

**SUMMARY OF MAJOR MOVEMENTS IN HOUSING REVENUE ACCOUNT BUDGET 2022/23 - 2023/24****Note 1 - Dwelling Rents**

Rents for 2023/24 have been set at 7% the maximum cap set by government for 2023/24. The average dwelling rent is proposed to be £118.62 in 2023/24.

**Note 2 - Interest & Investment Income/Interest Payable**

Due to increasing interest rates an additional £168K income is expected to be received for HRA treasury investments for 2023/24

A budget reduction of £35k for income payable is proposed based on an updated interest schedule where interest charges are lower than budgeted.

**Note 3 - Repairs and Maintenance**

Due to increasing costs seen through inflation a 25% increase has been applied to the repairs and maintenance budgets for 2023/24. £168K of the repairs and maintenance budget has been moved to fund employees to manage the asbestos works in house.

**Note 4 - Revenue Contribution to Capital**

The Revenue Contribution to Capital has been adjusted to balance the HRA in year. A decreased contribution to capital is expected.

**Note 5 - Supervision and Management and Corporate and Democratic Core**

The draft budget includes the following assumptions and changes :

£155k for Creation of in house Asbestos Team funded through reduced Repairs and Maintenance budget

An increase to the draft budget for 2023/24 due to revised estimates for recharges from the General Fund following full council Restructure in 2022/23.

Introduction of Housing Strategy Investment team approved during 2022/23 £443K

Senior Management Team approved during 2022/23 £232K

Growth of £236K for Tenancy Sustainment and Tenancy Management Posts.

£550k to fund the continued work on HTIP in 2023/24

Introduction of Damp and Mould Team £250k

**Note 6 - Rent, Rates, Taxes & Other Charges**

A budget increase has been put forward to provide for a suitable budget for void costs.

**Note 6 - Housing Revenue Account Balance**

The HRA Working Balance is maintained by the Council at a level of not below 5% of turnover, as approved by Members as part of the MTFs Reserves Strategy. Due to the increase in income to maintain this balance a contribution to the HRA working balance of £165K is required

**Note 7 - Contribution from / to Reserves**

A contribution is proposed to contribute £165k to the HRA working balance to ensure this is maintained at 5% of turnover.