

## Housing Revenue Account Outturn 2023/24

	Final Budget £M	Outturn £M	Outturn Variance £M
<b>Expenditure</b>			
Responsive repairs	15.10	15.36	0.26 A
Cyclical Maintenance	6.44	6.95	0.51 A
Rents payable	0.20	0.66	0.46 A
Debt management	0.09	0.08	(0.01) F
Supervision & management	26.16	26.48	0.32 A
Interest & principal repayments	5.71	5.77	0.06 A
Depreciation	22.07	17.97	(4.10) F
Direct revenue financing of capital	4.00	6.00	2.00 A
<b>Total expenditure</b>	<b>79.77</b>	<b>79.26</b>	<b>(0.51) F</b>
<b>Income</b>			
Dwelling rents	(75.14)	(74.82)	0.32 A
Other rents	(1.24)	(1.10)	0.14 A
Service charge income	(2.34)	(2.51)	(0.17) F
Leaseholder service charges	(1.05)	(1.31)	(0.26) F
Interest received	0.00	(0.10)	(0.10) F
<b>Total income</b>	<b>(79.77)</b>	<b>(79.85)</b>	<b>(0.08) F</b>
<b>(Surplus) / Deficit for the year</b>	<b>0.00</b>	<b>(0.59)</b>	<b>(0.59) F</b>

Numbers are rounded. 'F' is a favourable variance and 'A' is an adverse variance

The net favourable variance for the year has resulted in an increase in the HRA working balance from £2.00M to £2.59M.

The significant variations for the HRA are:

Service Area	Outturn Variance £M	Explanation:
Responsive repairs	0.26 A	The £0.26M adverse variance reflects increases in void and reactive repair costs. By undertaking work in a reactive manner there is a loss of economy of scale resulting in increased average repair cost.
Cyclical maintenance	0.51 A	The £0.51M adverse variance reflects the HRA's contribution to the cost of dealing with a sizeable backlog in asbestos record updates.
Rents payable	0.46 A	The adverse variance of £0.46M relates to council tax charges on empty properties, which has exceeded budget due to high levels of voids.

Supervision & management	0.32 A	<p>The adverse variance of £0.32M includes:</p> <ul style="list-style-type: none"> <li>• £0.08M disrepair claims costs over and above the existing budget;</li> <li>• an increase of £0.05M on waste disposal costs as a result of new Persistent Organic Pollutants legislation;</li> <li>• ongoing net operating loss of £0.08M at the Potters court cafe;</li> <li>• unachieved savings of £0.23M in respect of housing management restructuring; and</li> <li>• £0.18M in respect of redundancy costs.</li> </ul> <p>These were offset by favourable variances from:</p> <ul style="list-style-type: none"> <li>• a reduction in the Employers pension contributions rate from 18.2% to 16.8% of 0.05M;</li> <li>• Vacancy management across the service of £0.15M; and</li> <li>• reduced capital financing costs on vans of £0.10M.</li> </ul>
Depreciation	(4.10M) F	The depreciation charge for 2023/24 is significantly lower than budget due to a reduction in the valuation of HRA dwelling properties in 2023/24. The reduction in depreciation charge is offset through direct revenue financing of capital budgets to ensure the capital programme is not underfunded
Direct revenue financing of capital	2.00 A	The net pressures and favourable variances recorded for other service areas, allowing for an increase in working balances, have been offset by an overall increase to the direct revenue financing of capital expenditure.
Dwelling rents	0.32 A	The adverse variance reflects a high level of voids, which continued to increase up until the end of 2023/24 with an overall adverse variance of £0.32M.
Leaseholder service charges	(0.26) F	The favourable variance arises from increases in heating costs and general repairs costs being passed on to the leaseholders.