

STROUD DISTRICT COUNCIL

HOUSING COMMITTEE

TUESDAY, 27 JUNE 2023

Report Title	Housing Revenue Account Outturn 2022/23			
Purpose of Report	To present to the Committee the outturn position against the revenue budget and Capital programme for the Housing Revenue Account for 2022/23.			
Decision(s)	The Committee RESOLVES to note the Housing Revenue Account revenue and capital outturn position for 2022/23.			
Consultation and Feedback	Budget holders have been consulted about the outturn position in their service areas. The feedback has been incorporated into the report to explain differences between budgets and actual income and expenditure.			
Report Author	Jon Coldridge, Principal Accountant Email: jon.coldridge@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	No	No	No

1. Introduction

- 1.1 This report sets out the final outturn position for the Housing Revenue Account (HRA) for the 2022/23 financial year.
- 1.2 The purpose of this report is to inform members of the variances to budget and the level of balances held by the HRA as a result of closing the accounts for the year.

2. HRA Outturn Position Summary

- 2.1 The HRA is a self financing account for the Council's landlord function, which must be budgeted to break even (net of transfers to/from HRA reserves).

Revenue

1. The revenue outturn position of the HRA shows a net underspend of (£330k) (1.5%) of gross expenditure budget). A summary of this variation can be found in Table 1 (following paragraph **Error! Reference source not found.** 3.2).

Capital

- 2.2 The capital outturn position shows total expenditure of £9.720m, a variance of (£6.669m) against the revised budget of £16.389m. A summary of this variance can be found in Table 5 (following paragraph 6.2).
- 2.3 There is proposed capital slippage of £4,695k, giving a new capital programme for 2023/24 totalling £32.404m. Further detail of these changes are included in Section 8.2.

3. Housing Revenue Account Revenue Outturn Position

- 3.1 The outturn position for the HRA shows a net underspend of (£330k) (1.5%) of gross expenditure). A breakdown of this variance is included in Table 1 below. This is a change of (£376k) (1.48%) from the Quarter 3 forecast.
- 3.2 The underspend of £330k has been transferred to reserves, earmarked to support the damp and mould strategy, compliance, admin support and training. Further detail is included in Section 4.
- 3.3 A summary of the position of HRA General Reserves can be found in Section 5.

Table 1 – HRA Revenue Summary

Housing Committee	Para Refs	2021/22 Revised Budget (£'000)	2021/22 Amount (£'000)	Additional Reserve Transfers (£'000)	2021/22 Outturn Variance (£'000)
Dwelling rents and service charges		(23,615)	(23,625)		(10)
Other charges and income		(644)	(753)		(110)
Provision for bad debt		200	79		(121)
Total Income	3.5	(24,058)	(24,299)		(241)
Supervision and management	3.6	4,642	4,084		(558)
Repairs and maintenance	3.7	5,362	5,889	232	758
Independent Living service	3.8	711	804		93
Other expenditure	3.9	575	711		137
Independent Living Modernisation	3.10	452	403	49	0
Total Expenditure		11,741	11,891	281	431
Support Service Charges from the GF	3.11	2,408	2,271		(137)
Revenue funding of capital programme (Depn & RCCO)		7,240	7,006	257	23
Provision for repaying debt		1,012	0	1,012	0
Interest payable/receivable	3.12	3,359	2,923		(436)
Total Other Costs and Income		14,019	12,200	1,269	(550)
Total Expenditure/Income		1,702	(207)	1,550	(359)
Transfers to/(from) HRA earmarked reserves		(90)	1,489	(1,550)	29
Transfers to/(from) HRA general reserves		(1,612)	(1,612)	0	0
Total Housing Revenue Account		0	(330)	0	(330)

Note: table may contain rounding differences

- 3.4 Detail of the variances follow.
- 3.5 **Income – (£241k) increased income**

The hard work of the Property Care team and its contractors assisted through additional targeted resources has meant we are continuing to reduce the historical backlog of empty council house properties undergoing works to make them ready to be let. Material and labour supply chains still remains uncertain, and we will continue monitor how this may impact on workstreams.

As a result of the reduction in the voids there has been an increase in let properties and therefore rental income.

Garage rents are higher than budgeted but will reduce in line with the approval to review the use of all garage sites.

An allowance for non-payment of rents is included in the Provision for Bad Debt line. Through proactive support for tenants including sustainable payment arrangements to maintain tenancies the provision for bad debt, reports a (£121K) variance.

3.6 **Supervision and Management – (£558k) underspend**

During 2022/23 a number of posts became vacant and are actively being recruited for through the due process. The variance relates to vacancies within HRA new build and property services teams (£140K), maternity adjustments and officer reduced working hours within the Housing Asset management team (£134K), secondment adjustments within the Systems and income and management teams (£129K), role changes and vacancies within the Tenant Management team (£57K), and Senior housing management officers' movements within the year £65K. There is also a (£135k) underspend in respect of IT software purchase and upgrades. This predominantly relates to budget being available for new systems for Property Care, in line with the business case. This system has now been procured alongside the wider Housing Management System.

3.7 **Repairs and maintenance – £758k overspend**

There were also a number of posts that became vacant in 2022/23 within Property Care. Taking into account vacancy and recruitment across the year the underspend is estimated to be (£237k).

Where trade posts have remained, vacant additional costs are being recorded for sub-contractors in order to maintain work patterns. Further work is being undertaken by the property care team to establish the impact of inflation as well as the costs of labour and materials in respect of the overall service position. The estimated variance of for sub-contractors is £439k which is a combination of current working sub-contractor requirements and cover for vacant trade posts.

The investment revenue has a £55k variance which is due to overspends in decorating and rendering, door entry remedials, and disabled adaptations remedials with an underspend in energy performance certificates.

There is a (£278k) variance in respect of radon works as a result of delays in contractor procurement and a (£82k) variance relating to fire risk assessments fire doors and compartmentalisation works which were also delayed and (£26k) variance in respect of asbestos due to delayed works. (£150k) of the radon budget and (£82k) of the fire risk assessment budget is being carried forward to 2023/24.

Within heating an electrical there is a £122k variance where there has been a higher than anticipated spend on materials. This is due to the introduction of new regulations for carbon monoxide (CO) alarms fitted within properties, which requires every fossil fuel appliance to have a co alarm.

Capacity for delivering voids remains high as a result the variance has increased by £121k. A further £102k variance relates to council tax on voids predominantly in the early part of the year and which will reduce as the number of voids decrease.

There is a £250k overspend within the property care maintenance recharge where spend on operatives delivering capital works required allocating to revenue.

Included is a revenue transfer carry forward of £232k towards cyclical works which will be undertaken in 2023/24. Fire risk assessments are due to start in October 2023 with Radon works ongoing throughout the 2023/24 year.

3.8 Independent Living Service - £93k overspend

£199k of the overspend is due to the high increased costs of both Gas and electric supply within the independent living properties for which tenants have been protected against in 2022/23. There is a (£78k) vacancy and equipment saving in respect of site officers and (£28k) saving on landlord services,

3.9 Other expenditure - £137k overspend

£40k of the overspend is due to the high increased costs of electric supply within the communal areas of flat blocks for which tenants have been protected against in 2022/23.

There is also a forecast £117k overspend relating to grounds maintenance costs where there has been an increase in cleaning within communal grounds.

3.10 Independent Living Modernisation

The Independent Living Modernisation Programme (previously known as the Sheltered Modernisation Programme) includes modernisation works to green and amber schemes, as well as the decanting costs and void costs e.g. council tax for the red schemes. It consists of works to schemes that are part revenue and part capital and the budget is split based on estimates.

This is fully funded from the Independent Living modernisation earmarked reserve.

3.11 Support Charges from the General Fund – (£137k) underspend

Charges from the General Fund for shared and support services such as IT, HR and finance are (£137k) lower than budgeted for the year. This is largely due to vacancy savings in the General fund.

3.12 Interest Payable / Receivable – (£436k) additional income

A combination of increasing interest rates, along with higher than expected HRA balances, has significantly increased investment income to the HRA. All HRA loans are at a fixed rate and so interest payments have been unchanged by the rise in rates.

4. HRA Earmarked Reserves

4.1 The HRA base budget included a transfer to earmarked reserves for the Independent Living Modernisation Programme, for the provision for repayment of debt and a contribution towards transformation. There was also a budgeted transfer from the Independent Living Modernisation Programme reserve to fund modernisation works to schemes in year.

4.2 The budget setting papers, approved by Council in February 2023, approved the transfer of the unallocated Estate Redevelopment reserve to HRA general reserves, in order to support the medium-term position of the HRA.

4.3 There is a proposed carry forward of £232k into 2023/24 for cyclical works, as set out in para 3.7.

4.4 The overall position for the HRA for 2022/23 is an underspend of £330k, which are proposed to be allocated to the following areas:

4.5 Survey Equipment - £50k

Additional equipment to assist with damp and mould, and other surveys.

- 4.6 Staffing - £240k
To include an additional Stock Condition Surveyor for one year, to support the Damp and Mould Strategy, an additional Electrician for up to three years, to support this important area of compliance, and £30k administration support.
- 4.7 Professional Training - £40k
An additional training pot to support changes requiring all housing managers to be Chartered Institute of Housing (CIH) qualified.
- 4.8 These have been transferred to reserves in 2022/23 under the delegated authority of the Section 151 Officer. However, however should members want to reallocate these funds for alternative purposes, or to HRA general reserves, a recommendation could be made to Strategy and Resources Committee for this to happen in 2023/24.
- 4.9 The transfers to/from reserves are summarised in the table below:

Table 3 – Earmarked Reserve Transfers

Housing Revenue Account	Balance 31 March 2022 £000	Transfers From 2022/23 £000	Transfers To 2022/23 £000	Balance 31 March 2023 £000
Independent Living Modernisation	2,987	(794)	1,000	3,193
Estate Redevelopment	1,170	(1,170)	0	0
HRA Underspend 2022/23	0	0	330	330
HRA General Contingency	100	0	0	100
HRA Carry forwards	100	0	232	332
Provision for the repayment of debt	1,885	0	1,012	2,897
Transformation	377	0	39	416
Retrofit	168	0	0	168
Total earmarked reserves - HRA	6,787	(1,964)	2,613	7,436

5. HRA General Reserves

- 5.1 The opening balance of HRA general reserves at 1 April 2022 was £4,560k. The base budget included a transfer from general reserves of (£1,612k).

Table 4 – HRA General Reserves

	2022/23 £k	2023/24 £k
Opening balance	4,560	4,118
Budgeted transfer to/(from) general reserves	(1,612)	(1,814)
2022/23 transfer from Estate Redevelopment – Council Feb 2023	1,170	0
Closing balance	4,118	2,304

Note: table includes rounding differences

6. HRA Capital Programme

6.1 The HRA has a budgeted capital programme of £16,389k for 2022/23, of which £9,720k has been spent.

6.2 The below table give a breakdown of the capital programme, with further details of variances following. Table 5 – HRA Capital Outturn

Capital Summary	Para Refs	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Amount (£'000)	2022/23 Outturn Variance (£'000)	Slippage (£'000)
Central Heating	6.4	1,181	648	156	(492)	200
Disabled Adaptations	6.5	155	155	88	(67)	
Kitchens and Bathrooms	6.6	1,446	1,696	754	(942)	663
Major Works		464	515	505	(10)	
Compliance	6.7	434	344	103	(241)	
Doors and Windows	6.8	509	644	917	273	
Electrical Works	6.9	499	471	106	(365)	
Environmental Works	6.10	515	515	309	(206)	
Door Entry	6.11	217	217	146	(71)	
External Works	6.12	2,515	2,515	4,191	1,676	
Fire Risk Works	6.13	490	490	0	(490)	490
Decarbonisation Project	6.14	0	2,883	484	(2,399)	2,399
Total Major Works	6.3	8,425	11,093	7,759	(3,334)	3,752
Depot		0	0	0	0	
IT Systems		0	435	162	(273)	
Total Other Capital Works	6.15	0	435	162	(273)	
New Homes Contingency		50	50	0	(50)	
Canal side: Corner of A419/Downton Rd (Former Ship Inn site)		284	0	0	1	
Glebelands	6.17	4,508	358	232	(126)	126
Cambridge House	6.17	2,764	198	177	(21)	21
Broadfield Road, Eastington		0	95	88	(7)	
Orchard Road, Ebley		762	0	3	3	
Queens Drive, Cashes Green		488	26	19	(7)	7
Ringfield Close, Nailsworth	6.18	0	1,342	805	(537)	
Summersfield Road, Minchinhampton		0	0	0	0	
Gloucester St and Bradley St, WuE	6.17	1,665	94	65	(29)	29
May Lane, Dursley		50	50	17	(33)	33
Total New Build and Development	6.16	10,571	2,213	1,408	(805)	216
Independent Living Modernisation	6.19	648	648	391	(257)	257
Total Independent Living Modernisation		648	648	391	(257)	257
Acquisitions	6.20	2,000	2,000	0	(2,000)	470
Opportunity Land Acquisition Pot		0	0	0	0	
Total Acquisitions		2,000	2,000	0	(2,000)	470
Total Capital Expenditure		21,644	16,389	9,720	(6,669)	4,695

6.3 **Major Works – (£3,334k) underspend/slippage**

Major works totalling £7,759k have been delivered during 2022/23.

6.4 **Central Heating – (£492k) underspend/slippage**

Heating Installs and replacements have continued with a service-based approach which reduced the overall spend. This year has seen fewer critical failures than previous years, which is due to higher value repairs being carried out and the maintenance programme being delivered in-house for gas boilers, with external specialists maintaining renewable technologies. Reduced delivery during the year was due to a lack of resource both internally and externally to deliver a heating programme of any fuel. The current heating programme has been reprofiled over the next 5 years to stop the programmes being unachievable in 2023/24.

£200k slippage is requested to review the market once more. This is to ascertain if there is an option available refurbish a plant room, which is operating beyond its life cycle and economic repair, in a more carbon neutral manner. The work required is also best provided during warmer months where it has less impact on residents. The procurement timetable is set with the view to have a contractor onboard and commence delivery of the project in August 2023.

6.5 **Disabled Adaptations – (£67k) underspend**

The underspend of (£67k) is due to delays in the delivery on aids and adaptations. This is as a result of less referrals in the year compared to previous years, which has impacted delivery for 2022/23.

6.6 **Kitchens and Bathrooms – (£942k) slippage**

Kitchens report an underspend of (£388k) which is due to high volume of tenant refusals since the COVID 19 pandemic and continuing into the programme this year, resulting in no access to properties. £150k slippage is being requested to carry forward to 2023/24.

Bathrooms report a (£553k) underspend which is as a result of reviewing the bathroom specification & cost analysis exercise as well as the programmability delivery of the bathrooms in year, with the bulk, £513k of this being carried forward to 2023/24.

6.7 **Compliance – (£241k) underspend**

Asbestos removal is responsive, and the asbestos removals programme is managed in line with the cyclical programmes. The underspend of (241k) is as a result of the slow start to the external works programme and delays to planned work due to the re-tendering process. Removal works has continued to take place when required across all work streams.

6.8 **Doors and Windows – £273k overspend**

Windows report an underspend of (£53k) against budget. This is due to some of the window programme being reprofiled to 2023/24. As a consequence of this the doors budget is recording an overspend, to ensure the council is delivering a whole house approach. The reprofiled window programme will be delivered in the first phase of the 2023/24 programme.

The £325k overspend in the doors programme is due to a large quantity of referrals from repairs, coupled with recent increase in material costs.

6.9 **Electrical Works – (£365k) underspend**

The contractor had capacity deliver 170 replacement consumer units before the end of the financial year, however due to contractor resourcing issues the target was not met. In addition, rewires were very slow to start as Electrical Installation Condition Reports (EICRs) were prioritised and the focus was on responding to any unsafe installations first.

Validation of emergency lighting replacements and fire alarm replacements to give an accurate cost and specification before going out to tender, as well as fewer rewires and copper changes, also reflects in the project been underspent. The programme should gather pace following completion of site surveys and distribution network operators (DNO) isolators being installed during 2023/24.

6.10 **Environmental Works – (£206k) underspend**

The environment improvement works underspend is due to the contractor prioritising the Wave 1 retrofit work. The scope of these works exceeded initial expectations following the retrofit assessments, resulting in the additional work, which had an impact on the remainder of the programme. This work has been reprofiled and is being carried out as a priority on the 2023/24 programme.

6.11 **Door Entry – (£71k) underspend**

There was a delayed start to the door entry work due to the programme aligning with other areas of work in including cyclical and externals works. The remainder of the programme will be carried out in 2023/24.

6.12 **External Works – £1,676k overspend**

External works reports a £1,676k overspend due to an increase from original budget coupled with a 10-15% rise in the costs of materials. The overspend also includes additional work on properties that have slipped since last year as well as work brought in line to reduce future costs and property referrals from other areas of the business.

6.13 **Fire Risk Works (£490k) underspend**

The fire risk assessments (FRA's) have been completed in year, however the variance results from an over estimation of the remedial works original spend for 2021/22.

The results of fire compartmentalisation studies as a consequence of the FRA's are still to be determined. The (£490k) underspend relates to the remedials arising from the compartmentalisation surveys which have not finished prior to the end of the financial year.

Slippage of £490k is requested in order to put together a programme of works based on the survey results and specifications received.

6.14 **Decarbonisation Project (£2,399k) underspend**

The total grant provided by Department for Business, Energy and Industrial Strategy (BEIS) is £1.828m, which SDC are match funding this amount by £0.914m, making the total budget for this project £2.742m

Due to delivery delay by the contractor completing the surveys and challenges around designs, the full budget has not been spent by the end of the year. An extension on the delivery of the project has been granted and the remaining budget will need to be carried forward to 2023/24. SDC have also recently been granted an extension on the grant funding spend deadline, which means £1.828m of grant funding has to be spent before 30 June 2023.

Slippage has been requested for £2.399m to be carried over in 2023/24 to enable delivery of the programme.

6.15 Other Capital Works – (£273k) underspend

The underspend relates to the Housing Management system that was proposed in 2021/22 and is currently undergoing testing. £435k has been allocated for the implementation of a new Housing IT system.

6.16 New Build and Development – (£805k) underspend

The following properties were completed during the year delivering a total of 29 affordable properties (24 affordable rent, 3 shared ownership and 2 Older person's shared ownership).

Broadfield Road, Eastington completed in April 2022 delivering 9 new homes for affordable rent.

Ringfield Close, Nailsworth completed in June 2022 delivering 15 new homes for affordable rent and 5 shared ownership.

6.17 Glebelands – (£126k) underspend / Cambridge House – (£21k) underspend / Gloucester Street / Bradley Street – (£29k) underspend

As set out in the 'New Homes & Regeneration Programme Update' report presented to Housing Committee in December 2022, additional costing exercises were undertaken to understand and monitor the rising cost of materials and labour and the impact this was having on construction costs. This resulted in the schemes in the existing programme being re-costed with a requirement to secure additional funding to deliver them. This funding has been secured and approved by full Council, however as a result of the additional costing exercises to mitigate and manage risk, there has been some slippage in the programme, when compared to the original starting budget position. Demolition of these three sites is well underway with Gloucester Street/Bradley Street complete and Cambridge House and Glebelands on track to complete by July.

6.18 Ringfield Close, Nailsworth – (£540k)

Ringfield Close, Nailsworth completed in June 2022.

Additional budget had been included for 2022/23 based on the estimated final account, however the estimated final account was lower than previously anticipated (primarily due to reduced costs associated with statutory consents & prelims) and this spend was not required.

6.19 Independent Living Modernisation (£257k) underspend

Three new schemes were scheduled for 2022/23. Two of these, Grange View and Burdett House were completed in October 2022 and March 2023 respectively. The third scheme, Hamfallow Court was the delayed by the first two schemes as well as by further contractor evaluation, with the start date slipping to 2023/24. Work at Hamfallow Court started in May 2023 and is due to complete in August 2023.

6.20 Acquisitions – (£2,000k) underspend

No properties were purchased in the year and work will continue to find properties and/or land to increase housing offered by the council.

The previously reported purchase of three properties build under section 106 obligations in Wotton-under-Edge is nearing completion. It is likely that this will be early in the next financial year and the relevant funding would be requested to be carried forward at year end in order to support this.

This budget is opportunity led and may not be used in full in each financial year.

7. Capital Financing

7.1 The total capital spend of £9,720k has been financed as follows.

Table 7 – Capital Financing 2022/23

Source of Funding	£k	Programmes funded
Major Repairs Reserve	7,953	Major works and some Independent Living Modernisation
Revenue Contribution to HRA system	162	Investment Technology
Capital Receipts	808	New build and development, including acquisitions
Borrowing	600	New build and development, including acquisitions
Grants	197	Major Works
Total Funding	9,720	

8. Capital Budget 2022/23

8.1 As detailed in Section 6 a net total of £4,662m is being requested as capital slippage into 2023/24. This predominantly relates to £3.752m for major works which includes £2.399m in respect of the decarbonisation project, a net slippage of £0.183m on new build schemes, £0.257m for Independent Living modernisation and £0.470m on the opportunity land acquisition pot.

8.2 Taking into account these changes, the proposed revised capital programme for 2023/24 can be found in the below table.

Table 8 – Revised Capital Budget 2023/24

Capital Programme	2023/24 Original Budget (£'000)	2022/23 Slippage (£'000)	2023/24 Revised Budget (£'000)
Central Heating	2,136	200	2,336
Disabled Adaptations	155		155
Kitchens and Bathrooms	487	663	1,150
Major Works	879		879
Compliance	196		196
Doors and Windows	1,169		1,169
Electrical Works	668		668
Environmental Works	1,830		1,830
Door Entry	44		44
External Works	3,651		3,651
Fire Risk Assessment Works	122	490	612
Decarbonisation Projects	0	2,399	2,399
Major Works	11,337	3,752	15,089
Acquisitions	4,000	470	4,470
New Homes Contingency	50		50
Glebelands	3,580	126	3,706
Cambridge House	3,201	21	3,222
May Lane, Dursley	0	33	33
Queens Drive, Cashes Green	14	7	21
Gloucester St and Bradley St, WuE	1,875	29	1,904
Opportunity Land Acquisition Pot	3,000	0	3,000
New Build and Development	15,720	686	16,406
Independent Living Modernisation	652	257	909
Independent Living Modernisation	652	257	909
HRA Capital Total	27,709	4,695	32,404

9. HRA Stock Numbers

- 9.1 The total number of dwellings available to rent or part rent part buy (excluding those held vacant pending development) has decreased by four to 4,994.

Table 9 – Summary of Housing Stock Numbers 2022/23

	Rented	Shared Ownership	Total
Opening stock at 1 April 2022	4,953	45	4,998
<i>Additions:</i>			
Broadfield Rd	9		9
Ringfield Close	15		15
Acquisitions			
<i>Less:</i>			
Right to Buy sales	-25		-25
Disposals	-1	-2	-3
Closing stock at 31 March 2023	4,951	43	4,994

9.2 The number of properties sold during the year under Right to Buy was 25 (10 in 2021/22).

10. Right to Buy Receipts Update

10.1 A total of 25 properties were sold under Right to Buy in 2022/23, with a total capital receipt of £3,093k. This is after Right to Buy discounts were applied.

10.2 In previous years, part of this would have been returned to Government (£461k in 2021/22). However, a new agreement is in place for 2023/24, whereby all the capital receipts from Right to Buy sales can be kept locally, subject to the normal rules around match funding (where Right to Buy receipts can only be used to fund up to 40% of new housing costs – the remaining must be from council resources or borrowing).

11. Other HRA Capital Receipts

11.1 A total of £593k has been raised from the sale of decanted garages and other small areas of HRA land. A vacant welling was also sold by auction and raised £317k.

11.2 There were initial (part) sales of the five shared ownership properties at Ringfield Close, totalling £590k, and two shared ownership properties staircased to 100% (bought out the council to own the property outright), with capital receipts of £297k.

11.3 These capital receipts are earmarked for future new homes.

12. Major Repairs Reserve

12.1 The HRA must transfer the annual depreciation charge to the Major Repairs Reserve (MRR), which should be used to fund capital works or repayment of debt.

12.2 In 2022/23 the depreciation transfer totalled £6,615k and is reported under 'Revenue Funding of Capital Programme (Depreciation and RCCO)'.

12.3 The remaining £391k on this reporting line relates to Revenue Contribution to Capital Outlay (RCCO) for Independent Living Modernisation capital spend funded from the revenue earmarked reserve.

12.4 The Major Repairs Reserve has been used to fund capital spend of £7,724k. Major Works £7,582 and the Decarbonisation project £142k have been funded by the reserve, giving an overall reduction in the reserve of £1,109k during the year. A summary of the reserve is in the below table.

Table 12 – Major Repairs Reserve

	£k
Opening balance	4,556
Transfer to reserve – depreciation charge	6,615
Use of reserve – funding of capital works	(7,724)
Closing balance	3,447

12.5 This balance is taken into account in the MTFP, and will be utilised, along with future depreciation charges, to fund future major works, and potentially the annual contribution towards repaying borrowing.

13. IMPLICATIONS

13.1 Financial Implications

The whole report is financial in nature, reporting the Housing Revenue Account revenue and capital position for 2022/23.

Lucy Clothier, Accountancy Manager

Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk

13.2 Legal Implications

There are no specific legal implications arising out of the recommendation of this report.

One Legal

Tel: 01684 272017 Email: legalservices@onelegal.org.uk

13.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

13.4 Environmental Implications

There are no significant implications within this category.