Report for:	Cabinet – 9 December 2025
Item number:	11
Title:	Housing Revenue Account Business Plan and Budget 2026/27 Proposals
Report authorised by :	Taryn Eves, Corporate Director for Finance and Resources
Lead Officer:	Kaycee Ikegwu – Head of Finance
Ward(s) affected:	All
Report for Key/ Non Key Decision:	Key

1. Describe the issue under consideration.

1.1 The Housing Revenue Account (HRA) covers income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the Local Government Act 1989.

1.2 Every year, the Council sets a business plan for its Housing Revenue Account (HRA). This business plan considers projected income and expenditure over a 10- and 30-year period and the income generated from tenants and leaseholders is used solely for the purpose of investment in its homes, in delivering new council homes, and providing good quality services to its tenants and leaseholders.

1.3 The HRA and the services that the Council provides for its Council tenants and leaseholders are governed through the Social Housing (Regulation) Act 2023 which introduces a new regulatory framework, with a greater emphasis on residents' engagement. The HRA must ensure its management function of its housing stock is robust, offers good value for money and meets the needs of all its residents.

1.4 This report provides an update on the aims and ambitions across the medium and long term and proposals for the 2026/27 budget which will be presented at Council in March 2026 for approval. It provides details of the assumptions for forecast income and therefore planned expenditure for next year as well as an update on the future financial outlook for the HRA.

1.5 The HRA supports the delivery of the Council's Housing Strategy 2024-2029 which sets out Haringey's approach to all housing in the borough and sets specific objectives and targets for its own housing stock, to significantly invest in improving its existing homes and to provide good quality services as a landlord of social housing to its tenants and leaseholders as well as delivering the Council's ambition to deliver 3,000 new council homes by 2031. Delivery of the Housing Strategy must be underpinned by a strong and sustainable HRA.

2 Cabinet Member Introduction

2.1 Housing is about fairness. Everyone should have a home that is affordable, safe, warm, and comfortable - a home that meets their needs and supports their wellbeing.

2.2 In Haringey, we are taking bold action. We are prioritising affordable housing, delivering thousands of new council homes at council rents and renovating thousands more to ensure they are fit for the future.

2.3 Our Housing Revenue Account is being directed towards these priorities - affordable, high-quality homes for residents and investing in our communities

2.4 This means:

- Delivering 3000 new council homes by 3,000 new high-quality council homes by 2031. With 2,000 underway and over already 840 complete

- Investing nearly £600m to bring our existing stock up to standard through our majors works programme that includes:
  - Renovating kitchens and bathrooms
  - Better insulation and efficient boilers - cutting heating costs and carbon emissions
  - Improving safety measures - including CCTV and secure access

2.5 Like all budgets, the Housing Revenue Account has faced significant pressure from inflation and high interest rates, which have driven up the cost of building and repairs. We are taking steps to ensure that we achieve our priorities whilst ensuring the budget remains sustainable for the long term. This report sets out how we will achieve that.

3 Recommendations

3.1 It is recommended that Cabinet:

a) Note the HRA's current financial position as set out in this report which sets the foundations for the full draft budget for 2026/27 and 2026/27-30/31 Business Plan

b) Note that the final HRA 2026/27 Budget and 2026/27-30/31 Business Plan will be presented to Cabinet on 10 February 2026 to be recommended for approval to the Full Council meeting taking place on 2 March 2026.

4 Reasons for decision

4.1 The Council must legally set a balanced HRA budget and have a sustainable HRA Business Plan to ensure that it is able to manage and maintain its homes, provide services to tenants and leaseholders and build much needed new Council homes.

5 Alternative options considered

5.1 Not Applicable

6 Background information

6.1 The Housing Revenue Account (HRA) is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by the General Fund, including through increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing, Councils retain all the money they receive from rent and use it to manage and maintain their homes.

6.2 The Council sets a medium and long-term Business Plan for its HRA. This allows the Council to plan for investment in its housing stock, investment in building much needed new council housing for the borough and to ensure that services for tenants and leaseholders continue to be delivered.

HRA Financial Plan Overview

6.3 The 30-year HRA Business Plan is based a long-term assessment of the need for investment in Council homes. The plan includes the development and acquisition of new housing, the acquisition of existing homes, investment in existing housing to ensure its long-term sustainability, and other cyclical maintenance requirements. It also incorporates forecasts of income streams, interest levels and inflation.

6.4 The plan includes the modelling of the planned revenue and capital spending, the implications of all planned work in the HRA to deliver council priorities and provides the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA over a longer period. It considers the build costs, inflation, exposure to housing market volatility and delivery capacity within the Council.

6.5 The cost of capital financing presents a level of challenge and difficulty in delivering the investment needed now and the viability of the HRA in the medium to long-term. In addition, the need to reduce expenditure on repairs and the high level of voids – following historic under-investment in the housing stock - presents a further significant strain on the HRA.

6.6 This Business Plan factors in the best estimates and assumptions on cost inflation, pay award, voids rate, bad debt provision, borrowing rate, potential grants, receipts from market sales, continued investment in repairs, and legal disrepair/compensation costs. These have all been factored into the proposed budget for next year and across the medium term.

6.7 The plan recognises that to undertake the proposed extensive investment programme, the HRA must be viable now and in the future. It also recognises that there will be ongoing reviews to update and test viability before future programmes of investment are released. One of the measures of viability of the HRA is the annual revenue contribution to capital outlay (RCCO), which reduces the need for external borrowing. RCCO is the revenue surplus after expenditure; and it is key in assessing the HRA's resilience.

6.8 Previously, the plan had an ambition to deliver a £8m minimum annual surplus. This has become increasingly difficult to due to the level of planned investment in existing stock and new build programmes. However, the plan seeks to maintain a positive RCCO in the medium term while the HRA reserve balance of £20m provides an appropriate level of financial cover, in recognition of the risks such as changes in government policies, operational factors and those associated with an extensive development programme.

6.9 In the current iteration of the Business Plan as detailed in this report, the revenue surplus is forecast at £0.65m in 2026/27 and £3.8m for the entire MTFS period. Work is still on-going and will continue over the next 12 months to ensure that further efficiencies and savings are identified to increase the level of RCCO and maintain a positive RCCO in all the years of the current MTFS period.

6.10 In July 2025, government announced (as part of the Spending Review) that there will be a 10-year rent settlement for social housing from 1 April 2026 in which rents will be permitted to increase by CPI+1% per annum and this plan includes proposed rent increase in 2026/27 of 4.8% is based on September CPI of 3.8% plus 1%.

6.11 Alongside this was a consultation on rent convergence. The convergence would allow rents for Social Rent properties that are currently below ‘formula rent' to increase by a proposed £1 or £2 each year, over and above the CPI+1% limit, until they ‘converge’ with formula rent.

6.12 This will have a positive impact on the HRA surplus but has not been reflected in this December draft report as the Council awaits confirmation from government on the details of the rent convergence, if any. It is expected that details will be confirmed in January, and the implications will be reflected in the February 2026 report to Cabinet.

2025/26 Quarter 2 (Q2) Financial Position

6.13 In March 2025, Cabinet approved the HRA budget for 2025/26 and it was projected to achieve a surplus of £0.269m. At end of Quarter 2, the HRA is projected to achieve a surplus of £0.514m. This represents a £0.245m improvement against the budgeted surplus.

6.14 However, the HRA is still facing huge pressures in repairs and voids. There is forecast underachievement of income due to high levels of voids. This is mitigated by the forecast reduction in capital financing costs. Further details on this and mitigations are contained in the Quarter 2 monitoring report to Cabinet in December 2025.

HRA Income

6.15 The main sources of income to the HRA are rents and service charges. It is therefore essential to the sustainability of the HRA that the Council collects rent and service charges effectively and supports tenants to pay their rent and service charges in full.

6.16 The Council’s Financial Inclusion Team works to support Haringey tenants and leaseholders who might be facing financial difficulties. They do this by working with tenants, ensuring they are able as best possible to access good quality work, and ensuring that they are accessing all benefits to which they are entitled. In turn, this means that tenants and leaseholders are better able to pay their rent and service charges, which supports the long-term sustainability of the HRA.

Housing Rent - Existing Council Tenants

6.17 The Council is required to set the rent increases in council-owned homes every year but there are strict limits for existing tenants. From 2020/21, the government has permitted Local Authorities in England to increase existing tenants’ rents by no more than the Consumer Price Index (CPI), at September of the previous year, plus 1%. This is going to continue over the next 10 years as announced in July 2025. However, it should be noted that this comes after a government policy of reducing council rents, which in turn impacted the long-term viability of HRAs and the ability to invest sufficiently in housing stock.

6.18 Therefore, the proposed rent increase in 2026/27 of 4.8% is based on September CPI of 3.8% plus 1%.

6.19 On this basis, the proposed average weekly rents for general needs and sheltered/supported housing will increase by £6.64 from £138.38 to £145.02 in 2026/27. There is a range of rents across different sizes of properties. Table 1 below sets out the proposed average weekly rents by property size based on the rent increase of 4.8% for 2026/27 with effect from 6th April 2026.

Table 1: Proposed Average Weekly Rent 2026/27

Number of Bedrooms	Number of Properties	Current average weekly rent 2025/26	Proposed average weekly rent 2026/27	Proposed average rent increase	Proposed percentage increase
Bedsit	135	£119.40	£125.13	£5.73	4.8%
1	5,529	£121.25	£127.07	£5.82	4.8%
2	5,411	£138.64	£145.29	£6.65	4.8%
3	3,788	£155.31	£162.76	£7.45	4.8%
4	635	£175.99	£184.44	£8.45	4.8%
5	110	£199.28	£208.85	£9.57	4.8%
6	16	£206.00	£215.89	£9.89	4.8%
7	2	£196.37	£205.80	£9.43	4.8%
All dwellings	**15,626**	**£138.38**	**£145.02**	**£6.64**	**4.8%**

Formula Rent and Rent Caps

6.20 Central Government, through the Regulator of Social Housing, also sets the formula for calculating social housing rents in new tenancies.

6.21 The national formula for setting social rent is intended to enable Local Authorities to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock (to at least Decent Homes Standard) and continue to operate a financially viable HRA, including meeting their borrowing commitments.

6.22 The formula is complex and uses national average rent, relative average local earnings, relative local property values, and the number of bedrooms to calculate the formula rent.

6.23 Formula rents are subject to a national social rent cap. The rent cap is the maximum level to which rents can be increased to in any one financial year, based on the size of the property. Where the formula rent would be higher than the rent cap for a particular property, the national social rent cap must be used instead. Formula Rent and Rent caps for 2026/27 are as shown below in table 2a and 2b.

Table 2a: 2026/27 Formula Rents (+rent flexibility)

Number of Bedrooms	2026/27 Average Formula Rent
1 and bedsits	£130.25
2	£154.23
3	£176.76
4	£204.58
5	£235.34
6 or more	£246.50

Table 2b: 2026/27 Rent Caps

Number of Bedrooms	2026/27 Rent Cap
1 and bedsits	£204.35
2	£216.34
3	£228.36
4	£240.37
5	£252.39
6 or more	£264.41

Housing Rent - New Council Tenants

6.24 Rents for new tenancies are set according to a formula (hence the term 'formula rent'). This is for new tenancies in either a relet of an existing council home, or a newly build council home.

6.25 The Government's Policy statement on rents for social housing also includes provision for social landlords to apply a 5% flexibility on formula rents: '*The government's policy recognises that registered providers should have some discretion over the rent set for individual properties, to take account of local factors and concerns, in consultation with tenants. As a result, the policy contains flexibility for registered providers to set rents at up to 5% above formula rent (10% for supported housing – as defined in paragraphs 2.39-2.40 below). If applying this flexibility, providers should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability*.'

6.26 The HRA Business Plan approved in March 2024, applied this 5% flexibility to formula rents. This was to ensure that, in the ongoing challenging financial climate, the Council could continue to meet its obligations to its tenants by investing in its stock, ensure that all homes meet at least the decent homes standard, ensure that homes meet the council's sustainability objectives and ensure homes are warm and cheaper to heat for tenants while still setting a balanced HRA. This continues to be the Council's policy for all newly-set formula rents.

London Affordable Rent

6.27 London Affordable Rent (LAR) was introduced by the Mayor of London in 2016 as a social housing product for new affordable homes funded by Building Council Homes for Londoners (BCHFL) grant. It reflects the 2015/16 formula rent cap uprated by CPI plus one per cent every year. These LAR rents are at the same level anywhere in London. LAR homes are let by councils on secure tenancies, and by other registered providers.

6.28 The BCHFL grant programme allocated grant on the basis that homes for low-cost rent would be let at London Affordable Rent (LAR) rather than formula rent. The historically relatively low level of grant – a flat rate of £100,000 per unit – reflected that expectation.

6.29 In the 2023/24 HRA Business Plan it was agreed to let homes built as part of the GLA's 2016-2021 programme at LAR.

6.30 Table 3 below shows London Affordable Rents for 2026/27. This represents an uplift on 2025/26 LAR Rents by September CPI plus 1%.

Table 3: 2026/27 LAR

Number of Bedrooms	2026/27 LAR
1 and bedsits	£216.80
2	£229.53
3	£242.28
4	£255.03
5	£267.78
6 or more	£280.52

Rent for other homes held in the HRA.

Homes acquired and leased to the HCBS.

6.31 All properties acquired since 1 April 2019 for housing homeless households held in the HRA are leased to the Haringey Community Benefit Society (HCBS) and let by the HCBS at Local Housing Allowance (LHA) rent levels.

6.32 The HRA financial plan includes in its income the lease charges to the HCBS for a maximum period of seven (7) years from the time of acquisition. From year eight (8), it recognises incomes from these properties at formula rent, with the normal annual rent increases of CPI plus 1%, as these properties are assumed will revert to the HRA after 7 years of lease.

6.32.1 However, Secretary of State approval is currently being considered to extend the period of these leases. If this is granted, the HRA plan will be updated to continue to recognise the income (lease charges to HCBS) beyond year 7. This will lead to additional income in the HRA in later years.

6.33 From 6 April 2026, all other council-owned properties, in the HRA, used as temporary accommodation under a Council non-secure tenancy or licence will have proposed rent increases of 4.8% (CPI + 1%).

6.34 Rents for existing Council owned properties (including new Lodges) will be increased by CPI + 1% as permitted by the Rent Standard. Service charges are set at a level to recover the full costs of those services.

6.35 The rent element for new tenants is currently limited to formula rent plus 5% for self-contained homes and plus 10% for Birkbeck Lodge, plus full recovery of the cost of providing services.

6.36 There may be circumstances where rents are not governed by the Rent Standard. Where the Rent Standard does not apply to properties held in the HRA, that rents will be set at a level that is fully payable through housing benefit or universal credit. Service charges are set at a level to recover the full costs of services provided.

Shared Ownership Rents

6.37 There are a small number of shared ownership properties in the HRA, and their rents are to be increased in line with their contracts, typically January RPI +0.5%. The RPI for January is expected to be published in February 2026 and an update on the actual increase will be provided in the final business to Cabinet in February. The Government announced in 2024 that for new shared ownership properties the rent on the unsold portion is to be increased by CPI +1%.

Tenants' Service Charges

6.38 In addition to rents, tenants pay charges for services they receive which are not covered by the rent.

6.39 Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

6.40 The Council's policy is to fully recover the cost of providing a service to tenants. Service charges are covered by housing benefit and Universal Credit, so any tenant in receipt of these benefits will have these costs covered.

6.41 The services tenants currently pay for are listed below:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Estates road maintenance
- Light and power (Communal lighting)
- TV aerial maintenance
- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Window cleaning service
- Converted properties cleaning
- Heating

6.42 Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

6.43 The applicable charges proposed for 2026/27 are as shown in table 4 below.

Table 4 – Proposed Tenants' Service Charges with effect from 6th April 2026

Tenants' Service Charges	Current Weekly Charge 2025/26	Draft Proposed Weekly Charge 2026/27	Increase / Decrease	
Property Charges:				
Concierge	£27.39	£27.84	£0.45	1.6%
Grounds Maintenance	£3.15	£3.23	£0.08	2.6%
Caretaking	£9.25	£9.75	£0.50	5.4%
Street Sweeping	£8.54	£8.92	£0.38	4.5%
Estates Road maintenance	£0.77	£0.80	£0.03	3.5%
Communal Lighting (Light & Power)	£3.45	£3.24	-£0.21	-6.1%
TV aerial maintenance	£0.38	£0.39	£0.01	1.8%
Door entry system maintenance	£1.12	£1.05	-£0.07	-6.2%
Sheltered housing cleaning service	£2.72	£2.79	£0.07	2.6%
Good neighbour cleaning service	£1.85	£1.85	-£0.00	-0.2%
Window cleaning	£0.69	£0.72	£0.03	4.6%
Landlord Communal Inspection (Converted properties cleaning)	£5.06	£5.25	£0.19	3.7%
Sheltered Housing Blocks Heating	£12.94	£12.45	-£0.49	-3.8%
Garton House / Lowry House Heating	£11.42	£10.99	-£0.43	-3.8%
Ferry Lane Estate / Runcorn Heating	£15.15	£14.57	-£0.58	-3.8%
Rosa Luxemburg - District Heating 8	£5.35	£5.15	-£0.20	-3.8%
William Atkinson House Heating	£13.37	£12.86	-£0.51	-3.8%
Broadwater Farm DEN Heating	£15.41	£14.82	-£0.59	-3.8%
Support Charges:				
Sheltered Housing Charge	£35.68	£36.93	£1.25	3.5%
Good Neighbour Charge	£15.24	£15.77	£0.53	3.5%
Good Neighbour Charge (Larkspur Close & Stokley Court)	£18.80	£19.46	£0.66	3.5%

Heating charges

6.44 The Council has two types of heating charges: flat rate charges and metered charges. The heating charges reflect the projected usage in the blocks and projected energy rates for 2026/27. The tariffs for 2026/27 will be set out in the report to Cabinet in February 2026.

Rent Consultation

6.45 There is no requirement for tenant consultation on existing rents and service charge increases (but there is a duty to notify tenants of such increases once a decision has been made). Haringey Council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges. Tenants must be given at least four weeks' notice before the new rents and service charges for 2026/27 start on 6th April 2026.

6.46 Despite the fact that there is no requirement to consult on the HRA business plan, the Council will present plans and seek feedback and recommendations from tenants and leaseholders via existing engagement channels, prior to presenting the final business plan.

HRA Revenue Expenditure

6.47 Significant items of revenue expenditure in the HRA include repairs costs (£39.57m), housing management costs (£35.02m), capital financing charges (£34.84m) and contribution to major repairs (£24.96m). These four items constitute approximately 83% (£134m) of the total expected HRA expenditure (£161m) in 2026/27.

6.48 The proposed spend on repairs to the housing stock presents a significant strain on the HRA. The increase in the cost of repairs shows the Council's commitment to providing a good, timely, repairs service, in line with the new responsive repairs policy agreed by Cabinet in October 2024.

6.49 It is expected that as the significant investment into improving homes increases in the coming years, as described below, the number of repairs and therefore the cost of repairs will come down.

6.50 Additionally, the cost of repairs includes the cost of bringing void properties back into use – in other words, when a home is vacated and ready to be relet, works are carried out to bring the home up to the required standard. When new homes are delivered through the housing delivery programme, they are often let in the first instance to existing local tenants through the Neighbourhood Moves Scheme. Although these homes are offered in the first instance to tenants who are freeing up a large home and are downsizing to their new home (and therefore allowing larger family homes to be let to households who need these) and then to overcrowded households; households who have no housing need are also allowed to move to new homes through the Neighbourhood Moves Scheme. This means that void costs are incurred without meeting housing need. Amending the Neighbourhood Moves Scheme could therefore lead to reduced void costs. Any change to the Neighbourhood Moves Scheme would need to be implemented through an amended Housing Allocations Policy.

6.51 The management cost is also significant and is necessary to ensure that tenants and leaseholders are provided with a good quality service from the council.

6.52 The capital financing charge is the interest on HRA loans and internal funding and is budgeted at £1.6m above the 2026/27 level that was assumed in March 2025 with a 0.1% increase in rate assumption and re-financing of internal loans. These are projected to be re-financed at a slightly higher rate.

6.53 Contribution to major repairs (depreciation) is a cash charge to the HRA to reflect the need to finance the replacement of components within HRA homes over time. The depreciation charges to the HRA are transferred into the Major Repairs Reserve (MRR). The Major Repairs Reserve is used to build up capital sums that can be used to finance the capital programme.

6.54 The proposed HRA capital programme supports the delivery of over £3.39bn investment in the Council's existing stock over the next 30 years, and the delivery of over 3,000 new council homes by March 2031.

6.55 There are of course risks, such as the impact of the current inflation and interest rate rises on collection of rent, capacity to build, and overall sustainability of the HRA. However, these risks have been factored into this iteration of the HRA budget/Business Plan. The forecast revenue contribution to capital outlay (RCCO) is currently at £0.65m in 2026/27 and £3.8m over the proposed MTFS period (2026/27-2030/31).

6.56 There is an ongoing review and work to identify further efficient and savings proposals to ensure that the RCCO is increased and that all the first 5 years show a positive RCCO. It should be noted that the financial plan recognises the management of risks in these periods via the use of working balance which is currently projected at £20m by March 2026.

Proposed HRA Business Plan (2026/27-2030/31)

6.57 The proposed HRA 5 year Budget/Business Plan is set out in Table 6 below. It accommodates the scale of development currently assumed within the business and financial planning process in terms of its impact of future years' HRA revenue position.

6.58 It also takes into consideration the current inflation and interest rates and its impact in next year's rent charges. The draft HRA budget for 2026/27 to 2030/31 is as shown below in Table 6.

The subsequent 5 years depicts an improvement in the HRA financial position as shown in Table 6.1.

Table 6 – Proposed HRA 5-Year Revenue Budget (2026/27 – 2030/31)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income & Expenditure	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Income						
Dwellings Rent Income	(129,624)	(139,672)	(149,699)	(162,034)	(172,671)	**(753,700)**
Void Loss	2,374	1,316	1,399	1,508	1,596	**8,193**
Hostel Rent Income	(2,001)	(2,058)	(2,116)	(2,176)	(2,237)	**(10,588)**
Service Charge Income	(18,942)	(19,289)	(20,119)	(21,199)	(22,053)	**(101,602)**
Leaseholder Income	(11,048)	(11,316)	(11,590)	(11,871)	(12,159)	**(57,984)**
Other Income (Garages /Aerials/Interest)	(2,599)	(2,661)	(2,699)	(2,746)	(2,815)	**(13,520)**
Total Income	**(161,840)**	**(173,680)**	**(184,824)**	**(198,518)**	**(210,339)**	**(929,201)**
Expenditure						
Repairs	39,565	34,936	34,123	33,408	34,263	**176,295**
Housing Management	35,020	35,663	36,515	37,461	38,346	**183,005**
Estates Costs (Managed)	16,048	16,839	17,619	18,648	19,451	**88,605**
Provision for Bad Debts (Tenants)	1,231	1,316	1,398	1,506	1,593	**7,044**
Provision for Bad Debts (Leaseholders)	275	288	300	314	328	**1,505**
Other Costs (GF Services)	3,810	3,886	3,964	4,043	4,124	**19,827**
Other Costs (Property/Insurance)	4,937	5,036	5,136	5,239	5,344	**25,692**
Capital Financing Costs	34,837	47,846	59,822	68,229	76,256	**286,990**
Contribution to Major Repairs (Depreciation)	24,958	25,949	27,248	28,636	29,521	**136,312**
Revenue Contributions to Capital	**1,159**	**1,921**	**(1,301)**	**1,034**	**1,113**	**3,926**
Total Expenditure	**161,840**	**173,680**	**184,824**	**198,518**	**210,339**	**929,201**
HRA (Surplus) / Deficit	0	0	0	0	0	0

Table 6.1: Proposed HRA Revenue budget (2031/32-2035/36)

Housing Revenue Account (HRA) Income & Expenditure	Year 6 2031-32 £'000	Year 7 2032-33 £'000	Year 8 2033-34 £'000	Year 9 2034-35 £'000	Year 10 2035-36 £'000	Total 5 Years £'000
Income						
Dwellings Rent Income	(181,080)	(188,224)	(194,921)	(200,423)	(206,080)	**(970,728)**
Void Loss	1,665	1,737	1,803	1,855	1,909	**8,969**
Hostel Rent Income	(2,300)	(2,365)	(2,432)	(2,501)	(2,572)	**(12,170)**
Service Charge Income	(22,769)	(23,530)	(24,206)	(24,690)	(25,184)	**(120,379)**
Leaseholder Income	(12,453)	(12,754)	(13,062)	(13,377)	(13,700)	**(65,346)**
Other Income (Garages /Aerials/Interest)	(2,866)	(2,903)	(2,947)	(2,999)	(3,046)	**(14,761)**
Total Income	**(219,803)**	**(228,039)**	**(235,765)**	**(242,135)**	**(248,673)**	**(1,174,415)**
Expenditure						
Repairs	35,139	35,995	36,883	37,741	38,459	**184,217**
Housing Management	39,182	40,027	40,857	41,636	42,432	**204,134**
Estates Costs (Managed)	20,114	20,821	21,443	21,872	22,309	**106,559**
Provision for Bad Debts (Tenants)	1,662	1,734	1,800	1,852	1,905	**8,953**
Provision for Bad Debts (Leaseholders)	343	358	373	390	408	**1,872**
Other Costs (GF Services)	4,207	4,291	4,377	4,464	4,553	**21,892**
Other Costs (Property/Insurance)	5,451	5,560	5,671	5,784	5,900	**28,366**
Capital Financing Costs	80,973	82,861	84,758	85,598	85,914	**420,104**
Contribution to Major Repairs (Depreciation)	30,347	26,556	27,087	27,629	28,182	**139,801**
Revenue Contributions to Capital	**2,385**	**9,836**	**12,516**	**15,169**	**18,611**	**58,517**
Total Expenditure	**219,803**	**228,039**	**235,765**	**242,135**	**248,673**	**1,174,415**
HRA (Surplus) / Deficit	0	0	0	0	0	0

Proposed HRA 5 Years Capital Programme (2026/27 – 2030/31)

6.59 The HRA has a significant capital investment programme. This programme can be divided into two main strands: investment in existing housing stock and investment in delivering and acquiring new housing into the HRA.

6.60 Both strands are essential to ensure that all residents are living in good quality, safe, secure housing. They are also essential to ensuring the long-term financial sustainability of the HRA. Investing in the Council's housing now means that in the longer term the cost of repairs and disrepair is minimised. Establishing a holistic programme of planned investment helps us to ensure that these works provide value for money and the programme ensures the long-term safety of our homes, and their sustainability.

6.61 Investing in new housing – whether that is through the direct delivery of newly built housing, the acquisition of newly built housing or the acquisition of existing homes, generally used to provide accommodation for homeless households, supports the long-term sustainability of the HRA by growing the revenue base through increased rental income.

6.62 The HRA Business Plan is geared towards maximising the use of other available resources and use of borrowing as last resort, while maintaining a working balance of £20m. The capital programme funding is through a mix of grant funding, S106 monies, revenue contributions and prudential borrowing. The total capital investment in 2026/27 is expected to be £364m, fully funded from grants, the Major Repairs Reserve, revenue contributions, RTB retained capital receipts, leaseholder contributions and borrowing. Details are set out in Table 7 for forecast capital spend between 2026/27 to 2030/31.

Table 7 – Proposed HRA 5 Year Capital Programme (2026/27 – 2030/31)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Investment & Financing	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Capital Investment						
Major Works (Haringey Standard)	78,829	78,915	80,198	68,844	74,664	**381,450**
Fire Safety Works	8,183	7,297	5,508	5,618	1,146	**27,752**
Broadwater Farm Works	5,283	25,553	28,465	24,223	19,559	**103,083**
Total Existing Stock Investment	**92,295**	**111,765**	**114,171**	**98,685**	**95,369**	**512,285**
New Homes Build Programme	134,946	171,243	95,948	88,203	65,201	**555,541**
New Homes Acquisitions	31,760	29,747	2,463	263	0	**64,233**
TA Acquisitions	104,820	107,965	111,204	114,540	117,976	**556,505**
Total Capital Investment	**363,820**	**420,719**	**323,787**	**301,690**	**278,546**	**1,688,562**
Capital Investment Financing						
Grants (GLA)	129,464	68,746	68,176	50,926	42,160	**359,472**
Major Repairs Reserve	24,958	25,949	27,248	28,636	29,521	**136,312**
Revenue Contributions	346	1,600	0	0	54	**2,000**
RTB Capital Receipts	10,000	7,500	7,500	5,000	5,000	**35,000**
Leaseholder Contributions to Major Works	7,197	7,386	7,462	7,587	7,388	**37,020**
Other Subsidy (Existing Homes Acquisition)	7,410	11,482	18,102	22,270	23,988	**83,252**
Market Sales Receipts	0	7,000	6,840	0	0	**13,840**
Borrowing	**184,445**	**291,056**	**188,459**	**187,271**	**170,435**	**1,021,666**
Total Capital Financing	**363,820**	**420,719**	**323,787**	**301,690**	**278,546**	**1,688,562**

6.63 The projected HRA capital programme budget over the subsequent 5 years is as shown in Table 7.1 below.

Table 7.1: Projected HRA Capital Programme (2031/32- 2035/36)

Housing Revenue Account (HRA)	Year 6	Year 7	Year 8	Year 9	Year 10	**Total**
Investment & Financing	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Capital Investment						
Major Works (Haringey Standard)	62,816	59,425	61,315	74,410	50,798	**308,764**
Fire Safety Works	1,169	1,192	1,216	1,216	1,241	**6,034**
Broadwater Farm Works	20,875	9,669	1,746	350	200	**32,840**
Total Existing Stock Investment	**84,860**	**70,286**	**64,277**	**75,976**	**52,239**	**347,638**
New Homes Build Programme	18,433	4,113	3,813	186	5	**26,550**
New Homes Acquisitions	0	0	0	0	0	**0**
TA Acquisitions	0	0	0	0	0	**0**
Total Capital Investment	**103,294**	**74,400**	**68,090**	**76,162**	**52,244**	**374,188**
Capital Investment Financing						
Grants (GLA)	0	1,225	1,225	0	0	**2,450**
Major Repairs Reserve	30,347	26,556	27,087	27,629	28,182	**139,801**
Revenue Contributions	2,813	10,049	12,406	14,807	18,967	**59,042**
RTB Capital Receipts	0	0	0	0	0	**0**
Leaseholder Contributions to Major Works	6,856	5,778	5,082	4,774	5,095	**27,585**
Other Subsidy (Existing Homes Acquisition)	0	0	0	0	0	**0**
Market Sales Receipts	0	0	0	0	0	**0**
Borrowing	**63,278**	**30,792**	**22,290**	**28,952**	**0**	**145,312**
Total Capital Financing	**103,294**	**74,400**	**68,090**	**76,162**	**52,244**	**374,188**

6.64 The Council continues to have an ambitious HRA capital programme both in terms of investing in its existing stock and new build. The financial sustainability of this is reflected in the forecast revenue position as set out in Tables 6 and 6.1.

6.65 This Business Plan presents reprofiled costs in major works, carbon reduction, fire safety budget – to meet current regulatory requirements (Building Safety & Fire Safety legislation) and reach 100% Decent Homes standard, following self-referral.

<u>Investment in our existing stock</u>

6.66 The existing stock investment programme has been prioritised to achieve the following targets:

- Ensuring that 100% of homes meet the Government's Decent Homes Standard by the end of 2028, as agreed with the regulator of social housing, and to ensure all homes continue to meet the decency standard thereafter.
- Ensuring the Council's housing stock meets all regulatory and statutory obligations including those of the Building Safety and Fire Safety acts.
- Improving the energy performance of homes to minimise the impact of rising energy costs for tenants and to reduce carbon emissions.

6.67 A full stock condition survey was completed in 2024 and information was collected for 74% of the Council's properties. This ensures that the Council has the information needed to effectively plan for the required investment across the medium term. A new rolling stock condition survey programme has been initiated in 2025 which will survey 100% of our housing stock every 5 years.

6.68 The council is procuring four geographically based, long-term partnering contracts which will provide the Council with the capacity and capability required to deliver around £570m of the overall planned investment in homes over the next 10 years. These contracts will be mobilised and will start on site in 2026/27.

Major Works & Decent Homes Works

6.69 The Council estimate that £110m will need to be invested by the end of 2028 in order to achieve the Council's target of ensuring all homes meet the decent homes standard by 2028. This will pay for new kitchens and bathrooms, improvements to heating and electrical systems and roof, window and door replacements.

6.70 Over the first 5 years of the programme, the Council will also be prioritising high-rise buildings to carry out building safety works and works to communal mechanical and electrical systems alongside decent homes improvements.

Carbon Reduction Works

6.71 The Council will be improving the energy performance of homes in order to reduce carbon emissions and minimise the effects of rising energy bills on tenants. The Council will be taking a fabric first approach by investing in improvements to windows, doors and wall and roof insulation. Where possible, works will be aligned with other major works programmes and comply with PAS2035/2030 standards.

6.72 Over the next 3 years, the Council will be delivering a retrofit programme to up to 154 properties, including on the Coldfall Estate in Muswell Hill. This will deliver up to £10m of investment which is being part funded by a Social Housing Decarbonisation Fund Grant of £1.7m. The measures being installed include energy efficient windows and doors; loft/roof insulation; external wall insulation and ventilation.

Fire Safety Works

6.73 The proposed budget/Business Plan is to ensure that all housing stock continues to meet changing statutory requirements. The budget was refreshed in last year and additional investment of £2m was added over the planning period to ensure that the requirement of the recent Fire Safety (England) Regulations 2022 are met. The programme includes front entrance door replacements, window infill panel replacements, Automatic Fire Detection (AFD) to street properties, automatic Fire detection and compartmentation works to timber clad buildings, Intrusive Fire Risk Assessments (FRA) and follow up works.

New Homes

6.74 Haringey has a significant housing delivery programme, with the ambition to deliver 3,000 Council homes by 2031. By the end of 2025, it is forecast that over 1,000 households will have moved into newly build council homes as part of the programme. These are the first new council homes in Haringey for forty years.

6.75 Haringey's programme is supplemented by significant grant subsidy from the Greater London Authority (GLA). The anticipated capital spend to 2031 allows the Council to deliver 3,000 Council homes at approximately £619m, of which around £343m is grant subsidy.

6.76 The programme is a mix of homes that are being directly delivered by Haringey, and homes that have been acquired by the Council.

6.77 This financial plan continues to provide for financial resources to meet the Council's commitment to the delivery of high-quality Council homes. This is an integral part of the Council's core HRA business, with a delivery programme that is viable in the long term.

6.78 The new homes are designed through an iterative process of consultation and engagement with Members, planners, and the community.

6.79 Clear, explicit design principles mean that these homes will have the highest standards of design quality – so that homes are beautiful, but also safe, comfortable, and accessible. They will also be easy and affordable to look after for the Council and for the tenant.

6.80 Climate change, carbon management, and sustainability is integral to the design of the Council's new generation of Council homes with the Council targeting zero-carbon and Passivhaus on every development.

6.81 More than 10% of current new homes are fully wheelchair accessible, with a target of 20%. Through the Bespoke Homes programme, the Council are actively identifying households on the housing register with specific accessibility needs in order to ensure that new homes are designed for them. Additionally, 10% of the programme will be delivered as supported housing for people who need additional support to live independently. It is expected that these supported housing units will also lead to reduced costs on the General Fund of supporting these individuals in temporary accommodation in the future.

6.82 Some of the housing delivery schemes are providing a significant number of new council homes for the borough, or are providing much needed supported housing are listed below:

- Wingspan Walk - 272 new council homes including homes for people over 55
- 14 new council homes in partnership with a supported housing provider to provide support for survivors of domestic abuse under the GLA DASHA Programme
- Mallard Place - 150 new council homes
- Sir Frederick Messer Estate - 66 new council homes
- St. Ann's Hospital - 144 new council homes including a specialist supported housing building
- Mecca Bingo - 78 new council homes as part of a larger multi-tenure scheme including student housing, commercial space and a pocket park
- High Road West – 546 new council homes as part of a significant new scheme
- Selby Urban Village – 202 new council homes as part of a significant new scheme
- Alexandra Gate – 46 new council homes

Broadwater Farm Improvement Works and New Build Programme

6.83 The Broadwater Farm (BWF) improvement programme aims to regenerate the whole estate with £250m of planned investment which will deliver over 300 new homes, will retrofit more than 800 existing homes and will make improvements to the public realm and facilities. This is part of the Council's broader Housing Delivery Programme and will make a significant contribution to the Council's overall new council housing target.

6.84 The programme will support social value and placemaking. The Social Value commitments made by contractors will deliver measurable and impactful training, employment and social opportunities.

6.85 New housing, retail units, a health centre and enterprise units will be delivered, alongside major public realm improvements. And in terms of improvements to existing homes and blocks, this will include new flooring, structural water-proofing, improved energy performance and accessibility works.

Existing Homes Acquisitions – homeless households

6.86 The Council's acquisition programme for homeless households is based on the purchase of homes and subsequent leasing to the Haringey Community Benefit Society (HCBS) to provide housing to households in housing need nominated to it by Haringey Council. This scheme will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via a reduction in the use of privately-owned temporary accommodation in GF. This plan recognises the proposal for an additional 250 homes as part of the temporary accommodation reduction plan. These will be funded by government grant, General fund capital contribution and borrowing in the HRA.

7 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

7.1 This report sets out the Council's commitment to 'creating homes for the future'.

8 Carbon and Climate Change

8.1 This report contributes to the Council's commitment of 'responding to the climate emergency' and details are contained throughout the report.

9. Statutory Officers comments (Director of Finance, Procurement, Head of Legal and Governance, Equalities

Finance

9.1 As the Budget/MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

9.2 The formal Section 151 Officer assessment of the robustness of the HRA's budget, including adequacy of reserves to mitigate against future risks will be made as part of the final budget report to Council in March 2026.

Procurement

9.2 Procurement notes the contents of the report.

Assistant Director of Legal & Governance

9.3 The Assistant Director of Legal & Governance has been consulted in the content of this report. The Council has a duty to keep a HRA under section 74 of the Local Government and Housing Act 1989, the keeping of which must be in accordance with Schedule 4 of that Act. Under Schedule 15 of the Localism Act 2011, local authorities were required to be self-financing in relation to their housing stock, financing their housing stock from their own rents. This report is for noting pending a further report in February 2026 and does not at this stage raise any legal issues.

Equality

9.4 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

9.5 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

9.6 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.7 This report details the draft medium term financial strategy for the HRA. Cabinet is asked to approve the business plan. This decision is needed to ensure that the Council has a sustainable HRA. A sustainable HRA means that the council as a landlord can provide services to council tenants and leaseholders, and can invest in their homes, and in new homes for future tenants and leaseholders.

9.8 Ensuring a sustainable HRA benefits two groups in particular. The first group is our existing council tenants and leaseholders, since they live in homes owned and managed by the council. The second group is households on the council's housing register, in particular those in bands A and B, since they stand to benefit from new council homes brought forward in the borough.

9.9 Haringey Council's tenant population shows the following characteristics compared to the wider borough population:

- a significantly higher proportion of young people (under 24) and older people (over 50).
- a significantly higher proportion of individuals who have a disability under the Equalities Act.
- a slightly higher proportion of individuals who report their gender identity as different from sex registered at birth.
- a significantly lower proportion of individuals who are married or in a registered civil partnership.
- a significantly higher proportion of individuals who identify as Muslim, and slightly higher proportion of individual who identify as Christian, Buddhist or another religion. This is countered by a significantly lower proportion of tenants who don't associate with any religion or identify as Jewish, Hindu or Sikh.
- a significantly higher proportion of female individuals.
- a significantly lower proportion of individuals who report their sexual identity as something other than Straight or Heterosexual

9.10 Building new council homes benefits existing council tenants in housing need, and households currently living in temporary accommodation. Data held by the council suggests that women, young people, and people who are BAME are over-represented among those living in temporary accommodation. Furthermore, individuals with these protected characteristics, as well as those who identify as LGBTQ+ and disabled people are known to be vulnerable to homelessness.

9.11 As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.

10 Use of Appendices

10.1 None

11 Background papers

11.1 None