

MANAGEMENT COMMENTARY

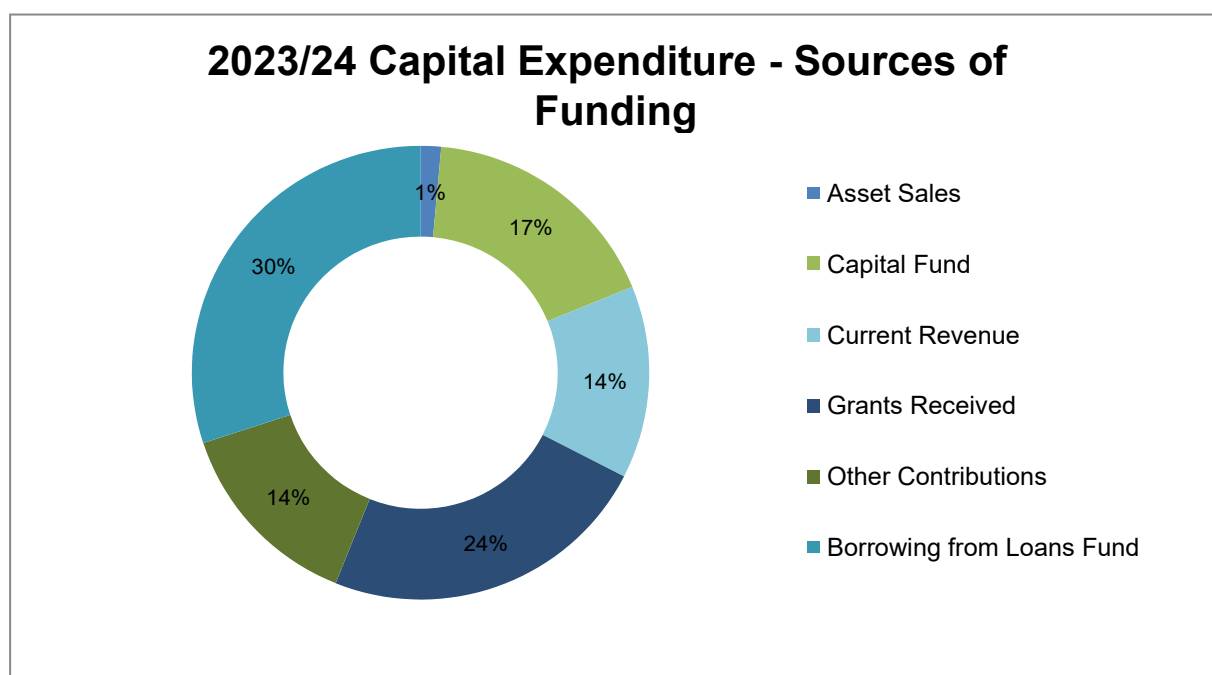
The HRA capital programme had a budget of £31 million and actual expenditure of £23.4 million resulting in a net variance of £7.6 million. Expenditure on the creation and acquisition of new houses amounted to £7.3 million in 2023/24 with a total of 54 new build completions handed over during 2023/24 and a further 29 Open Market Acquisitions. The £7.6 million underspend has largely been driven by industrial action delaying some schemes, the identification of RAAC in properties which has fundamentally changed the scope of some planned works and a lack of interested suppliers for tender exercises. In addition, some of the underspend is a result of favourable tender returns which will also savings to be reinvested back into the programme.

A report was presented to Housing Services Policy Development and Scrutiny Panel on 9 February 2024 outlining the work the council had undertaken to establish the extent of RAAC in council housing stock, and setting out the proposed remediation strategy. The remediation strategy for council houses was approved and tender action for remediation works in both individual houses and common blocks commenced in February 2024. Work will be undertaken on a phased basis with the tender process anticipated to be concluded by October 2024. Work will commence on site in common blocks in October 2024 and the estimated completion is December 2025. A budget for the remediation work is included in the approved Housing Capital Investment Programme 2024/25 to 2027/28 to address RAAC in council housing stock.

The total council capital expenditure was funded as follows: -

Sources of Funding	2023/24 £000	2022/23 £000
Asset sales and contributions from third parties / funds	53,793	47,562
Revenue contributions to capital	13,201	13,709
Borrowing	28,644	32,715
Total Funding	95,638	93,986

Total debt outstanding at 31 March 2024 (2023) was £668 million (£647.8 million). The details of the debt outstanding are shown in note 15.3.



7.6 Public Private Partnership (PPP) and Design, Build, Finance and Maintain (DBFM) Contracts

The PPP and DBFM contracts are assessed under International Financial Reporting Standards (IFRS) which looks at aspects of control of an asset, such as specifying services and the price paid for these services. The net value of all PPP and DBFM assets in the balance sheet at 31 March 2024 is £185.9 million (£198.2 million as at 31 March 2023).

The outstanding liabilities on the PPP and DBFM contracts are £72.4 million (£76.7 million 2022/23) of which £4 million (£4.2 million 2022/23) is shown under current liabilities and £68.4 million (£72.4 million 2022/23) under long term liabilities. Details of the annual costs of these contracts are shown in note 35.