely based on a combination of the authority's existing capital programme for 2025/26 and, from 2026/27 onwards, the level of investment identified from its stock condition survey. In addition to the results provided from the authority's data we have added a contingency to ensure that stock investment over a 30 year period is at a representative level. This contingency was added in consultation with council officers.

The graphic below summarises these key assumptions:



Provision of New Homes

The Baseline projections allow for the provision of 937 new homes by 2034/35. Of these, 257 would be delivered by 2026/27 as part of the authority's ongoing programme for developing and acquiring new dwellings. The remaining 680 homes would form an extension of the existing programme, which (if approved by the Council) would deliver 85 further homes a year from 2027/28 to 2034/35.



The assumptions made for delivery of the additional 680 homes are as follows:



Baseline Projections

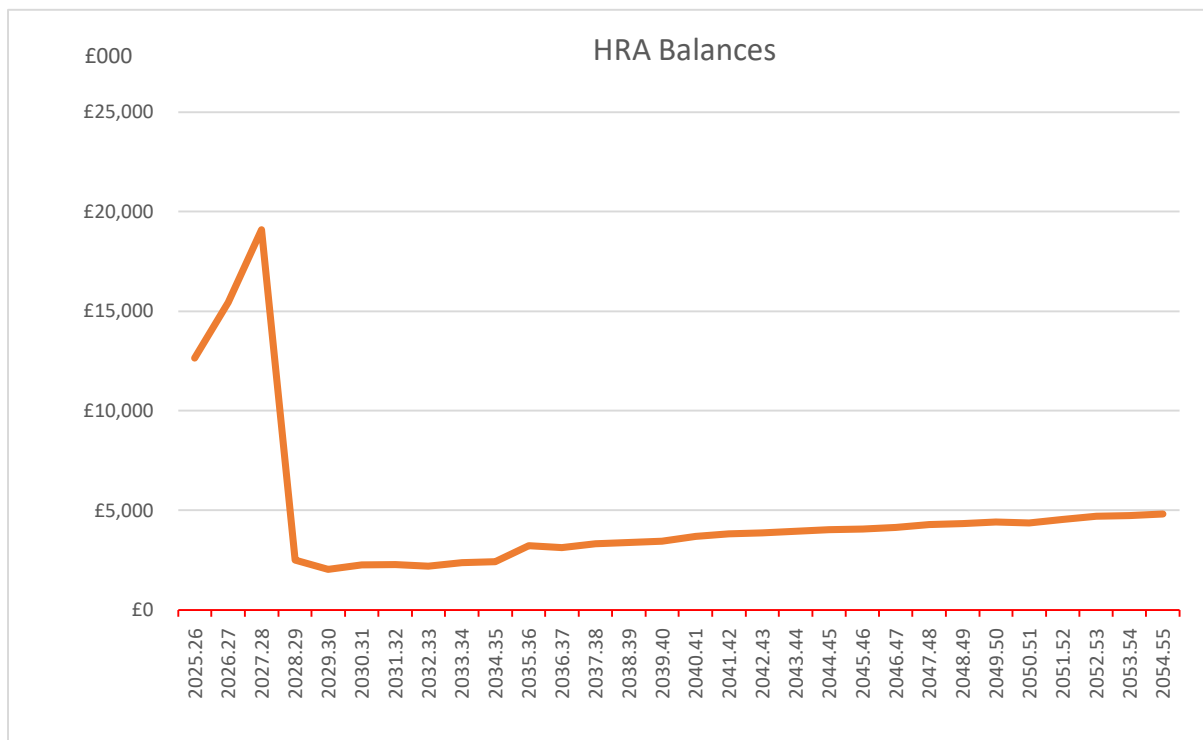
Introduction

The charts that follow summarise the Baseline HRA projections, which have been prepared in consultation with Council officers. Each chart shows a different aspect of the projections, describing the capital investment required, how it is financed and the financial performance of the HRA under the Baseline assumptions, as outlined above.

Revenue Balances

HRA Minimum Balance

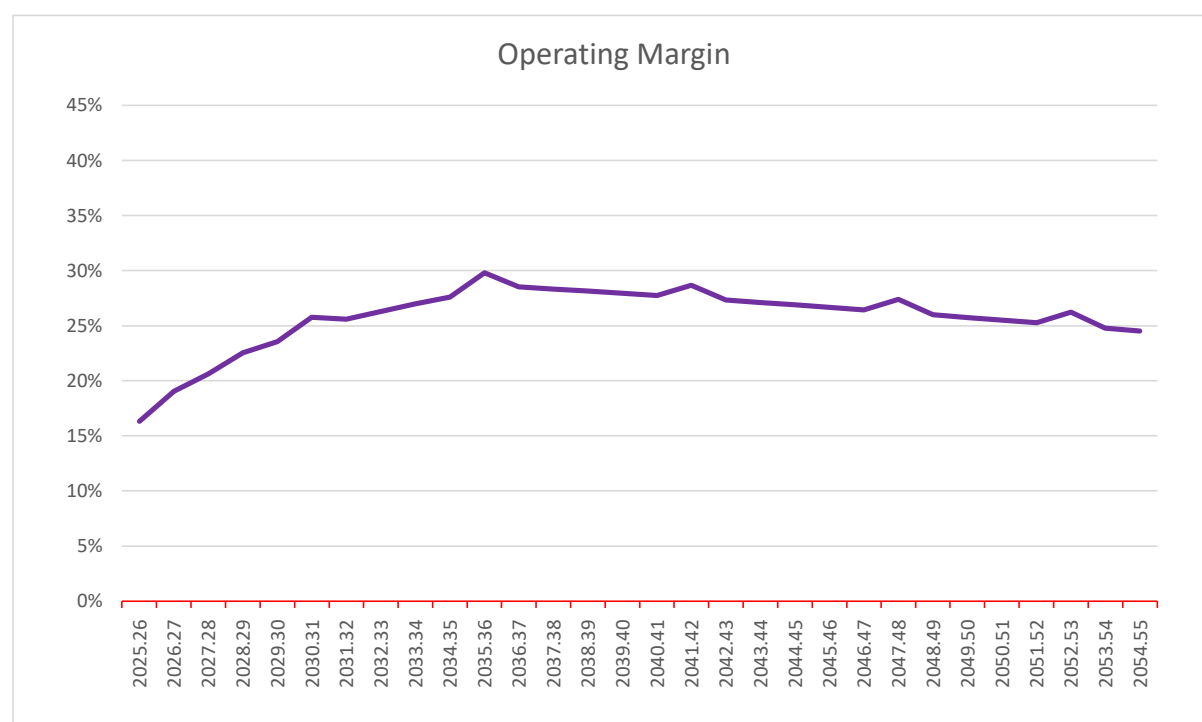
It would be unlawful for the Council to budget for its HRA to fall into deficit. To guard against this, the Baseline projections allow for the authority to maintain a minimum HRA balance that is equivalent to 5% of gross expenditure, excluding interest charges.



This chart shows that the authority can meet this minimum HRA balance requirement. From 2028/29 onwards, the modelling allows for any balances above the minimum level to be used to finance the HRA capital programme (as revenue contribution to capital outlay, or RCCO) or to repay debt.

Operating Surplus

The operating surplus of the HRA is a measure of financial performance. This shows the percentage of income (primarily from rents) that is retained after allowing for the operating costs of the service. These operating costs include general management, repairs and maintenance and charges for depreciation. The chart below shows how the operating surplus varies with changes in the assumptions:



The authority's operating surplus increases from a starting rate of 16.3% in 2025/26, which is representative of the performance we see in many other local authorities. The projected surplus then rises to a peak of 29.8% in 2035/36. This rise is also seen at other local authorities. At BCP, it is driven by the following measures, which have been reflected in the Baseline assumptions:

- A £100,000 increase in annual service charge income from 2026/27 onwards
- A permanent 2% reduction in general management costs in 2026/27
- A permanent 2% reduction in repairs and maintenance costs in 2026/27
- Rents increase at CPI +1% from 2026/27 to 2035/36
- Implementation of rent convergence at up to £1 per week for existing tenants from 2026/27

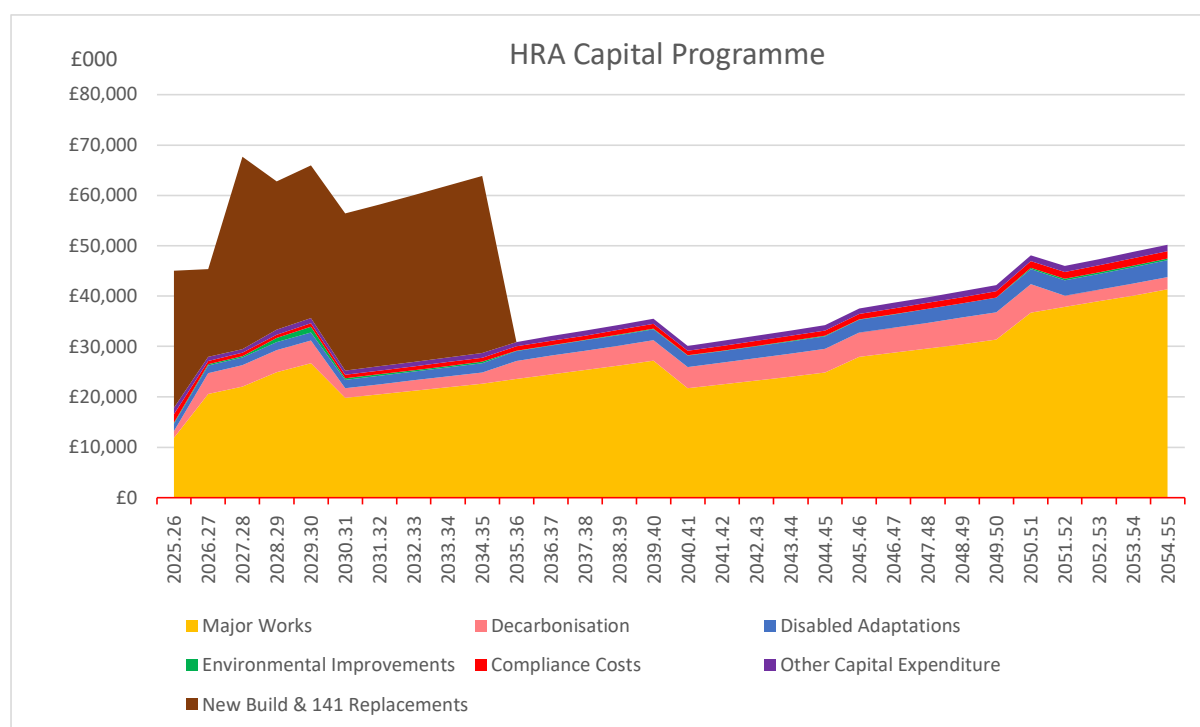
This improvement in the operating surplus helps to increase the financial capacity of the HRA. If the surplus goes up, the HRA is better able to service the borrowing it needs to deliver the capital programme.

It will be important for the authority to match or outperform these improvements in the HRA operating surplus, if it is to maximise future financial capacity.

Capital Programme

Expenditure

The projections allow for the following programme of investment in its HRA over the next 30 years:

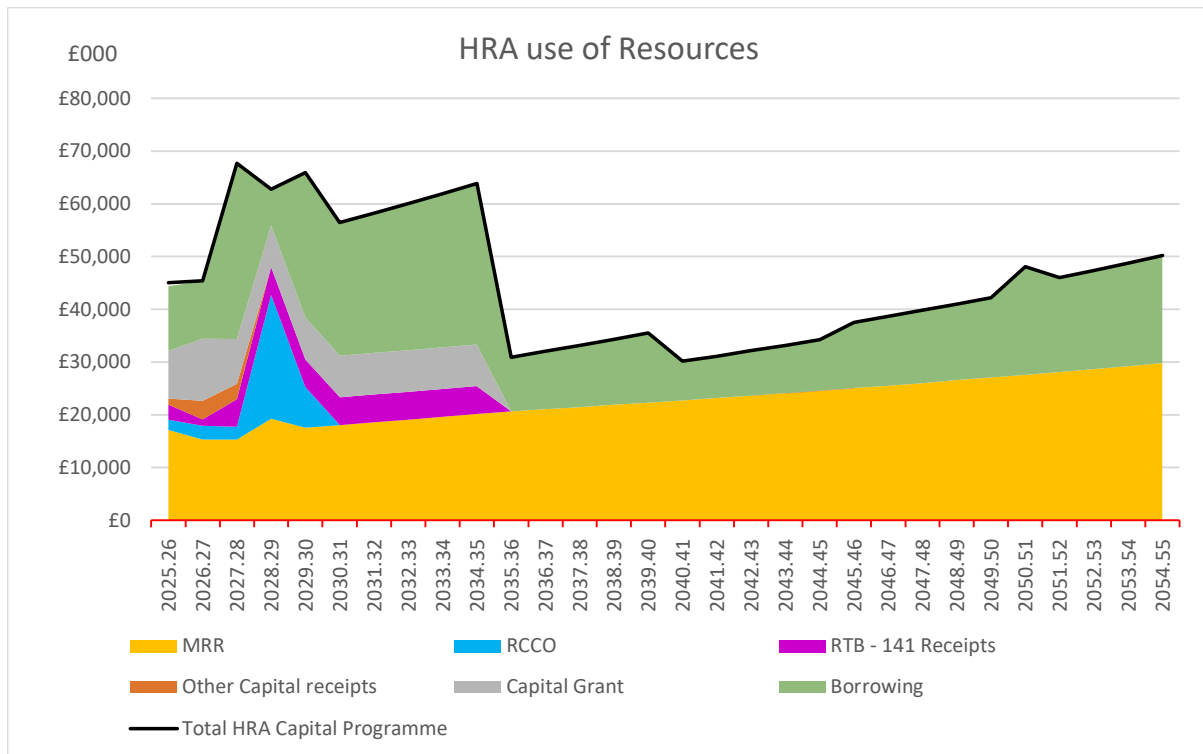


These projections allow for:

- Provision of 937 new homes by 2034/35 (brown area)
- An average of £50,000 (at current prices) to be invested each existing home over 30 years (amber area)
- An average investment in energy efficiency improvements of £7,500 per dwelling over 30 years (pink area)
- Current levels of investment in adaptations (blue area), compliance works (red area) and other capital projects (purple area)

Financing

The authority would access a range of capital resources when financing this capital programme. The projections to minimise the use of borrowing by maximising the use of other resources that are available to support HRA-related investment and are shown in the chart below:



Resources applied in the projections include:

- Major repairs Reserve (MRR – amber area). This is self-generated by the HRA from depreciation charges made against HRA-related assets
- Revenue contributions to capital outlay (RCCO – light blue area). This reflects budgeted contributions over the medium term, along with HRA surpluses that are greater than the minimum balance level from 2028/29 onwards
- Use of retained right to buy receipts (also known as “141 receipts” – pink area). These may only be used to build or acquire new homes and are subject to specific rules
- Other capital receipts (orange area). These reflect the planned use of S106 and shared ownership receipts that part-finance the authority’s existing new homes programme
- Grant (grey area). These grants relate to the provision of new homes
- Borrowing (green area).

Note that borrowing to finance the capital programme incurs interest charges, which are chargeable to the HRA. These charges make borrowing it the most expensive of the capital resources available when financing the HRA capital programme. For this reason, borrowing is only assumed when no other resources are available.

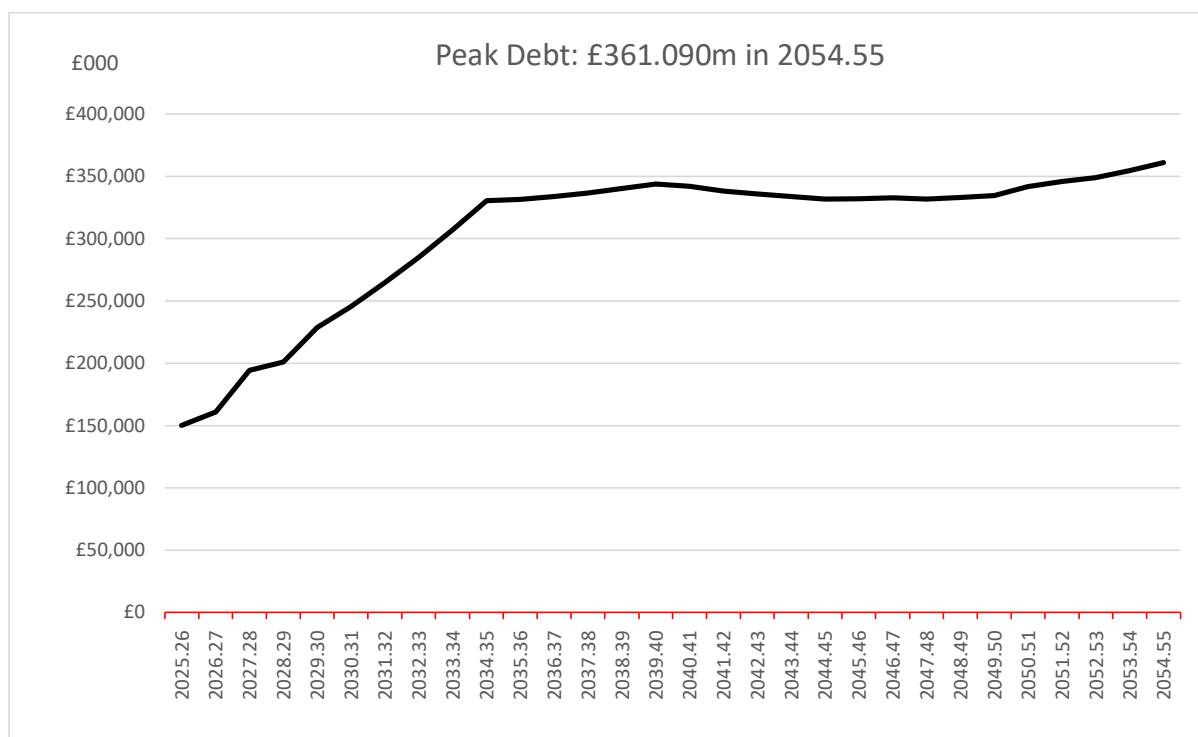
HRA-related Debt

HRA-related Debt levels

Alongside the need to borrow identified when financing the capital programme, above, the projections assume that the HRA would repay any existing debt or new borrowing when it can afford to do so. Two approaches have been taken to facilitate these future repayments:

- Application of revenue balances that are above the minimum level
- Using allowable debt receipts from future right to buy sales to repay debt. These are separate from the retained right to buy receipts (also known as “141 receipts”) that may be used to part-pay for new homes.

The following chart projects the net movement in HRA-related debt:



Projected debt rises substantially while the authority provides new homes, from just under £150m at the end of 2025/26 to just over £330m by the end of 2034/35. Between 2035/36 and 2049/50, debt levels stabilise, indicating that the HRA is broadly able to repay an equivalent amount of the debt that it needs to borrow to finance ongoing stock investment during that period.

Importantly, debt levels start to rise again from 2050/51, reaching a peak of £361.090m in the final year. This indicates a long term exposure to interest rate changes, which represents a key potential risk for the authority.

The authority needs to ensure that the HRA can cover the costs of that debt over the long term.

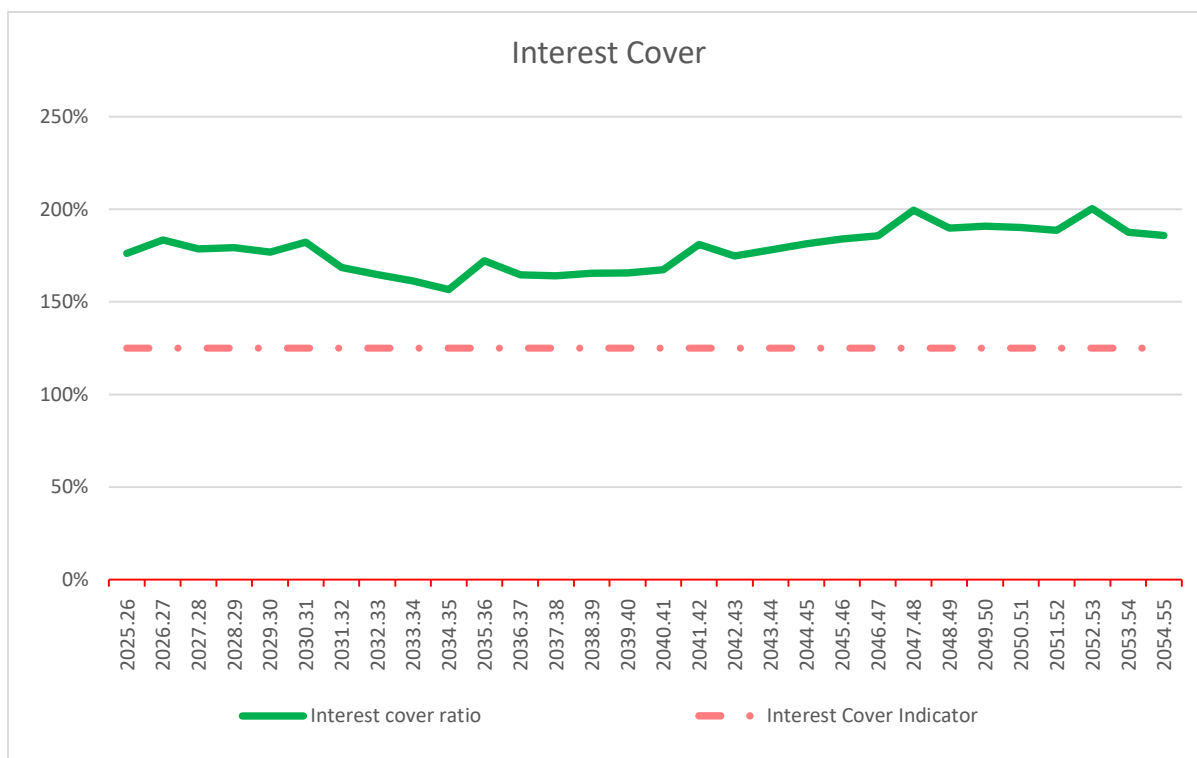
Affordability

Introduction

The projections use interest cover performance as the principal indicator of affordability to the HRA. Interest cover measures how well the HRA would be able to pay the interest charges on projected debt levels from its operating surplus.

Interest Cover Performance

The chart below shows projected levels of interest cover performance for the Baseline projections:



The green line on this chart represents interest cover performance. The dashed pink line shows a prudent minimum performance indicator.

Interest cover performance reduces whenever costs increase. This can happen as a result of:

- Rises in operating costs (such as general management and repairs)
- Loss of income (including higher rent loss or lower rent increases)
- Increases in stock investment costs or the provision of new homes
- Loss of capital funding (such as grant or capital receipts)
- Higher interest charges, caused by additional borrowing on increases in interest rates

The opposite happens if the authority is able to reduce costs or increase income, or if interest rates go down.

The Baseline interest cover projections for the BCP HRA are consistently above the minimum performance level. This indicates that the position is affordable and financially sustainable.

Throughout the period the Baseline HRA retains some spare financial capacity for the authority to draw upon in response to any unexpected costs and emerging risks.

Stress testing and risks

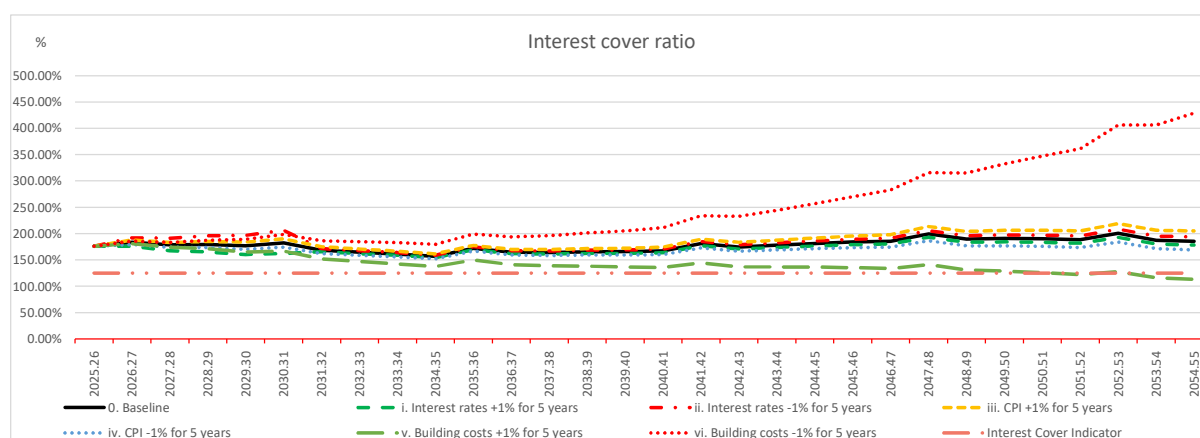
Approach to Stress Testing

While preparing these projections we have explored a range of sensitivity tests and alternative scenarios with council officers. Sensitivity tests show the exposure of the HRA to changes in external factors that are largely outside the authority's control, such as inflation and interest rates.

Alternative scenarios show the potential impact of actions that are largely within the authority's control, such as the approach taken when setting budgets or increasing rents.

Impact of Sensitivity Testing

The chart below shows the impact of a range of sensitivity tests on interest cover performance, compared with the Baseline:



The black line in this chart shows the Baseline position. The sensitivities included are:

- i. Interest rates rise to 1% above Baseline for 5 years (dark green dashed line)
- ii. Interest rates fall to 1% below Baseline for 5 years (red dashed line)
- iii. CPI rises by 1% above Baseline for 5 years (yellow dashed line)
- iv. CPI drops 1% below Baseline for 5 years (blue dotted line)
- v. Building costs increase by 1% above Baseline for 5 years (light green dashed line)
- vi. Building costs increase by 1% below Baseline for 5 years (red dotted line)

Sensitivities that cause costs to rise result in lower interest cover performance. This can be seen most clearly by sensitivity (v), which projects a five year period of increasing costs with no corresponding increase in income. Sensitivities that cause costs to drop result in higher interest cover performance. This is demonstrated by sensitivity (vi), which shows the effects of building costs rising by less than projected for five years.

Interestingly, fluctuations in CPI have slightly different effects, as they impact on both income (i.e. rents) and costs. If CPI goes up, rent rises by more than costs over the medium term, causing a marginal improvement in interest cover performance. A drop in general inflation over the same period has the opposite effect.

The sensitivities show that interest cover drops if the authority's costs rise, unless there is a corresponding increase in income. It is therefore important that the authority continues to focus on minimising costs while maximising income.

Alternative Scenarios

In developing the Baseline position the authority's project team considered a range of alternative scenarios, in addition to the sensitivity tests. The scenarios considered included:

- Increasing the level of decarbonisation spending to £15,000 per home
- Excluding rent convergence
- Allowing for rent convergence at £2 per week
- Introducing the use of rent flexibility when re-letting a home to a new tenant
- Setting a medium term plan to reduce operating costs further
- Combining the above scenarios

These scenarios underlined the conclusions from the sensitivity analysis, that the HRA becomes less financially sustainable if costs rise, unless actions are taken to reduce costs elsewhere or to generate additional income.

Our analysis also considered the level of new homes provision that might be achievable if the authority increased decarbonisation investment while reducing its operating costs and maximising income. The modelling suggested that a modest increase in provision of 40 new homes might be achievable under those circumstances, although doing so would prevent the authority from using the additional capacity for other types of investment or service improvement.

Potential Corrective Actions

While stress testing the HRA projections we explored a range of actions the authority could take to help improve the financial position of the HRA. These actions are also available for the authority to take if it needs to mitigate the impact of emerging risks or adverse changes in financial circumstances and include:

Potential Corrective Actions	
Reduce borrowing	• Allocate corporate resources to the HRA capital programme • Sell under-performing or high value assets for capital receipts • Seek additional funding from government or third parties
Improve revenue performance	• Reduce operating costs permanently over the medium term • Ensure service charges fully recover service costs • Explore use of rent flexibility for social rent re-lets
Set and deliver strict performance requirements for new development	• Payback within 30 to 40 years • Positive Net Present Value across the programme

It will be important to keep these and other options under review, so that the authority can adopt the measures it needs when responding to emerging risks.

Conclusions

The Baseline financial position for the authority's HRA is strong. The projections allow for representative levels of investment in the existing stock, along with the delivery of a substantial new homes programme.

However, stress testing shows that the capacity of the HRA reduces if the authority is unable to contain costs within the indicated levels or if it cannot generate the income and funding required to deliver the Baseline plans. This is a key risk, which the authority can mitigate by maintaining its focus on minimising costs while maximising income and funding. This approach will help it to meet and, ideally, outperform the Baseline projections over the medium and long terms.

The future HRA will also be subject to changes that are outside of its direct control, such as:

- Underlying rates of inflation
- Interest rates
- Future requirements for investment in decent homes and decarbonisation
- External funding available for future stock investment and new homes
- Government policy on rent convergence

All these factors are subject to change and could cause the financial strength of the HRA to weaken if costs rise without a corresponding increase in income or funding. Similarly, the council will also make decisions that can impact on HRA costs and income.

The council needs to remain alert to the potential effects of changes in circumstances and the decisions it takes. It will be important to reassess the impact of such changes on the Baseline projections as they become apparent, so that the authority can adjust its future plans accordingly.

Appendix – Summary of key assumptions

No.	Description	2025.26	2026.27	2027.28	2028.29	2029.30	Notes
1.00 Constraints							
1.01	Minimum HRA balance	£2,449,750	£2,526,184	£2,635,203	£2,685,769	£2,763,481	Allowance set at 5% of operating expenditure plus depreciation (excludes capital financing charges)
1.02	Interest cover requirement	125%	125%	125%	125%	125%	Minimum interest cover performance requirement
2.00 Inflation							
2.01	Underlying CPI	0.00%	3.75%	2.50%	2.00%	2.00%	BoE MPR projection, August 2025. Continuing at 2% pa from 2028/29. Not applied to outturn budgets.
2.02	Underlying RPI	0.00%	4.75%	3.50%	3.00%	3.00%	CPI + 1%. Not applied to outturn budgets.
2.03	Underlying Building Costs	0.00%	4.75%	3.50%	3.00%	3.00%	CPI + 1%. Not applied to outturn budgets.
2.04	House prices	0.00%	5.00%	5.00%	5.00%	5.00%	Standard assumption
2.05	Rent increases	0.00%	4.75%	3.50%	3.00%	3.00%	Current Government Policy to 2035/36, then CPI.
2.06	Shared ownership rent increases	0.00%	5.25%	4.00%	3.50%	3.50%	RPI + 0.5% - should reflect SO agreements
2.07	Management cost inflation	0.00%	0.00%	2.50%	2.00%	2.00%	Not applied to outturn budgets.
2.08	Repairs & building cost inflation	0.00%	0.00%	3.50%	3.00%	3.00%	Not applied to outturn budgets.
2.09	Depreciation charge increases	0.00%	0.00%	2.50%	2.00%	2.00%	CPI. Not applied to outturn budgets.
2.10	SCS investment costs cost increases	0.00%	0.00%	3.50%	3.00%	3.00%	Building Costs. Not applied to outturn budgets.
3.00 Management costs							
3.01	Fixed management costs	100% of Budget	100% of Budget	70% of Budget	70% of Budget	70% of Budget	Plus inflation. Fixed costs not adjusted to reflect changes in stock numbers. 100% fixed until 2026/27
3.02	Variable management costs	None	None	30% of Budget	30% of Budget	30% of Budget	Plus inflation. Variable costs adjusted to reflect changes in stock numbers. 30% variable from 2027/28
4.00 Repairs & asset management costs							
4.01	Fixed repairs costs	100% of Budget	100% of Budget	10% of Budget	10% of Budget	10% of Budget	Plus inflation. Fixed costs not adjusted to reflect changes in stock numbers. 100% fixed until 2026/27
4.02	Variable repairs costs	None	None	90% of Budget	90% of Budget	90% of Budget	Plus inflation. Variable costs adjusted to reflect changes in stock numbers. 90% variable from 2027/28
5.00 Growth, Efficiency & savings							
5.01	R&M growth assumed	£0	£750,000	£0	-£500,000	-£500,000	Medium term increase in 2026/27. £500k removed in 2027/28, £250k balance removed in 2031/32
5.02	R&M cost reductions assumed	£0	-£274,240	-£274,240	-£274,240	-£274,240	Permanent 2% reduction in base budget assumed in 2026/27
5.03	GM cost reductions assumed	£0	-£375,180	-£375,180	-£375,180	-£375,180	Permanent 2% reduction in base budget assumed in 2026/27
6.00 Depreciation charges							
6.01	Depreciation	£15,300,000	£16,035,937	£16,612,360	£17,082,326	£17,564,446	Uses a per-unit allowance from 2025/26 to reflect the effects of stock movements.
7.00 Capital Programme		£000	£000	£000	£000	£000	
7.01	Major works	£11,870	£20,605	£22,052	£24,897	£26,683	
7.02	Decarbonisation	£1,380	£4,116	£4,254	£4,380	£4,510	
7.03	Development	£27,248	£17,453	£38,195	£29,425	£30,307	
7.04	Aids & Adaptations (Fixed)	£1,400	£1,467	£1,518	£1,563	£1,610	
7.05	Compliance	£1,750	£629	£650	£670	£690	
7.06	Other capital expenditure	£1,202	£784	£703	£1,005	£985	
8.00 Stock							
8.01	Opening Stock	9,606	9,675	9,803	9,883	9,963	
8.02	New Homes	99	158	85	85	85	
8.03	RTB Sales	-30	-30	-5	-5	-5	
8.04	Other Sales	0	0	0	0	0	
8.05	Units removed from management	0	0	0	0	0	
8.06	Closing Stock	9,675	9,803	9,883	9,963	10,043	

Appendix – Summary of key assumptions

No.	Description	2025.26	2026.27	2027.28	2028.29	2029.30	Notes
9.00 Rents							
9.01	No. Rent weeks	52	52	52	52	52	Allows for years with 53 rent debits
9.02	Average weekly rent paid by tenants	£109.78	£116.27	£122.28	£126.90	£131.49	Allows for rent convergence at £0.80 pw for social rent homes from 2026/27
9.03	Average weekly formula rent (general needs)	£116.75	£122.29	£126.58	£130.37	£134.28	
9.04	Average weekly formula rent (supported)	£100.58	£105.36	£109.05	£112.32	£115.69	
9.05	Units re-let at formula rent	572	535	500	468	439	Assumes 6% of GN stock pa re-let at formula rent (7% of SH stock), using a reducing balance method
9.06	Of these, units re-let with rent flexibility	0	0	0	0	0	No use of rent flexibility
9.07	Rent loss from voids	1.37%	1.37%	1.37%	1.37%	1.37%	
9.08	Rent loss from bad debts	0.73%	0.73%	0.73%	0.73%	0.73%	
10.00 RTB sales							
10.01	Average value per sale	£158,881	£158,881	£228,881	£228,881	£228,881	Plus inflation. Lower RTB discount levels applied from 2027/28 onwards
10.02	Attributable debt per sale	£41,821	£43,912	£46,108	£48,413	£50,834	
10.03	HRA use of capital receipts	£1,200,000	£3,564,000	£2,888,000	£0	£0	Use of shared ownership receipts to support provision of new homes
11.00 Capital financing sequence							
11.01	RCCO	Budget	Budget	Optimised	Optimised	Optimised	No use of RCCO assumed
11.02	MRR	Budget	Budget	Optimised	Optimised	Optimised	Optimised within financial constraints from 2025/26
11.03	Grant	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	
11.04	S106/ commuted sums	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	
11.05	Retained 141 RTB receipts	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	Devpt Prog.	
11.06	Other RTB receipts	None	None	None	None	None	Allowable debt receipts reserved for future repayments of debt
11.07	Other capital receipts	Budget	Budget	Budget	None	None	
11.08	Other HRA reserves	None	None	None	None	None	
11.09	Borrowing	Budget	Optimised	Optimised	Optimised	Optimised	Balancing item
12.00 Capital financing sequence							
12.01	1	Major repairs reserve					Used for major works. Balance also available to repay debt.
12.02	2	Retained 141 RTB receipts					Used to pay for 20% of the cost of new homes. Could be used for up to 100% of new build costs.
12.03	3	Capital grant					Can be included if made available
12.04	4	S106/ commuted sums					Can be included if made available
12.05	5	Other capital receipts					Available for any capital purpose
12.06	6	Revenue contributions					Can be made available for any capital purpose if balance above minimum level
12.07	7	Borrowing					Available for any capital purpose
13.00 Debt							
13.01	Pool rate for new external loans	5.60%	5.30%	5.30%	5.30%	5.30%	Indicative rate, assuming PWLB loans. Needs alignment to WBC Treasury expectations.
13.02	Pool rate for internal borrowing	5.60%	5.30%	5.30%	5.30%	5.30%	Indicative rate, assuming PWLB loans. Needs alignment to WBC Treasury expectations.
13.03	Debt repayment period for new external loans	ASAP					Demonstrates ability to repay debt within a reasonable period
13.04	Interest rate for existing loans	3.92%	3.92%	3.93%	3.92%	3.92%	Average rate, based on indicative loan schedule provided.
13.05	Repayment of existing loans	£0	£0	£0	£0	£0	No repayment of existing loans scheduled until 2030/31.
14.00 Resources available for debt repayment							
14.01	1	Reserves set aside for debt repayment					
14.02	2	Unused balance on the major repairs reserve					
14.03	3	HRA balances above the target level					