Appendix 5 Right to Buy property losses

HRA Right to Buy Receipts:

The Plan has an opening assumption of 13,432 properties and assumes an annual loss of 60 properties through right to buy for each of the remaining years. That results in a 13% stock loss over the 30 years. No other stock losses are modelled in the plan.

Although there are a total of 280 properties are forecast to be acquired by the HRA within the current financial year 2021-22 no further acquisitions have been assumed.

The Plan has used the audited actual returns submitted to the department. The opening balance on reserves of RTB receipts is £14.5m. Table 4 sets out the impact of the assumption of continued sales through RTB.

In April 2021 the regulations on the use of RTB receipts were updated, there is now a 5 year window available rather than 3 under which to use the allowable receipts. The Plan allows for the legislation changes and Table 5 sets out the impact and the need for an acquisition policy to be implemented by 2027-28 in order to avoid making a return of unused receipts to Treasury.

Table 4 Assumed Reserves

1-4-1 Reserve	Actuals	Projected	Projected	Projected	
	2020-21	2021-22	2022-23	2023-24	
Opening Balance	11,685,942	14,491,401	11,503,653	16,969,219	
Additions	2,805,459	5,289,553	5,465,566	5,645,365	
Assumed Usage	-	8,277,300			
Closing Balance	14,491,401	11,503,653	16,969,219	22,614,585	

Table 5 Assumed Receipts v Spend

Receipts v Spend	Projected						
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Total Receipts in							
reckonable Year	24,786,513	33,605,814	42,124,698	47,327,490	53,879,729	59,169,281	64,634,847
30%/40% of							
Relevant							
Expenditure	62,047,103	62,047,103	62,047,103	62,047,103	62,047,103	62,047,103	62,047,103
Refundable to							
Treasury (Excluding							
Interest)	0	0	0	0	0	0	2,587,745