

HRA BUDGET VARIANCES 2024/25

B - BUSINESS TRANSFORMATION 2024/25

Budget Area	Description	Amount	Comment
Operational Staffing	Travel savings from Business Transformation project	-27,233	HRA savings as a result of the Business Transformation travel project

C - SAVINGS 2024/25

Budget Area	Description	Amount	Comment
Back Funding Pension Cost	Reduction in Back Funding Pension cost for 2024/25	-19,168	Based on latest triennial review
Net Dwelling Rent	Increase of 7.7% on weekly rent for 2024/25	-2,069,021	Increase of 7.7% on weekly rent for 2024/25
Net Dwelling Rent	Additional rental income from 53 week rent year	-650,000	Additional rental income from 53 week rent year
Service Charges	Increase in Service Charges for 2024/25	-44,771	Additional income from 15% increase on Senior Living Service Charges
Cost Recovered	Increase in Heating charges for 2024/25	-65,346	Additional income from 20% increase on Senior Living Electricity and Gas Charges
Other Income	Increase in expected reimbursement of void works	-15,567	Additional income forecast based on current year recovery of void costs
Interest Receipts	Increase in interest receipts for 2024/25	-511,301	Additional income based on forecast for 2024/25 TM income
Cost of Operation	Supplies and Service budget no longer required	-7,492	Budget has not been used for several years
Operational Staffing	Savings on establishment budget	-4,627	Saving related to market supplement no longer being applied to a post
Responsive Maintenance	Reduction in responsive maintenance budget	-43,550	Budget for asbestos surveys reduced for 2024/25, based on 2023/24 forecast
Mortgage Interest	Reduction in amount payable in interest on PWLB Loan	-152,071	Amount lower in 2024/25 but it should be noted that this will mitigate the cost of additional borrowing which is £2.3m for 2024/25
Revenue contribution to Mortgage Principal Repayment	Reduction in revenue contribution to PWLB loan	-1,361,000	Amount lower in 2024/25 but it should be noted that this is offset with the cost of additional borrowing which is £2.3m for 2024/25
TOTAL		-4,943,914	

D - INFLATION IMPACTS RELATING TO 23/24

Budget Area	Description	Amount	Comment
Cost of Operation	Minor variance on inflation applied in 23/24	-404	
Operational Staffing	Minor variance on inflation applied in 23/24	474	
Responsive Maintenance	Minor variance on inflation applied in 23/24	251	
TOTAL		321	

E - INFLATION 2024/25

Budget Area	Description	Amount	Comment
Cost of Operation	Utility inflation 2024/25	39,069	Inflation allowed at 4.5% for 2024/25
Cost of Operation	IT and other contract inflation 2024/25	5,810	Inflation allowed at 4.5% for 2024/25
Responsive Repairs	Grounds Maintenance inflation 2024/25	16,808	Inflation allowed at 4.5% for 2024/25
Responsive Repairs	Inflation across range of responsive repair contracts 2024/25	384,189	Inflation allowed at 4.5% for 2024/25
Core Capital Contribution	Inflation across core capital programme	401,932	Inflation allowed at 4.5% for 2024/25

Staff costs	Staff inflation	195,249	Allowance made for 2024/25 pay award, currently still under negotiation. Will be reviewed once final decision has been made
TOTAL		1,043,057	

F - Change in recharges

Budget Area	Description	Amount	Comment
Support Service Charges	Reduction in support service recharges from GF	-266,361	Offset against increase of £167k in growth for legal and IT posts
Responsive Maintenance	Recharge for garages	-50,000	Recharge to GF for HRA staff time spent on Garages
Corporate and Democratic Costs	Increase in recharges from GF	58,317	
TOTAL		-258,044	

G - GROWTH - 2024/25

Budget Area	Description	Variance	Comment
Cost of Operation	Project for new IT system to replace Orchard	879,000	Due to significant changes and intensifying of the Social Housing bill, the greater power to enforce now with the Regulator, and the renewed understanding that Data should be viewed as one of the Councils greatest assets, it is widely recognised that the Housing Management System is at a very real point of failure and requires replacing as a priority in order to comply with regulation and statutory requirements. This project is a total of £2.4m over 7 years. Including the below. The team will be investigating ways in which they can collaborate with GBC on this. Subject to full business case approval
Operational Staffing	Resource for approve project	68,000	As above
Cost of Operation	Bid for increased House and Garden Clearance budgets as well as a new planting budget for the housing estates	52,000	Proposal of £25k and £17k increase to both the Garden and House clearance budget, for team to take a more proactive approach to hoarding and other tenant issues. New Planting budget for housing estates of £25k, £15k of which is funded from other savings
Cost of Operation	Insurance budget 2024/25	100,000	Reinstatement valuation - £100K (based on a quote from Cluttons (via Sutton)
Cost of Operation	Annual cost for Support Service related to Switchee capital bid	2,100	Annual fee related to capital bid for Switchee (smart thermostats)
Operational Staffing	Service Improvement Officers	84,745	Increase hours of 2 x Service Improvement Officers to make full time and additional SIO to support on complaints
Operational Staffing	Additional establishment posts - Housing Management	168,893	Increase of 4 additional posts in the Housing Management team to due to increase workload in team
Operational Staffing	Additional compliance and void posts	189,164	4 new posts. 2 Compliance Officers, Repairs Support Officer and Mechanical & Electrical Technical Support Administrator. The Responsive Repairs and Compliance Areas are critical areas for the council and within Housing Operations. Despite a re-organisation earlier this financial year, the team are still under resourced to allow us to offer the service level required.
Operational Staffing	New Development team increase resource	120,648	3 additional post in New Development team to support with increased workload due to increase in number of housing and mixed use schemes
Support Service Charges	Allocation of charges from GF for growth bids related to Legal, IT and JMT.	167,000	Allocation of charges from GF for growth bids related to Legal, IT and JMT.

Hardship Fund	Increase in Hardship fund	170,000	Increase in Hardship fund to £200k to mitigate the impact of the 53 week rent year
Capital programme Contribution	Increase in capital programme	165,856	Increase in capital programme for 24/25
TOTAL		2,167,406	

H - UNAVOIDABLE GROWTH - 2024/25

Budget Area	Description	Amount	Comment
Cost of Operation	Increase in fees to Regulator of Social Housing	40,000	This follows a government announcement that, from July 2024, social landlords need to pay for the full costs of regulation, in line with other regulated sectors
Operational Staffing	Increment increases for 2024/25	13,239	Increment increases for 2024/25
TOTAL		53,239	

TOTAL HRA VARIANCES -1,965,168