

a: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance	Of which :	
				Covid	Non Covid
P06	£(0.0m)	£(3.5m)	£(3.5m) underspend	£3.0m	£(6.5m)
P05	£0.0m	£(1.6m)	£(1.6m) underspend	£3.0m	£(4.6m)

Forecast Outturn Variance by month £m									
May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
(0.0)	(1.0)	(0.9)	(1.6)	(3.5)					
	▲	▼	▲	▲					

Revenue Position – Income and Expenditure

HRA Income and Expenditure	2020/21 - Full Year			P6 Forecast Variance		Movement vs P5: Increase/(Decrease)		
	Revised Budget £000	Forecast Outturn £000	Revised Outturn Variance £000	COVID £000	Non COVID £000	COVID £000	Non COVID £000	Total Movement £000
Dwelling rents	(113,276)	(115,356)	(2,080)	0	(2,080)	0	(1,632)	(1,632)
Voids	1,200	1,524	324	0	324	0	2	2
Non-dwelling rents	(950)	(963)	(14)	0	(14)	0	(130)	(130)
Charges for services and facilities	(8,353)	(8,628)	(274)	0	(274)	0	(42)	(42)
Contributions towards expenditure	(80)	(12)	69	0	69	0	13	13
TOTAL INCOME	(121,458)	(123,434)	(1,976)	0	(1,976)	0	(1,790)	(1,790)
Repairs & Maintenance	32,513	29,933	(2,580)	0	(2,580)	0	(253)	(253)
Supervision & Management	31,237	30,332	(905)	960	(1,865)	0	163	163
Special Services	9,719	9,704	(15)	0	(15)	0	53	53
Rents, rates, taxes and other charges	1,189	1,206	17	0	17	0	(44)	(44)
Depreciation & impairment of non-current assets	28,867	28,867	0	0	0	0	0	0
Debt management	41	41	0	0	0	0	0	0
Movement in the allowance for bad debts	1,783	3,783	2,000	2,000	0	0	0	0
TOTAL EXPENDITURE	105,349	103,866	(1,483)	2,960	(4,443)	0	(80)	(80)
NET COST OF HRA SERVICES	(16,110)	(19,569)	(3,459)	2,960	(6,419)	0	(1,871)	(1,871)
Net interest payable, pension costs and other non operational charges	10,344	10,344	0	0	0	0	2	2
Capital Expenditure Funded From The HRA	5,766	5,766	0	0	0	0	0	0
SURPLUS FOR THE YEAR ON HRA SERVICES	0	(3,459)	(3,459)	2,960	(6,419)	0	(1,869)	(1,869)

Key Messages

HRA is a ring-fenced budget, therefore the £3.0m pressure forecast due to COVID is anticipated to be offset against an underspend of of £6.4m from delays in recruitment and the repair and maintenance programme due to COVID. The overall forecast for the HRA is an underspend of £3.5m which if materialises will be transferred to the HRA reserve at the year end.

The forecast underspend has increased from P5 due to additional income forecast on dwelling rents. This mainly consists of additional income relating to Temporary Accommodation, new units and relets.

b: Risks and Opportunities

Risk	Key Causes	Key Consequence	Key Mitigations
Implementation of Universal Credit (UC) and increased number	UC continues to be a risk with increased monthly migrations	Arrears for this group increasing- increase in claimants over 9	New UC Team Leader role Focussed day to day case work Use of Managed Payments

of claimants following Covid	increasing by around 200	months from 31 March 2019 by 1400 with a £1m increase in UC arrears	All team training on UC management Closer working with DWP and issue log developed
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	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
Zero Carbon Target		May be required to retro fit and ensure compliance for new builds	City Leap may enable innovative solutions. Funding is yet to be identified for this work
Increase in income arrears and unable to spend Right to Buy receipts within designated timeframe	Impact of Covid-19 social distancing and economic disruption	Impact on the ability to development new stock and to progress the Housing Investment Programme	Monitor impact of Covid on 2020/21 budget and 30 year business plan and develop action plan for recovery including use of Rentsense to target arrears
Covid Second Wave / further lockdown or access issues to properties following Covid		Further delay to planned work programme	Continue to develop safe working practices maintaining social distancing, reprioritise work that can be done
Impact of Brexit	Potential disruption to supply of materials / labour	Delays to planned programme work	Reprioritise work that can be done

c: Capital

Approved Budget £83.0m	Revised Budget £83.0m	Expenditure to Date £12.1m 15% of Budget	Forecast Outturn £50.1m 60% of budget	Outturn Variance (£32.8m)
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Gross expenditure by Programme		Current Year (FY2020)				Change from previous forecast	Analysis v Budget							
Ref	Scheme	Budget	Budget Manager Forecast	Variance based on budget manager forecast	%		Expenditure	Current Year	Total Scheme	Expenditure + Commitments	Total Scheme	Run Rate	Current Year	
		£000s	£000s	£000s	%	£000s	%	%	£000s	%	£000s	%		
Housing Revenue Account														
HRA1	Planned Programme - Major Projects	12,587	7,122	(5,465)	-43%	↑	1,672	13%	13%	1,673	13%	3,344	27%	
HRA2	New Build and Land Enabling	43,378	27,233	(16,146)	-37%	↓	4,936	11%	11%	5,878	14%	9,872	23%	
HRA3	Building Maintenance and Improvements	21,026	15,292	(5,733)	-27%	↓	5,350	25%	2%	5,388	2%	10,701	51%	
HRA4	HRA Infrastructure	6,000	524	(5,476)	-91%	↔	186	3%	3%	224	4%	372	6%	
Total Housing Revenue Account		82,991	50,171	(32,820)	-40%		12,144	15%	3%	13,162	4%	24,289	29%	

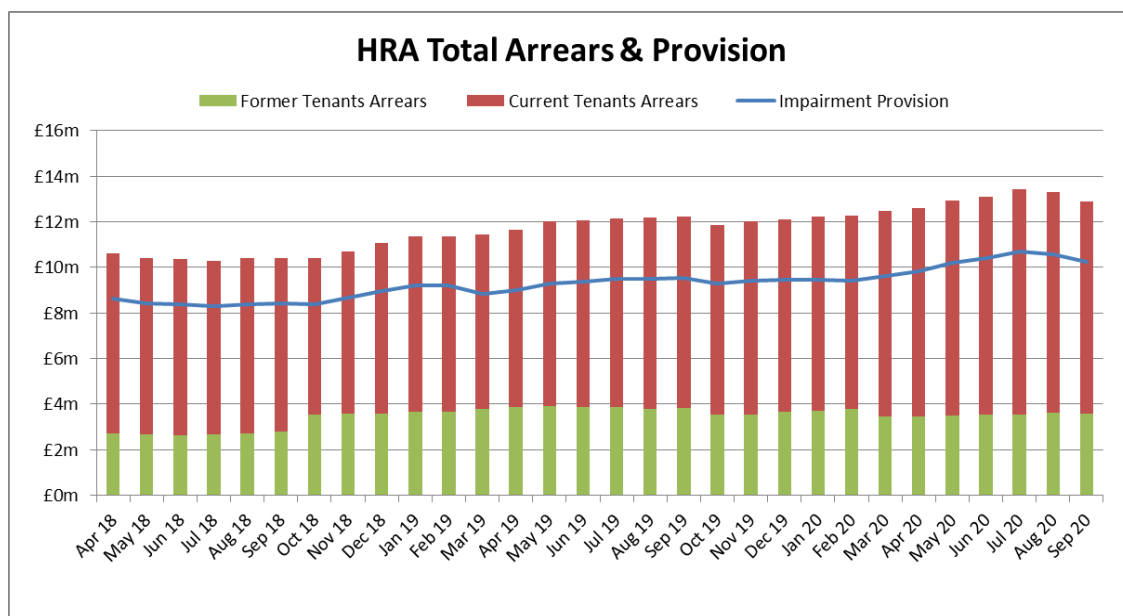
Planned Programme – Major Projects the underspend of £5.5m is due to Covid restrictions with limited access to homes for prolonged periods. The forecast is based on starting works when working arrangements can be made safe and there is now a reduction in planned activity for the year.

New Build and Land Enabling – forecast underspend (£16.1m). Despite the negative impact of Covid on the Councils ability to achieve its Housing Delivery Targets for this year, there remains a high degree of confidence that significant progress can be made. Several schemes have progressed through the planning process, to ensure that build can be commenced at the earliest available opportunity. However, as the year progresses and the status of schemes are regularly reviewed, some have been identified as at risk. As approved by Cabinet in October, some of the slippage will be used to fund additional acquisitions within the current capital programme to take advantage of opportunities that may arise.

Building Maintenance and Improvements – forecast underspend (£5.7m). The planned work has also been affected by Covid, though for relets changes in standards have also impacted on the numbers and spend on kitchens, rewires and bathrooms. (£4.8m) of the underspend has been due to delays on major refurbishment as tenders were not released due to Covid.

HRA Infrastructure – The Sandy Park project has been delayed due to Covid and will be reprofiled within the capital programme.

d: Aged Debt



Since lockdown on the 23rd of March, there has been a marked increase in the level of rent arrears, as well as an increase in the number of claimants for Universal Credit. The P6 forecast includes an increased provision for potential increased bad debt due to Covid.