

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

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

**Date:** 17 September 2024

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

**Subject:** Housing Revenue Account Budget Monitoring Report – Quarter One 2024/25

### Purpose and summary of report:

To provide Members with information on actual performance against the approved Revenue and Capital budgets for 2024/25, including known variances agreed or identified through budgetary control activity.

To update Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, 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	<b>One Council:</b> a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact.  <b>Financial responsibility:</b> 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

## 1. INTRODUCTION

- 1.1 The Constitution of the council requires Members to receive reports in respect of the council's finances and financial performance. This report therefore provides an assessment of performance against approved budgets for the 2024/25 financial year for the first quarter to 30 June 2024 as well as updating Members on other key areas of financial performance.
- 1.2 The council continues to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the council's finances. In addition to the reporting of financial performance through regular budget monitoring reports, these actions include:
  - Requiring all financial decisions and major acquisitions to be brought to Management Team for discussion and approval;
- 1.3 Setting in place appropriate controls in approving purchase orders;
- 1.4 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, expenditure exceeds income by £186k. In the coming weeks officers within Finance will work with Housing colleagues to determine whether this spend can be met within the existing budget envelope. Without this confirmation, this report assumes that the shortfall will need to be met from the HRA general reserve.
- 2.2 The responsive repairs budget continues to face difficult challenges with an overspend for the year already forecast. A favourable variance is reported on rental income and Supervision and Management is also reporting a small favourable variance.
- 2.3 The level of Working Balances at year end is projected to be £3m, the minimum level of Working Balances for the HRA. The HRA has a General Reserve which stood at £1.754m at the start of 2024/25. With the projected use of £186k of this reserve, the forecast balance as at 31 March 2025 is £1.568m.

### **Housing Capital**

- 2.4 The Housing Capital Programme original budget is £33m with expenditure and commitments to the end of Quarter One of £18.8m. Capital budgets totalling £7.7m were carried forward from 2023/24 relating to the New Build Programme, Energy Efficiency, Fire Doors and Health and Safety works.

### 3. HOUSING REVENUE ACCOUNT

#### 3.1 Budget 2024/25

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

Description	Original Budget 2024/25 (£)	Forecast 2024/25 (£)	Variation (£)
Supervision and Management	8,208,710	8,138,710	(70,000)
Repairs and Maintenance	8,874,350	9,147,350	273,000
Depreciation	5,330,810	5,330,810	0
Intensive Management Fund - Expenditure	491,650	491,650	0
Capital Finance	13,472,250	13,472,250	0
<b>Sub Total Expenditure</b>	<b>36,377,770</b>	<b>36,580,770</b>	<b>203,000</b>
Rents of Dwellings	(33,258,500)	(33,275,500)	(17,000)
Other Rental Income	(7,540)	(7,540)	0
Service Charges	(2,429,040)	(2,429,040)	0
Non Dwelling Income	(140,420)	(140,420)	0
Intensive Management Fund - Income	(491,650)	(491,650)	0
Other Income	(50,620)	(50,620)	0
<b>Sub Total Income</b>	<b>(36,377,770)</b>	<b>(36,394,770)</b>	<b>(17,000)</b>
<b>Contributions to/(from) reserves</b>	<b>0</b>	<b>(186,000)</b>	<b>(186,000)</b>
<b>Net Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 1: Housing Revenue Account 2024/25

3.3 As at 30 June 2024, there is an adverse variance against the original budget of £186k. This is as a result of an increase in contractor costs on responsive repairs, offset in part by savings on salaries. Officers are currently looking at further ways to manage the increased expenditure.

3.4 The reported overspend of £273k on Repairs and Maintenance reflects the continued significant pressure on the service to manage known damp and mould issues within the stock. Historically, this has been compounded by the difficulty in recruiting but this position has improved in recent months.

3.5 Rental income generated in year is above the level that was expected at the time of budget setting. This is due to fewer Right to Buy sales than budgeted for in the previous year.

#### 3.6 SUPERVISION & MANAGEMENT – £70k FAVOURABLE VARIANCE

3.6.1 **Vacancy Management (excluding Housing Assets Teams): £140k Favourable Variance** – The HRA staffing budget for 2024/25 incorporated a vacancy allowance of £176k for the year in relation to Supervision and Management. It was anticipated that this would be achieved throughout the establishment from natural staff turnover within day-to-day business activities. As at the end of Quarter One the overall actual staff spend was £140k lower than budget. This was due to the high number of vacancies within Housing reflecting the difficulty in recruiting to posts.

3.6.2 **Disrepairs Claims: £70k Adverse Variance** – Whilst this budget is not overspent at present, nationally there has been a spike in claims again in quarter one and therefore it will be necessary to keep a close eye on whether it continues into quarter two. Therefore, an estimated adverse variance of £70k has been identified.

### 3.7 REPAIRS & MAINTENANCE - £273K ADVERSE VARIANCE

3.7.1 The Repairs and Maintenance budget line relates to all work streams that keep the Council's tenants' homes maintained, decent and safe, including responsive repairs, compliance, building safety, planned works, aids and adaptations and voids.

3.7.2 Like all social housing providers, the Council has been subject to various campaigns encouraging tenants to report repairs, including those relating to damp and mould following the new guidance issued to housing providers setting out how to deal with damp and mould issues within increased time frames. The demand in his area has increased significantly as a result and therefore, reliant on contractors to complete this work within the required timeframes. In addition to this, new Consumer Standards have been introduced with an increased focus on Decent Homes as well as a more robust Fire Risk Assessment regime which has seen a significant increase in communal repairs and improvements required. The new Government have already pledged a commitment to increasing and improving housing and therefore the pressure and expectations will not only continue but is likely to increase.

3.7.3 Some of these additional landlord responsibilities, and the work they would generate were unknown at the time of budget setting. Therefore, this has the possibility of increasing the forecast adverse above what is currently reported. Officers are currently assessing the likely impact of these changes to provide a more robust forecast in the Quarter 2 report.

3.7.4 **Repairs & Maintenance Salary Costs: £73k Favourable Variance** – The HRA staffing budget for 2024/25 incorporated a vacancy allowance of £224k for the year in relation to Repairs and Maintenance. As at the end of Quarter One the actual staff spend on salaries in relation to repairs and maintenance was underspent by £73k.

3.7.5 **AEI Cliff Face/Payment to contractor: Nil Variance** - Cabinet will be aware of the cliff collapse at Pier Road this year and at Swanscombe prior to this. This coupled with the fire nearby the tunnels means that it has been necessary to undertake additional monitoring to establish if any work is required. There is the potential for the costs of these works to be in addition to the budget available. A further update will be provided in Quarter Two.

3.7.6 **Repairs Payments to Contractors: £350k Adverse Variance** - This expenditure relates to contractors used by responsive repairs and non-capital void works. As outlined in the outturn report for 2023/24 there has been ongoing pressure on the service which have continued into 2024/25 which has increased the reliance on external contractors to complete repairs that are needed.

3.7.7 **Rubbish Clearance: £76k Adverse Variance** - More clearance works than anticipated has resulted in the increased use of skips and disposal of waste at Brookvale Depot and a forecast adverse variance against the budget. As highlighted in previous reports, several other services use this facility across the Council and therefore officers will work with finance and the relevant Heads of

Service to ensure that expenditure related to rubbish clearance is appropriate apportioned which is likely to reduce the current projected variance.

- 3.7.8 **Training Expenses: NIL Variance** - Whilst this budget line is not currently overspent, the changing environment and increased expectation from the Regulator of Social Housing and Building Safety Regulator does mean there will be an expectation for staff to keep up with the changing requirements which may see an increase in spend in this area.
- 3.7.9 **Cyclic & Painting: £150k Favourable Variance** – After completing the analysis of cyclical painting surveys in full, the service managed to limit the amount work which required scaffolding. Therefore, there is a forecasting favourable variance against this budget code.
- 3.7.10 **Drainage: £70k Adverse Variance** - the pressure on this reactive budget and demand for drainage works has continued. The service will be working on a longer-term solution for this area which will include surveying the larger drainage systems to have a greater focus on preventative work.

### **3.8 DEPRECIATION – NIL VARIANCE**

- 3.8.1 **Depreciation: Nil Variance** – A depreciation charge is levied with the HRA annually and represents a charge for the use of the assets during the year based on the annual value of the council stock. Currently stock valuations are not expected to be higher than budgeted and therefore the resulting depreciation charge is anticipated to be in line with the budget provision.
- 3.8.2 The depreciation charge credits the Major Repairs Reserve (MRR), which the Council is required to maintain and uses as a funding source for future capital works. A higher depreciation charge means that there are more funds available to finance future capital works.

### **3.9 CAPITAL FINANCING – NIL VARIANCE**

- 3.9.1 **Interest Payable: NIL Variance** – In 2023/24, given the high prevailing interest rate and the Council's cash balances, it was determined that it was more cost effective for all parties to use General Fund cash balances rather than refinance maturing HRA debt and maximising new debt. Therefore, the HRA's opening debt position is lower than was expected at budget setting. This is likely to result in savings against interest payable budget.
- 3.9.2 The new Government has announced changes to the use of Right to Buy receipts which is likely to mean the Council will be able to apply more capital receipts when financing the capital spend and reduce the reliance on borrowing. This could also have a further positive impact on the interest payable in year. Given the timing of the announcement, the actual impact needs to be assessed alongside the HRA's current debt position to quantify the potential favourable variance.
- 3.9.3 **Direct Revenue Financing and External Grants Received: NIL Variance** – The council has been awarded a grant from Homes England towards the cost of the development at St Columbas. Whilst this grant will support capital works, due to the accounting treatment the use of the grant will need to be shown within Capital Financing. There will be an equal and opposite entry within the Other Income Budget line.
- 3.9.4 There is a significant variance reported with section 4.7 - New Build Programme due to schemes being reprofiled. This coupled with the Homes England grant and the changes to the use of Right to Buy receipts will significantly impact on the

capital financing. Therefore, officers will be reviewing the current capital programme forecasts and the associated financing over the summer with a view to presenting an updated position within the Quarter 2 budget monitoring report.

### 3.10 RENTS ON DWELLINGS - £17k FAVOURABLE VARIANCE

3.10.1 **Rents on Dwellings: £17k Favourable Variance** – During the budget setting process an assumption was made that 20 properties would be sold during the year under the right to buy scheme. Due to the current economic conditions where interest rates remain high, only two properties were sold during quarter one and therefore this has resulted in a favourable variance on the rents.

3.10.2 Officers will be reviewing the assumptions made around the sale of dwellings under the right to buy scheme for the remainder of the year over the summer to identify if the current variance is likely to increase.

### 3.11 SERVICE CHARGES – Nil VARIANCE

3.11.1 **Leaseholder Charges: Nil Variance** – Leaseholder charges cover caretaking, upkeep of communal areas and cleaning. The income budget was based on 2023/24 forecasted income, which included assumptions on the sale of properties under the Right to Buy scheme and Net Gains. However, given the number of properties sold were lower than these assumptions it has meant that the leaseholder service charges generated in 2024/25 will exceed the budgeted income by a small amount. The actual amount will only be known once all the annual invoices have been raised.

### 3.12 WORKING BALANCES AND RESERVES

3.12.1 The variances outlined in this report have the following effect upon HRA working balances and reserves which are illustrated in the tables below:

<b>Working Balances</b>	<b>£</b>
Balance Brought Forward from 2023/24	3,000,000
Variances per budget report	(186,000)
<b>Working balances C/Fwd (as at 31 March 2025) including Minimum HRA Working Balance</b>	<b>2,814,000</b>
Add: Transfer from HRA General Reserve (Revenue)	186,000
<b>Usable Working Balances C/fwd (as at 31 March 2025)</b>	<b>3,000,000</b>

Table 2: Effect on Housing Revenue Account Working Balances

<b>HRA Specific Reserves</b>	<b>Opening Balance 01/04/2024 £</b>	<b>Use of Reserve (Expenditure) £</b>	<b>Contributions (Income) £</b>	<b>Balance 31/03/2025 £</b>
HRA General Reserve (Revenue)	1,754,310	(186,000)	0	1,568,310
HRA Priority Reserve (Revenue)	500,000	0	0	500,000
<b>Total</b>	<b>2,254,310</b>	<b>(186,000)</b>	<b>0</b>	<b>2,068,310</b>

Table 3: Analysis of Specific Reserves – HRA

3.12.2 An HRA Priority Reserve was set up in the financial year 2023/2024, totalling £500k. This is to be used by the HRA to fund expenditure outside of the normal activity which will result in future savings. Managers will be able to bid for funds to

finance projects subject approval by the Director (Housing), in consultation with the Director (Corporate Services).

#### **4. HOUSING CAPITAL PROGRAMME**

- 4.1 The Housing Capital working budget for 2024/25 is £40.8m. This budget includes £7.7mm that was carried forward from 2023/24.
- 4.2 The HRA capital schemes continued to focus on maintaining the minimum decent homes standard for the Council's stock in 2024/25, with £7.8m earmarked for this purpose within the Replacement, Improvement and Health & Safety Works Programmes. The council also continues its commitment to build new homes with £29,285,800 allocated for this purpose.
- 4.3 As at the end of June 2024, £11m had been committed & spent against the capital schemes detailed on the following page.

Project	Total Project Budget £	Cumulative Historic Spend to Date £	2024/25 Original Budget £	2024/25 Approved Adjustments £	2024/25 Working Budget £	Expenditure Including Commitments £	Forecast as at Q1 £	Variance as at Q1 £
Replacement Programmes	4,135,200	0	4,135,200	0	4,135,200	681,850	4,135,200	0
Improvement Programmes	1,629,620	0	1,629,620	33,200	1,662,820	696,120	1,662,820	0
Health & Safety Works	1,775,720	0	1,775,720	215,950	1,991,670	498,750	1,991,670	0
New Build & Acquisitions	22,336,410	0	22,336,410	6,949,390	29,285,800	7,484,250	13,633,240	15,652,560
Housing Computer Systems	2,483,480	516,470	83,480	136,300	219,780	4,150	219,780	0
CCTV	64,610	0	64,610	0	64,610	0	64,610	0
Fire Doors	849,880	0	849,880	138,020	987,900	98,070	987,900	0
Drainage	100,000	0	100,000	0	100,000	(28,120)	100,000	0
Energy Efficiency	3,888,650	2,622,190	2,000,000	244,420	2,244,420	1,516,110	2,244,420	0
Structural Surveys	106,240	0	106,240	17,720	123,960	87,790	123,960	0
<b>Total HRA Capital Programme</b>	<b>37,369,810</b>	<b>3,138,660</b>	<b>33,081,160</b>	<b>7,735,000</b>	<b>40,816,160</b>	<b>11,038,970</b>	<b>25,163,600</b>	<b>15,652,560</b>

Note 1 – The table above includes a total project budget for those projects which commenced in previous years. Within the HRA, schemes are allocated funding annually based on the HRA’s investment programme and therefore for the majority of the schemes, the total project budget is equal to the 2024/25 Original Budget.



#### **4.4 Replacement Programmes – Nil Variance**

- 4.4.1 The Replacement Programme (capital) has been instrumental in improving the quality of housing within our stock. From April to June 2024, 32 kitchens have been completed with the three teams completing on average three kitchens a week.
- 4.4.2 The procurement for roofing was reported in March 2022 and was approved by cabinet. The procurement exercise was carried out for this work in the latter part of 2022 but only one tender was returned. The single tender was not accepted as it was not deemed competitive and no reroofing work was carried out in 2023/24. Given the cabinet decision from 21 March 2022 a further procurement exercise was carried out this financial year to identify a new roofing contractor. There was a good response and a new contractor has now been selected.
- 4.4.3 The procurement for replacement windows and doors contractor was reported in February 2024 and was approved by cabinet. A procurement exercise has been carried out and a contractor selected. The contracts are in mobilisation phase and projecting to start work on site end of July.

#### **4.5 Improvement Programmes – Nil Variance**

- 4.5.1 Central heating systems/boilers installations: 37 completed

#### **4.6 Health & Safety Works – Nil Variance**

- 4.6.1 Fire detection Works completed in 1<sup>st</sup> Quarter 24/25
- Fire detection upgrade installations in all properties: 301 completed
  - Compartmentation works completed to Springvale Court
  - Fire Risk Assessments completed to 11 residential blocks
  - Remedial actions from FRA's - 58 completed
  - Q1 Communal fire door inspections completed 748/748
  - Fire Alarm servicing – 13/13 completed
  - Electrical Inspections completed to 509 properties
  - Electrical inspections completed to 18 residential blocks
  - Gas Servicing completed to 3,575 properties

#### **4.7 New Build – £15.7m Favourable Variance**

- 4.7.1 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.
- 4.7.2 From 1 April 2024, rules around the use of RTB receipts were amended, allowing Local Authorities to fund 50% of costs incurred in the delivery of additional housing units from the use of RTB receipts, which was an increase from the previous limit of 40%. The financing of the 2024/25 new build budget was based on these rules but a recent announcement from the new government has seen the rules amended so that RTB receipts can be applied to 100% of costs. There are further changes such as the use of RTB receipts alongside the use of S106 monies that was previously prohibited. Officers will need to work through the new regulations to fully assess the impact on the Council's New Build Programme.
- 4.7.3 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 2024, the RTB Allowable Debt reserve has a balance of just over £1m. 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.

- 4.7.4 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 228. The Housing Development Team continue to work on a pipeline of potential development sites to increase the supply of social housing. The table does not take into properties purchase direct from the market or refurbishments where the Development team dealt with the obtaining of planning permission only.

<b>HRA Property Development Stage</b>	<b>Number of Properties</b>
Delivered and Completed	168
Under Construction	52
Planning Permission Granted	8
In Planning	0
Feasibility/Concept Design	398
<b>Total Number of HRA Properties</b>	<b>626</b>
Investment Partnership Feasibilities (Tenure TBC)	185

Table 5: New Build Delivery

- 4.7.5 There is a significant favourable variance against the New Build Programme. The original budget was based on the assumption that units within Cable Wharf would be acquired during the year. The purchase of these units will now no longer proceed and therefore Officers will be reviewing the current programme and will be looking to reprofile the budget over the Summer as schemes such as Lower Range Road come forward to replace those which are being removed from the programme.
- 4.7.6 The following is the reported position at the end of Quarter 1:
- 4.7.7 Valley Drive (340/Mariner Court), Gravesend - 48 units in total – Phase 1 was completed on 28 February 2023 and defects are about to be signed off. Phase 2 – provides affordable rented units for independent living for 50s, which completed on 19 July 2023. Defects inspections took place in July 2024, the cost of which will be covered by retention money held back from the former contractor, Westridge, who went into administration after the site was complete.
- 4.7.8 Armoury Drive – 6 units – The former Milton Barracks site is currently under construction and comprises of 2 x 1 bed detached bungalows and 4 x 2 bed apartments. After a delay in programme due to meter install delays and required standards needing to be improved officers now anticipate completion in mid-August.
- 4.7.9 St Columba's Close – St Columba's Close, Gravesend – 46 units in total – This scheme will comprise of 11 x 1 bed flats and 17 x 2 bed flats, 6 x 3 bed flats, 2 x 1 bed maisonettes, 4 x 2 bed maisonettes, 4 x 3 bed houses and 2 x 4 bed houses with general improvements to the public realm and existing blocks of flats. The contractor has been working to discharge pre-commencement planning conditions and continuing with technical design work to the buildings with demolition of existing buildings to commence in August. A grant application to Homes England

for £1,593,376 in total for the part funding of the 26 replacement dwellings for social rent on this site was approved in June 2024. The site is due to be fully complete in April 2026.

- 4.7.10 Worcester Close – 8 units in total – Worcester Close, Istead Rise – The scheme consists of 4 x 1 bed and 4 x 2 bed flats in a rural location for affordable rent. Planning permission was granted on 29 November 2023. The tender period end date set at 10 July 2024 for submitted tenders to be evaluated. Commencement on site is expected in September/ October 2024 once all clarifications, checks and contract documents are checked and signed. It is estimated that it will take approximately 10 months to develop the site.
- 4.7.11 107 Vale Road, Northfleet – this is a single existing vacant and derelict 1 bedroom bungalow for which designs have been drawn up for an extended 4 bedroom house for affordable rent. Designs are being worked up for a planning application in September 2024 and a contractor appointed in early 2025.
- 4.7.12 Lower Range Road, Gravesend – this site has planning permission for 14 x 2 bed flats and is owned by Gravesend Churches Housing Association, who have withdrawn from developing the site and have agreed to sell the site to the Council for £525,000. As they bought the site for considerably more, they are selling the site on the proviso that the Council also pays the sum of money to cover two Section 106 Agreement payments they made for just over £41k so as not to breach their loan covenant. This spend is not included in the forecast outturn as the purchase has not yet been approved.
- 4.7.13 Crescent House – the purchase of 19 units within the Crescent House development will see the additional of 16 x 2 bed units and 3 x 1 bed units. The acquisition is in the later stages with completion anticipated in the coming weeks.
- 4.7.14 Table 6 summarises the one for one receipt retained from the sale of Right To Buy properties, since 2012, along with the level of GBC's contributions required to deliver the New Build programme and a summary of when expenditure needs to be delivered to avoid having to return funds to Central Government.

	One for one receipts retained	GBC 60% contribution to new build	Value of new build expenditure expected	Cumulative value of new build expenditure expected	Date of new build expected by
	£	£	£	£	
<b>2012-19 c/f</b>	10,514,310	24,533,420	35,047,730	87,123,530	
<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>2023-24</b>	1,295,188	1,942,782	3,237,970	71,111,661	31-Mar-29
	<b>23,491,630</b>	<b>47,620,030</b>	<b>71,111,660</b>		

## 4.8 Housing Computer System - Nil Variance

- 4.8.1 The Tenancy Management Team implemented a new housing management system in the autumn of 2022/23, and since this time have been working through various phases to improve functionality and efficiency of the system. The service is currently working on improving modules within the system in relation to anti-social behaviour case management, workflows for various processes and a tenant portal to ensure digital access 24/7 to allow for self-service. In addition to this, a

new CRM module is being implemented to give a holistic view of our customers and properties that will ensure relevant officers can access information relevant to their role to help improve decision making and mitigation of risks. There are additional modules that will be implemented in 2024/25 resulting in this budget being fully utilised.

#### 4.9 CCTV – Nil Variance

4.9.1 A review of the CCTV provision across sites will be undertaken during quarter 2 to determine if a new scheme will go forward.

#### 4.10 Fire Doors – Nil Variance

4.10.1 Programme to commence in 3<sup>rd</sup> Quarter. A new supplier has been procured with surveying to commence in October 2024, and installations completed by the end of the financial year.

#### 4.11 Drainage – Nil Variance

4.11.1 No overspend is anticipated at this stage.

#### 4.12 Energy Efficiency – Nil Variance

4.12.1 A total of 17 homes have been upgraded and EPC of C and above.

#### 4.13 Structural Surveys – Nil Variance

4.13.1 Structural surveys of 25 blocks have been completed.

#### 4.14 Capital Resources

Table 8 below, shows the resources available to fund capital projects in future.

Housing Capital Resources	Opening Balance 01/04/2024 £	Forecast Income 2024/25 £	Forecast Use of Funding 2024/25 £	Forecast Balance 31/03/2025 £
Capital Receipts - HRA	(1,763,170)	(229,440)	219,780	(1,772,830)
Capital Receipts - GF Housing	(159,360)	0	0	(159,360)
Major Repairs Reserve - Dwellings	(2,476,140)	(5,116,080)	5,765,390	(1,826,830)
Major Repairs Reserve - Non Dwellings	(214,730)	(214,730)	214,730	(214,730)
New Build Reserve: 1-4-1 Receipts	(10,747,100)	(3,076,700)	5,457,440	(8,366,360)
Right to Buy Allowable Debt Reserve	(1,010,790)	(500,590)	500,590	(1,010,790)
Social Housing Decarbonisation Grant	0	0	0	0
Homes England Grant	0	(2,693,380)	1,195,030	(1,498,350)
Local Authority Housing Fund	(74,600)	0	0	(74,600)
<b>Total</b>	<b>(16,445,890)</b>	<b>(11,830,920)</b>	<b>13,352,960</b>	<b>(14,923,850)</b>

Table 8: HRA and General Fund Housing Capital Resources 2024/25

## 5. HRA Business Planning

5.1 The HRA Business Plan is reviewed on an ongoing basis to take account of 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 number of properties sold under the Right to Buy scheme matches the budgeted assumption of 20 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**

- 6.1 Appendix One – Revenue Business Plan
- 6.2 Appendix Two – Capital Business Plan

## **7. Background Documents**

- 7.1 The following background documents were used:
- 7.2 [Council Tax and Budget Setting 2024-25 Report \(Agenda Item 7\)](#)
- 7.3 [Housing Revenue Account Estimates and Housing Capital Programme 2024-25 \(Agenda Item 11\)](#)

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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 2024 against the original budget set for the 2024/25 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>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. N/A</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>. 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. 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. 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>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.