

Appendix A2 – Homes & Housing Committee 2024/25 – P6 Budget Monitor Report

Section A: Revenue Budget Monitor

Housing & Landlord Services

	Revised Budget	Forecast Outturn	Outturn Variance
P06	£23.6m	£26.9m	£3.3m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
3.8m	5.4m	5.4m	4.7m	3.3m					
▼↓	▼↓		▲↑	▲↑					

Housing Revenue Account (HRA)

	Revised Budget	Forecast Outturn	Outturn Variance
P06	£151.0m	£165.2m	£14.2m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
3.6m	9.3m	12.5m	14.8m	14.2m					
▼↓	▼↓	▼↓	▼↓	▲↑					

Position by Division

Housing & Landlord Services

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Homes and Housing Delivery							
37 - Housing & Landlord Services	22,943	23,585	26,886	4,707	(1,405)	3,301	14.0%
Total Homes and Housing Delivery	22,943	23,585	26,886	4,707	(1,405)	3,301	14.0%

Housing Revenue Account (HRA)

Period 6 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at Q2/P5	Movement in forecast variance at P6	Forecast variance at P6	Forecast variance at P6
	£'000	£'000	£'000	£'000	£'000	£'000	%
Housing Revenue Account							
Total Housing Revenue Account	150,982	150,982	165,222	14,781	(541)	14,240	9.5%
Total Housing Revenue Account	150,982	150,982	165,222	14,781	(541)	14,240	9.5%

Key Messages:

Housing & Landlord Services

The Housing & Landlord division, at the end of Period 6, is reporting a forecast overspend of £3.3 million against a revised budget of £23.6 million (14%) 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

The Housing Revenue Account, at the end of Period 6, is reporting a forecast overspend of £14.2 million (shown in the table below). 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	(149.920)	(147.726)	2.195	(147.955)	0.230
Repairs & Maintenance	44.543	45.376	0.833	46.844	(1.468)
Supervision & Management	40.141	48.826	8.685	48.157	0.669
Special Services	14.238	13.210	(1.027)	13.181	0.029
Rents, rates, taxes and other charges	0.581	0.925	0.343	0.925	0.000
Depreciation and bad debt provision	33.045	35.235	2.190	35.235	0.000
Total expenditure - core services	132.548	143.571	11.023	144.341	(0.770)
Net cost of core HRA services	(17.373)	(4.155)	13.218	(3.614)	(0.541)

Net interest payable, pension costs and other non-operational charges	10.407	11.429	1.022	11.429	0.000
Capital expenditure funded from revenue	0.000	0.000	0.000	0.000	0.000
(Surplus) / Deficit for the year on HRA services	(6.966)	7.274	14.240	7.815	(0.541)
Transfer To/(From) from reserves	6.966	(7.274)	(14.240)	(7.815)	0.541
Net		0.000	0.000	0.000	0.000

	Revised Budget £	Approved Budget £
Income	(149,920,430)	(150,098,200)
Service Costs	132,547,600	132,725,370
Interest Costs	10,407,160	10,407,160
Transfer to reserves	(6,965,670)	(6,965,670)
Net Budget	-	-

Income is reporting a shortfall of £2.2 million at the end of P6 compared to budget. The main contributing factors to the negative variance are higher than expected void properties and lower than expected service charge income.

The forecast for **repairs & maintenance**, was running £0.8 million behind the budget at the end of P6. The main elements of overspends in the budgets for;

- +£0.8 million Response Repairs - overspend due to backlog of repair works from prior years.

The **supervision and management service** is running £8.7 million behind the budget at the end of P6. The main elements are overspending in the budgets for;

- +£4.2 million – delay in fire alarm project and other capital projects, and Barton House resource draw has resulted in additional Security/Waking watch costs.

This represents an extension of existing contracts totalling circa £3.8m, with a further £0.4m in relation to new arrangements as a precautionary measure at St. Judes.

In order to bring the installation of fire alarms back on track, the service are engaging proactively with contractors to ensure they meet performance requirements. In some instances, where performance has been below required levels, the contractor has been charged for the relevant waking watch costs. The service is further exploring the use of additional resource through the existing third party frameworks. At present, it is envisaged that a small budget will be required for 2025/26 of circa £0.3m, though this remains under review.

- +£0.3 million - Additional computer licensing fees.

- +£0.9 million - Additional recharge costs not previously budgeted for.
- +£0.3 million - Additional Insurance costs.
- +£2.3 million - Additional staff expenditure mostly related the Housing and Consumer Standards Programme Board.
- +£0.7 million - SHDF funding to be allocated to capital. Was previously recognised as revenue Income.

Special Services are reporting a £(1.0) million favourable variance in P6.

The main elements are underspends in the budgets for;

- £(1.0) 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 P6.

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

Rent Impairment £0.8 million adverse variance in P6.

- £0.8 million – additional bad debt provision.

Depreciation £1.4 million adverse variance in P6.

- £1.4 million additional depreciation – additional depreciation charge.

Council Tax £0.3 million adverse variance in P6.

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

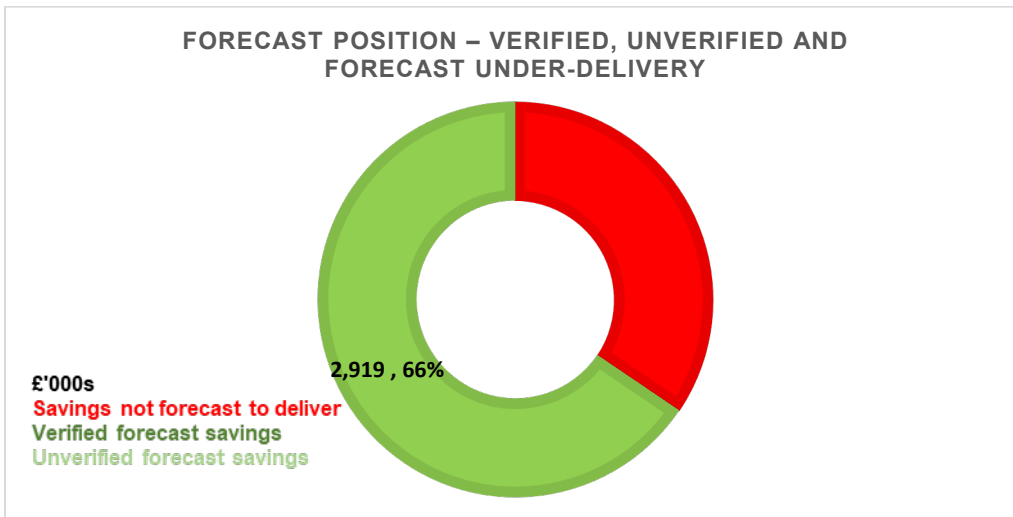
Loss on disposal of assets £1.8 million adverse variance in P6.

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

Savings Delivery (General Fund)

Homes and Housing Delivery					
BRAG	No. of Items	Plan £'000	Forecast £'000	Of Which Verified £'000	Variance £'000
Blue	-	1,535	1,535	1,535	-
Green	-	2,090	2,919	-	829
Amber	-	-	-	-	-
Red	-	25	-	-	25

Total	-	3,650	4,454	1,535	804
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List of forecast underdelivered savings

		Sum of Savings Forecast Variation to Plan 24/25 £000
Saving Name	Variation Explanation / Commentary	
5th Block contract	Expected to be rolled up into broader Tackling Homelessness savings.	(25)
		(25)

Section B: Risks and Opportunities

				P6		
				TOTAL NET RISK / (OPPORTUNITY)		(333)
Division	Committee	Risk or Opportunity	Description	Risk / (Opportunity) £'000	Likelihood	Net Risk / Opportunity £'000
Housing and Landlord Services	Homes and Housing Delivery	Risk	Temporary Accommodation Subsidy Loss	2,800	Medium Likelihood - Risk is likely to come to bear, mitigations are in place, but may require further clarifications and actions to deliver.	1,400
Housing Services - HRA	Homes and Housing Delivery	Risk	Additional Bad debt Provision	300	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear.	225

Housing Services - HRA	Homes and Housing Delivery	Risk	Additional Legal recharges	340	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear.	255
Housing Services - HRA	Homes and Housing Delivery	Opportunity	Increase in Leasehold Service Charges due to current estimates of final accounts	(550)	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear.	(413)
Housing Services - HRA	Homes and Housing Delivery	Opportunity	Capitalisation of repairs	(2,400)	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear.	(1,800)

Section C: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£386.6m	£224.6m	£64.0m 29% of Budget	£203.0m 92% of Budget	(£16.6m)

Scheme	Current Year (FY2024) - Period 6				Performance to budget	
	Revised Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
	£000s				%	
Planned Programme - Major Projects	73,557	28,579	69,864	(3,693)	39%	95%
New Build and Land Enabling	122,748	29,745	107,720	(15,027)	25%	91%
HRA Infrastructure	2,102	615	2,102	0	29%	100%
HRA Fleet Replacement Programme	200	0	200	0	0%	100%
Private Housing	4,494	1,639	4,494	0	36%	100%
Local Authority Housing Fund - Refugee Resettlement	2,057	112	2,057	0	5%	100%
Housing Delivery Programme	18,530	2,330	15,663	(2,866)	13%	85%
Community Investment Scheme (Lawrence Weston)	870	936	870	(0)	108%	100%
	224,558	63,956	202,971	(21,586)	29%	90%

Key Messages:

There is an overall current year forecast underspend of £21.6 million against the Capital Works Revised Budget of £224.6 million, with a year-to-date spend of £64.9 million (28%).

The capital budgets within Housing and Landlord Services are split between General Fund Housing and the HRA as follows:

	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
HRA	198,607	58,939	179,886	(18,720)	30%	91%
General Fund	25,951	5,017	23,084	(2866)	19%	89%
Total	224,558	63,956	202,971	(21,586)	29%	90%

Planned Programme

The Planned Programme is reporting a slippage of £3.7 million. The key variances are detailed below:

Slippages:

- £1.7 million slippage forecast on Night Storage Replacement. This reflects reduced target installation numbers on shelving ground source heat pump project.
- £2.4 million slippage forecast on HIP Contingency Budget to reflect plan to not spend any money from this pot in the current financial year.
- £0.4m slippage on Planned Programmes (Windows) due to postponement of work on Hillsborough until next financial year.
- £0.3 million slippage on Energy efficiency works (Easiforms) on account of delays to project works owing to the ongoing issues around access to the properties.
- £0.4 million slippage on Stock Conditions Surveys (for Damp & Mould) on account of reduction in current year work programme owing to QA concerns.
- Small variances on miscellaneous other schemes summing up to a net slippage of £0.2 million.

Overspend:

- £1.7 million overspend on Fire Alarm Installations arising from additional blocks added to the programme to curb high Waking Watch Costs. Any additional spend incurred will require further approvals and will be funded by grant income from the Waking Watch Relief Fund.

New Build and Land Enabling

The New Build and Land Enabling Programme is reporting a slippage of £15 million. The key variances are detailed below:

Underspend/Slippage:

- Lawrence Weston (£1.1m) – Forecast slippage based on estimated final cost now that the scheme is coming to a completion.

- Brentry (£0.4m) – Forecast slippage due to anticipated further delays whilst discussions and review with the contractors is ongoing.
- Filwood Cinema (£0.9m) - Reprofile of spend after receipt of updated delivery plan from the contractor to realign the forecast to the most updated position of work progress.
- 96-98 West Street (£1.1m) – Forecast slippage based on the latest cashflow from contractors.
- Marshall Walk (£0.4m) – Forecast slippage as dispute with the MMC contractor around vesting is causing delays to the programme.
- Airport Rd (£0.7m) – Underspend, including underused contingency budgets, forecast based on estimated final cost now that the scheme is coming to a completion.
- Hengrove Apartments (£3.8m) – Forecast slippage based on the latest cashflow from contractors.
- Hengrove Future Phases (£3.0m) – Forecast removed as BCC is not proceeding with the scheme.
- EDAROTH (£1.8m) - Forecast slippage based on the latest cashflow from contractors.
- Baltic Wharf (£2.0m) - Removal of previously forecast deposit payments as BCC is not proceeding with the scheme.
- Small variances on miscellaneous other schemes summing up to a net slippage of £0.9 million.

Reprofile project budget from future period/overspend:

- Greville (£0.7m) – Budget reprofiled from future year based on an updated cashflow received from the contractors.
- Bell Close (£0.4m) - overspend forecast based on an updated cashflow received from the contractors.

Housing Delivery Programme

The Housing Delivery Programme is reporting a slippage of £2.8 million. The key variances are detailed below:

Slippages:

- Filwood Framework - Cultural Hub (£0.3m) – Forecast slippage based on updated estimates as works now expected to commence mid Jan 2025.
- Enabling Works for Bath Road site (£0.3m) – Forecast slippage due to level of confidence affected by negative land release fund decision.
- Southmead Regeneration Masterplan Framework (£2.1m)- Forecast reprofiled after further discussions with SDT re expenditure up to 14/10/24 and assessing the maximum SCIL expenditure in FY24/25 to be around £0.2 million.
- Small variances on miscellaneous other schemes summing up to a net slippage of £0.1 million.