

## Appendix 1

### 1. REVENUE BUDGETS 2025/26

- 1.1. The proposed rent increase remains in line with the rent standard, 2.7%.
- 1.2. Service charges and parking charges will be increased in line with the rent increase.
- 1.3. Heating and Hot water charges will be reduced on average to reflect lower energy costs in 2024/25 and, to a lesser extent, in 2025/26.
- 1.4. The draft budget for 2025/26 is shown below.

Housing Revenue Account						
	2024-25	Forecast Outturn 2024-25 £000	Variance	Proposed Budget 2025- 26 £000	Movement £'000	Variance (%)
<b>Expenditure</b>						
Repairs and Maintenance	13,756	14,266	510	15,013	1,256	9.1%
Staffing Costs	24,849	23,887	-962	25,909	1,060	4.3%
Utilities, Insurance and Estate Management	20,579	22,324	1,745	20,577	-1	0.0%
Rents Rates and Taxes and Other Charges	400	401	1	331	-69	-17.3%
Interest Payable and Similar Charges	10,756	10,756	0	11,559	803	7.5%
Depreciation	3,463	5,141	1,678	5,141	1,678	48.5%
Movement in Expected Credit Loss (ECL) impairment provision	800	800	0	822	22	2.7%
Debt Management Costs	35	35	0	35	0	0.0%
<b>Total Gross Expenditure</b>	<b>74,637</b>	<b>77,609</b>	<b>2,972</b>	<b>79,386</b>	<b>4,749</b>	<b>6.4%</b>
<b>Income</b>						
Dwellings rents (Gross)	-51,380	-51,380	0	-52,767	-1,387	2.7%
Non Dwelling Rents (Gross)	-760	-760	0	-781	-21	2.7%
Charges for Service and Facilities	-21,162	-22,652	-1,491	-23,226	-2,064	9.8%
Interest and net investment income	-496	-266	230	-266	230	-46.4%
Income and expenditure relating to investment prop	-4,000	-4,472	-472	-4,108	-108	2.7%
<b>Total Income</b>	<b>-77,798</b>	<b>-79,530</b>	<b>-1,732</b>	<b>-81,148</b>	<b>-3,350</b>	<b>4.3%</b>
<b>Net Total</b>	<b>-3,161</b>	<b>-1,921</b>	<b>1,240</b>	<b>-1,761</b>	<b>1,399</b>	<b>-44.3%</b>
Transfer to fund Capital Programme	3,161	1,921	-1,240	1,761	-1,399	
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Working Balance b/fwd</b>	<b>-5,000</b>	<b>-5,000</b>	<b>0</b>	<b>-5,000</b>		
<b>Contribution to (-) or from(+) Working Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Total Working Balance</b>	<b>-5,000</b>	<b>-5,000</b>	<b>0</b>	<b>-5,000</b>		

Utilities and Estate Management includes Energy Costs - Electricity and Gas, Cleaning Services, Refuse Collection, Pest Control, Recharges from Corporate Services, Surveys and other Housing Management Expenditure

- 1.5. The changes since the December 2024 report are that the National insurance and the employer Pension Fund contribution increases have been reversed.
- 1.6. The cost of repairs has increased due to the high rate of repair inflation and contractual increases in costs based on repair indices such as the BCIS.

- 1.7. The Supervision and Management costs include significant savings in energy costs of £2.1m offset by a £1.4m increase in leasehold insurance costs and general inflation. The charge to leaseholders is reflected in the charges for services and facilities.
- 1.8. A small reduction in Council tax payments is anticipated for next year shown in Rents rates and Taxes.
- 1.9. The increase in depreciation is due to a change in the methodology applied by the external valuer. There is a limited impact on the HRA Business Plan as the depreciation is used to fund the capital programme.
- 1.10. The increase in capital charges and the reduction in interest on balances is due to the increased need to finance the capital programme.
- 1.11. The increase in dwellings rent is due to applying the 2.7% rent increase.
- 1.12. The service charges are proposed to increase by 2.7% with the exception of Caretaking and Cleaning (6.8%) and Grounds maintenance (10%) as a result of pay awards being weighted to the lower earners and increases in the London Living Wage.