



Report of the Cabinet Member for Economy, Finance & Strategy

Cabinet – 20 July 2023

Revenue Outturn 2022/23 – Housing Revenue Account (HRA)

Purpose:	This report details the City and County of Swansea's HRA outturn compared with the approved revenue budget for 2022/23.
Policy Framework:	Budget 2022/23. Transformation and Future Council (Sustainable Swansea –fit for the future)
Consultation:	Cabinet Members, Corporate management Team, Legal Services and Access to Services.
Recommendation(s):	It is recommended that Cabinet: 1) Notes the comments and variations in this report and approves the proposed reserve transfers of £5.169m detailed in Section 2.1.
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1. Summary of HRA outturn for 2022/23.

- 1.1 The HRA showed a surplus of £5.169m compared with the original budgeted break even as outlined in the budget report to members on 3rd March 2022. The summarised HRA is set out in Table A in the Appendix.
- 1.2 The main reason for this £5.169m surplus and movement against an original breakeven is set out below:-

Item	£m
Increased Revenue Repairs Costs	3.619
Reduced Contribution to Fund Capital Expenditure	-6.529
Increased Income	-1.236
Decrease in Bad Debt Provision	-0.586
Reduced Finance Charges	-0.378
Reduced Housing Management Costs	-0.059
Net Surplus	-5.169

- 1.3 The increase in revenue repairs costs was mainly due to an increase in demand following the Covid pandemic and increased costs due to inflationary pressures.
- 1.4 The reduction in the contribution to fund capital expenditure was as a result of slippage on the 2022/23 Capital Programme and the receipt of additional Welsh Government capital grant funding.
- 1.5 The additional income was due to a number of factors, namely as a result of the allocation of the week 53 rent income apportionment and additional income from the Furnished Tenancy Scheme.
- 1.6 The reduction in Finance Charges was as a result of lower than forecast HRA borrowing and a reduction in the 'pooled' interest rate.
- 1.7 The reduction in the contribution to the bad debt provision arose because of lower than forecast rent arrears due to the support-led, pro-active approach of the Rent Arrears Team.

2. Reserves

- 2.1 The opening balance for the year was £5.239m. With the final 2022/23 transfer to reserves of £5.169m, the closing balance is £10.408m. The summary reserves position including budgeted usage for 23/24 is set out in Table B in Appendix A.

3. Legal Implications

- 3.1 There are no legal implications.

4. Integrated Assessment Implications

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

- 4.2 There are no implications arising from this report. The HRA Revenue budget was approved following the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. This process has since been replaced with IIA's. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the IIA process (alongside consultation and engagement as appropriate) is applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

Background Papers: None

Appendices:

Appendix A –

Table A: Summarised HRA 2022/23

Table B: Movement in Balances 22/23 to 23/24

Table A: Summarised HRA 2022/23

Classification	Original Budget 2022/23	Actual 22/23
	£'000	£'000
<u>Expenditure</u>		
Management and Maintenance	32,410	35,972
Capital Charges	10,438	10,060
Revenue Funding for capital schemes	28,320	21,791
Provision for Bad Debts	1,000	414
Transfer to/from reserves	2	5,169
Total Expenditure	72,170	73,406
<u>Income</u>		
Rents and other income	71,824	73,060
Affordable Housing Grant	346	346
Total Income	72,170	73,406

Table B: Movement in Balances 22/23 to 23/24

Description	£000's
Actual balance at 1 st April 2022	5,239
Actual transfer to Reserves 2022/23	5,169
Actual balance 31st March 2023	10,408
Budgeted transfer from Reserves 2023/24	-3,578
Forecast balance 31st March 2024	6,830

N.B. Actual usage in 2023/24 will be dependent upon final Capital requirements including slippage of schemes from 2022/23.