

Description	Annual Budget OE 2019/20 £000s	Annual Budget OE 2020/21 £000s	Annual Budget OE 2021/22 £000s	Annual Budget OE 2022/23 £000s
Expenditure				
Management and Maintenance				
Insurances	766	780	800	820
General Management	3,785	3,485	3,485	3,485
Special Services	240	240	240	240
Management Fee to St Leger Homes	30,801	31,628	32,305	33,232
Tenancy Sustainment Fund	411	411	111	111
Debt Management Expenses	20	20	20	20
Rent, Rates, Taxes & Other Charges	135	135	135	135
Capital Charges				
Depreciation on Council Dwellings	17,265	17,265	17,265	17,265
Depreciation on non dwellings	938	938	938	938
Provision For Bad or Doubtful Debts	1,701	1,500	1,700	1,700
Total Expenditure	56,062	56,402	56,999	57,946
Income				
Rent Income				
Dwelling Rents	-71,778	-73,414	-74,951	-76,515
Non-dwelling Rents	-815	-775	-750	-725
Charges For Services and Facilities	-124	-124	-124	-124
Contributions Towards Expenditure	-286	-286	-286	-286
Income from Solar Panels	-204	-208	-212	-216
Total Income	-73,207	-74,807	-76,323	-77,866
Net Income from Services	-17,145	-18,405	-19,324	-19,920
Capital Charges				
Loan Charges - Interest	12,581	12,543	12,379	12,340
Interest Receivable	-52	-25	-25	-25
Net Operating Income	-4,616	-5,887	-6,970	-7,605
Appropriations				
Revenue Contribution To Capital Outlay	6,828	5,887	6,970	7,605
Transfer to / from Reserves	-2,212	0	0	0
Surplus (-) / Deficit for Year	0	0	0	0
HRA A/C BALANCE BF	6,212	4,000	4,000	4,000
Transfer to/from balances	-2,212	0	0	0
HRA A/C BALANCE CF	4,000	4,000	4,000	4,000

SLHD Management Fee

	Note	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s
Management fee		29,238	30,801	31,628	32,305
Budget Pressures					
Legislation changes					
H&S and Compliance post following Hackitt review	1	52			
Inflationary increases					
Pay award	2	542	500	500	500
Superannuation	3	282	137	137	137
Increments	4	59	40	40	40
Inflation	5	301	250	250	250
Service Level Agreements	6	321			
Office 365	7	66			
Removal of 5 year temporary funding	8	-60	-100		
Efficiencies delivered	9	-480		-250	
Reinvestment in services		480			
Future efficiency target	10	-200	-100		
Future investment in services		200	100		
Total Management Fee		30,801	31,628	32,305	33,232

Details of the growth bids are:

1. Legislation Changes - Following the tragic fire at Grenfell Tower in London during June 2017 and the subsequent publication of the Hackitt report, the requirements for management of high rise blocks have changed and a new post has been created to deliver the necessary changes.

2. Pay award - 2% pay award with effect from 1 April 2019 and implementation of new pay scales.

3. Superannuation - The pension fund was revalued in 2016. Employers contribution increases from 12.4% in 2017/18 to 12.9% in 2018/19 and 13.9% in 2019/20. It has been assumed that this will increase by 0.5% each year in the following 3 years.

4. Increments - the overall net increase paid to staff.

5. Inflation - the increase costs for contracted goods and services. Inflation is calculated on individual budget lines and the vast majority of budgets have not been inflated, examples of some of the inflationary increases are fuel at 9% (£50k), rents at 5% (£47k), materials at 2% (£108k), insurance premiums 9% (£11k), SLAs 2% (£39k) and utilities 3% (£16k).

6. Service Level Agreements (SLAs) - there are significant cost increases on a number of SLAs following a full review of services and revised costs agreed, this figure comprises the following increases - Grounds Maintenance £240k, Payroll Services £64k and increases to other services including ICT, legal and call centre.

7. Office 365 - there are significant increased costs as a result of the implementation of Office 365 and new microsoft enterprise licences.

8. 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.

9. Efficiencies Delivered

14 posts have been deleted from across all areas of the business (4 from repairs due to efficiencies in void processes, 4 from housing management (st leger lettings, gardening service and tenant involvement) and 6 from back office services (finance and HR)) other posts have been created to deliver the needs of the service (new posts in the tenancy sustainment team, customer services, H&S and compliance and temporary posts to deliver the new integrated housing management system). Other savings have been made from delivering contracts in-house which were previously outsourced and by reducing postage costs.

During 2019/20 all the efficiencies made have been reinvested into other service improvements, following the full implementation of the new IT system it is anticipated that further savings will be delivered and £250k has been taken out of the 2021/22 budget to reflect this.

10. Future Efficiency Target

It was estimated that over the 3 year period 2018/19 to 2020/21 there would be additional costs of £500k to deal with the rollout of Universal Credit across Doncaster (with an estimated £24.0m of rent income needed to be collected which had previously been paid directly to the Council via housing benefit). These estimated costs were split, £200k for 2018/19 (not shown in the table above), £200k in 2019/20 and £100k in 2020/21. SLHD was not given additional management fee to fund these changes but was required to find efficiencies to deliver the service changes required.