

## Appendix 2 – HRA Revenue Budget 2020/21

	2019-20 Adjusted budget	Budget Changes				2020-21 Original Budget
		<u>Inflation</u>	<u>Savings</u>	<u>Investment &amp; Re- investments</u>	<u>Other Changes</u>	
Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>SUBJECTIVE ANALYSIS</b>						
<b>Expenditure</b>						
Employees (data a)	9,738	205	0	925	4,783	15,651
Premises - Repairs	9,526	180	0	150	(5,263)	4,593
Premises - Other	2,643	53	0	82	(30)	2,748
Transport	118	1	0	0	852	971
Contribution to Bad Debt Provision	367	4	0	210	(22)	559
Supplies & Services	1,839	12	0	65	1,457	3,373
Support Services (data b)	3,522	68	0	135	420	4,145
Third Party Payments	124	2	0	0	20	146
Direct Revenue Funding	25,083	0	0	0	(1,367)	23,716
Capital Financing Costs	6,255	0	0	0	2	6,257
<b>Total Expenditure</b>	<b>59,215</b>	<b>525</b>	<b>0</b>	<b>1,567</b>	<b>852</b>	<b>62,159</b>
<b>Income</b>						
Rents Dwellings	(50,397)	(1,343)	0	0	24	(51,716)
Rents Car Parking / Garages	(934)	(19)	0	0	0	(953)
Commercial Rents	(530)	(70)	0	0	0	(600)
Service Charges	(7,099)	0	0	0	(1,534)	(8,633)
Other Recharges & Income	(255)	(2)	0	0	0	(257)
<b>Total Income</b>	<b>(59,215)</b>	<b>(1,434)</b>	<b>0</b>	<b>0</b>	<b>(1,510)</b>	<b>(62,159)</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>(909)</b>	<b>0</b>	<b>1,567</b>	<b>(658)</b>	<b>(0)</b>
<b>OBJECTIVE ANALYSIS</b>						
Housing Management & Support	4,521	81	0	0	(407)	4,195
Income, Inclusion & Improvement	(46,303)	(1,208)	0	210	357	(46,944)
Tenancy Services	2,162	49	0	183	190	2,584
Property & Investment	7,969	163	0	1,128	589	9,849
Head of Regeneration	291	6	0	46	(0)	343
Capital Financing	31,360	0	0	0	(1,387)	29,973
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>(909)</b>	<b>0</b>	<b>1,567</b>	<b>(658)</b>	<b>(0)</b>

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### Note 1 Inflation:

Inflation of 2% has been applied to Direct Employees, and 1% to Premises, Transport and Supplies & Services. Adjustments are made to specific areas based on known inflation above or below the standard 1% 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:

**There are no savings in the budget for 2020/21 due to the nature of the new repairs service and the level of uncertainty over costs.**

### Note 3 Service Pressures and Priority Areas for Investment:

	£'000
One year only staff resources required for the continued set up and mobilisation of new repairs service	142
Increase in staff resources to support the delivery of new housing supply	117
Increase in Support Services for the delivery of new housing supply	135
Increase in contribution to bad debt provision	210
Additional post required for Welfare services	36
Continue to replace carpets and decorate seniors housing properties when empty to improve lettings.	150
Increase in security around estates to reduce anti-social behaviour	65
Increase in costs of council tax to cover the void periods for Seniors Housing	32
Offer of membership of the Local Government Pension Scheme for all staff transferring from Mears	630
Grounds Maintenance - review of service provision	50
<b>Total Service Pressures and priority areas for investment</b>	<b>1,568</b>

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### Note 4 Other Changes:

Other Changes	£'000
Additional employee costs most of which is as a result of the new in-house repairs service	4783
Reduction in repairs contract costs as a result of the new in-house service	(5263)
Costs of new vehicle fleet for in-house service	852
Costs of materials budgets and general office costs for the new in-house service	1457
Support service costs as a result of new in-house repairs team	420
Change to Direct Revenue Funding	(1367)
More service charges from Leaseholders due to lower billing in 2019/20	(1516)
Net decrease in rental income from 53 week rents in 2019/20 net of sales, disposals and new home rents.	24
Other	(48)
<b>Total Other Changes</b>	<b>(658)</b>

### Note 5 Projected Reserves:

Description	Balance at 1 April 2019 £'000	Projected Balance at 1 <sup>st</sup> April 2020 £'000	Projected Balance at 31 March 2021 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	4,503	2,513	2,513	Available for use
Rent Support Reserve	1,050	1,050	-	Earmarked reserve to reduce rent charges for new properties purchased.
New Rent Support Reserve		1,010	-	New Earmarked reserve to reduce rent charges for new properties purchased.
Capital reserve for use in 2021/22	0	3,000	3,000	Reserved for capital expenditure 2021/22
Mobilisation and set-up costs of new in-house service for repairs	982	482	-	Mobilisation and set up costs 2020/21
EDB reserves	312	142	35	Earmarked allocation for EDB
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	194	144	94	Capital programme funding
	<b>10,429</b>	<b>11,729</b>	<b>9,030</b>	

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

The table below includes FTE numbers for the proposed service pressures.

<b>Original FTE 2019/20</b>	<b>299.5</b>
Property & Investment structure changes 19/20	(1.5)
<b>Changes for 2020/21</b>	
New repairs contract (Mears TUPE staff)	163.2
Resident Engagement increase	0.2
Support service posts	3.6
Increase in client side resources for repairs (was formerly work carried out under Mears contract)	10.0
<b>Service Pressures</b>	
Increase in FTE in Estate Regeneration (net)	1.7
Property & Investment - new housing supply	2.0
Tenancy Service welfare support service	1.0
Programme Management for continued mobilisation of new repairs and maintenance services (1 year only)	8.0
<b>2020/21 Proposed FTEs</b>	<b>487.7</b>

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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 2020/21 and compares this to 2019/20.

Charging Service	Budget 2019/20 £'000	Budget 2020/21 £'000
<b>Support Functions:</b>		
Insurance Costs	886	904
ICT	671	833
Finance	212	300
Legal	313	400
Democratic	238	243
Human Resources	177	241
Property	107	160
Tenancy Fraud	62	64
Procurement	50	161
Business Operations	42	83
Communications	25	25
Director	17	18
<b>Other charges:</b>		
Youth Service	250	255
Discretionary Community Grants	145	145
Disabled Adaptations	118	120
Field Officer support	50	50
Family Coach funding	38	-
Apprenticeship Levy	31	31
Homing in and Area Panels	29	30
Energy Efficiency Support	26	26
Pest Control Services	-	40
Noise Pollution	16	16
<b>Total</b>	<b>3,503</b>	<b>4,145</b>

