Slough Borough Council

Report to:	**Cabinet**
Date:	20th July 2026
Subject:	LAHF Round 4 Match Funding
Lead Member:	Cllr Iftakhar Ahmed – Lead Member for Housing, Homelessness and Communities
Chief Officer:	Will Tuckley – Chief Executive
Contact Officer:	Karen Shaw – Director of Housing Needs
Ward(s):	All wards
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix 1 – Further Details on Financial Implications: Funding Allocations Appendix 2 – Financial Benefits Appendix 3 – Current Rental and subsidy rates Appendix 4 – HRA Capital Programme Appendix 5 - Slough Borough Council – LAHF R4 MOU

Summary and Recommendations

1.1 The Council has been awarded funding by the Ministry of Housing, Communities and Local Government (MHCLG) to deliver 58 units of Temporary Accommodation (TA) and resettlement accommodation within the borough.

1.2 This funding enables the Council to increase the supply of good quality, cost-effective TA for families owed a homelessness duty by the Council.

1.3 MHCLG will provide a grant of £10,506,905 (comprising a capital grant of £10,422,000 and a revenue grant of £84,905) to be used between 2026-27 and 2029-30

1.4 Under the terms of the Local Authority Housing Fund Round 4 funding (LAHF4), the Council is required to match fund up to £10,422,000. The Housing Revenue Account (HRA) is to match fund utilising HRA disposal receipts in line with the grant conditions to deliver the 58 units.

1.5 This initiative will reduce reliance on expensive temporary accommodation while also creating the opportunity for the Council to expand its asset base and better manage local housing pressures over the long term.

Recommendations:

Cabinet recommend to Full Council:

Amendment to the HRA Capital Programme to add a new programme for Local Housing Authority Fund 4 programme, to be funded from MHCLG grant funding of £10,422,000 and £10,422,000 to be funded from HRA disposals receipts for the delivery of 58 residential units within the borough to be used for temporary accommodation and resettlement accommodation. The revised 5 year HRA Capital Programme is set out in Appendix 4.

Reason:

To reduce the use of expensive and often unsuitable temporary accommodation, by increasing the supply and quality of temporary accommodation available to households owed a homelessness duty by the Council.

Commissioner Review

The Council remains in a very exposed position in relation to its demands and costs for TA and homelessness. This initiative is intended to help with that exposure by reducing reliance on expensive temporary accommodation while also creating the opportunity for the Council to expand its asset base and better manage local housing pressures over the longer term. The financial benefits arising from this project, as set out in the report, must be realised so robust, transparent and regular reporting, and oversight arrangements must be put firmly in place. Whilst this project is to be welcomed, it is only one part of a much bigger picture of demand led budget pressures so the Council must continue to explore all opportunities to reduce the cost of temporary accommodation in order to mitigate those ongoing pressures.

The Council may choose the most appropriate delivery mechanism to achieve the fund’s objectives and to bring on stream the accommodation as quickly as possible. Acquisitions are intended to be held within the HRA as social housing assets and the Council will need to ensure that the proposals deliver “no detriment” to the Housing Revenue Account (HRA). Associated capital financing, management, and maintenance costs will need to be funded through any eligible LAHF revenue grant allocation, General Fund TA budget and ongoing HRA rental income, supporting a sustainable expansion of the Council’s housing asset base. This is a critical financial and governance requirement to ensure that the HRA neither subsidises general fund temporary accommodation costs nor takes on unsustainable financial risks.

Commissioners are content for this report to be considered.

2. Report

2.1 The Council has received funding from the MHCLG’s Local Authority Housing Fund Round 4 (LAHF R4) programme to deliver a total of 58 homes over the four-year period 2026/27 to 2029/30.

2.2 The LAHF R4 funding will not meet the full acquisition and delivery costs of the programme.

The Council will therefore be required to match fund up to £10,422,000 which will be funded from HRA disposal receipts. The funding is to enable the Council to deliver the following allocations:

- 49 properties (2-4+ bed) to be allocated to households in temporary accommodation need.
- 5 properties (2-3 bed) for households meeting the R4 resettlement criteria.
- 4 properties (4+ bed) for households meeting the R4 large property criteria

2.3 The total grant-funded allocation will be provided in the yearly amounts specified in table 1, which includes the HRA match funding:

Table 1 – Yearly spend and acquisition targets

Yearly Allocation	LAHF	HRA	Properties
	£m	£m	
Year 1 (2026-2027)	2.910	2.910	16
Year 2 (2027-2028)	1.986	1.986	11
Year 3 (2028-2029)	3.933	3.933	22
Year 4 (2029-2030)	1.593	1.593	9
Total	**10.422**	**10.422**	**58**

2.4 Once suitable properties have been identified for use of the funding, decisions will be progressed in accordance with the Council's decision-making processes for property acquisitions. Any proposal to purchase properties valued at £1m or more, including blocks of flats will come back to Cabinet for approval.

2.5 Options Considered

Option 1 - Recommended Option

This funding enables the Council to increase housing supply increasing the amount of good quality, cost-effective TA for families who are owed a homelessness duty by the Council as well as secure resettlement accommodation for refugees. The recommendation of this report is that Cabinet recommends to Full Council approval of an updated HRA Capital Programme to allow take up of the grant and release of the HRA Capital funding.

Option 2 - Do Nothing

Even with the funding set out in this report, the Council will not be able to fully meet anticipated demand for temporary accommodation. However, if the Council were to decline this funding opportunity, it would further reduce the number of additional temporary accommodation properties that could be delivered within the borough over the next four years which would have an adverse effect on the delivery of savings within the Medium-Term Financial Strategy (MTFS)

3 Background

3.1 The Council continues to face a significant housing supply crisis with approximately 1500 households in temporary accommodation and a further 1200 households on the housing register.

3.2 The Council has historically relied on the private housing sector to increase housing supply and the rate of new affordable housing delivery within Slough has declined significantly. This reflects the national picture. There are ongoing constraints in accessing accommodation within the private rented sector that meets both quality and cost considerations. The Council will always pay more for what it procures than it can ever collect via housing benefit subsidy.

3.3 The acquisition of properties through this programme for use as temporary accommodation presents the opportunity to generate financial efficiencies by reducing reliance on the private sector accommodation.

3.4 The Council is and will continue to explore opportunities to reduce the cost of temporary accommodation in order to mitigate ongoing budgetary pressures.

3.5 The Council's new Housing Strategy will support longer-term, cross-tenure decision-making in relation to housing supply, with the aim of improving sustainability and value for money.

3.6 **Governance & Assurance**

3.7 The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include but is not limited to, State Aid / Subsidy Control, Equalities Duties, Procurement, Health and Safety and Fraud Prevention. The Council retains the prerogative to establish internal governance and assurance arrangements as it deems necessary to achieve this.

3.8 The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements; "Data may be shared with other enforcement agencies for the prevention and detection of crime."

4.1 Financial Implications

4.1.1. The table below shows the grant award and match funding profile:

Year	Capital Grant £m	HRA Match Funding (Up to) £m	Total Capital £m	Revenue Grant £m
26/27	2.910	2.910	**5.820**	0.085
27/28	1.986	1.986	**3.972**	
28/29	3.933	3.933	**7.866**	
29/30	1.593	1.593	**3.186**	
	10.422	**10.422**	**20.844**	**0.085**

4.1.2. The £10.422m MHCLG capital funding will be provided in up to eight tranches, with two tranches per year. Both yearly tranches may be paid in a combined payment if the relevant delivery milestones have been met for both tranches. Tranches are set out in Table 1 of Appendix 1 at the end of this report.

4.1.3. The HRA revised capital programme for Affordable Homes will now increase by £10.422m from £31.422m to £41.844m as below:

HRA Affordable Housing Capital Programme **Approved Feb 2026 (including carry forwards)**	**26/27** **£m**	**27/28** **£m**	**28/29** **£m**	**29/30** **£m**	**30/31** **£m**	**Total** **£m**
Affordable Homes (Other)	8.512	3.014	1.067	3.407	5.000	**21.000**
Affordable Homes (LAHF4)	2.910	1.986	3.933	1.593		**10.422**
Total Affordable Housing Capital - Original	**11.422**	**5.000**	**5.000**	**5.000**	**5.000**	**31.422**
Funded by:						
Capital Receipts Reserve (CRR)	(11.422)	(5.000)	(5.000)	(5.000)	(5.000)	**(31.422)**
Total Affordable Housing Funding - Original	**(11.422)**	**(5.000)**	**(5.000)**	**(5.000)**	**(5.000)**	**(31.422)**

HRA Capital Programme **Addition of LAHF4 grant**	**26/27** **£m**	**27/28** **£m**	**28/29** **£m**	**29/30** **£m**	**30/31** **£m**	**Total** **£m**
Affordable Homes (Other)	8.512	3.014	1.067	3.407	5.000	**21.000**
Affordable Homes (LAHF4)	5.820	3.972	7.866	3.186	-	**20.844**
Total Affordable Housing Capital - Revised	**14.332**	**6.986**	**8.933**	**6.593**	**5.000**	**41.844**
Funded by:						
Capital Receipts Reserve (CRR)	(8.512)	(3.014)	(1.067)	(3.407)	(5.000)	**(21.000)**
Capital Receipts Reserve (CRR) - LAHF4	(2.910)	(1.986)	(3.933)	(1.593)	-	**(10.422)**
Grant - LAHF4	(2.910)	(1.986)	(3.933)	(1.593)	-	**(10.422)**
Total Affordable Housing Funding - Revised	**(14.332)**	**(6.986)**	**(8.933)**	**(6.593)**	**(5.000)**	**(41.844)**

4.1.4. The approved 2026/27 HRA capital programme included a total Affordable Housing programme of £31.422m over 5 years (after reflecting carry forwards approved as part of the June 2026 outturn report). The £31.422m includes £10.422m of HRA disposal receipts (right to buy receipts cannot be used under the grant conditions) which are to be utilised to fund the Council contribution under the grant conditions. The Affordable Homes program is now being revised upwards from £31.422m to

£41.844m to reflect the additional £10.422m to be funded from the LAHF4 grant. Whilst it is proposed to use the additional stock for TA in the short term, the HRA retains the ownership of the properties.

4.1.5. The full revised HRA capital programme is set out in Appendix 4. The financial benefits arising from this project are realised through two streams:

4.1.6. Firstly, the cost reduction where households in TA are moved to cheaper forms of TA (such as the properties covered in this report where the annual cost of the property will be less than the current rental cost). The additional supply of TA accommodation will enable the Council to identify the highest priorities for moving households from expensive and lower quality temporary accommodation to accommodation that is compliant with housing benefit subsidy but with no additional loss.

4.1.7 Secondly, through the reduction in the Housing Benefit Subsidy gap. This arises from the cost of accommodation charged by the HRA (with the rents set at LHA 2025 rates), being fully recovered through the subsidy claim. This replaces properties where the Council can only claim subsidy up to LHA 2011 rates which only partially meets the rent paid.

4.1.8. The total estimated financial benefits are set out in Appendix 2. Table App 2.1 gives an illustration of annual costs and savings by single unit and App 2.2 annual costs and savings after delivery of all 58 units by 2029/30. The total ongoing annual saving by the end of 2029/30 to the general fund is estimated at £875k. This saving is calculated based on the current average cost of TA households in 2, 3 and 4 bed properties.

4.1.9. The MTFS includes a savings target from LAHF of £5.5m, phased entirely in 2028/29. The savings target made assumptions that the level of savings were based on LAHF units offsetting the highest cost placements. Whilst £875k saving included in this report is based on savings against the average cost of a homeless household at £14k - £18k per annum (depending on the number of bedrooms), some families can cost at least twice this amount – and therefore increase the level of savings available. The intention will be to use the units acquired to best effect to reduce the current high-cost accommodation. If successful, this would move the General Fund benefit closer to the level expected. Savings are also likely to be delivered earlier than expected as units become available well in advance of 2028/29. Future opportunities to bid for LAHF will be pursued now that a viable model has been established.

4.1.10. A key metric is the payback period i.e. the amount of time it will take to recover the HRA's share of the initial acquisition cost using the annual net income to the HRA payable by the GF in return for using the properties for TA accommodation. The payback period is most sensitive to the acquisition price paid for the property. The prices shown are reflect what the Council might expect to pay based on current average sold prices for these types of properties, although the price could be lower if the property is deemed suitable. The maximum prices that can be paid and still meet the 30 year pay back period are shown in Table 2.2.

4.1.11. Another key sensitivity is the ongoing management and maintenance of the units. Annual management costs of £1k per unit and maintenance costs of between £5k and £8k have been provided for. In addition, an initial fit out of between £9k and £15k have been allowed for to bring the properties up to the required standard.

4.1.12. The benefit to the HRA is that, the housing stock will have increased by 58 units with the acquisition price recovered in less than 30 years. This is shown in the modelling within appendix 2.

4.2. Legal Implications

4.2.1 The Council has statutory duties under the Housing Act 1996 and the Homelessness Reduction Act 2017 to prevent and relieve homelessness. These duties require the Council to secure suitable accommodation for eligible applicants when thresholds are met.

4.2.2. The Council also has a duty to offer permanent accommodation in accordance with its housing allocations scheme and this includes supporting refugees under the national resettlement schemes, including the Afghan resettlement programmes led by the Home Office.

4.2.3. By utilising the funding made available through LAHF R4, the Council is able to acquire properties to directly support delivery of its statutory duties.

4.2.4. The Council has a power to acquire housing under s.9 of the Housing Act 1985. Properties acquired under this power must be accounted for within the Council's Housing Revenue Account, meaning that all housing management functions and rental income must be accounted for in this account and not the General Fund. In relation to the future setting of rent levels once properties are acquired, the Government's Policy Statement on Rents for Social Housing (the Rent Policy Statement) must be followed. Properties that have not historically been used for social housing can have rent charged at affordable rent, unless grant conditions prevent this.

4.3. Risk Management Implications

4.3.2. The Council will put in place appropriate reporting, governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

4.3.3. The Council is required to report regularly to MHCLG on progress and will highlight risks to MHCLG as is necessary. The risk is that if the Council cannot spend the money at the rate set out in table 1 that LAHF4 may ask for the money to be returned and may effect further funding allocations. This represents a significant risk given the challenge to fund suitable accommodation at an acceptable market value in Slough. The Council is in regular communication with MHCLG regarding the funding to ensure they are kept up to date with the current position.

4.4. Environmental Implications

4.4.1. There are no direct Environmental implications from this report.

4.5. Equality Implications

4.5.1. The Council has a legal duty under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity, and foster good relations across protected groups. Homelessness and TA are likely to comprise all equality groups, and some groups may be over-represented such as women, some ethnic groups, people with disabilities, young people, and care leavers.

4.5.2. The improvement will positively impact all equality groups but will particularly impact those more likely to find themselves homeless. Locally, the proposed plans particularly support residents with disproportionate needs, including disabled people, women (especially those affected by domestic abuse or pregnancy), young people and care leavers, ethnic minorities, migrants with insecure status, rough sleepers, older people, and those facing language, literacy, or digital barriers.

4.5.3. The activities outlined in this report may have a disproportionately positive impact on families from Afghanistan that are on the Afghan Resettlement Programme (ARP). This is in line with Government policy and is so that they can build new lives in the UK, find employment and integrate into communities.

4.5.4. Some risks remain, such as private sector incentives favouring easier-to-let cases, digital exclusion, and inconsistent NRPF decisions. These are addressed through ring-fenced support, inclusive service design, legal oversight, and equality-led placement protocols.

4.5.5. Overall, the activity outlined in this report and the MOU is assessed to have a positive impact on equality through the primary aim of reducing the number of households that are homeless and / or are in Temporary Accommodation.

Background Papers

None

Appendix 1: Further Details on Financial Implications: Funding Allocations

Table 1 – Total Funding Allocation from MHCLG and SBC HRA

Allocation Tranches	Tranche Comprises:	MHCLG Total Funding	HRA Funding Request
Tranche 1 Allocation	30% of the Year 1 capital allocation and 100% of the Year 1 & 2 revenue allocation	**£915,453**	**£830,548**
Tranche 2 Allocation	70% of the Year 1 capital allocation	**£2,037,000**	**£2,037,000**
Tranche 3 Allocation	50% of the Year 2 capital allocation	**£993,000**	**£993,000**
Tranche 4 Allocation	50% of the Year 2 capital allocation	**£993,000**	**£993,000**
Tranche 5 Allocation	50% of the Year 3 capital allocation and 100% of the Year 3 & 4 revenue allocation	**£2,008,953**	**£2,008,953**
Tranche 6 Allocation	50% of the Year 3 capital allocation	**£1,966,500**	**£1,966,500**
Tranche 7 Allocation	50% of the Year 4 capital allocation	**£796,500**	**£796,500**
Tranche 8 Allocation	50% of the Year 4 capital allocation	**£796,500**	**£796,500**
	Total Allocation:	**£10,506,905**	**£10,422,000**

1.1 Table 2 below sets out the delivery milestones requirements and timetable for payments to be made to the Council. MHCLG may reallocate the Council's future year grant funding if the Council does not meet the specified delivery milestone deadlines for payment of the two tranches each year.

1.2 A Grant Determination Letter (GDL) will be provided after each tranche payment providing confirmation of the grant payment.

1.3 The Council may wish to return unspent monies to the Department.

1.4 MHCLG reserves the right to request the return of some or all of the capital funding if the Council demonstrates insufficient delivery progress towards achievement of the delivery target, delivers less homes than its agreed delivery target, or withdraws from

LAHF R4 completely. Where a local authority does not achieve their new supply delivery target, MHCLG may request the return of the new supply uplift.

Table 2 – MHCLG Tranche Payment Schedule

Payments	Requirements for Payment Milestone	Payment Schedule
Tranche 1 Allocation	MOU signed with MHCLG	By 17 April 2026 (if an MOU is signed by 13 March 2026. or By 15 May 2026 (if an MOU is signed by 10 April 2026).
Tranche 2 Allocation	Statement of Grant Usage (SOGU) demonstrating 60% of Tranche 1 has been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 17 July 2026 (if SOGU is provided by 12 June 2026 and all MI submitted to schedule). or By 21 August 2026 (if an MOU is signed by 17 July 2026 and all MI submitted to schedule). With further payment windows TBC.
Tranche 3 Allocation	SOGU demonstrating 80% of Tranches 1 and 2 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 16 April 2027 (if SOGU is provided by 12 March 2027) and all MI submitted to schedule. With further payment windows TBC.
Tranche 4 Allocation	SOGU demonstrating 80% of the Tranches 1, 2 and 3 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 16 April 2027 (if SOGU is provided by 12 March 2027) and all MI submitted to schedule. With further payment windows TBC
Tranche 5 Allocation	SOGU demonstrating 80% of the Tranches 1,2,3 and 4 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 13 April 2028 (if SOGU is provided by 10 March 2028) and all MI submitted to schedule. With further payment windows TBC.

Tranche 6 Allocation	SOGU demonstrating 80% of the Tranches 1,2,3,4 and 5 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 13 April 2028 (if SOGU is provided by 10 March 2028) and all MI submitted to schedule. With further payment windows TBC.
Tranche 7 Allocation	SOGU demonstrating 80% of the Tranches 1,2,3,4,5 and 6 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 13 April 2029 (if SOGU is provided by 9 March 2029) and all MI submitted to schedule. With further payment windows TBC.
Tranche 8 Allocation	SOGU demonstrating 80% of the Tranches 1,2,3,4,5,6 and 7 have been committed*, AND Satisfactory monitoring information (MI) submitted to date.	By 13 April 2029 (if SOGU is provided by 9 March 2029) and all MI submitted to schedule. With further payment windows TBC.

*Committed spend in Table 2 refers only to capital grant spend (and does not include revenue grant spend). Committed spend reported in a SOGU will be verified by the S151 Officer. Council funding will be released as needed, aligned to delivery and the terms of the MOU.

Appendix 2 Financial Benefits

Table App 2.1 - annual costs and savings by single unit

- The **Gen Fund – current** table sets out the current cost of TA accommodation by unit size based on average current private sector rates and the Housing benefit recovery received by each unit size. The net cost for the three units is £48k.
- Based on the estimated acquisition and operating costs and a rent charged at LHA 2025 rates the pay back period for 2 bedroom properties using a simple straight line repayment profile with no interest applied is 16 years. For 3 and 4 bedroom properties the pay back period rises to 21 and 23 year respectively.
- The acquisitions generate an annual general fund saving, in total, of £45k across the three unit sizes. The TA account is almost cost neutral as the rent charged at LHA 2025 rates is fully recovered but may still suffer a void/bad debt loss of £1k. This represents 5% of the subsidy claim.

Annual Net Cost - by House size

	2 Bed	3 Bed	4 Bed	Units
	1	**1**	**1**	**3**

Gen Fund - current

				2 Bed	3 Bed	4 Bed	Total
			Inflation				
	Accom cost per night			*£61*	*£71*	*£90*	
Select>> 1	Current Priv Sector Rates (Avge)	A		£22k	£26k	£33k	**£81k**
Select>> 2	LHA recovery (2011) 90%		0%	(£9k)	(£11k)	(£16k)	**(£36k)**
	Void / Bad debt Loss		10%	£1k	£1k	£2k	**£4k**
	Net HB Recovery	B		**(£8k)**	**(£10k)**	**(£15k)**	**(£33k)**
	Net Cost	**C**		**£14k**	**£16k**	**£18k**	**£48k**
	Loss %			**63%**	**62%**	**55%**	**60%**

Gen Fund - Savings post Acquisition

		2 Bed	3 Bed	4 Bed	Total
TA Net Cost (see below)	**D**	**£1k**	**£1k**	**£1k**	**£3k**
Saving to GF	**E=D-C**	**(£13k)**	**(£15k)**	**(£17k)**	**(£45k)**

HRA

				2 Bed	3 Bed	4 Bed	Total
	House price:			£305k	£450k	£550k	**Total**
	Total Acquistion Cost (incl legals, stamp duty and refurb)			£324k	£481k	£587k	**£1,392k**
	HRA Contribution @50%	F		£162k	£240k	£294k	**£696k**
	Maintenance (1.5% of acquisition capped at £10k)		2%	£5k	£7k	£8k	**£20k**
	Property Mangt £k per property			£1k	£1k	£1k	**£3k**
	Total Annual Property Cost	**G**		**£6k**	**£8k**	**£9k**	**£23k**
	Inc/(Dec) in annual property cost	A-G		***(£17k)***	***(£18k)***	***(£24k)***	***(£58k)***
Select>> 7	Rent at LHA 2025		2%	(£14k)	(£17k)	(£20k)	**(£51k)**
	Net cost/(surplus) to HRA	**H**		*(£9k)*	*(£10k)*	*(£10k)*	*(£29k)*
	Pay back Period (Yrs)	F/H		*16*	*21*	*23*	
	Max Acqn Cost that meets 30 year pay back			*£473k*	*£574k*	*£655k*	

			2 Bed	3 Bed	4 Bed	Total
Gen Fund TA	*Rent payable to HRA*	I	*£14k*	*£17k*	*£20k*	***£51k***
Select>> 3	*LHA Recovery 2025*	J	*(£14k)*	*(£17k)*	*(£20k)*	***(£51k)***
	Void Loss (on 5% of LHA)		*£1k*	*£1k*	*£1k*	***£3k***
	Net HB Recovery	K	***(£14k)***	***(£16k)***	***(£19k)***	***(£49k)***
	TA net cost	I+K	***£1k***	***£1k***	***£1k***	***£3k***
	Inc/(Dec) in HB recovery	K-B	***(£5k)***	***(£7k)***	***(£4k)***	***(£16k)***

		2 Bed	3 Bed	4 Bed	Total
Inc/(Dec) in Net Cost GF + HRA	**E+H**	**(£22k)**	**(£25k)**	**(£27k)**	**(£74k)**

Table App 2.2 - annual costs and savings for all units

The tables below apply the savings by unit across the delivery of all 58 units and show an annual General Fund saving of £875k by year 4.

Annual Net Cost - All Units	2 Bed	3 Bed	4 Bed	Units
	21	**18**	**19**	**58**

Gen Fund - current		Inflation	2 Bed	3 Bed	4 Bed	Total
	Accom cost per night		*£1,275*	*£1,273*	*£1,710*	
Select>> 1	Current Priv Sector Rates (Avge)	A	£464k	£463k	£622k	**£1,550k**
Select>> 2	LHA recovery (2011) 90%	0%	(£193k)	(£194k)	(£308k)	**(£695k)**
	Void / Bad debt Loss	10%	£19k	£19k	£31k	**£69k**
	Net HB Recovery	B	**(£173k)**	**(£175k)**	**(£277k)**	**(£625k)**
	Net Cost	**C**	**£291k**	**£288k**	**£345k**	**£924k**
	Loss %		**63%**	**62%**	**55%**	**60%**

Gen Fund - Savings post Acquisition					
TA Net Cost (see below)	**D**	**£15k**	**£16k**	**£19k**	**£49k**
Saving to GF	**E=D-C**	**(£276k)**	**(£273k)**	**(£327k)**	**(£875k)**

HRA			2 Bed	3 Bed	4 Bed	Total
	House price:		£305k	£450k	£550k	**Total**
	Total Acquistion Cost (incl legals, stamp duty and refurb)		£6,809k	£8,655k	£11,160k	**£26,624k**
	HRA Contribution @50%	F	£3,405k	£4,328k	£5,580k	**£13,312k**
	Maintenance (1.5% of acquisition capped at £10k)	2%	£96k	£122k	£157k	**£374k**
	Property Mangt £k per property		£21k	£18k	£19k	**£58k**
	Total Annual Property Cost	**G**	**£117k**	**£140k**	**£176k**	**£432k**
	Inc/(Dec) in annual property cost	**A-G**	***(£347k)***	***(£324k)***	***(£447k)***	***(£1,118k)***
Select>> 7	Rent at LHA 2025	2%	(£302k)	(£312k)	(£371k)	**(£984k)**
	Net cost/(surplus) to HRA	**H**	***(£184k)***	***(£173k)***	***(£195k)***	***(£552k)***
	Pay back Period (Yrs)	F/H	*16*	*21*	*23*	
	Max Acqn Cost that meets 30 year pay back		*£473k*	*£574k*	*£655k*	

Gen Fund TA						
	Rent payable to HRA	**I**	*£302k*	*£312k*	*£371k*	***£984k***
Select>> 3	*LHA Recovery 2025*	**J**	*(£302k)*	*(£312k)*	*(£371k)*	***(£984k)***
	Void Loss (on 5% of LHA)		*£15k*	*£16k*	*£19k*	***£49k***
	Net HB Recovery	**K**	***(£286k)***	***(£297k)***	***(£352k)***	***(£935k)***
	TA net cost	**I+K**	***£15k***	***£16k***	***£19k***	***£49k***
	Inc/(Dec) in HB recovery	**K-B**	***(£113k)***	***(£122k)***	***(£75k)***	***(£310k)***

Inc/(Dec) in Net Cost GF + HRA	**E+H**	**(£460k)**	**(£446k)**	**(£522k)**	**(£1,427k)**

		2 Bed	3 Bed	4 Bed	Total	Cumulative
Total General Fund Saving	Year 1	(£79k)	(£76k)	(£86k)	**(£241k)**	**(£241k)**
	Year 2	(£52k)	(£45k)	(£69k)	**(£167k)**	**(£407k)**
	Year 3	(£105k)	(£106k)	(£120k)	**(£331k)**	**(£739k)**
	Year 4	(£39k)	(£45k)	(£52k)	**(£136k)**	**(£875k)**
	All Years	**(£276k)**	**(£273k)**	**(£327k)**	**(£875k)**	**(£875k)**

***Year 1 is 2026/27**

Table Appendix 3.

Current Rental and subsidy rates

Weekly Rent cost

Weekly Cost	Current Priv Sector Rates (Avge)	Rent at LHA 2025
Studio	£315	£136
1 Bed	£355	£207
2 Bed	£425	£276
3 Bed	£495	£334
4 Bed	£630	£375
5 Bed	£770	£375
6 Bed	£910	£375

Weekly Subsidy Rates

Subsidy Rates	LHA recovery (2011) 90%	LHA Recovery 2025
Studio	£82	£136
1 Bed	£135	£207
2 Bed	£177	£276
3 Bed	£208	£334
4 Bed	£312	£375
5 Bed	£375	£375
6 Bed	£375	£375

Appendix 4 HRA Capital Programme

HRA Approved Capital Programme	26/27 Feb-26 £m	Cfwds Jun-26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m	Total £m
Planned Maintenance Capital	4.532	0.147	4.679	5.236	4.966	3.947	3.839	**22.667**
RMI Capital Programme	14.297	0.980	15.276	14.641	13.686	13.521	13.681	**70.806**
Affordable Homes (Incl LAH4 Council spend)	6.200	5.222	11.422	5.000	5.000	5.000	5.000	**31.422**
Total	**25.029**	**6.349**	**31.378**	**24.877**	**23.652**	**22.468**	**22.520**	**124.895**
Funded By:								
Major Repairs Reserve	(11.975)	(0.505)	(12.480)	(14.946)	(12.985)	(12.775)	(13.800)	**(66.986)**
Capital Receipts Reserve (CRR) *	(5.853)	(5.222)	(13.985)	(5.641)	(10.666)	(9.693)	(6.720)	**(46.705)**
Warm Homes Grant	(2.791)	(0.622)	(3.413)	(2.791)	-	-	-	**(6.203)**
s106	(1.500)		(1.500)	(1.500)	-	-	-	**(3.000)**
Revenue Contributions			-				(2.000)	**(2.000)**
Total Affordable Housing Funding - Revised	**(22.119)**	**(6.349)**	**(31.378)**	**(24.877)**	**(23.652)**	**(22.468)**	**(22.520)**	**(124.895)**

HRA Revised Capital Programme	26/27 £m	27/28 £m	28/29 £m	29/30 £m	30/31 £m	Total £m
Planned Maintenance Capital	4.679	5.236	4.966	3.947	3.839	**22.667**
RMI Capital Programme	15.276	14.641	13.686	13.521	13.681	**70.806**
Affordable Homes (Incl LAHF4 Council spend)	11.422	5.000	5.000	5.000	5.000	**31.422**
LAHF4	2.910	1.986	3.933	1.593		**10.422**
Total	**34.288**	**26.863**	**27.585**	**24.061**	**22.520**	**135.317**
Funded By:						
Major Repairs Reserve	(12.480)	(14.946)	(12.985)	(12.775)	(13.800)	**(66.986)**
Capital Receipts Reserve (CRR) *	(13.985)	(5.641)	(10.666)	(9.693)	(6.720)	**(46.705)**
Warm Homes Grant	(3.413)	(2.791)	-	-	-	**(6.203)**
LAHF4 Grant	(2.910)	(1.986)	(3.933)	(1.593)	-	**(10.422)**
s106	(1.500)	(1.500)	-	-	-	**(3.000)**
Revenue Contributions	-				(2.000)	**(2.000)**
Total Affordable Housing Funding - Revised	**(34.288)**	**(26.863)**	**(27.585)**	**(24.061)**	**(22.520)**	**(135.317)**

*Includes Council LAH4 Contribn