

## BABERGH DISTRICT COUNCIL

<b>COMMITTEE:</b> Cabinet	<b>REPORT NUMBER:</b> BCa/22/45
<b>FROM:</b> Councillor David Busby, Cabinet Member for Finance	<b>DATE OF MEETING:</b> 6 March 2023
<b>OFFICER:</b> Melissa Evans, Director, Corporate Resources	<b>KEY DECISION REF NO.</b> CAB382

### HOUSING REVENUE ACCOUNT (HRA) FINANCIAL MONITORING 2022/23 – QUARTER 3

#### 1. PURPOSE OF REPORT

- 1.1 This report considers the revenue and capital financial performance for the period April to December and highlights significant variances expected for the financial year 2022/23. As at 31<sup>st</sup> December the revenue position is forecast to be an adverse variance of £1.713m, as shown in Appendix A section 2.

#### 2. OPTIONS CONSIDERED

- 2.1 At this stage in the year, the financial position is for noting only.

#### 3. RECOMMENDATIONS

- 3.1 That, subject to any further budget variations that arise during the rest of the financial year, the adverse variance of £1.713m, referred to in Appendix A, section 2 of the report, be noted.
- 3.2 The 2022/23 revised Capital Programme referred to in Appendix A, section 3 be noted.

#### REASON FOR DECISION

**To ensure that Members are kept informed of the current budgetary position for both the HRA Revenue and Capital Budgets.**

#### 4. KEY INFORMATION

##### Strategic Context

- 4.1 The HRA Financial Monitoring Report for Quarter 3 2022/23 is attached in Appendix A. This covers full year forecasts and performance against budget for the Councils' revenue, capital programme and reserves.

#### 5. LINKS TO CORPORATE PLAN

- 5.1 Ensuring that the Council makes best use of its resources is what underpins the ability to achieve the priorities set out in the Corporate Plan. Specific links are to a

financially sustainable Council, managing our housing assets effectively, and property investment to generate income.

## 6. FINANCIAL IMPLICATIONS

6.1 These are detailed in the report.

## 7. LEGAL IMPLICATIONS

7.1 There are no specific legal implications.

## 8. RISK MANAGEMENT

8.1 Key risks are set out below:

Key Risk Description	Likelihood 1-4	Impact 1-4	Key Mitigation Measures	Risk Register and Reference*
We may be unable to react in a timely and effective way to financial demands	4	4	Continued monitoring and reporting of the Councils financial forecast during 2022/23 via quarterly reports to Cabinet. Reserves available to call upon.	SRR004BDC
Service delivery may not be accomplished if economic conditions and other external factors are worse than budgeted for it	3	3	Budget control framework in place with Budget Holders and Assistant Directors with the Business Partner model operating effectively to support this. Continued monitoring and reporting of the Councils financial forecast during 2022/23 via quarterly reports to Cabinet.	Finance, Commissioning and Procurement ORR005BDC

## 9. CONSULTATIONS

9.1 Consultations have taken place with the previous Director of Housing, Corporate Managers and other Budget Managers as appropriate.

## 10. EQUALITY ANALYSIS

10.1 An equality analysis has not been completed because there is no action to be taken on service delivery as a result of this report.

## 11. ENVIRONMENTAL IMPLICATIONS

- 11.1 In support of the Council's commitment to be Carbon Neutral by 2030, several initiatives have and are being undertaken in relation to the housing and sheltered accommodation stock. These are set out in more detail below.
- 11.2 Since 2020, Babergh has installed 85 Air Source Heat Pumps in council owned homes.
- 11.3 Working alongside the Energy Savings Trust, every property within our housing stock (via a desktop exercise) has been evaluated, which has provided the council with current energy efficiency levels compared with what could be achieved and the level of investment required to achieve improved energy efficiency. The 'hardest to heat' homes will be targeted first. This now allows us to quantify the cost of capital environmental works to existing homes.
- 11.4 Oil fired / storage communal heating has been replaced with individual heat pumps.
- 11.5 The new homes 'design and technical specification' that incorporates carbon saving solutions will be launched alongside our 30-year Housing Business Plan in 2022.
- 11.6 Surveyors have been studying for the Retrofit Co-ordinators Diploma by the Retrofit Academy to better support the Council's ambition to retrofit existing properties.

## 12. APPENDICES

Title	Location
Housing Revenue Account (HRA) Financial Monitoring Quarter 3 2022/23	Appendix A

## 13. BACKGROUND DOCUMENTS

21 February 2022 Housing Revenue Account (HRA) Budget and Four-Year Outlook Report 2022/23 – BC/21/32

5 September 2022 Housing Revenue Account (HRA) Financial Monitoring 2022/23 - Quarter 1 - BCa/22/19

5 December 2022 Housing Revenue Account (HRA) Financial Monitoring 2022/23 - Quarter 2 - BCa/22/33