

Classification: Public

Key Decision: No

Gravesham Borough Council

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

Date: 6th November 2023/ 8th November 2023

Reporting officer: Assistant Director (Corporate Services)

Subject: Housing Revenue Account Budget Monitoring Report – Quarter Two 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.

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	One Council: a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact. Financial responsibility: a financially sustainable authority, driven by a strong Medium Term Financial Strategy, enforced by a suite of effective financial monitoring controls.

Climate Change	No direct implications
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1. INTRODUCTION

- 1.1 At the end of the Quarter Two, 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 second quarter to 30 September 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 Two, 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 £4.9m.
- 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 improved position at Quarter Two has increased the contribution to the reserve to £4.91m
- 2.5 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 Housing Capital programme working budget for 2023/24 is £23.6m. This budget includes £3m that was carried forward from 2022/23 and in year adjustments. Details regarding the capital programme are shown in section 4 of this report.

3. HOUSING REVENUE ACCOUNT

Budget 2023/2

3.1 Table 1 below sets out the current forecast spend against the original budget for the Housing Revenue Account (HRA), based on variances to 30 September 2023. As of the 30 September 2023 the forecast reflects an £274k 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	7,696,630	(109,000)
Repairs and Maintenance	7,947,910	8,057,910	110,000
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
Sub Total Expenditure	28,275,050	28,553,050	278,000
Rents of Dwellings	(30,608,500)	(30,612,260)	(3,760)
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
Sub Total Income	(33,464,800)	(33,468,560)	(3,760)
Contributions to/(from) reserves	5,189,750	4,915,510	(274,240)
Net Surplus/Deficit	0	0	0

Table 1: Housing Revenue Account 2023/24

3.2 As at 30 September 2023, there is an adverse variance against the original budget of £274k. 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.

3.3 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

3.4 SUPERVISION & MANAGEMENT – £109K FAVOURABLE VARIANCE

- 3.4.1 **Vacancy Management: £289k Favourable variance** – the HRA staffing budget for 2023/24 incorporated a vacancy allowance of £150k 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 £289k 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.
- 3.4.2 **Disrepairs Claims: £180k Adverse variance** As highlighted in previous reports the Council saw an increase in the number of no win no fee disrepair claims being submitted in 2022/2023. Due to the time it takes to resolve claims it has meant that the impact is on this financial year and therefore there is an estimated overspend of £180k for the year. There has been a noticeable drop in the level of claims received and it is hoped that this will continue.

3.5 REPAIRS & MAINTENANCE - £110K ADVERSE VARIANCE

- 3.5.1 **Vacancy Management: £335k 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 £335k.
- 3.5.2 **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 pressure to turn voids around to meet demand has resulted in a projected overspend. Officers are looking at ways to mitigate this overspend by investigating how to reduce expenditure elsewhere.
- 3.5.3 **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. The contract was procured in 2019 and the supplier can request an annual uplift matching March's CPI which was 10.1%. However, this is at the sole discretion of the Client. Due to the current national economic circumstances, an uplift of 8.1% has been agreed, this is an increase of 1.1% from the previous year, plus smoke alarm inspection reports has resulted in an overspend of £42k.
- 3.5.4 **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.
- 3.5.5 **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. Some works may be able to be capitalised reducing the stress on this line This budget line was under considerable pressure last year. As such it has been included in the quarter two report to reassure that careful monitoring of this line is taking place and should an overspend be anticipated corrective action will be taken.

- 3.5.6 **Cyclical decorations & Painting: Nil Variance** – The items of work in cyclical decorations have been reviewed and where necessary these have been scaled back and a programme of works for 14 blocks for 2023 -24 has been established. Work is in progress and 3 blocks have been completed. The service is currently projecting to complete all programmes before the end of March 24.

3.6 DEPRECIATION - NIL VARIANCE

- 3.6.1 **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.

- 3.6.2 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.

3.7 CAPITAL FINANCING - £277k ADVERSE VARIANCE

- 3.7.1 **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.

3.8 RENTS ON DWELLINGS - £3.7k FAVOURABLE VARIANCE

- 3.8.1 **Rents on Dwellings: £3.7k Favourable variance** – Several factors have combined to result in a net favourable variance on rental income of £3.7k. The slowdown in right to buy purchases has resulted in a favourable variance of £78k. 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.

- 3.8.2 The outcome of the correction and reduced sales has affected the overall figure, leaving a favourable variance of £3.7k

- 3.8.3 One property was sold under the Right to Buy scheme in quarter two. Giving a total of three year to date This was less than budgeted for and has had a positive effect on the rental income.

3.9 WORKING BALANCES AND RESERVES

3.9.1 The variances outlined in this report have the following effect upon HRA working balances and reserves which is illustrated in the table below:

	£
Balance Brought Forward from 2022/23	3,000,000
Forecast Outturn position 2023/24	4,915,510
Forecast working balances C/Fwd (as at 30th September 2023) including minimum HRA Working Balance	7,915,510
Minimum Working Balance	3,000,000
HRA Priority Reserve (Revenue)	500,000
HRA Debt Repayment Reserve	4,912,120
Transfer From HRA General Reserve (Revenue)	(496,610)
Total	7,915,510

HOUSING CAPITAL PROGRAMME

- 3.10 The Housing Capital programme working budget for 2023/24 is £23.6m. This budget includes £3m that was carried forward from 2022/23 and in year adjustments.
- 3.11 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.
- 3.12 Additional grant of £810k has been received in year from Central Government for the Local Authority Housing Fund. This is to provide accommodation for those that meet the eligibility criteria.
- 3.13 As at the 30 September 2023, £9.3m had been committed & spent against the capital schemes detailed below.

Ref No:	Project	2023/24 Original Budget (£)	2023/24 Approved C/fwd & in year additions (£)	2023/24 Working Budget (£)	Expenditure Including Commitments (£)	Forecast as at Q2 (£)	Variance as at Q2 (£)
A	Replacement Programmes	3,892,500	0	3,892,500	2,143,700	3,892,500	0
B	Improvement Programmes	1,373,930	175,400	1,549,330	841,900	1,549,330	0
C	Health & Safety Works	1,165,000	80,200	1,245,200	245,480	1,244,100	1,100
D	New Build & Acquisitions	11,231,130	1,257,000	12,488,130	3,092,600	12,488,130	0
E	Housing Computer Systems	0	283,480	283,480	286,100	283,480	0
F	CCTV	32,000	0	32,000	17,700	32,000	0
G	Fire Doors	800,000	47,000	847,000	702,300	847,000	0
H	Energy Efficiency	2,000,000	114,550	2,114,550	1,369,300	1,714,550	400,000
I	Social Housing Decarbonisation Fund	0	960,080	960,080	533,600	860,080	100,000
J	Structural Surveys	100,000	0	100,000	15,700	100,000	0
K	Independent Living Area Upgrades	0	94,730	94,730	94,700	94,730	0
	Total (HRA & GF Capital Programme)	20,594,560	3,012,440	23,607,000	9,343,080	23,105,900	501,100

Table 4: Housing Capital Programme 2023/24

- 3.14 The following works were undertaken or completed by the end of Quarter 2 2023/24:
- 3.15 **Replacement Programmes (Ref A): Nil Variance**

- Kitchen renewals: 30 completed
- Bathroom renewals: 3 completed

3.16 Improvement Programmes (Ref B): Nil Variance

- Central heating systems/boilers installations: 11 completed
- Aids and Adaptations: 5 flush showers and 13 stair lifts completed

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

3.17.1 Small underspend anticipated due to lower than expected costs.

- Fire detection installations in all properties: 115 completed
- Upgrades to door entry systems: 0
- Passenger lift refurbishment: No refurbishment carried out.
- LED Emergency lighting upgrades carried out at 3 blocks, the programme for 23/24 is now complete

3.18 New Build (Ref D): Nil Variance

3.18.1 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.

3.18.2 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.

3.18.3 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 331 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.

HRA Property Development Stage	Number of Properties
Delivered and Completed	164
Under Construction	6
Planning Permission Granted	46
In Planning	8
Feasibility/Concept Design	235
Total Number of HRA Properties	459
Investment Partnership Schemes (Tenure TBC)	331

Table 5: New Build Delivery

- 3.18.4 The following is the reported position at the end of Quarter Two. 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.
- 3.18.5 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. Block A – Flats 1-32 Mariner Court, 338 Valley Drive, Gravesend, Kent DA12 5FN was completed in July 2023 and now in defects
- 3.18.6 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.
- 3.18.7 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. Tender period has now closed, and a quality review completed. Further clarifications and exclusion are being sought and our consultants are now preparing the Tender Report with award of contract pending. It is anticipated that the build contract will be awarded and signed during November 2023.
- 3.18.8 Worcester Close – The proposed scheme for this site consists of 4 x 1 bed and 4 x 2 bed flats. Following the planning application in February 2023 a resolution to grant planning consent was made by the Planning Committee on 26th July with delegated authority to Head of Planning, Chair and Vice Chair to issue the permission decision notice. However, an email from DLUHC has requested that due to the sites greenbelt nature the decision will must go before the National Planning Casework Unit (NCPU) to review the and final delegated decision report sent to them by the Planning department prior to the issuing of any decision notice. Once the decision report is received the NCPU will decide whether to recommend to the Secretary of State to have the application called in and potentially for the decision to be overruled. The timescale for this process is unclear but once the decision has been received the NCPU have promised to make their decision as soon as possible. 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.
- 3.18.9 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. GBC has qualified for grant monies and is in the process of securing properties for those that are eligible.
- 3.18.10 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. Forecasted spend of retained 1-4-1 receipts is on target and no money is expected to be returned 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

3.19 Housing Computer System (Ref E): Nil Variance

- 3.19.1 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. Homeswapper and Swaptracker have been introduced and this is free to use for our tenants and supports them if they wish to carry out a mutual exchange
- 3.19.2 As part of phase two, officers are considering introducing a Customer Management Relationship (CRM) module, to be better manage contact and workflows within the teams, which would allow seamless movement of activity between officers. A new offering for dealing with ASB is also being considered as this would improve the way this is managed. We have had a meeting with a site currently using the CRM and we are currently carrying out due diligence. 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.

3.20 CCTV (Ref F): - Nil Variance

- 3.20.1 No CCTV upgrades have been carried out in quarter two.

3.21 Fire Doors (Ref G): - Nil Variance

- 3.21.1 The installation of 118 flat entrance doors have been completed to date to a value of £251,817.06 with 166 properties left in the programme for the remainder of the financial year and we are on target for a successful completion

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

- 3.22.1 The decarbonisation of Springvale Court is progressing well with the external works completed and 10 flats have now had ground source heat pumps installed. The solar panels will begin to be installed at Springvale Court from 11th October.

The renewable installations programme is also progressing well with 9 out of the 16 properties now completed and reached 'net zero'. The contractor is continuing to undertake energy performance surveys to a large proportion of our housing stock to identify properties that require loft and cavity wall insulation. To date 500 properties have had these surveys undertaken and 200 properties have been identified as requiring insulation upgrades which will be completed this financial year.

3.22.2 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.

3.23 **Social Housing Decarbonisation Fund (SHDF) (Ref I): Favourable Variance £100k**

3.23.1 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. The potential saving has come from a project being removed from the scope of works and being dealt with under a different scheme.

3.24 **Structural Surveys (Ref J): Nil Variance**

3.24.1 Surveys are in progress and repairs taking place. 17 Surveys are completed.

3.25 **Independent Living Area Upgrades (Ref K): Nil Variance**

3.25.1 Mike Spring Court the final block in the upgrade programme has now been completed which consisted of new flooring and redecoration in the communal areas.

3.26 **Capital Resources**

3.26.1 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 £	Forecast 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)	10,112,710	(501,100)
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)
Local Authority Housing Fund	(279,470)	(1,462,090)	1,741,560	0
Total	(23,129,630)	(11,446,320)	17,593,350	(16,982,600)

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

4. HRA Business Planning

- 4.1 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.
- 4.2 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.
- 4.3 The latest version of the HRA Business Plans for revenue and capital are attached to this report at Appendices one and two.
- 4.4 The current version of the HRA Business Plan reflects the assumption that 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.
- 4.5 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.

5. Appendices - Business Plan

Appendix one – Revenue Business Plan

Appendix Two – Capital Business Plan

6. Background Documents

- 6.1 There are no background documents.

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Secondary Implications	
Risk Assessment	The purpose of this report is to demonstrate financial performance as at 30 September 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.
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.