

SUBJECT: ESTABLISHMENT OF A WHOLLY OWNED HOUSING COMPANY

DIRECTORATE: HOUSING AND REGENERATION

REPORT AUTHOR: BOB LEDGER, STRATEGIC DIRECTOR OF HOUSING AND REGENERATION

1. Purpose of Report

- 1.1 This report sets out more detail for the proposed Housing Company which would be wholly owned by the Council. It includes the proposed narrative of the business plan along with the high level financial assumptions.
- 1.2 The formation of such a company has been previously approved by Executive subject to a detailed business plan. The detailed financial assumptions have now been completed along with a high level due diligence process in conjunction with Capita.

2. Executive summary

- 2.1 The Executive approved in principle the formation of a wholly owned housing company at its 29th February 2016 meeting. This was part of a three stranded strategy to intervene in a failing housing market and provide additional housing direct and/or through facilitating others. Work streams to develop Housing within the Housing Revenue Account and in conjunction with other affordable housing providers are progressing and are now reported separately.
- 2.2 The meeting on the 29th February 2016 approved the governance arrangements for the Company. In summary, these are that the Company Board will be made up of 3 officers of the Council and potentially 2 external advisers (subject to finding two suitable candidates). The Council will exercise overall control of its wholly owned company through a new Committee which it is now recommended to be the Executive without the Housing portfolio holder. The latter omission is proposed to enable the portfolio holder to retain a brief that is entirely from the Housing Revenue Account perspective.
- 2.3 The February 2016 report clearly stated that the company would be dependent upon significant borrowings in the General Fund and on-lending to the Company in order to build its initial stock of properties. That position has not changed. The detailed financial model delivers full market value for the land assets being utilised by the Company but also requires that those receipts be reinvested in the Company as equity.
- 2.4 The initial report also offered the prospect of some financial return to the General Fund. This is now confirmed but at relatively modest levels, proportionate to the scale of investment, in the short and medium term. The return to the General Fund in these circumstances would be in the order of an estimated £34k per annum.

- 2.5 Inevitably, if building for rent was a more commercially viable product the market would be doing it. As a further consequence of having to borrow over such a long period the company and its business plan is not able to deliver any affordable units. This was not modelled at the outset but it is worth remembering that the market rent product was highlighted as strategically important to add quality into a poor quality private rented sector and in recognition that our HRA will exhaust its borrowing capacity through delivering affordable commitments.
- 2.6 More significant financial returns are deliverable in the longer term once the debt incurred in building has been paid off. In addition the new homes built will generate additional Council tax and New Homes Bonus income.
- 2.7 Alongside investing in a wholly owned company to deliver additional market housing, the Council is also committing in the region of £26m in the building of 250 additional affordable rented homes within the Housing Revenue account and facilitating a significant number in the housing association sector (an overall target of 400 affordable units is contained within Vision 20:20). If the company developed out its initial target number of 53 units as entirely market housing, combining that with the HRA investment, an overall affordable level of at least 82% affordable housing would be achieved.
- 2.8 This report was considered and approved by the Policy Scrutiny Committee at its meeting held on the 28th November 2017.

3. The Strategic Context

- 3.1 The 2017 Local Plan assessed that the City requires an average of 374 additional properties per year (in each of the next 20 years) against recently delivery of an average of 212 properties per year (over the last 5 years). In 2016/17 the actual delivery figure was 188 across all tenures. The effect of all this under delivery has been to increase pressure still further on the local housing market driving up both rental and sale prices. This is not a unique position and the City position largely reflects the national housing crisis relating to under supply and over demand.
- 3.2 It was in this context that the Executive decided in principle at its 29th February 2016 to progress the Company proposal and Council officers have been working up a detailed business case in the intervening period. At that February position we were still in the first tranche of Councils progressing the option.
- 3.3 Since then, and according to Trowers and Hamlins the leading legal support firm working on such companies, over 30 local authorities have now established companies to intervene in their local housing market in order to stimulate housing and wider growth. Trowers are also working with a further 50 local authorities on the formation of similar company models i.e. approximately half of all stock retained Councils either now have a company or are actively pursuing the development of one.
- 3.4 Trowers and Hamlins also report that by far the most common model being used is the wholly owned company model limited by shares, as opposed to joint venture models. The strategic reasons for this are several fold:
- 1) The shares can be 100% owned by the local authority

- 2) It can be quickly formed whereby partner arrangements usually need extended negotiation
 - 3) Partner arrangements usually incorporate caveats relating to risk and speed of development.
 - 4) Overall strategic control and direction remains with the Council and the land assets are not traded.
- 3.5 An established wholly owned company would enable the potential for the Council to maximise other market opportunities and provide a more flexible approach to development other than that afforded by the Housing Revenue Account. For instance the Company would provide the opportunity to act as a managing agent on private sector investment in rented housing and to invest resources in housing linked to regeneration of a specific area.
- 3.6 The decision of 29th February 2016 was part of a three strand approach to new build, directly delivered or facilitated by the Council. In that original report there was mention of the potential for an ongoing net return to the General Fund and no mention of the company delivering affordable housing i.e. most of the rental income after management and maintenance allowances would need to go to debt repayment. In essence, the provision of affordable housing needs a subsidy.
- 3.7 Even though the Council took a decision in principle to progress a Company formation it can, of course, revisit that decision and the rationale underpinning it. Potential alternatives could be revisited re the viability of selling off land in return for capital receipts, and/or affordable housing commitments, and the receipts used for other purposes. However those alternatives trade our land assets on a once only basis i.e. once the land is sold the Council cannot generate any further income from it. We could revisit the joint venture option as a way of sharing risk and investment but this is likely to entail protracted negotiation and will mean sharing control of the Council's assets.
- 3.8 Throughout the last year other Councils have continued to progress their company models. Those designed, such as ours, that don't seek to trade the local authority's land assets in return for income will similarly not make short term returns unless the income generated by the rents is higher allowing debt to be paid off more quickly and/or an ongoing return for the General Fund to be made.
- 3.9 In addition, most models are for Councils with significant land holdings and a more balanced housing market. Lincoln has very tight geographical boundaries, where developable land is at a premium, and a very large but largely poor quality private rented sector.
- 3.10 In developing a company there may be some concerns about the opportunity cost of doing so or in exposing the Council to undue risk or more fundamentally that the Council's appetite for such large scale investment is tempered by the continued projected shortfalls in the General Fund. The Company is not proposed to employ staff and is modelled that it will be financially viable in its own right. If the financial viability of the company was brought into question at a future point its assets could be sold at market value to recover costs.

4. Background

- 4.1 At its meeting on the 29th February 2016 the Executive Committee approved:
- that a Housing Company be formed.
 - governance and constitutional arrangements for the company
 - in principle to make funding available from the General Fund to finance the company
 - detailed business plan for the company be progressed.
- 4.2 One of the Council's four key longstanding objectives is to increase the supply of affordable housing in the City. The HRA is already scheduled to deliver 100% affordable housing in delivering £26m investment in 250 new homes i.e. it would be legitimate not to deliver any affordable homes in the Company workstream and for the General Fund to make a 'modest' ongoing return on its investment.
- 4.3 There are though 2,000 separate applications for housing on the Council's waiting list. Around 600 applicants are fortunate enough to get a property from that waiting list each year. Most of the rest continue to live in unsatisfactory accommodation. Each year around 600 new applicants join the waiting list and many more choose not to on the basis of their being in low priority i.e. unlikely to ever reach the top of the list.
- 4.4 25% of the total housing stock in the City is now in the private rented sector (PRS). Although there are some very good landlords, overall standards are low. Our own in-house private sector housing team estimate over 36% of the PRS stock is non decent (lacking one or more basic modern amenities) and up to 21% have a category one hazard under the national Health and Housing Rating System (HHRS) meaning that it is dangerous or potentially injurious to health to live there.
- 4.5 Development of new housing in the Housing Revenue Account is limited by the Government imposed debt cap and our new housing development plans take the Council near to that limit i.e. this is one of the main reasons why we need to look at alternative mechanisms to deliver new homes.
- 4.6 Research data in the formation of the new Central Lincolnshire Local Plan evidences a chronic shortage of housing across all tenures in the City. The position is mirrored to varying degrees in most parts of the Country.
- 4.7 The company will be like any other private company in that it will need to be financially viable, operate in line with an agreed business plan and meet all its statutory obligations.
- 4.8 It was agreed at the February 2016 Executive meeting that the Housing Company will develop property which will primarily operate as market rented accommodation. This will enable the company, and in turn the Council, help a section of the community respond to the many challenges they face in the current housing market in the City. It will also help in widening the tenure mix in the City and acting as an exemplar in the private rented sector.
- 4.9 To be wholly owned the company will be fully financed by the Council through a combination of loan and equity funding. However, the overriding principle of the financial modelling is that there will be no overall cost, over the life of the business

plan, to the Council of setting up and financing the Housing Company. The consequence though of this principle is that affordable housing cannot be delivered through the Company mechanism, the principle being that affordable housing needs subsidy.

- 4.10 Members should note that the housing 'offer' from the company will be separate and different to that of the Council. In particular, the tenancy arrangement will be different to that of the secure tenancies provided by the Council. The company will essentially offer responsibly managed private rented accommodation and properties for market sale,
- 4.11 As a company wholly owned by the Council it is imperative that an appropriate governance structure is put in place to ensure the sound and robust management of the company alongside protection of the Council's financial and reputational investment in the company. However, the governance must not hinder the company operation and must allow it to act swiftly and pro-actively as a separate legal entity. The report of 29th February 2016 agreed the governance structure to achieve this. As sole shareholder, the Council would appoint the directors to the company and approve the business plan and other key decisions (known as reserved matters - these are listed at appendix 2). The directors would have responsibility for the operation and management of the company. The directors would be accountable to the Council (Members) for the company's performance through the Council's role as the sole shareholder of the Company.
- 4.12 The Council has taken both legal and financial advice from specialist consultants to ensure that it has the powers and capability to create and fund the company in line with relevant legislation.
- 4.13 The narrative of the Company business plan attached at appendix 1 has been modelled on developing 53 properties during the first few years of operation. Subject to a range of factors, the Housing Company will have the potential to significantly increase its portfolio over time. This first plan is essentially about getting the company started.
- 4.14 The Executive report of 29th February 2016 raised the prospect that the Company, as well as providing property, could also potentially make a return for the General Fund in the shorter as well as longer term. This remains the case and is estimated at circa £34k p.a.

5. A wholly owned Housing Company

5.1 The proposal and company objectives

5.1.1 The Key objectives of the Housing Company will be: -

- To act as an "exemplar" private sector landlord in the City offering high quality accommodation.
- To remain financially viable and operate efficiently to ensure it receives sufficient rental income to meet all of its costs including financing, housing management, property maintenance and administration.
- To provide an efficient housing management service to its tenants which will need to be clearly differentiated from that provided for the Council's own stock.

- To maintain property to a suitable standard to meet tenants' reasonable expectations and to protect and enhance the Council's financial investment in the properties
- 5.1.2 To achieve the financial viability of the Housing Company properties will need to be let at full market rent to ensure the company is viable and can cover its costs/liabilities and without a cost to the General Fund.
- 5.1.3 In establishing the business case officers have taken specialist advice from Trowers & Hamblins LLP in respect of legal and governance matters, the David Tolson Partnership and Housing financial adviser, SD Smith Consultancy, in respect of the detailed business plan and Cushman Wakefield in respect of projected income and build costs. The detailed financial assumptions in the business case have also undergone a due diligence analysis by Capita.
- 5.1.4 For the avoidance of any doubt the Company will not employ any staff at its point of creation and for the foreseeable future. It will utilise the Council's housing management, legal and financial services and will pay the Council for the use of such services.
- 5.2 Company structure and Governance Arrangements
- 5.2.1 Trowers & Hamblins have previously advised and the Council has agreed that a company limited by shares (CLS) is the appropriate form of vehicle for the Housing Company for a number of reasons, including:
- a CLS is the most common corporate vehicle used in England for profit distributing bodies and is a very tried and tested model;
 - the Council may look to receive a return (dividends) out of the profits of the Housing Company and the CLS model is a typical form of commercial vehicle established with a view to making a profit;
 - the ability for the Council to invest in the company by way of share equity as well as loan debt;
 - The general power of competence, being used for a commercial purpose as is intended here, does not allow for local authorities to participate directly in a limited liability partnership, which would be the other most obvious corporate form for a body established with a view to profit.
- 5.2.2 The company will be set up in accordance with the Companies Act 2006, including the appointment to the Board of the company. The Memorandum and Articles of Association and any other relevant document for the setting up of such a company will be in a form now drafted by the City Solicitor.
- 5.2.3 The Council will hold 100% of the shares in the Housing Company and as such will have full ownership. This has the advantage of allowing the Council to retain ultimate control of the Company and therefore the allocations, selection of properties, the rents and future strategy.
- 5.2.4 The Council and Housing Company will need to ensure that appropriate governance arrangements are put in place so that the Council, as the sole shareholder of the company, can set and oversee the strategic direction of the company whilst allowing the directors of the company discretion to carry out the

operational management effectively, efficiently and with clear targets and milestones. A decision making framework to ensure the Council as Shareholder make the appropriate decisions reserved for them and give sufficient authority to the Directors to make decisions in relation to the day to day activities of the company was previously agreed.

- 5.2.5 Governance arrangements must ensure accountability whilst not hindering operational activity.
- 5.2.6 The Board structure of Council officers and two independent members was previously agreed. Options were proposed in the previous report without a firm outcome being agreed in the relation to the membership of the Council's controlling shareholder committee. It is now proposed that this be a sub-Committee of the Executive committee as the strategic decision-making needs of the company will be minimal especially in the early years, i.e. the attached business plan will determine its direction. It is though proposed that the Housing Portfolio Holder not be part of the sub-Committee to ensure that in any potential conflict of interest regarding the needs of the Company, as opposed to those of the HRA, he can retain an unfettered HRA position.
- 5.2.7 The establishment of a Shareholders' Agreement (between the shareholders and the Housing Company) will set out the parameters the company must operate within and ultimately it provides the Council with complete control over the company.
- 5.2.8 This structure avoids any potential conflict of interest for Members between their role as an elected Member of the Council and the day to day operational management of the Housing Company. However, Members still control the company at a strategic level with officers tasked with managing the Housing Company within a framework and through delegated authority provided by Members.
- 5.2.9 It was previously agreed that council officers to be appointed as a company directors and they should not be remunerated (although it may be appropriate for Non-Executive Directors to receive modest remuneration) and that the Council's Chief Finance Officer and Monitoring Officer not be appointed as Directors to ensure a clear separation of their roles in their advice to the Council. Officers were to be the Council's Housing lead, together with the Council's Property lead and a senior financial officer. They will need to be mindful to avoid circumstances where a conflict might arise in their role of company Director and the giving of advice to members in their role as Council decision makers.

5.3 Documentation required to establish the Housing Company

- 5.3.1 The following documentation has now been drafted to complete the establishment of the Housing Company and associated governance arrangements:
- Memorandum of Association and Articles – this will be the governing document for the Housing Company.
 - Shareholder Agreement – this will regulate, amongst other matters, how the Housing Company is to be governed. This will be a key

document as it will capture how the Council/Shareholders will exercise its control over the Housing Company.

- Terms of Reference for shareholder committee
- Loan Agreements – these set out the details of the funding arrangements between the Council and the Housing Company.

5.3.2 In addition, the Housing Company will be governed via a series of operational documents, which will be controlled by the Council via the Shareholder Agreement.

5.3.3 The attached Business Plan will be reviewed and agreed annually and covers the following: -

- a) Company objectives (as established in the Shareholder Agreement)
- b) Governance arrangements
- c) Operational plans
- d) Financial model and assumptions
- e) Rents, sales and development assumptions
- f) Fees, on costs and tax
- g) Funding profile and sensitivity analysis

5.3.4 Operational Policies relating to matters below will be developed if this report is agreed and submitted to the shareholder committee for approval: -

- a) Rent setting
- b) Letting policy
- c) Rent arrears and debt recovery
- d) Other general policies e.g. Health and Safety, data protection

6. FINANCIAL IMPLICATIONS

6.1 The detailed Company Business plan has now been prepared. The narrative for the proposed plan is now attached at appendix 1 and the financial estimates have undergone a due diligence process undertaken by the Council's finance officers and Capita.

6.2 The full extent and final detail of the financial implications for the Council's General Fund will not be known until the extent, type, level and terms of borrowing have been finalised. Therefore at this stage only a high level summary of the implications can be provided, based on the following key assumptions:

- That the assumptions in the business plan materialise and the Council's actual borrowing costs of the loan investment are met in full annually by principal and interest payments made to the Council by the Company.
- That the Company will make sufficient surpluses to enable them to fulfil the assumptions in the business plan to annually pay the Council a premium margin on its actual cost of borrowing and make dividend payments. It is assumed that the first call on these resources will be the servicing and repayment of the borrowing the General Fund would undertake to purchase an equity share in the Company.

- That the premium charged to the Company on top of the Council's actual borrowing rates comply with State Aid rules.

6.3 The current detailed Business plan estimates currently assume the following investment by the Council:

Investment Type	Share of investment	Council's Investment in Company	Funded by:
Loan - market sale		1,750,000	short term borrowing (1yr) – Base Rate plus 5%
Loan - market rents		2,9005,000	Long term borrowing (40yrs) – Base rate plus 5%
TOTAL LOAN	75%	4,655,000	
Equity part 1		1,000,000	capital receipts
Equity part 2		467,815	long term borrowing (20yrs)
TOTAL EQUITY	25%	1,467,815	
TOTAL	100%	6,122,815	

The above total of £6,122,815 is greater than the actual development cost of £5,871,262 on account of a number of factors. Firstly, the equity investment of £1,467,815 is equal to 25% of the development cost only. In order to ensure that the scheme is fully financed the Company will have to actually borrow a greater value than the remaining 75%, equal to £4,403,447. The additional borrowing of £251,553 is cover two things:

- The interest costs during development and the delays to receipts from the market sale properties
- Debt repayment elements of the annuity loan during development

For the total investment of £5.871m the business plan assumes that 53 housing units will be delivered, as summarised below:

Housing units	No. units	%
Market sale	11	21%
Market Rent	42	79%
Total	53	100%

In terms of the Council's return on investment the company business plan currently assumes the following:

- The £4.655m loan financing will be repaid in-line with the Council's debt servicing costs and profile over 40 years.
- The £0.467m borrowing that the Council will take out to fund it's equity investment will be repaid in year 22 from the premium the company pays on it's loan financing and also through dividends paid by the company.

- The £1m capital receipts invested in the company will start to be repaid in year 2 and are expected to be fully repaid in year 33. (Note this is repayment at current values and doesn't reflect the NPV of the £1m in year 33)
- The focus for the company in the first 33 years of operation is to repay the loan and equity investments made by the Council, therefore returns on investment are limited during that time, with the average return on the land investment being 1.15% over 35 years with variations between years (max net return £85k in year 32, min return £14k in year 22, average return £34kp.a.).
- From year 32 the Council has been repaid all of its equity loan finance and capital receipts and the Company is expected to generate annual surpluses payable to the Council through dividend payments of c£34k p.a. (note this is not a discounted average)
- The company will pay VAT on all eligible costs (most of which will be irrecoverable) and is subject to Corporation Tax. The average annual Corporation Tax payment is £41k p.a., with a total of £1.9m payable over the 50 year business plan period. Stamp Duty Land Tax (SDLT) would normally be payable on land and property purchases but as this transaction is between the Council and a company 100% owned by the Council then it is likely that 'Group Relief' will apply and no SDLT will be payable.

6.4 Initial sensitivity testing has been undertaken on the business plan (covering years 1-35) as referenced in section 7. The impact of changes in interest rates or inflation are summarised below:

	Base position	Interest rates +0.5%	Inflation +0.5%	Inflation -0.5%
Full repayment of equity investment	Year 33	Year 38	Year 30	Year 39
Average return on land investment years 1-10	3.2% / £32k p.a.	2.7% / £27k p.a.	4.2% / £42k p.a.	2.8% / £28k p.a.
Average return on land investment years 1-35	3.3% / £33k p.a.	2.7% / £27k p.a.	5.0% / £50k p.a.	2.8% / £28k p.a.
Average annual return once equity repaid	c£34k p.a.	c£32k p.a.	c£69k p.a.	£-
No. years income doesn't cover equity debt costs	-	-	-	-

6.5 The land investment in the Company will be done through a sale to the Company of the relevant Council land holdings at full market value. This will generate a capital receipt which is available for reinvestment in the Company. The investment in company equity will be classed as capital expenditure in the General Fund Investment Programme to be funded through the capital receipts generated from sales and the balance through borrowing. The repayment of the Council's borrowing for its equity holding and the return of the capital receipts invested relies on the realisation of expected returns from the company to enable dividends and

the margins on Council borrowing rates. These will be revenue income within the General Fund that will be used to fund the costs of borrowing undertaken (including statutory annual repayment of principal borrowed (MRP) and also to reimburse the capital receipts invested. This is summarised in the table at appendix A.

7. Strategic Priorities

7.1 Growing the local economy

- 7.1.1 The construction sector claims that for every £1 invested the sector delivers £2.85 in actual spending. Investing in infrastructure projects is the one of the best ways to stimulate the economy. By following Council procurement rules we will keep spend local as much as possible.

7.2 Protecting the poorest people in Lincoln

- 7.2.1 Although the rented property in the company will be at market rents the properties will still provide a more attractive alternative to many than the rest of the private rented sector and first call for allocation would be offered to those on the Council's waiting list.
- 7.2.2 The company model is proposed to work alongside the HRA in providing homes for social rent and housing associations providing homes at affordable rents.
- 7.2.3 The company will generate income for the General Fund helping it to maintain other critical services.

7.3 Increasing the supply of affordable housing

- 7.3.1 It is anticipated that all properties delivered through the company will help in reducing the Council's waiting list for accommodation and assist in driving up standards across the wider private rented sector.

8. Organisational Impacts

- 8.1 Finance (including whole life costs where applicable)
The financial implications are throughout the report and specifically in section 6 above.
- 8.2 Legal Implications including Procurement Rules
Included throughout the report. Whilst the wholly owned company is viewed as a separate legal entity it will still be required to follow Public Contract Regulations 2015 when undertaking any procurement activity.
- 8.3 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required)
No report required at this time.
- 8.4 Significant Community Impact
This report relates specifically relates to improving the range of Housing options in the community.

9. Risk Implications

- 9.1 (i) Options Explored
Other options explored in the formation of the company related to whether and how it could deliver new build property at sub-market rent.
- 9.2 (ii) Key risks associated with the preferred approach
Significant on-loan funding by the General Fund is required to make the company model work although the projection overall is, at least, that there is no overall cost to the Council in the term of the model.

10. Recommendation

- 10.1 That the narrative of the business case and the detailed financial estimates of the Company business plan, as attached at appendix 1, be approved.
- 10.2 That a wholly owned Council company be formed on the terms proposed in this report and the Executive's meeting on the 29th February 2016. .

Is this a key decision?

Yes

All key decisions require 28 days' public notice. If in doubt, please check with Democratic Services.

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

2

List of Background Papers:

None

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Appendix 1 Summary General Fund Position

(NB assumes Company makes required annual interest and principle repayment on non-equity loans to the Council)

Annual repayment of
equity loan interest &

Net annual
return to

Year	Dividend Income	Interest Premium	Total Income From Company	Loan Interest	Loan Repayments	Net Position	Cumulative Net Position	Land Equity	Net Land Position	Net Surpluses
1 2017.18	£0	£0	£0	£0	£0	£0	£0	£1,000,000	£1,000,000	£0
2 2018.19	£0	£29,341	£29,341	-£6,924	£0	£22,417	£22,417	£1,000,000	£977,583	£0
3 2019.20	£0	£98,761	£98,761	-£13,719	-£17,442	£67,600	£90,017	£1,000,000	£909,983	£0
4 2020.21	£0	£68,125	£68,125	-£13,199	-£17,962	£36,963	£126,980	£1,000,000	£873,020	£0
5 2021.22	£16,516	£57,698	£74,214	-£12,663	-£18,498	£43,053	£170,033	£1,000,000	£829,967	£0
6 2022.23	£16,022	£57,222	£73,244	-£12,112	-£19,049	£42,083	£212,116	£1,000,000	£787,884	£0
7 2023.24	£10,000	£56,719	£66,719	-£11,544	-£19,617	£35,558	£247,674	£1,000,000	£752,326	£0
8 2024.25	£0	£56,188	£56,188	-£10,959	-£20,202	£25,027	£272,701	£1,000,000	£727,299	£0
9 2025.26	£0	£55,628	£55,628	-£10,356	-£20,805	£24,466	£297,167	£1,000,000	£702,833	£0
10 2026.27	£0	£55,036	£55,036	-£9,736	-£21,425	£23,875	£321,042	£1,000,000	£678,958	£0
11 2027.28	£0	£54,411	£54,411	-£9,097	-£22,064	£23,250	£344,291	£1,000,000	£655,709	£0
12 2028.29	£0	£53,751	£53,751	-£8,439	-£22,722	£22,590	£366,881	£1,000,000	£633,119	£0
13 2029.30	£0	£53,055	£53,055	-£7,762	-£23,400	£21,894	£388,775	£1,000,000	£611,225	£0
14 2030.31	£0	£52,320	£52,320	-£7,064	-£24,097	£21,158	£409,933	£1,000,000	£590,067	£0
15 2031.32	£0	£51,543	£51,543	-£6,345	-£24,816	£20,382	£430,315	£1,000,000	£569,685	£0
16 2032.33	£0	£50,724	£50,724	-£5,605	-£25,556	£19,562	£449,878	£1,000,000	£550,122	£0
17 2033.34	£0	£49,859	£49,859	-£4,843	-£26,318	£18,697	£468,575	£1,000,000	£531,425	£0
18 2034.35	£0	£48,945	£48,945	-£4,059	-£27,103	£17,784	£486,359	£1,000,000	£513,641	£0
19 2035.36	£0	£47,981	£47,981	-£3,250	-£27,911	£16,819	£503,178	£1,000,000	£496,822	£0
20 2036.37	£0	£46,962	£46,962	-£2,418	-£28,743	£15,801	£518,979	£1,000,000	£481,021	£0
21 2037.38	£0	£45,887	£45,887	-£1,561	-£29,600	£14,726	£533,705	£1,000,000	£466,295	£0
22 2038.39	£0	£44,753	£44,753	-£470	-£30,483	£13,800	£547,505	£1,000,000	£452,495	£0
23 2039.40	£0	£43,554	£43,554	£0	£0	£43,554	£591,060	£1,000,000	£408,940	£0
24 2040.41	£0	£42,289	£42,289	£0	£0	£42,289	£633,349	£1,000,000	£366,651	£0
25 2041.42	£0	£40,954	£40,954	£0	£0	£40,954	£674,303	£1,000,000	£325,697	£0
26 2042.43	£0	£39,544	£39,544	£0	£0	£39,544	£713,847	£1,000,000	£286,153	£0
27 2043.44	£0	£38,055	£38,055	£0	£0	£38,055	£751,902	£1,000,000	£248,098	£0
28 2044.45	£0	£36,484	£36,484	£0	£0	£36,484	£788,386	£1,000,000	£211,614	£0
29 2045.46	£0	£34,825	£34,825	£0	£0	£34,825	£823,211	£1,000,000	£176,789	£0
30 2046.47	£0	£33,073	£33,073	£0	£0	£33,073	£856,283	£1,000,000	£143,717	£0
31 2047.48	£0	£31,223	£31,223	£0	£0	£31,223	£887,507	£1,000,000	£112,493	£0
32 2048.49	£55,902	£29,271	£85,173	£0	£0	£85,173	£972,680	£1,000,000	£27,320	£0
33 2049.50	£34,007	£27,209	£61,216	£0	£0	£61,216	£1,033,896	£1,000,000	£0	£33,896
34 2050.51	£34,007	£25,033	£59,040	£0	£0	£59,040	£1,092,936	£1,000,000	£0	£92,936
35 2051.52	£34,007	£22,735	£56,742	£0	£0	£56,742	£1,149,679	£1,000,000	£0	£149,679

Equity loan

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