

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

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

**Date:** 11 September 2023 / 19 September 2023

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

**Subject:** Housing Revenue Account Budget Monitoring Report – Quarter One 2023/24

### Purpose and summary of report:

- To provide Members with information on actual performance against the approved Revenue and Capital budgets for 2023/24, including known variances agreed or identified through budgetary control activity.
- To update Members on other key areas of financial performance that may affect the Council's Medium Term Financial Strategy, Medium Term Financial Plan, HRA Business Plan or Financial Statements.

### Recommendations:

1. This report is for information only.

<b>Key Implications:</b>	
<b>Item</b>	<b>Implications</b>
<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>Corporate Plan</b>	Strategic Objective #3 Progress; Sound Financial Management & Successfully Managing Key Business Risks
<b>Climate Change</b>	No direct implications

## 1. INTRODUCTION

- 1.1 At the end of the Quarter One, income and expenditure for the year remains balanced. There remains an anticipated contribution to reserves at the year end.
- 1.2 The Constitution of the council requires Members to receive reports in respect of the council's finances and financial performance. This report therefore provides an assessment of performance against approved budgets for the 2023/24 financial year for the first quarter to 30 June 2023 as well as updating Members on other key areas of financial performance
- 1.3 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 Quarter One, income and expenditure for the year remains balanced. There remains an anticipated contribution to reserves at the year end.
- 2.2 During the budget setting process consideration was given to the known financial challenges.
- 2.3 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 reserves of £4.467m.
- 2.4 As part of budget setting two reserves have been created in 2023/24. It was assumed a balance of £4.69m would be placed into a Debt Repayment Reserve which will be used to facilitate the repayment of the HRA's debt in current and future years following the exercise to review the HRA Debt position that will be undertaken during the course of the year. However the projected overspend has resulted in a reduction of that contribution to £3.968m
- 2.5 As mentioned in paragraph 2.4 a Priority Reserve has also been set up in this financial year, totalling £500k. This is to be used by the HRA to fund expenditure outside of the normal activity that was considered during the budget setting process. Managers will be able to bid for funds to finance projects subject to Director approval.

### **Housing Capital**

- 2.6 The budget for the Housing Capital Programme for the year is £22.8m with expenditure and commitments to the end of Quarter one of £7.8m. Capital budgets totalling £2.2m have been carried forward to 2023/24, relating to New Build programme and the Social Housing Decarbonisation Fund.

### 3. HOUSING REVENUE ACCOUNT

#### Budget 2023/2

Table 1 below sets out the current forecast spend against the original budget for the Housing Revenue Account (HRA), based on variances to 30 June 2023. As of the 30 June 2023 the forecast reflects an £722k overspend. The overspend is mainly due to the increased costs of borrowing reflected in the capital finance budget and an adverse variance on repairs and maintenance contractor costs.

Description	Original Budget 2023/24 (£)	Forecast 2023/24 (£)	Variation (£)
Supervision and Management	7,805,630	7,943,630	138,000
Repairs and Maintenance	7,947,910	8,216,910	269,000
Depreciation	5,330,810	5,330,810	0
Intensive Management Fund - Expenditure	495,060	495,060	0
Capital Finance	6,695,640	6,972,640	277,000
<b>Sub Total Expenditure</b>	<b>28,275,050</b>	<b>28,959,050</b>	<b>684,000</b>
Rents of Dwellings	(30,608,500)	(30,570,310)	38,190
Other Rental Income	(7,600)	(7,600)	0
Service Charges	(2,158,190)	(2,158,190)	0
Non Dwelling Income	(124,730)	(124,730)	0
Intensive Management Fund - Income	(495,060)	(495,060)	0
Other Income	(70,720)	(70,720)	0
<b>Sub Total Income</b>	<b>(33,464,800)</b>	<b>(33,426,610)</b>	<b>38,190</b>
<b>Contributions to/(from) reserves</b>	<b>5,189,750</b>	<b>4,467,560</b>	<b>(722,190)</b>
<b>Net Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 1: Housing Revenue Account 2023/24

3.1.1 As at 30 June 2023, there is an adverse variance against the original budget of £722k. As mentioned above, this has been generated by the increased costs of borrowing and increased contractor costs, offset by savings on salaries. However, overspends on gas servicing, rubbish clearance and disrepair claims have increased the overall overspend. Officers are currently looking at ways in which to offset the increased expenditure.

3.1.2 The following items from 2022/23 were approved for carry forward to 2023/24 by the Section 151 Officer and the Council's Management Team:

<u>Summary of HRA 2022/23 year end carry forward amount</u>			
<u>Directorate</u>	<u>Service</u>	<u>Amount</u>	<u>Reason for carry forward request into 2022/23</u>
Housing	HRA - Asbestos managemnet	£10,000	Works in progress to complete the 22/23 asbestos management programme in line with policy
Housing	HRA - Fire Sprinkler Inspections	£3,000	Works in progress to complete the 22/23 fire sprinkler inspection programme

#### 3.2 SUPERVISION & MANAGEMENT – £138K ADVERSE VARIANCE

3.2.1 **Vacancy Management: £135k Favourable variance** – the HRA staffing budget for 2023/24 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. Having accounted for the pay award, overall actual staff spend was £135k lower than budget. This was due to

the high number of vacancies within Housing and difficulty in recruiting to posts. Please see paragraph 3.3.1.

**3.2.2 Disrepairs Claims: £273k Adverse variance** The Council has seen an increase in the number of no win no fee disrepair claims being submitted resulting in an estimated overspend of £273k for the year. Whilst the total claim values are relatively small, the fees charged by the solicitors dealing with these claims' increases the total spend. As an average the claim value is around 28% of the total cost leaving 72% attributed to legal fees associated with the claim. Some claims relate to the previous financial year as they can take months to settle, and this has impacted the spend for quarter one. A disrepair action plan has been formed in order to allow the Council to challenge these claims more robustly as well as an article in Your Home magazine encouraging tenants to report repairs directly as well as highlighting the financial risk to the tenant if the claim is unsuccessful.

### **3.3 REPAIRS & MAINTENANCE - £269K ADVERSE VARIANCE**

**3.3.1 Vacancy Management: £176k Favourable variance** – As per para 3.2.1, the HRA has a high number of staff vacancies which have remained unfilled. Having accounted for the 23/24 pay award and the vacancy allowance, staff costs allocated to repairs and maintenance will still result in a favourable variance of £176k.

**3.3.2 Responsive Repairs Contractor: £350k Adverse Variance** – As highlighted within this report, there are a high level of vacancies within the service which does have a consequential impact on other budget lines as the work must still be done. However, it is hoped that the vacancies will shortly be filled reducing the use of contractors. The government campaign to encourage tenants to report repairs plus the need to deal with damp and mould quickly has also meant there has been a greater requirement to use contractors in order to deal with the demand. This coupled with higher inflation and the demand to turn voids around quickly to reduce costs associated with temporary accommodation has resulted in a projected overspend. Officers are looking at ways to mitigate this overspend by investigating how to reduce expenditure elsewhere.

**3.3.3 Gas Servicing and Maintenance: £42k Adverse variance** – This budget line relates to statutory requirements in regard to gas safety and repairs and is not work which can be scaled back due to our legal duty to carry out the work. Due to the current national economic circumstances, the gas contractor has asked to renegotiate the current terms of the contract. An uplift of 8.1% has been agreed, which based on current demand will result in an overspend of £42k.

**3.3.4 Rubbish Clearance: £53k Adverse variance** – This budget accounts for expenditure relating to the use and clearance of skips from the yard at Brookvale Depot from which a number of council services operate. The skips are emptied when full and the more work that is carried out, the more they need to be emptied. Officers are currently investigating whether any of these costs relate to the general fund and if found to do so, the costs will be transferred to the appropriate heading, reducing the expenditure for the HRA.

**3.3.5 Drainage: Nil Variance** – The pressure on this reactive budget is increasing as the demand for this service grows. The service will be working on a longer-term solution for this area which will include surveying the larger drainage systems in order to have a greater focus on preventative work. This budget is being closely monitored, so that appropriate action can be taken if expenditure looks to increase beyond the budget provision. This budget line was under considerable pressure last year. As such it has been included in the quarter one report to

reassure that careful monitoring of this line is taking place and should an overspend be anticipated corrective action will be taken.

- 3.3.6 **Cyclic & Painting: Nil Variance** – Discussions are ongoing with the contractors regarding an increase in costs. If necessary, the programme will be scaled back to prevent an overspend.

### 3.4 DEPRECIATION - NIL VARIANCE

- 3.4.1 **Depreciation: Nil Variance** - Depreciation is the process of allocating the cost of an asset over its useful life. 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.

- 3.4.2 The HRA deprecation policy was reviewed last year, and was amended to show the housing assets split between land and buildings. This change was reflected in the budget setting process and therefore the forecast charge is expected to be in line with the budget.

### 3.5 CAPITAL FINANCING - £277k ADVERSE VARIANCE

- 3.5.1 **Interest: £277k Adverse variance** - The HRA took on more debt in the previous financial year than anticipated at budget setting. Interest rates were much lower during the early part of 2022/23 and therefore the HRA is currently benefiting from these lower interest rates. In the current year, the HRA will be able to use various reserves balances that were not utilised in 22/23 to fund the capital programme and therefore the amount of debt required in the current year will be reduced accordingly. So whilst the HRA has higher debt levels at this stage of the year than anticipated at budget setting, given the rise in interest rates over recent months, if the HRA were to need the levels of debt anticipated at budget setting the interest charges to the HRA would exceed the current forecast adverse variance.

### 3.6 RENTS ON DWELLINGS - £38k ADVERSE VARIANCE

- 3.6.1 **Rents on Dwellings: £38k Adverse variance** – Several factors have combined to result in a net adverse variance on rental income of £38k. The slow down in right to buy purchases has resulted in a favourable variance of £36k. However this has been offset by an adjustment made to the rent calculations which was based on a higher number of rental properties at the start of the year but given the higher number of properties sold in 22/23 than anticipated this has been amended and results in an adverse variance of £74k. The outcome of the correction has affected the overall figure, leaving an adverse variance of £38k

- 3.6.2 A total of 2 properties were sold under the Right to Buy scheme in quarter one. This was less than budgeted for and has had a positive effect on the rental income.

### 3.7 WORKING BALANCES AND RESERVES

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

	£
Balance Brought Forward from 2022/23	3,000,000
Forecast Outturn position 2023/24	4,467,560
<b>Forecast working balances C/Fwd (as at 30th June 2023) including minimum HRA Working Balance</b>	<b>7,467,560</b>
Add: Transfer from HRA General Reserve (Revenue)	0
Less: Transfer to HRA Priority Reserve (Revenue)	(500,000)
Less: Transfer to HRA Debt Repayment Reserve	(3,967,560)
<b>Forecast Usable Working Balances C/fwd (as at 30th June 2023)</b>	<b>3,000,000</b>

Table 2: Effect on Housing Revenue Account Working Balances

3.7.2 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 01/04/2023 £	Contributions (Income) £	Use of Reserve (Expenditure) £	Balance 31/03/2024 £
HRA General Reserve (Revenue)	(1,754,310)	0	1,629,890	(124,420)
HRA Priority Reserve (Revenue)	0	(500,000)	0	(500,000)
HRA Debt Repayment Reserve	0	(3,967,560)	0	(3,967,560)
<b>Total</b>	<b>(1,754,310)</b>	<b>(4,467,560)</b>	<b>1,629,890</b>	<b>(4,591,980)</b>

Table 3: Analysis of Specific Reserves – HRA

#### 4. HOUSING CAPITAL PROGRAMME

- 4.1 The Housing Capital programme working budget for 2023/24 is £22.7m. This budget includes £2.2m that was carried forward from 2022/23.
- 4.2 The HRA capital schemes continued to focus on maintaining the minimum decent homes standard for the Council's stock in 2023/24, with £6.734m earmarked for this purpose within the Replacement, Improvement, and Health & Safety Works Programmes. The council also continues its commitment to build new homes with £9.678m allocated for this purpose.
- 4.3 As at the 30 June 2023, £7.7m had been committed & spent against the capital schemes detailed below.

Ref No:	Project	2023/24 Original Budget (£)	2023/24 Approved C/fwd (£)	2023/24 Working Budget (£)	Expenditure Including Commitments (£)	Forecast as at Q1 (£)	Variance as at Q1 (£)
A	Replacement Programmes	3,892,500	0	3,892,500	1,331,700	3,892,500	0
B	Improvement Programmes	1,373,930	175,400	1,549,330	301,400	1,549,330	0
C	Health & Safety Works	1,165,000	80,200	1,245,200	163,670	1,244,100	1,100
D	New Build & Acquisitions	11,231,130	447,000	11,678,130	3,563,000	11,678,130	0
E	Housing Computer Systems	0	283,480	283,480	67,700	283,480	0
F	CCTV	32,000	0	32,000	15,700	32,000	0
G	Fire Doors	800,000	47,000	847,000	652,400	847,000	0
H	Energy Efficiency	2,000,000	114,550	2,114,550	1,065,800	1,714,550	400,000
I	Social Housing Decarbonisation Fund	0	960,080	960,080	418,000	960,080	0
J	Structural Surveys	100,000	0	100,000	0	100,000	0
K	Independent Living Area Upgrades	0	94,730	94,730	94,700	94,730	0
	<b>Total (HRA &amp; GF Capital Programme)</b>	<b>20,594,560</b>	<b>2,202,440</b>	<b>22,797,000</b>	<b>7,674,070</b>	<b>22,395,900</b>	<b>401,100</b>

Table 4: Housing Capital Programme 2023/24

4.4 The following works were undertaken or completed by the end of Quarter 1 2023/24:

**4.5 Replacement Programmes (Ref A): Nil Variance**

- Kitchen renewals: 7 completed
- Bathroom renewals: 3 completed

**4.6 Improvement Programmes (Ref B): Nil Variance**

- Central heating systems/boilers installations: 8 completed

**4.7 Health & Safety Works (Ref C) – Favourable Variance £1k**

4.7.1 Small underspend anticipated due to lower than expected costs.

- Fire detection installations in all properties: 57 completed
- Upgrades to door entry systems: 0
- Passenger lift refurbishment: No refurbishment carried out.
- LED Emergency lighting upgrades carried out at 2 blocks.

**4.8 New Build (Ref D): Nil Variance**

4.8.1 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.

4.8.2 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. For the 2 financial years, 2022-23 and 2023-24, local authorities are permitted to retain the share of Right to Buy receipts that has been previously returned to the Treasury. These can then be used to fund the delivery of new homes within the borough.

4.8.3 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 216. The Housing Development Team continue to work on a pipeline of potential development sites to increase the

supply of social housing. All 111 properties within the investment partnership are at the feasibility stage, the most advanced being Milton Place which it is hoped will move to the planning consent stage early next year.

<b>HRA Property Development Stage</b>	<b>Number of Properties</b>
Delivered and Completed	164
Under Construction	6
Planning Permission Granted	46
In Planning	8
Feasibility/Concept Design	333
<b>Total Number of HRA Properties</b>	<b>511</b>
Investment Partnership Schemes (Tenure TBC)	111

Table 5: New Build Delivery

- 4.8.4 The following is the reported position at the end of Quarter One. Any potential underspends on the New Build programme will be used to offset any potential overspends. For schemes that cross financial years any underspend would be subject to a carry forward request. This will result in a nil variance on this heading.
- 4.8.5 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 and is now expected to be completed as of July 2023.
- 4.8.6 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.
- 4.8.7 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.
- 4.8.8 Worcester Close – The proposed scheme for this site consists of 4 x 1 bed and 4 x 2 bed flats. A planning application for this development was submitted in February 2023 with an estimated planning committee date, where the application will be considered, of 14 June 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 2023, 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.
- 4.8.9 LAHF is a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation that meet the eligibility criteria.
- 4.8.10 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. If the



cumulative expenditure does not reach the level shown in the table below, the Council would be required to return the RTB receipts plus interest to the 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
	£	£	£	£	
<b>2012-17 c/f</b>	6,905,580	16,113,020	23,018,600	23,018,620	31-Mar-22
<b>2017-18</b>	1,811,560	4,227,000	6,038,560	29,057,180	31-Mar-23
<b>2018-19</b>	1,797,170	4,193,400	5,990,570	35,047,730	31-Mar-24
<b>2019-20</b>	2,869,320	6,695,080	9,564,400	44,612,130	31-Mar-25
<b>2020-21</b>	1,475,440	3,442,690	4,918,130	49,530,260	31-Mar-26
<b>2021-22</b>	3,072,252	4,608,379	7,680,631	57,210,891	31-Mar-27
<b>2022-23</b>	4,265,120	6,397,680	10,662,800	67,873,691	31-Mar-28
	<b>22,196,440</b>	<b>45,677,250</b>	<b>67,873,690</b>		

Table 6: New Build

#### 4.9 Housing Computer System (Ref E): Nil Variance

4.9.1 The new housing system went live on 12 September 2022. The first phase focused on Income and Housing Management and enables Housing Staff to streamline the arrears process, with staff only having to use one system as opposed to several. The project has now moved into the second phase which is focussing on asset management, leasehold management, repairs integration and an improved digital offering for our residents. This will provide a more efficient service to tenants as well as making the job of Housing staff easier. It will also remove the need for paperwork to be carried out on estates, contributing to the green agenda, and also reducing any possibility of GDPR breaches.

4.9.2 The Council has launched a new HomeSwapper service that is free for our tenants to use if they are interested in a mutual exchange. Both the digital portal and the HomeSwapper were advertised in the Your Home. Officers are also looking at a Customer Management Relationship (CRM) process, to better manage contact and workflows within the teams, which would allow seamless movement of activity between officers. Work continues the reporting ability and the use of dashboards are currently being reviewed to better manage workloads. These dashboards will show the outstanding and upcoming work and, ultimately, improve the service delivered to tenants. Alongside this, the Council is now able to look back on what has been implemented and make changes that are deemed necessary to improve the usage for officers.

#### 4.10 CCTV (Ref F): - Nil Variance

4.10.1 No CCTV upgrades have been carried out in quarter one.

#### 4.11 Fire Doors (Ref G): - Nil Variance

4.11.1 The contractor has been surveying and manufacturing the doors for the programme, which will be fitted in the coming months. An initial £172k has been paid to cover the manufacturing.

#### 4.12 Energy Efficiency (Ref H): Favourable Variance £400k

4.12.1 Due to the Government Heat Pump Ready Funding project timeline being extended, the Council's co-funding contribution of £400k for this financial year has now been identified as a saving due to works not due to be completed this financial year. The Council are working with the consortium partners to finalise designs and budget costings to determine whether the costs of the scheme are feasible to progress in financial year 24/25.

#### 4.13 Social Housing Decarbonisation Fund (SHDF) (Ref I): Nil Variance

4.13.1 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 June 23, 350 properties have been successfully surveyed and just over 200 have received insulation.

#### 4.14 Structural Surveys (Ref J): Nil Variance

4.14.1 The structural repair work is 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.

#### 4.15 Independent Living Area Upgrades (Ref K): Nil Variance

4.15.1 One project has been completed under Independent Living Area Upgrades programme at Cleveland House consisting of new furniture, redecoration, new flooring, new blinds, new washing lines, new kitchens, new bathrooms, and relocation of scheme offices.

#### 4.16 Capital Resources

4.16.1 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 01/04/2023 £	Actual Income 2023/24 £	Forecast Use of Funding 2023/24 £	Final Balance 31/03/2024 £
Capital Receipts - HRA	(1,656,430)	(227,170)	283,480	(1,600,120)
Capital Receipts - GF Housing	(159,360)	0	0	(159,360)
Capital Receipts - PV Panels	(3,573,000)	0	0	(3,573,000)
Major Repairs Reserve - Dwellings	(5,497,730)	(5,116,080)	10,212,710	(401,100)
Major Repairs Reserve - Non Dwellings	(266,790)	(214,730)	481,520	0
New Build Reserve: 1-4-1 Receipts	(10,118,460)	(3,436,610)	2,527,250	(11,027,820)
Right to Buy Allowable Debt Reserve	(846,690)	(989,640)	1,836,340	10
Social Housing Decarbonisation Grant	(731,700)	0	610,490	(121,210)
Meopham Police Station (s106)	0	0	0	0
<b>Total</b>	<b>(22,850,160)</b>	<b>(9,984,230)</b>	<b>15,951,790</b>	<b>(16,882,600)</b>

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

## 5. HRA Business Planning

- 5.1 The HRA Business Plan is reviewed on an ongoing basis in order to take into account longer-term assumptions around inflation rates, central government grants and energy prices, together with building in all known variances to the budget resulting from Management Team and Cabinet decisions.
- 5.2 The HRA Business Plan reflects the current and future financial spend profiles identified in the recent Stock Condition Survey. It also reflects future forecasts of the New Build Programme beyond the existing three-year scheme based on the current assumption on the number of Council Houses sold per annum.
- 5.3 The latest version of the HRA Business Plans for revenue and capital are attached to this report at Appendices one and two.
- 5.4 The current version of the HRA Business Plan reflects the assumption that the the number of properties sold under the Right to Buy scheme matches the budgeted assumption of 35 per annum. Inflationary increases year on year have also been reviewed to reflect the current challenging economic conditions and supply chain issues.
- 5.5 Officers will continue to work on the Business Plan in conjunction with colleagues in Housing to review and assess the impact of other base assumptions within the model.

## 6. Appendices - Business Plan

Appendix one – Revenue Business Plan

Appendix Two – Capital Business Plan

## 7. Background Documents

- 7.1 There are no background documents.

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<b>Secondary Implications</b>	
<b>Risk Assessment</b>	The purpose of this report is to demonstrate financial performance as at 30 June 2023 against the original budget set for the 2023/24 financial year, and illustrate how this affects the Working Balances and Earmarked Reserves held by the Council.
<b>Data Protection Impact Assessment</b>	<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 <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a> ?  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 <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a> .  N/A
<b>Equality Impact Assessment</b>	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>
<b>Crime and Disorder</b>	<b>No direct implications.</b>
<b>Digital and website implications</b>	No direct implications.
<b>Safeguarding children and vulnerable adults</b>	No direct implications.