

**SUMMARY OF MAJOR MOVEMENTS IN HOUSING REVENUE ACCOUNT BUDGET 2023/24 -
2024/25**

Note 1 - Dwelling Rents

Rents for 2024/25 have been increased by 7% the maximum cap set by government for 2023/24 and assumed to be set for 2024/25. The average dwelling rent is proposed to be £137.32 in 2024/25.

For 2024/25 there will be 49 rent weeks charged for the financial year so as a one off a further £1.3m is forecast to be received.

Note 2 - Interest & Investment Income

Interest Receivable for 2024/25 is expected to be significantly lower than actuals received in 2023/24 due to reduced cash balances forecast for the HRA. Interest rates are forecast at an average of 5% over the year.

Note 3 - Repairs and Maintenance

Due to increasing demand for housing repairs a 28% increase has been applied to the repairs and maintenance budgets for 2024/25.

Note 4 - Revenue Contribution to Capital

Due to increasing costs and pressures on the HRA budgets no Revenue Contribution to Capital will be budgeted for 2024/25 or future years.

Note 5 - Supervision and Management and Corporate and Democratic Core

The draft budget includes the following growth assumptions and changes :

Commercial Housing Contracts Team 3 New posts £180k

Safe Homes - Project Manager, 2 x apprentice posts and compliance officer £145k

Asset Management - Disrepair Surveyor £55k

Housing Transformation Improvement Programme £250k budget for 24/25

Inflation on existing budgets from Pay Award 2023/24 and assumed 5% increase for 2024/25

Note 6 - Interest Payable

Increased borrowing will be required to fund the HRA Capital programme following the removal of the RCCO contribution over the last few years and future year requirements.

Note 7 - Housing Revenue Account Working 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 £506K is required.

Note 8 - Contribution to Other Revenue Reserves

A contribution is proposed to contribute £986k to other HRA Revenue Reserve balances. This will build increased resilience in the HRA and allow investment in future development and initiatives identified by ongoing service reviews.

Note 9 - Contribution to Debt Repayment Reserve

As the HRA borrows to finance investment in its capital programme, it is proposed that contributions are made to a new Debt Repayment Reserve to ensure the HRA can repay this borrowing when it matures. A contribution of £20k is proposed for 24/25.