

HRA Budget - Rent Increases, Inflation Growth & Efficiencies

Communities & Opportunities

Appendix 2

Proposal Ref	HRA Service Area	Proposal Title	Proposal Description	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>INCOME</b>								
<b>Rent &amp; Service Charge Increases</b>								
2425-H1-001	Dwelling Rents	Dwelling rent increases in line with governments policy	Rent increases September CPI + 1% (7.7%), future years assumptions 3% per annum (CPI 2% + 1%)	(3,889)	(2,006)	(1,864)	(2,443)	(3,866)
2425-H2-001	Non Dwelling Rents	Non Dwelling rent increases in line with Dwelling rent increases	Garage Rent increases September CPI + 1% (7.7%), future years assumptions 3% per annum (CPI 2% + 1%)	(84)	(35)	(36)	(38)	(39)
2425-H3-001	Other charges for Services	Other HRA Income increases in line with dwelling rent increases	Service charges increases September CPI + 1% (7.7%), future years assumptions 3% per annum (CPI 2% + 1%)	(236)	(107)	(110)	(114)	(117)
2425-H4-001	Contribution to Expenditure	Rechargeable Repairs - inflation indices	Increases CPI + 1% (7.7%), future years assumptions 3% per annum (CPI 2% + 1%)	(1)	(0)	(0)	(0)	(0)
<b>Total Rent and Service Charge Increases</b>				<b>(4,210)</b>	<b>(2,149)</b>	<b>(2,011)</b>	<b>(2,594)</b>	<b>(4,022)</b>
<b>EXPENDITURE</b>								
2425-H5-001	Recharges from General Fund for services	Cost of living increase - Recharges	Salary increase of 4.5%, 2% thereafter	127	59	60	61	63
2425-H8-001	General Management	Cost of living increase - Recharges	Salary increase of 4.5%, 2% thereafter	1	6	4	7	3
2425-H9-001	Special Services	Cost of living increase - Recharges	Salary increase of 4.5%, 2% thereafter	2	0	1	2	2
<b>Total Pay Inflation</b>				<b>130</b>	<b>65</b>	<b>66</b>	<b>70</b>	<b>68</b>
<b>Inflation - General Management Contracts</b>								
2425-H8-002	General Management	Increase in Insurance Fees	Increase reflecting general rise in insurance sector costs, future years assumptions 2%	121	8	8	8	8
2425-H8-003	General Management	Increase in Accounting and Audit Fees	Increase reflecting general rise in Accounting and Audit Fees, future years assumptions 2%	90	3	3	3	3
2425-H8-003	General Management	Increase in Subscriptions	Assumes 2% inflation	0	2	2	2	2
<b>Total Repairs Contract Inflation</b>				<b>211</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>

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NPH Inflation

2425-H8-006	General Management	Increase in Management Fees to NPH	NPH increase mainly due to regulatory compliance requirements	1,743	479	608	518	548
2425-H9-002	Special Services	Increase in Management Fees to NPH	Increase in Management Fees to NPH	7	214	252	252	266
2425-H10-001	Repairs and Maintenance	Increase in Management Fees to NPH	Increases in demand, compliance and regulatory requirements	1,229	3,163	623	1,532	1,637
<b>Total NPH Inflation</b>				<b>2,980</b>	<b>3,857</b>	<b>1,484</b>	<b>2,302</b>	<b>2,451</b>

Other Growth

2425-H8-004	General Management	Compliance and Regulatory Requirements	Registration Fees proposed for Landlords, £7 to £8 per dwelling	92	0	0	0	0
2425-H8-005	General Management	Investment General Management Consultancy	Service investment	20	0	0	0	0
2425-H11-001	Depreciation	Increase in depreciation	Reflects estimated changes in stock numbers and valuations	301	300	246	481	497
2425-H12-001	Interest & Financing costs	Increase in Interest & Financing costs	Reflects cost of borrowing and share of investment income	1,016	683	1,074	605	801
2425-H14-001	Voluntary Repayment Contributions	Introduction of Voluntary Repayment Contributions	Reflects minimum floor of contribution needed based on voluntary revenue provision calculations	1,010	313	553	281	336
2425-H10-002	Repairs and Maintenance	Shared Ownership properties	Legacy Daventry District Council Shared Ownership accounted now in the Housing Revenue Account	2	0	0	0	0
2425-H13-001	Provision for Bad Debts	Shared Ownership properties	Legacy Daventry District Council Shared Ownership accounted now in the Housing Revenue Account	9	0	0	0	0
2425-H7-001	Rents, Rates, Taxes	Increases to Rents, Rates and Taxes on empty properties	Right size current year budget and cost of living increases applied	40	16	17	17	18
<b>Total Other Growth</b>				<b>2,489</b>	<b>1,311</b>	<b>1,890</b>	<b>1,384</b>	<b>1,652</b>

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**NPH Efficiencies**

2425-H8-0012	General Management	General efficiencies	Departmental reductions	(185)	0	0	0	0
2425-H8-0013	General Management	General efficiencies	Employers LGPS contribution rate absorption	(304)	0	0	0	0
2425-H8-0014	General Management	Solar Panel income	Photo Voltaic scheme income maximisation	(50)	0	0	0	0
<b>Total NPH Efficiencies</b>				<b>(539)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Other Efficiencies**

2425-H8-007	General Management	Recharge from General Fund correction	Reduce this budget to zero as staffing recharge accounted for in the General Fund recharges model	(20)	0	0	0	0
2425-H8-008	General Management	Recharge from General Fund correction	Reduce this budget to zero as Local Government Shared Services recharge accounted for in the General Fund recharges model	(338)	0	0	0	0
2425-H8-009	General Management	Recharge from General Fund correction	Reduce this budget to zero as staffing recharge accounted for in the General Fund recharges model	(100)	0	0	0	0
2425-H8-0010	General Management	Right size staffing budget within General Management	Based on forecast salary spend	(9)	0	0	0	0
2425-H8-0011	General Management	Contingent budget right sizing	Reducing one off budget to leave £300k in contingency	(594)	0	0	0	0
<b>Total Other Efficiencies</b>				<b>(1,061)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total Rent Increases Inflation Growth &amp; Efficiencies</b>				<b>(0)</b>	<b>3,096</b>	<b>1,441</b>	<b>1,175</b>	<b>163</b>