

Section A: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance
P02	£0.0m	£1.7m	(£1.7m) underspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
(1.7)									
▲↑									

Position by Division

Period 2 Budget Monitoring - Summary

HOUSING REVENUE ACCOUNT SUMMARY

	2023/24 - Full Year				Context
	Approved Budget	Revised Budget	Forecast Outturn	Outturn Variance	
	£000s			£000s	
Housing Revenue Account					
321 - Strategy, Planning & Governance	19,726	19,726	19,684	(42)	
322 - Responsive Repairs	31,292	31,292	33,259	1,968	
323 - Planned Programmes	29,897	29,897	28,436	(1,461)	
324 - Estate Management	(116,988)	(116,988)	(118,085)	(1,097)	
326 - Estate Regeneration	0	0	0	0	
X10 - HRA - Funding & Expenditure	4,815	4,815	5,977	1,162	
X12 - HRA - Year-end transactions	31,258	31,258	29,047	(2,211)	
Total Housing Revenue Account	0	0	(1,681)	(1,681)	

Key Messages:

The Housing Revenue Account at the end of period 2 is reporting underspend of £1.7m (detail of which is shown in the table below). Any instance of an 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 positive variance against budget are set out below.

Summary – Housing Revenue Account

HOUSING REVENUE ACCOUNT	Approved Budget £M	Current Forecast £M	Outturn Variance £M	Previous Forecast £M	Movement £M
Income	(137.5)	(135.7)	1.8	(137.5)	1.8
Repairs & Maintenance	38.4	41.5	3.1	38.4	3.1
Supervision & Management	45.5	43.3	(2.2)	45.5	(2.2)
Special Services	15.8	13.7	(2.1)	15.8	(2.1)
Rents, rates, taxes and other charges	0.9	0.8	(0.0)	0.9	(0.0)
Depreciation and bad debt provision	32.6	32.5	(0.2)	32.6	(0.2)
Total expenditure - core services	133.1	131.8	(1.3)	133.1	(1.3)
Net cost of core HRA services	(4.4)	(3.9)	0.5	(4.4)	0.5
(Surplus) / Deficit for the year on HRA services		4.9	(1.7)	6.5	(1.7)
Drawn down from HRA reserves		(4.9)	1.7	(6.5)	1.7
Net		0.0	0.0	0.0	0.0

Income is reporting a shortfall of £1.8m at the end of P2 compared budget. The main contributing factor to the negative variance is due to handover of certain new schemes being behind schedule because of project delays, negatively impacting the dwelling rent income forecast.

The forecast for **repairs & maintenance**, was running £3.1m behind the budget at the end of P2. There are overspends in the budgets for; Re-let Repairs where recharged maintenance costs to capital is lower than anticipated and there are significant waste management costs.

The **supervision and management service** are forecasting an underspend of £2.2m in P2. Major savings are due to underspends in salary costs due to new roles which haven't been filled yet.

Special Services are reporting a £2.1m underspend in P2 reflecting underspends in energy costs and again where new staff roles which haven't yet been filled.

Section B: Risks and Opportunities

Division	Risk or Opportunity	Detailed Comment	Net Risk / (Opportunity) £
HRA	Opportunity	The Energy Price Guarantee set maximum consumer prices from October 2022 to June 2023. A lower price cap from July 23 means energy prices are likely to fall for the first time in around 20 months.	TBC
HRA	Risk	CPI Inflation continues to be significantly high. As at April 2023, this was 8.7%, this means that Repairs & Maintenance costs may be slightly higher than forecast.	TBC

Section C: Capital

Approved Budget	Revised Budget	Expenditure to Date	Forecast Outturn	Outturn Variance
£141.6m	£141.6m	£2.6m	£127.8m	(£13.8m)
		2% of Budget	90% of Budget	

Gross Expenditure by Programme

Ref		Current Year (FY2023) - Period 2				Performance to budget	
		Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
		£000s				%	
Housing Revenue Account							
HRA1	Planned Programme - Major Projects	69,756	1,250	57,583	(12,173)	2%	83%
HRA2	New Build and Land Enabling	70,015	1,332	68,399	(1,616)	2%	98%
HRA4	HRA Infrastructure	1,789	0	1,789	0	0%	100%
Total Housing Revenue Account		141,560	2,583	127,770	(13,790)	2%	90%

Key Messages:

The HRA are reporting an underspend of £13.8m against a budget of £141.6m. The year-to-date spend of £2.6m (2%) represents an average of £1.3m per month. To achieve the forecast target for 2023/24, the directorate will need to increase the average spend per month by £10.2m to an average of £12.5m each month for the rest of the year.