

Appendix A3 – Homes & Housing Committee 2024/25 – P10 Budget Monitor Report

Section A: Revenue Budget Monitor

Housing & Landlord Services

	Revised Budget	Forecast Outturn	Outturn Variance
P10	£24.0m	£27.2m	£3.2m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
£3.8m	£5.4m	£5.4m	£4.7m	£3.3m	£3.5m	£3.4m	£3.4m	£3.2m	
▼↓	▼↓		▲↑	▲↑	▼↓	▲↑		▲↑	

Housing Revenue Account (HRA)

	Revised Budget	Forecast Outturn	Outturn Variance
P10	£151.0m	£163.1m	£12.1m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
£3.6m	£9.3m	£12.5m	£14.8m	£14.2m	£13.8m	£13.2m	£13.2m	£12.1m	
▼↓	▼↓	▼↓	▼↓	▲↑	▲↑	▲↑		▲↑	

Position by Division

Housing & Landlord Services

Period 10 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at P8/P9	Movement in forecast variance at P10	Forecast variance at P10	Forecast variance at P10
	£'000	£'000	£'000	£'000	£'000	£'000	%
<u>Homes and Housing Delivery</u>							
37 - Housing & Landlord Services	22,943	24,038	27,215	3,348	(171)	3,177	13.2%
Total Homes and Housing Delivery	22,943	24,038	27,215	3,348	(171)	3,177	13.2%

Housing Revenue Account (HRA)

Period 10 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Forecast variance at P8/P9	Movement in forecast variance at P10	Forecast variance at P10	Forecast variance at P10
	£'000	£'000	£'000	£'000	£'000	£'000	%
Housing Revenue Account							
Total Housing Revenue Account	150,982	150,982	163,059	13,228	(1,151)	12,077	8.0%
Total Housing Revenue Account	150,982	150,982	163,059	13,228	(1,151)	12,077	8.0%

Key Messages:

Housing & Landlord Services

The Housing & Landlord division, at the end of Period 10, is reporting a forecast overspend of £3.2 million against a revised budget of £24.0 million (13.2%) 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 10, is reporting a forecast overspend of £12.1 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)	(148.186)	1.734	(147.805)	(0.381)
Repairs & Maintenance	44.543	44.572	0.029	45.757	(1.185)
Supervision & Management	40.141	49.326	9.185	48.355	0.970
Special Services	14.238	12.948	(1.290)	12.650	0.298
Rents, rates, taxes and other charges	0.581	0.912	0.331	0.912	(0.000)
Depreciation and bad debt provision	33.045	35.235	2.190	35.235	0.000
Total expenditure - core services	132.548	142.992	10.446	142.909	0.084

Net cost of core HRA services	(17.373)	(5.194)	12.180	(4.897)	(0.297)
Net interest payable, pension costs and other non-operational charges	10.407	10.304	(0.103)	10.304	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)	5.110	12.077	5.407	(0.297)
Transfer To/(From) from reserves	6.966	(5.110)	(12.077)	(5.407)	0.297
Net		0.000	0.000	0.000	0.000

	Revised Budget	Approved Budget
Income	(149.920)	(150.098)
Service Costs	132.548	132.725
Interest Costs	10.407	10.407
Transfer to reserves	(6.966)	(6.966)
Net Budget	-	-

Income is reporting a shortfall of £1.7 million at the end of P10 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 and maintenance** is running £0.03 million behind the budget at the end of P10. The main elements of overspends in the budgets for;

- +£1.63 million Response Repairs - overspend due to backlog of repair works from prior years, offset by £1.6 million capitalisation.

The **supervision and management service** is running £9.2 million behind the budget at the end of P10. The main elements are overspending in the budgets for;

- +£5.1 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 £3.8 million, with a further £1.3 million in relation to new arrangements as a precautionary measure at St. Jude's.

In order to bring the installation of fire alarms back on track, the service is engaging pro-actively 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. Budgetary provision of £2.0m for 2025/26 has been allocated by EDM.

- +£0.3 million - Additional computer licensing fees.
- +£0.9 million - Additional recharge costs not previously budgeted for.
- +£2.1 million - Additional staff expenditure mostly related to the Housing and Consumer Standards Programme Board.
- +£0.8 million - SHDF funding to be allocated to capital. Was previously recognised as revenue Income.

Special Services are reporting a £(1.3) million favourable variance in P10.

The main elements are underspends in the budgets for;

- £(1.3) million Communal Amenities – Lower than expected energy costs. Energy forecast this will continue to be monitored throughout the year.

Interest receivable £(0.4) million positive variance in P10.

- £(0.4) million Interest Income – additional investment income receivable as a result of increased interest rates.

Interest payable £(1.4) million positive variance in P10.

- £(1.4) million Interest payable – reduction in interest payable as a result of reduced borrowing in year.

Rent Impairment £0.8 million adverse variance in P10.

- £0.8 million – additional bad debt provision.

Depreciation £1.4 million adverse variance in P10.

- £1.4 million additional depreciation – additional depreciation charge.

Council Tax £0.3 million adverse variance in P10.

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

Loss on disposal of assets £1.8 million adverse variance in P10.

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

Savings Delivery (General Fund)

Homes and Housing Delivery					
Spread of Risk	No. of Items	Plan £'000	Forecast £'000	Of Which Verified £'000	Variance £'000
Blue	3	1,535	1,535	1,535	-
Green	6	2,944	3,619	-	675
Amber	-	-	-	-	-
Red	-	-	-	-	-
Total	9	4,479	5,154	1,535	675

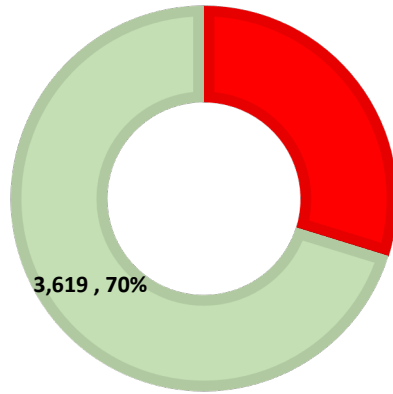
FORECAST POSITION – VERIFIED, UNVERIFIED AND FORECAST UNDER-DELIVERY

£'000s

Savings not forecast to deliver

Verified forecast savings

Unverified forecast savings



Section B: Risks and Opportunities

P10					
TOTAL NET RISK / (OPPORTUNITY)					525
Division	Risk or Opportunity	Description	Risk / (Opportunity) £'000	Likelihood	Net Risk / Opportunity £'000
HRA	Risk	Increase in Insurance premiums	700	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear)	525

Section C: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£386.6m	£170.2m	£115.7m 68% of Budget	£158.4m 93% of Budget	£(11.8)m

Gross Expenditure by Programme		Current Year (FY2024) - Period 10				Performance to budget	
		Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
Ref	Scheme	£000s				%	
Homes and Housing Delivery							
HRA1	Planned Programme - Major Projects	69,712	51,765	68,276	(1,436)	74%	98%
HRA2	New Build and Land Enabling	73,985	49,259	69,806	(4,179)	67%	94%
HRA4	HRA Infrastructure	2,102	1,134	2,102	0	54%	100%
HRA6	HRA Fleet Replacement Programme	200	2	200	0	1%	100%
NH07	Private Housing	6,439	2,921	5,135	(1,304)	45%	80%
PE06C	Local Authority Housing Fund - Refugee Resettlement	2,732	1,810	1,933	(799)	66%	71%
PL30	Housing Delivery Programme	14,133	7,899	10,051	(4,082)	56%	71%
PL34	Community Investment Scheme (Lawrence Weston)	936	937	936	0	100%	100%
Total Homes and Housing Delivery		170,240	115,728	158,440	(11,800)	68%	93%

Key Messages:

There is an overall current year forecast underspend of £(11.8) million against the Capital Works Revised Budget of £170.2 million, with a year-to-date spend of £115.7 million (68%).

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	145,999	102,161	140,384	(5,615)	70%	96%
General Fund	24,240	13,567	18,055	(6,185)	56%	74%
Total	170,239	115,727	158,439	(11,800)	68%	93%

HRA 1 - Planned Programme

The Planned Programme is reporting a slippage of £(1.4) million. Key variances are:

Underspend/Slippage:

- Ropewalk House £(0.3)million - forecast slippage due to delays in tender award
- Walwyn Garden £(0.8)million - forecast slippage due to delays in works progress caused by issues around loft shaft and drainage and also to some extent slower than expected pace of work on the part of the contractor
- Beaufont House £(0.5)million - forecast slippage due to delays caused by the contractor's Building Safety Regulation (BSR) application being rejected. A revised application is being worked on.
- Fire Alarm Installations £(0.7)million - forecast slippage arising on alignment of forecasts to the most updated status of progress on the scheme
- Windows - Cityleap £(0.5)million - forecast slippage arising on alignment of forecasts to the most updated status of progress on the scheme

Forward Slippage/Overspend:

- Bishport Major Works £0.3million - Forward slippage arising due to additional costs on windows and cladding arising from the fire damage to the flat. The additional cost is being contained within the total budget for the timeframe.
- Major Adaptation £1.1million - Forward slippage to cover for the higher than previously anticipated adaptation cases in this demand led workstream.

HRA2 - New Build programme

The New Build and Land Enabling Programme is reporting a slippage of £(4.2) million. Key variances are:

Underspend/Slippage:

- Brunel Ford £(0.3)million – forecast slipped on scheme being delayed due to challenges including scheme costs coming much higher than approved budget. Decision made by HSLT and the Executive Director to proceed with the scheme. Work is now progressing and we are expected to commence a restart of the construction works in April/May 2025.
- Branwhite £(0.6)million – forecast slippage due to delays arising from illegal encampment on site. The site is in contractor's control and work has now commenced on site.
- Bentry £(0.5)million – forecast slippage based on the contractor advising of project delays on account of various factors including slower response on Section 38 (Highways) and street lighting advice matters. Contractor is aware that BCC will be claiming LAD's under the contract once practical completion has been achieved.
- Filwood Cinema £(1.6)million – forecast updated to align to the most recent status of the scheme's progress.
- Cedar House £(0.8)million – forecast slippage owing to various delays including a review of fire strategy that resulted in the need for additional works. LAD's are being claimed from the contractor for unauthorised delay to the programme
- Romney House – Developer led (Goram/Vistry) £(1.0)million – forecast slipped on account of further delays on site. We are waiting to get a new works programme and cashflow forecast from the developer.
- Cameron Centre £(0.9)million – forecast slippage arising from scheme delays caused by issues in gaining vacant possession.

- Site Feasibility & Conversions £(0.3)m – forecast slippage arising on account of time to be needed for getting vacant possession of the properties and completing their appropriation from the General Fund.
- Other smaller downward adjustments to forecasts made on the below schemes to align to anticipated full year spend outturn based on most recent progress level and other relevant factors:
 - Conversion Project £(0.2)m
 - Bell Close £(0.2)m
 - 96-98 West Street £(0.2)m
- Various other small slippage/forward slippage arising on alignment of forecast to the spend to date and other relevant factors, summing up to a net slippage of £(0.3) million.

Forward Slippage/Overspend:

- Leinster Avenue £0.5million - Forward slippage to align to the most recent anticipated full year spend based on an updated estimate in light of progress of works to date.
- Lawrence Weston and New Kingsland £0.8m– now the scheme is complete, forecast updated to account for all other payments that will be made within 2024/25 except for the final retention money.
- EDAROTH £1million - forward slippage to align with revised 24/25 spend estimates given the planning approval has now been achieved.
- Acquisition Programmes £0.4million – forward slippage to adjust the full year forecast to the latest status of progress on the programme. A significant slippage of forecasts on these schemes had been recorded in the previous periods.

NH07 - Private Housing

This programme is reporting a slippage of £(1.3) million. This is on Mandatory DFG Adaptation due to revision of forecasts based on assessment of spend to date and additional works anticipated to be carried out by the end of the year in this demand led workstream.

PE06C - LAHF Refugee Resettlement

This programme is reporting a slippage of £(0.8) million. This is made up of:

- LAHF Afghan Resettlement £(0.1)million - Forecast slippage to next year to reflect anticipated slippage of acquisition of one unit into that year.
- LAHF Round 3 £(0.7)million - Forecast slippage to next year as unlikely to be spent this year given the withdrawal of interest by ACH and CURO still considering whether they can do it.

PL30 - Housing Delivery Programme

The Housing Delivery Programme is reporting a slippage of £(4.1) million. The key variances are detailed below:

Slippages:

- Filwood Framework - Re-Create Filwood Public Realm £(0.5)million – Slippage arising from realignment of forecasts to reflect delays to QA4 process. The delay has been agreed by MHCLG.
- Filwood Framework – Cultural Hub £(0.4)million - Slippage
- Registered Provider Grant £(0.3)million -Slippage
- Enabling Works for Bath Road site £(0.6)million – Forecast slippage due to level of confidence affected by negative land release fund decision.

- Hengrove Workpackage 3 £(2.5)million - Forecast slipped as actual delivery progress has been slower due to a number of factors including delays in planning consent process and delays in agreeing and mobilising Goram's programme of works with their delivery partner (Vistry) and sub-contractors.
- Small variances on miscellaneous other schemes summing up to a net forward slippage of £0.2 million.