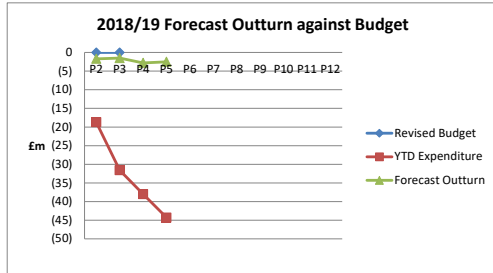


a: 2018/19 Summary Headlines

	Revised Budget	Forecast Outturn	Outturn Variance
P4	£0m	(£2.8m)	(£2.8m)
P5	£0m	(£2.5m)	(£2.5m)

b: Budget Monitor

1. Overall Position and Movement



Month	Variance (£m)
Revised budget	£0m
May	(1.7)
Jun	(1.5)
Jul	(2.8)
Aug	(2.5)
Sep	
Oct	
Nov	
Dec	
Jan	
Feb	
Mar	

2. Revenue Position

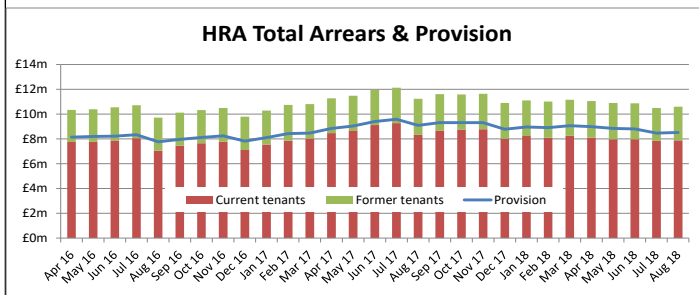
Revenue position by category	2018/19 Revised Budget (£m)	Forecast Outturn @ P5 (£m)	Forecast Outturn @ P4 (£m)	Forecast Movement P4 to P5 (£m)
Income	-119.910	-119.672	-119.752	0.080
Repairs & Maintenance	32.092	30.595	30.457	0.138
Supervision & Management	27.408	26.891	26.812	0.079
Special Services (Rechargeable)	8.555	7.887	7.886	0.001
Rents, Rates, etc	1.874	1.864	1.865	-0.001
Capital Funded from Revenue, Interest and Depn	49.980	49.980	49.980	0.000
(Surplus)/Deficit on the HRA	-0.001	-2.455	-2.752	0.297

4. Key Messages

Overall a forecast surplus of £2.5m forecast at P5 a decrease of £0.3m compared to P3, explanation of key variances is as follows:

- Repairs & Maintenance – Spend with our principle external response repair contractor is lower than expected due to poor performance (£1m). A performance improvement plan has been implemented aimed at increasing delivery, lower forecast spend on mechanical and electrical maintenance as a result of benefits of new contract being realised (£473k) offset by an increased forecast spend on stair lift repairs (£181k)
- Supervision and Management - There are a number of vacancies across the HRA that are proving difficult to fill, the current forecast reflects a similar level of vacancies to remain for the whole of year.
- Special Services – There are a number of rechargeable services including district heating and communal amenities that are forecasting an underspend at this point in the year. There is a review of service charges underway that may lead to a reduction in charges to tenants; once the review has been completed any adjustments to income will be made.

3. Debt Position



Arrears to the end of August remain at c£10.6m with a provision of £8.5m to account for any doubtful debt

c: Risks and Opportunities

Risk	Key Causes	Key Consequence	Key Mitigations
Implementation of Universal Credit	Changes to rent policy and welfare benefit reform reducing income, Universal credit full service roll out from June and September 2018, to estimated 1500 tenants.	Estimated impact on rent arrears of between £32k to £200k	Universal Credit response plan including raising awareness of change for tenants, developing assessment of readiness and identification of tenants needing support to get ready or make transition. Income Collection Policy being reviewed to promote rent first approach which will reset rent payment culture for tenants, staff and partnership agencies. Joint cross service steering group for continuing development and delivery of corporate UC response action plan.
Impact of Grenfell enquiry outcomes	Additional works as a result of Grenfell enquiry outcomes, or the outcomes of independent fire safety checks on clad blocks; public /political pressure to install sprinklers.	Lack of ability to deliver planned services, requirement to cut spending plans / reduce services, impact on New Build programmes	Need to retain flexibility in capital programme to meet outcomes of Grenfell enquiry that does not result in disruption to the rest of the programme.
Repayment of Right to Buy Receipts	Lack of any forward plan to use RTB receipts	Loss of funding to support capital investment in new stock	Develop a forward programme to utilise RTB receipts thereby reducing the amount to be repaid. This responsibility is shared with the Housing Delivery Team as they are responsible for new build. There is a remaining requirement for the Strategic Director for Communities to be informed about spend and to support the planning of the spend.

d: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£47.0m	£47.1m	£9.6m	£43.2m	(£3.9m)
		15% of budget	74% of budget	

		Current Year (2018)				Performance to budget	
		Budget	Expenditure to Date	Forecast	Variance	Exp endi	For eca
Gross expenditure by *Programme & Scheme		£000s				%	
<i>* Programmes may cross division. The data below relates to the named division only</i>							
13612	Capital - Professional Charges - Planned	752	0	752	0	0%	100%
13613	Capital - Professional Charges - SP&G	841	0	801	(39)	0%	95%
13614	Capital - Capitalised Works	3,754	601	3,663	(91)	16%	98%
13615	Capital - Disabled Adaptations	1,854	741	2,264	410	40%	122%
13616	Capital - Investment In Blocks - Planned	9,645	705	8,639	(1,006)	7%	90%
13618	Capital - Miscellaneous Schemes	236	23	206	(30)	10%	87%
13619	Capital - Neighbourhood Investment Projects	600	22	600	0	4%	100%
13620	Capital - New Build / Land Enabling Works	15,925	4,274	15,875	(50)	27%	100%
13621	Capital - Planned Programme	13,449	3,211	10,389	(3,060)	24%	77%
14595	Capital: New Housing Management System	0	0	0	0		
HRA1	Housing Revenue Account (HRA)	47,056	9,577	43,190	(3,866)	20%	92%

Key Messages:

- The service will be taking a more strategic approach going forward. Savills have been commissioned to give advice on the investment programme to enable a more detailed 5-year programme to be set up with consequent improvements on the procurement of the programme.
- Adaptations - demand lead area, there is a review of policy due to review this area
- Blocks -(£1m) forecast underspend due to: Communal Rewire budget £500K set aside for possible additional emergency lighting works as part of our contingency planning post Grenfell- not yet clear we will need to spend this. Also £1m repairs to cladding set aside, and most -£650K- may not be needed until next year after we know the results of the independent checks; also major works to blocks projects - some carried forward from last year due contractors and winter causing delays resulting in overspend offset by some delayed starts leading to less budget required this year. Delays due to lengthy approval / tendering difficults, lengthy approvals process, and staff issues.
- Planned Programme - (£3m) due to £1.2m underspend relating to Kitchen installs - change in contractor who will now only be providing a lower number before contract ends and new contractor takes over. There may be mobilisation issues. £0.9m due to underspends in heating partnership - now working through the 'hard to access' taking longer plus new contract is now at a lower price than envisaged when setting the budget. used so now forecast has been reduced
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Will be update when housemark benchmark information is available.