

Housing Revenue Account (HRA)

Appendix 4

Expenditure	Note	Recommended	Proposed	Proposed
		Budget 2019/20 £000s	Budget 2020/21 £000s	Budget 2021/22 £000s
Housing Management	1	7,938	8,031	8,232
Services	2	2,806	2,876	2,948
Revenue repairs costs	3	5,009	5,407	5,669
PFI Costs	4	7,066	7,193	7,324
Bad Debt Provision	5	1,317	959	1,006
Major Repairs	6	8,105	8,402	8,723
Debt Costs	7	10,269	11,169	12,667
Other Expenditure		168	172	177
		42,678	44,210	46,745
Income				
Dwelling Rents (net)	8	34,642	36,265	38,018
Service Charges	9	1,113	1,154	1,198
PFI Credit		3,997	3,997	3,997
Other Income		176	181	185
Interest on Balances		120	109	95
		40,049	41,706	43,493
Total (Surplus) / Deficit		2,629	2,504	3,252
Balance Brought Forward		25,213	22,584	20,081
Total (Surplus) / Deficit		2,629	2,504	3,252
Balance Carried Forward		22,584	20,081	16,828

1	Housing Management increases relate to inflation on staff and operational costs - assumed to be in line with CPI (2.5%)
2	Increases in Services relate to inflation on staff and operational costs - assumed to be in line with CPI (2.5%)
3	The reduction in 2019/20 reflects a reduction in minor voids and the removal of the Tenant Improvement Fund. Ongoing increases are the result of inflation and an increase in dwelling numbers and inflation.
4	PFI Costs are index linked; smoothing reserve covers any increases above 2.5% p.a.
5	Rent arrears suggest that this additional sum was unnecessary, so has been reduced back in future years.
6	Major repairs appear to reduce in 2019/20, however this is due to the amount of major works over and above the minimum MRA sum, is assumed to be funded from borrowing, and not revenue from 2019/20 onwards.
7	Debt cost increases to reflect the proposed investment in new dwellings in the HRA. The initial reduction between 2018/19 and 2019/20 is due to the 2018/19 budget being based on a higher level of borrowing that was actually required, due to slippage in the capital programme.
8	The Dwelling rent decrease in 2019/20 is due to the additional number of dwellings income being offset by the 1% rent reduction policy. Future year increases in rents are inline with Govt's CPI +1% rent policy and reflects the increase in the number of dwellings.
9	The Increase in service charges reflects an increase in dwellings and an assumed CPI inflationary increase.

