

ANNEX B

Housing Revenue Account Pressures & Savings 2016/17

Budget Line	£m	Item
Repairs & Maintenance	0.225	Winding down of MITIE repairs contract – costs of exit from premises & vehicle leases
General Management	0.050	Implementation of “Pay To Stay” rents – project costs to develop processes and IT necessary to charge market rents for households with income over £30,000 p.a.
Gross One Off Pressures	0.275	
Rent Income	0.412	Loss of income due to Government’s rent reduction of 1% for four years
Rent Income	0.298	Loss of income due to additional Right To Buy sales following from increased discounts implemented by Government.
General Management	0.349	Overhead costs not reduced as forecast due to reductions in the General Fund council services, so that HRA share is a higher proportion of the lower support service costs.
General Management	0.250	Estimated contribution to Regeneration entity to part-fund development of whole-stock asset management plan and regeneration programme
Various	0.072	Revenue impact of HRA Asset Review transfers, which have resulted in £16.5m more borrowing capacity in the HRA to support the regeneration programme and building new council housing
Various	0.207	Pay & Non-Pay inflation in line with corporate assumptions
Gross Ongoing Pressures	1.589	
Repairs & Maintenance	(0.047)	Repair liabilities reduced for additional RTB stock losses following increased discounts
Rent Income	(0.134)	Rent income increased to reflect for lower losses due to reduced void numbers in council housing stock
General Management	(0.066)	General Management efficiency savings following review of budgets and demands
Special Services	(0.051)	Special Services efficiency savings following review of budgets and demands
Repairs & Maintenance	(0.260)	Savings due to the deferral of block improvements pending development of asset management plan and Regeneration programme in order to maximise value for money and resources for Regeneration.
Other property costs	(0.045)	Reduced Bad Debt provisions due to improved debt collection
Other property costs	(0.018)	Reduced Council Tax liabilities on the lower number of voids in housing stock

Budget Line	£m	Item
Interest & Repayment	(0.858)	Reduced net HRA interest costs; lower interest payable due to reduction in debt after HRA Asset Review transfers, and higher interest receivable on balances held for capital works and Regeneration.
General Management	(0.250)	Savings to be made in Building Services costs to resource contribution to part-fund the Regeneration entity
Repairs & Maintenance	(1.500)	Repairs & Maintenance savings linked to Regeneration arising from improved contract terms and implementation of asset management plan.
General Management	(0.200)	Service Redesign & Restructure to improve efficiency and focus on key demand areas
Gross Savings	(3.429)	
Net Movement	(1.565)	
Contribution to Capital	1.565	Increase in contribution to RegenerationMK arising from net savings across the HRA