

Appendix 2 – HRA Revenue Budget 2019/20

	2018/19		Budget Changes		2019/20	
	Adjusted budget	Inflation	Savings	Investment & Re-investments	Other Changes	Original Budget
Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>SUBJECTIVE ANALYSIS</b>						
<b>Expenditure</b>						
Employees (data a)	9,244	191	(80)	238	106	9,699
Premises - Repairs	9,422	94	(95)	100	0	9,521
Premises - Other	2,470	26	(16)	0	190	2,670
Transport	117	1	0	0	0	118
Contribution to Bad Debt Provision	367	0	0	0	0	367
Supplies & Services	1,869	16	(89)	0	0	1,796
Support Services (data b)	3,429	14	0	0	60	3,503
Third Party Payments	128	3	0	0	(7)	124
Direct Revenue Funding	25,725	0	0	0	(621)	25,104
Capital Financing Costs	6,577	0	0	0	(322)	6,255
<b>Total Expenditure</b>	<b>59,348</b>	<b>345</b>	<b>(280)</b>	<b>338</b>	<b>(594)</b>	<b>59,157</b>
<b>Income</b>						
Rents Dwellings	(50,184)	0	0	0	(213)	(50,397)
Rents Car Parking / Garages	(917)	(18)	0	0	0	(935)
Commercial Rents	(530)	0	0	0	0	(530)
Service Charges	(7,496)	(1)	0	0	399	(7,098)
Other Recharges & Income	(221)	(3)	0	0	27	(197)
<b>Total Income</b>	<b>(59,348)</b>	<b>(22)</b>	<b>0</b>	<b>0</b>	<b>213</b>	<b>(59,157)</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>323</b>	<b>(280)</b>	<b>338</b>	<b>(381)</b>	<b>0</b>
<b>OBJECTIVE ANALYSIS</b>						
Housing Management & Support	4,399	29	(1)	76	97	4,600
Income, Inclusion & Improvement	(45,955)	39	(71)	134	(351)	(46,204)
Tenancy Services	1,919	111	(90)	128	94	2,162
Property & Investment	7,050	139	(118)	0	725	7,796
Head of Regeneration	286	5	0	0	0	291
Capital Financing	32,301	0	0	0	(946)	31,355
<b>DEFICIT / (SURPLUS)</b>	<b>0</b>	<b>323</b>	<b>(280)</b>	<b>338</b>	<b>(381)</b>	<b>0</b>

## Appendix 2 – HRA Revenue Budget 2019/20 Cont'd

### 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

<b>Savings</b>	<b>£'000</b>
Staff turnover - reduction in employees budgets to allow for short spells of vacancy for leavers/joiners	(80)
Mechanical & Engineering contract costs review of budgets	(100)
Budget review of premises and supplies and services costs across Tenancy Services	(50)
Budget review of premises and supplies and services costs across Income, Involvement and Improvement	(50)
<b>Total Savings</b>	<b>(280)</b>

### Note 3: Investments and Re-investments (including Service Pressures)

<b>Service Pressures and priority areas for investment and re-investment</b>	<b>£'000</b>
Environmental and communal area improvement work	100
Enhancement of the Housing Delivery team to accelerate delivery of new affordable homes	75
Two new Work and Learning Officers to assist tenants in managing the effects of Universal Credit	70
Additional post for maintenance of untidy gardens	34
Enhanced resources to manage the wide range of smaller non-repairs contracts.	35
Additional Housing Estates Response Operative	24
<b>Total Service Pressures and priority areas for investment and re-investment</b>	<b>338</b>

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### Note 4: Other Changes

<b>Other Changes</b>	<b>£'000</b>
Impact of the statutory 1% rent reduction	508
Increase in Employee costs for annual increments and staff establishment amendments	74
Increase in ESCC pension contribution	32
Net Increase in contract prices for gas and electricity	190
Increase in Support Service Charges	60
Budget realignment to contract value for financial inclusion support	(7)
Decrease in direct revenue funding of capital programme	(621)
Decrease in capital financing costs	(322)
Increase in rents from 53 week rent year net of sales and disposals and new build rents	(721)
Estimated decrease in major works income from leaseholders	700
Increase over and above inflation in service charge income across all charges	(301)
Repairs rechargeable works budget realignment	27
<b>Total Other Changes</b>	<b>(381)</b>

### Note 5: Projected Reserves

<b>Description</b>	<b>Balance at 1 April 2018 £'000</b>	<b>Projected Balance at 31 March 2019 £'000</b>	<b>Projected Balance at 31 March 2020 £'000</b>	<b>Use</b>
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	4,853	4,886	3,136	Available for use
Rent Support Reserve	0	0	1,050	Earmarked Reserve
Mobilisation of new in-house service for repairs	-	982	-	Earmarked reserve
Estate Development Budget (EDB) reserve	407	237	67	Earmarked allocation for EDB
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	229	179	129	Capital programme funding
HRA Auto Meter Reads Reserve	45	-	-	Moved to general reserves
	<b>8,922</b>	<b>9,672</b>	<b>7,770</b>	

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

The table below shows the actual movements in FTE's in 2018/19 and includes FTE numbers for proposed service pressures.

<b>Original FTE 2018/19</b>	<b>276.4</b>
<b>Changes for 18/19</b>	
Property & Investment	5.0
Sheltered Housing	(0.3)
New staff in preparation for Universal Credit	3.0
Tenancy Services - Rehousing Team	3.0
<b>Adjusted budget 2018/19 FTEs</b>	<b>287.1</b>
<b>Changes for 2019/20</b>	
Estates Services in-year restructure (net change)	2.4
Rehousing in-year restructure (net change)	(1.0)
<b>Investments &amp; Re-investments</b>	
Housing Estates Response Operative	1.0
Additional post for maintenance of untidy gardens	1.0
Housing delivery team	5.5
Contract management support	1.0
Work & Learning officers	2.0
<b>2019/20 FTEs</b>	<b>299.0</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 2019/20 and compares this to 2018/19.

Charging Service	Budget 2018/19 £'000	Budget 2019/20 £'000
<b>Support Functions:</b>		
ICT	650	671
Finance	379	212
Legal	291	313
Democratic	234	238
Human Resources	196	177
Property	124	107
Tenancy Fraud	62	62
Procurement	0	50
Business Operations	0	42
Communications	25	25
Director	16	17
<b>Other charges:</b>		
Youth Service	250	250
Discretionary Community Grants	145	145
Disabled Adaptations	115	118
Field Officer support	48	50
Family Coach funding	37	38
Apprenticeship Levy	31	31
Homing in and Area Panels	29	29
Energy Efficiency Support	26	26
Noise Pollution	16	16
Insurance costs (now defined as support service costs)	755	886
<b>Total</b>	<b>3,429</b>	<b>3,503</b>

