

Appendix 2 – HRA Revenue Budget 2018/19

	2017/18	Budget Changes				2018/19
	Adjusted budget	Inflation	Savings	Service Pressures	Other Changes	Original Budget
See Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (Data Table A)	8,679	201	(105)	364	150	9,289
Premises - Repairs	9,827	150	(550)	0	0	9,427
Premises - Other	2,580	23	0	0	0	2,603
Transport	133	1	0	0	(4)	130
Contribution to Bad Debt Provision	442	0	0	0	0	442
Supplies & Services	2,390	18	0	0	(28)	2,380
Third Party Payments	134	3	0	0	0	137
Support Services (Data Table B)	2,591	0	0	0	(1)	2,590
Direct Revenue Funding	25,579	0	0	0	146	25,725
Capital Financing Costs	6,005	0	0	0	571	6,576
Total Expenditure	58,360	396	(655)	364	834	59,299
Income						
Rents Dwellings	(50,349)	0	0	313	(148)	(50,184)
Rents Car Parking / Garages	(913)	0	0	0	(4)	(917)
Commercial Rents	(530)	0	0	0	0	(530)
Service Charges	(6,250)	0	0	0	(1,196)	(7,446)
Other Recharges & Income	(318)	(3)	0	0	99	(222)
Total Income	(58,360)	(3)	0	313	(1,249)	(59,299)
DEFICIT / (SURPLUS)	0	393	(655)	677	(415)	0
OBJECTIVE ANALYSIS						
Capital Financing	31,585	0	0	0	717	32,302
Head of Housing & Strategy	4,335	14	0	0	93	4,442
Head of Regeneration	281	5	0	0	(1)	285
Income, Inclusion & Improvement	(46,404)	49	(32)	610	(179)	(45,956)
Property & Investment	8,322	186	(582)	180	(1,051)	7,055
Tenancy Services	1,881	139	(41)	(113)	6	1,872
DEFICIT / (SURPLUS)	0	393	(655)	677	(415)	0

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Note 1: Inflation

Standard inflation of 2% has been applied to Direct Employees with 1% for Premises, Transport and Supplies & Services. Adjustments are made to specific areas based on known inflation above or below the standard applied. Most income budgets are zero-based (that is they are recalculated each year rather than changing incrementally) and therefore budgets are estimated based on known increases in costs or inflation.

Note 2: Savings

Savings	£'000
Staff turnover (i.e. savings arising from the recruitment period for appointing to vacancies arising from staff turnover based on current operational experience)	(105)
Reduction in gas servicing contract costs	(150)
Reduction in Repairs & Maintenance costs for 2018/19	(400)
Total Savings	(655)

Note 3: Service Pressures

Service Pressures	£'000
Strengthening the BHCC client side for contract management together with new Health & Safety posts (Note, £0.080m is also funded through the capital programme)	80
Short term additional resources for the re-procurement of the new repairs contract (2 years)	100
Increase in Rehousing team establishment to manage increased lets from new homes and mutual exchanges	100
Increased staffing resources for Universal Credit focussed preventative work (3-5 years)	84
Impact of the statutory 1% rent reduction net of new lets at 'target rents'	313
Total Service Pressures	677

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Note 4: Other Changes

Other Changes	£'000
Increase in existing employees costs for annual increments, staff establishment amendments and pension changes	150
Increase in Direct Revenue Funding for the capital investment programme including hidden homes and home purchase	146
Increase in Capital Financing costs (mainly arising from the New Homes for Neighbourhoods programme)	571
Net change in rental income from new homes net of sales	(148)
Estimated increase in service charge and major works income from leaseholders (note, 2018/19 contains a particularly large number of works coming to conclusion)	(1,077)
Increase in service charge income across all charges (to match costs/service pressures)	(119)
Increase in Support Service charges and other recharges	54
Other minor changes	8
Total Other Changes	(415)

Note 5: Projected Reserves

Description	Balance at 1 April 2017 £'000	Projected Balance at 31 March 2018 £'000	Projected Balance at 31 March 2019 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	5,159	4,504	3,354	Available for use
Estate Development Budget (EDB) reserves	599	339	169	Earmarked allocation for EDB over 2 years
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	269	219	169	Capital programme funding
HRA - Auto Meter Reads Reserve	45	45	45	Available to fund costs of AMR's
Total	9,460	8,495	7,125	

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Data Table A - Employee Full Time Equivalent (FTE) Reconciliation

The table below shows the actual movements in FTE's in 2017/18 and includes FTE numbers for proposed service pressures.

	FTE
Original FTE 2017/18 pre adjustment	272.2
Correction to baseline FTE	3.2
Original FTE 2017/18 (revised)	275.4
Changes in year 17/18	
Property & Investment	1.0
Adjusted budget 2018/19 FTEs	276.4
Changes for 2018/19	
Property & Investment	5.0
Sheltered Housing	(0.3)
Additional staffing to support Universal Credit	3.0
Tenancy Services – Re-housing Team	3.0
Proposed 2018/19 FTEs	287.1

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Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2018/19 as shown in Appendix 2 and compares this to 2017/18.

Charging Service	Budget 2017/18 £'000	Budget 2018/19 £'000 (draft)
Support functions:		
Communications	30	25
Finance (incl. Corporate Procurement, Internal Audit and Business Operations)	365	379
Tenancy Fraud	61	62
Human Resources	216	165
ICT	646	650
Property	130	124
Legal	280	291
Democratic	234	234
Director	16	17
Other charges:		
Disabled Adaptations	113	115
Youth Service	250	250
Discretionary Community Grants	148	145
Apprenticeship levy	31	31
Homing in and Area Panels	28	29
Energy Efficiency Support	25	26
Noise pollution	-	16
Other charges	19	31
Total	2,592	2,590

