

Appendix A3 – Homes & Housing Committee 2024/25 – P4 Budget Monitor Report

Section A: Revenue Budget Monitor

Housing & Landlord Services

	Revised Budget	Forecast Outturn	Outturn Variance
P04	£22.9m	£28.3m	£5.4m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
3.8m	5.4m	5.4m							
▼↓	▼↓								

Housing Revenue Account (HRA)

	Revised Budget	Forecast Outturn	Outturn Variance
P04	£151.0m	£163.5m	£12.5m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
3.6m	9.3m	12.5m							
▼↓	▼↓	▼↓							

Position by Division

Housing & Landlord Services

Period 4 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	P3 Revised budget to Forecast variance	P3 to P4 movement in revised budget to Forecast variance	P4 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%
Homes and Housing Delivery							
37 - Housing & Landlord Services	22,943	22,943	28,333	5,390	0	5,390	23.5%
Total Homes and Housing Delivery	22,943	22,943	28,333	5,390	0	5,390	23.5%

Housing Revenue Account (HRA)

Period 4 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	P3 Revised budget to Forecast variance	P3 to P4 movement in revised budget to Forecast variance	P4 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%
Housing Revenue Account							
Total Housing Revenue Account	150,982	150,982	163,524	9,340	3,202	12,542	8.3%
Total Housing Revenue Account	150,982	150,982	163,524	9,340	3,202	12,542	8.3%

Key Messages:

Housing & Landlord Services

The Housing & Landlord division is reporting no change at Period 4 to its forecast overspend of £5.4 million against a revised budget of £22.9 million (23.5%) relating to homelessness. The council has initiated a Transformation programme, Tackling Homelessness, to develop options to increase supply of homes and reduce demand where possible. This programme has been successful at materially reducing the pressure in 2024/25 and future years.

Housing Revenue Account

At the close of Period 4 the Housing Revenue Account is reporting an overspend of £12.5 million (shown in the table below). This represents a deterioration in forecast of £3.2 million. Any instance of an overspend on the HRA will be funded by a transfer from the HRA general reserve at the end of the financial year.

The main reasons for the variance against budget are set out below.

Summary – Housing Revenue Account

HOUSING REVENUE ACCOUNT	Revised Budget £m	Current Forecast £m	Outturn Variance £m	Previous Forecast £m	Movement £m
Income	(150.3)	(147.8)	2.4	(148.1)	0.2
Repairs & Maintenance	44.5	47.4	2.9	46.9	0.6
Supervision & Management	40.2	45.1	4.9	46.0	(0.9)
Special Services	14.5	13.3	(1.2)	13.8	(0.5)
Rents, rates, taxes and other charges	0.6	0.9	0.3	0.6	0.3
Depreciation and bad debt provision	33.0	35.2	2.2	33.8	1.4
Total expenditure - core services	132.9	142.0	9.1	141.1	0.9

Net cost of core HRA services	(17.4)	(5.9)	11.5	(7.0)	1.1
Net interest payable, pension costs and other non operational charges	10.4	11.4	1.0	9.6	1.8
Capital expenditure funded from revenue	0.0	0.0	0.0	0.0	0.0
(Surplus) / Deficit for the year on HRA services	(7.0)	5.6	12.5	2.6	3.0
Transfer To/(From) from reserves	7.0	(5.6)	(12.5)	(2.6)	(3.0)
Net	0.0	0.0	0.0	0.0	0.0

Income is reporting a shortfall of £2.4 million at the end of P4 compared to budget. The main contributing factor to the negative variance is higher than expected void properties and lower than expected service charge income.

The forecast for **repairs & maintenance**, was running £2.9 million behind the budget at the end of P4. The main elements of overspends in the budgets for;

- +£2.1 million Response Repairs - overspend due to backlog of repair works from prior years.
- +£0.5 million Barton House - for hotel dilapidation bill.
- +£0.3 million– Additional costs for waste tipping.

The **supervision and management service** are running £4.9 million behind the budget at the end of P4. The main elements are overspending in the budgets for;

- +£1.8 million - Security, delay in fire alarm project and other capital projects, and Barton House resource draw has resulted in additional overhead costs.
- +£0.3 million - Additional computer licensing fees.
- +£0.6 million - Additional recharge costs not previously budgeted for.
- +£0.3 million - Additional Insurance costs.
- +£1.9 million - Additional staff expenditure related the Housing and Consumer Standards Programme Board.

Special Services are reporting a £1.2 million positive variance in P4.

The main elements are underspends in the budgets for;

- £(1.2) million Communal Amenities – Lower than expected energy costs. Energy forecast this will continue to be monitored throughout the year.

Interest receivable £0.8 million positive variance in P4.

- £(0.8) million Interest Income – additional investment income receivable as a result of increased interest rates.

Rent Impairment £0.8 million adverse variance in P4.

- £0.8 million – additional bad debt provision.

Depreciation £1.4 million adverse variance in P4.

- £1.4 million additional depreciation – additional depreciation charge.

Council Tax £0.3 million adverse variance in P4.

- £0.3 million additional council tax – additional council tax charges for void properties.

Loss on disposal of assets £1.8 million adverse variance in P4.

- £1.8 million write off – Modulous project at Romney Avenue Write off as contractor has gone into liquidation.

Savings Delivery (General Fund)

No change to savings delivery at Period 4.

Section B: Risks and Opportunities

No change to risks and opportunities at Period 4.

Section C: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£386.6m	£258.8m	£33.1m	£252.6m	£(6.2)m

Key Messages:

No movement in forecast at Period 4.