

HRA

Section A: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance
P02	£0.0m	£1.2m	£1.2m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
1.2									
▼									

Key Messages:

The Housing Revenue Account at the end of period 2 is reporting overspend of £1.2m (shown in the table below). The overspend on the HRA will be funded by a transfer from the HRA general reserve at the end of the financial year. The main reasons for the deficit against budget are set out below.

Summary – Housing Revenue Account Outturn

HOUSING REVENUE ACCOUNT	Revised Budget £M	Current Forecast £M	Outturn Variance £M	Prev Yr. Outturn £M	Previous Outturn Movement £M
Income	(127.1)	(127.5)	(0.4)	(123.0)	4.5
Repairs & Maintenance	37.2	35.6	(1.6)	33.8	(1.8)
Supervision & Management	31.9	32.4	0.5	30.1	(2.3)
Special Services	10.3	12.8	2.5	12.0	(0.8)
Rents, rates, taxes and other charges	1.0	1.2	0.2	0.7	(0.5)
Depreciation, Revenue Funded Capital, Interest Payable and Bad Debt Provision	46.7	46.7	0.0	42.6	(4.1)
(Surplus) / Deficit on the HRA	0.0	1.2	1.2	(3.8)	(5.0)

Income is reporting a favourable variance of £400k at the end of period 2. The main contributing factor to the positive variance is District Heating Service Charges. A 30% energy charge increase was applied for this financial year which has been reflected in the over-performance, to offset cost increases that will come through from the energy companies and reflected as overspends in special services budget.

Repairs & maintenance service is forecasting a reduction of £1.2m in the painting programme of low-rise blocks. This is as a result of lack of capacity in the team. The work on responsive relet repairs was also behind budget (£403K), due to capacity issues with external suppliers and the delay in establishing the new Framework, which is now unlikely to be implemented before November 2022.

The supervision and management forecast includes £1.3m for the Housing IT Transformation Programme. As this is outside the budget for 2022-23, an overspend is being projected for this budget line. In addition, in line with legal requirements, the fire survey at Waking Watch (4 blocks at Barton Hill) will cost £600k which had no budget provision. Unfilled vacancies have generated underspends to partially offset the negative variances additional costs.

Section B: Risks and Opportunities

RISKS AND OPPORTUNITIES TABLE

Division	Risk or Opportunity	Detailed Comment	Net Risk / (Opportunity) £
HRA	Opportunity	Last year, only £177k was utilised from the budget of £3.2m allocated to capital expenditure funded from the HRA. In 2022-23 there is a budget of £3.4m. If spending patterns follow last year's trends, funds could be released to finance other projects.	Approx. £3.0m
Total			£3.0m

Section C: Capital

Approved Budget £122.7m	Revised Budget £122.7m	Expenditure to Date £5.1m 4% of Budget	Forecast Outturn £81.2m 66% of Budget	Outturn Variance (£41.5m)
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Capital Budget Monitor Report for Period 2 2022-23 - Summary by Programme						
Gross Expenditure by Programme		Current Year (2021)				
Scheme	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
					%	%
£000s						
Housing Services Capital - Housing Revenue Account						
Total for HRA1 - Planned Programme - Major Projects	53,473	3,136	45,941	(7,532)	6%	85.9%
Total for HRA2 - New Build and Land Enabling	68,658	1,421	34,610	(34,048)	2%	50.4%
Total for HRA4 - HRA Infrastructure	550	591	610	60	108%	110.9%
Total Housing Services Capital - Housing Revenue Account	122,681	5,149	81,160	(41,521)		

Key Messages:

The current report shows £5.1m YTD spend against approved budget of £122.7m, and a forecast slippage of £41.5m.

Planned Programme

Kitchens and rewires - forecasting an underspend of just over £1m for kitchens and rewires, due to performance concerns with the contractor for the South. This is being monitored closely.

Roof replacements (low rise) – forecast underspend of £884k against a budget of £2.6m. There have been delays with the award of the Roof framework caused by a lack of resources within procurement, and further Social Value issues resulting in a 2-month delay. The framework has now been approved by Executive Director, however a further standstill period of 1 month is anticipated before the contract can be awarded.

Window replacements (low rise) – only half of this budget of £2.1m is forecast to be spent due to delays to the issuing of the tender and no framework currently in place. The tender has now been issued, but it's likely the contract will not be awarded until September, leaving only 4-5 months to deliver this year's works. Team capacity and resources may also have a further impact.

External Maintenance & Painting (Low Rise) – An underspend of £1.2m is forecast against a budget of £4.7m. Procurement capacity issues led to delays and internal team capacity is also likely to have an impact.

Ropewalk House – A budget of £2m was allocated, however work is unlikely to commence this year. Further surveys are needed before options can be appraised. Once agreed a full tendering process will follow.

Walwyn Gardens – A budget of £750k budget was allocated, however works are unlikely to commence this year. New designs are being developed and options will then be appraised, followed by full tendering process.

New Build and Land Enabling

The delays experienced in progressing new build and land enabling work during the last financial year have not been fully resolved. For that reason, the forecast has been revised to £34.6m for the year, approximately 50% of the approved budget.