

**a: 2019/20 Summary Headlines**

	Revised Budget	Forecast Outturn	Outturn Variance
P4	£0m	£0.0m	£0.0m
<b>P5</b>	<b>£0m</b>	<b>£0.0m</b>	<b>£0.0m</b>

**b: Budget Monitor**

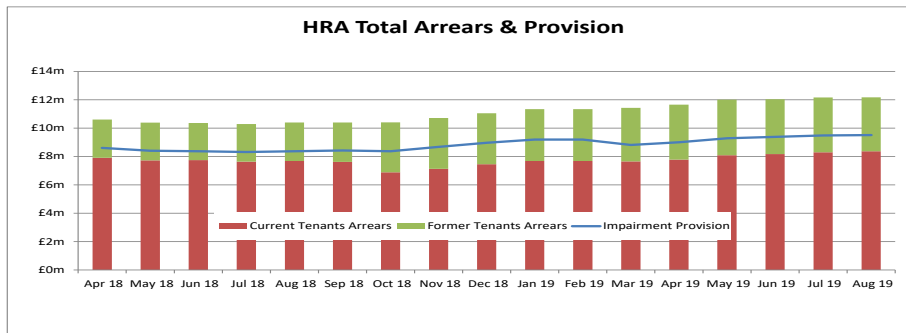
**1. Overall Position and Movement**

Forecast Outturn Variance 2019/20											
£m											
Revised budget	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
£0m	(2.4)	(0.2)	0.0	0.0							
	▼	▼	▼	▼							

**2. Revenue Position – Income and Expenditure**

Revenue Position by Category	2019/20	Forecast	Forecast	Forecast Movement	Budget Movement
	Revised Budget	Outturn P5	Variance P5	P4 to P5	P4 to P5
	£m	£m	£m	£m	
Income	(122.6)	(121.0)	1.7	0.5	(0.1)
Repairs and maintenance	30.6	31.2	0.6	0.4	1.1
Supervision and Management	29.5	28.9	(0.6)	0.7	0.5
Special Services (Rechargeable)	9.0	8.9	(0.1)	(0.4)	0.2
Rents, Rates, Taxes and other charges	1.8	0.7	(1.1)	(0.4)	(1.0)
Depreciation, Revenue funded capital, Interest payable and bad debt provision	51.7	51.3	(0.5)	(0.9)	(0.7)
<b>(Surplus)/Deficit on HRA</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>

**3. Debt Position**



Following implementation of the Civica system, there will be a focus on reducing the level of bad debt during 2019/20, with an initial planned review of all debts over five years old.

**4. Key Messages**

- The HRA budget was realigned for P5. Allocations are currently forecast to underspend significantly, these will be reviewed in detail during the year to ensure that any budgeted internal recharges remain appropriate.
- The forecast on income has been revised as the number of units is less than the original budgeted level.
- There are recruitment and retention issues in the Construction industry generally, and the service is seeking to fill vacancies in order to ensure maximum delivery of the planned programme. If there continues to be a significant level of vacancies this may contribute to a surplus position at the year end as there is no turnover provision within the budget. The service will look to use consultants and other frameworks to deliver if necessary to mitigate against this.
- In order to maximise delivery of the HRA Housing Investment Programme during 2019/20, the service will overprogramme, reduce contingencies and seek to avoid delays in procurement processes where possible, hence the forecast on repairs and maintenance is now to budget following the decision to capitalise the fire door work.

### c: Risks and Opportunities

Risk	Key Causes	Key Consequence	Key Mitigations
<b>Implementation of Universal Credit</b>	Risk deferred as roll out delayed by Government.		
<b>Impact of Grenfell enquiry outcomes</b>	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.	This could cost up to £25m if a complete programme is required.	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.
<b>Zero Carbon Target</b>		May be required to retro fit and ensure compliance for new builds.	City Leap may enable innovative solutions and funding to be identified.
<b>Relets contracts</b>	One contract has recently been cancelled and another is in special measures.	Potential for increased cost of new contract or delay in delivery and reduced costs.	Any variation to be managed within overall repairs and maintenance programme budget.
<b>Employees</b>	Due to current market conditions it is difficult to fill vacancies.	If vacancies are not filled then this may impact on the delivery of the programme and result in underspend against salary budgets.	The service will use consultants and frameworks to maintain delivery of works.
<b>Paint Programme and Electrical Works</b>	Some tenders are greater than originally estimated and additional costs are forecast.	There is a potential overspend of £0.5m for 2019/20.	It is anticipated that this will be offset by underspends in other areas.

### d: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
<b>£51.8m</b>	<b>£51.8m</b>	<b>£13.5m</b>	<b>£50.3m</b>	<b>(£1.5m)</b>
P4 2018/19 figures	Budget £47.1m	26% of budget Expenditure £9.6m 20%	97% of revised budget Outturn £36.7m	

Gross expenditure by Programme			Current Year (FY2019)				Performance to budget	
Ref	Scheme	Description	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
							%	
<b>Housing Revenue Account</b>							<b>£000s</b>	
HRA1	Planned Programme - Major Projects	Programme includes major refurbishments and external improvements to existing assets.	10,631	2,960	10,273	(358)	28%	97%
HRA2	New Build and Land Enabling	Planned programme to deliver new housing stock.	21,117	7,294	20,614	(503)	35%	98%
HRA3	Building Maintenance and Improvements	Planned and cyclical repairs and maintenance including accessible improvements to existing assets.	20,084	3,260	19,409	(676)	16%	97%
<b>Total Housing Revenue Account</b>			<b>51,832</b>	<b>13,514</b>	<b>50,296</b>	<b>(1,536)</b>	<b>26%</b>	<b>97%</b>

#### Key messages:

The HRA has a 30 year business plan and any planned capital works which are delayed, such as those due to the failure of two major contractors late in 2018/19, will still be required to be delivered in later years.

The service successfully mitigated the collapse of a kitchen contractor by arranging a contract with Mispac in order to minimise delay in the planned programme.