

Appendix 1 – HRA Budget Model

	Current Year ¹ 2010/11 £000	Year 1 2011/12 £000
Management of Dwellings		
Operational Housing Management Services ²	23,077	22,133
Retained Budgets	5,586	6,176
Total Management of Dwellings	28,663	28,309
Repairs and Maintenance	14,453	14,053
Capital Charges ³	35,906	35,779
Total Expenditure	79,022	78,141
Income		
Dwelling Rents	(56,835)	(59,579)
Other Managed Income	(7,746)	(8,279)
Housing Subsidy	(13,355)	(10,375)
Total Resources	(77,936)	(78,233)
(Surplus)/Deficit	1,086	(92)
Projected Year End Working Balance	2,155	2,247

NB:

The draft subsidy determination we have received is for a one year settlement as shown above. It is expected that 2011/12 will be the final year of the housing subsidy system following a favourable response nationally from local authorities in accepting the principles of Government's proposal to reform the system of Council housing finance. We are awaiting the final details of the new system to enable us to revise our medium term projections.

Footnotes:

¹ CRM 7 Monitoring position

² Currently H&F Homes Management Fee

³ There is an expectation that under the new HRA regime that the debt will decrease by a significant percentage.

Appendix 2 – Efficiency Proposals

HRA Efficiency Proposals	
Description	2011/12 £000
Existing Efficiencies	
Re-organisation of Estate and Housing Management Services	(187)
Re-organisation of area office management arrangements	(203)
Existing Efficiencies Total	(390)
New Efficiencies	
Value for Money programme:	
-continuation of current efficiency programme	(296)
-market testing of repairs function	(400)
ALMO re-integration: back-office staffing – to be achieved through not filling existing vacancies	(621)
ALMO re-integration: administrative savings – to be achieved through ceasing activities currently undertaken to service the ALMO governance structure	(207)
New Efficiencies Total	(1,524)
All Efficiencies Total	(1,914)

Appendix 3 – Key Assumptions

2011/12 Housing Revenue Account Budget Setting Assumptions

Item	Assumption	2010/11	2011/12	Increase	Increase
		£	£	£	%
Pay	No pay inflation has been included within the budget for 11/12 in accordance with the nil pay award, no change to national insurance, and corporate assumptions around the actuarial valuation.				
Inflation	No inflation has been specifically provided for within the 11/12 budget, and all inflationary cost pressures have been managed within existing resource allocations. The exception to this is the H&F Homes management fee, which has provided for an inflationary uplift for utilities spend and other contracts of c£248k.				
R&M cost increases	Again, cost pressures have been managed within the existing resource base, although risks have been identified within the body of the Budget Strategy report (£600k statutory legionella work).				
Garage income	Increase in line with the guideline rent increase, no change in stock numbers, based on 10/11 income forecast				
Interest Rate on balances	1.2% supplied by Treasury Management				
Right to Buys, based on 2010/11	45				
Guideline rents (pw)		87.64	92.36	4.72	5.39%
Formula Rent (pw)		98.05	103.04	4.99	5.09%
Limit Rent (pw)		91.93	97.90	5.97	6.49%
Management allowances (per dwelling)		1,015.83	1,019.83	4.00	0.39%
Maintenance allowance (per dwelling)		1,541.35	1,580.53	39.18	2.54%
Major repairs allowance (per dwelling)		931.48	968.80	37.32	4.00%

Appendix 4 – Housing Revenue Account, Change Between Years

**HOUSING REVENUE ACCOUNT
CHANGE BETWEEN YEARS**

Service Area Analysis	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Adjustments £000	2011/2012 Estimates £000
Operational Housing Management Services (Formerly H&F Homes Management Fee)	23,669	0	0	(1,515)	368	(388)	22,133
Housing Options	605	0	0	0	127	0	732
Housing Strategy	348	0	0	0	0	77	425
Managed Rents & Charges	(66,180)	0	0	0	0	(1,677)	(67,857)
Managed Repairs	14,453	0	0	(400)	0	0	14,053
Safer Neighbourhoods	849	0	0	0	0	0	849
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HOUSING REVENUE ACCOUNT
CHANGE BETWEEN YEARS CONTINUED

Service Area Analysis	2010/2011 Estimates £000	Inflation £000	Redirected Resources £000	Efficiencies £000	Growth £000	Other Adjustments £000	2011/2012 Estimates £000
Strategic Regeneration	0	0	0	0	578	0	578
Support Services	3,764	0	0	0	0	(172)	3,592
Area Holding Codes	152	0	0	0	0	(152)	(1)
Housing Subsidy	(13,250)	0	0	0	0	2,875	(10,375)
Capital Charges	36,016	0	0	0	0	(236)	35,778
Transfers to Reserves	(426)	0	0	0	0	518	92
TOTAL	0	0	0	(1,915)	1,072	843	0