

a: 2018/19 Summary Headlines

	Revised Budget	Forecast Outturn	Outturn Variance
P7	£0m	(4.303m)	(£4.303m)
P8	£0m	(£5.743m)	(£5.743m)

b: Budget Monitor

1. Overall Position and Movement

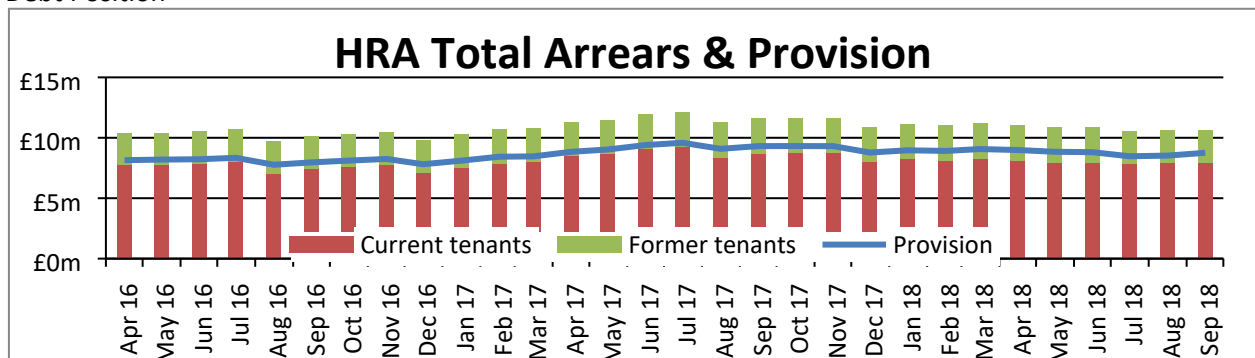
The forecast revenue underspend has increased marginally compared to Period 7.

Forecast Outturn Variance 2018/19											
£m											
Revised budget £0m	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	(1.7)	(1.5)	(2.8)	(2.5)	(3.7)	(4.4)	(5.7)				
	▼	▲	▼	▲	▼	▼	▼				

2. Revenue Position

Revenue position by category	2018/19 Revised Budget £m	Forecast Outturn @ P8 £m	Forecast Variance @ P7 £m	Forecast Movement P7 to P8 £m
Income	-120.025	-121.097	-121.038	-0.059
Repairs & Maintenance	32.092	28.663	29.288	-0.625
Supervision & Management	27.408	27.278	27.940	-0.662
Special Services (Rechargeable)	8.555	7.855	7.890	-0.035
Rents, Rates, etc	1.874	1.579	1.579	0.000
Capital Funded from Revenue, Interest and Depn	49.980	49.98	49.980	0.000
(Surplus)/Deficit on the HRA	-0.116	-5.742	-4.361	-1.381

3. Debt Position



4. Key Messages

Overall a surplus of £5.7m forecast at P8 an increased surplus by £1.4m compared to P7. The main reasons for the movement are:

- An additional £0.8m of salary costs are to be capitalised reflecting work on the capital programme
- A further reduction in spend on repairs and maintenance due to continual issues with external contractor and savings within the internal work force team

An explanation of key variances from Period 7 is as follows:

- Income – No significant variation
- Repairs and Maintenance - EOY forecast position firmed up since P7. Largest underspend due to poor performance from external contractor - improvement plan agreed and being monitored.
- Supervision and Management – Savings on employee costs including vacancies pending recruitment

There is an action plan in place that has reviewed all aspects associated with the reported HRA surplus for 2017/18 to ensure that there is no repetition of the large unforeseen movements.

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.

d: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£39.2m	£39.2m	£18.3m	£39.5m	(£0.3m)
		47% of budget 47% of forecast	101% of budget	

	Budget	Exp to Date	Forecast	Variance	Exp to date	Forecast
	£000s				%	
Capital - Professional Charges - Planned	752	0	1,613	861	0%	214%
Capital - Professional Charges - SP&G	801	0	801	0	0%	100%
Capital - Capitalised Works	3,840	1,711	3,843	3	45%	100%
Capital - Disabled Adaptations	2,164	1,219	2,164	0	56%	100%
Capital - Investment In Blocks - Planned	7,515	1,560	7,186	(328)	21%	96%
Capital - Miscellaneous Schemes	206	40	206	0	19%	100%
Capital - Neighbourhood Investment Projects	600	162	600	0	27%	100%
Capital - New Build / Land Enabling Works	12,175	7,155	12,175	0	59%	100%
Capital - Planned Programme	10,055	6,479	9,855	(200)	64%	98%
Capital: New Housing Management System	1,100	0	1,100	0	0%	100%
Capital - Planned Other	0	14	0	0		
Housing Revenue Account (HRA)	39,209	18,339	39,544	335	47%	101%

Following rebasing of the 2018/19 capital programme.

Planned Professional Other: This forecast overspend is a budget realignment to reflect the correct level of capitalisation. This relates to staff that can be capitalised against these projects.

Blocks and planned (also major repairs to blocks)

One tender return less than envisaged, and a delayed start time from winning bidder. Another tender period extended, meaning a later forecast start on site.