

## Appendix D2 Housing Revenue Account Budget Summary

Notes	Housing Revenue Account (HRA) Medium Term Financial Plan 2021/22 to 2024/25	Current Budget 2021/22 £'000	Proposed Budget 2022/23 £'000	Estimated Budget 2023/24 £'000	Estimated Budget 2024/25 £'000
	<b>Income</b>				
(1)	Rent income - Dwellings	(33,112)	(35,154)	(36,089)	(38,882)
(3)	Less Voids	516	546	561	587
	<b>Net rent income - Dwellings</b>	<b>(32,596)</b>	<b>(34,608)</b>	<b>(35,528)</b>	<b>(38,295)</b>
(2)	Non-Dwellings - Shops, Garages etc	(1,647)	(1,714)	(1,766)	(1,819)
(4)	Charges for Service & Facilities	(2,391)	(2,495)	(2,576)	(2,711)
	<b>Total Income</b>	<b>(36,633)</b>	<b>(38,818)</b>	<b>(39,871)</b>	<b>(42,825)</b>
	<b>Expenditure</b>				
(5)	Repairs & Maintenance	9,364	9,790	10,050	10,654
(6)	Supervision & Management	9,654	9,838	9,839	10,187
	Rent Rates and Insurance	590	590	590	590
(7)	Special Services	1,040	1,091	1,123	1,157
(8)	Increase in Provision for Doubtful Debts	1,338	1,338	1,338	1,338
(9)	Contingency Budget	850	0	0	0
(10)	Depreciation	8,500	8,917	9,154	9,397
	<b>Total Operating Expenditure</b>	<b>31,336</b>	<b>31,563</b>	<b>32,094</b>	<b>33,323</b>
	<b>Net Cost of Service before Interest Payable on HRA Debts</b>	<b>(5,298)</b>	<b>(7,255)</b>	<b>(7,777)</b>	<b>(9,502)</b>
(11)	Interest Payable on HRA Debts	4,603	4,593	4,726	4,931
	Interest Receivable on HRA Balances	(25)	(15)	(12)	(11)
	<b>Net Cost of Service after Interest Payable on HRA Debts</b>	<b>(720)</b>	<b>(2,678)</b>	<b>(3,063)</b>	<b>(4,582)</b>
	<b>HRA Balance:</b>				
(12)	<b>Brought Forward</b>	<b>(17,473)</b>	<b>(8,193)</b>	<b>(8,871)</b>	<b>(9,933)</b>
	Repayment of HRA Debt	10,000	0	0	0
(13)	Transfer from Reserve	0	2,000	2,000	4,000
	Housing Revenue Account (Surplus) / Deficit for the year	(720)	(2,678)	(3,063)	(4,582)
	<b>Balance - Carried Forward</b>	<b>(8,193)</b>	<b>(8,871)</b>	<b>(9,934)</b>	<b>(10,515)</b>

Note	Comment
(1)	Dwelling rents are assumed to increase by 4.10% in line with the Rent Regulation determination
(2)	Non-Dwellings - Shops, Garages are assumed increase in line with September 2021 CPI inflation of 0.5%
(3)	Voids rate - 1.5%
(4)	Service charges are assumed to increase by CPI plus 1% (4.1%) in line with September 2021 CPI inflation
(5)	Repairs & Maintenance are assumed to increase in line with the RPI increase of 4.9% in 2022/23 and 3% afterwards
(6)	Supervision & Management relate to staff and operational costs. Staffing costs are assumed to increase by 2% in 2022/23 and 2023/24
(7)	Special Services - Ground Maintenance, Building Cleaning, etc are assumed to increase by September 2021 inflation of 3.1%
(8)	The bad debt provision is assumed to increase to 4% of rental income in 2022/23 based expected increased risk of higher rent arrears due to the impact of Covid.
(9)	This is a contingency budget includes £3.5m for potential claims for compensation to tenants re water commission
(10)	Depreciation, this relates to funding of HRA Capital Programme
(11)	The debt costs are based upon the assumption that new housing is funded through a increase in borrowing at 1.59% and £2m for potential pension liability relating to the RMI contract
(12)	The HRA accounts for 2018-19, 2019-20 and 2019-20 are still subject to audit and therefore the HRA reserves are provisional and may be subject to further changes
(13)	Revenue contribution to capital expenditure