CAB3365
CABINET

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN AND BUDGET OPTIONS

15 NOVEMBER 2022

REPORT OF CABINET MEMBER: CLLR PAULA FERGUSION – CABINET MEMBER FOR HOUSING AND DEPUTY LEADER

Contact Officer: Dick Johnson Tel No: 01962 848136 Email Djohnson@Winchester.gov.uk

WARD(S): ALL

PURPOSE:

The purpose of this report is to update members on the current HRA 30-year Business Plan, and how it has been impacted by unprecedented inflationary pressures and changes in interest rates. In addition, Government intervention to strike a balance between the investment requirements of landlord's business plans and the cost-of-living crisis upon tenants has also had a significant impact on rent setting. These factors have led to increased volatility and uncertainty in the Medium-Term Financial Planning (MTFP) horizon underpinning the business planning process.

The report identifies the likely impact of these pressures and risks upon the delivery of the plan and confirms that the proposed business plan is currently considered to be sustainable and viable over the 30-year period given the underlying key assumptions, but that these need to be kept under review. In addition, it analyses the impact of different proposed HRA rent Ceilings upon the HRA Business Plan.

RECOMMENDATIONS:

That Cabinet:

1. Note that, in light of the absence of any Government confirmation regarding possible rent setting ceilings and the proposed changes to the rent setting mechanism identified elsewhere within the report, at present it is not possible to approve a draft 30-year HRA Business Plan.
2. Note the draft HRA Business 30-year Plan for 2022-23 to 2051-52 as summarised in the Operating Account included as Appendix 1, based upon an assumed 5% rent increase in 2023-24.
3. Note the latest forecast 30-year HRA capital investment programme of £1.086m, an increase of £212m on the present plan, subject to the approval of individual schemes; and subject to the final detailed HRA budget and the 10-year Capital Investment Strategy being approved by Council in February 2022.
4. Note the impact of different rent assumptions upon the viability of the HRA Business Plan as set out in section 16 and that the final rent decision will be subject to the results of the Government consultation on Rent Ceiling’s for 2023-24.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 Providing good quality housing and new affordable homes is a strategic priority for the Council. Effective management of the resources available to the Council enable it to take advantage of new opportunities and ensure that satisfaction levels remain high amongst tenants in relation to their home and community. In particular

1.2 Tackling the Climate Emergency and Creating a Greener District

a) Carbon Neutrality measures will be implemented across existing housing stock and include within the design and construction of new properties, and feasibility considered in the purchase of any substitute properties

1.3 Homes for all

a) Assist with the increase of affordable housing property stock across the Winchester district

1.4 Vibrant Local Economy

a) Deliver affordable accommodation that allows people to live and work in the community and contribute to the local economy.

1.5 Living Well

a) The wellbeing of residents is considered within the design of new properties and any substitute properties will be viewed accordingly.

1.6 Your Services, Your Voice

a) Housing tenants are directly involved in decisions regarding service provision, both through the work of TACT and through regular digital engagement processes. The service continues to review options to provide an improved customer experience, increase opportunities for digital engagement and to ensure satisfaction with services provided by the Council remains high.

2 FINANCIAL IMPLICATIONS

2.1 These are fully detailed in Section 11 of the report and the accompanying appendices.

2.2 The Government is currently consulting on proposals to set a maximum cap on rent increases rather than allow rents to increase in April 2023 in line with the previously agreed formula of CPI+1% which would have meant a rent increase of 11.1% (see section 19).

2.3 The draft HRA Business 30-year Plan for 2022-23 to 2051-52 set out later in the report and summarised in the Operating Account included as Appendix 1, has been prepared based upon an assumed 5% rent increase in 2023-24. At this level, the draft HRA Business Plan is both viable and sustainable and will support the council's ambitious delivery of 1,000 new affordable homes over the next ten years. The proposed plan provides sufficient funds over the 30 years to deliver over 1,700 new affordable homes in total.

2.4 If the Government set a cap below the 5% level, the Plan is likely to be unsustainable and this is set out in more detail later in the report.

2.5 This report also sets out the financing required to continue to meet the 1,000-home target as set out in the Council Plan. This requires a 30-year HRA capital investment programme of £1.086m, an increase of £212m on the present plan and an associated long term funding strategy that will see overall borrowing of £463m in year 30, an increase of £122m over the present plan

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 Under Part VI of the Local Government and Housing Act 1989 any local authority that owns housing stock is obliged to maintain a Housing Revenue Account. The HRA is a record of revenue expenditure and income in relation to an authority's own housing stock. The items to be credited and debited to the HRA are prescribed by statute. It is a ring-fenced account within the authority's General Fund, which means that local authorities have no general discretion to transfer sums into or out of the HRA.

3.2 The Council is required to prepare proposals each year relating to the income of the authority from rents and other charges, expenditure in respect of repair, maintenance, supervision and management of HRA property and other prescribed matters. The proposals should be made on the best assumptions and estimates available and designed to secure that the housing revenue account for the coming year does not show a debit balance. The report sets out information relevant to these considerations.

3.3 Section 76 Local Government and Housing Act 1989 places a duty on local housing authorities: (a) to produce, and make available for public inspection, an annual budget for their HRA which avoids a deficit; (b) to review and if necessary, revise that budget from time to time and (c) to take all reasonably practicable steps to avoid an end-of-year deficit.

3.4 The proposed HRA budget fulfils these requirements. The report also seeks approval for major investment estimates in relation to a variety of schemes. In compliance with Section 151 of the Local Government Act 1972, the Council has in place Financial Procedures which provide appropriate arrangements for the approval of major works estimates. The various major works schemes must be capable of being carried out within the Council's statutory powers. To the extent that the details of the schemes appear from the body of the report, it does appear that the proposed works meet this requirement. In particular the maintenance of dwellings may be considered consistent with the Council's repairing obligation under Section 11 of the Landlord and Tenant Act 1985.

4 WORKFORCE IMPLICATIONS

4.1 Some of the options for consideration for next year's budget may require an additional staffing resource.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 In order to meet one of the key principles of the Council Strategy, the HRA is required to provide sufficient financial resources to both maintain existing stock to decent homes standard and to enable new affordable housing to be built to help meet local demands.

6 CONSULTATION AND COMMUNICATION

7 The HRA Outturn report was discussed with TACT at its meeting 28 July 2022. At this meeting TACT asked how the dramatic rise in inflation had been factored into the 30-year business plan; about borrowing arrangements and how the 30-year business plan is updated. The HRA Budget Options paper was discussed with TACT at its 22 September 2022 meeting. Tenants asked for another meeting to be arranged and asked for clarity on some of the issues that were covered including the Government rent ceiling proposals. This meeting took place on 26 October 2022 when tenants asked about the judgements being made and whether rent arrears will have an impact on rental income. TACT fed back that the assumptions being applied appeared to be reasonable, although commented that inflation rates used seemed very optimistic.

ENVIRONMENTAL CONSIDERATIONS

7.1 The Business Plan takes full account of and includes funding for the Council Homes Retrofit programme approved in 2020. It also sets out the current New Homes programme and highlights the increase in build costs, which takes account of building to very high energy standards.

7.2 The retrofitting of the council's own housing stock to reduce both energy consumption and carbon is a key action in the Carbon Neutrality Action Plan and one to which the council has committed to investing £15.7m over 10 years

7.3 The Business Plan also funds the provision of a dedicated Retrofit Co-ordinator and part funds an ecologist/biodiversity officer within the planning department. The retrofit co-ordinator is central to the two main council housing stock carbon reduction programmes. Through is fabric first void works and a tenant "retrofit ready" programme to reduce carbon reduction emissions and provide energy savings to tenants.

7.4 All new homes are built to high energy Passivhaus Plus standard. Passivhaus is a low energy building standard which requires the fabric of the building to be extremely efficient and airtight. This reduces the heating requirement and carbon emissions and minimises over-heating as the climate heats up. Building to Passivhaus standards produces healthy homes which are affordable to run with lower energy bills and which are resilient to extreme climate events.

7.5 The Housing Service considers environmental factors when preparing and developing major projects e.g. working closely with Planning and Landscape Officers when considering new build developments to meet the required codes for sustainable housing.

8 EQUALITY IMPACT ASSESSEMENT

This document is part of the budget consultation process, and the public sector equality duty is considered alongside any relevant budget options. A full impact assessment will be completed as part of any detailed recommendations brought forward in February 2023.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All projects set out in this report and the Capital Programme will be subject to individual data protection impact assessments.

10 RISK MANAGEMENT

Risk	**Mitigation**	**Opportunities**
Property *That Council owned dwellings fail to meet decent home standards*	An effective programme of future works and sound financial planning ensures that these standards are met and then maintained.	Self-Financing provides certainty around future resource allocations and facilitates better supply chain management
Community Support *Lack of consultation will affect tenant satisfaction and cause objections to planning applications for new build developments.*	Regular communication and consultation is maintained with tenants and leaseholders on a variety of housing issues. The Council consults with local residents and stakeholders on proposed new build schemes.	Positive consultation brings forward alternative options that may otherwise not have been considered.

Risk	**Mitigation**	**Opportunities**
Timescales *Delays to new build contracts may result in increased costs and lost revenue.* .	New build contracts contain clauses to allow the Council to recover damages if the project is delayed due to contractor actions.	
Project capacity *The HRA can borrow funds in addition to utilising external receipts and reserves but it must be able to service the loan interest arising*	Regular monitoring of budgets and business plans, together with the use of financial assessment tools enables the Council to manage resources effectively.	The Council monitor's government announcements on the use of RTB receipts and potential capital grant funding.
Deliverables *Risk that the Council can not deliver the programme of new build and meet the objective of 1000 homes in 10 years as a result of the lack of sites, the cost of development or the cost of financing this development*	Members may want to consider that whether the programme should be delayed or re-profiled in light of the availability of these resources	Review the deliverable shape of the programme and its profiled delivery in light of available resources and risk appetite
Staffing resources (not always in Housing) reduce the ability to push forward new schemes at the required pace.	Staffing resources have been reviewed to support the delivery of the enhanced new build programme.	Given the challenging nature of the delivery targets it may be necessary to review the resourcing requirements needed to successfully deliver this programme
Financial / VFM *Risks, mitigation and opportunities are managed through regular project monitoring meetings*	New build Schemes are financially evaluated and have to pass financial hurdles and demonstrate VFM. Total Scheme Costs contain provision for 5% contingency on build and 10% on fees for new build developments that take account of potential residual development and sales risk. In addition, the HRA holds annual minimum levels of	

Risk	Mitigation	Opportunities
	reserves based upon 5% of operating turnover and 10% new build costs.	
Interest rate volatility *The economic and fiscal environment for borrowing is both volatile and uncertain making external borrowing decisions difficult to take at present*	The HRA has cash reserves that allow it in the short term to effectively borrow from internal resources giving a period of time for interest rates to stabilise and reset and the fiscal environment to be more benign	The use of internal borrowing can help to reduce the short term cost of borrowing as well as delay the need to seek external finance and delivers better overall returns to the HRA
Future Social Rent Policy *Uncertainty about long term rental income streams as a result of the end of the current agreement on rent setting in April 2025.*	Rental income accounts for 93% of all the HRA annual income, and future potential government intervention and constraint upon this has a significant impact on the size and deliverability of the plan	Sectorial lobbying of Government to seek future certainty will help to support better decision making
Legal *The provision of social housing is a statutory requirement. Changing Government priorities place a greater emphasis on social housing which must be monitored and considered within planning of future new build projects.*	Government statutory requirements and policy changes are being monitored to identify any new risks or opportunities that they may bring.	To create new housing developments within new guidelines and drawing on innovative thinking.
Innovation *The creation of a Housing Company to support the new build programme is introduced without reference to existing rules and consents.*	External legal and business planning advice has been sought to ensure the Council has the most appropriate and effective solution and that any developments are only undertaken if they are financially viable.	A Housing Company has the potential to increase the available supply of affordable housing to support our residents.
Reputation *Failure to complete major housing projects due to lack of resources would have a direct impact on both customer satisfaction*	Business planning tools with regular updates are utilised to make sure resources are available to complete projects.	

Risk	Mitigation	Opportunities
and the Council's reputation.		
Other – Environmental regulation such as that by Natural England on mitigating Phosphates	This delays the ability to bring forth schemes with planning permission and delays increase the cost and viability of schemes	

11 <u>EXECUTIVE SUMMARY</u>

11.1 This is an annual report and is based on a refreshed 30-year HRA business plan that incorporates assumptions on future inflation, interest rates, rents and changes in the number and mix of properties in the HRA. It allows for the maintenance of the housing stock at current decent homes standard and provides funding for the delivery of 1000+ new affordable homes. The Plan assumes a 5% rent increase next year and that the long-term cost of borrowing is 4%, and on this basis is considered to be both sustainable and viable.

11.2 The report recognises the increased difficulty, challenge and uncertainty surrounding the current HRA MTFS over the next 3-5 years and how this increases over the life of a 30-year business plan. It identifies the key challenges affecting the delivery of the plan as inflationary pressures, interest rate risk and Government intervention on rents and how these have affected the business plan and its delivery

11.3 A material change identified is the 42% increase in the cost of new homes delivery which necessitates an increase in the amount and cost of borrowing. It identifies that this would lead to an increase in the investment required to deliver the programme over 30 years of 24% or £212m, which would require an additional £122m of new borrowing over that assumed last year. In light of this members may want to consider whether the new homes programme should be delayed or re-profiled to reduce the increase in new borrowing. There are implications that would need to be considered if this were the case in terms of the impact on RTB 1-4-1 receipts

11.4 The report recognises the current instability and volatility affecting the cost of borrowing, it now assumes that long-term borrowing rates will increase by1% to 4% from the 3% assumed last year. It identifies that the HRA has the ability and funds available to borrow internally for up to 3 years and thus to delay the need to finance borrowing externally until stability returns to a reasonable normality or rates fall below 4%.

11.5 It details the Government consultation on limiting HRA rents to a maximum increase or ceiling of 5% in 2023-24 and identifies that cost inflation in 2023-24 is expected to exceed the amount generated by a 5% increase by c. £300k.

12 BACKGROUND:

12.1 Since the inception of Self-Financing HRAs in 2012, the economic and fiscal environment has been particularly benign and favourable with generally low and stable inflation and historically low and affordable interest rates. Unfortunately, that has now changed dramatically with the combined impact of the Pandemic, the war in the Ukraine, unaffordable and unsustainable increases in the cost of energy, the protracted cost of living crisis, the projected current and medium-term high levels of inflation; coupled with the consequent pressure to dampen inflation by raising interest rates, and the current uncertainty and turbulence in the financial markets caused by the recent government fiscal event. These factors have effectively created a tsunami of unprecedented pressures, risks and uncertainty that impact upon the ability of the council to undertake MTFP. Extending this planning horizon over a longer 30-year period for the HRA is even more challenging and requires judgements to be made about the long-term impact of these factors.

12.2 The HRA 30-year Business Plan is based upon a growth strategy financed largely by future borrowing and reinvestment of RTB 1-4-1 capital receipts. In these circumstances it faces an unusual level of uncertainty around both future costs and income as well as inherent interest rate risk.

12.3 The HRA, like the General Fund, is currently facing extraordinary levels of anticipated and actual in year cost pressure inflation in both its day-to-day costs for things like staffing, utilities, contracts and building maintenance costs but also in longer term new build construction costs which have significantly increased over the last year and are now forecast be 42% higher than this time last year. This is compounded within the HRA by its reliance upon long-term borrowing to fund future growth which in turn is adversely impacted by increases by the Bank of England in interest rates aimed at reducing inflationary pressure back down to the target of 2% a year, and continuing turbulence in the financial markets

12.4 These cost pressures need to be modelled within the HRA 30-year business plan and assumptions made about whether they are likely to continue to increase or will reduce, and whether they will be embedded and ongoing or if costs will return to pre-pandemic levels. This makes business planning much more judgemental, complex and uncertain.

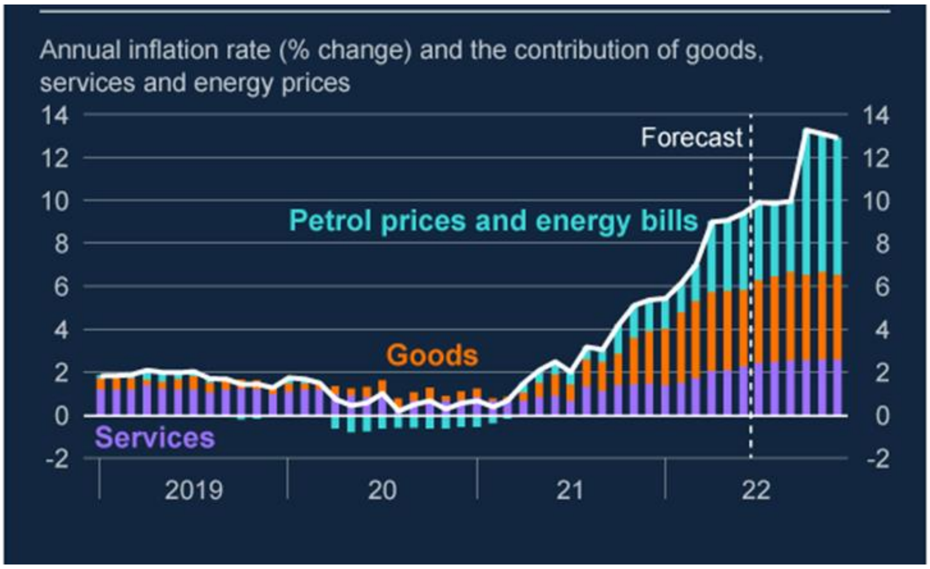
12.5 There is also an issue with progressing new build schemes that have yet to receive planning permission as a result of the need to mitigate the impact of phosphates. This has resulted in scheme delays and, consequently, likely increases in both construction and mitigation costs. This has been reflected in profiling and funding the new build programme.

12.6 The Government are also concerned about the current impact of the cost-of-living crisis upon tenants. In response to the increased levels of inflation and concern about how this would impact on next year’s rents, it has issued a consultation paper that proposes, amongst other things, to limit increases in rents. It favours a ceiling or limit of 5% for existing tenants in 2023-24 but is also seeking responses on a range of rent ceiling proposals from 3% to 7%. Its stated aim is to strike a balance between both protecting tenants and ensuring the long-term viability of Local Authority HRA and RSL business plans. The current rent setting formula for annual rent increases up to the end of 2024-25 is based upon the September CPI (10.1%) plus 1% indicating a normative likely rent increase of 11.1%. Last year's formula rent increase was 4.1% but was limited to 3.1% by the council exercising its flexibility and judgement.

13 INFLATIONARY PRESSURES

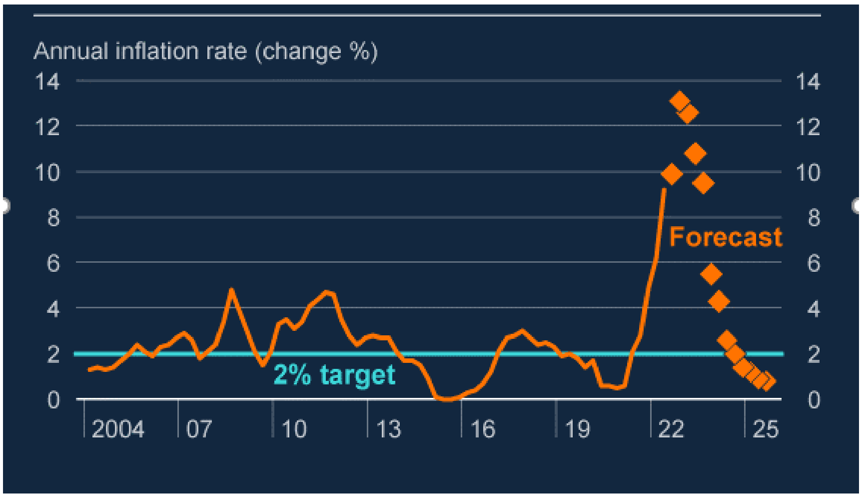
13.1 The Bank of England, in its recent August Monetary report, identified the likely impact of inflation and broke its key components down by inflation on goods, services and energy. This clarifies the current inflationary drivers. See Graph 13.1 below

Graph 13.1 the various key components driving the rise in inflation



13.2 The Bank also forecasts that it's likely that inflation will fall back reaching the target of 2% by 2025-26, although obviously this is a prediction that is dependant of a number of critical assumptions and is likely to be subject to future change

Graph 13.2 August forecast for CPI



Source BOE Monetary Report August 2022
https://www.bankofengland.co.uk/monetary-policy-report/2022/august-2022

13.3 The approach taken to HRA business planning this year has been to breakdown the HRA cost base to individual cost drivers and to apply specific inflationary uplifts to both actual and anticipated inflation on these individual elements. The inflationary factors used are in line with those applied to the council's General Fund, both in percentage terms and in duration. This accounts for most of the controllable costs within the HRA but excludes the impact of current capital financing charges (£6.7m) and of new capital investment and its associated financing.

13.4 The current assumption in the plan is that inflation will have returned to its normal target level of 2% by 2027/28. This is considered a prudent but reasonable assumption to make. Table 12.3 shows the breakdown of the HRA cost base between individual cost drivers and how much of the cost base they represent. It also shows the aggregate impact of these assumptions both in terms of the annual average cost inflation %age, and the monetary impact of this. It shows that inflation is presumed to peak in 2023-24 at 7.2%, costing the HRA £1.650m, before falling back to 2% in 2027-28.

Table 13.4 – Inflationary cost drivers and the impact of assumed cost inflation over the MTFP

%age of Budget	Cost Driver	2022-23 Amount	22/23	2023.24	2024.25	2025.26	2026.27	2027.28
		£'s	%	%	%	%	%	%
1%	Insurance	156,801	7.00%	12.00%	7.00%	4.00%	4.00%	2.00%
1%	Third party payments	171,000	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1%	Transport	204,263	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
1%	Grounds Maintenance	217,300	7.00%	12.00%	7.00%	4.00%	4.00%	2.00%
1%	Cleaning	245,600	7.00%	12.00%	7.00%	4.00%	4.00%	2.00%
2%	Rent and Taxes	333,048	7.00%	12.00%	7.00%	4.00%	4.00%	2.00%
2%	Energy	351,600	100.00%	50.00%	6.00%	4.00%	2.00%	2.00%
6%	Supplies and services	1,295,583	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
13%	Support Services	2,750,440	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
22%	Employees	4,743,506	5.50%	5.50%	4.00%	2.00%	2.00%	2.00%
25%	Revenue repairs	5,446,000	5.50%	6.91%	3.94%	3.73%	3.66%	2.00%
26%	Capital major works	5,682,000	5.50%	6.91%	3.94%	3.73%	3.66%	2.00%
	Total Cost Base	21,597,141	22,976,792	24,626,823	25,567,668	26,352,114	27,129,345	27,671,932
	cost of inflation		1,379,651	1,650,031	940,845	784,446	777,231	542,587
	effective aggregate inflation factor		6.4%	7.2%	3.8%	3.1%	2.9%	2.0%

13.5 The impact of inflation upon new build tender prices at present is significant and officers have been gathering market intelligence and evidence to establish and support what reasonable level of funds are now likely to be required to enable the construction of the council's target of new build affordable homes; and to ensure that all projected RTB 1-4-1 capital receipts are applied and not returned, with interest, to the Government.

13.6 In last year's HRA 30-year Business Plan it was assumed that the overall cost of delivery was £2,800 per square metre including fees, this year's plan allows for £3,978 per square metre including fees, an increase in the required overall funding of £1.178 per square metre or 42%. To put this into perspective, whereas last year we could have commissioned and built a new 2 bed affordable home for £250,000, today this would cost £321,900.

13.7 This has resulted in a significant increase in the investment requirement within the HRA 30-year Business Plan to deliver the same quantity of new homes as last year. The budgeted cost has increased from £536m to £719m within the plan, an overall increase of £182m or 34%. Table 12.6 over shows the forecast overall change in investment required and how this is to be funded. This shows that a significant part of the funding for this increased cost is coming from increased HRA borrowing, compared to last year there is an increase of 70% or £122m in the borrowing required to fund the programme,

13.8 The large increase in costs and in current PWLB interest rates will likely affect the potential viability of individual new build schemes when they are financially evaluated and members may want to consider the trade-off between delivering new Passive House plus developments and rent levels in order to deliver these schemes.

Table 13.8 – Comparison of the change in the size of investment and how it's funded between last year and this year.

Year	Major Works & Imps £000	Leaseholder £000	Climate Change £000	New Build Development Costs £000	New Build Major Repairs £000	Total Expenditure £000
Proposed Capital Investment Programme						
22-23	305,950		15,703	718,607	46,117	1,086,377
21-22	284,967		15,703	536,110	37,797	874,578
Change	20,982	-	-	182,497	8,320	211,799
Change as a %age	7%		0%	34%	22%	24%
Proposed basis of Funding						
Year	Borrowing £000	RTB 141 Receipts £000	Other RTB Receipts £000	Other £000	MRR £000	Total £000
22-23	296,658	157,162	45,627	142,550	444,380	1,086,377
21-22	174,336	105,618	43,459	136,428	414,738	874,578
Change	122,322	51,543	2,168	6,123	29,642	211,799
Change as a %age	70%	49%	5%	4%	7%	24%

14 INTEREST RATE RISK

14.1 The HRA has current externally funded debt of £167m which is fixed rate maturity debt at an average rate of 3.2%. A proportion of this debt will mature and will then need to be refinanced or repaid within the next 5 years - this amounts to £30m. The presumption so far has been that it would be refinanced.

Table 14.1 Schedule of debt maturing over the HRA planning period

Year		PWLB borrowing to be refinanced	Cummulative amount to refinance
		£ pa	£ pa
1	2022.23	5,000,000	5,000,000
2	2023.24	5,000,000	10,000,000
3	2024.25	5,000,000	15,000,000
4	2025.26	5,000,000	20,000,000
5	2026.27	10,000,000	30,000,000
6	2027.28	10,000,000	40,000,000
9	2030.31	10,000,000	50,000,000
10	2031.32	15,000,000	65,000,000
13	2034.35	15,000,000	80,000,000
15	2036.37	10,000,000	90,000,000
20	2041.42	10,000,000	100,000,000
25	2046.47	10,000,000	110,000,000
30	2051.52	10,000,000	120,000,000

14.2 Whilst interest rates were low and stable, the re-financing risk was considered low. The recent economic turmoil has increased the risk that this debt will have to be refinanced at an unusually high rate. Whilst it is impossible to predict where interest rates will be at the time of refinancing; officers continue to watch rates to borrow at the best rates available The HRA Business plan strategy is one of growing the HRA by over a 1,000 new affordable dwellings, with the costs of this met through the increased rental income streams that enable the HRA to support a higher level of debt and its associated borrowing costs.

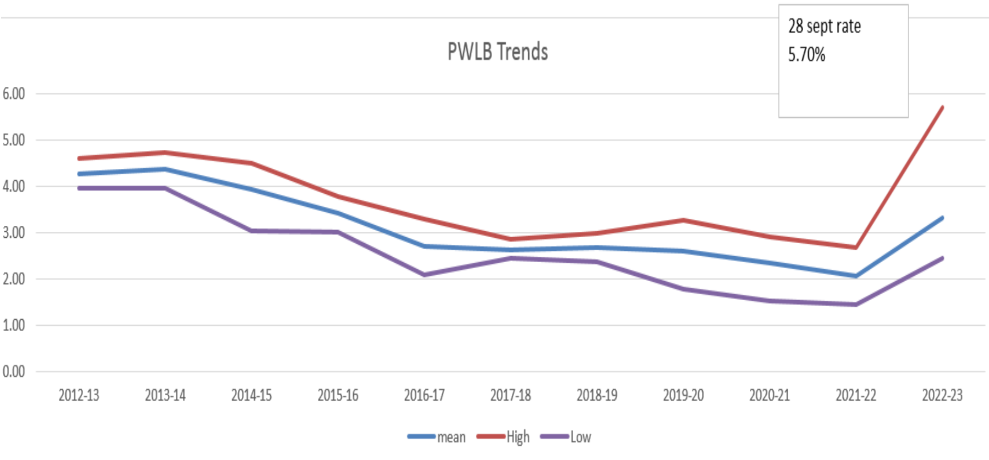
14.3 However, the recent volatility and turbulence in the financial markets has resulted in significant falls in the value of government debt and corresponding increases in gilt yields, although the recent market intervention by the BOE has supported debt prices and led to reduced gilt yields.

14.4 This directly affects the interest rates at which the council can borrow and as an example of the impact of this volatility the rate of 50-year PWLB debt at the 31/8/2022 was 3.87%, on the 28/9/2022 it was 5.71% and on 30/9/2022 had fallen back to 4.43%. This makes it even more difficult than usual to make long term borrowing decisions.

14.5 Table 14.5 shows the range of interest rates applicable to borrowing at 50-year PWLB maturity rates since self-financing began in 2012. As can be seen from the difference between the lowest rate, the highest rate and the average rate each year there has previously been considerable stability within this marketplace. In 2022-23 this has changed and has been exacerbated by the recent fiscal event and the subsequent BOE intervention.

Graph 14.5 – The fluctuation of 50 year PWLB rates since Self-Financing HRAs in 2012.

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
mean	4.25	4.36	3.92	3.42	2.69	2.61	2.66	2.60	2.33	2.04	3.32
High	4.59	4.71	4.48	3.78	3.28	2.84	2.99	3.25	2.90	2.68	5.70
Low	3.96	3.96	3.02	3.01	2.07	2.45	2.36	1.77	1.51	1.45	2.44



14.6 However, the HRA has some capacity to delay and mitigate the decision to go and borrow externally if it borrows from its own resources internally. At present the HRA has accumulated cash backed reserves of £53m at 31.3.2022. It can use these resources to delay the point at which it must finance any new borrowing with external funding. Current forecasts indicate that depending on full delivery of the capital programme, the HRA would need to externally borrow in 2024/25. However, it is the nature of capital expenditure that slippage does occur, particularly in respect to large scale new build projects for which sites are yet to be identified. In reality the HRA may not need to externally borrow until 2025/26 meaning it can 'internally' borrow against its reserve balances thus reducing the external interest cost. In line with the council's borrowing strategy, the HRA may externalise its borrowing earlier to provide certainty where rates are at a level that is viable in the context of the 30-year business plan

15 RENTS AND THE GOVERNMENTS CONSULTATION

Social and Affordable Rents

15.1 The current rent setting regime of CPI+1% was put in place for 5 years by the Regulator of Social Housing and runs from 2020-21 to 2024-25 at the end of which period it is widely assumed rents will return to annual CPI only increases. This framework recognised the need for a stable financial environment to support the delivery of new homes and to enable registered providers to plan ahead. The previous Government had set aside the previous 10-year framework when the Welfare Reform Act imposed 4 years of real 1% cuts in rent levels under from 2016-2020, which adversely affected landlord's business plans and reduced rental growth by some 20%.

15.2 The government has now issued a consultation paper on limiting the flexibility of landlords to set rents under the current system which favours a 5% ceiling on rent increases for all existing tenants for 2023-24 and seeks views on a number of variations around this from 3% to 7% ceilings. This does not currently apply to new lettings but the government is also seeking views extending it to new lets and in extending it for a further year to 2024-25. It seeks to find a balance between protecting tenants from extraordinary rent increases and recognising the impact of inflation on landlord's business plans.

15.3 Social rents are based on a formula rent that was based on relative property value, local earnings levels and the size of individual properties. This is a national objective basis for setting all social rents both Local Authority and Registered Social Landlords and was meant to reduce perceived unjustifiable differences in rents between the sectors. The resulting formula guideline rent is increased annually, at present this is by CPI+1%. In 2023-24 this would lead to average rent increases of 11.1%. The increase would apply equally to both affordable and social housing.

15.4 However, because of the historic application of annual caps and limits upon social rent increases only 4% of current tenants are at the formula guideline rent. This is the rent that the government believes the property should be let at. In Winchesters case the gap between the average actual rents and the average formula guideline rent is currently £1.82 per week, presenting a potential loss of income to the HRA of £460k a year. Under the consultation proposals the gap between target and actual would increase initially to £8.44 per week, a potential loss of £2.1m a year, before being reduced over future years as new lettings are made at the guideline rent level and reduce the gap. There is therefore a risk to the viability of the business plan if the proposals on limiting rent increases are extended to new lettings as well.

15.5 The proposed HRA Business plan is predicated upon an average 5% rent increase both in 2023-24 and in 2024-25 and then assumes annual rent increases of just CPI. It also importantly assumes that over the life of the plan that all new rents will be set at the guideline rent level and that the current projected gap between actual and guideline rents will reduce over time.

15.6 The estimated net rental yield in 2023-24 from a 5% rent increase on social and affordable housing is likely to be c. £1,337,000. This compares to the estimated impact of cost inflation on base budgets of £1,650,131, which excludes the impact of increases in new homes tender delivery costs of 42% and the consequent increase in long term borrowing.

15.7 The likely change in weekly social and affordable rents under a 5% rent increase are shown below and over. An important difference between social and affordable rents is that social tenants rent is a charge for the occupation of the property and that they pay an additional sum for service charges, whereas these are included in the gross rent of affordable tenants.

Table 15.7.1 Current Social Rents 2022-23

Bedsizes	1	2	3	4	5	6	Total
Number of Properties	1,670	1,628	1,495	69	1	1	4,864
Average Weekly Rent	£92.46	£107.21	£121.83	£130.83	£151.38	£148.79	£106.99
Average Weekly FormulaTarget Rent	£93.88	£109.29	£123.79	£134.75	£153.01	£149.20	£108.81
Current Gap Actual vs Target rent	£1.41	£2.08	£1.96	£3.92	£1.63	£0.41	£1.82
Potential Lost Income	£122,721	£176,233	£152,131	£14,071	£85	£21	£459,755

Table 15.7.2 Projected Average Social Rents in 2023-24 based on a 5% rent increase.

Bedsizes	1	2	3	4	5	6	Total
Number of Properties	1,670	1,628	1,495	69	1	1	4,864
Average Weekly Rent	£97.09	£112.57	£127.92	£137.37	£158.95	£156.23	£112.34
Average Weekly FormulaTarget Rent	£104.20	£121.32	£137.41	£149.58	£169.84	£165.61	£120.78
Current Gap Actual vs Target rent	£7.12	£8.74	£9.48	£12.20	£10.89	£9.38	£8.44
Potential Lost Income	£617,988	£740,183	£737,143	£43,784	£566	£488	£2,134,040

Table 15.7.3 Current Affordable Rents in 2022-23

bedsizes	1	2	3	4	Total
Number	79	71	38	1	189
Average Net Rent	£134.93	£169.22	£194.38	£228.30	£160.26
Average of Service	£11.28	£6.39	£3.57	£6.09	£7.86
Average Weekly Gross Rent	£146.21	£175.61	£197.95	£234.39	£168.12

Table 15.7.4 Projected Average Affordable Rents in 2023-24 based on a 5% rent increase.

bedsizes	1	2	3	4	Grand Total
Number	79	71	38	1	189
Average Net Rent	£141.68	£177.68	£204.10	£239.72	£168.27
Average of Service	£11.84	£6.71	£3.74	£6.39	£8.26
Average Weekly Gross Rent	£153.52	£184.39	£207.84	£246.11	£176.53

Shared Ownership Rents

15.8 The council also currently has around 46 units of shared ownership property with more units likely to be delivered this year and next at both North Whitely and Winnall. Currently the leases between shared owners and the council only allow for upwards only rent increases and are based on September RPI plus 0.5% this would result in a rent increase of 13.1% and is applied to 2.75% of the outstanding equity not owned by the shared owners. Although contractually committed the Council may consider whether it wants to limit the size of these increases.

Service Charges

15.9 The presumption with all service charges is that they should be set to recover actual costs. As discussed above, they largely affect social housing tenants and lessees. Reflecting the reallocation and apportionment of estate, block and communal charges for estate-based services, such as grounds maintenance, cleaning, rechargeable repairs, and where applicable buildings insurance. The definition of service charges here doesn't include services to individual homes, such as: heating and hot water, lighting and sewage and water charges. Service charges, except daily living expenses such as fuel, water and meals, are covered by housing benefit if their payment is a condition of occupying the home.

15.10 In preparing the 2021-22 budget a comprehensive exercise was undertaken to review service charges actuals and to realign proposed charges with actual costs as over time they had diverged in some instances. The council also took the decision to limit any weekly increase in service charges to £5 a week as a one off in 2022-23.

15.11 In reviewing the current position there is very likely to be some significant increases in contractual service costs this year and next such as grounds maintenance, catering, cleaning and insurance. In addition, some 20% of the costs of running the sewage operation are down to electricity costs. This will only be fully identified once we close the 2022-23 accounts next year.

15.12 There is also one area that is significantly under-recovering cost and that is sewage treatment. This service is provided to just 371 private residents and costs are currently being under-recovered annually by £103k, this is likely to widen as the costs of increases in electricity feed through. To put this into perspective we are currently charging an average of £264 per resident but the true cost to the HRA is actually around £609 per annum. There are complexities around our ability to recover all of this immediately, but consideration should be given to investigating both the reasons for the high cost of operating this service and the ability of the council to achieve full cost recovery over a transitional period.

16 ANALYSIS OF DIFFERENT RENT INCREASE OPTIONS

16.1 The range of potential rent options consulted on by the Government suggest that they will set the proposed ceiling on rent increases at either 3%, 5% or 7% actual rent increases in 2023-24, with 5% the most likely rent ceiling or cap.

16.2 There is an underlying business need to invest in new affordable housing which is based upon the need to reinvest RTB 1-4-1 capital receipts, and if new build capital investment is reduced it could adversely impact on the councils eligible spend and result in a risk of these capital receipts having to be being paid back to the Government with Interest.

16.3 The proposed rent caps were run through the HRA business model to analysis the impact they would have on the viability of the HRA and its capacity for new investment. The impact of different actual rent increases is reduced over time by the impact of letting vacant property at the guideline rent level. The actual difference in monetary terms of different rent options is shown in both Graph 16.3 and table 16.3 over. As can be seen the difference between a 5% and a 7% increase in 23-24 is £525k, a sum sufficient to continue to fund a tenancy sustainment programme for an additional 3 years.

Graph 16.3 Impact of different rent options over 30 years

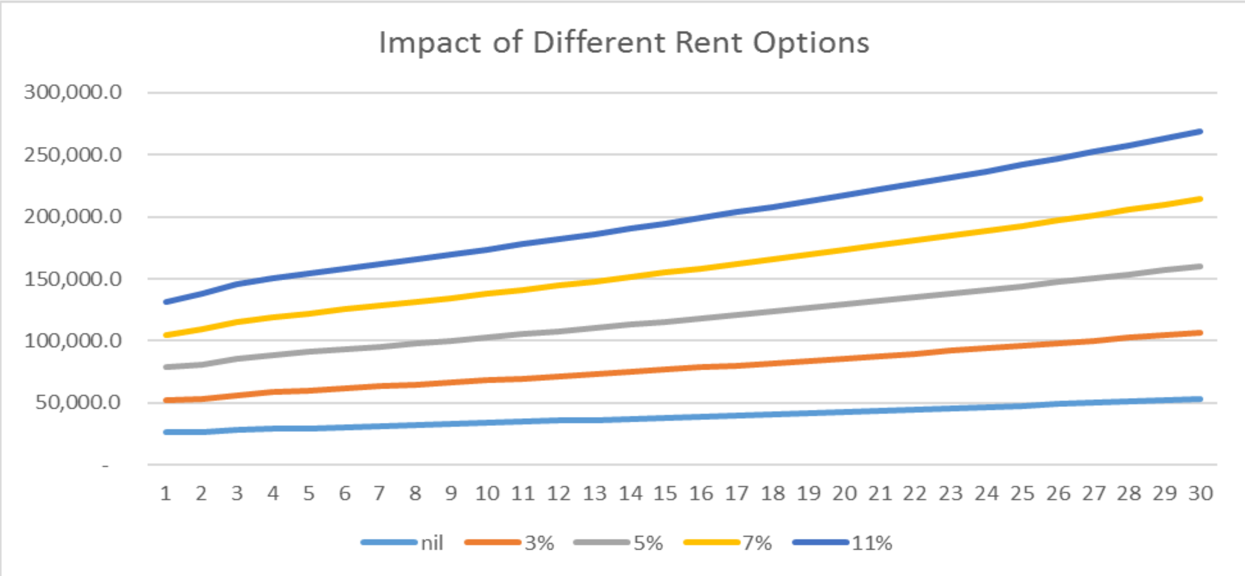


Table 16.3 Nominal Value of different Rent Options in Money terms

Rent Increase	2023-24 £000	change £000	Cumm. Chnage £000	over 30 years £M	change £M	Cumm. Change £M
3%	27,061	788	812	1,183	15	15
5%	27,586	525	1,337	1,193	10	25
7%	28,111	525	1,862	1,203	10	35
11%	29,161	1,050	2,912	1,223	20	55

16.4 **A 3% increase** - would result in a £56m capital shortfall from 2031-32, working balances at year 30 of only £7.4m and a reduction in borrowing capacity. It would also make the HRA less resilient to future increases in factors such as interest rates and inflation. This option would result in issues of viability and a need to find material cuts in investment and or management and maintenance.

16.5 **A 5% Increase** - Although the business plan base modelling has been done assuming a 5% increase, and this would result in a viable HRA, it would not provide much financial resilience if long term interest rates were to be above 4%, or to fund additional costs of retrofitting, or to meet additional costs if decent homes standards are revised upwards. It would however mean no capital shortfall, working balances at year 30 of £13m and sufficient borrowing capacity based on 4% long term interest rates to fund the current business plan. However as can be seen this increase would generate £1.337m of income but would not cover the estimated impact of revenue cost inflation which is forecast to be £1.650m, leaving a shortfall of c. £300k.

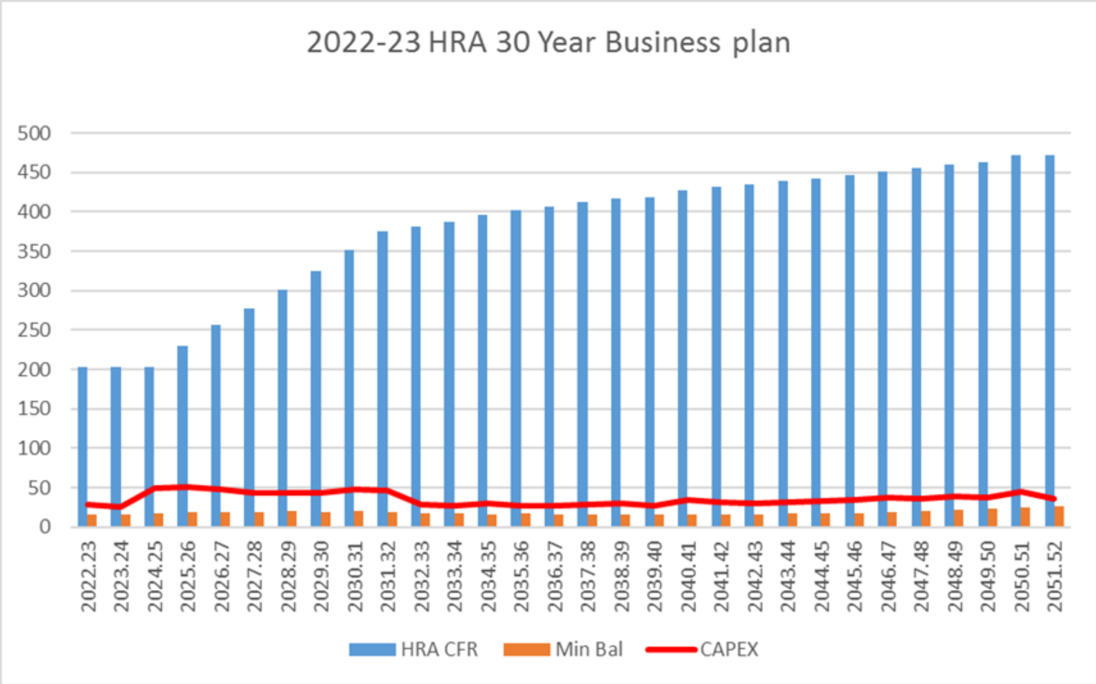
16.6 **A 7% increase** would also result in no capital shortfall, working balances at year 30 of £18m and a no reduction in borrowing capacity. In addition, it would generate sufficient funding to meet the cost of inflation and over the 30 years would generate an additional resource of £10m with an additional £525k in 2023-24.

17 The current housing management system, MRI Housing Enterprise (formally Orchard) is renewed and procured on a fixed term rolling contract at an annual value of £168,191.51. It is proposed that future budgetary provision be allowed for officers to enter in to a 5-year contract with MRI housing Enterprise. This will allow officers to test the market to ensure it is a best for value IT contract. The housing IT management system and contract has been in place for 30 years and so entering into a longer contract with MRI will allow officers to undergo a full best value review of the current system, providing enough time, should it be required, to procure a new IT provider, to migrate 30 years of data, to provide training to staff and to test the new system before going live.

18 THE BASE MODEL

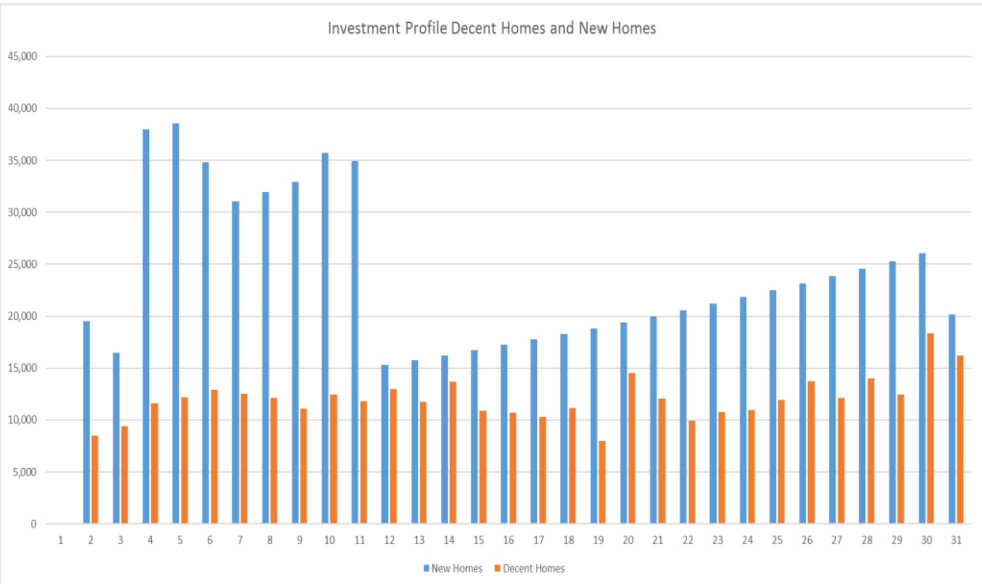
18.1 Taking account of the assumptions above on costs, income and interest rates, the base model is shown below. This shows the impact of continuing to invest in growing the HRA and delivering the 1000+ homes. The base model is predicated upon a 5% rent increase in 2023-24, a 5% rent increase in 2024-25, and 3% in 2025-26: with long term cost inflation and long-term rent increases both at 2%. These are based on reasonable assumptions about the continued operation rent ceiling cap and the level of CPI in 2025-26. It also assumes that the average cost of long-term borrowing is 4% from 2027-28. These assumptions are reviewed annually as part of the HRA business plan refresh. The base operating account is shown in Appendix 4. Shows that overall borrowing will rise to £450m.

Graph 18.1 The draft HRA 30 Year Business Plan 2022-23



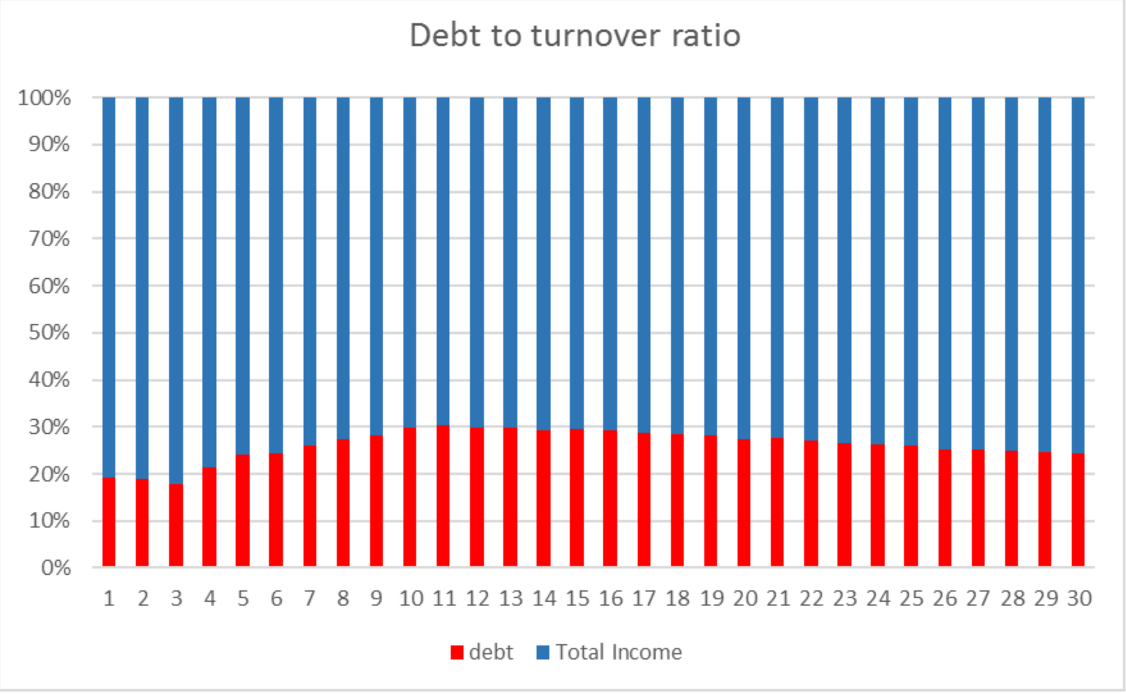
18.2 The Profile of capital investment over the 30-year period below in graph 15.2 shows the split between proposed investment in maintaining the stock (shown in brown) and the investment in delivering growth through new homes.

Graph 18.2 the Investment profile of new capital spend split between existing decent homes and new homes



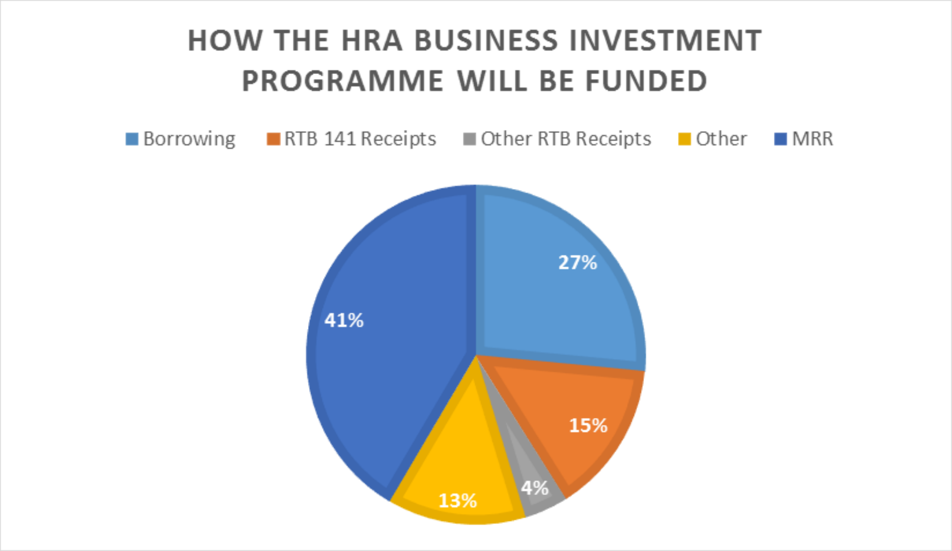
18.3 The financial impact of borrowing an extra £276m, taking total borrowing over the life of the 30-year HRA Business plan to £450m, is to raise the current debt to turnover ratio from 19% in 2022-23 to a peak of 30% in 2031-32 before this falls back to 24% by year 30. At the same time the Operating turnover is predicted to increase from the current level of £30.4m to £76.6m. See Graph below.

Graph 18.3 Projected debt to turnover ratio over the planning period.



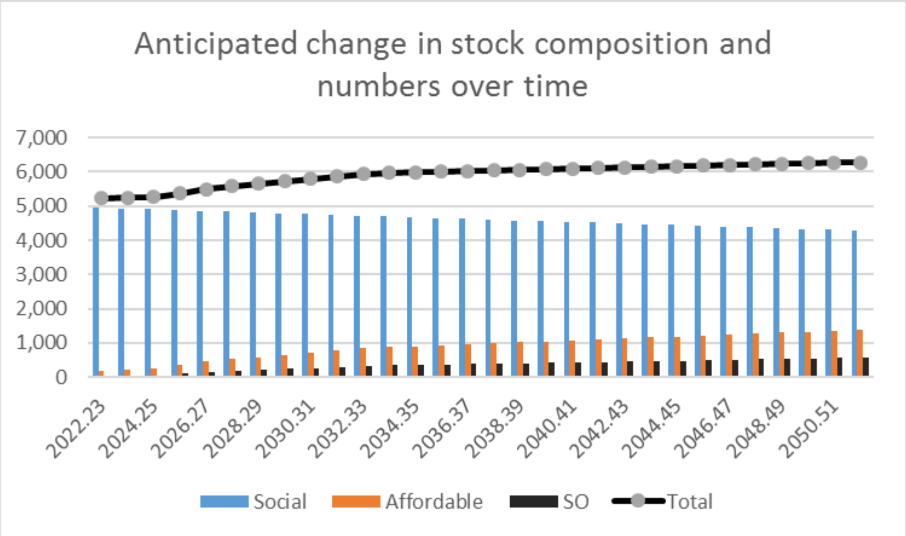
18.4 The funding of the HRA 30-year capital investment programme is made up of the funding streams identified in Table 12.6. or shown graphically in graph 15.4. This shows that 41% of the funding is internally generated through depreciation recycled through the Major Repairs Reserve (MRR), 27% comes from increased borrowing, and 15% from RTB 1-4-1 funding, 13% from Other, largely Shared ownership capital receipts with £17m from s106 funds, the last 4% is the reinvestment of other capital receipts largely the scheduled RTB debt that the Council retains from RTB sales.

Graph 18.4 Funding the proposed HRA Investment Programme



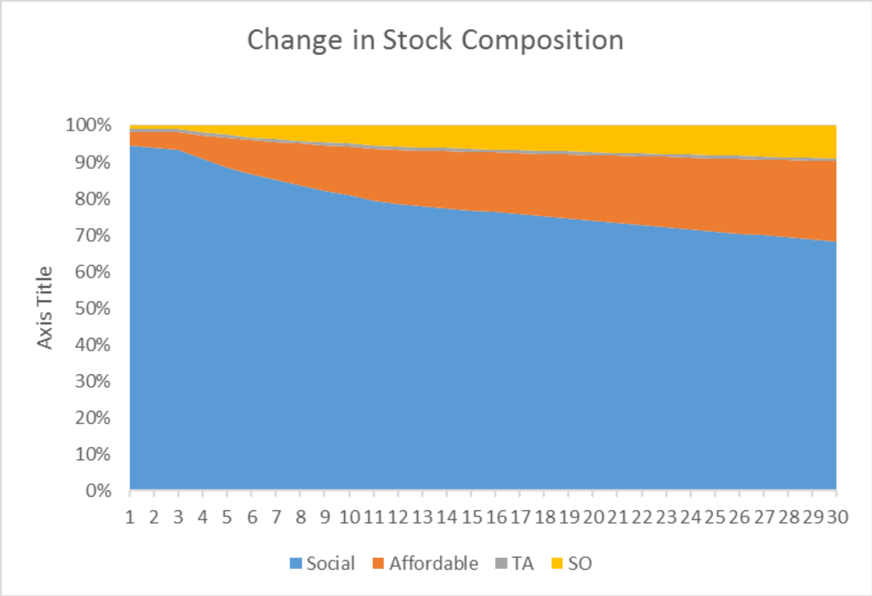
18.5 The HRA itself will grow from a net 5,100 properties to a net 6.200 over the 30-year period. This will see a projected annual loss of an average of 23 social properties per year through the RTB and the anticipated re-provision of over 1200 new affordable properties, and 520 new shared ownership properties

Graph 18.5 Projected net growth in HRA stock numbers over Planning period



18.6 The makeup of the HRA affordable housing offer will also change over this time with the provision of an increasing number of new affordable properties as well as shared ownership properties. This will help offset the increasing cost of debt financing through helping to grow the HRA income stream in real terms.

Graph 18.6 The change in the makeup of the HRA property portfolio over time



19. OTHER OPTIONS CONSIDERED AND REJECTED

1. A Nil rent increase would not be sustainable or viable for the HRA
2. Not engaging in a new build investment programme is not an option as it will put at risk £160m of 1-4-1 RTB Capital Receipts

BACKGROUND DOCUMENTS:

Previous Committee Reports:

CAB3325 – HRA Budget 2021-22 and Business Plan 2021-51 23 Nov 2021

CAB3275 – HRA Budget 2020-21 and Business Plan 2020-50 10 Dec 2020

CAB3111 – HRA Budget 2019-20 & Business Plan 2019/49 – 30 Jan 2019

CAB3016 (HSG) – HRA Budget 2018/19 & Business Plan 2018/48 – 31 Jan 2018

Other Background Documents:

None

APPENDICES:-

APPENDIX 1 – KEY BUSINESS PLAN ASSUMPTIONS

APPENDIX 2 – THE DRAFT HRA OPERATING ACCOUNT

APPENDIX 1 KEY BUSINESS PLAN ASSUMPTIONS

Business plan Assumptions on rent and SC increases

	Social Rent Increases	Affordable Rent Increases	Shared Ownership	TA	Service Charges
2022.23	3.1%	3.1%	5.4%	3.1%	3.1%
2023.24	5.0%	5.0%	12.8%	5.0%	5.0%
2024.25	5.0%	5.0%	6.5%	5.0%	5.0%
2025.26	3.0%	3.0%	4.5%	3.0%	4.0%
2026.27	2.0%	2.0%	3.5%	2.0%	3.0%
2027.28	2.0%	2.0%	3.5%	2.0%	3.0%
2028.29	2.0%	2.0%	3.5%	2.0%	2.0%
2029.30	2.0%	2.0%	3.5%	2.0%	2.0%
2030.31	2.0%	2.0%	3.5%	2.0%	2.0%
2031.32	2.0%	2.0%	3.5%	2.0%	2.0%
2032.33	2.0%	2.0%	3.5%	2.0%	2.0%
2033.34	2.0%	2.0%	3.5%	2.0%	2.0%
2034.35	2.0%	2.0%	3.5%	2.0%	2.0%
2035.36	2.0%	2.0%	3.5%	2.0%	2.0%
2036.37	2.0%	2.0%	3.5%	2.0%	2.0%
2037.38	2.0%	2.0%	3.5%	2.0%	2.0%
2038.39	2.0%	2.0%	3.5%	2.0%	2.0%
2039.40	2.0%	2.0%	3.5%	2.0%	2.0%
2040.41	2.0%	2.0%	3.5%	2.0%	2.0%
2041.42	2.0%	2.0%	3.5%	2.0%	2.0%
2042.43	2.0%	2.0%	3.5%	2.0%	2.0%
2043.44	2.0%	2.0%	3.5%	2.0%	2.0%
2044.45	2.0%	2.0%	3.5%	2.0%	2.0%
2045.46	2.0%	2.0%	3.5%	2.0%	2.0%
2046.47	2.0%	2.0%	3.5%	2.0%	2.0%
2047.48	2.0%	2.0%	3.5%	2.0%	2.0%
2048.49	2.0%	2.0%	3.5%	2.0%	2.0%
2049.50	2.0%	2.0%	3.5%	2.0%	2.0%
2050.51	2.0%	2.0%	3.5%	2.0%	2.0%
2051.52	2.0%	2.0%	3.5%	2.0%	2.0%

Occupancy and bad debts levels

	Voids Social	Voids AF	Voids TA	Bad debts Social	Bad debts AF	Bad debts TA
2022.23	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2023.24	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2024.25	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2025.26	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2026.27	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2027.28	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2028.29	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2029.30	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2030.31	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2031.32	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2032.33	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2033.34	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2034.35	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2035.36	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2036.37	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2037.38	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2038.39	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2039.40	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2040.41	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2041.42	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2042.43	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2043.44	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2044.45	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2045.46	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2046.47	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2047.48	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2048.49	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2049.50	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2050.51	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%
2051.52	1.5%	2.0%	4.0%	0.5%	0.5%	2.0%

Cost Pressure Assumptions

	R&M	ENERGY	CONTRACTS	EMPLOYEES	OTHER	New Build cost per sq metre	PWLB Borrowing rate
2022.23	5.5%	100%	7%	5.5%	2%	3,995	1.00%
2023.24	6.9%	50%	12%	5.5%	2%	4,115	1.00%
2024.25	3.9%	6%	7%	4.0%	2%	4,238	1.00%
2025.26	3.7%	4%	4%	2.0%	2%	4,365	5.00%
2026.27	3.7%	2%	4%	2.0%	2%	4,496	5.00%
2027.28	2.0%	2%	2%	2.0%	2%	4,631	4.00%
2028.29	2.0%	2%	2%	2.0%	2%	4,770	4.00%
2029.30	2.0%	2%	2%	2.0%	2%	4,913	4.00%
2030.31	2.0%	2%	2%	2.0%	2%	5,061	4.00%
2031.32	2.0%	2%	2%	2.0%	2%	5,213	4.00%
2032.33	2.0%	2%	2%	2.0%	2%	5,369	4.00%
2033.34	2.0%	2%	2%	2.0%	2%	5,530	4.00%
2034.35	2.0%	2%	2%	2.0%	2%	5,696	4.00%
2035.36	2.0%	2%	2%	2.0%	2%	5,867	4.00%
2036.37	2.0%	2%	2%	2.0%	2%	6,043	4.00%
2037.38	2.0%	2%	2%	2.0%	2%	6,224	4.00%
2038.39	2.0%	2%	2%	2.0%	2%	6,411	4.00%
2039.40	2.0%	2%	2%	2.0%	2%	6,603	4.00%
2040.41	2.0%	2%	2%	2.0%	2%	6,801	4.00%
2041.42	2.0%	2%	2%	2.0%	2%	7,005	4.00%
2042.43	2.0%	2%	2%	2.0%	2%	7,215	4.00%
2043.44	2.0%	2%	2%	2.0%	2%	7,432	4.00%
2044.45	2.0%	2%	2%	2.0%	2%	7,655	4.00%
2045.46	2.0%	2%	2%	2.0%	2%	7,884	4.00%
2046.47	2.0%	2%	2%	2.0%	2%	8,121	4.00%
2047.48	2.0%	2%	2%	2.0%	2%	8,365	4.00%
2048.49	2.0%	2%	2%	2.0%	2%	8,616	4.00%
2049.50	2.0%	2%	2%	2.0%	2%	8,874	4.00%
2050.51	2.0%	2%	2%	2.0%	2%	9,140	4.00%

APPENDIX 2 DRAFT HRA OPERATING ACCOUNT

		Income			Expenditure										
Year	Year	Net rent Income £,000	Misc Income £,000	Total Income £,000	Managt. £,000	Deprec'n £,000	Repairs £,000	Total expenses £,000	Capital Charges £,000	Net Operating (Expenditure) £,000	Transfer (to) Revenue Reserve £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
1	2022.23	29,449	985	30,434	-10,729	-8,535	-5,571	-24,836	-5,806	-208	-56	-264	16,658	258	16,652
2	2023.24	30,795	1,015	31,809	-11,279	-8,753	-5,927	-25,960	-6,015	-165	-56	-221	16,652	271	16,702
3	2024.25	33,182	1,045	34,227	-11,755	-8,977	-6,137	-26,868	-6,130	1,228	-56	1,172	16,702	184	18,058
4	2025.26	34,418	1,076	35,494	-12,163	-9,258	-6,382	-27,804	-7,614	76	-56	20	18,058	93	18,172
5	2026.27	36,335	1,109	37,443	-12,441	-9,641	-6,621	-28,703	-9,060	-320	-56	-376	18,172	90	17,886
6	2027.28	38,178	1,142	39,319	-12,726	-10,094	-6,823	-29,643	-9,621	56	-56	0	17,886	89	17,975
7	2028.29	39,683	1,176	40,859	-13,017	-10,478	-7,032	-30,527	-10,609	-277	-56	-333	17,975	89	17,731
8	2029.3	41,223	1,211	42,434	-13,315	-10,877	-7,246	-31,439	-11,566	-570	-56	-626	17,731	87	17,192
9	2030.31	43,624	1,248	44,872	-13,621	-11,291	-7,467	-32,379	-12,576	-84	-56	-140	17,192	86	17,138
10	2031.32	44,439	1,285	45,724	-13,934	-11,719	-7,697	-33,351	-13,677	-1,304	-56	-1,360	17,138	82	15,860
11	2032.33	46,117	1,324	47,441	-14,255	-12,171	-7,932	-34,358	-14,375	-1,291	-56	-1,347	15,860	76	14,588
12	2033.34	47,579	1,363	48,943	-14,583	-12,632	-8,149	-35,364	-14,625	-1,046	-56	-1,102	14,588	70	13,556
13	2034.35	48,830	1,404	50,234	-14,919	-13,022	-8,373	-36,314	-14,949	-1,028	-56	-1,084	13,556	65	12,537
14	2035.36	51,069	1,446	52,516	-15,264	-13,424	-8,602	-37,290	-15,332	-107	-56	-163	12,537	62	12,436
15	2036.37	51,405	1,490	52,895	-15,617	-13,839	-8,838	-38,294	-15,561	-961	-56	-1,017	12,436	60	11,479
16	2037.38	52,732	1,535	54,266	-15,979	-14,267	-9,080	-39,325	-15,821	-880	-56	-936	11,479	55	10,598
17	2038.39	54,083	1,581	55,663	-16,349	-14,708	-9,328	-40,385	-16,028	-749	-56	-805	10,598	51	9,844
18	2039.4	55,446	1,628	57,074	-16,728	-15,162	-9,584	-41,474	-16,178	-578	-56	-634	9,844	48	9,257
19	2040.41	56,779	1,677	58,456	-17,117	-15,631	-9,846	-42,594	-16,387	-525	-56	-581	9,257	45	8,721
20	2041.42	59,333	1,727	61,060	-17,515	-16,114	-10,115	-43,745	-16,668	647	-56	591	8,721	45	9,358
21	2042.43	59,677	1,779	61,456	-17,923	-16,612	-10,392	-44,927	-16,894	-365	-56	-421	9,358	46	8,983
22	2043.44	61,172	1,832	63,004	-18,341	-17,125	-10,676	-46,143	-17,034	-173	-56	-229	8,983	44	8,798
23	2044.45	62,696	1,887	64,583	-18,770	-17,654	-10,968	-47,392	-17,183	9	-56	-47	8,798	44	8,795
24	2045.46	64,254	1,944	66,198	-19,209	-18,200	-11,268	-48,676	-17,343	179	-56	123	8,795	44	8,962
25	2046.47	65,845	2,002	67,848	-19,659	-18,762	-11,575	-49,996	-17,548	303	-56	247	8,962	45	9,255
26	2047.48	68,766	2,062	70,829	-20,119	-19,342	-11,892	-51,353	-17,789	1,686	-56	1,630	9,255	50	10,935
27	2048.49	69,127	2,124	71,251	-20,592	-19,940	-12,216	-52,748	-17,977	526	-56	470	10,935	56	11,461
28	2049.5	70,822	2,188	73,010	-21,076	-20,556	-12,550	-54,181	-18,158	670	-56	614	11,461	59	12,134
29	2050.51	72,552	2,254	74,806	-21,572	-21,191	-12,893	-55,655	-18,412	739	-56	683	12,134	62	12,880
30	2051.52	74,321	2,321	76,642	-22,080	-21,845	-13,244	-57,169	-18,678	795	-56	739	12,880	77	13,696