

**Welwyn Hatfield Borough Council  
Housing Revenue Account – Budget Changes 2022/23**

**Appendix G**

<p><b>Dwelling rents - Increased income of (£2.375m)</b></p> <p>The rent has been increased in line with government guidance and the councils rent policy which is CPI plus 1%. For 2022/23, this equates to an increase of 4.1% and takes the average actual rent to £113.92.</p> <p>Allowance has been made in the total estimated income for the decanting of properties for redevelopment, for the loss of properties due to right to buy and for increases in properties as a result of the affordable housing programme.</p>
<p><b>Repairs and maintenance – £330k</b></p> <p>£330k increase in repairs based on inflation on the current contract.</p>
<p><b>Supervision and management – Increased expenditure of £687k</b></p> <p>It is necessary to continue additional measures to ensure fire safety of Queensway House, this has required an additional £280k growth for the year. Salaries inflation, incremental progression and for supervision and management gives an increase of £178k.</p> <p>Corporate recharges to the HRA have increased by £190k which is a combination of contract inflation, utilities inflation on operational assets used by the HRA as well as a new recharge for the Council's modernisation programme.</p>
<p><b>Special services – Increased expenditure of £234k</b></p> <p>£140k salaries inflation and grade progression. £68k energy inflation linked to the national pressures associated with fuel costs.</p>
<p><b>Depreciation – Increased expenditure of £787k</b></p> <p>£787k increased depreciation charge - The depreciation charge to the HRA is a statutory charge based on the value of the Council's dwelling stock and it increases in line with its stock value. This charge is credited to the capital account (i.e. Major repairs reserve) and used towards funding the HRA capital programme and repayment of borrowing.</p>
<p><b>HRA Share of Democratic Core – Increased expenditure of £151k</b></p> <p>£151k internal charges – following a review of core council budgets and recharges, a recalculation has been undertaken to apportion costs to the HRA.</p>
<p><b>Interest payable and similar charges – Increased expenditure of £798k</b></p> <p>£798k increase to interest payable – The Councils capital programme, includes financing and borrowing forecasts. These forecasts show a net increase to the HRA borrowing requirement which in turn increases the interest payable.</p>
<p><b>Revenue Contribution to Capital – Decreased expenditure of £252k</b></p> <p>£252k decrease in contribution to capital - The balance on the HRA each year is contributed to support the capital expenditure programme, specifically the Affordable Housing Programme and repayment of existing borrowing. This is done to make best use of funds, minimise the borrowing</p>

requirement and associated costs. This amount will vary each year dependent on rent policy, scheduled loan repayments, depreciation charges and other factors.

The Council's Medium-Term Financial Strategy sets medium term minimum working balance on the HRA at 5% of turnover. The revenue contribution is therefore calculated as the difference between 5% of total income and all other items of income and expenditure.