

BABERGH DISTRICT COUNCIL

COMMITTEE: Cabinet	REPORT NUMBER: BCA/23/3
FROM: Councillor John Ward, Cabinet Member for Finance	DATE OF MEETING: 10 July 2023
OFFICER: Melissa Evans, Director, Corporate Resources	KEY DECISION REF NO. CAB425

HOUSING REVENUE ACCOUNT (HRA) FINANCIAL DRAFT OUTTURN 2022/23

1. PURPOSE OF REPORT

- 1.1 This report summarises the 2022/23 financial outturn for the Housing Revenue Account and Capital Programme. The Revenue outturn position is an overall deficit of £1.004m and the Capital Programme for the year is underspent by £11.154m.
- 1.2 This is subject to the external auditors' report on the Statement of Accounts for the year, which will be presented to the Joint Audit and Standards Committee once the audit is complete.

2. OPTIONS CONSIDERED

- 2.1 The recommended option is set out in the Recommendations. There are no other available options.

3. RECOMMENDATIONS

- 3.1 That the 2022/23 HRA financial outturn as set out in this report be noted.
- 3.2 That the transfer of £1.004m, being the HRA revenue deficit for the year (£1.515m worse than originally budgeted) from the Strategic Priorities Reserve be approved.
- 3.3 That the HRA capital carry-forward requests totalling £8.444m be approved.

REASON FOR DECISION

To ensure that Members are kept informed of the outturn position for both Housing Revenue and Capital and to approve earmarked reserve transfers and carry forward requests.

4. BACKGROUND

- 4.1 The HRA Financial Outturn Report for 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

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	3	3	Continued monitoring and reporting of the Councils financial forecast via quarterly reports to Cabinet. Reserves available to call upon.	Strategic Risk Register 004BDC
Service delivery may not be accomplished If economic conditions and other external factors are worse than budgeted for	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 via quarterly reports to Cabinet.	Finance, Commissioning and Procurement Operational Risk Register 005BDC

9. CONSULTATIONS

- 9.1 Consultations have taken place with the Directors, 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 144 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, which is currently being developed.
- 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
HRA Financial Outturn 2022/23	Appendix A

13. BACKGROUND DOCUMENTS

7 February 2022 Housing Revenue Account (HRA) Budget and Four-Year Outlook Report 2022/23 – BCa/21/36

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

6 March 2023 Housing Revenue Account (HRA) Financial Monitoring 2022/23 - Quarter 3 – BDc/22/45