

## EAST LoTHIAN COUNCIL

## DRAFT ADMINISTRATION HRA BUDGET PROPOSALS 2024/25 TO 2028/29

2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
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Rent Increase	7.00%	5.00%	5.00%	5.00%	5.00%
New Homes	76	112	106	84	129
Cumulative New Homes	487	599	705	789	918

BUDGET	£000	£000	£000	£000	£000
<b>Income</b>					
House Rents	(39,196)	(41,665)	(44,364)	(47,129)	(50,147)
Garage Rents	(752)	(789)	(829)	(870)	(914)
Services/Service Charges	(704)	(719)	(733)	(748)	(763)
Other Income	(184)	(190)	(200)	(210)	(220)
Interest	(18)	(18)	(18)	(18)	(18)
<b>Total Income</b>	<b>(40,854)</b>	<b>(43,381)</b>	<b>(46,144)</b>	<b>(48,975)</b>	<b>(52,062)</b>
<b>Expenditure</b>					
Employee Costs	3,232	3,329	3,398	3,468	3,540
Repair Costs	12,457	12,883	13,194	13,516	13,989
Void Rents	780	829	883	938	998
Garage Void Rents	142	142	142	142	142
Bad Debt Provision	392	417	444	471	501
Operating Payments	1,367	1,395	1,426	1,458	1,491
Transfer Payments	404	416	424	433	441
Internal Recharges	4,559	4,651	4,745	4,841	4,939
Debt Charges	14,817	16,448	18,187	19,217	20,826
<b>Total Expenditure</b>	<b>38,150</b>	<b>40,510</b>	<b>42,843</b>	<b>44,484</b>	<b>46,867</b>
<b>Management of Balances</b>					
Opening (Surplus) / Deficit	(1,535)	(2,039)	(1,810)	(1,611)	(1,102)
Capital from current revenue	2,200	3,100	3,500	5,000	5,000
(Surplus)/ Deficit for Year	(2,704)	(2,871)	(3,301)	(4,491)	(5,195)
Reserve Transfer to GF					
<b>Closing (Surplus) / Deficit</b>	<b>(2,039)</b>	<b>(1,810)</b>	<b>(1,611)</b>	<b>(1,102)</b>	<b>(1,297)</b>

<b>Debt to Income Ratio</b>	<b>36.27%</b>	<b>37.92%</b>	<b>39.41%</b>	<b>39.24%</b>	<b>40.00%</b>
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Capital Expenditure						5 Year Total
Modernisation/Extensions	10,600	10,466	10,466	11,311	11,311	£000 54,154
Energy Efficiency	2,500	2,500	2,500	2,500	2,500	12,500
New Affordable Council Housing	16,732	29,428	17,563	23,090	30,615	117,428
Fees	1,467	1,496	1,500	1,500	1,500	7,463
Mortgage to Rent	280	280	280	280	280	1,400
<b>Total</b>	<b>31,579</b>	<b>44,170</b>	<b>32,309</b>	<b>38,681</b>	<b>46,206</b>	<b>192,945</b>

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	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>HRA Income</b>					
<b>House Rents</b>					
Rent income adjustments relating to rent increases and new council house additions <i>Changes as result of 7% rent increase 24-25 and 5% each subsequent year plus impact of new council housing additions</i>	(3,287)	(2,469)	(2,699)	(2,765)	(3,018)
<b>Garage Rents</b>					
Rent income increased in line with House rents <i>Changes as result of 7% rent increase 24-25 and 5% each subsequent year</i>	(50)	(37)	(40)	(41)	(44)
<b>Service Charges</b>					
Income adjustments relating to service charge adjustments <i>Changes as result of 7% increase 24-25 and 5% each subsequent year</i>	(46)	(15)	(14)	(15)	(15)
<b>Other Income</b>					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding <i>Year 1 reduction reflective of actual income.</i>	11	(6)	(10)	(10)	(10)
<b>Interest</b>					
Interest on accumulated balances <i>No Change</i>	-	-	-	-	-
<b>TOTAL INCOME CHANGE</b>	<b>(3,372)</b>	<b>(2,527)</b>	<b>(2,763)</b>	<b>(2,831)</b>	<b>(3,087)</b>
<b>HRA Expenditure</b>					
<b>Staffing</b>					
General Inflation Increase <i>Increase in line with 4% increase for 24-25, 3% for 25/26 and 2% each subsequent year.</i>	125	97	69	70	72
<b>Repairs</b>					
General Inflation Increase <i>Increase in line with assessed inflation rate</i>	517	426	311	322	473
<b>Void Rents</b>					
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>	72	49	54	55	60
<b>Garage Void Rents</b>					
no change required.	-	-	-	-	-
<b>Bad Debts</b>					
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>	33	25	27	27	30
<b>Operating Expenses</b>					
<i>Year 1 reflective of spend and general inflation increases</i>	(107)	28	31	32	33
<b>Transfer Payments</b>					
<i>Year 1 reflective of spend and general inflation increases</i>	(86)	12	8	9	8
<b>Internal Recharges</b>					
General Inflation Increase <i>Reflective of actual charges and General Inflation Increases.</i>	131	92	94	96	98
<b>Debt Charges</b>					
Debt Charges <i>Increase reflects additional capital work and the impact of rises in interest rates.</i>	1,232	1,631	1,739	1,030	1,609
<b>TOTAL EXPENDITURE CHANGE</b>	<b>1,917</b>	<b>2,360</b>	<b>2,333</b>	<b>1,641</b>	<b>2,383</b>
<b>TOTAL CHANGE</b>	<b>(1,455)</b>	<b>(167)</b>	<b>(430)</b>	<b>(1,190)</b>	<b>(704)</b>