
**PROCEDURE TO BE FOLLOWED AT THE
MEETING OF RENFREWSHIRE COUNCIL
TO BE HELD ON 2 MARCH 2023
DURING CONSIDERATION OF ITEM 5 CONCERNING
THE HOUSING REVENUE ACCOUNT BUDGET, RENT LEVELS
2023/2024 AND HOUSING CAPITAL INVESTMENT PLAN
2023/2024-2027/2028**

The purpose of this note is to give Members advance notice of the procedure which Provost Cameron has agreed should be followed at the Meeting of the Council on 2 March 2023 viz:

1. The Convener of the Communities and Housing Policy Board (the Convener) will make her budget statement for financial year 2023/2024 and move as appropriate. She will then speak to the principal points of her proposals. The motion will require to be seconded.
2. For the purposes of the subsequent discussion and voting, the Convener's proposals will be taken as one motion.
3. An opportunity will then be given to the Leaders of the opposition groups and any other Members to move, and to have duly seconded, comprehensive amendments to the motion (i.e. taking together budget proposals, the rent levels and the capital investment plans).
4. The motion and any amendments will require to be produced in writing and a copy given to each of the Members present prior to being spoken to at the meeting. Provost Cameron may then adjourn the meeting for 20 minutes to allow Members to consider the terms of the motion by the administration and any amendments by the opposition groups or other Members. Corporate Meeting Rooms have been arranged for the adjournment as follows: Administration – Corporate Meeting Room 2, Labour - Corporate Meeting Room 1, Conservative – Corporate Meeting Room 3. The other Members will be able to remain in the Chambers.
5. There shall be no formal restriction upon the length of time given to the Convener and the Leaders of the opposition groups and other Members to move their respective budget statements and speak in support of the principal points of their proposals. However, Provost Cameron shall have the power to require any person speaking to limit their speech in order to facilitate the conduct of the meeting.
6. Provost Cameron will then invite other Members to take part in the debate.
7. The debate will conclude with Provost Cameron giving the Convener an opportunity to reply.
8. A vote or votes will then be taken in accordance with the provisions of standing orders.

To: Council

On: 2 March 2023

Report by: Director of Communities & Housing and Director of Finance & Resources

Heading: Housing Revenue Account Budget & Rent Levels 2023/24 and Housing Capital Investment Plan 2023/24 to 2027/28

1. Summary

- 1.1 This report details the proposed Housing Revenue Account (HRA) budget for financial year 2023/24 and sets out the information which allows consideration of rent levels for 2023/24.
 - 1.2 The report highlights the impact of the economic pressures on the HRA and sets out the range of operational pressures that have emerged and the adjustments to budgets and resources required to deal with these pressures.
 - 1.3 The report provides members with the results from the consultation process with tenants regarding the annual rent setting process. The consultation process asked five key questions regarding the priorities our tenants have identified previously and as to whether they felt they were still very important, important, or not important. The consultation results show that only 3.8% of responses have deemed these priorities as not important.
 - 1.4 The report also details the Housing Capital Investment Plan for the five-year period from 2023/24 to 2027/28 which will deliver a total investment of £270.840m over the 5-year period in the councils housing stock. It is anticipated that this level of investment will attract £26.595m of government grant for new builds etc and this results in a net capital programme amounting to £244.245m
 - 1.5 In setting the 2023/24 HRA budget, members will wish to consider the medium and longer-term financial context for the HRA considering the ongoing risks and challenges facing the HRA as outlined in this report.
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2. Recommendations

2.1 It is recommended that the Council:

- (i) considers the contents of this report and approves an average weekly rent increase of £4.94, which is below the commitment made by COSLA to keep increases below £5 on average, this equates to 6% for house rents. A 6% increase is also proposed for lock ups;
 - (ii) approve the development of a tenant's support fund and to increase our housing advice provision to support tenants in financial hardship;
 - (iii) notes the findings of the recent Tenant Consultation exercise;
 - (iv) approves the Housing Revenue Account Budget for financial year 2023/24 as detailed in Appendix 2;
 - (v) approves the Housing Capital Investment Plan 2023/24 to 2027/28 as detailed in Appendix 3 of the report; and
 - (vi) notes the continuing requirement to achieve best value in the commissioning of works by having an optimum workflow over the 5 years of the investment plan and authorises the Director of Communities and Housing to liaise with the Director of Finance and Resources to re-profile the capital programme and available resources, as necessary, in line with the appropriate limits established under the Council's capital prudential framework arrangements.
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3. Background and Medium-Term Financial Context

- 3.1. The HRA operates a rolling 30-year Business Plan model which is the standard operating practice amongst local authorities and Registered Social Landlords. The 30-year basis of the model reflects the need for a long term planned approach to the replacement of major items such as rewiring, central heating etc aligned to the lifecycle of the element. The model ensures that planned rental income from the 11,769 average number of lettable properties in 2023/24 is sufficient over the term of the plan to cover debt and servicing capital expenditure including significant investment and regeneration initiatives together with funding the annual costs of maintaining the housing stock and all HRA annual operating costs including staffing.
- 3.2. The Business Plan model is reviewed to take account of the adjusted base budget position from the previous year and to update any key assumptions, economic factors and known or emerging risks. This review process allows consideration to be given to the setting of rent levels for the forthcoming and future financial years through effective scenario planning.

- 3.3. The 30-year Business Plan model currently assumes 9.9% CPI (Consumer Price Index model) for the 2023/24 financial year, this reflected the letter to the Chancellor from the Bank of England in September noting that CPI was at 9.9%. The forecast levels of CPI in a years' time and used at present for planning purposes is 3.4%. The assumption beyond this period is that CPI returns to the 2% Bank of England target and remains at 2% in the long-term.
- 3.4. The level of inflation varies across our cost drivers and different levels of inflation has been applied to our main cost drivers for 2023/24 and 2024/25 to reflect the expected impact more accurately on Renfrewshire's cost base. In the longer-term cost increases have reverted to the CPI forecasts noted in 3.3.
- 3.5. Tenants and social landlords are facing some of the most challenging economic times in recent memory. The Covid-19 pandemic, Brexit and the war in Ukraine have all had a significant impact on national and global economies. Our housing system is interconnected with, and much of what we do is contingent upon, these wider economic systems. This has created a cost-of-living crisis that is leading to significant hardships for many social housing tenants, including some of the most vulnerable people in our society.
- 3.6. On 20 December 2022, the Scottish Government indicated its intention to end the rent cap in the social rented sector from the end of March 2023. This position follows the "statement of intent" issued by COSLA, confirming that local authorities are committed to keeping rent increases to an average of no more than £5 per week (exclusive of service charges) and that Scottish Federation of Housing Associations members are consulting on increases which would average at 6.1%.
- 3.7. In 2022/23 (current year) the HRA continues to experience impacts relating to our recovery from the pandemic. The backlog of repairs to void properties has a negative impact on rental income and council tax liability through increased void periods. This reflects the operational capacity of Building Services and other contractors to expand to deliver a backlog of repairs, maintenance void works and adaptations from prior years in conjunction with delivering the full programme of maintenance and repair works for the current year. A skills and material shortage in construction trades continues and has affected construction output levels in both the public and private sector.
- 3.8. Members will recall that following a strategic review of the HRA it was determined that there was capacity in the HRA to fund an additional £100m investment and regeneration programme over the next decade. Council approved the proposals to take forward this first phase of investment focussing on eight areas and around 1,100 council properties. Members will also recall that the plan also includes over £30m of investment required in our high-rise accommodation. The cost of repayment on our borrowing to deliver this ambition has increased because of the cost-of-living crisis and current economic climate with rising interest rates. To ensure sufficient funding in the long term an assumption of 1% above CPI is assumed to our rents across the 30-year plan.

- 3.9. Renfrewshire has close to 75% of tenants in receipt of some form of support for their housing costs. A rent increase would result in some tenants receiving more Housing Benefit and some existing non-claimants becoming entitled to Housing Benefit. However, unless their circumstances change, most tenants will be liable for the same contribution towards their rent, with Housing Benefit making up the difference. A fund is proposed to provide additional support to tenants in financial hardship and is included within the proposed 2023/24 budget, application conditions and qualifying criteria will be developed and brought to a future meeting of the Communities and Housing policy board.
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4. HRA Budget Planning Assumptions for 2023/24

- 4.1. The rental income generated by the HRA must support service delivery, the costs of appropriately maintaining the housing stock and the loan debt related costs to service the capital investment required in HRA assets.
- 4.2. The proposed budget adjustments for 2023/24 are shown across the high level HRA categories in summary form on Appendix 1 and analysed into the revenue monitoring format in Appendix 2. To supplement the information contained in these appendices additional contextual commentary is provided below and this can be read in conjunction with Appendices 1 and 2.

4.3 Revenue Expenditure

- 4.3.1 Supervision and management includes the operational inflation and additional costs covering areas such as pay increases for staff, energy costs and insurance costs which, in 2023/24 are higher than the expectations forecast for the 2022/23 rent increase level. As well as these continuing pressures, additional service provision for tenants' advice services has been included, £0.100m, to allow for exclusive support to tenants in hardship. The removal of temporary posts from last year forms another part of the net movement. Additional budget is also required for council tax reflecting the increased void pressures. The overall combined impact of these pressures and additional investment is an increased net budget requirement of £1.259m for 2023/24.
- 4.3.2 Housing repairs and maintenance is an area of budget that has been under considerable pressure due to both cost increases and post pandemic recovery demands. The budget has increased by £3.027m to take account of the very real and significant challenges around increasing costs. This includes pressures such as rising material, fuel, and labour prices to repair, maintain, and improve our tenants' homes.
- 4.3.3 The new grounds and estates maintenance standards, introduced in recent years on a phased basis is now fully implemented, an additional £0.239m has been added to deliver these improvements. A further £0.257m is available for additional services, including an allocation for increased void cuts to ensure these gardens are maintained to the same standard as our assistance scheme. Therefore, the overall combined impact of this is an increased grounds and estates maintenance budget requirement of £0.506m.

- 4.3.4 The void rent loss movement of £0.772m reflects an increase to the expected void rent loss projections based on the current operational pressures within the sector. It also includes an adjustment to include management voids previously accounted for under an adjustment to the rental income budget. In terms of void rent loss, this reflects a targeted performance improvement internally but is an increase above the existing budget levels.
- 4.3.5 The bad debt provision increases of £0.786m reflects the uncertain economic position our tenants are facing and the associated risk in relation to our bad debt levels increasing due to the cost-of-living crisis as well as an allocation for inflationary increases on our collection costs. This also includes additional funding to provide support to tenants in financial hardship.
- 4.3.6 The proposed Support Fund, will supplement the current Rent Collection process and is a temporary measure to alleviate existing and emerging financial stress, prevent and reduce escalating rent arrears and contribute to sustaining Council tenancies in Renfrewshire. The Fund is intended to support tenants experiencing financial difficulty, through no fault of their own, where it has been identified that financial challenges exist due to a change of circumstances including, but not limited to:
- Increase in household costs / cost of Living (eg. energy, food, fuel, rent);
 - Reduction in income (eg. loss of employment, reduced hours, loss of a household member);
 - Changes to Welfare benefit, Housing Benefit and/or Universal Credit.

The Fund will be implemented through an application/assessment process that will detail the tenant's income and expenditure and the circumstances that have led to financial support being requested. The officer's assessment and engagement with the tenant will include a prerequisite that income is maximised and that the tenant has exhausted all other financial assistance available for example, Discretionary Housing Payment and the Scottish Welfare Fund. Application conditions and qualifying criteria will continue to be developed and brought to a future meeting of the Communities and Housing policy board.

- 4.3.7 The net financing costs Loan charges budget has reduced by (£5.617m), an element of this has been separated out under the Contribution to Capital Programme line £3.924m. The net £1.693m is used as a mitigation for the overall rent increase required in 2023/24. This is through a reduction in loan charges, increased interest income and contributions to the Capital Programme. While this will mitigate the rent increase in 2023/24 it will increase our borrowing requirements, which will consequentially increase interest payments in the long term. This is therefore a short-term solution to mitigate the rent increase for 2023/24 and as previously stated these short-term measures will require above CPI rent increases in future years to restate the budget to meet future demands.

4.4 Revenue Income

- 4.4.1 The net increase in Rental income (£3.300m), reflects the 6.0% increase on both house and lock up rents. The stock movement assumptions are based on our regeneration, demolition and investment plans and reflected in the income assumptions. An accounting adjustment to transfer management void loss directly to void rent loss is also included.
 - 4.4.2 In relation to lock up rents, which had last been increased in 2020/21, the average charge per lock up is currently £21.98 per month and the 6.0% increase represents an average of £1.32 per month increase.
 - 4.4.3 Other income increases by (£0.081m), reflecting minor inflationary adjustments for recovery of staffing related costs managed within the revenue expenditure budget but recovered by income. No other income increases are assumed at present for increased recoveries from tenants or owners via increased service charges, the recharge models will in future require review to ensure the fair recovery of increasing costs.
 - 4.4.4 To mitigate the impact on rent increases in 2023/24 it is proposed to use (£1.276m) of current reserves as a one-off measure. This will reduce the level of contingency held to £5.221m within the HRA to meet future and unforeseen cost pressures, including our ICT system replacement, it is deemed that the revised level of reserves remains prudent.
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5. Tenant Consultation for 2023/24 Rent Increase

- 5.1 Renfrewshire Council has a statutory duty to consult tenants before increasing rents. To help inform the decision on rent proposals for 2023/24, consultation was undertaken in January 2023 and involved a telephone survey of Council tenants.
- 5.2 The annual rent consultation this year was focused on tenants' views around investment priorities. There was no question on rent increase options, as at the time of issue, there was uncertainty about the 2022/23 cap on rent increases potentially continuing beyond 31 March 2023.
- 5.3 The consultation process asked five key questions regarding the priorities our tenants have identified previously and as to whether they felt they were still very important, important, or not important. A total of 600 of our tenants have been consulted and the response is summarised in the table below.

Priority	Very Important	Important	Not Important
Improve the energy efficiency of Council housing. This will help, in the long term to reduce energy bills and increase the lifespan of houses	87.2%	11.7%	1.2%
Higher levels of investment in existing stock. Includes retrofitting to make highly energy efficient and improving the quality of internal / external common areas, as well as removing poor quality stock and building replacement housing.	71.3%	27.3%	1.3%
Improving the letting standard for empty houses. Maintaining this would enable us to provide more housing for tenants quickly and bring in more rent	71.0%	26.2%	2.8%
More new build Council housing. Provide modern new homes for residents.	58.5%	36.0%	5.5%
Environmental works and open spaces, (e.g., bin stores, paths, communal areas, open space maintenance). This will help the appearance of neighbourhoods.	53.5%	38.5%	8.0%
Overall Responses	68.3%	27.9%	3.8%

- 5.4 Improving the energy efficiency of Council housing was most likely to be “very important” to tenants (87%). This was followed by higher levels of investment in existing housing and improving the letting standard for empty houses which both had 71% of tenants stating this was very important. Lower importance for tenants was environmental works and open spaces with only 54% of tenants stating this was very important.
- 5.5 The consultation results show that only 3.8% of responses have deemed these priorities as not important. The proposed rent increase of 6.0% will allow us to continue with our high level of planned investment across the 30-year plan with a major focus of this being over the next 5 years in delivering improvements to energy efficiency and delivery of the housing regeneration programme.

6. Housing Capital Investment Plan – 2023/24 to 2027/28

6.1 Overview

- 6.1.1 The proposed Housing Capital Investment Plan for the 5-year period from 2023/24 to 2027/28 is attached at Appendix 3. The gross value over the 5-year period in the councils housing stock is £270.840m. It is anticipated that this level of investment will attract £26.595m of government grant for new builds etc and this results in a net capital programme to be funded amounting to £244.245m. The programme includes allowances for new build homes, related Scottish Government grants, regeneration and renewal, and the planned investment programmes required to ensure council house stock is maintained at the appropriate standards.

6.1.2 The planned net capital investment for each year is as follows:

Financial Year	Gross £m	Income £m	Net £m
2023/24	29.678	(1.786)	27.892
2024/25	48.624	(8.024)	40.600
2025/26	69.027	(4.575)	64.452
2026/27	71.653	(8.420)	63.233
2027/28	51.858	(3.790)	48.068
5 Year Total	270.840	(26.595)	244.245

The plan will be reviewed on an annual basis incorporating an ongoing assessment of risk.

6.1.3 Authority is granted to the Director of Communities and Housing in consultation with the Director of Finance and Resources, to flexibly manage the capital investment programme as necessary to ensure optimum use of resources within the corporate limits of prudential borrowing. It is proposed that this facility remains in place over the life of the new five-year plan detailed in Appendix 3.

6.1.4 The table below sets out the proposed composition of the plan for 2023/24 and how it will be funded.

Financial Year 2023/24	Expenditure £m	Income £m	Net £m
Planned Investment Programmes	17.170	0.000	17.170
Regeneration and New Build, etc.	12.508	0.000	12.508
Government New Build Grant	0.000	(1.786)	(1.786)
Other Income	0.000	(0.530)	(0.530)
CFCR	0.000	(3.924)	(3.924)
Prudential Borrowing	0.000	(23.438)	(23.438)
Total	29.678	(29.678)	0.000

6.2 Planned Investment Programmes

6.2.1 Since achieving compliance with the Scottish Housing Quality Standard (SHQS) in April 2015, there has been an ongoing requirement to ensure our housing stock continues to be maintained at least at this standard. Last year, for the first time, compliance with 5 yearly Electrical Installation Condition Reports (EICR) and the new smoke and heat detector standard were included within the assessment of SHQS compliance, which led to a reduction in our SHQS compliance. The council's programme of EICR checks and smoke detector upgrades has been significantly affected by the impact of covid on the construction industry and was not complete by March 2022 as planned, however, both programmes are still ongoing and will give a significant increase in SHQS compliance this year.

- 6.2.2 In addition to SHQS, there is an over-arching emphasis on improving the housing stock to the latest energy efficiency standards to bring the stock up to the standards as set out in the Energy Efficiency Standards for Social Housing post 2020 (EESH2). These energy efficiency investments will continue to act as a driver for reducing fuel poverty and ensure that our homes are warmer and greener to contribute to a lower carbon economy across Renfrewshire.
- 6.2.3 The capital programme for 2023/24 to 2027/28 as per the attached Appendix 3 will deliver a total of £136.240m in planned investment programmes in existing housing stock, £33.918m in New Supply of housing stock outwith the regeneration areas and a further £100.682m included as part of the Regeneration and Renewal Plan including New Supply within regeneration areas. The capital programme for the same period will attract £25.595m of income from government grants.
- 6.2.4 The Council is required to ensure that the HRA has capacity to deliver on regulatory requirements and standards including ensuring that properties meet requirements such as SHQS and EESH. At March 2022, 78.4% of Council housing stock was compliant with the EESH1 target (after applying allowable exemptions).
- 6.2.5 The Scottish Government introduced a higher EESH2 standard to be met by 2032 however, this has been suspended pending review in 2023 to ensure it aligns with new next zero carbon requirements. The outcome of this review process will determine the council's strategy to meet any new standard which may emerge from the review.
- 6.2.6 The capital investment programme has an allowance of £29.260m for the longer-term investment requirements in all high-rise properties, for works over the next five years including cladding, roofing, window and door replacements, foyer improvements and lift refurbishments.
- 6.2.7 There will continue to be a programme of heating renewals in 2023/24 and also a programme of kitchen, bathroom and rewiring combinations with works recommencing in tenanted properties that will supplement those works currently being carried out in properties which are void.
- 6.2.8 The main categories of planned investment programmes are:
- External improvements which includes renewal of roofs, rainwater goods and external fabric;
 - Internal improvements which includes replacing or upgrading kitchens, bathrooms, electrical wiring, and heating systems;
 - Multi storey flat and sheltered housing improvements;
 - Other investment including disabled adaptations, asbestos removal, rotworks and the delivery of the final stages of the investment relating to smoke, heat, and carbon monoxide detectors.

- 6.2.9 The main elements of the planned investment programme for next year will include the following:

2023/24 Planned Improvements	Number of Properties
External fabric upgrading	700
Kitchen, bathroom, and rewiring replacement	220
Heating renewals	300

6.3 New Build and Regeneration

- 6.3.1 Phase 1 of the Housing Led Regeneration and Renewal Plan covering eight communities across Renfrewshire was approved by the Communities, Housing and Planning Policy Board on 18 January 2022. The Capital Investment Plan outlines the anticipated timetable for this significant regeneration programme for the next five years.
- 6.3.2 In addition to the Regeneration and Renewal Plan, the Capital Investment Plan continues to include provision for investment in building new Council Housing. Three newbuild projects are now complete – at Johnstone Castle, Bishopton and Auchengreoch Road – and work to provide 101 new homes is now on site at Tannahill, Ferguslie Park, with some already handed over.
- 6.3.3 As part of the Housing-Led Regeneration and Renewal Programme, feasibility studies are currently being carried out at the Howwood Road Area and at Ferguslie/Broomlands ahead of proposed development works. These sites should deliver up to 70 and 18 units, respectively.
- 6.3.4 Over and above the Housing-Led Regeneration and Renewal Programme, a feasibility study is currently being conducted at Gallowhill and another is being procured for Foxbar Rivers. These sites should deliver up to 60 units each.
- 6.3.5 The Strategic Housing Investment Plan 2022-27 approved by the Communities, Housing and Planning Policy Board on 26 October 2021, includes provision for Scottish Government grant funding for Council newbuild projects.
- 6.3.6 The revised new build grant benchmark rate for local authorities is a 3-person equivalent benchmark of £71,500 per unit. The new build specification is being updated to include the quality measures required to maximise grant claim. (Silver level as a minimum, balconies to flatted developments, space for home working / study, digital enablement, fire suppression and zero emission heating). The additional measures will incur higher capital costs but will also attract additional grant funding over and above the £71,500 benchmark.

Implications of the Report

1. **Financial** – The report and appendices detail the proposed HRA budget and average weekly rent increase for 2023/2024 and the Housing Capital Investment Plan for 2023/24 to 2027/28.

2. **HR & Organisational Development** – As a result of the budget adjustments proposed in this report there will be additional staffing posts created which will be recruited to in accordance with the councils approved recruitment policy/processes.
3. **Community/Council Planning**
 - *Our Renfrewshire is well* – enabling communities to have their voices heard and influence the places and services that affect them by consulting tenants on the proposed changes to rents for 2023/24.
 - *Building strong, safe and resilient communities* - continuing housing regeneration programmes across Renfrewshire to create sustainable communities.
 - *Tackling inequality, ensuring opportunities for all* - improving and maintaining housing conditions for the benefit of tenants and providing assistance to tenants to mitigate the impacts of any Welfare Reform changes.
 - *Creating a sustainable Renfrewshire for all to enjoy* – accessing supplementary external funding where available to support the achievement of the minimum energy rating under the Energy Efficiency Standard for Social Housing.
 - *Working together to improve outcomes* – consulting tenants on the proposed changes to rents for 2023/24 and involving tenant representatives in the specification and monitoring of the investment programme.
4. **Legal** – The council is required to set an HRA budget for 2023/24 and agree any rent changes for notification to tenants. The council must give tenants at least 28 days notification in advance of any changes.
5. **Property/Assets** – The report proposes the Housing Capital Investment Plan for 2023/24 to 2027/28.
6. **Information Technology** – None.
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None
9. **Procurement** – The proposed Capital Investment Plan for 2023/24 to 2027/28 will include procurement of contracts.

10. **Risk** – The HRA Business Plan remains subject to a number of risks and economic factors such as interest rates and inflation, while these risks are reviewed as part of the HRA business planning process a high level of uncertainty remains relating to the external economic situation.
 11. **Privacy Impact** – None.
 12. **Cosla Policy Position** – Not applicable.
 13. **Climate Risk** - None
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List of Background Papers

Housing Revenue Account Budget & Rent Levels 2022/23 and Housing Capital Investment Plan 2022/23 to 2026/27, 3rd March 2022.

Author: *Mary Crearie, Director of Communities and Housing*

Housing Revenue Budget - 2023-24 - 2027-28

Appendix 1

	2022/2023	2023/2024	Movement
	Budget	Budget	
	£m	£m	£m
<u>Expenditure</u>			
Supervision and Management	16.482	17.741	1.259
Housing Repairs and Maintenance	12.994	16.021	3.027
Grounds & Estates Maintenance	1.844	2.350	0.506
Void Rents	1.448	2.220	0.772
Bad Debt Provision	1.315	2.101	0.786
Financing Costs Loan Charges	20.642	15.025	-5.617
Contribution to Capital Programme	0.000	3.924	3.924
Reserves to C/F	0.000	0.000	0.000
Total Expenditure	54.725	59.382	4.657
<u>Income</u>			
Rental Income	-51.655	-54.955	-3.300
Other Income	-3.070	-3.151	-0.081
Use of B/F Reserves	0.000	-1.276	-1.276
Total Income	-54.725	-59.382	-4.657
Net	0.000	0.000	0.000

POLICY BOARD : COMMUNITIES AND HOUSING - Housing Revenue Account 2023/24 Budget

Subjective Summary	Original Annual Budget 2022/23	Original Annual Budget 2023/24	Budget Adjustments Current Year	Explanation of Movement
Employees	10,568,000	11,008,000	440,000	This reflects pay award across 2022/23 and 2023/24 as well as the removal of temporary posts from 22/23.
Premises Related	16,470,996	20,732,241	4,261,245	This includes an additional £3.105m for repairs & Maintenance, £0.506m of additional Estate Management budget, £0.216m for council tax, £0.380m of fuel inflation and the balance of £0.054m on other inflation pressures including insurance.
Transport Related	102,500	102,500	0	
Supplies and Services	737,935	792,330	54,395	This reflects inflation pressures mainly on ICT and £0.009m for increased debt collection costs.
Third Party Payments	27,196	48,998	21,802	This reflects inflation pressures.
Transfer Payments	3,782,077	5,431,077	1,649,000	The bad debt budget is increased by £0.777m net from last year to reflect the cost-of-living crisis with an allocation from this budget to be utilised for the tenant support fund. A further £0.100m of this is allocated for additional advice services. The remainder is an increase in the void budget reflecting increased income, service pressures and an adjustment to management voids previously accounted for under income.
Support Services	2,489,885	2,492,443	2,558	This reflects inflation pressures partially offset by a reduced management recharge.
Depreciation and Impairment Losses	20,774,000	19,089,000	(1,685,000)	The net reduction in financing budget reflects the realignment of this budget to mitigate rent increases in 2023/24.
GROSS EXPENDITURE	54,952,589	59,696,589	4,744,000	
Income	(54,952,589)	(59,696,589)	(4,744,000)	£1.276m reflects a drawdown from reserves to be utilised to mitigate the rent increase in 2023/24 A small amount reflects the income recovery for Repairs and Maintenance £0.079m increase. An additional £0.008m is assumed from Interest income. The balance of this is the net impact of the house and lock up rent increases and an adjustment of management voids to be accounted for under transfer payments.
NET EXPENDITURE	0	0	0	

Housing Capital Investment Plan - 2023-24 - 2027-28
Appendix 3

Expenditure Category	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m	2027-28 £m	5 Year Totals £m
Internal Investment	3,030	6,320	8,820	5,310	5,660	29,140
External Improvements	9,100	10,100	12,100	11,100	13,225	55,625
Multi Storey Flats Improvements	1,260	2,500	6,500	8,500	10,500	29,260
Sheltered Housing Improvements	100	600	725	500	500	2,425
Professional Fees	1,865	1,900	1,925	1,950	1,975	9,615
Others e.g. Adapts, Rotworks & Asbestos	1,815	2,215	2,215	2,115	1,815	10,175
Regeneration and Renewal Investment Programme	10,151	16,499	23,884	34,965	15,183	100,682
New Supply Programme Excluding Regeneration Projects	2,357	8,490	12,858	7,213	3,000	33,918
Capital Expenditure Total	29,678	48,624	69,027	71,653	51,858	270,840
Government Funding	-1,786	-8,024	-4,575	-8,420	-3,790	-26,595
Net Housing Investment Expenditure	27,892	40,600	64,452	63,233	48,068	244,245