

**SUBJECT: Addendum to Cabinet paper 25 January 2023 – Agenda Item 9
C/22/78 – Draft Housing Revenue Account Revenue and Capital Original
Budget 2023/24**

Addendum

A correction to paper C/22/78 has been identified relating to the Highview Capital New Build Scheme. The draft budget proposed identified £0.25m for Highview within Appendix 2, as part of the New Build budget line totalling £3.454m (funded from capital financing). This entry has been amended to reflect the anticipated cost of the Highview scheme in its first year; 2023/24 of £3.7m. These costs are proposed to be met from i) capital financing £0.25m; ii) Homes England Grant Funding £1.3425m; iii) Brownfield Land Remediation Grant Funding £0.465m; and iv) £1.6425m from reserves.

Appendices 1 and 2 – HRA Draft Revenue Budget and HRA Draft Capital Budget to the Cabinet report – have been revised and are attached to this addendum.

Appendix 1 reflects the updated proposed use of the HRA reserve under the Revenue Contribution to Capital line which has been increased from £3.633m to £5.275m. In turn, the balance of this reserve is now anticipated to reduce to £2.797m at 31 March 2024.

Further funding will be required in 2024/25 for Highview. A separate report is proposed to be presented for decision to Cabinet regarding the scheme and evaluation of the scheme affordability within the HRA to progress it at a time of volatile economic and financial pressures. However, pending a further appraisal and Cabinet decision on the scheme, the proposed budget has been included within the proposed draft HRA budget.

This amendment also affects the following sections of the paper:

2.2 Table 2 *HRA Reserves Balances*

<i>Table 2</i>	2022/23	2023/24
	£000's	£000's
Balance as at 1 April	9,928	5,867
Balance as at 31 March	5,867	2,797

Note – HRA minimum reserve level required £2m

4.1 Table 4 *Original budget 22/23 to original budget 23/24*

<i>Table 4</i>	£000's
Original estimate 2022/23	14,720
Changes in programme	
New Builds (see 4.1.1)	1,207
Thermal Insulations (see 4.1.2)	(1,450)
Ross House (see 4.1.3)	(450)
Door/Block Entry (see 4.1.4)	(409)
Rewiring (see 4.1.5)	(200)
Communal Areas (see 4.1.6)	(104)
SHDF Wave 2 - Capital Works (see 4.1.2)	881
SHDF Wave 2 - A & A (see 4.1.2)	155
Other net variances	(129)
Total decrease in expenditure	(499)
Original estimate 2023/24	14,221

4.2 Required resources to finance the HRA Capital Programme

Table 6	Major Repairs Reserve	Use of RTB Capital Receipts	Use of Other HRA Capital Receipts	Capital Financing	Grant Funding	Revenue Contribution	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Original budget 2022/23	2,399	2,279	3,384	0	0	6,658	14,720
Original budget 2023/24	3,084	600	0	3,454	1,808	5,275	14,221

Attachments:

1. Addendum – Revised Appendix 1 Draft Revenue Budget
2. Addendum – Revised Appendix 2 Draft Capital Budget