

**Classification: Public**

**Key Decision: No**

## **Gravesham Borough Council**

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

**Date:** 29 June 2020 / 21 July 2020

**Reporting officer:** Director (Corporate Services)

**Subject:** Housing Revenue Account Provisional Outturn Report  
2019/20

### **Purpose and summary of report:**

To present:

- The 2019/20 provisional Housing Revenue Account Revenue Outturn and movements in the Housing Revenue Account working balances and earmarked reserves
- The 2019/20 provisional Housing Revenue Account Capital Outturn

To update Members on other key areas of financial performance that may impact the HRA Business Plan.

### **Recommendations:**

This report is for information only.

#### **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 provides details of the provisional budget outturn for the 2019/20 financial year and complements the 2019/20 Financial Statements for the authority which will subsequently be considered by the Finance & Audit Committee.
- 1.2. During 2019/20 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;

- Requiring recruitment activity (relating to both permanent and temporary appointments, and including use of overtime) to be considered and approved by Management Team;
- Monitoring the delivery of activity under the council's *Bridging the Gap* Strategy, as set out in the current Medium Term Financial Strategy (MTFS).

## **2. EXECUTIVE SUMMARY**

### **HRA (Revenue)**

- 2.1. At the end of the financial year, income and expenditure was balanced, with a net total positive variance of £462k against the original budget. In the 2019/20 original budget, a contribution of £337k was needed from the HRA General Reserve to balance the budget and a further £3.173m was being taken from the HRA General Reserve to support the HRA capital programme. However despite an additional £21k being taken from the HRA General Reserve to finance the capital programme, as a result of the outturn position, no monies were needed from the General Reserve to support the revenue position, and a contribution of £146k to the HRA General Reserve is instead being made.
- 2.2. The position was generated in the main due to increased costs set against Supervision and Management, and Capital Financing which was offset by savings against the Repairs and Maintenance budget and additional rental income.
- 2.3. The level of Working Balances at the end of the year remained at £3.0m, the minimum level of Working Balances for the HRA.
- 2.4. The significant risk to the HRA's financial position continues to be the lack of clarity regarding funding and regulatory reform.

### **Housing Capital**

- 2.5. The final outturn of the Housing Capital Programme for the year was £15.8m, against budgeted expenditure of £18.6m. Capital budgets totalling £1.187m have been carried forward to 2020/21 (beyond those approved by Full Council in February), relating to the maintenance of the Council's housing stock, the New Build programme and the provision of Disabled Facilities Grants.

### 3. HOUSING REVENUE ACCOUNT

#### 3.1. Budget 2019/20

3.1.1. The table below sets out the provisional year-end position against the original budget for the Housing Revenue Account (HRA) based on variances during 2019/20.

3.1.2. At 31 March 2020 there was a net total positive variance of £462k against the original budget.

Description	Original Budget 2019/20 (£)	Outturn 2019/20 (£)	Variation (£)
Supervision and Management	5,357,200	5,952,020	594,820
Repairs and Maintenance	7,618,140	7,394,930	(223,210)
Depreciation	6,911,810	6,953,620	41,810
Intensive Management Fund - Expenditure	667,490	640,450	(27,040)
Capital Finance	10,189,750	10,426,700	236,950
<b>Sub Total Expenditure</b>	<b>30,744,390</b>	<b>31,367,720</b>	<b>623,330</b>
Rents of Dwellings	(25,031,400)	(25,665,980)	(634,580)
Other Rental Income	(29,300)	(19,750)	9,550
Service Charges	(1,399,800)	(1,819,640)	(419,840)
Non Dwelling Income	(140,000)	(147,130)	(7,130)
Intensive Management Fund - Income	(521,480)	(517,240)	4,240
Other Income	(112,450)	(150,530)	(38,080)
<b>Sub Total Income</b>	<b>(27,234,430)</b>	<b>(28,320,270)</b>	<b>(1,085,840)</b>
<b>Contributions to/(from) reserves</b>	<b>(3,509,960)</b>	<b>(3,047,450)</b>	<b>462,510</b>
<b>Net Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 1: Housing Revenue Account 2019/20

#### 3.2. SUPERVISION & MANAGEMENT – £594K ADVERSE VARIANCE

3.2.1. **Vacancy Management: £239k favourable variance** – the HRA staffing budget for 2019/20 incorporated a vacancy allowance of £100k for the year. It was anticipated that this would occur throughout the establishment as a whole from natural staff turnover within day-to-day business activities, as well as posts held vacant pending the re-design of services. The year end position is an underspend of £339k therefore giving rise to a net favourable variance of £239k. Whilst the majority of this underspend is attributable to the Supervision and Management budget line, there is an element of the savings that is incorporated in the Repairs and Maintenance budget lines.

3.2.2. **Warden Salary Recharges: £432k adverse variance** – The re-allocation of Warden's Salaries are no longer required since the introduction of the Intensive Housing Management. The adverse variance is attributable to an adjustment made to correct the corresponding budget entry from the 2019/20 budget.

3.2.3. **Accounting Adjustments: £187k adverse variance** – There has been a revaluation of employee benefits undertaken (as per IAS19) which has resulted in an increased pension contribution not budgeted for in 2019/20. However, the opposite side of this adjustments is reported as an underspend within the Capital Finance budget line. As a result there is no overall negative impact on the HRA of this adverse variance.

- 3.2.4. **Covid -19: £50k adverse variance** – The Covid-19 pandemic has increased the probability of loss of income in respect of housing and sundry debt, and as a result an additional debt impairment provision has been made to offset any potential loss directly associated with the pandemic.
- 3.2.5. **Community Wardens: £26k adverse variance** – Due to anti-social behaviour it was deemed necessary to have increased security patrols at The Hive, Gravesham Court and Homestead. This resulted in additional spend against the original budget set for 2019/20.
- 3.2.6. **Rental Income Analytical Software: £37k adverse variance** – The housing income team purchased rental income analytical software at a cost of £37k. Whilst this has created an adverse variance as there was no provision for the expenditure in the original budget, the funding for the software was carried forward from the 2018/19 underspend.
- 3.2.7. **Consultants Fees: £29k adverse variance** – The Housing Department undertook an independent strategic review of the services which are provided in 2019/20 which has resulted in an adverse variance against the original budget.
- 3.2.8. **Holding Hands Scheme: £17k adverse variance** – The increased incentive payment scheme to encourage eligible tenants to downsize their property has been more successful than anticipated. This has resulted in an adverse variance of £17k in 2019/20 but the outcome has had a positive effect on the housing stock, releasing much needed larger properties.
- 3.2.9. **Council Tax: £22k adverse variance** – The Housing Revenue Account is responsible for making payment of Council Tax on empty properties. The turnover of vacant properties has been higher than anticipated and has resulted in the adverse variance.
- 3.2.10. **Other Minor Variances: £33k adverse variance** – A number of minor variances were recorded within Supervision and Management; the net effect of these variances was an overspend of £33k.

### 3.3. **REPAIRS & MAINTENANCE – £223K FAVOURABLE VARIANCE**

- 3.3.1. **Repairs & Maintenance: £223k favourable variance** – As reported through 2019/20, the Responsive Repairs Team continue to deliver efficiencies and savings in its operations whilst providing an equitable service that meets the Council's objectives as a landlord as well as managing tenants' expectations. Additional software has been purchased to compliment the IT system that was introduced in 2018/19 to support the evolution of the service. It has created further opportunities to work in smarter ways to deliver efficiencies and savings, underpinned and reinforced by the policies that ensure that only necessary work is carried out and that any works above and beyond the responsibility of the Council are paid for by the tenant.

### 3.4. **DEPRECIATION - £41K ADVERSE VARIANCE**

- 3.4.1. **Depreciation: £41k adverse variance** – the depreciation budget for 2019/20 was based on the asset valuation as at December 2018. However the final depreciation charge for 2019/20 was based on the higher HRA asset value as at 1 April 2019 and therefore resulted in a increased charge. The depreciation charge is recycled through the Major Repairs Reserve and used as a funding source for future capital works and therefore there is a corresponding favourable variance within the Capital Financing budget line.

#### 3.4.2. **INTENSIVE MANAGEMENT FUND - £27K FAVOURABLE VARIANCE**

3.4.3. **Call Centre Costs: £25k favourable variance** – the favourable variance is due to a duplication of budget for the provision of an out of hours contact centre for supported housing residents. The duplication of this budget will be addressed in the 2021/22 budget setting process.

3.4.4. **Other Minor Variances: £2k favourable variance** – A number of minor variances were recorded within the Intensive Management Fund; the net effect of these variances was an underspend of £2k.

#### 3.5. **CAPITAL FINANCING – £236K ADVERSE VARIANCE**

3.5.1. **Interest: £152k adverse variance** – the original budget for 2019/20, prepared in December 2018, included a provision for debt interest charges, based on the continuance of a single loans pool. However, as reported as part of the 2018/19 outturn, the authority's debt portfolio was switched from a single loans pool to a two loans pool in order to apportion debt charges fair and equitably between the General Fund and HRA. Therefore, the debt charges resulting from the HRA self financing loans resulted in an additional cost of £152k.

3.5.2. **Revenue Contribution to Capital: £312k adverse variance** – In the 2019/20 original budget there was an assumption that £3.173m from the HRA general reserve would be used to finance the capital programme. The capital financing for the HRA programme was reviewed as part of the year-end processes and as a result a further £21k was used from the reserve. In addition, service charge contributions towards capital totalling £277k was used to finance the 2019/20 capital programme along with a £14k contribution from the Ebbsfleet Development Corporation towards works at Wallis Park. These three variances have resulted in an overall adverse variance of £312k.

3.5.3. **Accounting Adjustment: £187k favourable variance** – the technical year end accounting adjustments referred to in Para 3.2.3. has a favourable variance on the Capital Financial budget line of £186k. As a result there is no overall positive impact on the HRA of this favourable variance.

3.5.4. **Depreciation: £41k favourable variance** - the final depreciation charge for 2019/20 was based on the higher HRA asset value as at 1 April 2019 and therefore resulted in a increased charge as outlined in 3.4.1.

#### 3.6. **RENTS ON DWELLINGS - £634K FAVOURABLE VARIANCE**

3.6.1. **Rents on Dwellings - £272k favourable variance** – the final position was influenced by an increase in the number of affordable rented properties as a result of new properties built or purchased under the New Build Programme.

3.6.2. **Debt Impairment Provision: £362k favourable variance** - due to the roll out of Universal Credits, the provision for bad debt was budgeted to reflect the potential impact of increased rent arrears due to benefits being paid directly to tenants. Whilst the level of arrears has increased, (based on the debt outstanding as at 31 March 2020) there was a shift in the debt criteria from long to short term. Therefore, there was no requirement to increase the debt impairment provision in 2019/20 resulting in a favourable variance of £362k.

### 3.6.3. **OTHER RENTAL INCOME - £9K ADVERSE VARIANCE**

3.6.4. **Miscellaneous Rents - £12k adverse variance** – Miscellaneous rental income has been reallocated to Other Income in order to comply with financial reporting. The adverse variance has been offset with the favourable variance on Other Income.

3.6.5. **Other Minor Variances: £3k favourable variance** – A number of minor variances were recorded within Other Rental Income; the net effect of these variances was an underspend of £3k.

### 3.7. **SERVICE CHARGES - £419K FAVOURABLE VARIANCE**

3.7.1. **Service Charges - £142k – favourable variance** – the favourable variance at year-end resulted from the net collection of service charge contributions from both HRA and leasehold tenants.

3.7.2. **Leaseholder Service Charge (Contribution to Capital): £277k favourable variance** – income from the leaseholder contribution to capital works was not budgeted for in 2019/20 and has resulted in a positive favourable variance, which has been used to finance part of the capital programme. This figure is the remaining variance once eligible leaseholder refunds have been taken into consideration. Contributions to capital works are refundable if the works have not commenced prior to the leaseholder selling their property.

### 3.8. **NON-DWELLING INCOME - £7K FAVOURABLE VARIANCE**

3.8.1. **Garage Income: £53k adverse variance** – The adverse variance was a result of the delay in the consultation with tenants for the implementation of an increased charge to garage rental.

3.8.2. **Commercial and Other Rental Income: £59k favourable variance** - the favourable variance is mainly due to the increased rental income received for the hire of space for telecommunication masts on HRA land and buildings.

3.8.3. **Minor Variances: £1k favourable variance** – a number of minor variances were recorded within Non-Dwelling Income; the net effect of these variances was a favourable outcome of £1k.

### 3.9. **INTENSIVE MANAGEMENT INCOME - £4K ADVERSE VARIANCE**

3.9.1. **Minor Variances: £4k – adverse variance** – a number of minor variances were recorded within the Intensive Management Income; the net effect of these variances was income being underachieved by £4k.

### 3.10. **OTHER INCOME - £38K FAVOURABLE VARIANCE**

3.10.1. **Cost Recovered: £41k – favourable variance** – the final position was influenced due to the recovery of the Court Costs which does not form part of the original budget and the reallocation of other rental income.

3.10.2. **Variances: £3k – adverse variance** – a number of minor variances were recorded within Other Income; the net effect of these variances was £3k.

### 3.11. Working Balances and Reserves

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

<b>Working Balances</b>	<b>£</b>
Balance Brought Forward from 2018/19 Outturn Position 2019/20	3,000,000 (3,047,450)
<b>Forecast working balances C/Fwd (as at 31 March 2020) before transfers to/from HRA General Reserve</b>	<b>(47,450)</b>
Add: Transfer from HRA General Reserve (Revenue)	3,047,450
<b>Forecast Usable Working Balances C/fwd (as at 31 March 2020)</b>	<b>3,000,000</b>

Table 2: Effect on Housing Revenue Account Working Balances

3.11.2. 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 these specific reserves during the year:

<b>HRA Specific Reserves</b>	<b>Opening Balance 01/04/2019 £'000</b>	<b>Forecast Contributions (Income) £'000</b>	<b>Forecast Use of Reserve (Expenditure) £'000</b>	<b>Forecast Balance 31/03/2020 £'000</b>
HRA General Reserve (Revenue)	(6,085,210)	(146,390)	3,193,850	(3,037,750)
<b>Total</b>	<b>(6,085,210)</b>	<b>(146,390)</b>	<b>3,193,850</b>	<b>(3,037,750)</b>

Table 3: Analysis of Specific Reserves – HRA



#### 4. HOUSING CAPITAL PROGRAMME

4.1. The following table details the final outturn for the Housing Capital Programme and the revised original budget for 2019/0, taking into consideration adjustments for the carried forward items approved by the Section 151 Officer and Management Team, and subject to audit.

Ref No:	Scheme	2019-20 Original Budget inc C/fwd	2019-20 Final Outturn	Variance	Estimated C/Fwd approved at Council for 2020-21	C/fwd to 2020-21	2020-21 Original Budget inc C/fwd
A	Replacement Programmes	4,920,550	4,439,030	(481,520)	0	116,800	4,122,450
B	Improvement Programmes	2,069,290	1,931,460	(137,830)	0	0	1,702,350
C	Health & Safety Works	1,773,980	1,937,520	163,540	0	0	1,305,310
D	Major Void Works	0	0	0	0	0	200,000
E	New Build & Acquisitions	7,662,300	6,837,440	(824,860)	0	824,860	12,399,860
F	Housing Computer Systems	600,000	0	(600,000)	600,000	0	600,000
G	Replacement Play Equipment	80,000	14,290	(65,710)	0	0	103,750
H	Bin Housing	0	0	0	0	0	13,190
I	CCTV	0	0	0	0	0	37,060
J	Fire Doors	0	0	0	0	0	175,000
	<b>Sub Total (HRA Capital Programme)</b>	<b>17,106,120</b>	<b>15,159,740</b>	<b>(1,946,380)</b>	<b>600,000</b>	<b>941,660</b>	<b>20,658,970</b>
K	Disabled Facilities Grant	1,526,400	651,220	(875,180)	0	875,190	1,707,990
	<b>Total (HRA &amp; GF Capital Programme)</b>	<b>18,632,520</b>	<b>15,810,960</b>	<b>(2,821,560)</b>	<b>600,000</b>	<b>1,816,850</b>	<b>22,366,960</b>

Table 4: Housing Capital Programme 2019/20

4.2. The total capital budget for 2019/20 was £18,632,520 of which £17,106,120 relates to HRA capital schemes and £1,526,400 relates to non-HRA capital schemes. These budgets included £1,216,890 and £693,600, respectively that are carried forward from 2018/19.

4.3. The focus of the 2019/20 HRA capital programme was to maintain a minimum decent homes standard for the Council's housing stock, with £8,763,820 earmarked for this purpose across the Replacement, Improvement and Health & Safety Works Programmes. After taking into account the proposed carried forward amounts across these three programmes there are savings of £338k at the end of the financial year. Reduced replacement costs on kitchens and bathrooms have contributed toward these savings.

4.4. The council also continues its commitment to build new homes with £7,662,300 allocated for this purpose.

4.5. The works that were undertaken/completed in 2019/20 are detailed below:

##### 4.5.1. Replacement Programmes (Ref A)

- 210 kitchen replacements;
- 127 bathroom replacements;
- 64 properties had new window and door replacements. A further 52 properties and communal areas at Carl Ekman is 95% completed but have been delayed due to Covid-19. Window to communal areas at The Hive is now complete;
- 1669 properties had electrical tests and/or remedial works including rewiring, minor works and upgrades to consumer units;
- 50 blocks has had communal electrical tests and/or remedial works completed;

- 7 residential blocks had the roofing completely replaced;
- 27 domestic properties have had roof renewals.

#### 4.5.2. Improvement Programmes (Ref B)

- 347 properties had new central heating systems installed;
- 21 properties had new storage heating installed;
- 1468 properties have had CO (carbon monoxide) detectors installed;
- 66 level access showers/wet rooms/over bath showers installed;
- 39 stair-lifts installed;
- 11 adaptations completed (kitchens, wheelchair accessibility);
- 16 properties have had modernisation works carried out;
- A major refurbishment project at Park Place comprising of 6 blocks has been completed. This included the renewal of flat roofs, upgrades to the stairways, handrails, balustrades and new/re-surfacing to walkways.

#### 4.5.3. Health & Safety Works (Ref C)

- 3 passenger lifts situated in Wallis Park have had major modernisation works carried out;
- The retrofitting of a Fire Sprinkler system at Homemead and Gravesham Court has been completed and commissioned;
- Works to upgrade access control equipment completed at 19 sites;
- Upgrades to warden control systems completed at 4 sites;
- Upgrades to site access (pedestrian/vehicle gates) completed at 6 sites;
- Update of the communal area lighting to LED completed at Park Place and Carl Ekman;
- Upgrade of meter cupboard doors to fire rated doors in communal areas at The Hive, Gravesham Court, and Homemead completed;
- Asbestos Management surveys completed for communal areas at various sites.

#### 4.6. New Build (Ref D)

4.6.1. The authority signed an agreement with the DCLG to retain part of the Right To Buy (RTB) receipts and use them as part-funding of new build and/or acquisition of additional social housing. The following is the reported position at year end:

- The development of St Hilda's Way, now known as Pankhurst Place, was completed and hand over took place on 12 February 2020 and is providing an additional 17 units consisting of 10 x 1 and 2 bed apartments which includes a 1

x 2 bed wheelchair compliant home, 4 x 2 bed maisonettes and 3 x 2 bed houses;

- Construction continues on the former Whitehill Tenants Associations Club site where Westridge Construction Limited will deliver 24 x 1 and 2 bed apartments and 8 x 3 bed houses. Due to the Covid-19 pandemic the contractor anticipates a slowdown of works due to supply chain issues. This will have an impact on the completion date and a revised programme is expected to indicate that completion will be early 2021. The site is being overseen by the Considerate Constructors Scheme (CCS) who have reported safety precautions are in place with regard to social distancing and additional PPE has been made available where necessary
- Following a mini tender via the South East Consortium (SEC) Framework, Westridge Construction have been appointed as the main contractor for the demolition and development of the Valley Drive site. The site will deliver 32 x 1 bed apartments for over 55's and 16 x 1, 2 and 3 bed general needs apartments including 1 x 3 bed wheelchair compliant home. Westridge are in possession of the site and are awaiting disconnection of the gas and electrical services to the current units. Pre-demolition works are due to commence in April to remove any hazardous materials and non-structural elements. The scheme was a finalist in 'Best Older Persons Development – under 50 homes' at the Inside Housing National Awards in November 2019;
- Following a mini competitive tender, Westridge Construction were successfully appointed to deliver the scheme at St Patrick's Gardens for 23 x 1 and 2 bed apartments. Contracts are currently being drafted and once signed, Westridge are expected to take possession of the site late May/early June 2020;
- Planning permission was approved on 5<sup>th</sup> February 2020 for 7 x 1 bed bungalows at Constable Road/Rembrandt Drive. The tender documents and employers requirements have been submitted to the SEC with a tender submission date of 3<sup>rd</sup> July 2020;
- A planning submission for 1 x 1 bed bungalow at Rembrandt Drive was presented and rejected by the Planning committee on 5<sup>th</sup> February 2020.

4.6.2. Despite the current impact from the Covid-19 pandemic, the council remains determined to deliver on its agenda of increasing the housing supply and continues to work with it's stakeholders in the identification, design, and construction of good quality affordable homes.

4.6.3. The Housing Development Team are currently working on approximately 20 sites that are at various stages of the planning, design and build process from initial conception to works on site.

4.6.4. 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 at 1 April 2019, the balance on the RTB Allowable Debt reserve fund stood at £438,550. The proposal is to use 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.

4.6.5. Table 13 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 70% contribution to new build	Value of new build expenditure expected	Cumulative value of new build expenditure expected	Date of new build expected by
	£	£	£	£	
<b>2012-15 c/f</b>	3,330,320	7,770,750	11,101,070	51,278,050	31-Mar-17
<b>2015-16</b>					
Q1	124,270	289,960	414,230	11,515,300	30-Jun-18
Q2	233,510	544,870	778,380	12,293,680	30-Sep-18
Q3	589,670	1,375,910	1,965,580	14,259,260	31-Dec-18
Q4	650,580	1,518,010	2,168,590	16,427,860	31-Mar-19
<b>2016-17</b>					
Q1	697,650	1,627,850	2,325,500	18,753,360	30-Jun-19
Q2	205,200	478,790	683,990	19,437,350	30-Sep-19
Q3	541,710	1,263,990	1,805,700	21,243,060	31-Dec-19
Q4	532,670	1,242,890	1,775,560	23,018,620	31-Mar-20
<b>2017-18</b>					
Q1	351,150	819,350	1,170,500	24,189,120	30-Jun-20
Q2	296,150	691,020	987,170	25,176,290	30-Sep-20
Q3	730,460	1,704,420	2,434,880	27,611,170	31-Dec-20
Q4	433,800	1,012,210	1,446,010	29,057,180	01-Jan-21
<b>2018-19</b>					
Q1	694,160	1,619,710	2,313,870	31,371,040	30-Jun-21
Q2	484,630	1,130,800	1,615,430	32,986,460	30-Sep-21
Q3	379,770	886,130	1,265,900	34,252,360	31-Dec-21
Q4	238,610	556,760	795,370	35,047,730	31-Mar-22
<b>2019-20</b>					
Q1	383,470	894,760	1,278,230	36,325,960	30-Jun-22
Q2	1,382,090	3,224,870	4,606,960	40,932,920	30-Sep-22
Q3	544,030	1,269,410	1,813,440	42,746,360	31-Dec-22
Q4	559,730	1,306,040	1,865,770	44,612,130	31-Mar-23
	<b>13,383,630</b>	<b>31,228,500</b>	<b>44,612,130</b>		

Table 5: New Build

#### 4.7. Housing Computer System (Ref E)

4.7.1. Following extensive due diligence and market testing a new supplier for a housing system has been identified. Officers are working with colleagues in both the Legal and the Information Technology department to complete the procurement process using the G Cloud 11 Framework by way of a direct award. It is anticipated that procurement will be completed in the coming months with an expected implementation project start date of mid-June 2020.

#### 4.8. Replacement Playground Equipment (Ref G)

4.8.1. A 20 year replacement plan to upgrade the sites has been agreed by Management Team. This project has been included within the Housing Asset Business Plan and is due to commence in 2020/21. Works at Wallis Park, carried out in 2019/20, were funded by the Ebbsfleet Development Corporation and therefore the full years budget allocation will be carried forward into 2020/21.

#### 4.9. Disabled Facility Grants (DFGs) (Ref I)

- 4.9.1. The grant funding awarded to the Council, via the Better Care Fund, in 2019/20 was £832,800. The total funding available is £1,526,430 which includes carry forward from 2018/19 of £693,630.
- 4.9.2. The Council continues to offer the Disabled Facility Grant programme to homes eligible for assistance that comply with the wider remit of the Better Care. In Quarter Four of 2019/20 a total of 89 cases have been processed, of which the breakdown is as follows:
- 23 grant cases were approved
  - 21 households had works completed
  - 3 applications were cancelled due to changes in the client's circumstances
  - 42 grant cases are awaiting approval
- 4.9.3. The Council distributed £185,400 to private homeowners within the borough who qualify for Disabled Facility Grant assistance and additional grants totalling £434,290 have been approved in principal.
- 4.9.4. A total of 41 people have benefited from the Private Sector Housing Assistance Policy which enables people to gain access to funding which otherwise would not have been available. It has assisted 4 people to have better managed hospital discharges and a further 37 people have been discharged from hospital into a safer home environment. In Quarter Four there was a significant increase in the number of people being discharged from hospital, compared to previous periods, as hospitals were facilitating quicker discharges to manage the pressures on the NHS due to the emerging COVID-19 pandemic.

#### 4.10. Capital Resources

4.10.1. The table below shows the resources available to fund capital projects in future.

Housing Capital Resources	Opening Balance 01/04/2019 (£)	Income 2019/20 (£)	Use of Funding 2019/20 (£)	Projected Balance 31/03/2020 (£)
Capital Receipts - HRA	(1,318,810)	(261,170)	419,970	(1,160,010)
Capital Receipts - GF Housing	(68,900)	(17,280)	0	(86,180)
Capital Receipts - PV Panels	(3,573,000)	0	0	(3,573,000)
Major Repairs Reserve - Dwellings	(1,402,480)	(6,715,650)	8,031,960	(86,170)
Major Repairs Reserve - Non Dwellings	(652,030)	(197,360)	0	(849,390)
New Build Reserve: 1-4-1 Receipts	(5,544,950)	(2,869,320)	1,970,830	(6,443,440)
Right to Buy Allowable Debt Reserve	(438,550)	(814,250)	1,252,800	0
Disabled Facility Grants	(693,640)	(832,800)	651,220	(875,220)
Christianfields Overage	(766,000)	0	0	(766,000)
<b>Total</b>	<b>(14,458,360)</b>	<b>(11,707,830)</b>	<b>12,326,780</b>	<b>(13,839,410)</b>

Table 6: HRA and General Fund Housing Capital Resources 2019/20

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	There are no specific legal matters arising from this report.
<b>Finance and Value for Money</b>	The financial implications are contained within the body of this report.
<b>Risk Assessment</b>	The purpose of this report is to demonstrate financial performance as at 31st March against the original budget set for the 2019/20 financial year, and illustrate how this affects the Working Balances and Earmarked Reserves held by the Council.
<b>Data Protection Impact Assessment</b>	<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 <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?</p> <p>A definition of each type of data can be found on the Information Commissioner’s Office website via the above links.</p> <p>N/A</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>
<b>Equality Impact Assessment</b>	<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.</p> <p>No decision – paper is for information only.</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.</p> <p>N/A</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>
<b>Corporate Plan</b>	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks

<b>Crime and Disorder</b>	No direct implications.
<b>Digital and website implications</b>	No direct implications.
<b>Safeguarding children and vulnerable adults</b>	No direct implications.