



East Lothian
Council

4

RENT PROPOSALS 2023/24 – 2027/28

EAST LoTHIAN COUNCIL
HRA BUDGET PROPOSALS 2023/24 TO 2027/28

2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
-------------------	-------------------	-------------------	-------------------	-------------------

Rent Increase	5.00%	5.00%	5.00%	5.00%	5.00%
New Homes	143	161	164	73	20
Cumulative New Homes	411	572	736	809	829

BUDGET	£000	£000	£000	£000	£000
Income					
House Rents	(35,909)	(38,482)	(41,295)	(44,208)	(46,628)
Garage Rents	(702)	(738)	(774)	(813)	(854)
Services/Service Charges	(658)	(672)	(685)	(699)	(713)
Other Income	(195)	(203)	(210)	(220)	(230)
Interest	(18)	(18)	(18)	(18)	(18)
Total Income	(37,482)	(40,113)	(42,982)	(45,958)	(48,443)
Expenditure					
Employee Costs	3,107	3,172	3,238	3,305	3,373
Repair Costs	11,940	12,457	12,744	13,061	13,389
Void Rents	708	759	814	871	919
Garage Void Rents	142	142	142	142	142
Bad Debt Provision	359	385	413	442	466
Operating Payments	1,474	1,492	1,514	1,548	1,583
Transfer Payments	490	500	510	520	530
Internal Recharges	4,428	4,642	4,737	4,834	4,934
Debt Charges	13,585	14,747	16,466	18,006	18,789
Total Expenditure	36,233	38,296	40,578	42,729	44,125
Management of Balances					
Opening (Surplus) / Deficit	(1,486)	(1,535)	(1,852)	(1,756)	(1,985)
Capital from current revenue	1,200	1,500	2,500	3,000	3,500
(Surplus)/ Deficit for Year	(1,249)	(1,817)	(2,404)	(3,229)	(4,318)
Reserve Transfer to GF					
Closing (Surplus) / Deficit	(1,535)	(1,852)	(1,756)	(1,985)	(2,803)

Debt to Income Ratio	36.24%	36.76%	38.31%	39.18%	38.79%
-----------------------------	---------------	---------------	---------------	---------------	---------------

Capital Expenditure						5 Year Total £000
Modernisation/Extensions	10,709	10,599	10,466	10,466	11,311	53,551
Energy Efficiency	2,500	2,500	2,500	2,500	2,500	12,500
New Affordable Council Housing	19,037	27,965	32,222	13,959	7,620	100,803
Fees	1,438	1,467	1,496	1,500	1,500	7,401
Mortgage to Rent	280	280	280	280	280	1,400
Total	33,964	42,811	46,964	28,705	23,211	175,655

HRA BUDGET PROPOSALS 2023/24 TO 2027/28

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
HRA Income					
House Rents					
Rent income adjustments relating to rent increases and new council house additions <i>Changes as result of 5% rent increase 23-24 and 5% each subsequent year plus impact of new council housing additions</i>	(2,714)	(2,573)	(2,813)	(2,913)	(2,420)
Garage Rents					
Rent income increased at 5% in line with House rents <i>Changes as result of rent increases</i>	(33)	(36)	(36)	(39)	(41)
Service Charges					
Income adjustments relating to service charge adjustments <i>5% increases.</i>	(31)	(14)	(13)	(14)	(14)
Other Income					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding <i>Year 1 reduction reflective of actual income.</i>	19	(8)	(7)	(10)	(10)
Interest					
Interest on accumulated balances, increased to reflect higher interest rates <i>Internal interest received</i>	(12)	-	-	-	-
TOTAL INCOME CHANGE	(2,771)	(2,631)	(2,869)	(2,976)	(2,485)
HRA Expenditure					
Staffing					
General Inflation Increase <i>Increase in line with 7.2% increase for 22-23 and 3% each subsequent year.</i>	173	65	66	67	68
Repairs					
General Inflation Increase <i>Increase in line with assessed inflation rate plus new 4 year contract for Central Heating.</i>	951	517	287	317	328
Void Rents					
Rent adjustments relating rent increases and new council house additions <i>Void costs based on historical rates pre Covid at 1.99% of House Rents</i>	47	51	55	57	48
Garage Void Rents					
Rent adjustments relating to rent increases - no change required.	-	-	-	-	-
Bad Debts					
Rent adjustments relating rent increases and new council house additions <i>Bad debt budgeted at 1% of House rents due to lower actual bad debts in previous years.</i>	27	26	28	29	24
Operating Expenses					
General Inflation increase	5	18	22	34	35
Transfer Payments					
<i>Year 1 reduction reflective of spend and General Inflation increases.</i>	(50)	10	10	10	10
Internal Recharges					
General Inflation Increase <i>Reflective of actual charges in 2022/23 and General Inflation Increases.</i>	20	214	95	97	100
Debt Charges					
Debt Charges <i>Increase reflects additional capital work and the impact of rises in interest rates.</i>	2,035	1,162	1,719	1,540	783
TOTAL EXPENDITURE CHANGE	3,208	2,063	2,282	2,151	1,396
TOTAL CHANGE	437	(568)	(587)	(825)	(1,089)

