

Appendix 2 – HRA Revenue Budget 2021/22

	2020-21	Budget Changes				2021-22
	Adjusted budget	Inflation	Savings	Investment & Re-investments	Other Changes	Original Budget
Note		1	2	3	4	
	£'000	£'000	£'000	£'000	£'000	£'000
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (data a)	15,841	125	0	1,170	55	17,191
Premises - Repairs	4,414	36	0	0	0	4,450
Premises - Other	2,830	21	0	0	0	2,851
Transport	953	7	0	0	0	960
Contribution to Bad Debt Provision	609	5	0	0	0	614
Supplies & Services	3,248	23	0	150	0	3,421
Support Services (data b)	3,999	23	0	0	316	4,338
Third Party Payments	144	3	0	0	16	163
Direct Revenue Funding	24,123	0	0	0	(2,623)	21,500
Capital Financing Costs	6,197	0	0	0	(112)	6,085
Total Expenditure	62,358	243	0	1,320	(2,348)	61,573
Income						
Rents Dwellings	(51,716)	(772)	0	0	(810)	(53,298)
Rents Car Parking / Garages	(954)	(19)	0	0	0	(973)
Commercial Rents	(620)	0	0	0	0	(620)
Service Charges	(8,635)	(6)	0	0	2,438	(6,203)
Other Recharges & Income	(433)	(6)	0	0	0	(439)
Contribution from Useable Revenue Reserves	0	0	0	0	(40)	(40)
Total Income	(62,358)	(803)	0	0	1,588	(61,573)
DEFICIT / (SURPLUS)	0	(560)	0	1,320	(760)	(0)
OBJECTIVE ANALYSIS						
Housing Management & Support	4,155	15	0	50	(142)	4,078
Income, Inclusion & Improvement	(46,905)	(712)	0	0	(464)	(48,081)
Tenancy Services	2,700	7	0	0	(132)	2,575
Property & Investment	(729)	44	0	263	2,889	2,467
Repairs & Maintenance	9,905	79	0	1,007	(213)	10,778
Head of Regeneration	554	7	0	0	77	638
Capital Financing	30,320	0	0	0	(2,775)	27,545
DEFICIT / (SURPLUS)	0	(560)	0	1,320	(760)	(0)

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Note 1 Inflation:

Inflation of 0.75% 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 2021/22 due to the nature of the new Repairs & Maintenance Service and the level of uncertainty over costs.

Note 3 Service Pressures and Priority Areas for Investment:

Service Pressures and priority areas for investment	£'000
Increase in the number of staff joining the BHCC Pension scheme and the actual cost of staff allowances, compared to the budget assumptions for 2020/21.	350
Increase in staffing budget to reflect the establishment costs of the in-house Repairs and Maintenance Service. This reflects an increase in overall staff numbers of 4.71FTE	220
Investment for an additional year for the Transition team to continue to assist with the continued implementation of the in house Repairs and Maintenance Service	437
Investment for an additional 1.81 fte in Property & Investment to ensure compliance with draft Building Safety Bill.	113
A net investment of an additional 2 fte to work on sustainability and energy improvement initiatives.	50
Increased provision for compensation costs relating to disrepair claims	75
One year external consultation costs to assist with the implementation of the new Building Safety policy	50
One year investment for consultancy work in relation to implementing sustainability measures across Housing	25
Total Service Pressures and priority areas for investment	1,320

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Note 4 Other Changes:

Other Changes	£'000
Additional superannuation costs to support the in-house service	55
Other changes to Supplies and Services and Third Party payments	16
Increase in Support Service Charges	316
Change to Direct Revenue Funding	(2,623)
Net decrease in capital financing costs	(112)
Net increase in rental income from the new home's rents	(810)
Net increase in Service charge income from council tenants	(215)
Net decrease in Leaseholder Service Charge income	2,653
Contribution from General Reserves	(40)
Total Other Changes	(760)

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Note 5 Projected Reserves:

Item	Estimated Balance as at 01/04/21 £'000	Planned Use 2021/22 £'000	Estimated Balance as at 31/03/22 £'000	Review Arrangements	Conclusion
HRA Reserves					
HRA Working Balance	(3,000)		(3,000)	Following closure of accounts.	A minimum working balance of £3m is recommended by the Chief Finance Officer in accordance with the requirements of Section 25 of the Local Government Act 2003.
HRA General Reserves	(5,466)	190	(5,276)	Following closure of accounts.	Any residual balance is to pay for any extra H&S costs post Grenfell and risk around new repairs service and Harmonisation.
Capital Reserves	(2,900)	2,900		Following closure of accounts.	
Repairs & Maintenance	(440)	440		Following closure of accounts.	Earmarked for costs incurred during 2021/22.
Rent Reduction Reserve	(910)	910		Following closure of accounts.	Earmarked to fund acquisitions in order to reduce the rents on eligible properties during 2021/22.
Setup Mobilisation Housing Repairs Cont. Reserve				Following closure of accounts.	
EDB Reserves	(240)		(240)	Following closure of accounts.	Earmarked to support the revenue budget of £0.247m bringing the total available for EDB to £0.487m.
HRA - Renewable Energy Projects	(175)		(175)	Following closure of accounts.	
Sustainability and retrofit reserve	(4,010)		(4,010)	Following closure of accounts.	Earmarked for costs in future years for sustainability measures and retrofit works required on Housing stock.
	(17,141)	4,440	(12,701)		

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

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

Employee Full Time Equivalents (FTE) (Table Data A)	FTE
Original FTE 2020/21	487.75
Changes for 2020/21:	
Property & Investment structure changes 2020/21	(0.50)
Adjusted FTE	487.25
Service Pressures:	
Additional staff to support the Repairs & Maintenance of the housing stock	4.71
Additional P&I Staff	3.81
2021/22 FTE	495.77

Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2021/22 and compares this to 2020/21.

Charging Service	Adjusted Budget 2020/21 £'000	Budget 2021/22 £'000
Support Functions:		
Insurance Costs	837	963
ICT	878	921
Finance	280	308
Legal	270	324
Democratic	243	243
Human Resources	325	320
Property	198	158
Tenancy Fraud	64	65
Procurement	59	130
Business Operations	51	57
Communications	25	25
Director	61	61

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Charging Service	Adjusted Budget 2020/21 £'000	Budget 2021/22 £'000
Other charges:		
Youth Service	250	255
Discretionary Community Grants	145	148
Disabled Adaptations	120	122
Field Officer support	50	52
Family Coach funding	-	-
Apprenticeship Levy	31	31
Homing in and Area Panels	30	30
Energy Efficiency Support	26	28
Pest Control Services	40	41
Noise Pollution	16	16
Adult Learning	-	40
Total	3,999	4,338