

Housing Revenue Account Budget 2017/18 to 2020/21

Description	Annual Budget	Annual Budget	Annual Budget	Annual Budget
	OE	OE	OE	OE
	2017/18	2018/19	2019/20	2020/21
	£000s	£000s	£000s	£000s
Expenditure				
Management and Maintenance				
Insurances	853	860	860	860
General Management	3,365	3,498	3,533	3,568
Special Services	318	325	329	332
Management Fee to St Leger Homes	27,629	28,169	28,633	29,138
Welfare Reform Fund	756	771	779	787
Debt Management Expenses	10	12	12	12
Rent, Rates, Taxes & Other Charges	275	275	275	275
Capital Charges				
Depreciation on Council Dwellings	13,484	12,951	13,290	12,981
Depreciation on non dwellings	307	337	287	297
Impairment (reduction in the value of assets, does not apply to the homes)	0	0	0	0
Provision For Bad or Doubtful Debts	750	1,000	1,000	1,000
Total Expenditure	47,747	48,198	48,998	49,250
Income				
Rent Income				
Dwelling Rents	-72,980	-71,895	-71,023	-70,987
Non-dwelling Rents	-800	-800	-800	-800
Charges For Services and Facilities	-147	-144	-145	-145
Contributions Towards Expenditure	-55	-50	-50	-50
Income from Solar Panels	-204	-200	-200	-200
Total Income	-74,186	-73,089	-72,218	-72,182
Net Income from Services	-26,439	-24,891	-23,220	-22,932
Capital Charges				
Loan Charges - Interest	12,175	12,190	12,363	12,363
Interest Receivable	-15	-3	-3	-3
Net Operating Income	-14,279	-12,704	-10,860	-10,572
Appropriations				
Revenue Contribution To Capital Outlay	15,119	12,704	10,860	10,572
Transfer to / from Reserves	-840	0	0	0
Surplus (-) / Deficit for Year	0	0	0	0
HRA A/C BALANCE BF	4,840	4,000	4,000	4,000
Transfer to/from balances	-840	0	0	0
HRA A/C BALANCE CF	4,000	4,000	4,000	4,000

SLHD Management Fee

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s
Management fee	27,352	27,629	28,169	28,633
Growth items				
Apprenticeship Levy	95			
Superannuation	0	185	169	250
Increased void performance/standard	182			
Removal of 5 year temporary funding			-60	-100
Other increases				
Pay award	230	230	230	230
Increments	25	25	25	25
Cost of materials	200			
General inflation	100	100	100	100
Savings/Efficiencies funded by SLHD	-555			
Future efficiency target		-200	-200	-100
Future investment in services		200	200	100
Total Management Fee	27,629	28,169	28,633	29,138

Details of the growth bids are;

Apprenticeship Levy - This figure is based on 0.5% of payroll.

Superannuation - The pension fund will be revalued during 2016 and any increased costs will be incurred from 2017/18 onwards. Auto enrolment is also introduced with effect from 1 October 2017.

Increased void performance/standard - There has been an increased management focus on voids and a new lettable standard has been rolled out. These costs have previously been absorbed by SLHD with an additional £480k being invested into the voids service. The impact of these changes has seen a reduction in void rent loss, the current position as at Q3 shows that rent income is £498k ahead of budget and £281k (estimated at £375k for the full year) of this is due to lower than budgeted rent loss. 0.25% (£182k) of this improved performance is reflected in the SLHD management fee.

Removal of 5 year temporary funding - on 18 June 2014 Cabinet agreed a five year increase of £160k per annum in resources to fund the refurbishment costs of St Leger House (formerly Concorde House). This funding has been removed from the management fee as the refurbishment costs are written off.

SLHD Savings - these efficiencies will be delivered by deleting some vacant staff posts, reductions across a range of supplies & services budgets and reduced costs for office buildings. The cost of materials has increased to reflect greater usage (partly as a result of the new lettable standard for voids) General inflation is estimated at 0.5% when averaged across all non staff budgets.

Future Savings and Efficiencies - St Leger homes have estimated that when universal credit (UC) has been fully implemented an additional £22.0m will need to be collected from tenants each year which has previously been paid directly from housing benefit. It is estimated that the collection of this rent will require an additional 20 staff, the appointment of these staff will be phased in to match the rollout of UC. St Leger homes will deliver efficiencies through improved working practices and cost savings to fund these additional staff.