

**Welwyn Hatfield Borough Council
Housing Revenue Account – Budget Changes 2024/25**

Appendix G

<p>Dwelling rents - Increased income of (£4.342m)</p> <p>The rent has been increased in line with government guidance issued earlier this year. For 2024/25, this equates to an increase of 7.7% and takes the average actual rent to £131.03.</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>Tenants Charges for Services and Facilities – Decreased income of (£112k)</p> <p>Loss of income from the community buses, savings which offset this growth are shown in the special services. There has also been a reduction in the number of users using the Lifeline alarms which has also resulted in a loss of income of £60k.</p>
<p>Leaseholder Charges for Services and Facilities – Decreased income of (£589k)</p> <p>Decreased income is expected in 2024/25 as the Fire Doors capital programme is coming to an end. There was lower demand and take up for this than expected. Where leaseholders are part of a block where works are undertaken, a proportion of these costs will be recharged to leaseholders. Major Repairs expenditure is also expected to be lower than expected due to ongoing issues with contractors, which will also affect the leaseholder recharges.</p>
<p>Repairs and maintenance – Decreased expenditure of £374k</p> <p>Decreased expenditure is expected due to the stock condition survey being completed, and the budget no longer required (£1.5m saving).</p> <p>There is also growth of £500k for a new external decoration programme and inflationary contract increases of £676k.</p>
<p>Supervision and management – Increased expenditure of £259k</p> <p>Increased expenditure is largely driven by inflation on salaries and contracts.</p>
<p>Special services – Decreased expenditure of £451k</p> <p>Following transformation reviews a there has been several savings within this area. £200k the control centre, £90k for community buses (After income loss). Utility bills are now forecasted to be decrease based on the 2023/24 budget saving £127k.</p>
<p>Rents, rates, taxes and other charges – Increased expenditure of £470k</p> <p>There is increased expenditure expected on council tax for several sites that are currently vacant, pending redevelopment or major upgrade works. These are now incurring council tax at double the usual rate. This budget is expected to decrease in future years once works are completed.</p>
<p>Depreciation – Increased expenditure of £498km</p> <p>£498k 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 £333k

£333k internal recharges – following a review of core council budgets and recharges, a calculation has been undertaken to apportion costs to the HRA.

Interest payable and similar charges – Increased expenditure of £938k

There is a £938k increase to interest payable due to the Council's capital programme which 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 – Increased expenditure of £1.831m

There is a £1.831m increase in the revenue 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 as well as 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.