

a: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance	Of which :	
				Covid-19	Non-Covid
P08	£0.0m	(£0.65m)	(£0.65m) underspend	£2.3m	(£2.9m)
P07	£0.0m	(£1.0m)	(£1.0m) underspend	£2.3m	(£3.3m)

Forecast Outturn Variance by month £m									
May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
(1.5)	(1.5)	0.3	(0.6)	(1.0)	(1.0)	(0.65)			
		▼	▲	▲	▲	▲			

Revenue Position – Income and Expenditure

HRA Income and Expenditure	2021/22 - Full Year					Current Forecast Variance P8		Previous Forecast Variance P7		Movement	
	Budget £000	Current Forecast £000	Forecasted Outturn Variance £000	Previous Forecast £'000	Variance from previous forecast £'000	COVID £000	Non COVID £000	COVID £000	Non COVID £000	COVID £000	Non COVID £000
Dwelling rents	(113,495)	(113,606)	(111)	(113,612)	6	0	(111)	0	(118)	0	7
Voids	1,200	1,079	(121)	1,200	(121)	0	(121)	0	0	0	(121)
Non-dwelling rents	(1,171)	(914)	257	(917)	3	0	257	0	254	0	3
Charges for services and facilities	(8,621)	(9,263)	(642)	(9,260)	(3)	0	(642)	0	(639)	0	(3)
Contributions towards expenditure	(30)	9	39	9	0	0	39	0	39	0	0
<b>TOTAL INCOME</b>	<b>(122,117)</b>	<b>(122,696)</b>	<b>(579)</b>	<b>(122,580)</b>	<b>(116)</b>	<b>0</b>	<b>(579)</b>	<b>0</b>	<b>(464)</b>	<b>0</b>	<b>(114)</b>
Repairs & Maintenance	33,854	33,070	(784)	32,804	266	600	(1,384)	600	(1,649)	0	265
Supervision & Management	32,219	30,164	(2,055)	30,066	97	79	(2,134)	79	(2,229)	0	95
Special Services	9,771	11,034	1,263	11,048	(14)	22	1,241	22	1,255	0	(14)
Rents, rates, taxes and other charges	755	660	(95)	585	75	0	(95)	0	(170)	0	75
Depreciation & impairment of non-current assets	29,444	29,444	0	29,444	0	0	0	0	0	0	0
Debt management	41	41	0	41	0	0	0	0	0	0	0
Movement in the allowance for bad debts	1,362	1,362	0	1,362	0	1,600	(1,600)	1,600	(1,600)	0	0
Movement on Impairment provision	421	2,021	1,600	2,021	0	0	1,600	0	1,600	0	0
<b>TOTAL EXPENDITURE</b>	<b>107,867</b>	<b>107,796</b>	<b>(71)</b>	<b>107,372</b>	<b>425</b>	<b>2,301</b>	<b>(2,372)</b>	<b>2,301</b>	<b>(2,793)</b>	<b>0</b>	<b>421</b>
<b>NET COST OF HRA SERVICES</b>	<b>(14,250)</b>	<b>(14,900)</b>	<b>(650)</b>	<b>(15,208)</b>	<b>309</b>	<b>2,301</b>	<b>(2,951)</b>	<b>2,301</b>	<b>(3,257)</b>	<b>0</b>	<b>306</b>
Net interest payable, pension costs and other non operational charges	11,043	11,043	0	11,043	0	0	0	0	0	0	0
Capital Expenditure Funded From The HRA	3,206	3,204	(2)	3,204	0	0	(2)	0	(2)	0	0
<b>SURPLUS FOR THE YEAR ON HRA SERVICES</b>	<b>0</b>	<b>(652)</b>	<b>(652)</b>	<b>(961)</b>	<b>309</b>	<b>2,301</b>	<b>(2,953)</b>	<b>2,301</b>	<b>(3,259)</b>	<b>0</b>	<b>306</b>

Key Messages

The HRA, is a ring-fenced account, it cannot budget for a deficit, it is required to be self-financing over time. In each year, there will be either a net spend or a net surplus, which will either be covered off from, or carried to the HRA General Reserve.

The HRA forecast as at P8 is an underspend of £0.652m, which is a £0.309m negative movement compared to P7. The underspend will be transferred to the HRA general reserve at the end of the year. The movement in forecast by service area is explained below:

Summary by Service		2021/22 - Year to date							Previous Forecast	
Service	Service Description	Revised Budget	Forecast Outturn	COVID-19 Exp	COVID-19 Inc	Covid-19 Pressures (B)	Non-Covid Pressures (C)	Outturn Variance	Previous Forecast Outturn	Movement in Forecast
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
321	Strategy, Planning & Governance	17,284	16,726			0	-558	-558	16,755	-29
322	Responsive Repairs	28,385	27,371	600		600	-1,614	-1,014	26,981	390
323	Planned Programmes	15,006	16,132	79		79	1,047	1,126	15,943	189
324	Estate Management	-105,326	-106,794	22		22	-1,490	-1,468	-106,729	-64
326	Estate Regeneration	536	198			0	-338	-338	375	-177
<b>Division: Housing Services - HRA</b>		<b>-44,115</b>	<b>-46,367</b>	<b>701</b>	<b>0</b>	<b>701</b>	<b>-2,953</b>	<b>-2,252</b>	<b>-46,676</b>	<b>309</b>
X10	HRA - Funding & Expenditure	11,465	13,065		1,600	1,600	0	1,600	13,065	0
X11	HRA - Capital Financing	3,206	3,206			0	0	0	3,206	0
X12	HRA - Year-end transactions	29,444	29,444			0	0	0	29,444	0
<b>Division: HRA Funding &amp; Expenditure</b>		<b>44,115</b>	<b>45,715</b>	<b>0</b>	<b>1,600</b>	<b>1,600</b>	<b>0</b>	<b>1,600</b>	<b>45,715</b>	<b>0</b>
<b>TOTAL HRA</b>		<b>0</b>	<b>-652</b>	<b>701</b>	<b>1,600</b>	<b>2,301</b>	<b>-2,953</b>	<b>-652</b>	<b>-961</b>	<b>309</b>

- **321 Strategy, Planning & Governance (£0.558m) underspend.** Main reasons for variance are: ✓ the Moving Forward Together project is on hold therefore budget saving of (£0.250m), ✓ increase in income from overhead recharges to projects on Joinery shop (£0.120m), ✓ revised recharge to general fund (£0.092m), ✓ salary savings (£0.147m) - excluding training, ✓ other minor variances (£0.010m), ✓ increased costs arising from assuming responsibility for St Annes House. At (£0.029m), there is no significant movement on the previously reported figure.
- **322 Responsive Repairs - (£1.014m) underspend.** ✓ The underspend of (£2.427m) generated from lower numbers of relets & voids and higher recharges to capital, has been offset by (£1.179m) of additional repair costs arising from the use of sub-contractors. ✓ Salary savings (£0.279m) continue to impact the service but have been offset by lower than expected leaseholder recharges (£0.150m), ✓ the cost of legal & hand held devices (not been included in the budget), ✓ further cost overruns on PPE equipment (£0.083m) and sundry other minor variations (£0.046m).
- **323 Planned Programmes - £1.126m overspend.** This adverse variance is comprised of: ✓ renewal of higher than expected (£0.399m) heat management contract; ✓ an increase of (£0.759m) in the spend on communal amenities energy which are now based on updated forecasts following the recent price increases by the energy companies; ✓ increase in costs (£0.061m) as a result of additional safety testing required on lifts; ✓ additional expenditure on Brislington Depot £0.046m; ✓ various other minor costs (£0.049m) were offset by salary savings due to vacancies (£0.188m).
- **324 Estate Management - (£1.468m) underspend.** The main underspends are; ✓ salary savings due to vacancies of (£0.867m), ✓ additional rents largely from unsecured tenanted properties (£0.112m) and ✓ (£0.100m) additional service charges income from caretaking due to inflationary increase not included in budget, ✓ (£0.200m) savings from court cost, ✓ (£0.121m) reduction in forecast for void costs, ✓ (£0.080m) reduction in forecast for council tax voids and ✓ other minor variations of (£0.013m). The movement of (£0.064m) on previously reported forecast is mainly due to reduction in the forecast for void costs.
- **326, Estate Regeneration - (£0.338m) underspend:** Salary savings and reduction in forecast arising from identifying expenditure that should be allocated to capital projects (£0.338).

## b: Risks and Opportunities

Risk	Key Causes	Key Consequence	Key Mitigations
<b>Universal Credit (UC) and increased number of tenants in arrears following Covid-19.</b>	UC continues to be a risk with increased monthly claimants and high level arrears cases due to the end of furlough and the withdrawal of UC uplift.	Arrears for UC tenants will increase as well as the number of claimants	DHP applied for UC cases where applicable Use of Managed Payments All team training on UC management Weekly meeting with DWP Fortnightly UC review meetings with Team Leaders Implementation of Rent Sense – January 2021
<b>Impact of Grenfell enquiry outcomes</b>	Additional works as a result of Fire Safety Act and the Building Safety Bill or the outcomes of independent fire safety checks on clad blocks	£25m has been set aside in the Housing Investment Plan to cover costs of any remedial or fire safety improvement works	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>	BCC Climate Emergency target for all council properties to meet net zero carbon by 2030	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
<b>Review of Decent Homes Standard</b>	Social Housing White Paper announced a review of the Decent Homes Standard, currently under consultation no date yet for introduction of new standard	Increased spend in the housing stock to bring up to the new minimum standard, estimated cost over 30 years £100m	Re-prioritise spend, review income and continue to find ways to delivery Services more effectively.
<b>Unable to spend Right to Buy receipts within designated timeframe</b>	Impact of Covid-19 social distancing and economic disruption	Impact on the ability to develop new stock and to progress the Housing Investment Programme	Recent changes to the RTB Receipts Pooling requirements will go some way to mitigating the risk of not being able to spend 1-4-1 receipts within the requisite timeframe.
<b>Impact of Brexit</b>	Potential disruption to supply of materials / labour	Delays to planned programme work	Reprioritise work that can be done

## c: Capital

<b>Approved Budget</b> <b>P8 £110.6m</b>	<b>Revised Budget</b> <b>£87.2m</b>	<b>Expenditure to Date</b> <b>£20.4m</b> 23% of Budget	<b>Forecast Outturn</b> <b>£53.5m</b> 61% of Budget	<b>Outturn Variance</b> <b>(£33.6m)</b>
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P7 £110.6m

£87.2m

£17.5m

20% of Budget

£66.8m

77% of budget

(£20.4m)

## Capital Budget Monitor Report for period 202108 - Summary by Programme

Performance to Budget

### Gross Expenditure by Programme

### Current Year (FY2021) - Period 8

Ref	Scheme	Budget	Expenditure to Date	Forecast	Variance	Performance to Budget	
						Expenditure to Date	Forecast
		£000s	£000s	£000s	£000s	%	%
<b>Housing Services Capital - Housing Revenue Account</b>							
HRA1	Planned Programme - Major Projects	11,012	3,766	10,266	(746)	34%	93%
HRA2	New Build and Land Enabling	53,410	6,012	19,887	(33,523)	11%	37%
HRA3	Building Maintenance and Improvements	22,410	10,623	23,064	654	47%	103%
HRA4	HRA Infrastructure	375	8	358	(17)	2%	95%
<b>Total Housing Services Capital - Housing Revenue Account</b>		<b>87,207</b>	<b>20,409</b>	<b>53,575</b>	<b>(33,632)</b>	<b>23%</b>	<b>61%</b>
<b>Total Housing Revenue Account</b>		<b>87,207</b>	<b>20,409</b>	<b>53,575</b>	<b>(33,632)</b>	<b>23%</b>	<b>61%</b>

At £53.5m in period 8, the forecast expenditure showed a £13.3m reduction compared to period 7, giving rise to a projected underspend for the end of November of £33.6m.

The main variations in the forecast are:

- **New Build and Land Enabling** – This is showing an underspend of (£33.5m) against a budget of £53.4m. The budget continues to be re-profiled, as the year progresses. There are delays on a number of developments due to external factors including changes to material and labour supply and implications on legal contracts being signed with the contractors which is delaying start on sites, until the new year. A number of schemes which are under construction have suffered delays for highways and other issues which has meant a reduction in spend in the current financial year. The majority of material and labour supply issues are a knock on effect from Covid 19 which has affected the construction industry and it's supply chain on a national scale.