

**Welwyn Hatfield Borough Council**  
**Housing Revenue Account – Budget Changes 2023/24**

**Appendix G**

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| <p><b>Dwelling rents - Increased income of (£3.656m)</b></p> <p>The rent has been increased in line with government guidance issued earlier this year. For 2023/24, this equates to an increase of 7% and takes the average actual rent to £121.89.</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>Tenants Charges for Services and Facilities – (£245k)</b></p> <p>Increases in charges are associated with inflationary increases and the inclusion of charges at Minster House, which will come on stream in 2023/24.</p>   |
| <p><b>Leaseholder Charges for Services and Facilities – (£692k)</b></p> <p>Following the asset grading work and rephasing of the capital programme, additional capital works have been programmed for the next five years. Where leaseholders are part of a block where works are undertaken, a proportion of these costs will be recharged to leaseholders. The income budget has been increased based on the planned programme of works and anticipated recharges.</p>  |
| <p><b>Repairs and maintenance – £2.630m</b></p> <p>£612k increase in repairs based on inflation on the current contractual provisions.</p> <p>Further one-off growth of £2m has been included which will enable a full stock condition survey to be carried out.</p>  |
| <p><b>Supervision and management – Increased expenditure of £1.379m</b></p> <p>Salaries inflation, incremental progression and for supervision and management gives an increase of £186k. More investment has been made into the property services team to support the expanded capital investment programme following the asset grading work and review of the profiling of capital investment, which gives an increase of £600k</p> <p>Corporate recharges to the HRA have increased by £754k which is a combination of contract and utility inflation, and increased office space use.</p> |
| <p><b>Special services – Increased expenditure of £1.211m</b></p> <p>£65k salaries inflation and grade progression. £878k energy and contract inflation. Further increased cost due to Minster House being operational of £88k for which rental income will be received.</p>  |
| <p><b>Depreciation – Increased expenditure of £250k</b></p> <p>£250k 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>  |

**HRA Share of Democratic Core – Increased expenditure of £75k**

£75k internal charges – following a review of core council budgets and recharges, a recalculation has been undertaken to apportion costs to the HRA.

**Interest payable and similar charges – Increased expenditure of £561k**

£561k increase to interest payable – The Council's 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.

**Revenue Contribution to Capital – Decreased expenditure of £1.488m**

£1.488m 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 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.