

HRA BUDGET VARIANCES 2023/24

B - BUSINESS TRANSFORMATION 2023/24

Budget Area	Description	Amount	Comment
Operational Staffing	Travel savings from Business Transformation project	-3,977	HRA savings as a result of the Business Transformation travel project

C - SAVINGS 2023/24

Budget Area	Description	Amount	Comment
Back Funding Pension Cost	Reduction in Back Funding Pension cost for 23/24	-20,250	Based on latest triennial review
Cost of Operation	Saving on Senior Living Contract	-791	Saving from Annual Monitoring Service (Careline)
Support Service Charges	Reduction in 23/24 recharges	-72,162	Recharges reduced from prior year
TOTAL		-93,203	

D - INFLATION IMPACTS RELATING TO 22/23

Budget Area	Description	Amount	Comment
Cost of Operation	Utility inflation 22/23	491,150	This is approximately an increase of 160% compared to the opening budget for 22/23
Grounds Maintenance	Grounds Maintenance inflation 22/23	9,319	Inflation increase in 22/23 of 6.2%
Responsive Repairs	Ian Williams contract inflation 22/23	55,500	Inflation increase in 22/23 of 1.5%
Responsive Repairs	Tunstall contract inflation 22/23	1,336	Inflation increase in 22/23 of 6.6% compared to budget
Staffing	Underspend of staffing inflation 22/23	-48,095	Pay award of 3% in 22/23, amount provided for in provision higher than actual requirement.
TOTAL		509,210	

E - INFLATION 2023/24

Budget Area	Description	Amount	Comment
Cost of Operation	Utility inflation 23/24	84,876	Inflation allowed at 9% for 22/23.
Cost of Operation	IT and other contract inflation 23/24	11,927	Inflation allowed at 9% for 22/23
Responsive Repairs	Grounds Maintenance inflation 23/24	20,315	Inflation allowed at 9% for 22/23
Responsive Repairs	Inflation across range of responsive repair contracts 23/24	545,558	Inflation allowed at 9% for 22/23
Core Capital Contribution	Inflation across core capital programme	744,624	Inflation allowed at 9% for 22/23
Staff costs	Staff inflation	238,008	Allowance made for 23/24 pay award, currently still under negotiation. Will be reviewed once final decision has been made
Net Dwelling Rent	Increase in 2023/24 rent	-1,073,859	Proposed at 4% - After adjustments for any disposals, new builds or demolitions taken into account.
Service Charges and other income	Increase in service charges and other rent	-50,208	Proposed at 4%
Interest receipts	Increase in interest receipts for 2023/24	-392,713	Increase in investment income for 23/24 due to increased interest rates
TOTAL		128,528	

F - COLLABORATION 2023/24

Budget Area	Description	Amount	Comment
Operational Staffing	Savings from Collaboration - Joint Management Team	-50,000	HRA savings as a result of the Joint Management Team

G - GROWTH - 2023/24

Budget Area	Description	Variance	Comment
Cost of Operation	Easymove budget growth	30,300	Growth to the Easymove budget in 23/24 from £39,700 to £70,000 which will allow an increase in the number of downsizing payments which incentives Council tenants to downsize and free up much needed family sized accommodation.
Responsive Repairs	Cyclical budget growth	111,618	Increase in Boiler Maintenance budget requested for 23/24, related to increased costs of new contract. Also reintroduction of Stairlift maintenance budget previously incorrectly removed. The total cyclical maintenance budget for 22/23 was £2.1m.

Grounds Maintenance	Increase frequency of grass cutting	18,607	During 22/23 an increase in grass cutting was requested which gives an additional cost of £18.6k (related to no mow may). The grounds maintenance budget for 22/23 was £194k.
IT Recharge	Increase in recharge from IT	4,013	Due to IT contract inflation.
Cost of Operation	Increase in cleaning costs	37,500	Increase cleaning budget relating to communal areas, this is an increase on top of the 22/23 budget of £18k.
Cost of Operation	Increase in annual maintenance cost for asset system	31,913	A replacement/upgrade for the Keystone asset management system in 23/24 will result in additional annual costs. Increasing from £23k to £55k. This is an indicative cost and may change once tenders have been received
Operational Staffing	Market Supplements for Compliance Team	26,200	Increase in costs due to Market Supplements for difficult to recruit posts.
Operational Staffing	New Trainee Stock Surveyor Post	13,069	New post part funded from reduction in hours on Quality Assurance post
Contribution to Capital Programme	Increase in capital for 23/24	842,780	Increased Capital Programme for 23/24.
TOTAL		1,116,000	

H - UNAVOIDABLE GROWTH - 2023/24

Budget Area	Description	Amount	Comment
Garage rent	Garages moving over to GF - loss of income	79,835	The net impact of garages moving across to GF from HRA is a loss of £79.8k
Cost of Operation	Increase in insurance cost for 23/24	5,926	Insurance costs for HRA increased in 23/24, the budget for 22/23 was £274k.
Cost of Operation	Void utility budgets	27,180	Budget introduced to cover cost of void utilities, previously not budgeted for but spend incurred
Grounds Maintenance	Growth in budget due to increased contract costs	3,983	As a result of contract changes (loss of Surrey Verges) the unit rate in the contract has increased resulting in growth to the HRA budget
Mortgage Principal Repayment	Increase cost of debt repayment for 23/24	351,248	Increase cost of debt repayment for 23/24 - partially offset against a reduction in debt interest costs (£212k)
Movement in reserve	Reversal of previous year budget for release of contingency reserve	2,024,000	Contingency fund that was carried forward for several years was released in 2022/23. No further funds left to release.
Corporate and Democratic Costs	Increase in recharges from GF for 23/24	219,741	Increase in the corporate and democratic recharge from GF in 23/24 due inflation
Cost of Operation	Tenants Participation budget	15,000	To procure a market research company to collect tenant views to meet the Social Housing Regulator requirements for Tenant Satisfaction Measures
TOTAL		2,726,913	

TOTAL HRA VARIANCES	4,333,471
----------------------------	------------------