

North East Derbyshire District Council

Cabinet

26 January 2023

Medium Term Financial Plan 2023/24 to 2026/27

Report of the Portfolio Holder for Economy, Transformation & Climate Change

Classification: This report is public

Report By: Jayne Dethick, Director of Finance and Resources (S151 Officer)

Contact Officer: Jayne Dethick

PURPOSE/SUMMARY

To seek approval of the Current Budget for 2022/23 and Original Budget for 2023/24 for the General Fund, Housing Revenue Account and Capital Programme as part of the Council's Medium Term Financial Plan covering the years 2022/23 to 2026/27.

To provide Elected Members with an overview of the Council's medium term financial position.

RECOMMENDATIONS

1. That all recommendations below are referred to the Council meeting of 30 January 2023.

The following recommendations to Council are made:

2. That the view of the Director of Finance & Resources, that the estimates included in the Medium Term Financial Plan 2022/23 to 2026/27 are robust and that the level of financial reserves are adequate at this time, be accepted.
3. That officers report back to Cabinet and the Audit and Corporate Governance Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets.

General Fund

4. A Council Tax increase of £5.93 will be levied in respect of a notional Band D property (2.99%).

5. The Medium Term Financial Plan in respect of the General Fund as set out in **Appendix 1** of this report be approved as the Current Budget 2022/23, as the Original Budget 2023/24, and as the financial projections in respect of 2024/25 to 2026/27.
6. That the shortfall in the General Fund budget for 2023/24 as set out in **Appendix 1** be met from the resilience reserve.
7. That the General Fund Capital Programme as set out in **Appendix 4** be approved as the Current Budget in respect of 2022/23, and as the Approved Programme for 2023/24 to 2026/27.
8. That any under spend in respect of 2022/23 be transferred to the Resilience Reserve to provide increased financial resilience for future years of the plan.

Housing Revenue Account (HRA)

9. That Council sets its rent levels for 2023/24 in consideration of the Social Housing Rent Standard increasing rents by 5% from 1st April 2023.
10. That all other charges be implemented in line with the table shown at 1.43 below with effect from 1 April 2023.
11. The Medium Term Financial Plan in respect of the Housing Revenue Account as set out in **Appendix 3** of this report be approved as the Current Budget in respect of 2022/23, as the Original Budget in respect of 2023/24, and the financial projection in respect of 2024/25 to 2026/27.
12. That the HRA Capital Programme as set out in **Appendix 4** be approved as the Current Budget in respect of 2022/23, and as the Approved Programme for 2023/24 to 2026/27.
13. That the Management Fee for undertaking housing services at £10.612m and the Management Fee for undertaking capital works at £1.1m to Rykneld Homes in respect of 2023/24 be approved.
14. That Members endorse the section in the financial framework within the Management Agreement which enables the Council to pay temporary cash advances to Rykneld Homes in order to help meet the cash flow requirements of the company should unforeseen circumstances arise in any particular month.
15. That Members note the requirement to provide Rykneld Homes with a 'letter of comfort' to the company's auditors and grant delegated authority to the Council's Director – Finance & Resources in consultation with the Portfolio Holder for Housing and Assets to agree the contents of that letter.

Approved by the Portfolio Holder

IMPLICATIONS

Finance and Risk

Yes ✓

No

The issue of financial risk and resilience is covered throughout the report. In addition, it should be noted that not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that the continued budget pressures on the Council's financial position need careful consideration when approving the Medium Term Financial Plan.

The capital programme identifies and recognises the need to maintain the Council's assets in a fit for purpose state and to retain and attract income streams for the Council. The financing of the capital programme is secured for 2023/24 thus minimising the risk of any additional unplanned borrowing.

All other financial implications are covered in the relevant sections throughout the report.

On Behalf of the Section 151 Officer

Legal including Data Protection

Yes ✓

No

The Council is legally obliged to approve a budget prior to the commencement of the new financial year, 1 April 2023. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

The recommended budget for the General Fund, Housing Revenue Account and Capital Programme complies with the Council's legal obligation to agree a balanced budget.

There are no Data Protection issues arising directly from this report.

On Behalf of the Solicitor to the Council

Staffing

Yes

No ✓

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £100,000 <input checked="" type="checkbox"/> Capital - £250,000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	Yes
Is the decision subject to Call-In?	Yes

(Only Key Decisions are subject to Call-In)	
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input checked="" type="checkbox"/> Relevant Service Manager <input checked="" type="checkbox"/> Members <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details: Audit and Corporate Governance Scrutiny Committee 18 January 2023

Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.
All

REPORT DETAILS

1 Introduction

- 1.1 This report presents the following budgets for Members to consider:
- General Fund – **Appendix 1 and 2**
 - Housing Revenue Account (HRA) – **Appendix 3**
 - Capital Programme – **Appendix 4**
- 1.2 In particular financial projections are provided for:
- 2022/23 Current Budget – this is the current year budget, revised to take account of any changes during the financial year that will end on 31 March 2023.
 - 2023/24 Original Budget – this is the proposed budget for the next financial year starting 1 April 2023. For the General Fund, this is the budget on which the Council Tax will be based. The HRA budget also includes proposals on increases to rents and charges.
 - 2024/25 to 2026/27 Financial Plan - In accordance with good practice the Council agrees its annual budgets within the context of a Medium Term Financial Plan (MTFP). This includes financial projections in respect of the next three financial years for the General Fund, HRA and Capital Programme.
- 1.3 Once Cabinet has considered this report and the appendices, the recommendations agreed will be referred to the Council meeting of 30 January 2023 for members' consideration and approval.

General Fund Revenue Account

2022/23 Current Budget

- 1.4 In January 2022, Members agreed a budget for 2022/23 to determine Council Tax. At this time there was a requirement to achieve efficiencies of £0.111m to balance the budget.

- 1.5 The Revised Budget was considered by Cabinet at its meeting on 24 November 2022 at which time the budget shortfall had increased to £0.343m, largely as a result of the annual pay settlement being higher than forecast along with the increase to energy bills. There have been no material changes to the budget position since this time.
- 1.6 The final position will clearly be dependent on the actual financial performance out-turning in line with the revised budgets and there may be further budget changes required as the year progresses.

2023/24 Original Budget and 2024/25 - 2026/27 Financial Plan

Local Government Finance Settlement

- 1.7 In the Autumn Statement the Chancellor announced that difficult decisions will be necessary to put national public finances back on to a sustainable footing in the medium term. Further, all public sector bodies will be required to keep spending focused on their priorities and to help manage pressures from higher inflation they will need to identify efficiency savings in their day-to-day budgets.
- 1.8 In the local government finance policy statement 2023-24 – 2024-25 published on 12 December 2022, the Government confirmed that the next two years will essentially be rollover settlements but stated that there are still several matters that remain unresolved for 2024/25. The policy statement encourages local authorities to utilise reserves to maintain services in the face of immediate inflationary pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support financial sustainability.
- 1.9 Funding reforms or changes to funding distribution will not be implemented until 2025-26 at the earliest now which means a further delay to the Fair Funding Review and the review of business rates including the baseline reset. This delay relieves some pressure on the 2023/24 budget and 2024/25 forecast. However, forecasting for the remainder of the financial plan is challenging whilst little is known about the next Spending Review. There is a real lack of certainty from 2025/26 which makes financial planning with any accuracy for future years difficult, especially in light of the medium term fiscal forecasts and the need to achieve sustainable public services, as outlined in the Autumn Statement and subsequent Financial Settlement.
- 1.10 The main principles of the Settlement are:

New Homes Bonus

- 1.11 The settlement confirms that New Homes Bonus (NHB) will continue in 2023/24 with the possibility that there will be a further year in 2024/25. NHB will be paid on the same basis as 2022/23. The legacy payments which end in the current year are being used to fund the 3% funding guarantee (see 1.14 below). Ministers have committed to setting out the future position of NHB in the context of the wider review of lower tier funding so it is largely expected by the sector that NHB payments will continue in 2024/25 whilst this review takes place. NHB has therefore been included in the 2024/25 forecasts.

Increased “core” Band D Council Tax

- 1.12 The maximum increases in Band D have been confirmed in the Settlement. The core Band D element is at an increased level of 3% in 2023/24. The 2024/25 level is yet to be confirmed however there has been wide speculation that it will remain at 3% in 2024/25 too.

3% Funding Guarantee

- 1.13 The 3% Funding Guarantee was an addition in the Settlement that wasn't included as part of the Autumn Statement. This guarantee will ensure that every council has an increase of at least 3% in Core Spending Power, before Council Tax increases. It replaces the Lower Tier Services Grant which ensured no local authority had a cash terms cut last year. The Council's allocated amount in 2023/24 is £0.259m. Whilst not confirmed in the Settlement it is widely expected at this time that the grant will also be awarded in 2024/25 ahead of the wider funding reforms the following year and so has been included in the estimates.

Services Grant

- 1.14 Services Grant has been awarded in 2023/24 and is again expected to continue into 2024/25. The allocation methodology is the same as in 2022/23, using the 2013/14 Settlement Funding Assessment (SFA). Funding allocated for the now reversed increase in National Insurance contributions has been clawed back through this grant. The Council's allocation is £0.109m in 2023/24.

Business Rates

- 1.15 Members will be aware that the Council has been a member of the Derbyshire Business Rates Pool since its establishment in 2015/16. Being a member of the pool allows us to retain more of our Business Rates income locally and all Councils have elected to remain members in 2023/24. Business rates forecasts are showing positive signs of recovery post Covid and this has been reflected in the forecasts.

Business Rates Reset

- 1.16 It has been confirmed in the Settlement that the business rates baseline reset will not proceed until the next spending review. The reset will mean that any growth gained since 2013/14 (the last reset) will be built into a new baseline, effectively wiping it out. The lack of clarity around the national business rates review and/or reset beyond 2024/25 makes forecasting challenging but the Government have renewed their commitment to fundamentally review local government funding including business rates in the next spending review so it is still reasonable to assume that reform will proceed at this time. Therefore, from April 2025 the impact of the reset has been factored into this plan.

Business Rates Revaluation

- 1.17 The 2023 revaluation has gone ahead as planned with the Valuation Office Agency (VOA) issuing draft lists in November 2023. The revaluation is intended to be fiscally neutral and the Settlement includes a technical adjustment to offset the change from the revaluation which has been included in the estimates.

1.18 Table 1 below summarises the Government Grants in this year's Settlement compared to 2022/23:

Table 1

	2022/23 £000	2023/24 £000
NHB	720	602
Lower Tier Services Grant	128	0
Services Grant	193	109
3% Funding Guarantee	0	259
Total	1,041	970

Assumptions

- 1.19 In developing the financial projections a number of assumptions have been made:
- Budgets are cash limited except where contractual commitments to increase costs exist
 - A pay award of 4% has been included in 2023 pay budgets. This is based on the assumption that inflation will average 7% next year. 2% has been included in 2024 and 1% thereafter when public finances are expected to further tighten.
 - Energy costs and fuel have been forecast to reflect anticipated price changes.
 - Fees and charges – annual service specific increases have been applied in 2023/24.
 - Salary vacancy efficiencies of 3.5% in 2023/24 and 2% thereafter

Budget Detail

- 1.20 The proposed budget for 2023/24 currently shows a shortfall of £0.977m before any council tax increase (see 1.40 below). If the council tax increase recommended in the report is approved then the shortfall reduces to £0.784m. The Council continues to face financial challenges over the life of this financial plan, especially in the later years, so it remains important to ensure that ongoing savings are identified and implemented. Table 2 below summarises the forecast position:

Table 2

	2023/24 Original Budget £000's	2024/25 Planning Budget £000's	2025/26 Planning Budget £000's	2026/27 Planning Budget £000's
Total General Fund shortfall before Council Tax	977	498	1,923	2,069
Indicative Council Tax Increase (assumed max)	(193)	(386)	(514)	(642)
Total General Fund shortfall after indicative council tax increase	784	112	1,409	1,427

NB - () denote income/surplus

* Council Tax increases are indicative as the final decision is taken by Council each year.

- 1.21 The UK's economic and fiscal outlook has deteriorated significantly since March 2022. Higher inflation and interest rates, coupled with slower economic growth, have hit the national public finances. The increase in energy costs and the higher than forecast pay awards have caused significant funding pressures for all public bodies. Further, these

financial pressures were placed on organisations after they had set their budgets and shaped their medium term financial forecasts.

- 1.22 Like many other public bodies, this has led to the Council facing a number of significant and unforeseen external pressures in 2023/24, some of which continue into the medium term. The main pressure relates to pay, with an additional £1m of pay inflation built into the base for 2023/24. A prudent estimate has been calculated for savings from vacancy management and these have been removed from the budget and the financial plan, helping to mitigate the impact. The cost of the district council elections in 2023 creates a one off budget pressure of £0.190m and increased external audit fees an ongoing additional cost of £0.100m.
- 1.23 The impact of energy cost rises remains significant in 2023/24 with an additional £1m built into 2023/24 forecasts. This is reduced slightly from 2023/24 estimates and in future year estimates reduces slightly further but energy cost forecasts remain volatile and substantially higher than those in the original budget set for 2022. This will be kept under close review during the next and subsequent financial years.
- 1.24 The Net Cost of Services detailed in **Appendix 1** is further analysed in Table 3 below:

Table 3

	Current Budget 2022/23 £'000	Original Budget 2023/24 £'000	Planning Budget 2024/25 £'000	Planning Budget 2025/26 £'000	Planning Budget 2026/27 £'000
Employee related costs	17,836	18,426	19,344	19,854	20,107
Premises related costs	2,282	3,092	2,431	2,266	2,322
Vehicle related costs	717	718	718	718	718
Supplies & services	6,778	6,912	7,007	7,697	7,808
Rent rebates/allowances	224	224	224	224	224
Income	(14,565)	(14,536)	(15,116)	(16,980)	(17,227)
General fund shortfall	0	0	(498)	(1,922)	(2,069)
Net Cost of Services	13,272	14,836	14,110	11,857	11,883

NB - () denotes income

Appendix 2 provides further analysis for each budget area.

- 1.25 The Government in their Local Government Finance Policy Statement encourage local authorities to utilise their reserves to meet immediate inflationary budget pressures (see 1.8 above). The Council has been operating in a challenging financial climate for a number of years and has an excellent track record of good financial management and identifying efficiencies but to face such financial pressures and uncertainty when the annual budget had already been set has undoubtedly been a challenge. It is therefore proposed to utilise the Resilience Reserve in 2023/24 specifically to fund in part the impact of the unforeseen and unprecedented increase in energy costs. The remainder has been funded through the budget review process and efforts will continue, as in previous years, to identify further in year efficiencies to reduce the need to utilise the reserve.

- 1.26 In 2024/25 the forecast position improves with pay inflation forecast to return to a more typical 2% increase (+£0.600m) and energy cost rises beginning to gradually subside. In addition the one off cost for the District elections has been removed from the budget. Increased income forecasts begin to reflect the improved leisure offer at both Killamarsh Active and Clay Cross Active, informed by their individual business plans.
- 1.27 From 2025 the pressure to generate savings begins to increase again with £1.9m required in 2025/26 and £2.1m in 2026/27. Pay inflation and energy cost rises account for some of this but are in part being offset by the additional income forecast from Killamarsh Active and Clay Cross Active. The main variance centres around the assumption in the financial plan that government grants (see Table 1 above) are unlikely to continue following the national funding reforms, due to take effect this year, resulting in a reduction of £1m a year in grants.
- 1.28 Whilst there is little detail available yet on the financial impact of the national funding reforms, it is likely that some form of transitional protection or “damping” will be provided to minimise the initial impact for those councils in a worse financial position. Damping has historically been provided by the Government to allow time to adjust for a worsening financial position, typically with two years of reducing support. Very early forecasts suggest that the Council will be in a worse financial position following the funding reforms and indicative damping payments in the region of £1.4m in 2025/26 and £0.5m in 2026/27 may be made should this prove to be the case.
- 1.29 At this stage the nature and impact of the funding reforms and the potential for damping payments to be made is hugely uncertain so it is prudent in the absence of any assurance to exclude these from the forecasts in the medium term financial plan at this time. Whilst it is good financial management to do so, it is this assumption that largely creates the pressure on the later years in the financial plan. To demonstrate, Table 4 below shows the impact on the MTFP before and after potential damping payments and indicative council tax income, as demonstrated in table 2 above has also been included. The future of local government funding and proposed reforms will be kept under close review and will be addressed through the annual plan refresh as further information becomes available.

Table 4

	2025/26	2026/27
	Planning Budget	Planning Budget
	£000's	£000's
Total General Fund shortfall before Council Tax	1,923	2,069
Indicative Council Tax Increase (assumed max)	(514)	(642)
Indicative Damping Payments	(1,400)	(500)
Total General Fund shortfall after indicative council tax and damping payments	9	927

- 1.30 In the Government’s local government finance policy statement issued in December 2022, they announce their intention to launch a national efficiency and savings review to provide a blueprint for public bodies on reprioritised spending effectiveness reviews. The Council has been operating in a challenging financial climate for a number of years and already

has an excellent track record of both identifying and delivering service efficiencies. This experience will be used to address future financial challenges through a full review process aligned to the production of the next Council Plan. This will include the establishment of a series of workstreams that will focus on:

- asset rationalisation
- service reviews
- identification of ongoing service savings
- establishment reviews
- workforce planning
- innovative recruitment and retention.

- 1.31 Progress on the identification and embedding of changes in priorities and associated efficiencies from the above process will be reported through the existing budget monitoring process reported to Cabinet and the Audit and Corporate Governance Scrutiny Committee each quarter.

Reserves

- 1.32 The Council's main uncommitted Financial Reserves are the General Fund Balance, the uncommitted element of the Invest to Save Reserve and the Resilience Reserve. The latter was specifically created to provide financial resilience to the Council in instances where unforeseen expenditure cannot be contained within existing approved budgets.
- 1.33 The level of the General Fund Balance has been maintained at £2m in this budget. This is considered to be at an acceptable level rather than generous. The General Fund balance needs to be considered against the background of ongoing reductions in the level of Government funding together with the range of risks facing the Council. With only a limited level of General Fund reserves it is crucial that the Council continues to maintain robust budgetary control while securing its ongoing savings targets in order to safeguard both its reserves and its financial sustainability.
- 1.34 The Invest to Save Reserve had an opening balance of £2.984m at 1 April 2022. Commitments already made against this reserve for 2022/23 and future years amount to £1.063m leaving £1.921m uncommitted and available for future innovations and spend to save initiatives.
- 1.35 The Resilience Reserve had an opening balance of £2.601m at 1 April 2022, and commitments in 2022/23 are forecast to reduce this to £1.989m by the end of the current financial year. The planned contribution to the 2023/24 budget of £0.977 will reduce this to £0.958m should the full amounts need to be utilised (See 1.25 above). This reserve will continue to be utilised to provide financial resilience to the General Fund in future years as required by Medium Term Financial Plan.
- 1.36 Given the current level of reserves and balances, the Council does have a period of time in which to recover unanticipated budget shortfalls should it be necessary. In a situation in which the Council were operating at a lower level of balances and an overspend or an under achievement of income occurred which took balances to below a minimum level then immediate 'crisis' remedial action would need to be considered, this is not currently the case. A planned response is more conducive to sound financial management and more importantly it limits the detrimental impact upon the Council's ability to deliver the planned and agreed level of services to local residents. Cabinet will recognise that given the current level of balances and reserves, against the savings requirement in the

Medium Term Financial Plan, the need to continue to tackle the underlying forecast budget deficit in a planned and managed manner remains.

Council Tax Implications

Council Tax Base

- 1.37 In preparation for the budget, the Director of Finance & Resources under delegated powers has determined the Tax Base at Band D for 2023/24 as 32,603.64.

Council Tax Options

- 1.38 The Council's part of the Council Tax bill in 2022/23 was set at £198.34 for a Band D property. This was an increase of 2.58% (£5).
- 1.39 The Council has a range of options when setting the Council Tax. The Government indicate what upper limit they consider acceptable. For 2023/24, District Councils are permitted to increase their share of the Council Tax by an increased 3% or £5 (2% or £5 in previous years) whichever is the greater, without triggering the need to hold a referendum. The Table below shows increase options and the extra annual revenue this would generate:

Increase %	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
0%	198.34	0	0	0
1.00%	200.32	1.98	0.04	64,666
2.00%	202.31	3.97	0.08	129,331
2.99%	204.27	5.93	0.11	193,350

- 1.40 The level of increase each year affects the base for future years and the proposed increase for 2023/24 is 2.99%, generating additional annual revenue of £193,350.

Housing Revenue Account (HRA)

2022/23 Current Budget

- 1.41 In January 2022, Members agreed a budget for 2022/23 including setting of rent levels in line with Government regulations. HRA fees and charges were also set, effective from the same date.
- 1.42 The Revised Budget was considered by Cabinet at its meeting on the 24 November 2022. There have been no material changes to the budget position since this time.
- 1.43 The estimated surplus in the year will be dependent on the actual financial performance out-turning in line with the revised budgets. The surplus will be utilised to fund additional

homes and/or improved services to tenants' in future financial years so all surpluses will be transferred to reserves.

- 1.44 The HRA balance is being maintained at £3m in line with the level of financial risk facing the HRA. Maintenance of this balance is necessary as it will help ensure the financial and operational stability of the HRA which is essential to maintain the level of services and quality of housing provided to tenants. The Council and Rykneld Homes will continue to work closely together in order to ensure the continued sustainability of the HRA over the life of the 30 year Business Plan.

2023/24 Original Budget and 2024/25 to 2026/27 Financial Plan

- 1.45 The proposed budget for 2023/24 currently shows a balanced position. (**Appendix 3**). The HRA budget makes the same assumptions as the General Fund budget for staff costs and inflation. There are however, some additional assumptions that are specific to the HRA. The main factors taken into account in developing the Council's financial plans for the HRA are set out within the sections below.

Level of Council Dwelling Rents

- 1.46 Government policy on social housing rents seeks to achieve the right balance between the following objectives:
- protecting tenants
 - protecting taxpayers (by limiting the welfare costs associated with social housing rents)
 - supporting the delivery of new social homes and the management and maintenance of existing properties
- 1.47 In April 2020 the Social Housing Rent Standard came into force which is externally regulated by the Housing Regulator applying to all registered providers of social housing.
- 1.48 The Government directed the Social Housing Regulator to apply the rent standard to all registered providers, including local authorities. The Standard confirms that rent increases of up to CPI + 1% for five years will be permitted, commencing April 2020.

Rent Increase 2023/24

- 1.49 In response to rising levels of inflation, which would have permitted rent increases in the region of 11%, the Department for Levelling Up, Housing and Communities (DLUHC) issued a consultation in August to seek the sector's views on a new Direction in relation to social housing rent policy. The consultation focussed on the introduction of a rent ceiling from 1 April 2023 to 31 March 2024, which would act as an upper limit on the maximum amount by which Registered Providers of social housing can increase rents in that year.
- 1.50 The consultation identified that in the face of "*these exceptional challenges*" there was a strong case for making a temporary amendment to the CPI+1% policy for 2023/24 in order to provide a backstop of protection for social housing tenants from significant rent increases.

- 1.51 The proposed Direction would require the Regulator to amend its Rent Standard so that the current CPI+1% limit on annual rent increases would be subject to a ceiling from 1 April 2023 to 31 March 2024. Through the consultation, DLUHC were seeking views on where this ceiling should be set and proposed a direction of CPI+1% policy subject to a 5% ceiling from 1 April 2023 to 31 March 2024. This would mean that, for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024, Registered Providers would be permitted to increase rents by up to CPI+1% or by 5%, whichever is lower. Views were also sought on 3%, 5% and 7% as ceiling options, as well as any other proposals put forward by consultees.
- 1.52 DLUHC recognised in the consultation that imposing a ceiling on rent increases would leave Registered Providers with less money to invest in providing new social housing, improving the quality and energy performance of their existing homes and providing services to tenants. DLUHC also recognised that any decision to restrict rent increases would inevitably involve tough choices. On balance, their view was that imposing a ceiling was the right approach to provide a backstop of protection for tenants.
- 1.53 DLUHC considered the responses from the sector and in the Autumn Statement on 17 November the Chancellor confirmed that a Direction would be issued to the Social Housing Regulator putting a ceiling of 7% on rent increases for the 2023/24 rent year. As in previous years, landlords will continue to be free to apply a lower increase if they wish to do so. Providers should consider the local market context when deciding on the level of rent increase as well as the levels of Housing Benefit or Universal Credit available to claimant households who might occupy their properties.
- 1.54 The decision to increase rents in 2023/24 clearly needs to be taken in the context of the increasing cost pressures on the HRA. There is a statutory requirement that the HRA breaks even each year and rental income is the main source of revenue to meet the costs of management and maintenance of the homes. It also has to be sufficient to cover the cost of servicing debt each year. Inflationary pressures are having a major impact on pay costs, materials, contracts and interest charges on borrowing.
- 1.55 Taking all of the above into consideration a rent increase of 5% is being recommended in the budget for 2023/24. Future year rent increases will be considered as part of the annual refresh of this plan each year.

Fees and Charges

- 1.56 Although the main source of income for the HRA is property rents, the HRA is also dependent for its financial sustainability on a range of other charges. Heating charges are set on the principle that wherever possible they will reflect the cost of providing those services.

1.57 The schedule of proposed charges is set out below:

	Weekly Charge 2022/23	Proposed Weekly Charge 2023/24
	£	£
Heating:		
Marx Court	8.11	8.27
Church Avenue	5.79	5.91
Garages:		
Private	16.00	18.00
Tenants - new	11.00	12.00
Tenants - existing	11.00	12.00
Garage Plots:		
Plots - Annual	260.00	290.00
Plots – Per Week	4.50	5.00

Rykneld Homes Ltd Management Fee (revenue)

- 1.58 The majority of the funding available to Rykneld Homes (RHL) is provided by way of a management fee from the Council for delivery of services in line with the Management Agreement. The Management Agreement sets out the financial framework for the relationship between the Council and RHL and Schedule 3 of the agreement sets out the arrangements for the calculation of the annual fee for services undertaken by RHL.
- 1.59 The calculation of the management fee each year is informed by the annual business planning and budget setting process. No major service improvements are planned for 2023/24, however external pressures driven by the current economic climate are putting considerable pressure on the delivery of housing services, especially housing repairs. RHL have a good track record of absorbing budget pressures through efficiencies, which has meant the management fee has not increased for several years. However, the level of unforeseen budget pressures being experienced in 2023/24 mean that despite identifying a significant level of efficiencies internally, an increase to the fee is required in order to continue to deliver high level housing services.
- 1.60 In addition to cost inflation creating a pressure on current budgets, increased demand is also impacting. Further, the rigorous demands placed on housing providers through the emerging social housing regulations places a further burden on resources. By way of example, in recent weeks DLUHC have written to all landlords of social housing informing them of the expectations in relation to damp and mould. RHL intend to manage cost pressures in relation to additional regulation within their agreed fee at this stage; this will need to be closely monitored during the financial year through the partnership working arrangements in place. Taking into account the pressures outlined in 1.59 and 1.60 above, the proposed management fee for 2023/24 will be £10.612m. This is contained within two budgets – Repairs and Maintenance (£5.006m) and Supervision and Management (£5.606m).
- 1.61 A further issue needs to be brought to the attention of Cabinet which concerns the fact that Rykneld Homes is a company wholly owned by the Council. As such the company's external auditors seek from the Council on an annual basis at the time of the audit of the Company's accounts a Letter of Comfort from the Council as the parent company. That

letter of comfort fundamentally seeks reassurance regarding the fact that the Council will continue to provide financial support to the company over the coming financial year (which in the case of the 2022/23 accounts will be the 2023/24 financial year). On the basis that this report is approved then it is reasonable to provide such a letter of comfort from the Council. In addition it may be the case that specific representations are required in order to support the Auditors view that the Company remains a going concern. The reasonableness of providing such assurances will need to be considered at that point in time when the Company's auditors approach the Council, and it is therefore recommended that delegated powers be granted to the Director of Finance & Resources in consultation with the Portfolio Holder for Housing and Assets to provide a response on behalf of the Council.

Financial Reserves – HRA

- 1.62 The Council's main uncommitted Financial Reserve for the Housing Revenue Account is the working balance of £3m. In addition to the Working Balance there are further reserves for the HRA specifically used to fund the Council's HRA capital programme. These are the Major Repairs Reserve and the Development Reserve. There is also an Insurance Reserve held.

Capital Investment Programme

- 1.63 There will be a separate report to Council on 30 January 2023 concerning the Council's Treasury Strategies. The report will consider capital financing such as borrowing which enables the proposed capital programme budgets to proceed.

2022/23 Current Budget

- 1.64 In January 2022, Members approved a Capital Programme in respect of 2022/23 to 2025/26. Scheme delays and technical problems can often cause expenditure to slip into future years and schemes can be added or extended as a result of securing additional external funding. All slippage from 2021/22 has been accounted for in the 2022/23 revised position.
- 1.65 The Revised Capital Programme was considered by Cabinet at its meeting on the 24 November 2022. There have been no material changes to the budget position since this time.

General Fund Capital Programme 2023/24 to 2026/27

- 1.66 The proposed Capital Programme for the General Fund totals:
- £18.569m for 2023/24;
 - £19.839m for 2024/25,
 - £5.145m for 2025/26
 - £1.709m for 2026/27.

The budget in 2023/24 includes the redevelopment of Sharley Park Leisure Centre and the Clay Cross Town Deal Programmes. It also includes the cyclical Vehicle Replacement Programme along with the annual Asset Management Programme.

HRA Capital Programme 2023/24 to 2026/27

- 1.67 The proposed Capital Programme for the HRA totals:
- £29.864m for 2023/24;
 - £28.094m for 2024/25,
 - £12.252m for 2025/26
 - £12.252m for 2026/27.
- 1.68 The proposed programme for HRA capital works totals £43.85m over the four year programme. The annual fee paid to RHL for delivering the HRA capital works in the programme is £1.1m.
- 1.69 The proposed programme for HRA capital works on the non-traditional stock reflects the latest stock condition survey and includes match funding for a major EWI grant funding scheme over the next two years which will fund improvement works to a further 600 homes in the district. The programme totals £20.49m over the four year programme.
- 1.70 Annual programmes remain for parking solutions and garage demolitions and the North Wingfield New Build Project is also included.
- 1.71 In addition, £1m per annum has been included to fund the ongoing commitment to purchasing affordable houses in the district to replace those lost through right to buy sales.
- 1.72 An analysis of all the schemes and associated funding are attached at **Appendix 4** to this report.

Robustness of the Estimates

- 1.73 Under the provisions of the Local Government Act 2003, the Council's Section 151 Officer is required to comment on the robustness of the estimates made and on the adequacy of the financial reserves.
- 1.74 The Council's Section 151 Officer (The Director of Finance and Resources) is satisfied that the estimates are considered to be robust and prudent, employee costs are based on the approved establishment, investment income is based on the advice of the Council's Treasury Management Advisors and income targets are considered to be achievable.
- 1.75 Likewise, the Section 151 Officer is satisfied that the levels of reserves are considered to be adequate to fund planned expenditure and potential issues and risks that face the Council.

Financial Resilience

- 1.76 Financial Resilience has become a significant issue for local authorities over recent years. CIPFA issued their Financial Management Code in 2019 designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. One of the key areas of focus in the Code is financial performance monitoring and demonstrating that the Council's financial resilience is being assessed on an ongoing basis. Three key areas are analysed to aid this:

- Revenue Health
- Capital Health
- Funding Sensitivities

1.77 Performance against these metrics is monitored and benchmarked on a regular basis and reported to the Audit and Corporate Governance Scrutiny Committee for scrutiny. The latest analysis shows healthy results for both revenue and capital health but that the real risk to financial resilience for the Council comes from uncertainty surrounding future national funding reforms.

2 Reasons for Recommendation

2.1 This report presents a budget for consideration by Cabinet. It seeks to secure approval to recommend budgets to Council in respect of the General Fund, the Housing Revenue Account and the Capital Programme.

3 Alternative Options and Reasons for Rejection

3.1 The Council is required to set a budget each year. There are no alternative options being considered at this time.

DOCUMENT INFORMATION

Appendix No	Title
1	General Fund MTFP - Summary 2022/23 to 2026/27
2	General Fund MTFP - Detail 2022/23 to 2026/27
3	HRA MTFP 2022/23 to 2026/27
4	Capital Programme MTFP 2022/23 to 2026/27
Background Papers	

GENERAL FUND ACCOUNT - SUMMARY MTFP BUDGET 2022/23 - 2026/27

APPENDIX 1

	Current Budget 2022/23 £	Original Budget 2023/24 £	Planning Budget 2024/25 £	Planning Budget 2025/26 £	Planning Budget 2026/27 £
Organisation and Place Directorate	6,307,574	7,154,824	7,174,395	7,274,534	7,384,087
Finance and Resources Directorate	4,431,699	4,563,943	4,666,518	4,676,015	4,722,898
Growth and Assets Directorate	3,132,967	3,736,445	3,385,793	2,448,311	2,463,656
Recharges to Capital and HRA	(600,500)	(618,350)	(618,350)	(618,350)	(618,350)
Savings Target	0	0	(498,216)	(1,922,568)	(2,069,032)
Net Cost of Services	13,271,740	14,836,862	14,110,140	11,857,942	11,883,259
Investment Properties	(458,160)	(449,920)	(450,275)	(450,370)	(448,935)
Bad Debt Provision	40,000	40,000	40,000	40,000	40,000
Interest	(397,126)	(479,180)	(432,527)	(331,780)	(301,230)
Debt Repayment Minimum Revenue Provision	56,000	56,000	56,000	56,000	56,000
Parish Precepts	3,467,459	3,467,459	3,467,459	3,467,459	3,467,459
Transfer To Earmarked Reserves	635,956	20,000	20,000	20,000	20,000
Transfer From Earmarked Reserves	(1,401,629)	(232,064)	(223,386)	(226,669)	(219,571)
Transfer Shortfall From Resilience Reserve	(342,758)	(977,011)	0	0	0
Total Spending Requirement	14,871,482	16,282,146	16,587,411	14,432,582	14,496,982
Business Rates	(4,000,000)	(5,297,035)	(5,602,300)	(4,417,400)	(4,481,800)
New Homes Bonus	(720,063)	(602,080)	(602,080)	0	0
Lower Tier Services Grant	(128,180)	0	0	0	0
3% Funding Guarantee	0	(259,008)	(259,008)	0	0
Services Grant	(193,157)	(108,841)	(108,841)	0	0
Collection Fund (Surplus)/Deficit - Council Tax	0	(81,168)	(81,168)	(81,168)	(81,168)
Collection Fund (Surplus)/Deficit - NNDR	0	0	0	0	0
NEDDC Council Tax Requirement	(6,362,623)	(6,466,555)	(6,466,555)	(6,466,555)	(6,466,555)
Parish Council Council Tax Requirement	(3,467,459)	(3,467,459)	(3,467,459)	(3,467,459)	(3,467,459)
Council Tax Requirement	(14,871,482)	(16,282,146)	(16,587,411)	(14,432,582)	(14,496,982)

		Current Budget 2022/23 £	Original Budget 2023/24 £	Planning Budget 2024/25 £	Planning Budget 2025/26 £	Planning Budget 2026/27 £
<u>Organisation and Place Directorate</u>						
Managing Director & Head of Paid Service						
4500	Managing Director	135,194	132,203	136,847	138,194	139,554
5720	Supporting PA's	134,172	133,957	138,849	140,286	141,736
		269,366	266,160	275,696	278,480	281,290
Assistant Director Environmental Health						
3400	Environmental Protection	133,883	104,830	113,330	116,903	119,364
3401	Food, Health & Safety	118,457	115,496	123,488	127,822	129,844
3402	Environmental Enforcement	96,294	112,159	119,358	121,782	124,270
3403	Community Outreach	0	(2,423)	(1,414)	(1,428)	(1,443)
3404	Licensing	(8,050)	9,324	17,157	6,438	8,469
3405	Pollution	110,827	118,699	126,175	129,471	131,772
3407	Pest Control	36,006	20,527	22,842	23,843	26,316
3408	Home Improvement	20,230	21,810	22,760	22,951	23,146
3409	EH Technical Support & Management	277,797	270,449	284,295	288,337	291,937
3410	Private Sector Housing	73,601	78,016	83,000	85,198	86,732
3419	Destitute Funerals	1,500	1,500	1,500	1,500	1,500
3420	Fly Tipping	3,000	3,000	3,000	3,000	3,000
3426	Covid Enforcement Team	61,000	0	0	0	0
3428	MEES Project	3,958	0	0	0	0
		928,503	853,387	915,491	925,817	944,907
Assistant Director Streetscene						
3174	Street Scene	355,691	402,527	397,075	403,808	409,901
3227	Materials Recycling	308,479	494,185	527,620	541,140	551,062
3244	Parks Derbyshire County Council Agency	(360,000)	(360,000)	(360,000)	(360,000)	(360,000)
3282	Eckington Depot	132,810	186,091	159,678	142,362	143,729
3285	Dronfield Bulk Depot	3,495	3,495	3,565	3,635	3,710
3511	Hasland Cemetery	(47,915)	(47,655)	(47,725)	(47,775)	(47,710)
3513	Temple Normanton Cemetery	(4,385)	(4,385)	(4,380)	(4,370)	(4,365)
3514	Clay Cross Cemetery	(62,185)	(62,185)	(62,185)	(62,185)	(62,185)
3516	Killamarsh Cemetery	(9,100)	(17,015)	(17,000)	(16,985)	(16,965)
3918	Dog Fouling Bins	(58,451)	(57,760)	(57,760)	(57,760)	(57,760)
3921	Street Cleaning Service	548,961	576,104	596,811	603,228	611,056
3943	Transport	425,591	548,072	487,724	492,926	498,228
3944	Grounds Maintenance	529,522	604,340	622,712	626,106	626,981
3945	Domestic Waste Collection	1,634,721	1,551,778	1,605,291	1,626,562	1,645,761
3946	Commercial Waste Collection	(272,514)	(267,412)	(264,687)	(263,529)	(262,345)
		3,124,720	3,550,180	3,586,739	3,627,163	3,679,098
Assistant Director Planning						
4111	Applications And Advice	(693,000)	(674,000)	(674,000)	(674,000)	(674,000)
4113	Planning Appeals	37,600	0	0	0	0
4116	Planning Policy	282,913	376,090	391,114	396,245	401,227
4311	Environmental Conservation	14,370	14,520	14,520	14,520	14,520
4511	Assistant Director - Planning	65,134	64,844	67,143	67,813	68,489
4513	Planning	712,628	726,432	760,689	773,649	783,590
4515	Building Control	58,000	58,000	58,000	58,000	58,000
		477,645	565,886	617,466	636,227	651,826
Assistant Director Governance						
1121	Member's Services	464,604	481,277	485,885	490,400	494,955
1123	Chair's Expenses	6,310	6,500	6,500	6,500	6,500
1131	District Elections	11,325	190,000	0	0	0
1231	Corporate Training	41,980	41,980	41,980	41,980	41,980
1259	Corporate Groups	2,400	6,000	1,000	1,000	1,000
1311	Human Resources	163,186	278,091	290,274	295,876	299,478
1312	Payroll	53,343	56,429	57,955	58,949	59,961
3121	Health & Safety Advisor	92,678	92,477	94,065	95,648	97,269
5250	National Civic Events	105	0	0	0	0
5273	Brass Band Concert	0	5,000	5,000	5,000	5,000
5313	Register Of Electors	177,342	179,559	184,169	185,626	187,100
5321	Assistant Director Governance	95,006	89,431	92,442	93,314	94,199
5353	Legal Section	171,992	162,912	173,122	178,277	180,902
5354	Land Charges	(5,204)	(5,132)	(3,746)	(3,336)	(2,921)
5392	Scrutiny	34,577	35,425	37,426	38,539	38,936
5711	Democratic Services	197,696	299,262	312,931	319,074	322,607
		1,507,340	1,919,211	1,779,003	1,806,847	1,826,966
Total for Organisation and Place Directorate		6,307,574	7,154,824	7,174,395	7,274,534	7,384,087

Current Budget 2022/23 £	Original Budget 2023/24 £	Planning Budget 2024/25 £	Planning Budget 2025/26 £	Planning Budget 2026/27 £
-----------------------------------	------------------------------------	------------------------------------	------------------------------------	------------------------------------

Finance and Resources Directorate

Director of Finance & Resources

3512	CBC Crematorium	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
5113	Unison Duties	16,537	18,447	19,115	19,312	19,510
5611	External Audit	65,000	153,400	153,400	153,400	153,400
5615	Bank Charges	115,000	115,000	115,000	115,000	115,000
5621	Contribution to/from HRA	(185,450)	(185,450)	(185,450)	(185,450)	(185,450)
5713	Audit	108,903	112,821	115,401	118,398	121,386
5714	Financial Support Services	5,000	3,500	3,500	3,500	3,500
5721	Financial Services	364,052	335,955	366,974	372,104	379,425
5724	Insurance	363,800	363,215	363,215	363,215	363,215
5725	Apprenticeship Levy	45,000	45,000	45,000	45,000	45,000
5727	Cost Of Ex-Employees	829,000	794,000	754,000	714,000	714,000
5728	Covid-19 Response	130,636	0	0	0	0
5729	Additional Restrictions Grant	15,171	0	0	0	0
5745	Covid New Burdens	12,900	0	0	0	0
5776	Discretionary Fund	(28,784)	0	0	0	0
		1,656,765	1,555,888	1,550,155	1,518,479	1,528,986

Assistant Director ICT

5215	Telephones	41,720	45,720	45,720	45,720	45,720
5216	Mobile Phones and Ipads	27,800	28,300	28,300	28,300	28,300
5701	Joint ICT Service	20,800	(25,877)	(8,613)	(8,970)	(9,279)
5734	NEDDC ICT Service	605,035	691,782	703,746	711,936	718,402
5735	Cyber Security	(2,472)	0	0	0	0
5736	Business Development	110,154	122,549	129,154	124,542	118,858
5737	Corporate Printing Costs	17,525	20,770	20,770	20,770	20,770
		820,562	883,244	919,077	922,298	922,771

Assistant Director Corporate Resources

1218	Community Safety	42,718	43,699	45,695	46,175	46,659
1315	Design & Print	120,807	118,714	122,120	123,128	124,144
1321	Communications & Marketing	104,182	107,708	112,203	114,039	115,919
1323	NEDDC News	34,300	33,000	33,000	33,000	33,000
1329	Corporate Web Site	1,060	1,115	1,160	1,180	1,205
3165	Housing Options Team	216,909	199,058	208,493	213,277	215,431
3176	Pool Car	250	500	500	500	500
3740	Strategic Housing	108,189	142,743	149,158	150,634	152,127
3747	Homeless Temp Accomodation	(55,092)	6,373	(7,152)	(25,275)	(24,179)
3748	Homelessness Grant	34,847	62,000	62,000	62,000	62,000
3749	Empty Properties	1,500	1,500	1,500	1,500	1,500
3750	Housing Growth	16,936	11,792	0	0	0
3759	Emergency Welfare Assistance Grant	30,000	20,000	20,000	20,000	20,000
5221	Customer Services	355,965	354,483	367,348	373,089	378,378
5223	Franking Machine	47,820	47,900	47,900	47,900	47,900
5715	Procurement	38,654	39,600	39,746	49,914	50,104
5741	Housing Benefit Service	497,667	541,113	570,073	585,328	595,925
5747	Debtors	58,691	57,967	60,106	60,751	61,391
5751	NNDR Collection	4,033	(457)	3,567	5,680	7,315
5759	Council Tax Administration	305,386	346,693	370,759	383,408	392,917
5825	Concessionary Bus Passes	(10,450)	(10,690)	(10,890)	(10,990)	(11,095)
		1,954,372	2,124,811	2,197,286	2,235,238	2,271,141

Total for Finance and Resources Directorate

4,431,699	4,563,943	4,666,518	4,676,015	4,722,898
------------------	------------------	------------------	------------------	------------------

Growth and Assets Directorate

Director of Growth & Assets

1143	Director of Growth	58,118	0	0	0	0
1283	Emergency Planning	16,000	16,000	16,000	16,000	16,000
4600	Director of Growth & Assets	105,478	108,279	115,237	119,511	120,708
		179,596	124,279	131,237	135,511	136,708

Assistant Director Property, Estates & Assets

3135	Drainage	21,348	16,011	13,963	12,397	10,792
3172	Engineers	86,944	98,573	102,506	103,372	103,703
3241	Car Parks	46,065	47,460	47,515	47,495	48,215
3247	Street Names/Lights	5,000	5,000	5,000	5,000	5,000
3249	Footpath Orders	(400)	(400)	(400)	(400)	(400)
3265	Dams And Fishing Ponds	(450)	(450)	(450)	(450)	(450)
3281	Clay Cross Depot	650	670	690	710	730

		Current Budget 2022/23 £	Original Budget 2023/24 £	Planning Budget 2024/25 £	Planning Budget 2025/26 £	Planning Budget 2026/27 £
4412	Midway Business Centre	(76,795)	(76,310)	(80,015)	(81,495)	(81,295)
4425	Coney Green Business Centre	(163,717)	(44,795)	(99,119)	(139,417)	(136,159)
4523	Estates Administration	353,921	359,592	376,470	384,045	388,496
5204	Assistant Director Property, Estates & Assets	115,877	74,417	79,233	82,213	85,244
5205	Mill Lane	305,276	213,133	177,876	140,176	145,367
5209	Facilities Management	52,020	52,910	53,035	53,085	53,135
5210	Pioneer House	(45,870)	85,364	86,195	86,760	87,330
		699,869	831,175	762,499	693,491	709,708
	Assistant Director Regeneration & Programmes					
1255	Strategy and Performance	113,068	116,285	120,696	122,540	124,418
1256	Corporate Consultation	12,099	18,596	19,877	20,431	20,641
1331	Strategic Partnerships	217,992	290,912	305,862	271,422	266,858
1333	Healthy North East Derbyshire	49,423	0	0	0	0
4211	Tourism Promotions	34,982	47,718	49,351	50,094	50,856
4237	KickStarter Project	(1,567)	0	0	0	0
4238	Working Communities Strategy	77,976	77,716	80,461	81,265	82,077
4443	Elderly Peoples Clubs	4,000	4,000	4,000	4,000	4,000
4512	Growth Agenda	16,000	16,000	16,000	16,000	16,000
4517	Economic Development	200,307	224,996	235,787	241,072	244,142
4521	Eckington Masterplan	65,160	0	0	0	0
5750	Assistant Director Regeneration & Programmes	37,859	38,748	41,231	41,650	42,071
5785	Contributions	136,085	136,085	136,085	136,085	136,085
		963,384	971,056	1,009,350	984,559	987,148
	Assistant Director Leisure					
4561	Leisure Centre Management	233,627	171,056	177,410	180,838	182,115
4723	Generation Games	0	(51)	(30)	(30)	(31)
4724	Walking into Communities	11,000	8,670	0	0	0
4727	Five 60	0	(67)	(39)	(40)	(40)
4731	Promotion Of Recreation And Leisure	32,338	32,369	33,550	33,897	34,248
4732	Schools Promotion	0	(294)	(171)	(173)	(175)
4736	Derbyshire Sports Forum	14,450	14,450	14,450	14,450	14,450
4742	Arts Development	2,530	2,530	2,530	2,530	2,530
8441	Eckington Swimming Pool	215,935	390,717	306,516	168,876	181,277
8445	Eckington Pool Cafe	(15,794)	(15,722)	(20,014)	(19,809)	(19,602)
8451	Dronfield Sports Centre	7,776	137,095	67,897	(16,489)	227
8455	Dronfield Café	(1,590)	(4,856)	(2,600)	(1,928)	(1,247)
8461	Sharley Park Sports Centre	476,740	971,180	879,761	529,967	494,776
8465	Sharley Park Sports Centre Outdoor	(2,405)	(2,100)	(51,783)	(155,350)	(155,765)
8466	Sharley Park Café		0	(65,532)	(235,915)	(254,230)
8471	Killamarsh Leisure Centre	289,901	126,114	159,662	152,154	169,106
8475	Killamarsh Outdoors	(6,500)	(17,000)	(17,000)	(17,000)	(17,000)
8476	Killamarsh Café	32,110	(4,156)	(1,900)	(1,228)	(547)
		1,290,118	1,809,935	1,482,707	634,750	630,092
Total for Growth and Assets Directorate		3,132,967	3,736,445	3,385,793	2,448,311	2,463,656
	Corporate Charges					
5790	Savings Target	0	0	(498,216)	(1,922,568)	(2,069,032)
0001	Recharges to Capital and HRA	(600,500)	(618,350)	(618,350)	(618,350)	(618,350)
Total for Corporate Charges		(600,500)	(618,350)	(1,116,566)	(2,540,918)	(2,687,382)
Net Cost of Services		13,271,740	14,836,862	14,110,140	11,857,942	11,883,259
	Investment Properties					
4411	Stonebroom Industrial Estate	(57,540)	(55,400)	(55,310)	(55,215)	(55,140)
4413	Clay Cross Industrial Estate	(84,980)	(83,970)	(83,920)	(83,865)	(83,825)
4415	Norwood Industrial Estate	(229,145)	(226,480)	(226,370)	(226,245)	(226,135)
4417	Eckington Business Park	11,400	(3,600)	(3,600)	(3,600)	(3,600)
4418	Rotherside Court Eckington Business Unit	(26,995)	(15,225)	(16,190)	(17,290)	(16,820)
4423	Pavillion Workshops Holmewood	(89,795)	(86,830)	(86,685)	(86,615)	(86,535)
4432	Miscellaneous Properties	18,895	21,585	21,800	22,460	23,120
Total for Investment Properties		(458,160)	(449,920)	(450,275)	(450,370)	(448,935)

HOUSING REVENUE ACCOUNT - SUMMARY MTFP BUDGET 2022/23 - 2026/27
APPENDIX 3

	Current Budget 2022/23	Original Budget 2023/24	Planning Budget 2024/25	Planning Budget 2025/26	Planning Budget 2026/27
INCOME					
Dwelling Rents	(32,163,410)	(33,521,320)	(33,369,071)	(33,295,784)	(33,222,498)
Non-Dwelling Rents	(510,590)	(456,490)	(457,490)	(458,490)	(459,490)
Charges for Services and Facilities	(112,226)	(89,000)	(89,000)	(89,000)	(89,000)
Contributions Towards Expenditure	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
INCOME TOTAL	(32,836,226)	(34,116,810)	(33,965,561)	(33,893,274)	(33,820,988)
EXPENDITURE					
Repairs & Maintenance	5,168,667	5,146,941	5,155,444	5,159,866	5,164,376
Supervision & Management	7,101,123	7,417,969	7,471,331	7,500,281	7,527,724
Rents, Rates & Taxes	110,000	110,000	110,000	110,000	110,000
Depreciation	7,737,791	7,737,791	7,737,791	7,737,791	7,737,791
Provision for Doubtful Debts	250,000	250,000	250,000	250,000	250,000
Debt Management Expenses	11,500	11,500	11,500	11,500	11,500
EXPENDITURE TOTAL	20,379,081	20,674,201	20,736,066	20,769,438	20,801,391
NET COST OF SERVICES	(12,457,145)	(13,442,609)	(13,229,495)	(13,123,836)	(13,019,597)
Corporate & Democratic Core	185,450	185,450	185,450	185,450	185,450
NET COST OF HRA SERVICES	(12,271,695)	(13,257,159)	(13,044,045)	(12,938,386)	(12,834,147)
HRA Debt, and Reserve charges					
Interest Payable	5,233,480	5,255,692	5,496,896	5,578,876	5,637,939
Interest Receivable	(629,712)	(612,305)	(608,895)	(663,801)	(726,806)
Contribution to Major Repairs Reserve	7,685,709	8,117,309	8,117,309	3,203,209	3,203,209
Contribution to Development Reserve	0	0	0	0	0
Contribution to Insurance/Litigation Reserve	0	50,000	50,000	50,000	50,000
Contribution to/(from) Resilience Reserve	(17,782)	446,463	(11,265)	4,770,102	4,669,805
(Surplus)/Deficit on HRA Services	0	0	0	0	0
Opening HRA Balance	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Transfers (to)/from Balances	0	0	0	0	0
Transfers (to)/from Balances	0	0	0	0	0
Closing HRA Balance	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)

Capital Expenditure	Current Budget 2022/23 £	Original Budget 2023/24 £	Planning Budget 2024/25 £	Planning Budget 2025/26 £	Planning Budget 2026/27 £
Housing Revenue Account					
HRA Capital Works	12,272,000	11,485,100	11,485,100	10,441,000	10,441,000
HRA Capital Works - Non Traditional Properties	4,600,000	9,743,000	9,743,000	500,000	500,000
Green Homes EWI - Mickley	333,000	0	0	0	0
Pine View, Danesmoor	832,000	0	0	0	0
Stock Purchase Programme (1-4-1)	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000
Acquisitions and Disposals (RHL)	500,000	0	0	0	0
North Wingfield New Build Project	215,000	7,325,000	5,555,000	0	0
Garage Demolitions	60,000	23,000	23,000	23,000	23,000
Concrete Balconies	111,000	0	0	0	0
Parking Solutions	573,000	288,000	288,000	288,000	288,000
HRA - Capital Expenditure	21,996,000	29,864,100	28,094,100	12,252,000	12,252,000
General Fund					
Private Sector Housing Grants (DFG's)	820,000	820,000	820,000	820,000	820,000
ICT Schemes	460,000	198,500	108,000	100,000	129,000
Clay Cross Football Pitch	9,000	0	0	0	0
Asset Refurbishment - General	609,000	500,000	500,000	500,000	500,000
Asset Refurbishment - Eckington Depot	732,000	0	0	0	0
Roller Shutter Doors	86,000	0	0	0	0
Eckington Pool Carbon Efficiencies Programme	266,000	0	0	0	0
Dronfield Sports Centre Carbon Efficiencies Programme	1,680,000	0	0	0	0
Replacement of Vehicles	2,292,500	2,210,000	1,914,500	484,000	260,000
Wingerworth Lido	150,000	0	0	0	0
Contaminated Land	42,000	0	0	0	0
Killamarsh Leisure Centre	1,060,000	0	0	0	0
Sharley Park 3G pitch	0	0	1,000,000	0	0
CX Town Market Street Regeneration	0	1,999,000	2,000,000	0	0
CX Town Bridge Street Regeneration	0	0	2,500,000	2,500,000	0
CX Town Clay Cross Creative (inc LC Energy Network)	150,000	850,000	0	0	0
CX Town Clay Cross Skills and Enterprise Hub	0	1,500,000	500,000	0	0
CX Town Sharley Park Active Community Hub	7,145,000	8,100,000	8,605,000	0	0
CX Town Clay Cross Connections	0	1,500,000	1,000,000	500,000	0
CX Town Low Carbon Housing Challenge Fund	650,000	650,000	650,000	0	0
CX Town Rail Station Feasibility	150,000	0	0	0	0
CX Town Programme Management	415,000	241,000	241,000	241,000	0
CX Acc Fund Old Constabulary	0	0	0	0	0
CX Acc Fund School Demolition	158,000	0	0	0	0
CX Acc Fund CX Depot Demolition	86,000	0	0	0	0
CX Acc Fund Public Art Work	32,000	0	0	0	0
CX Acc Fund Land Assembly	3,000	0	0	0	0
CX Acc Fund Other	2,000	0	0	0	0
General Fund Capital Expenditure	16,997,500	18,568,500	19,838,500	5,145,000	1,709,000
Total Capital Expenditure	38,993,500	48,432,600	47,932,600	17,397,000	13,961,000
Capital Financing					
	2022/23	2023/24	2024/25	2025/26	2026/27
Housing Revenue Account					
Major Repairs Reserve	(17,125,000)	(15,855,100)	(15,855,100)	(10,941,000)	(10,941,000)
Prudential Borrowing - HRA	(2,015,000)	(8,973,000)	(7,593,000)	(600,000)	(600,000)
Development Reserve	(1,596,000)	(311,000)	(311,000)	(311,000)	(311,000)
Grants	0	(3,395,000)	(3,005,000)	0	0
1-4-1 Receipts	(1,260,000)	(1,330,000)	(1,330,000)	(400,000)	(400,000)
HRA Capital Financing	(21,996,000)	(29,864,100)	(28,094,100)	(12,252,000)	(12,252,000)
General Fund					
Disabled Facilities Grant	(820,000)	(820,000)	(820,000)	(820,000)	(820,000)
External Grant - Lottery Funded Schemes	(9,000)	0	0	0	0
External Grant - Contaminated Land	(42,000)	0	0	0	0
External Grant - Clay Cross Towns Fund	(8,791,000)	(6,595,000)	(6,891,000)	(3,241,000)	0
External Grant - Sharley Park Rebuild (Sport E)	0	(1,500,000)	0	0	0
External Grant - Dronfield Sports Centre Carbon Efficiencies	(1,347,000)	0	0	0	0
External Grant - Sharley Park 3G pitch	0	0	(750,000)	0	0
Prudential Borrowing - Eckington Depot	(454,000)	0	0	0	0
Prudential Borrowing - Killamarsh Leisure Centre	(1,060,000)	0	0	0	0
Prudential Borrowing - Sharley Park Leisure Centre	0	(6,745,000)	(8,605,000)	0	0
Prudential Borrowing - Sharley Park Leisure Centre 3G pitch	0	0	(250,000)	0	0
RCCO - Roller Shutter Doors	(86,000)	0	0	0	0
Useable Capital Receipts	(4,388,500)	(2,908,500)	(2,522,500)	(1,084,000)	(889,000)
General Fund Capital Financing	(16,997,500)	(18,568,500)	(19,838,500)	(5,145,000)	(1,709,000)
HRA Development Reserve					
Opening Balance	(2,551,185)	(955,185)	(1,197,015)	(1,337,851)	(1,478,686)
Amount due in year	0	(552,830)	(451,836)	(451,835)	(441,780)
Amount used in year	1,596,000	311,000	311,000	311,000	311,000
Closing Balance	(955,185)	(1,197,015)	(1,337,851)	(1,478,686)	(1,609,466)
Major Repairs Reserve					
Opening Balance	(2,238,257)	(536,757)	(536,757)	(536,757)	(536,757)
Amount due in year	(15,423,500)	(15,855,100)	(15,855,100)	(10,941,000)	(10,941,000)
Amount used in year	17,125,000	15,855,100	15,855,100	10,941,000	10,941,000
Closing Balance	(536,757)	(536,757)	(536,757)	(536,757)	(536,757)
Capital Receipts Reserve					
Opening Balance	(2,340,168)	(51,668)	(143,168)	(120,668)	(1,036,668)
Income expected in year	(3,100,000)	(4,000,000)	(3,500,000)	(3,000,000)	(3,000,000)
Allowable Debt/Pooling Expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Amount used in year	4,388,500	2,908,500	2,522,500	1,084,000	889,000
Closing Balance	(51,668)	(143,168)	(120,668)	(1,036,668)	(2,147,668)
Capital Receipts Reserve 1-4-1 receipts					
Opening Balance	(762,969)	(1,322,969)	(1,792,969)	(1,662,969)	(1,662,969)
Income expected in year	(1,820,000)	(1,800,000)	(1,200,000)	(1,200,000)	(1,200,000)
Amount used in year	1,260,000	1,330,000	1,330,000	400,000	400,000
Closing Balance	(1,322,969)	(1,792,969)	(1,662,969)	(2,462,969)	(2,462,969)
Total Capital Financing	(38,993,500)	(48,432,600)	(47,932,600)	(17,397,000)	(13,961,000)