



Cabinet

Members of the **Cabinet** of **Gravesham Borough Council** are summoned to attend a meeting to be held at the Council Chamber, Civic Centre, Windmill Street, Gravesend DA12 1AU on **Monday, 26 June 2023 at 7.30 pm** when the business specified in the following agenda is proposed to be transacted.

S Walsh
Service Manager (Communities)

Agenda

Part A

Items likely to be considered in Public

1. Apologies for absence
2. To sign the minutes of the previous meeting (Pages 3 - 8)
3. To declare any interest members may have in the items contained on this agenda. When declaring an interest a member must state what their interest is.
4. To consider whether any items in Part A of the agenda should be considered in private or any items in Part B in public
5. Delegated Decisions - Cabinet Members
To report any decisions made by Cabinet Members under their delegated powers.
6. Minutes of meeting of Gravesham Joint Transportation Board (Pages 9 - 16)
7. Events Review (Pages 17 - 22)

8. Solohaus Pods (Pages 23 - 42)
9. Housing Revenue Account Provisional Outturn 2022/23 (Pages 43 - 58)
10. General Fund Provisional Outturn Report 2022/23 (Pages 59 - 80)
11. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.
12. Exclusion

To move, if required, that pursuant to Section 100A (4) of the Local Government Act 1972 that the public be excluded from any items included in Part B of the agenda because it is likely in view of the nature of business to be transacted that if members of the public are present during those items, there would be disclosure to them of exempt information as defined in Part 1 of Schedule 12A of the Act.

Part B

Items likely to be considered in Private

13. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.

Members

CLlr John Burden (Chair)
CLlr Shane Mochrie-Cox (Vice-Chair)

Councillors: Emma Morley
Lauren Sullivan
Narinderjit Singh Thandi
Jenny Wallace

Substitutes: To be notified

Cabinet**Tuesday, 30 May 2023****7.30 pm****Present:**

Cllr John Burden (Chair)
Cllr Shane Mochrie-Cox (Vice-Chair)

Councillors: Lauren Sullivan
 Narinderjit Singh Thandi
 Jenny Wallace

Note: Councillors Jo Hart, Baljit Hayre, Jordan Meade, Alan Metcalf, Karina O'Malley, Lenny Rolles and Alison Williams were also in attendance.

Nick Brown	Director (Environment) & Deputy Chief Executive
Jamie Izzard	Director (Communities)
Sarah Parfitt	Director (Corporate Services)
Victoria May	Service Manager (Housing Options)
Andy Rayfield	Communications Manager
Carlie Simmonds	Committee Services Manager (Minutes)

The Leader welcomed Members and Officers to the first meeting of the Cabinet following the Borough Elections. The Leader advised that the Cabinet would comprise of six Members and that Cllr Lenny Rolles would be undertaking a non-Cabinet position and would be chairing the 'Special Cabinet Advisory Committee'.

1. Apologies

An apology for absence was received from Councillor Emma Morley.

2. Minutes

The minutes of the meeting held on Monday 20 March 2023 were signed by the Chair.

3. Declarations of Interest

No declarations of interest were made.

4. Delegated Decisions - Cabinet Members

No decisions other than those already circulated had been made.

5. Formation of a Social Lettings Agency (SLA)

The Cabinet was presented with a report which provided an overview of the rationale to create a not-for-profit Social Letting Agency (SLA) in Gravesham which will require the employment of a Letting's Manager to lead the project and deliver the agency.

The Cabinet was informed that, emerging from the Covid-19 pandemic, the Council had been facing an ever-increasing issue in that there were simply not enough suitable properties to house those who were homeless and in need, resulting in them being placed into temporary accommodation. Due to challenges in accessing the private rented sector locally, the reliance for the provision of temporary accommodation was currently by nightly paid providers, which was the most expensive form of temporary accommodation.

The Council currently had its highest number of households in temporary accommodation which was causing considerable financial instability for the service. The expenditure for emergency accommodation for 2022/23 was £1,885,410, against a budget of £316,950 which included the Homeless Prevention Grant.

To help lessen the burden on nightly paid and expensive accommodation and provide affordable housing options for those who were likely to experience homelessness, Gravesham needed to access the private rented sector market, and can do so by creating an SLA.

This will enable Gravesham to actively engage with Landlords in the Borough who will be happy to house those on low income and provide a valuable homeless prevention tool. The homes identified as suitable for the SLA will be used to target households in temporary accommodation so that they can reduce the number of placements and offer a reduced expenditure. It will offer Landlords an option that protects them from the current perceived volatility in the rental market and cost of living issues. The model will be to:-

- Offer a guaranteed rent to a Landlord, reducing the risk to the Landlord of working with the perceived 'higher risk' tenant; and
- Provision of a management service, at a low cost or free, which will be negotiable. This has a tangible cost benefit to a Landlord who will be expected to pay a higher % fee to a High Street Agent.

By offering guaranteed rent and a low or 0% management fee, the rent offered to a Landlord by an SLA can be reduced, closing the gap between the market rent and the local housing allowance rates as detailed within the report. For the Landlord, this will provide a cost benefit, and they will also have no void or rent arrear costs, meaning the SLA should be able to negotiate a lower agreed monthly rent.

The SLA will not be directly responsible for repairs however its role will be to organise these and the recommended first contractor will be Gravesham's established repairs service, Rosherville.

The report demonstrated the need for an SLA and how it could enter the market. In the first year, two existing full-time equivalents would be used from the landlord liaison team to support the work. However, there would be a need to recruit a Letting's Manager to lead the project and deliver the agency. There would also be a need to invest in a property management software system. Using advice of those who successfully operate in this environment, various products had been demonstrated and SME Professional had been identified as the most fit for purpose, streamlined and cost effective system.

It was anticipated that in year one, 20 households will come out of nightly paid units to go into private sector homes. This will save money to the Council and as more Landlords come on board this will again show a saving on temporary accommodation budgets despite there being an upward trend on placements.

The service will consider Landlords with portfolios for the first 20 homes and therefore the aim will be to source no more than 5 Landlords who were based in the United Kingdom. The Cabinet was informed that a Landlord had already reached out to the Council with the hope to provide 7 units for the SLA and the Service Manager (Housing Options) was also in negotiations with a local estate agent who wants to work with the Council to ensure that the SLA is a success. If Gravesham was to secure 20 mixed units, there is evidence that the SLA would save money over time as demonstrated within the report.

By creating an SLA this would allow Gravesham to build on their reputation, be innovative and also reduce temporary accommodation costs for 20 household in year 1. There are very few other local authorities taking this approach however A Better Choice Social Lettings Agency has been running within Ashford Borough Council for over 10 years successfully.

The Cabinet considered the report and welcomed the creation of an SLA in Gravesham. The Cabinet stated that it was key for the Council to publicise and explain to Landlords the benefits of being part of the SLA. It was also felt that those properties let via the SLA would be of a good standard for tenants.

Resolved that:-

1. the proposal to create a not-for-profit Social Lettings Agency and initial investment be approved; and
2. the creation of a full time Lettings Manager to progress the project, establish and manage the agency be approved.

6. Parking Enforcement Policy March 2023

The Cabinet was provided with a revision of the 2019 Parking Enforcement Policy.

In 2019, following a Local Government Ombudsman recommendation, Gravesham's first Parking Enforcement Policy was published.

The Policy sets out how the Council enforces both on and off-street parking contraventions and the subsequent administration processes. It also sets out the legislative requirements of civil parking enforcement.

The Policy revision period is three years. Therefore, the Policy had been reviewed and updated. It now incorporated technological changes to the parking service such as virtual parking permits and Automatic Number Plate Recognition/Barrier car park payment systems. It also highlights legislative changes since 2019.

The Cabinet considered the Policy and requested that the 'Clamping and Removing' section be strengthened to allow for the prompt removal of vehicles where allowable by law.

Resolved that the Parking Enforcement Policy 2023 be implemented and published.

7. Appointment of Climate Change Advisory Board

Resolved that the following Members be appointed to the Climate Change Advisory Board:-

Labour Group (4 seats)

Cllr John Burden (Chair)
Cllr Shane Mochrie-Cox
Cllr Deborah Croxton
Cllr Ektaveen Thandi

Conservative Group (1 seat)

Cllr Dakota Dibben

8. Appointment of Rosherville Shareholder Advisory Board

Resolved that the following Members be appointed to the Rosherville Shareholder Advisory Board:-

Labour Group (3 seats)

Cllr Lenny Rolles (Chair)
Cllr Alison Williams (Vice-Chair)
Cllr Ektaveen Thandi

Conservative Group (2 seats)

Cllr Samir Jassal
Cllr Benjamin Sizer

9. Minutes of meeting of Climate Change Advisory Board

The Cabinet noted the minutes of the Climate Change Advisory Board held on 3 April 2023.

The Leader advised that the Cabinet would be undertaking Carbon Literacy Training and invited the Leader of the Opposition to put forward Members of the Conservative Group who may wish to also take part in the training.

10. Exclusion

Resolved that pursuant to Section 100A(4) of the Local Government Act 1972 that the public be excluded during the following item of business because it was likely in view of the nature of business to be transacted that, if members of the public were present during the item, there would be disclosure to them of exempt information.

11. Review of the Rosherville Remuneration Policy

The Cabinet's approval was sought for the draft Remuneration Policy for the Rosherville group of companies, following the annual review process.

Resolved that:-

1. the revised Remuneration Policy for Rosherville Limited be approved by the Shareholder; and
2. the annual updates to the salary information within the policy be updated as necessary to ensure it is reflective of the annual pay awards approved by the Shareholder. This would not require the policy to be re-presented to Cabinet for approval but would require written consent from the Leader of the Executive, in line with the Shareholder Agreement.

Close of meeting

The meeting ended at 7.58 pm.

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Gravesham Joint Transportation Board**Tuesday, 23 May 2023****19:30pm****Present:**

Cllr Lenny Rolles (Chair)

Councillors: Deborah Croxton
 Karina O'Malley
 Tony Rana
 Aaron Elliott
 Alan Ridgers (KCC)
 Lauren Sullivan (KCC)

Nick May Parking & Environmental Enforcement Services Manager
Kevin Gore Dartford & Gravesham District Manager (KCC)
Ben Clarke Committee Services Officer (Minutes)

41. Apologies

Apologies for absence were received from County Councillor Bryan Sweetland and County Councillor Jordan Meade.

42. Minutes

Apologies for absence were received from County Councillor Bryan Sweetland and County Councillor Jordan Meade.

43. Declarations of Interest

The minutes of the meeting of the Board held on Wednesday, 08 March 2023 were signed by the Chair.

44. Matters Arising from Previous Meetings

Members were presented with an update on actions that were requested or promised at the previous Gravesham JTB meeting.

Traffic Issues raised on White Hill Road

Cllr Rana confirmed that he had received no response from the Service Team working on the issue; the Dartford & Gravesham District Manager (KCC) agreed to chase the team for an update.

Springhead Parkway Rumble Strips

The Dartford & Gravesham District Manager (KCC) confirmed that the rumble strips had been removed.

Speeding on Rochester Road

The Dartford & Gravesham District Manager (KCC) advised that a response had been emailed directly to Cllr Hills and Bob Lane.

Issues Crossing Valley Drive

The Dartford & Gravesham District Manager (KCC) advised that a team of officers was still looking into the issue with crossing Valley Drive.

Kent County Council Salt Bins

The Dartford & Gravesham District Manager (KCC) advised that the work was almost completed filling up all requested salt bins and an email would be sent out to everyone who requested one soon.

In total, Gravesham had fifteen salt bins stolen this year.

Improvements to Northfleet Roundabout

The Dartford & Gravesham District Manager (KCC) confirmed that a street works team were looking into the improvements for the roundabout and discussions were ongoing about the placement of a refurbished anchor to be placed there. The Chair requested that an update be fed back to County Cllr Sullivan regarding the anchor.

45. Reports from Officers

45.1 Highways Forward Works Programme: 2022/23 and 2023/24

The Board was presented with a report that provided an update and summarised the schemes that had been programmed for delivery in 2022/23 and 2023/24.

Following a discussion, Members requested that:

- Information should be included in the programme relating to the fixing of potholes and any strategic programmes that impacted Gravesham
- Inclusion of an asset management plan and a presentation at the next Committee meeting explaining how the works were determined and how decisions were made; if possible, a Highways Director should be invited to attend a meeting
- Officers from different relevant departments (street works, highways, resurfacing etc) and those responsible for projects in Gravesham to be invited to Committee meetings to explain their work and answer Members questions
- Lower Higham Road had recently had micro resurfacing works carried and there were excess stones on the pavement causing problems to residents with mobility issues; County Cllr Sullivan requested that KCC send a team to clean up the site

Following Members comments and questions, the Gravesend & Dartford District Manager (KCC) explained that:

- Team Leaders were the best officers to invite to Committee meetings as they would have the best knowledge of the projects and works that Members were interested in finding out further information on
- Following micro resurfacing works carried out by KCC, a clean up team revisits the area one month after completion to remove excess stones on the highway/pavements. If KCC received further reports of excess stones then another visit would be scheduled; occasionally Gravesham's own road sweepers would take care of the issue during their usual routes, but it was KCC's responsibility. The Gravesend & Dartford District Manager (KCC) agreed to resolve the matter
- The site where the cliff/road collapsed along Galley Hill Road towards Swanscombe was now fully within KCC's control; the road closure was in effect for eighteen months and would affect the residents of Swanscombe the most although residents living in Northfleet would also be impacted. KCC had imposed traffic orders with a 7.5 tonne limit on the surrounding roads in order to stop lorries using residential roads; those traffic orders went live yesterday and further orders may be imposed to parts of Northfleet in order to keep roads clear for residents and buses

The Chair informed the Board that moving forward, he would have agenda setting meetings with the Gravesend & Dartford District Manager (KCC) to ensure the necessary items were on the agenda for the board meetings.

The Chair reminded Members that the public were able to raise transport issues in the Borough, through Councillors, to be discussed at the Board meetings.

46. Issues raised by Councillors with the approval of the Chair

The Chair allowed Members to raise various issues in the Borough with the Gravesend & Dartford District Manager (KCC).

Cllr Ridgers Issues

Perry Street – White lines

Cllr Ridgers advised that money had been allocated in the past to redraw white lines through Perry Street but they had not been completed yet.

The Gravesend & Dartford District Manager (KCC) confirmed that the order was in the system but there was backlog due to frost damage and a large amount of potholes; the money to address the issue was secured against last years budget and the Gravesend & Dartford District Manager (KCC) agreed to follow it up.

Parrock Road – Island

Cllr Ridgers asked if some highlighted kerb stones or arrows could be placed around the island on Parrock Road heading towards Echo Square to show that drivers should keep left.

The Gravesend & Dartford District Manager (KCC) explained that a bollard indicating drivers to stick to the left lane had been placed at the start of the island.

Constitution Hill – Residents Wall Broken

Cllr Ridgers advised that a resident at the top of Constitution Hill had a house wall damaged several times from vehicles using the road as a cut through and asked what measures could be taken to deter vehicles from attempting the cut through.

The Gravesend & Dartford District Manager (KCC) advised that there was a weight limit in place, and it was a 'except for access' road; the Gravesend & Dartford District Manager (KCC) added that it wasn't possible to reverse down the road and the damage reported had been mainly from refuse lorries. A bollard has been looked at in the past but it would have toppled lorries and caused more damage to buildings. The Gravesend & Dartford District Manager (KCC) agreed to look into the matter further.

Cllr Rana's Issues**Whitehill School – Zebra Crossing**

Cllr Rana had previously asked for a zebra crossing to be installed outside of Whitehill School and it was looked into by Claire Venner before she left KCC. Cllr Rana requested an update.

The Gravesend & Dartford District Manager (KCC) advised that the matter was with the West Kent Improvement Team; the Gravesend & Dartford District Manager (KCC) agreed to contact the team and request an update on when it would be completed

Lack of Bus Services

Cllr Rana and Cllr O'Malley had received numerous complaints from residents about the lack of bus services; specifically, one resident lived in Coldharbour and could not use the bus to get to work as the earliest bus was 10:00am.

The Gravesend & Dartford District Manager (KCC) agreed to speak to the Public Transport Team and Arriva; KCC weren't able to control the bus schedule, but KCC did work closely with bus companies to make sure the demand for all areas were met. The Public Transport Team could request that a representative of Arriva attend a Board meeting.

County Cllr Sullivan advised that in the past Arriva and Redcoach had been invited to attend Board meetings and it would be interesting to discuss BSIP which was a scheme developed so that money could be invested into local bus services by the Government.

Pothole – Programme

Cllr Rana requested that a pothole works programme be submitted at future board meetings so that Members were able to see where work was being completed and where work was due to be carried out. Cllr Rana also questioned the repair work for some of the potholes in the Borough and raised concerns over whether an officer was checking on the quality of work carried out.

The Gravesend & Dartford District Manager (KCC) explained that temporary fixes to potholes to remove the most dangerous defects were carried out by Highway Stewards and then orders were placed to have permanent repairs carried out. In Gravesham, there had been just under 30,000 potholes reported since January 2023 and there was a significant

backlog to work though before any new potholes could be fixed unless they were considered dangerous. Members were advised that the budget for fixing potholes was relatively small. Following further questions, the Gravesend & Dartford District Manager (KCC) advised that:

- His annual budget for Gravesham including all types of works was £150K and the average pothole including traffic management was £80-£100 to fix
- Following a temporary repair of a pothole it took, on average, between six months to twelve months before a permanent repair was completed but it depended entirely on where the pothole was and how dangerous it was to road users
- The annual pothole and patching programme (Pothole Blitz) was out to tender; the Gravesend & Dartford District Manager (KCC) was waiting on the final paperwork to be signed. Once the blitz was in effect, the roads that had the most potholes would be identified, and a programme of work put together which could then be shared with Members

The Chair requested an update on the 'Pothole Blitz' at the next Board meeting.

Valley Drive turn into Marling Way

Cllr Rana asked if the road leading into Marling Way from Valley Drive could be widened to allow traffic to pass the cars waiting to turn into Marling Way.

Cllr Ridgers explained that he had requested something similar a few years ago and had been informed that there were a number of services running under the grass verge which would triple the cost of widening the road. Cllr Ridgers had previously suggested that the cost could be offset by charging it to the LTC as that road would become a cut through once the LTC works began.

The Gravesend & Dartford District Manager (KCC) was hopeful to receive £20 million from the LTC mitigation for the disruption the building of the LTC would cause; the Gravesend & Dartford District Manager (KCC) agreed to check to see if the road widening cost was factored into that package.

Following a request from the Chair, the Gravesend & Dartford District Manager (KCC) agreed to find out if he was able to share the £20 million bid with Members.

Pavement – Whitehill Road

Cllr Rana raised concern over the sunken pavement on Whitehill Road where cars were driving over it; a disabled resident's father was worried that a vehicle driving over the pavement would hit his daughter's wheelchair.

The Gravesend & Dartford District Manager (KCC) explained that the kerb damage fell under his remit and would be reported but the issue with vehicles driving on the pavement would need to be reported to Kent Police.

County Cllr Sullivan Issues

Bus Gate – Barrack Row

County Cllr Sullivan raised concerns over vehicles driving through the bus gate and causing delays with the traffic light system around Barrack Row.

The Parking Services & Environmental Enforcement Manager advised that KCC would be in charge of the ANPR camera, and the estimated date of the camera being installed was September/October time. However, KCC still hadn't tendered for the cameras and software but that was due to the tender encompassing a multitude of cameras at a variety of sites across Kent.

Bath Street – Fastrack Service

County Cllr Sullivan queried the timetable for improvements to be completed at Bath Street and the fastrack service implemented.

The Chair advised that it would be helpful to have an agenda item for the next meeting for Bath Street and have representatives from the KCC public transport team and Arriva/Redcoach to attend.

The Gravesend & Dartford District Manager (KCC) recommended inviting Phil Lightowler, KCC Head of Public Transport to a future meeting; he had recently attended a Dartford meeting of Joint Transportation Board.

One Way Road – Hammerton Road

County Cllr Sullivan advised that her member grant was due to be used to fund a one way system in Hammerton Road and should be included in Appendix H in the report; a request was made to add it to the appendix moving forward and provide an update on the project at the next meeting.

A2 by Tollgate – New Slip Way

County Councillor Sullivan queried the decision making of the modified slip road coming off the A2 towards Tollgate; it slowed down traffic and drivers were unsure of when to go.

The Gravesend & Dartford District Manager (KCC) explained that the slip road works were completed via a developer scheme through Highways England; the land wasn't owned by KCC, and the plans did not go through Kent Planning although requests could be made by KCC to make slight adjustments if required.

Cllr Elliott Issues

Drainage – Whinfell Way

Cllr Elliott raised concerns over a historic issue of large puddles forming on Whinfell way due to drainage issues; the puddles caused a hazard for drivers.

The Gravesend & Dartford District Manager (KCC) noted the report.

Cllr Croxtons Issue

Potholes – Saddington Street & Thong Lane

Cllr Croxton reported large potholes on the speed bumps on Saddington Street and Thong Lane which meant some drivers were not slowing down anymore.

The Gravesend & Dartford District Manager (KCC) advised that some potholes had already been repaired on Thong Lane but he noted the information.

Close of meeting

The meeting ended at 20:19pm.

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Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 26 June 2023

Reporting officer: Service Manager: Town Centre & Cultural Services

Subject: Review of Events

Purpose and summary of report:

To update Cabinet on proposals for funding and delivering events, following a recent review.

Recommendations:

1. To approve the annual events listing as set out in Appendix I, which would result in an annual saving to existing Council revenue budgets of £103,950.
2. To arrange an increased annual budget provision through the Enterprise Zone Funding of £63,000, as set out in Appendix I.
3. To authorise £99,126 from the accumulated Enterprise Zone fund to be used to offset expenditure on relevant activities undertaken in 2022-23.

Key Implications:	
Item	Implications
Legal	There is no legal obligation to deliver events
Finance and Value for Money	This report proposes a rationalisation of annual events and budget provision, thereby resulting in an overall saving to the General Fund.
Corporate Plan	#2 Place – Connected Community
Climate Change	There are no climate change implications

1. Background

- 1.1 For many years, the Council has delivered a series of public events between a number of teams, including Leisure, Town Centre and Community Engagement.
- 1.2 The current budget provision for event related activity equates to £185,950 excluding indirect staffing costs. £57,000 of this currently comes from income generated from locally retained business rates from the Enterprise Zone, with the balance of £128,950 funded by the General Fund.
- 1.3 With the significant financial challenges the Council faces, it is necessary to review and rationalise discretionary programmes as far as possible. This exercise has identified that, if approved and implemented, the Council could maintain a programme of community focussed events and activities, whilst reducing General Fund expenditure by up to £103,950 per annum, as set out within this report.

2. Enterprise Zone Fund

- 2.1 Gravesham has a history of delivering a programme of events designed to support community cohesion and education as well as growing the sense of pride with place and growing the local economy.
- 2.2 The Council's Corporate Plan Objective #2 Place sets out its commitment to be: a dynamic borough; defined by a vibrant and productive local economy taking advantage of growth in the area, supported by its strong and active community
- 2.3 Gravesham is within an Enterprise Zone – part of the Government's wider industrial strategy to support businesses and enable local growth. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arises from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- 2.4 Local authorities responsible for all or part of an Enterprise Zone can use any increase in business rates they collect to support the further development of the Enterprise Zone - to support local economic priorities and lead economic growth within their local area.
- 2.5 The delivery of a programme of events and activities which draws existing and new visitors to the area, and stimulates the local economy through encouraging footfall and dwell time, directly links to these priorities.
- 2.6 Whilst some funding has already been used in this way, the proposal set out in this report is for more of the Enterprise Zone funding to be directed towards these activities; thereby ensuring the continuation of a community events programme, whilst assisting the Council to address its financial position.

3. Proposal

- 3.1 Following a review of the events programme, it is proposed that the Council delivers pre-agreed events and activities each year as follows:
 - 3.1.1 Christmas – delivering a reduced programme of events, but retaining the key light switch on and focussing on events across one shopping

weekend, which would incorporate Small Business Saturday to further support the local economy.

- 3.1.2 St George's Day Parade – retaining the existing funding to enable a town centre event and retaining the nominal financial support provided to the local Scout Group for their parade.
- 3.1.3 Riverside Festival – continuing to deliver the one-day festival within the Riverside and Fort Gardens, but with a focus on securing additional sponsorship or funding to support and enhance the programme where possible.
- 3.1.4 Remembrance / Memorial Days – maintaining the programme of Sunday Remembrance Services across the borough, along with the Armistice Day service and Armed Forces Day event on the Community Square. This also retains the provision for General Gordon memorial service.
- 3.2 All other events would need to be funded through an alternative route. This includes the Fireworks event which would continue to require an external sponsor to cover all costs and delivery; the Light Festival which would be externally funded but with match funding provision through the Art & Culture budget; community events such as Big lunches, street parties, Lunar celebration or other such events could be considered through GBC's Community grants scheme, but would continue to rely on external delivery by a community group or partner. The existing community grants scheme should also be reviewed to ensure it remains fit for this purpose.
- 3.3 Whilst the proposal set out in this report is to work towards reducing the financial and resource requirements on the Council of delivering a wide event programme, a small provision has been made for ad-hoc events, which would cover one off activities such as the community square street parties that have been held for momentous celebrations, or for a particular activity that the Council considers would have significant benefit to the community and/or economic growth.
- 3.4 A further provision has also been made for appropriate marketing activity, primarily aimed at potential visitors outside of the borough, thereby stimulating economic growth within the borough.
- 3.5 The proposed events will be delivered in addition to the Council's pre-agreed schedule of flag flying.

4. Financials

- 4.1 As set out in Section 1 above, the Council currently contributes £128,950 towards its event programme (excluding indirect staffing costs). An additional £57,000 is currently drawn down from the Enterprise Zone fund.
- 4.2 As set out in Appendix I, the proposals within this report would result in an agreed, rationalised, programme of events that delivers budgeted savings of £40,950. By drawing down an additional £63,000 from the Enterprise Zone funding annually, the saving to the Council's General Fund budget totals £103,950 per annum.

5. Appendices

- 5.1 Appendix I – Annual event listing & budget requirements

6. Background papers

6.1 Memorandum of Understanding for North Kent Enterprise Zone

[160930 MOU for NKEZ Final 3 \(1\).pdf](#)**Lead Officer:** Anita Tysoe, Service Manager, Town Centre & Cultural Services**Email:** Anita.tysoe@gravesham.gov.uk

Secondary Implications	
Risk Assessment	N/A
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Crime and Disorder	There are no implications
Digital and website implications	There are no implications
Safeguarding children and vulnerable adults	There are no implications

APPENDIX I

Existing Budget sources	Existing Amount £	Current funding source
Christmas Celebrations	4,000	GBC
Leaders Budget (directed towards Christmas with Leader's approval)	20,000	GBC
Major outdoor events incl Riverside Festival	89,950	GBC
Town centre dressings (unused budget allocation)	30,000	EZ funding
Town Centre Events	27,000	EZ funding
Remembrance	5,000	GBC
Community Grants	10,000	GBC
Total existing budgets	185,950	
Total Enterprise Zone funding	57,000	
Total Existing Council budget	128,950	

Proposed Budgets / Activity	Budget Required £		
Christmas	30,000		
St George's Day	3,640		
Riverside	65,000		
Remembrance	5,000		
Memorial Days	1,000		
Community / ad hoc activities	23,860		
Other event related costs	6,500		
Marketing activity	10,000		
Total Proposed cost	145,000		
Total Enterprise Zone funding	120,000	Increased use of EZ funding	63,000
Total Existing Council budget	25,000	Saving to existing Council budget	103,950

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Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 26 June 2023

Reporting officer: Daniel Killian, Director (Housing)

Subject: Solohaus Pods

Purpose and summary of report:

To inform Cabinet of a donation recently made to the Council of eight Solohaus pods, which are designed to assist single homeless people, that will be used to complement the Council's existing Rough Sleeping Service provision

Recommendations:

1. Cabinet acknowledge and accept the donation of eight Solohaus pods from the Hill Group.
2. Cabinet delegates authority to Director (Housing) in consultation with the Director (Corporate Services) as Section 151 Officer, Monitoring Officer and Cabinet Member for Housing Services to identify a garage site to accommodate the location of the SoloHaus pods and undertake all necessary legal arrangements related to this.
3. Cabinet authorises the Director (Corporate Services) to recognise the assets within the council's financial records and adjust General Fund and Housing Revenue Account revenue budget provisions accordingly, as proposed in section 5 of this report.

Key Implications:	
Item	Implications
Legal	Legal implications are set out in Section 4 of this report.
Finance and Value for Money	Financial implications are set out in Section 5 of the report.
Corporate Plan	<p>#1 – People – Deliver an ambitious and diverse programme of building – increase the supply of high-quality market and affordable housing.</p> <p>#1 – People – Safeguard residents – put in place a package of housing measures and creative interventions that support the most vulnerable.</p> <p>#3 – Progress – Develop an entrepreneurial culture – deliver on commercial opportunities to generate an income and provide social impact</p>
Climate Change	SoloHaus Pods have a standard EPC Rating of C and a CO ₂ emission rate, primary energy rate and fabric energy efficiency above the targets required under Part L of the building regs.

Criterion under Building Regs Part L	Building Regs Part L target	Solohaus actual
CO2 emission rate	23.34 kgCO ₂ /m ² (per year)	8.17 kgCO ₂ /m ² (per year)
Primary Energy rate	124.66 kWhPE/m ²	86.93 kWhPE/m ²
Fabric energy efficiency	67.0 kWh/m ²	51.2 kWh/m ²

1. Background

- 1.1 In May 2022, Cabinet delegated authority to Director (Housing) in consultation with various officers to form an Investment Partnership with a house builder to help accelerate affordable housing delivery within the Borough.
- 1.2 Following a robust tender exercise in September 2022, Hill Group were selected as the successful partner and since this time, officers have worked on setting up the Limited Liability Partnership (LLP) including the Members agreement, formally known as Gravesham Community Investment Partnership (GCIP) which was incorporated in February 2023.
- 1.3 As set out in the Members agreement for the partnership, the Investment Team must produce an investment plan within six months of forming the partnership to outline potential delivery over a defined period, and a significant amount of work has been undertaken on this, with a review having just concluded on all council owned assets to understand opportunities for development and regeneration.
- 1.4 The team is now working through each site in more detail and an update on the activity of GCIP will be presented to Cabinet in the autumn of this year to formalise the Investment Business Plan.

2. Social Value and Solohaus

- 2.1 As part of the tendering exercise to form the Investment Partnership, potential contractors were asked to outline how they would achieve social value locally if they were to be successful with their tender, to which Hill Group provided a comprehensive suite of initiatives that could be realised locally and gave an example of how they had worked with local authorities to tackle homelessness both from a financial and social outcome point of view.
- 2.2 To mark Hill's 20th anniversary they formed Foundation 200, established to help tackle the homeless crisis and help people rebuild their lives with a commitment to build and gift 200 free purpose-built homes; an innovate approach to the homelessness crisis and Hill's way of giving back to the community it works in and is committed to in the longer term.
- 2.3 To cement the newly formed partnership and to mark its commitment to the Borough, Hill have offered to donate eight Solohaus Pods to help tackle homelessness within the Borough.
- 2.4 Solohaus homes are safe, welcoming spaces built to the highest standards of sustainability, efficiency and safety with a 60-year life span. They were designed alongside homelessness charities and stakeholders to inform design, layout, light and storage. The homes are designed for single occupation and come fully furnished and equipped ready for someone to move in to. More information about

Solohaus can be found in Appendix 1 and Appendix 2 sets out the resident benefits, design benefits and construction features.

- 2.5 Assuming Cabinet accept the gift of the eight Solohaus Pods, they would be used to complement the Council existing homelessness accommodation in Wrotham Road as move on accommodation, and they will be used as the next step in the person becoming independent and being able to secure a tenancy in the private sector in the future. This in turn will free up much needed bedspace in the existing accommodation for those found to be sleeping rough in the Borough.

3. Next Steps

- 3.1 On the basis that Cabinet accept the gift, the Council would need to identify suitable land on which the scheme could be developed. Due to specified use of the pods, it is important that any potential site is centrally located, part of an existing and established community and has good transport links with nearby facilities. This is to ensure that those seeking to rebuild their lives have access to on-going support and services nearby.
- 3.2 For other local authorities that have developed this model, most have used garaged sites within the Council's ownership and two sites registered as Housing Revenue Account assets have already been identified and are currently being considered for viability. Ward Members have also been consulted and for both sites, supportive of the potential development.
- 3.3 Once the site has been agreed, Hill Group will take forward the scheme and complete all the necessary site investigations, due diligence and submission for planning permission. Once planning permission is obtained, Hill Group will prepare the land for development and await delivery of the pods, as they are constructed off-site. Once the scheme is completed, it will be handed back to the Council to manage tenant move in and on-going support for the occupants. Once planning permission is granted, it is understood to take approximately 12 weeks to complete the scheme to handover.

4. Legal Considerations

- 4.1 In order to release the chosen site for this development the current occupiers of any of the garages will need to be given notice. If they do not vacate the garages then we will need to undertake possession proceedings to recover them, where goods or belongings are left in the garage we may need to consider serving further notices either under the Local Government Act 1982 or the Torts (Interference with Goods) Act 1977 depending on whether the goods appear to be abandoned and whether they may have any value.
- 4.2 In order to avoid claims that valuables were stored in the garages and have been lost or misappropriated it will be important to document anything that is removed, ideally with photographs.
- 4.3 As the garage sites are a HRA asset and the proposed use would not be a HRA function consideration has been given to whether to appropriate the site or instead put in place a lease between the HRA and the General Fund. As it is possible for the development to be effectively reversed to avoid having to appropriate the site twice it would seem more efficient to put in place a lease. Terms for the lease would need to be agreed and it would need to be excluded from the security provisions in the Landlord and Tenant Act 1925 in order to avoid creating a permanent lease of the site.

- 4.4 Although the risks associated with the Lease are low because it is between two parts of the authority the formalities should still be observed to avoid unintended consequences in the future.

5. Financial Considerations

- 5.1 Due to their specified use as temporary accommodation, the pods would be an asset owned by the Council's General Fund. The total capital value of the eight pods is £456,000 based on their fair value (each pod has a retail value of £57,000).
- 5.2 It is anticipated that the pods would be treated as donated assets for accounting purposes and shown on the council balance sheet under Property, Plant & Equipment. The accounting treatment will be confirmed once further information on any conditions attached to the donation are known.
- 5.3 The Hill Group will cover any defects to the pods in the first year after installation. Once installed, the council will be responsible for the operating costs of the pods, including any repairs and maintenance requirements.
- 5.4 The Hill Group have provided a maintenance schedule of projected annual running costs to operate the pods. Although many items are cyclical and vary in frequency e.g. replacement of different kitchen appliances, replacement of doors and windows as well as various annual services. For the purposes of this report average costs per annum have been calculated for 8 pods. A 10% contingency factor has then been applied to give a total projection of £5,700 for annual running costs.
- 5.5 To accommodate eight pods, a site with around 16 garages would need to be identified. Such a site would generate around £15,500 income annually for the council, with £10,230 (66%) of this income recognised in the General Fund and £5,270 recognised in the Housing Revenue Account. This income would be lost from both the General Fund and the Housing Revenue Account.
- 5.6 The pods will, however, provide a new supply of temporary accommodation to the council and reduce the reliance on nightly paid and private sector accommodation. It has been estimated that placing eight single people into temporary accommodation would cost the council approximately £123,200 per annum. It is important to note that whilst it would cost the Council this amount to place eight single people into temporary accommodation, it is not necessarily what will be saved due to the wider pressures on temporary accommodation and the increasing demand for it.
- 5.7 The ongoing financial/budgetary implications of the Solohaus Pods scheme is as follows.

Solohaus Pods - Net General Fund and HRA impacts		
Item	General Fund £	HRA £
Rental income foregone	10,230	5,270
Annual running costs	5,700	
Total initial budgetary impact	15,930	5,270
Potential Temporary Accommodation expenditure savings	(123,200)	
Total potential ongoing budgetary impact	(107,270)	5,270

- 5.8 Initial tax advice sought suggests that as the pods have been freely given there is no liability in relation to VAT or SDLT.

- 5.9 Ongoing utility costs such as energy and council tax will be the responsibility of the tenant.

6. Conclusion

- 6.1 The creation of a dedicated and council-controlled move on pathway for former rough sleepers will have a such a wide reaching positive impact, as not only will it benefit those who are ready to take the next steps in become independent, but it also increases availability of bedspaces within existing rough sleeper accommodation locally, whilst also assisting the council in reducing temporary accommodation spend.
- 6.2 As the scheme progresses, there will be a further update to Housing Services Cabinet Committee outlining in more detail how the scheme will be managed and supported.

7. Appendices

- 7.1 The following documents are to be published with the report:
 - 7.1.1 Appendix 1 – The Haus Collection 2022
 - 7.1.2 Appendix 2 – Benefits of Solohaus

8. Background Documents

- 8.1 There are no background documents.

Lead Officer: Daniel Killian, Director (Housing)

Email: daniel.killian@gravesham.gov.uk

Secondary Implications	
Risk Assessment	Click here to start typing
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	<p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. Click here and type Yes or No</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? Click here to start typing</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. Click here to start typing</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. Click here to start typing</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. Click here to start typing</p>
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	Click here to start typing
Digital and website implications	Click here to start typing
Safeguarding children and vulnerable adults	Click here to start typing

THE HAUS COLLECTION

An innovative solution to the housing crisis



An innovative and celebrated housing solution



INTRODUCING THE HAUS COLLECTION

The Haus Collection of homes are an innovative and low-cost housing solution. They are safe, welcoming spaces built to the highest standards of sustainability, efficiency, safety and durability, with a 60-year life span.

These unique spaces are specifically designed with longevity and affordability in mind. As an independent living space for singles, couples and families, they provide a pre-furnished home suitable for most and are built with energy efficiency in mind in order to keep running costs to a minimum.

The modular technology of The Haus Collection is the future in how we are able to deliver temporary accommodation.



CGIs are indicative only. The SoloHaus will benefit from being supplied with the majority of furnishings shown.

THE STARTING POINT: SOLOHAUS

To celebrate The Hill Group's 20th Anniversary, CEO and founder Andy Hill wanted to do something to give back to the community, and so Foundation 200 was born.

Foundation 200 is a dedicated pledge to design, build and gift 200 free homes in order to provide thousands of people a meanwhile home, in a safe, secure, purpose-built single dwelling.

To fulfil the ambition of Foundation 200, Hill used its home building expertise to create the SoloHaus home – the very first modular home specifically designed to honour this pledge to help those in need of housing.

To help create these unique single person dwellings, The Hill Group took a 50% stake in a start-up design and manufacturing business, Volumetric Modular Ltd. Based in Shrewsbury, Volumetric design and construct various MMC products, both for The Hill Group and eventually for third party customers. These homes were designed to be:

- **Energy efficient** – using modern building solutions to ensure that energy costs are low and the homes are easy for low-income residents to live in.
- **Durable** – providing a useful long-term housing asset.
- **Flexible** – easy to transport to anywhere in the country and easy to relocate if necessary.
- **High quality** – offering a self-contained, safe and comfortable home to individuals.



A proud moment outside of the Houses of Parliament.

OUR PARTNERSHIPS

The Hill Group is proud to partner with some of the most innovative organisations currently working to beat the housing crisis.

These include Jimmy's in Cambridge, a charity which has offered round-the-clock support to unhoused people for over 25 years. They were the beneficiaries of the first three Foundation 200 schemes.

We are donating SoloHaus homes to support the Salvation Army's Malachi Homes initiative, a UK-wide rollout of their critically acclaimed modular housing scheme in Ilford. The first of these schemes was completed in Southend-on-Sea in July 2022.

We are also proud to be working with Emmaus, whose existing residential housing scheme in Waterbeach, Cambridgeshire represents an ideal community for people seeking to rebuild their lives.



"The SoloHaus homes will play a vital role in making sure that nobody need sleep rough in Cornwall."

Councillor Olly Monk, Portfolio Holder for Planning & Housing at Cornwall Council



As part of the development process, we involve local stakeholders, including residents and schools, in the delivery of individual schemes to give the community a sense of ownership of the projects. For our Cambridge projects, we invited the children from The Fields Nursery to look around the homes and help the team pot up a planter for each terrace, along with herb plants for the kitchens.

To raise awareness of the initiative, a SoloHaus home was placed outside the Houses of Parliament in summer 2021.



THE NEXT CHAPTER: THE HAUS COLLECTION

Following the success of the SoloHaus home and significant additional demand, we have grown the project even further. In September 2022, we launched the DuoHaus and the FamilyHaus. Together with the SoloHaus, these homes form The Haus Collection.



CGIs are indicative only. The SoloHaus will benefit from being supplied with the majority of furnishings shown.

INSIDE THE SOLOHAUS HOME



Every SoloHaus home is delivered fully furnished, equipped and ready to move into.

Resident benefits:

- Energy efficient and cheap to run
- Safe and secure
- Fully fitted kitchen
- Low energy white goods provided
- Insulated to be warm in winter and cool in summer
- Card operated electric meter, to encourage budgeting
- Integrated cabling for broadband and TV connectivity
- Simple to use Operation and Maintenance Manual provided with each home
- Fully furnished living/dining area, bedroom with storage and bathroom with shower
- Everything residents need provided, from plates and cutlery to bedding and towels
- Composite door and windows

CGI is indicative only. The SoloHaus will benefit from being supplied with the majority of furnishings shown.

INSIDE THE DUOHAUS HOME



Measuring one metre longer than the SoloHaus, the DuoHaus is designed for two people, with an internal layout that creates more space in the bedroom and kitchen/diner.

The DuoHaus incorporates learnings from deploying SoloHaus homes with our clients over the last two years. In addition to a new colour palette and fitted IKEA kitchen, the DuoHaus includes:

Resident benefits:

- Smart-link smoke alarms, allowing for remote monitoring
- Pay as you go electric meter with roaming sim card, allowing for remote top-up
- Higher specification windows and doors with improved u-values
- Higher specification MVHR with a multi-speed boost function
- Improved plumbing layout to assist accessibility for maintenance
- Underfloor heating with two control zones, in the bedroom and living room
- Increased storage
- Fibre optic connection in parallel with COAX and Cat5 cabling

CGI is indicative only. The DuoHaus will benefit from being supplied with the majority of furnishings shown.



INSIDE THE FAMILYHAUS HOME

The FamilyHaus joins two DuoHaus hulls together to make a home large enough for families.

The FamilyHaus can be arranged in a two or three bedroom configuration, with each bedroom large enough for a double bed, two single beds or bunks.

Kitchens and bathrooms are finished to the same high specification as the SoloHaus and DuoHaus, and the homes meet the same high energy and acoustic performance. The homes are supplied with individual Air Source Heat Pumps providing heating and hot water.

The FamilyHaus incorporates all the same features as the DuoHaus modules. Optional additions can be added across the range. These include:

- Automist fire suppression
- Double sofa bed in the living room
- Solar PV roof rack for a Carbon Net Zero housing scheme



CGIs are indicative only. The FamilyHaus will benefit from being supplied with the majority of furnishings shown.

REBUILDING LIVES STEP BY STEP

The Haus Collection homes are quick to construct, and easy to transport and install.



Design benefits:

- Built off site in a factory to Future Homes Standard
- BOPAS accredited with a 60-year life span – enables grants, loans and mortgages
- Building Control approved design
- Constructed with A1/A2 fire rated building materials
- Manufactured in just 20 days
- Easy to transport, deliver and install – can be lifted off a flatbed lorry in 30 minutes
- Tough exterior, with steel frame and steel walls, to provide a durable asset for charities and local authorities
- Designed with homeless stakeholder groups to be anti-ligature, secure and to reduce the risk of cuckooing and other antisocial behaviour

Construction features:

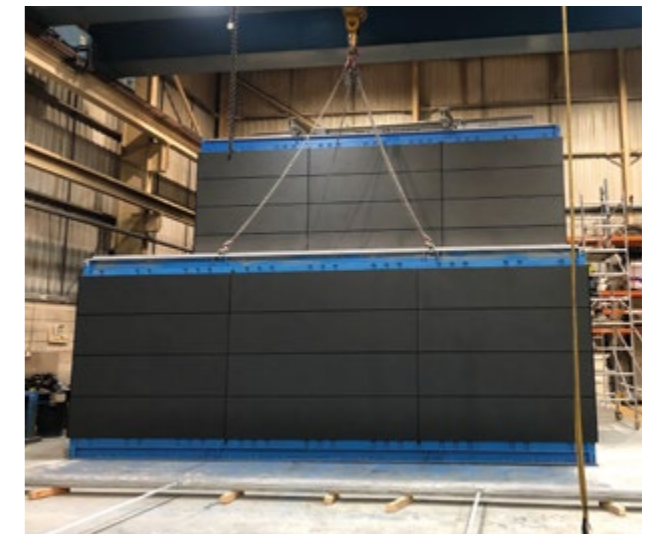
- Stackable to two storeys
- Sits on foundation pads to minimise groundworks
- Requires only electric, water and waste connections
- Heated via an Air Source Heat Pump
- Soil vent pipe and rainwater outlet
- Controlled flow shower mixer and dual flush cistern to minimise water consumption
- High quality fixtures and fittings throughout
- Factory environment assembly
- Quality checked throughout assembly process
- Fully tested and commissioned pre-delivery
- Fully traceable factory inspection and test plan linked to unique serial number

HOW THE SOLOHAUS HOMES ARE BUILT

With strategically placed factories in Telford and Shrewsbury, the homes can be built and transported across the country at speed.

Working with our partners Volumetric Modular Ltd, each home can be built in 20 working days, with a build programme on site of eight to 10 weeks. We are manufacturing six per week (circa 300 units per year), with the capacity to take up to 500 units per annum.

Each unit is designed with steel frames and walls using the ModulHaus technological system to provide cutting edge acoustic and thermal insulation that exceeds regulations. Each one is delivered on a single lorry and arrives ready for easy and practical installation. The commissioning process includes a site installation and test plan.



ENERGY EFFICIENT, WARM AND COMFORTABLE

With space at a premium, every inch of the home is used to maximum efficiency. Taking furniture into account, we have created doorways and turning circles within the homes to meet the requirements of Part M4(2) of the building regulations, allowing them to be easily adapted for wheelchair users.

The most significant achievement is the combination of air tightness and insulation which ensures a warm, quiet living environment that is at least as good as a traditionally built home. This focus on insulation and heat retention allows for both physical comfort and a lower energy draw for the home, making it exceptionally cheap for users to live in as well.

When we built the prototype in 2019, it was designed to have its hot water and heating provided by an air-source heat pump. The UK Government has since recognised this low-carbon technology as the ideal heating solution for the future and now issues grants to help households phase out their boilers and replace them with Air Source Heat Pumps (ASHP).

HOW OUR HOMES ARE MAKING A DIFFERENCE

Armitage Place

Number of homes: 8

Location: City of Ipswich

Completed: June 2021

We designed a custom SoloHaus scheme for Ipswich City Council on a disused recycling centre.

The scheme is now used by the council for move-on accommodation for local homeless people living in emergency accommodation. Each resident is allocated a support worker to help them prepare to return to fully independent living.

This scheme was commended at the Ipswich Society's 2021 architectural awards.



Olive Morris Court

Number of homes: 32 plus 1 unit retained by LBH as a site office

Location: Tottenham, London

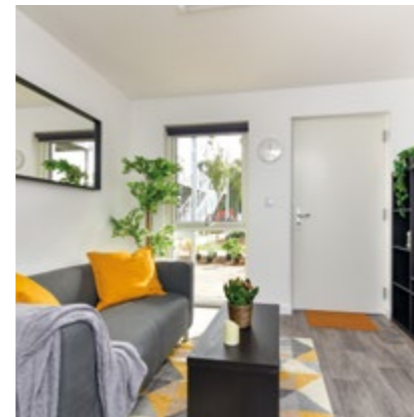
Completed: October 2021

London Borough of Haringey Council brought forward the ambitious Olive Morris Court scheme using an area of waste ground in their ownership, close to South Tottenham overground station.

This scheme uses one of the units provided as a site office, with 24/7 on-site support for residents. CCTV monitoring has also been integrated into the scheme. Local residents, organised by the Citizens UK campaign group, supported the scheme through the planning process. Olive Morris Court is also our first 2-storey development in the UK. The 33 homes took just five days to install.

In 2022, Olive Morris Court has been shortlisted for multiple housing awards including:

- British Homes Awards – Affordable Housing
- Inside Housing Development Awards
- Best Healthy Homes Development
- Inside Housing Development Awards – Best Partnership



ACHIEVEMENTS SO FAR

Since 2020, The Hill Group has provided 150 SoloHaus homes to local authorities and charities across the UK, with housing projects being delivered from Suffolk to Cornwall. We are delighted that we have been able to gift 84 homes through the Foundation 200 initiative already, exceeding our target of 80 at the end of year two.

The SoloHaus is now a comfortable, fully furnished home for dozens of people in the UK. We want to work with ambitious partners in the affordable housing sector to offer this flexible, low-carbon housing solution to thousands more people in the years to come.

The SoloHaus has also won two awards since its launch: the Social Impact Initiative Award at the RESI awards 2021; and the Ipswich Society Commendation for Affordable Housing 2021. It has also been nominated for the Inside Housing Awards and the British Homes Awards 2022*.



"The whole business is taking huge pride in delivering these initiatives. While we will not solve the issue of homelessness on our own today, we are taking a big step in the right direction, and are looking forward to working with other partners to continue this progress."

Andy Hill, CEO and Founder Hill Group

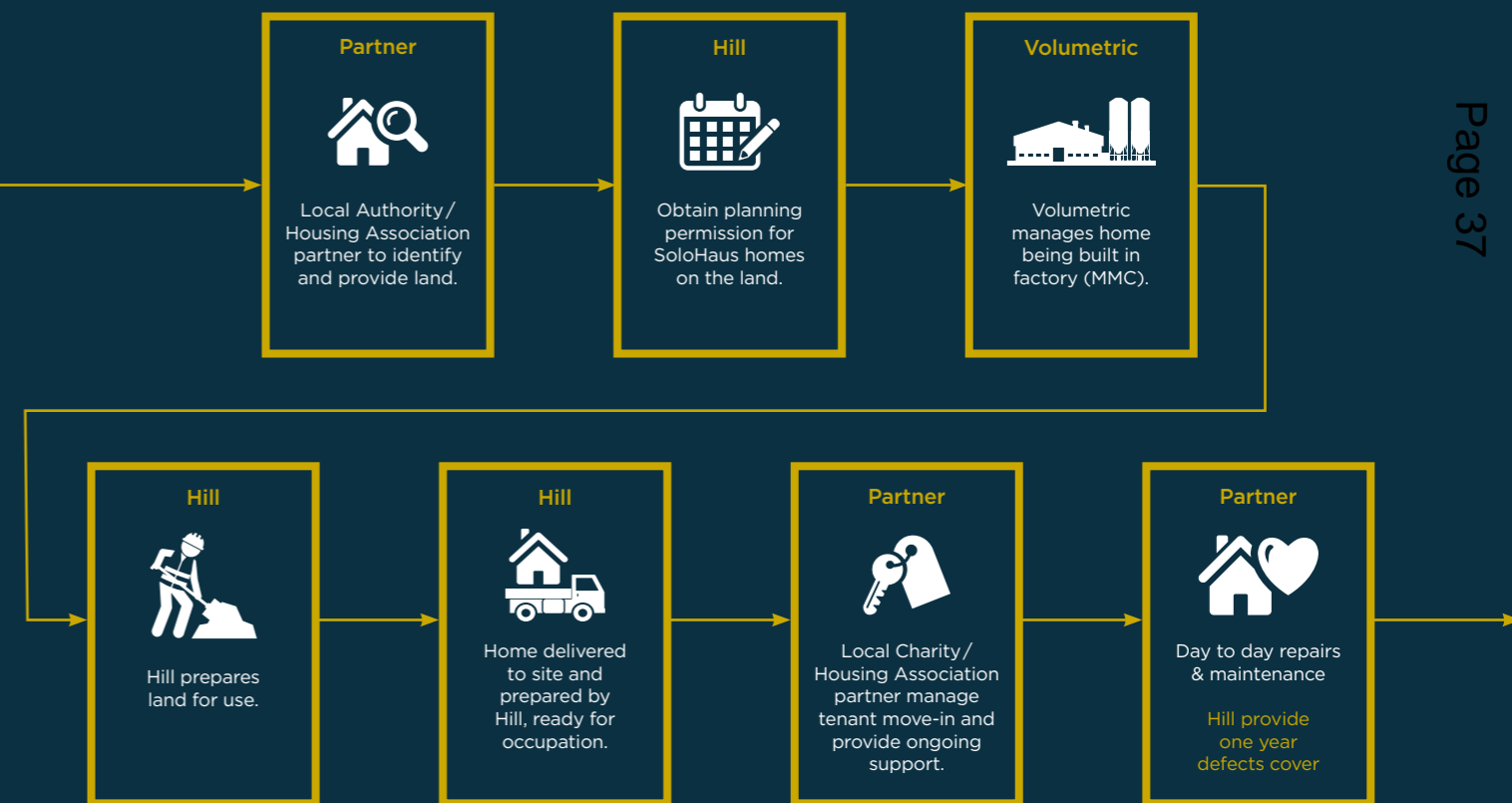
Our awards



HOW TO BE PART OF THE SOLUTION

We are excited about working with Housing Associations and councils across the country to bring the benefits of The Haus Collection to more people in need. If you are interested in using any of The Haus Collection homes as part of your housing solution, please get in touch with us.

How the process works



If you would like to partner with us and find out more about these homes, please contact us: enquiries@solohaus.co.uk

CREATING INNOVATIVE PLACES TO LIVE



Hill is an award-winning housebuilder and one of the leading developers in London and the south east of England, delivering both private for sale and affordable homes.

This family owned and operated company has grown to establish itself as the UK's third largest privately owned housebuilder, with an impressive and diverse portfolio ranging from landmark mixed-use regeneration schemes and inner-city apartments to homes set in idyllic rural countryside.

Hill prides itself on putting its customers first and has a dedicated customer journey designed to help buyers at every step of the way to homeownership. Hill was awarded a 5 star status from the Home Builders Federation's annual Customer Satisfaction Survey for five consecutive years.

Hill builds around 2,800 homes a year, and around half of the company's development portfolio is in joint venture to deliver affordable homes, reflecting Hill's commitment to partnering with government, local authorities and housing associations.

Follow us on Facebook and Instagram
@CreatedbyHill

Volumetric is a specialist manufacturer of award-winning modular homes, offering a sustainable and cost-effective solution to growing temporary accommodation needs.

Providing a new concept in volumetric modular homes, The Haus Collection offers a sustainable and cost-effective solution to growing temporary accommodation needs across many public and third sector needs. Utilising offsite methods and volumetric modular technology, these BOPAS Certified and LABC Assured homes are robust, reliable, and relocatable over a 60-year design life.

From social housing to help combat the homelessness crisis to providing overnight accommodation for healthcare and keyworkers, The Haus Collection provides a safe, secure, and comfortable home, fully equipped with low-energy white goods and modern furnishings.

Based on extensive market research and utilising expert offsite industry knowledge, VOLUMETRIC™ designed and developed The Haus Collection solution to create quality-assured homes that deliver outstanding functional performance and energy efficiency, with exceptionally low running costs.



Oaks Cross, Stevenage



Janet Jones Walk, Cambridge



Saltreach Close, Southend



hill.co.uk

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Appendix 2

Solohaus Pods

Resident Benefits

- Cheap to run – just £5 electricity / week
- Safe and secure
- Fully fitted kitchen
- Low energy white goods provided
- Insulated to be warm in winter and cool in summer
- Card operated electric meter, to encourage budgeting
- Integrated cabling for Broadband and TV connectivity
- Simple to use Operation and Maintenance Manual provided with each home
- Fully furnished living/dining area, bedroom with storage and bathroom with shower
- Everything residents need provided, from plates and cutlery to bedding and towels
- Composite door and windows

Design Benefits

- Built off site in a factory to Future Homes Standard
- BOPAS accredited with a 60 year life span – enables grants, loans and mortgages
- Building Control approved design
- Constructed with A1/A2 fire rated building materials
- Manufactured in just 20 days
- Easy to transport, deliver and install – can be lifted off a flatbed lorry in 30 minutes onto a site
- Designed with homeless stakeholder groups to be anti-ligature, secure and to reduce the risk of cuckooing and other antisocial behaviour

Construction Features

- 24sqm internal living environment
- Stackable to two storeys
- Sits on six foundation pads to minimise groundworks
- Requires only electric, water and waste connections
- Heated via an air source heat pump (one per six homes)
- Soil Vent Pipe and Rainwater outlet
- Controlled flow shower mixer and dual flush cistern to minimise water consumption
- High quality fixtures and fittings throughout
- Factory environment assembly
- Quality checked throughout assembly process
- Fully tested and commissioned pre-delivery
- Fully traceable factory inspection and test plan linked to unique serial number

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Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Report for Cabinet
Report for Finance and Audit Committee

Date: 26 June 2023 / 18 July 2023

Reporting officer: Assistant Director (Corporate Services)

Subject: Housing Revenue Account Provisional Outturn 2022/23

Purpose and summary of report:

To present:

- The 2022/23 provisional Housing Revenue Account Outturn, including movements in the Housing Revenue Account working balances and General Reserve.
- To present the 2022/23 provisional Housing Revenue Account Capital Outturn

Recommendations:

1. This report is for information only.

Key Implications:	
Item	Implications
Legal	There are no specific legal matters arising from this report.
Finance and Value for Money	The financial implications are contained within the body of this report.
Corporate Plan	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
Climate Change	No direct implications

1. INTRODUCTION

- 1.1 The Constitution of the council requires Members to receive reports in respect of the council's finances and financial performance. This report therefore provides details of the provisional budget outturn for the 2022/23 financial year and complements the 2022/23 Financial Statements for the authority which will subsequently be considered by the Finance & Audit Committee.
- 1.2 The council continues to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the council's finances. In addition to the reporting of financial performance through regular budget monitoring reports, these actions include:
- Requiring all financial decisions and major acquisitions to be brought to Management Team for discussion and approval;
 - Appropriate controls in approving purchase orders;
 - Requiring recruitment activity, which affects either budgetary provision or results in a permanent change to the staffing establishment to be considered and approved by Management Team.

2. EXECUTIVE SUMMARY

HRA (Revenue)

- 2.1 At the end of the financial year, income and expenditure for the year was balanced with a contribution of £1.025m to reserves to fund future revenue and/or capital expenditure. This is a significant movement from the forecast outturn reported in previous monitoring reports and whilst this is a positive year end position, it is important to understand that whilst Housing Officers have worked hard to prioritise spend, where possible, this has been largely driven by finance year end accounting transactions. This is explained further below.
- 2.2 External borrowing was based on Q3 forecasts and as capital outturns were significantly lower, all additional borrowing was applied to the HRA capital scheme, resulting in the HRA benefiting from some cheaper borrowing. This has meant that the use of the Major Repairs Reserve (MRR) to finance the HRA capital programme along with use of a Revenue Contribution to Capital (RCCO) (which was expected to be in the region of £1.5m at Q3) was minimal. This is a one-off saving and is unlikely to be repeated as additional RCCO's and the carry forward MRR will be used to finance the capital programme in 2023/24, reversing the action taken in 2022/23.
- 2.3 The above action, coupled with a review of the depreciation policy at the start of 2022/23 resulted in an in year saving of almost £1.7m, led to accounting adjustment savings of £2.289m being generated.
- 2.4 There was still, however, an overspend on delivering the HRA service of £940k, with revenue repairs and maintenance costs adversely impacted by the cost of materials, supply chain issues and labour shortages and a shortfall in rental income due a net decrease in the number of properties within the HRA during the year. This overspend demonstrates the continued difficulties Officers face in delivering the service to tenants. Finance Officers will continue to work closely with the Director (Housing) and Housing Officers on work streams which will ensure the ongoing financial viability of the service.

- 2.5 The level of Working Balances at year-end are projected to be £3.0m, the minimum level of Working Balances for the HRA. Movements in the year are projected to result in a net increase in the General HRA Reserves of £1.025m, with the level of reserves being £729k at start of year and projected to be £1.7m at year-end.
- 2.6 The significant risks to the HRA's financial position remain. These risks were reported in a separate report to Cabinet on 30 May 2022.

Housing Capital

- 2.7 The Housing Capital Programme working budget was £26.9m, with outturn showing at £13.8m. Capital budgets totalling £1.6m were carried forward into 2022/23 relating to the maintenance of the Council's housing stock and the New Build programme.

3. HOUSING REVENUE ACCOUNT

3.1 Budget 2022/23

- 3.1.1 Table 1 below sets out the provisional year end position for the Housing Revenue Account (HRA) against the original budget.

Description	Original Budget 2022/23 (£)	Outturn 2022/23 (£)	Variation (£)
Supervision and Management	7,386,750	7,232,320	(154,430)
Repairs and Maintenance	7,832,530	8,546,430	713,900
Depreciation	6,965,120	5,254,780	(1,710,340)
Intensive Management Fund - Expenditure	434,890	405,420	(29,470)
Capital Finance	8,206,410	7,748,580	(457,830)
Sub Total Expenditure	30,825,700	29,187,530	(1,638,170)
Rents of Dwellings	(27,955,300)	(27,439,780)	515,520
Other Rental Income	(7,550)	(308,330)	(300,780)
Service Charges	(1,911,500)	(1,788,200)	123,300
Non Dwelling Income	(119,820)	(110,550)	9,270
Intensive Management Fund - Income	(434,890)	(474,310)	(39,420)
Other Income	(72,620)	(91,380)	(18,760)
Sub Total Income	(30,501,680)	(30,212,550)	289,130
Contributions to/(from) reserves	(324,020)	1,025,020	(1,349,040)
Net Surplus/Deficit	0	0	0

Table 1: Housing Revenue Account 2022/23

- 3.1.2 As at 31 March 2023, there was a favourable variance against the original budget of £1.025m. As mentioned above, this has been generated by savings on depreciation, capital financing and an increase in non-rental income. However, overspends on responsive repairs and a shortfall in rental income have reduced the favourable variances to produce the outturn position.
- 3.1.3 The following items from 2021/22 were approved for carry forward to 2022/23 by the Section 151 Officer and the Council's Management Team:

Summary of HRA 2021/22 year end carry forward request			
Directorate	Service	Amount	Reason for Carry Forward request into 2022/23
Housing	Housing Landlord Services	12,000	Much of the planned training for 2021/22 could not be carried out due to covid restrictions
Housing	Housing Landlord Services	4,000	Increased tenant engagement activities are required as a result of increased engagement expectations set out in the Social Housing White Paper and Building Safety Bill. Many engagement activities could not take place due to covid restrictions in 2021/22.
Housing	Housing Landlord Services	7,975	Many of the works planned could not be carried out due to the effects of covid causing delays in Contractors being able to get supplies
Housing	S & M Horticulture	8,320	Continuation of Green Space Improvements on Housing Estates programme
Housing	Fire Door inspections	21,763	Works commenced to carry out fire door inspections 21- 22, did not complete by end march
Housing	Risk Assessment -remedial works	9,200	Works commenced 21-22, these relate to works required to rectify defects/actions highlighted on risk assessments.
Total Carry Forward Requests		63,258	

3.2 SUPERVISION & MANAGEMENT – £154K FAVOURABLE VARIANCE

- 3.2.1 **Vacancy Management: £223k Favourable variance** – the HRA staffing budget for 2022/23 incorporated a vacancy allowance of £100k for the year. It was anticipated that this would be achieved throughout the establishment from natural staff turnover within day-to-day business activities. Despite the pay award which was higher than had been budgeted, and the need to engage temporary staff to cover the vacant Assistant Director post, overall actual staff spend was £223k lower than budget. This was due to the high number of vacancies within Housing and difficulty in recruiting to posts.
- 3.2.2 **Disrepairs Claims: £86k Adverse variance** – The Council has seen an increase in the number of no win no fee disrepair claims being submitted resulting in a total cost of £106k in the year. Whilst the total claim values are relatively small and only account for a combined value of £25k, the fees charged by the solicitors dealing with these claims' accounts for £74k of the total spend. Housing Officers regularly remind tenants to report disrepair issues in order that the problems can be rectified to minimise the potential for claims arising and Legal Services challenge costs where possible when claims are received.
- 3.2.3 **Subscriptions to Organisations: £27k Adverse variance** - The unexpected increase in the Housing Ombudsman fees has resulted in an overspend on this heading.
- 3.2.4 **Pest Control: £16k Adverse variance** – Recent changes in legislation have put more responsibility onto the Landlord for controlling vermin and reduced the onus on tenants to deal with pest control.
- 3.2.5 **Third party Software: £93k Favourable variance** – The introduction of the new housing management system has allowed the service to rationalise third party software historically used by the service, as the new system has enhanced capabilities that negate the need for other systems. For example, one standalone system used by the service for a number of years had an annual licence fee of £50k, but this is no longer needed as the new system already has the same functionality, if not more.

- 3.2.6 **Community Wardens Security Patrol: £79k Favourable Variance** – The installation of new security doors has reduced the requirement for security patrols.
- 3.2.7 **IT Equipment: £31k Favourable variance** – The budget provision included a provision for the purchase of new iPads, however these costs were capitalised as part of the Housing Computer Systems capital scheme.
- 3.2.8 **New Build Preliminary Costs: £40k Adverse variance** – Preliminary costs incurred as a result of bringing schemes to planning are incurred in revenue as they cannot be capitalised until there is certainty that the scheme will progress. Once it is confirmed that the scheme will progress, the preliminary costs are then transferred to capital. There is no budget provision for this spend as it is assumed all costs will eventually be capitalised and therefore in 2022/23 there is a net adverse impact of £40k. Once work is started on site, these costs can then be capitalised at a later date.
- 3.2.9 **HRA Sundry Debt Impairment Provision: £137k Adverse variance** – Following analysis of the year-end provision for HRA sundry debt position, an increase in the provision for bad debts is required in 2022/23. The net impact is an adverse variance of £137k.
- 3.2.10 **Audit Fees: £15k Adverse variance** – audit fee scales have been revised and therefore the main audit fee has increased and this is HRA share
- 3.2.11 **Insurance Recharge: £22k Favourable variance** – Due to the recent insurance retendering exercise, the overall cost of insurance for the Council was reduced, resulting in a saving for the HRA.
- 3.2.12 **Wrotham Road £16k: Adverse variance** – Expenditure for Wrotham Road is offset by a contribution from the General Fund as shown in paragraph 3.7.
- 3.2.13 **Costs Recovered £49k: Favourable variance** – Recharging tenants for the costs of unexpected works such as lock changes and replacement fobs plus and underspend on staff budget required to carry out the works has resulted in an underspend on this service. The amount of court costs that have been received has also been greater than expected.
- 3.2.14 **Other Net Variances: £6k Adverse variance** - there are a number of smaller adverse and favourable variances within the Supervision and Management budget which collectively have resulted in a £6k adverse variance.

3.3 REPAIRS & MAINTENANCE - £714K ADVERSE VARIANCE

- 3.3.1 There has been a significant impact on the cost of repairs and maintenance due to national delays in the supply chain and the associated increase in material costs that is affecting both Contractors and the in-house team which are challenging to manage within budget and may affect programme delivery moving forwards. An additional £714k was spent on consumable materials and payments to contractors during the year to provide the responsive repairs service to Council tenants.
- 3.3.2 **Drainage: £199k Adverse variance** - Due to an unprecedented level of work that was required to be carried out such as blocked drains and the repair of pipes, which could not be capitalised, has resulted in an overspend on this budget heading.

- 3.3.3 **Repairs Consumable Materials: £244k Adverse variance** - Due to the current high levels of inflation, which was not known at the time of budget setting, coupled with other difficult external market conditions has resulted in the purchase of materials being more expensive than anticipated. This has been difficult to mitigate and has resulted in an adverse variance of £244k.
- 3.3.4 **Repairs Payments to Contractors: £1m Adverse variance** - Difficult market conditions has made using contractors more expensive. There has been both an increase in material costs, coupled with a shortage of labour, both outside the Councils control. The high level of void properties requiring repairs has exacerbated the overspend coupled with the high level of staff vacancies within this service has meant an over reliance on expensive contractors. This has resulted in external contractors passing the increased costs onto the HRA.
- 3.3.5 **Hire Vehicles and Plant: £135k Adverse variance** - Budget provision for 2022/23 was based on previous years activity. However there has been an increase in the yearly spend for 22/23 resulting in more expenditure than anticipated. This has been taken into account during the 2023/24 budget setting process.
- 3.3.6 **Gas Servicing and Maintenance: £110k Favourable variance** - Due to low spend on CO alarm replacements, TOTs and non-contractual repairs. Scheduled replacement of gas carcass at Springvale court not commenced and the heating to be replaced with a non-gas alternative have resulted in a favourable underspend.
- 3.3.7 **Fire Door Inspections: £73k Favourable variance** - Some of the work on fire doors will now be carried out in 2023/24 which has resulted in a favourable variance in 2022/23.
- 3.3.8 **Rear Accessways: £52k Favourable variance** – Of the 10 alleyway sites identified, a total of eight HRA alleys were cleared as part of the project. Two of these alleys involved major clearances which were at Haynes Road that included gating the alley and the clearance of vegetation in the alley between Taunton Vale and St Albans Close. Two site were removed from the programme in year due to the budgetary pressures on the HRA as reported to Cabinet in the 2022/23 Quarter 2 update.
- 3.3.9 **Aids & Adaptations: £46k Favourable variance** - The budget for 2022/23 was based on previous years provision. Activity on this line was less than previous years and has resulted in an underspend.
- 3.3.10 **Recharges to Capital: £606k Favourable variance** - Increase in the cost of materials and the difficulties in the labour market have led to an increase in the costs being recharged to capital.
- 3.3.11 **Other net variances: £23k Adverse variance** - there are a number of smaller adverse and favourable variances within the Repairs and Maintenance budget which collectively have resulted in a £23k adverse variance.
- 3.4 DEPRECIATION - £1.7M FAVOURBALE VARIANCE**
- 3.4.1 **Depreciation: £1.7m Favourable variance** - In 2019/20 the Council's housing stock was valued at £320.8m. Following an external valuation, this increased to £409m in 2020/21 (an increase of 27.5%). Depreciation is the process of allocating the cost of an asset over its useful life, so the increase in the overall valuation in March 2021 increased the depreciation charge to the HRA (£8.6m in 2021/22 compared to £6.7m in 2020/21). The depreciation charge credits the

Major Repairs Reserve (MRR), which the Council is required to maintain and uses as a funding source for future capital works, a further increase in the valuation of the housing stock in March 2022, which includes the cost of repairing and maintaining the Council's Housing stock.

- 3.4.2 Officers within Finance have reviewed the HRA's depreciation policy, and it has been agreed to amend the policy which in summary sees the housing assets split between land and buildings. We are currently seeking agreement from the Council's External Auditors to this change in policy. Applying the revised policy has resulted in a depreciation charge of £5.2m, which would result in a favourable variance of £1.7m. This is based on applying the UK housing index to the most recently agreed asset values but given the 2019/20 audit has yet to be concluded, this charge is subject to revision.

3.5 INTENSIVE MANAGEMENT FUND (EXPENDITURE) - £29K FAVOURABLE VARIANCE

- 3.5.1 **Intensive Management: £29k Favourable variance** – At the time of setting the budget, assumptions were made as to the level of income that would be generated. However, during the year it became apparent these assumptions had been cautious and as a result more income was generated, resulting in a favourable variance.

3.6 CAPITAL FINANCING - £458K FAVOURABLE VARIANCE

- 3.6.1 **Revenue Contribution to Capital: £427k Favourable variance** – The original budget included a provision to utilise £427k from the HRA general reserve as well as a revenue contribution to capital. At Q3, the Revenue Contribution to Capital (RCCO) was expected to increase to £1.5m to meet the shortfall in the Major Repairs Reserve following the change in the depreciation policy. However, due to additional external borrowing being used to finance the capital programme, an RCCO at this level was not required and therefore it has resulted in a favourable variance.
- 3.6.2 **Interest: £31k Favourable variance** - The HRA receives interest from the General Fund from the balances the authority holds and invests as part of the Council's treasury management activity. Following the increase in the Bank of England Base rate during the year, this has increased the amount of interest received and therefore the HRA's share has increased.

3.7 RENTS ON DWELLINGS - £515k ADVERSE VARIANCE

- 3.7.1 **Rents on Dwellings: £569k Adverse variance** – Several factors have combined to result in a net adverse variance on rental income of £515k, despite void losses being less than anticipated at budget setting. At budget setting there was an assumption that the number of HRA dwellings would increase during 2022/23 by 24. However, due to the reasons detailed below there was actually a net reduction of 23, which is an overall negative movement of 47.
- 3.7.2 Due to the impact of Covid-19 on the delivery of the New Build programme in previous years, there were less HRA dwellings at the start of the year than had been expected at the time of setting the budget and this has had a negative impact on rental income in 2022/23. This will continue to affect rental income in future years and officers are currently assessing the impact on 2023/24 compared to budget.

3.7.3 The Council intended to purchase 9 properties from the market, this did not go ahead as planned in order to reduce the need for external borrowing in the wake of the interest rate rises. This then resulted in a loss of budgeted rental income.

3.7.4 A total of 39 properties were sold under the Right to Buy scheme, over and above the 20 assumed in the budget setting. Therefore, this has also had an adverse impact on the rental income.

3.7.5 **Provision of Doubtful Debts: £38k Favourable variance** – Analysis of the age of outstanding debt as at 31 March 2023, meant that an in-year provision of £264k was required to account for doubtful debts, which was £38k lower than anticipated.

3.7.6 **Rent for Wrotham Road: £16k Favourable variance** – This was received from the General Fund as a contribution for the running of Wrotham Road, which provides temporary accommodation. This was not budgeted resulting in a favourable variance. The costs of Wrotham Road are borne elsewhere in the HRA and this income will offset them (see 3.11.2).

3.8 OTHER RENTAL INCOME - £301K FAVOURABLE VARIANCE

3.8.1 **Other Rental Income: £301k Favourable variance** – The Council received two grants in year that had not been budgeted: LAD2 £186k and Social Housing Decarbonisation Fund £116k which have been used to finance amongst corresponding schemes in the capital programme.

3.9 SERVICE CHARGES – £123k ADVERSE VARIANCE

3.9.1 **Leaseholder Charges: £123k Adverse variance** - This is an accounting adjustment between capital and revenue expenditure that is offset by the underspend in capital financing (see section 3.6 capital financing).

3.10 NON-DWELLING INCOME - £9K ADVERSE VARIANCE

3.10.1 **Commercial Rent: £16k Favourable variance** – a favourable variance is due to the increased rental income received for the hire of space for telecommunications masts on HRA land.

3.10.2 **Garage Rent: £33k Adverse variance** – this is a result of a reduction in year of the number of units available to rent plus an increase in non-payment has reduced the potential income from garages and resulted in an adverse variance in 2022/23 of £33k.

3.10.3 **Other Net Variances: £8k Favourable variance** there are a number of smaller adverse and favourable variances within the Non-Dwelling Income budget which collectively have resulted in a £8k favourable variance.

3.11 INTENSIVE MANAGEMENT FUND (INCOME) - £39K FAVOURABLE VARIANCE

3.11.1 **Intensive Management Fund: £39k Favourable variance** – The budget was set using previous years activity. The in-year support charge income was subsequently greater than expected. This has been taken into account in the budget setting process for 23/24.

3.12 OTHER INCOME – £19k FAVOURABLE VARIANCE

3.12.1 **Investment Income on Internal Balances: £39k Favourable variance** – Higher interest rates have resulted in a greater than expected return on investments.

3.12.2 **Other Income: £20k Adverse variance** – Demand for rent of facilities has reduced and therefore has not matched budgeted income.

3.13 WORKING BALANCES AND RESERVES

3.13.1 The variances outlined in this report have the following effect upon HRA working balances:

	£
Balance Brought Forward from 2021/22	3,000,000
Provisional Outturn position 2022/23	1,025,030
Forecast working balances C/Fwd including minimum HRA Working Balance	4,025,030
Less: Transfer to HRA General Reserve (Revenue)	(1,025,030)
Usable Working Balances C/fwd (as at 31 March 2023)	3,000,000

Table 2: Effect on Housing Revenue Account Working Balances

3.13.2 The working balances are supplemented by specific reserves established to assist with future funding obligations or initiatives. The table below provides a summary of the forecast movements on the HRA general reserve during the year.

HRA Specific Reserves	Opening Balance 01/04/2022	Contributions (Income)	Use of Reserve (Expenditure)	Balance 31/03/2023
	£	£	£	£
HRA General Reserve (Revenue)	(729,280)	(1,025,030)	0	(1,754,310)
Total	(729,280)	(1,025,030)	0	(1,754,310)

Table 3: Analysis of Specific Reserves – HRA

4. HOUSING CAPITAL PROGRAMME

4.1 The Housing Capital programme working budget for 2022/23 was £26.9m. This budget includes £1.6m that was carried forward from 2021/22.

4.2 The HRA capital schemes continued to focus on maintaining the minimum decent homes standard for the Council's stock in 2022/23, with £6,515,190 earmarked for this purpose within the Replacement, Improvement, Health & Safety Works and Major Void Works Programmes. A further £250,000 has been set aside to deal with the refurbishment of major void properties. The council also continues its commitment to build new homes with £14,734,120 allocated for this purpose.

4.3 As at the end of March 2023, £13.8m had been spent against the capital schemes detailed below.

HOUSING CAPITAL PROGRAMME									
Ref No:	Project	2022/23 Original Budget (£)	2022/23 Approved Cfwd (£)	2022/23 Working Budget (£)	Final Outturn (£)	Variance (£)	CFwd	2023-24 Approved Budget	2023-24 Original Budget inc Cfwd
A	Replacement Programmes	3,368,290	286,630	3,654,920	3,560,530	94,390	0	3,892,500	3,892,500
B	Improvement Programmes	1,921,870	101,570	2,023,440	1,626,560	396,880	175,400	1,373,930	1,549,330
C	Health & Safety Works	801,190	35,640	836,830	405,080	431,750	80,200	1,997,000	2,077,200
D	Major Void Works	250,000	0	250,000	690,780	(440,780)	0	0	0
E	New Build & Acquisitions	13,863,470	870,650	14,734,120	4,907,040	9,827,080	447,000	11,231,130	11,678,130
F	Housing Computer Systems	600,000	(10,160)	589,840	306,360	283,480	283,480	0	283,480
G	Replacement Play Equipment	127,500	0	127,500	101,830	25,670	0	0	0
H	Bin Housing	49,470	120	49,590	35,670	13,920	0	0	0
I	CCTV	30,000	19,620	49,620	17,790	31,830	0	0	0
J	Fire Doors	806,580	214,920	1,021,500	969,330	52,170	47,000	0	47,000
K	LAD2 Grant	0	148,000	148,000	144,620	3,380	0	0	0
L	Energy Efficiency	1,888,650	0	1,888,650	752,060	1,136,590	114,550	2,000,000	2,114,550
M	Social Housing Decarbonisation Fund	1,235,000	0	1,235,000	274,920	960,080	960,080	0	960,080
N	Structural Surveys	100,000	0	100,000	16,480	83,520	0	100,000	100,000
O	Independent Living Area Upgrades	116,950	0	116,950	18,200	98,750	94,730	0	94,730
P	Cycle Storage	30,000	0	30,000	0	30,000	0	0	0
Q	Alleyways HRA	105,000	0	105,000	14,420	90,580	0	0	0
	Total (HRA & GF Capital Programme)	25,293,970	1,666,990	26,960,960	13,841,670	13,119,290	2,202,440	20,594,560	22,797,000

Table 4: Housing Capital Programme 2022/23

4.4 The following works were undertaken or completed by the end of Quarter 4 2022/23:

4.5 Replacement Programmes (Ref A) – Favourable Variance £94k

- Kitchen renewals: 68 completed
- Bathroom renewals: 25 completed

4.6 Improvement Programmes (Ref B) – Favourable Variance £397k

- Central heating systems/boilers installations: 193 completed

4.7 Health & Safety Works (Ref C) – Favourable Variance £432k

- Fire detection installations in all properties: 141 completed
- Upgrades to door entry systems: 13 blocks
- Passenger lift refurbishment: No refurbishment carried out.
- LED Emergency lighting upgrades carried out at 16 blocks.

4.8 Major Void Works (Ref D) – Adverse Variance £441k

4.8.1 Additional capitalisation of repairs and maintenance costs has contributed to the overspend.

4.9 New Build (Ref E) – Favourable Variance £9.8m

4.9.1 In 2012 the authority signed an agreement with the DCLG to retain an element of the Right To Buy (RTB) receipts and use them as part-funding of new build and/or acquisition of additional social housing.

4.9.2 From 1 April 2021, MHCLG amended the rules around the use of RTB receipts, allowing Local Authorities to fund 40% of costs incurred in the delivery of additional housing units from the use of RTB receipts, which is an increase from the previous limit of 30%. This means that Local Authorities are now only required to fund the remaining 60% of costs. MHCLG has also increased the requirement to spend RTB receipts from three to four years after they are generated.

4.9.3 The table below shows a summary of the new build properties that have been delivered since the original agreement was signed in 2012, as well as the number of additional properties, which are at various stages of delivery within the

current programme. To date, the total number of new Council homes completed, under construction or with planning permission is 170. The Housing Development Team continue to work on a pipeline of potential development sites to increase the supply of social housing.

HRA Property Development Stage	Number of Properties
Delivered and Completed	116
Under Construction	54
Planning Permission Granted	0
In Planning	46
Feasibility/Concept Design	8
Total Number of HRA Properties	224
Investment Partnership Feasibility (Tenure TBC)	412

Table 5: New Build Delivery

- 4.9.4 The following is the reported position at the end of Quarter 4
- 4.9.5 Whitehill (Admiral Beatty House) and Nansen Road – Scheme completed July 2021; comprising of 8 x 3 bed 5 person houses and 24 x 1 bed & 2 bed apartments. The scheme is out of defects but a latent defect to the external walkway has meant that the final retention is being withheld until all repairs are complete and a final inspection of the scheme is carried out.
- 4.9.6 St Patrick’s Gardens (Bishops Court) – Completed 14 March 2022. Comprising of 22 x 1 bed & 2 bed apartments and 1 x 2 bed wheelchair dwelling, including play equipment installed to new amenity space. EOD expired in March 2023 and inspections have been carried out and remedial works are almost complete. On completion of these works and receipt of tenant satisfaction forms, the final retention will be released. In addition, flats 1, 2 & 3 have been affected by water damage and the contractor is currently on site undertaking rectification works.
- 4.9.7 Valley Drive (340/Mariner Court) – Block B – Flats 1-16, 340 Valley Drive, Gravesend, Kent DA12 5FL completed 28th February 2023 and now in defects. Works continue to Block A – Flats 1-32 Mariner Court, 338 Valley Drive, Gravesend, Kent DA12 5FN with an expected completion of June 2023.
- 4.9.8 Constable Road/Rembrandt Drive – Completed 30th May 2022 with End of Defect inspections scheduled for Friday 2nd June 2023.
- 4.9.9 Armoury Drive – The former Milton Barracks site is currently under construction and comprises of 2 x 1 bed detached bungalows and 4 x 2 bed apartments with an expected completion of February 2024.
- 4.9.10 St Columba’s Close – This scheme will comprise of 15 x 1 bed and 19 x 2 bed apartments, 4 x 3 bed houses and 2 x 4 bed houses with general improvements to the public realm and existing blocks of flats. Community engagement was undertaken, and final planning permission granted on 6th April 2023. Consultants now preparing the scheme for Invitation to Tender.
- 4.9.11 Worcester Close - The proposed scheme for this site consists of 4 x 1 bed and 4 x 2 bed flats. A planning application was submitted for consideration in A planning application for this development was submitted in February 2023 with an estimated planning committee date, where the application will be considered, of June 14th 2023. The council is permitted to retain part of the RTB receipts to repay the debt incurred in 2012 as part of HRA self-financing. As of 1 April 2021,

the RTB Allowable Debt reserve had a nil balance. This was due to the proposal to use any balance from the RTB Allowable Debt reserve to help fund the New Build projects, ahead of any other funding source, as this can either be used to repay debt or finance the capital programme.

4.9.12 Table 6 summarises the one for one receipts retained from the sale of Right To Buy properties, since 2012, along with the level of GBC's contributions required to deliver the New Build programme and a summary of when expenditure needs to be delivered to avoid having to return funds to Central Government.

	One for one receipts retained	GBC 60% contribution to new build	Value of new build expenditure expected	Cumulative value of new build expenditure expected	Date of new build expected by
	£	£	£	£	
2012-17 c/f	6,905,580	16,113,020	23,018,600	23,018,620	31-Mar-22
2017-18	1,811,560	4,227,000	6,038,560	29,057,180	31-Mar-23
2018-19	1,797,170	4,193,400	5,990,570	35,047,730	31-Mar-24
2019-20	2,869,320	6,695,080	9,564,400	44,612,130	31-Mar-25
2020-21	1,475,440	3,442,690	4,918,130	49,530,260	31-Mar-26
2021-22	3,072,252	4,608,379	7,680,631	57,210,891	31-Mar-27
2022-23	4,265,120	6,397,680	10,662,800	67,873,691	31-Mar-28
	22,196,440	45,677,250	67,873,690		

Table 6: New Build

4.10 Housing Computer System (Ref F) Favourable Variance £283k

4.11 The new housing system went live on 12 September. The first phase focused on Income and Housing Management and enables Housing Officers to streamline the arrears process, with Officers only having to use one system as opposed to several. As at 31 March the project was in the second phase, focussing on asset management, leasehold management, repairs integration and an improved digital offering for our residents. This provides a more efficient service to tenants and removes the need for paperwork to be carried out on estates, contributing to the green agenda and also reducing any possibility of GDPR breaches. The next phase will be to launch HomeSwapper, a service that is free for our tenants to use if they are interested in a mutual exchange. Both the digital portal and the HomeSwapper access will be advertised in the next edition of Your Home. Officers are also looking at a Customer Relationship Management (CRM) process to better manage contact and workflows within the teams, to allow seamless movement of activity between officers. Work continues on reporting capability and Officers are looking at dashboards to better manage workloads, ultimately, improving the service delivered to tenants.

4.12 Replacement Playground Equipment (Ref G) – Favourable Variance £26k

4.12.1 Consultation was completed for the playground at Carl Ekman House and equipment was purchased and installed. The playground at Fountain Walk was also improved with the addition of further equipment.

4.13 Bin Housing (Ref H) – Favourable Variance £14k

4.13.1 Due to the pressure on the HRA budget, the decision was taken to not progress any further schemes during the financial year.

4.14 CCTV (Ref I) – Favourable Variance £32k

4.14.1 No further CCTV upgrades were identified during the financial year.

4.15 Fire Doors (Ref J) - Favourable Variance £52k

4.15.1 The fire doors at Chichester Rise referred to the 23/24 schedule due to the lack of funds to complete the scheme in full.

4.16 Energy Efficiency (Ref L) - Favourable Variance £1.1m

4.16.1 The following elements have been delivered as part of this capital scheme during the year

- Installation of ground source heat pumps (GSHP's) to 16 flats and the communal area at Merston Court and Hermitage Road.
- Completion of 5 Net Zero homes consisting of air source heat pumps(ASHP's), Solar panels and loft and cavity wall insulation.
- Installation of solar panels and battery storage at Carl Ekman House and Chantry Court to power the communal electricity supply.
- Installation of Electric Vehicle charge points at Carl Ekman House and Bishops Court.

4.16.2 block had been identified for the installation of GSHP's due to the age of the boilers and the need to upgrade the gas pipework. Due to some delay with finalising the design and agreeing a suitable approach to new heating, the project was delayed resulting in a saving of £600k and has now been included within the capital programme of 23/24, with works due to start on site in June.

4.17 Social Housing Decarbonisation Fund (SHDF) (Ref M) – Favourable Variance £960k

4.17.1 The SHDF scheme received a national extension by the Department of Net Zero & Energy Security due to nationwide under delivery by the original target date of March 2023 with the Council being granted an extension until end of October 2023. As of the end of 22/23, 350 properties have been successfully surveyed and just over 200 have received insulation.

4.18 Structural Surveys (Ref N) – Favourable Variance £84k

4.18.1 The structural repair work was only carried out at blocks in the cyclical decs programme due to limited staff resources. The remaining blocks still have to be surveyed and repaired as required.

4.19 Independent Living Area Upgrades (Ref O) – Favourable Variance £99k

4.19.1 48 projects were completed under Independent Living Area Upgrades programme consisting of new furniture, redecoration, new flooring, new blinds, new washing lines, new kitchens, new bathrooms, and relocation of scheme offices. Some of the main projects completed under the scheme were

4.19.2 Refurbishment of the communal hall at Johnson Close including the installation of French doors to a newly created garden area which was previously not accessible for residents, redecoration, new blinds and new flooring.

- 4.19.3 Redecoration of the communal corridors and hall at Cleveland House.
- 4.19.4 Refurbishment of the communal hall at Racefield Close including redecoration, new flooring, new blinds and new kitchen.
- 4.20 **Cycle Storage (Ref P) – Favourable Variance £30k** – as part of the budgetary pressures identified in the 2022/23 Quarter 2 budget report, and the recognised need to make in-year savings, this initiative was paused to help mitigate those pressures.
- 4.21 **Capital Resources**
- 4.22 Table 8 below, shows the resources available to fund capital projects in future. The use of funding takes into account schemes, which are expected to roll balances forward, as indicated in this report

Housing Capital Resources	Opening Balance 01/04/2022 £	Actual Income 2022/23 £	Use of Funding 2022/23 £	Final Balance 31/03/2023 £
Capital Receipts - HRA	(1,381,770)	(279,170)	4,510	(1,656,430)
Capital Receipts - GF Housing	(135,390)	(23,970)	0	(159,360)
Capital Receipts - PV Panels	(3,573,000)	0	0	(3,573,000)
Major Repairs Reserve - Dwellings	(457,870)	(5,040,400)	540	(5,497,730)
Major Repairs Reserve - Non Dwellings	(69,700)	(197,090)	0	(266,790)
New Build Reserve: 1-4-1 Receipts	(6,582,820)	(4,265,120)	729,490	(10,118,450)
Right to Buy Allowable Debt Reserve	0	(849,570)	2,880	(846,690)
Social Housing Decarbonisation Grant	0	(823,340)	91,640	(731,700)
Meopham Police Station (s106)	(24,500)	0	24,500	0
Total	(12,225,050)	(11,478,660)	853,560	(22,850,150)

Table 8: HRA and General Fund Housing Capital Resources 2022/23

5. Appendices

- 5.1 There are no appendices.

6. Background Documents

- 6.1 There are no background documents.

Lead Officer: Alexandra Jarvis

Email: alexandra.jarvis@gravesham.gov.uk

Secondary Implications	
Risk Assessment	The purpose of this report is to demonstrate financial performance as at 31 March 2023 against the original budget set for the 2022/23 financial year, and illustrate how this affects the Working Balances and Earmarked Reserves held by the Council.
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data ? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. N/A
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk . N/A
Equality Impact Assessment	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No decision – paper is for information only.
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	No direct implications.
Digital and website implications	No direct implications.
Safeguarding children and vulnerable adults	No direct implications.

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Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Report for Cabinet
Report for Finance & Audit Committee

Date: 26 June / 18 July 2023

Reporting officer: Assistant Director (Corporate Services)

Subject: General Fund Provisional Outturn Report 2022/23

Purpose and summary of report:

To present:

- The 2022/23 provisional General Fund Outturn Report, including movements in the General Fund working balances and earmarked reserves.
- The 2022/23 provisional General Fund Capital Outturn

To update Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP), or Financial Statements.

Recommendation:

1. This report is for information only

Key Implications:	
Item	Implications
Legal	There are no specific legal matters arising from this report
Finance and Value for Money	The financial implications are contained within the body of the report
Corporate Plan	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
Climate Change	No direct implications

1. INTRODUCTION

- 1.1. The Constitution of the Council requires Members to receive reports in respect of the Council's finances and financial performance. This report therefore provides details of the provisional budget outturn for the 2022/23, as well as updating Members on other key areas of financial performance.
- 1.2. During 2022/23, the Council continued to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances. In addition to the reporting of financial performance through regular budget monitoring reports, these actions include:
 - Requiring all financial decisions and major acquisitions to be brought to Management Team for discussion and approval;
 - Appropriate controls in approving purchase orders;
 - Monitoring the delivery of activity under the Medium Term Financial Strategy (MTFS).
 - Requiring all recruitment activity to be considered and approved by Management Team.

2. EXECUTIVE SUMMARY

Revenue

- 2.1. The provisional outturn position for the year is a net deficit of £673k. Significant movements against budget are detailed in the report, with the most notable items being staffing costs falling in the "All Directorate" section, the St George's Centre, within the Communities Directorate, and Homelessness, within the Housing Directorate. The wider financial context is explored in section 3.12
- 2.2. The level of Working Balances at year-end is £10.25m, constituted of minimum working balances of £2.0m, the General Fund reserve of £3.25m and usable Working Balances of £5m.
- 2.3. Movements in the year have resulted in a net increase in earmarked reserves of £527k. Within this movement, significant items relate to transfers from reserves to support expenditure within the Capital Programme, as well as contributions made to the Asset Enhancement, and Enterprise Zone reserves as described in section 3.11.2.
- 2.4. Although the provisional outturn position shows a more favourable position than reported at Q3, expenditure continues to exceed income by an average of £16k a day. In response to this financial challenge the Council has put in place a 5-year Medium Term Financial Strategy with initiatives to help improve the financial position. This is explained in section 3.12 "Wider Risks to the MTFP".

Capital

- 2.5 The General Fund Capital Programme working budget was £49.18m, including £28.8m relating to The Charter, £8.9m for the St George's Centre, £1.98m for a New Leisure Centre, and a combined £3.4m relating to Property/Land Acquisition schemes. Actual spend for the year was £29.76m.

3. REVENUE

3.1. Budget 2022/23

- 3.1.1 The approved Original Budget Requirement for 2022/23 was £12,461,820, largely funded by a combination of retained Non-Domestic Rates, New Homes Bonus, and Council Tax. Additionally, there was a requirement to use £1,453,370 of Usable Working Balances, in accordance with the Medium-Term Financial Strategy, to produce an overall balanced budget.
- 3.1.2 The provisional General Fund outturn against the Original Budget is presented in the table below. It should be noted that headings for directorates, reserves and transactions below the line have been adjusted to neutralise the effect of year-end accounting entries such as depreciation, and to incorporate the correct accounting treatment for reserves and grant income. As a result, the table may not be directly comparable to previous budget monitoring reports.

Directorate / Budget Heading	Original Budget 2022/23 (£)	Outturn 2022/23 (£)	Variation 2022/23 (£)
All Directorate - Salaries	16,262,770	16,640,410	377,640
Chief Executive	(498,260)	(430,990)	67,270
Communities	(1,239,840)	(592,860)	646,980
Corporate Services	303,850	54,890	(248,960)
Environment	902,280	674,320	(227,960)
Housing	45,740	879,100	833,360
Non-Directorate Specific	828,380	833,160	4,780
Interest and Investment Income	(814,240)	(1,538,930)	(724,690)
Government Grant Funding	(2,152,290)	(2,128,450)	23,840
Transfers to/ (from) reserves	(1,338,160)	96,410	1,434,570
Transfers to/ (from) balances	573,150	573,150	0
Transactions below the line	(411,560)	(1,658,110)	(1,246,550)
BUDGET REQUIREMENT	12,461,820	13,402,100	940,280
Business Rates Income	(2,701,820)	(2,966,000)	(264,180)
Council Tax Income	(7,592,170)	(7,592,170)	0
Parish Precepts	(471,860)	(471,860)	0
New Homes Bonus	(573,150)	(573,150)	0
Lower Tier & Services Grants	(337,380)	(340,480)	(3,100)
Transfers to/(from) the Collection Fund	667,930	667,930	0
Use of Working Balances	(1,453,370)	(1,453,370)	0
BUDGET SHORTFALL/(UNDERSPEND)	0	673,000	673,000

Table 1: General Fund Revenue Outturn by Directorate / Budget heading

3.2. ALL DIRECTORATE – £378k ADVERSE VARIANCE

- 3.2.1 The Council's original budget for 2022/23 included a projected general pay award of 2% for all staff. Following negotiations between the Local Government Organisation and the Unison, Unite and GMB Unions, agreement was reached in November, resulting in a basic salary increase on all scales of £1,925, plus an increase on other allowances of 4.04% for all grades up to Service Manager. When also factoring in the vacancy

allowance of £450k already included within the staffing budget (anticipated to occur from natural turnover as well as posts held vacant pending the re-design of services), the budgetary impact for 2022/23 is an adverse variance of £378k.

3.3. CHIEF EXECUTIVE'S DIRECTORATE – £67k ADVERSE VARIANCE

3.3.1 **Qualification & Training Expenses: £38k adverse variance** – As a result of additional training expenses incurred during 2022/23, largely within the Waste Management and Vehicle Workshop services, there is a year-end adverse variance of £38k.

3.3.2 **Human Resources – Shared Service costs: £37k adverse variance** – The core elements of the HR team came back in house to the Council in July 2021, with residual items such as IT maintenance, hosting of the HR system, recruitment and workforce development services remaining at Medway Council. Including back-dated charges for 2021/22, these costs have come in higher than the original budget, leading to an adverse variance in 2022/23.

3.3.3 **Other Net Variances: £8k favourable variance** – The net effect of other variances across the Chief Executive's Directorate is a favourable variance of £8k.

3.4. COMMUNITIES DIRECTORATE – £647k ADVERSE VARIANCE

3.4.1 **District Shopping Centres & Industrial Estates rental income: £136k favourable variance** – Although being under pressure during the period of Covid-19 restrictions and the subsequent challenging economic climate, rental income across District Shopping Centres and Industrial Units has held up well. The Council has benefited from a combination of continued tenancies as well as rent reviews at a number of sites. The net effect of these is £57k, and along with the release of a Covid-19 bad debt provision set aside of £78k (to allow for potential lost income from longer-term circumstances arising from the pandemic), is an overall favourable variance in 2022/23 of £136k.

3.4.2 **St George's Arts Centre: £103k favourable variance** – This has been the first full year of operation of the St George's Arts Centre, so exact costs of annual operations are only emerging now. Part of the budget is to develop the creative programme offer, but also to support local artists and creatives in developing their skills and drawing external funding into the area through providing match funding opportunities. However, during the first year or so of operation, the demand for the use of the space and collaborative working has outstripped our initial expectations, resulting in less cost to the Council to 'buy' in the programme. Whilst some match funding has been used (and resulted in attracting quite significant levels of external funding for creative activity), the uptake has not been as high as anticipated due to embedding the offer. Over the current financial year, a review of future activity and potential funding requirements will be undertaken with the expectation that a reduction to the operating budget for programmed activity costs can be achieved.

3.4.3 **Town Centre & Tourism – £89k favourable variance** – The main focus for town centre events during 2022/23 was the Winter Light Festival, for which the Council was successful in securing Arts Council England monies of £30k. This funding enabled the Council to grow the activity of the inaugural event last year to encourage greater participation and involvement. Consequently some of the Council's own budgets were not utilised, leading to a favourable year-end variance of £70k. The Tourism service experienced a lower volume of activity than budgeted of £19k, leading to the combined year-end position of £89k.

- 3.4.4 **Car Parks: £65k favourable variance** – Within the budget-setting process for 2022/23 an allowance of £149k was made within the Parking service to account for potential lost income resulting from circumstances arising from the Covid-19 pandemic e.g. reduced commuter activity in car parks due to new working patterns, and a reduction in visitors to the town centre. With the current Cost of Living Crisis, generating income continues to be challenging, with a net loss compared to the original budget of £84k realised at year-end. However, this was more than offset by the release of the Covid-19 allowance of £149k, giving rise to the net favourable variance of £65k.
- 3.4.5 **Civic Centre rental income: £49k favourable variance** – As a result of additional rental income and service charges being raised to occupants of the Civic Centre compared to the original budget, £49k additional income has been realised. This includes £27k of back-dated contributions to business rates raised during quarter four.
- 3.4.6 **Reprographics/Photocopiers: £41k favourable variance** – Continued careful management of various stationery and photocopier budgets, combined with lower demand for producing publicity material and other related information, has led to a favourable year-end position of £41k. Some of these budgets have now been removed under the Council’s “Budget Rationalisation” strand of activity designed to address the longer-term overall budget gap.
- 3.4.7 **Licensing: £39k favourable variance** – A combination of smaller underspends within the transport and supplies and services budgets, as well as additional license fee income, has led to a favourable variance of £39k across the service in 2022/23.
- 3.4.8 **Community Engagement: £27k favourable variance** – During 2022/23, the Council was able to expend various Covid-19 grants carried forward from 2021/22 as well as further tranches of Household Support funding. These have enabled the Council to facilitate a wide programme of support to individuals and local community organisations in the borough. Consequently, there has been less call on the Council’s own budget, leading to a favourable year-end variance of £27k.
- 3.4.9 **St George’s Centre – net rental income: £716k adverse variance** – Rental of units in shopping centres continues to be challenging, particularly in the period of recovery following the Covid-19 pandemic and in the current Cost of Living crisis with changing customer behaviour and business delivery models. As a result there are a number of vacant units within the Centre. Throughout 2022/23, the Council has incurred service charges and business rates which would otherwise have been chargeable to tenants, this amounts to £647k. Additionally, whilst the Council’s loan repayments to Aviva have increased by an inflationary amount of 5%, it has been simultaneously challenging to increase rental income in a similar fashion. In cash terms, the net deficit between income received and loan repayments made is £22k, which combined with the non-recoverable charges of £647k, and other items of £47k, has led to the overall year-end adverse variance of £716k. The Council continues to engage with Reef and other agents to market opportunities, and respond to interests received, moving them forwards as rapidly as possible.
- 3.4.10 **Leisure Services: £294k adverse variance** – The Council’s budget has felt the impact of rising energy costs through the management fee received from Gravesham Community Leisure Limited (GCLL). Earlier in the year, GCLL invoked the clause in its contract which places a legal obligation on the Council to adjust the management fee should the unit cost of utilities rise (GCLL is responsible for overall consumption costs, whereas the Council are responsible for inflationary increases). Following analysis by the Council’s Finance Team, a reduction in the annual management fee for 2022/23 was agreed, with no further contributions received after September 2022. This resulted in a year-end adverse variance of £148k.

- 3.4.11 Additionally, following the agreed management fee reduction, wholesale energy prices increased significantly in October 2022, particularly within the Leisure industry. The impact of these inflationary increases falling upon the Council was £67k for Quarter three, and £79k for Quarter four. Thus, a combination of a reduced management fee payable from GCLL, and direct support for utility inflation payable to GCLL, has led to an overall adverse variance of £294k within Leisure Services in 2022/23.
- 3.4.12 **Energy Costs: £190k adverse variance** – Wholesale energy costs have significantly increased in the last year, with continuing volatility anticipated in the short to medium term. The energy requirements of the Council are procured through LASER Energy, which is part of the Commercial Services Group, a company wholly owned by Kent County Council. LASER has mitigated against a large proportion of the market extremes through its flexible procurement approach by purchasing energy requirements for its customers in advance.
- 3.4.13 Earlier during the year, an estimated overspend on electricity for 2022/23 of £150k was projected, however since then, the final outturn position has moved to a deficit of £220k. This is largely attributable to inflationary increases taking effect from October 2022 with electricity day and night unit prices rising by 17% and 45% respectively. For example, the projected price per day unit earlier in the year was £0.36, whereas the actual price per unit was £0.42. The additional adverse variance of £70k has been met by the Corporate Inflation Provision held to smooth the impacts of inflationary increases experienced across the Council.
- 3.4.14 Similarly, an estimated overspend on gas costs of £40k earlier in the year has now materialised in a year-end adverse variance of £87k. The additional variation is largely attributable to gas unit prices rising by 58% in October 2022, higher than previously been anticipated. In a similar fashion to electricity, the additional inflationary impact for gas has been met from the Corporate Inflation Provision, and thus the net residual adverse variance for electricity and gas remains at £190k, as reported earlier during 2022/23.
- 3.4.15 Prices remain high for electricity and gas, and although there has been limited support available via the Government's Energy Bill Discount scheme, the longer-term outlook is uncertain. Adjustments were made during the budget setting process for 2023/24 to reflect anticipated trends, and as a key area of Council expenditure, this will continue to be monitored closely over the coming months.
- 3.4.16 **Other Net Variances: £4k favourable variance** – the net effect of other variances across the Communities Directorate is a favourable variance of £4k.

3.5 CORPORATE SERVICES DIRECTORATE – £249k FAVOURABLE VARIANCE

- 3.5.1 **Housing Benefit Subsidy: £343k favourable variance** – The favourable variance has arisen predominantly due to a decrease in the bad debt provision, as a result of a reduction in the overall Housing Benefit debt. The Council is continuing to see a decrease in debt, due to the roll out of Universal Credit and a decline in the Housing Benefit caseload, which has resulted in a reduction in the new debt being raised. Through Verifying Earnings and Pensions, the Council has better quality data, as officers can now access HMRC records to review high-risk claims to ensure the Council is paying the right benefit. 2022/23 year has also seen the release of the previous Covid-19 related provision, which has also resulted in a reduction in the bad debt provision. All budgets relating to Housing Benefit Subsidy for future years are currently being reviewed under the Council's budget rationalisation activity to ensure they reflect current, and expected trends going forwards.

- 3.5.2 **Interest Payable: £136k favourable variance** – The Monetary Policy Committee (MPC) continued to increase the Bank of England Base rate during 2023 from an all-time low of 0.10% in December 2021 to 4.25% in March 2023, with rates now expected to peak around 5.00% during 2023/24. Whilst this has pushed up borrowing rates to a level higher than was forecast at the time of setting the budget in February 2022 and considered earlier in 2022/23, delays in the delivery of capital schemes such as The Charter, which is being funded through borrowing, has meant the Council has taken on less external borrowing. Thus despite the higher interest rates, the total cost of the external debt incurred by the Council during 2022/23 has been lower than originally budgeted. This is merely a timing issue, as external borrowing requirements will still need to be considered projects such as The Charter and Leisure Centre progress in 2023/24.
- 3.5.3 **Sundry Debt Impairment Provision: £93k favourable variance** – Following analysis of the year-end provision for General Fund sundry debt, a reduction in the provision for bad debts held is required in 2022/23. This is in part due to additional funds relating to Covid-19 having previously been held, now no longer required. The net impact is a favourable variance of £93k.
- 3.5.4 **Net New Burdens funding: £57k favourable variance** – In 2022/23 the Council has received Government New Burdens grants to cover administration costs for a series of measures to support businesses and individuals within the local community. These are in response to the longer-term impacts of the Covid-19 pandemic as well as the current Cost of Living Crisis. The grants primarily contribute to staff and IT/system costs incurred in facilitating schemes such as Household Support, Energy Payments, and Covid-19 Business Support.
- 3.5.5 **St George’s Centre interest charges: £375k adverse variance** – Following the auditor challenge to the treatment of the St George’s Centre transaction as described in last year’s outturn report, work continues to ascertain the correct treatment. The estimated impact in 2022/23 is additional interest charges of £375k.
- 3.5.6 **Other Net Variances: £5k adverse variance** – the net effect of other variances across the Corporate Services Directorate is an adverse variance of £5k.
- 3.6 **ENVIRONMENT DIRECTORATE – £228k FAVOURABLE VARIANCE**
- 3.6.1 **Planning Policy – costs recovered: £273k favourable variance** – During 2022/23 the Council has been successful in recovering £273k worth of costs incurred under Planning Performance Agreements from National Highways. These relate to staffing costs and other expenses the Planning Team has experienced on the Lower Thames Crossing initiative, dating from 2019/20 to 2022/23. Although it had previously been hoped that cost recovery would be forthcoming, this was not confirmed until during the 2022/23 financial year, thus leading to the current favourable outturn position.
- 3.6.2 **Planning Application Income: £66k favourable variance** – Income within the service from planning applications has continued to fare well in 2022/23 with a reported year-end favourable variance of £66k.
- 3.6.3 **Garden Waste Income: £30k favourable variance** – The service continues to grow with additional demand for the subscription service during 2022/23. This has led to a favourable year-end income variance of £30k.
- 3.6.4 **Allotments – Grounds Maintenance: £19k adverse variance** – The Cruden Road allotment site has required major works during 2022/23 in order to bring it back into full

use. This incorporated rubbish clearance, removal of uncultivated brambles, bushes and grass, and the installation of a new fence. The scope of works required exceed the original budgetary provision, thus resulting in a £19k year-end adverse variance.

- 3.6.5 **Vehicle charges: £105k adverse variance** – The Council operates over 120 vehicles in delivering a range of services to the residents of the borough. Fuel for vehicles is purchased at volume and stored at the Brookvale Depot site. Prices per litre have increased significantly over the last two years, from £0.88 per litre in March 2020, to £0.97 in March 2021 and £1.37 in March 2022. At the end of March 2023, the price per litre of fuel was around £1.20.
- 3.6.6 Due to the wider economic climate, both at home in the UK and abroad, the cost of vehicle parts has seen a substantial increase this year. There have been availability challenges when trying to source some of the parts, which at times has required the Council to purchase parts from an alternative supplier. This in turn has meant that officers have not always been able to obtain the same discounts that can usually be accessed. Technological advancement of the vehicles in the Council's fleet, has improved the environmental emissions of each vehicle, which on some occasions is to the detriment of the reliability of the vehicle as it ages. However, the extra technology comes at a cost which can now be seen within the adverse variance at year end.
- 3.6.7 As a consequence of the inflationary increases to both fuel and vehicle parts, a transfer of £113k has been made from Corporate Inflation Provision. The resultant effect is a net year-end adverse variance of £105k reported within the Environment directorate.
- 3.6.8 **Other Net Variances: £17k adverse variance** – the net effect of other variances across the Environment Directorate is an adverse variance of £17k.

3.7 HOUSING DIRECTORATE – £833k ADVERSE VARIANCE

- 3.7.1 **Private Housing – Recoverable costs: £56k favourable variance** – Following an improvement notice being served on a property in Alexandra Road, works in default were undertaken across 2020/21 and 2021/22. These were required to rectify hazards that were considered to be a risk to the health and safety of the occupants, and of visitors to the property and others. The works were initially funded by the Council's own budgets, however during 2022/23 recovery of these costs was concluded, leading to a favourable year-end variance of £56k.
- 3.7.2 **Southfield Shaw – Rental income: £23k favourable variance** – Additional rental income compared to the original budget has been realised in 2022/23 leading to a favourable year-end variance of £23k.
- 3.7.3 **Southfield Shaw – Electricity cost recovery: £18k favourable variance** – As a result of changes designed to ensure full cost recovery of electricity charges incurred by the Council at the site and recharged to tenants, back-dated adjustments have been processed in 2022/23 realising in a favourable year-end variance of £18k.
- 3.7.4 **Rosherville Repairs: £16k favourable variance** – Rosherville Repairs and Maintenance Limited began trading during 2022/23 and as at year-end, there is a favourable variance to the Council of £16k relating to recharges of Council officer time for services provided to Rosherville Repairs under the service level agreement.
- 3.7.5 **Southfield Shaw – Commission income: £16k favourable variance** – During the fourth quarter of 2022/23, additional income of £16k was received by the Council following the sale of one mobile home at the Southfield Shaw site.

- 3.7.6 **Parks – Rental income: £14k favourable variance** – Additional rental income within the Parks service of £14k, was realised during 2022/23 compared to the original budget.
- 3.7.7 **Private Housing Enforcement – net additional income: £13k favourable variance** – During 2022/23, combined additional income from HMO (Housing in Multiple Occupation) Licensing Fees, charges for serving notices, and Housing Act penalty notices resulted in a net favourable variance of £13k.
- 3.7.8 **Homelessness – Temporary Accommodation: £1,008k adverse variance** – There has been a steady increase in households requiring homeless advice and assistance. In 2022/23, 1904 households made contact with the Council as they were homeless or in threat of becoming homeless within 56 days which represents a 3% increase compared to 2021/22. The numbers of households approaching the service at the point of crisis has put greater demand on the need for temporary accommodation where the local authority owes legal duties to secure accommodation. There are several factors that have impacted the Councils temporary accommodation figures including:
- Relationship breakdown between couples (non-violent), families & friends causing exclusions
 - The Domestic Abuse Act 2021
 - Increase in private sector evictions (potential to increase with the Rent Reform Act as landlords struggle to meet obligations expected of them and therefore sell homes has seen a steady flow of customers presenting Section 8 and Section 21 Notices.
 - The Cost of Living Crisis increases making lower income households challenged with meeting their housing costs when in receipt of benefits, and unable to afford the Private Rental Market.
- 3.7.9 During 2022/23, officers have explored various options for longer-term temporary accommodation solutions, with a report presented to Cabinet on 30 May 2023 proposing to introduce a not-for-profit Social Lettings Agency. This approach is designed to increase the possibility of securing private sector accommodation, managed by the agency and thereby, reduce the current reliance on nightly paid accommodation. The report was agreed and will now be implemented during 2023/24.
- 3.7.10 The Council has received £407,620 Homeless Prevention Grant from Central Government, which alongside the existing original budget of £50,000 has been used to finance the cost of temporary accommodation. Additionally, due to proactive and collaborative working between the Housing Team and the Benefits Team, additional Housing Benefit income has been generated related to households placed in temporary accommodation, particularly during the last quarter of 2022/23. These have made a positive contribution to reducing the overall variance at year end, and in particular improving the previously reported adverse variance of £1,250k.
- 3.7.11 When taking the complete picture of temporary accommodation expenditure, and income from grants and housing benefit receipts into account, the net position for the Council was an overall adverse variance of £1,008k in 2022/23.
- 3.7.12 **Other Net Variances: £19k favourable variance** – the net effect of other variances across the Housing Directorate is a favourable variance of £19k.

3.8 ITEMS CARRIED FORWARD FROM 2021/22 – £67,240

3.8.1 The following items from 2021/22 were approved for carry forward to 2022/23 by the Section 151 Officer and the Council's Management Team:

Summary of General Fund 2021/22 year-end carry-forward requests			
Directorate	Service	Amount	Reason for carry-forward request into 2022/23
Environment	Allotments	£5,850	Site clearance
Environment	Allotments	£3,500	Wooden fencing damaged during Storm Eunice was temporarily replaced, but now requires a permanent solution.
Communities	Safer Stronger Communities	£4,250	Grant funding from KPCC - approved carry forward to 2022/23 projects. If not spent on appropriate activities, grant funding would be required to be repaid.
Communities	Base Camp	£7,610	External funding to be used for appropriate event focus on Armed Forces. If not spent (or spent appropriately), repayment would be due.
Communities	Altogether Stronger	£37,910	External funding for food/music, community engagement events. If not spent (or spent appropriately), repayment would be due.
Communities	Art Project	£3,370	To cover production costs 2022/23.
Housing	Homelessness	£4,750	Grant funding relating to Syrian/Afghan refugees. If not spent in line with conditions, repayment would be likely.
Total carry-forward requests		£67,240	

Table 2: Items Carried Forward from 2021/22

3.9 NON-DIRECTORATE SPECIFIC – £5k ADVERSE VARIANCE

3.9.1 **Retirement Benefits: £5k adverse variance** – in addition to the Past Service pension lump sum payable to KCC (Kent County Council), which is set on a triennial basis by pension actuaries, the Council also holds a budget to make individual retirement benefit payments for former employees through KCC. There has been additional expenditure on this second aspect of the budget in 2022/23, leading to an adverse year-end variance of £5k.

3.10 INTEREST AND INVESTMENT INCOME – £725k FAVOURABLE VARIANCE

3.10.1 As per the interest payable section earlier, the increasing Bank of England Base rate has had a positive impact on the income generated by the Council's investments. Assumptions about the level and speed of interest rate rises at budget setting were much more modest than was experienced during the year, as financial markets responded to the changing political environment.

3.10.2 Several schemes within the Council's capital programme have also not progressed at the pace originally envisaged at budget-setting. Therefore where the Council was using either internal borrowing or reserve balances to fund expenditure, the speed at which these resources have been used has also slowed, resulting in the Council having higher cash balances available to invest on a day-to-day basis. Improved dividends from the Council's investments in Property and Multi Asset Funds, have also contributed to the overall favourable variance despite falls in the capital values of these funds.

3.11 FUNDING STREAMS – £55k FAVOURABLE VARIANCE

3.11.1 **Government Grant Funding: £24k adverse variance** – Due to timing differences between completion of the statutory NNDR1 form in January 2022, and the finalisation of the budget setting process for 2022/23, estimates are required to assess Central Government Section 31 grants receivable in-lieu of direct business rates receipts. The outturn for 2022/23 is an adverse variance of £24k compared to the original budget.

3.11.2 **Transfers to/(from) reserves: £1,435k net additional contributions** – Following analysis of the overall year-end position, the opportunity has been taken to review amounts held within specific earmarked reserves. Compared to the original budget, the following movements have taken place:

- Transfer from Enterprise Zone – contribution to the 2022/23 Riverside Festival and Town Centre Light Festival of £99k
- Woodville Reserve – release into the General Fund of £50k
- Planning Policy Reserve – transfer to reserve of £42k to assist with future Local Plan obligations
- Corporate Priorities Reserve – transfer to reserve of £52k to contribute to Corporate Plan initiatives
- IT Infrastructure Reserve – transfer to reserve of £170k to facilitate a range of IT and digital enhancements across the Council
- Asset Enhancement Reserve – transfer to reserve of £200k to meet ongoing landlord maintenance responsibilities across the Council's portfolio of property assets
- Enterprise Zone – transfer to reserve of £1,120k, representing £906k as detailed in paragraph 3.11.3, and £214k as reported in section 3.11.4.

3.11.3 **Transactions Below the Line: £1,247k favourable variance** – There is a favourable year-end variance of £1,247k within this section, which can be attributed to the following:

- Enterprise Zone – due to delays in the Valuation Office getting the Enterprise Zone correctly assessed for annual billing, initially there were delays in receiving funds due to the Council. This has now been rectified in 2022/23, with monies of £906k relating to prior-years now received. In accordance with the Enterprise Zone Memorandum of Understanding, these funds have been transferred to the Enterprise Zone reserve.
- Enterprise Zone – at the time of setting the 2022/23 original budget, the timing of business rate receipts from the Enterprise Zone was unknown, and thus it was felt prudent to set a sum aside in case the process was delayed further. Through the proactive approach of the Revenues Team, this took place smoothly during 2022/23, and thus the provision of £334k was not required.
- Other net movements resulted in a favourable variance of £7k.

3.11.4 **Business Rates Income: £264k favourable variance** – There is a positive year-end variance relating to Business Rates Income as follows:

- Enterprise Zone – due to timing differences resulting from the completion of the statutory NNDR1 form, and finalising the 2022/23 budget, an additional £214k has been realised compared to initial expectations. This has been transferred into the Enterprise Zone reserve, as shown within the reserves section.
- Levy Account Surplus – Central Government made a one-off distribution from the national business rates levy account at year-end 2022/23 resulting in additional income to the Council of £25k
- Other net movements (separate to the Enterprise Zone) resulting from timing differences between business rates estimates as declared on the statutory NNDR1 form in January 2022, compared to the Council's final budget set for 2022/23 have resulted in additional income of £25k.

3.11.5 **Lower Tier & Services Grants: £3k favourable variance** – Following confirmation of the final Local Government Finance settlement, the Council realised an additional £3k from the Lower Tier and Services grants compared to original expectations.

3.12 **Wider Risks to the MTFP**

- 3.12.1 Although the reported outturn position is more positive than anticipated at Q3, expenditure at this authority continues to be greater than income received with an estimated overspend of £16k per day.
- 3.12.2 Officers persist to seek to reduce expenditure wherever possible, however this continues to be challenging as the financial pressures reported at Q3 remain. Volatility in the economy and the ongoing cost of living crisis coupled with unprecedented rises in everyday expenditure continues to put pressure on the council's financial position.
- 3.12.3 Significant financial risk remains for the council. As set out in the body of this report, during 2022/23 the council has seen substantial increases in costs relating to homelessness/temporary accommodation, energy and fuel along with a reduction in income from the St George's Shopping Centre, which have all negatively impacted the outturn position.
- 3.12.4 Central Government continues to consider how Local Government should be funded over the longer term which creates difficulties and challenges in planning the financing of Council services over the longer term. There is currently no published timetable for implementing the delayed Fair Funding Review and Business Rates Reset (both originally planned for 2019/20).
- 3.12.5 In response to the financial challenges the Council continues to face, in February 2023 Full Council approved a revised five-year Medium-Term Finance Strategy building on the 5 key initiatives set out in February 2022 to help improve the financial position. During the year officers have been proactive in implementing some of these initiatives. This has contributed to an improved position at outturn.
- 3.12.6 The initiatives set out in the MTFS are:

Reviewing Fees and Charges

This has seen favourable variances in the areas of planning application fees and garden waste. (see sections 3.6.2 and 3.6.3)

Budget Rationalisation

Reviewing consistent underspends, particularly in the area of reprographics

Trading and Commercial

Rent reviews & income from our Local Authority Trading Company

Asset Optimisation

Maintaining an optimum portfolio and obtaining best value from our assets

Continuous service reviews

Looking at ways to increase income, reduce costs and improve efficiency. Options for consideration as a result of these reviews will be brought to members in due course.

3.13 WORKING BALANCES AND RESERVES

3.13.1 The variances and Carried Forward items outlined in this report have the following effect upon the General Fund working balances:

Working Balances	£
Balance Brought Forward from 2021/22	11,804,510
New Homes Bonus (Straight to working balances)	573,150
Budgeted use of Working Balances to support the General Fund	(1,453,370)
Variances per budget report (Incl.items Bfwd from 2021/22)	(673,000)
Working Balances C/Fwd (as at 31 March 2023) including Minimum GF Working Balance	10,251,290
Less: Minimum GF balance	(2,000,000)
Less: Additional General Fund Reserve	(3,250,000)
Usable Working Balances C/Fwd (as at 31 March 2023)	5,001,290

Table 3: Effect on General Fund Balances

3.13.2 The general working balance is supplemented by specific reserves, established to assist with future funding obligations or initiatives. The table below provides a summary of the projected movements on these specific reserves during the year.

General Fund Earmarked Reserves	Opening Balance 01/04/2022 £'000	Actual Use of Reserve (Expenditure) £'000	Actual Contributions (Income) £'000	Transfers Between Reserves £'000	Closing Balance 31/03/2023 £'000
Planning Policy Reserve	599	(146)	92		545
Asset Enhancement Reserve	977	(374)	385		988
Leisure Centres Reserve	47	(19)			28
Corporate Priorities Reserve	587	(39)	52		600
Town Pier Pontoon Reserve	136		12	(148)	--
Elections Reserve	137	(12)	100		225
NNDR Collection Fund Equalisation Reserve	2,188	(841)	755		2,102
IT Infrastructure Reserve	252	(90)	295		457
DSO Vehicle Capital Reserve	441	(229)	132		344
Freighter Replacement Reserve	1,032	(98)	221		1,155
NNDR Growth Fund Reserve	510	(148)	46		408
Lower Thames Crossing Reserve	140				140
Woodville Repairs Reserve	240	(175)	57		122
Investment Interest Equalisation Reserve	500				500
Housing & Commercial Growth Fund	700				700
Commercial Income Protection Reserve	661		97		758
Playgrounds Reserve	204	(164)	69		109
Decriminalisation Reserve	269	(128)			141
Enterprise Reserve	173	(465)	1,470		1,178
Climate Change Reserve	423	(73)		148	498
Sub-total - Specific Earmarked Reserves	10,216	(3,001)	3,783	--	10,998
Revenue Grants not yet applied	1,723	(608)	353		1,468
Total - All Earmarked Reserves	11,939	(3,609)	4,136	--	12,466

Table 4: Analysis of Specific Reserves

3.13.3 Significant or new approved uses of reserves, other than those already referred to elsewhere within the report include:

- Planning Policy Reserve - £146k transferred to cover expenditure associated with the Local Plan.
- Asset Enhancement Reserve – this largely relates to expenditure within the “Essential Repairs to Buildings” budget within the Capital Programme.
- DSO Vehicle Capital Reserve - £229k transferred to cover expenditure within the “Purchase of Vehicles” element of the Capital Programme
- Transfer of £148k between the Town Pier Pontoon and Climate Change Reserves following the sale of the Town Pier and Pontoon, and in conjunction with the original cabinet decision made.

4. GENERAL FUND CAPITAL PROGRAMME

4.1. The following table details the final outturn position for the General Fund Capital Programme. This includes the revised original budget for 2022/23, taking into consideration adjustments for carried forward items as approved by the Section 151 Officer and the Council's Management Team.

Scheme	2022/23 Original Budget £	2022/23 Approved Adjustments £	2022/23 Working Budget £	Final Outturn £	Variance £	C/Fwd's and adj's to 2023/24 £	2023/24 Original Budget including C/Fwd £
Essential Repairs to Buildings	435,000	(44,530)	390,470	325,243	(65,227)	65,230	660,230
Gravesend Cemetery Improvements	0	14,830	14,830	0	(14,830)	0	0
Purchase of Vehicles (DSO Fleet)	413,400	144,940	558,340	328,557	(229,783)	0	346,500
Gatekeeper Replacement	0	0	0	0	0	0	50,000
New Wheeled Bins for Flat Recycling	0	25,000	25,000	16,588	(8,412)	8,410	66,810
Waste & Horticulture back office system	0	48,370	48,370	39,414	(8,956)	8,960	20,450
Replacement Playground Programme	159,870	60,170	220,040	224,110	4,070	0	130,000
Property Acquisition Programme	0	2,940,000	2,940,000	2,893,832	(46,168)	0	1,060,000
Land Acquisition Programme	2,945,790	(2,504,790)	441,000	498,400	57,400	0	2,504,790
Land Acquisition Dering Way	3,590,190	(3,590,190)	0	0	0	0	0
St George's Centre	9,019,640	(148,950)	8,870,690	0	(8,870,690)	0	2,982,530
Heritage Assets	331,570	(102,990)	228,580	44,808	(183,772)	157,580	157,580
Gym Equipment Leisure Centres	0	47,000	47,000	18,852	(28,148)	28,150	28,150
Parking Machines	0	301,570	301,570	128,504	(173,066)	173,070	173,070
LATCO development costs	0	18,600	18,600	0	(18,600)	18,600	18,600
LATCO working capital provision	170,260	0	170,260	66,623	(103,637)	103,640	103,640
Elizabeth Huggins Cottages – Loan	1,364,000	174,380	1,538,380	1,192,997	(345,383)	345,380	633,520
Parking Software	0	0	0	0	0	0	0
Purchase of Freighters	0	98,460	98,460	98,460	0	0	800,000
IT Infrastructure Assets	100,000	70,340	170,340	90,150	(80,190)	0	40,000
Rosherville Loan (The Charter)	45,439,010	(16,627,290)	28,811,720	21,176,606	(7,635,114)	7,635,110	43,219,960
Website Content Management System	0	23,120	23,120	23,117	(3)	0	0
New Leisure Centre	7,632,590	(5,654,030)	1,978,560	1,462,125	(516,435)	0	27,001,610
Electric Vehicle Charging Points	0	127,170	127,170	107,765	(19,405)	0	0
Disabled Facilities Grant	832,800	1,285,640	2,118,440	1,016,085	(1,102,355)	1,102,350	2,121,950
Alleyways	45,000	(45,000)	0	0	0	0	0
UK Prosperity Fund	0	15,000	15,000	0	(15,000)	15,000	40,470
Mobile Polling Station	0	20,000	20,000	6,700	(13,300)	13,300	13,300
Springhead Recreation Ground	0	0	0	0	0	0	150,000
St Andrews Gardens Landscaping	0	0	0	0	0	0	285,260
EV Charging Points - Brookvale	0	0	0	0	0	0	69,650
Improved River Access	0	0	0	0	0	0	1,000,000
Multi-Play sports and play equipment	0	0	0	0	0	0	192,570
	72,479,120	(23,303,180)	49,175,940	29,758,937	(19,417,003)	9,674,780	83,870,640

Table 5: General Fund Capital Programme 2022/23

- **Essential Repairs to Buildings** – In 2022/23 the following projects have been completed: Brookvale Depot roof recovering works; further LED lighting installed at the Civic Centre; Civic Centre lift repairs; installation of replacement fire alarm panels at Brookvale, safety works at Larkin Memorial, and the internal refurbishment of the Fort Gardens public toilets. Additionally, fire safety works have commenced at the Civic Centre, with many items already completed following the inspection of the building by the Kent Fire and Rescue Service.
- **Gravesend Cemetery Improvements** – A number of improvements at Gravesend Cemetery were completed during 2022/23, a programme for 2023/24 is being prepared.
- **Purchase of Vehicles (DSO Fleet)** – Three electric vehicles were added to the fleet during quarter four, a further two electric vehicles are awaiting delivery.
- **Gatekeeper Replacement** – Notice was given to Arriva that as from 1 April 2023 the gatekeeper service in King Street would cease. The gate is now closed in mornings and

re-opened in evenings (as per the Traffic Regulation Order) by the Parking team, with market operatives and street teams supporting cover on Sundays and Bank Holidays. There has been no further progress with Kent County Council in relation to installation of Automatic Number Plate Recognition cameras.

- **New Wheeled Bins for Flat Recycling** – The installation of wheelie bins in flats for recycling is underway and the wheelie bins are being purchased on a block-by-block basis.
- **Waste & Horticulture Back Office System** – The Council are currently reviewing new digital systems for the allotment service. The hardware for the Bartec System has been installed in the refuse collection vehicles.
- **Replacement Playground Programme** – Quarter four saw the delivery of a new play park at The Warren and refurbished Multi-Use Games Area and the start of an improved play area at Hever Court recreation space.
- **Property & Land Acquisition Programme** – As reported to Cabinet in February 2023, during the last quarter of the year the council acquired the long leasehold interest of twenty business units at D, E, F and G Springhead Enterprise Park, Gravesend. During the third quarter of 2022/23, the purchase of land at the junction of Ordnance Road and Milton Place from the Ebbsfleet Development Corporation was concluded. This will enable the Council to bring forward a comprehensive housing development at the site.
- **St George's Centre** – No works were undertaken at the shopping centre during the year.
- **Elizabeth Huggins Cottages** – Construction work continues at the site on Cross Lane West with funds continuing to be drawn down from the council on a monthly basis.
- **Heritage Assets** – Expressions of Interest have been submitted to the National Lottery Heritage Fund, initially in respect of three assets, to inform next stages in respect of project applications. In response to these, the Heritage Fund have asked that the community engagement/audience development aspects be developed further prior to re-submission.
- **Gym Equipment Leisure Centres** – A decision to hold back with spin bike replacement in the fitness gym areas has been made with the trust operator, whilst the existing equipment continues to function adequately post Covid-19 closure. Officers will continue to monitor usage and equipment performance in partnership with GCLL over the forthcoming financial year and replace equipment where necessary with the remaining funds.
- **Parking Machines** – The project has continued throughout 2022/23 and the car parks will go live in Q1 & Q2 2023/24. Rathmore Road car park, will go live on 15 May 23 with Parrock Street; Milton Place and Ordnance Road to follow in June and July.
- **LATCO Development Costs** – No requests to utilise these funds have been received in the financial year.
- **LATCO Working Capital Provision** – In accordance with the decision taken by Cabinet in March 2022, working capital of £67k has been provided to Rosherville Repairs & Maintenance Limited to assist with initial company set-up costs.

- **Parking Software** – The parking back-office system and virtual permit system has been in operation for a year now and the invoices have been paid in full.
- **Purchase of Freighters** – An order for three new refuse collection vehicles has been placed, these are due to be delivered during May/June 2023.
- **IT Infrastructure Assets** – Since the adoption of hybrid working, the IT operating model has changed significantly and as a result, infrastructure demands have changed. The 2022/23 expenditure relates to the consolidation of the Council's end-user device real-estate, which is a crucial part of the IT & Digital strategy, and the replacement of the Council's hardware firewall, which is key to the safety and security of the council's network infrastructure.
- **Rosherville Loan (The Charter)** – Construction work continues on site with monthly drawdowns being made by Rosherville Property Development Limited.
- **Website Content Management System** – The website migration project was completed in 2022/23.
- **New Leisure Centre** – A permitted planning application for the new leisure development was received in the 4th quarter of 2022/23 and now we are working with the project team on finalising the tender documentation for the construction build element of the project, which will be issued shortly for the 'Early Contractor Involvement' stage (ECI) of the process.
- **Electric Vehicle Charging Points** – The project was completed in November 2022 and all Charging Points are now installed. The remainder of the grant funding (25%) has now been received.
- **Disabled Facilities Grants** – There were 114 referrals in 2022/23, and the service have fully completed 86 grants, a further 38 cases have been awarded and will be completed in 2023/24. There have been 34 Homestraight referrals completed. The service is seeing an increase in referrals and is currently looking at ways to ensure properties are maintained in an appropriate condition. Officers are also seeing an increase of self-neglect cases, several of which require a multi-agency approach. Due to the change in Energy Company Obligation and Sustainable Warmth funding no longer covering emergency boiler repair/replacement, the Council are offering a DFG heating grant for elderly and vulnerable clients without heating and hot water, who would have normally qualified for a DFG. In the year, the Council had 26 referrals and completed 22 grants to the value of £98k.

5. CAPITAL RESOURCES

5.1 The table below shows the General Fund resources available to fund capital projects in the future:

General Fund Capital Resources	Opening Balance 01/04/2022 £	Actual Income 2022/23 £	Use of Funding 2022/23 £	Closing Balance 31/03/2023 £
Capital Receipts	(355,080)	(838,670)	433,310	(760,440)
S106 Capital Contributions	(807,670)	0	191,000	(616,670)
Capital Grants Unapplied	(96,390)	0	0	(96,390)
Total Capital Resources	(1,259,140)	(838,670)	624,310	(1,473,500)

Table 6: General Fund Capital Resources 2022/23

Capital Grants Unapplied	Opening Balance 01/04/2022 £	Actual Income 2022/23 £	Use of Funding 2022/23 £	Closing Balance 31/03/2023 £
Localised Council Tax Support	(41,390)	0	0	(41,390)
Land at South of Hever Court Road	(55,000)	0	0	(55,000)
Total Capital Grants Unapplied	(96,390)	0	0	(96,390)

Table 7: Capital Grants Unapplied 2022/23

5.2 The table below lists the S106 developer contributions currently held by the council. These contributions are treated as specific grants as they have conditions attached to their use.

S106 Developer Contributions	General Fund £	HRA £	Third Party Contributions £	Total S106 Income 2022/23 £	Purpose of S106
Infrastructure Maintenance Depot (IMD) Compensation fund	(2,590)	0	0	(2,590)	This grant fund was established by money secured from Union Rail the developers of the Channel Tunnel Rail Link. The original contribution was £242,000. Its aim is to support the delivery of landscape access, wildlife and recreation schemes in the Wards and Parishes affected by the development. The money can be spent on Singlewell Ward to deliver mitigation requested by Leisure Services.
Land at the South of Hever Court Road	0	0	(80,000)	(80,000)	Highways contribution.
Land South of Dalefield Way, Dering Way	(17,000)	0	0	(17,000)	Flood Risk Management - £12,000, Bus Shelter - £5,000.
Whitehill Road	0	0	(2,670)	(2,670)	Funding is for a Traffic Regulation Order linked to parking.
Springhead Leisure Contribution	(150,000)	0	0.00	(150,000)	To provide additional and/or improved play facilities at the Recreational ground and if not expended in 7 years after payment any unspent sum should be repaid
Bluewater - Gravesend Town Centre Improvements	(37,790)	0	0	(37,790)	A scheme to improve or enhance the environmental setting, visitor and shopper experience, and / or attractiveness of Gravesend Town Centre.
Dover Road - Open space	(50,000)	0	0	(50,000)	For use by Gravesend Council leisure for Springhead Recreation Ground pitch improvements at Dover Road Development, Includes levelling works to make 'pitch' 2 more usable to accommodate junior markings and potential 5V5 pitch.
Cold Harbour Road	(45,000)	0	0	(45,000)	To be used to fund projects to improve and enhance the Fleet Leisure Centre or such other leisure facilities situated within 5 miles of the Site.
Meopham Police Station	0.00	0.00	0	0.00	Payable towards the provision of or major upgrade, refurbishment or improvement of Affordable Housing in the Borough of Gravesham.
Rosherville Property Development - NHS Contribution	0.00	0	(155,230)	(155,230)	Refurbishment, configuration and/or extension of either Gravesend medical centre or the Springhead Health Centre
Rosherville Property Development - St Andrews Gardens	(285,260)	0	0	(285,260)	Towards the improvement of landscaping at St Andrew's Gardens.
Heritage Funds	(29,030)	0	0	(29,030)	Purpose of implementing measures to enhance the interpretation of heritage assets.
Total S106 Contributions	(616,670)	0.00	(237,900)	(854,570)	

Table 8: S106 Contributions 2022/23

Secondary Implications	
Risk Assessment	The purpose of this report is to demonstrate financial performance as at 31 March against the original budget set for the 2022/23 financial year. It also illustrates how the year-end position affects the Working Balances and Earmarked Reserves held by the Council.
Data Protection Impact Assessment	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data ? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. N/A
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdp@medway.gov.uk . N/A
Equality Impact Assessment	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No decision – paper is for information only.
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No decision – paper is for information only.
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
Crime and Disorder	No direct implications
Digital and website implications	No direct implications
Safeguarding children and vulnerable adults	No direct implications

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