

Appendix A4 – Homes & Housing Committee 2024/25 – P3 Budget Monitor Report

Section A: Revenue Budget Monitor

	Revised Budget	Forecast Outturn	Outturn Variance
P03	£173.9m	£188.7m	£14.7m overspend

May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
7.4m	7.3m								
▼↓	▼↓								

Position by Division

Period 3 Budget Monitoring - Summary	Approved Budget	Revised Budget	Forecast	Q1/P2 Revised budget to Forecast variance	P3 to Q1/P2 movement in revised budget to Forecast variance	P3 YTD Revised Budget to Forecast variance	% Revised Budget vs Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	%

Homes and Housing Delivery							
37 - Housing & Landlord Services	22,943	22,943	28,333	3,800	1,590	5,390	23.5%
Total Housing Revenue Account	150,982	150,982	160,322	3,616	5,723	9,340	6.2%
Total Homes and Housing Delivery	173,925	173,925	188,654	7,416	7,313	14,729	8.5%

Key Messages:

Housing & Landlord Services

The division is reporting a forecast overspend of £5.4 million against a revised budget of £22.9 million relating to homelessness. The council has initiated a Transformation programme, Tackling Homelessness, to develop options to increase supply of homes and reduce demand where possible. This programme has been successful at materially reducing the pressure in 2024/25 and future years.

Housing Revenue Account

The Housing Revenue Account (HRA) at the end of period 3 is reporting an overspend of £9.3 million (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 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	(150.2)	(148.1)	2.1	(150.0)	1.9
Repairs & Maintenance	44.5	46.9	2.3	45.1	1.8
Supervision & Management	40.4	46.0	5.7	44.1	1.9
Special Services	14.6	13.8	(0.8)	13.6	0.2
Rents, rates, taxes and other charges	0.6	0.6	0.0	0.6	0.0
Depreciation and bad debt provision	33.0	33.8	0.8	33.0	0.8
Total expenditure - core services	133.1	141.1	8.0	136.4	4.7
Net cost of core HRA services	(17.1)	(7.0)	10.1	(13.6)	6.6
Net interest payable, pension costs and other non operational charges	10.4	9.6	(0.8)	10.5	(0.9)
Capital expenditure funded from revenue	0.0	0.0	0.0	0.0	0.0
(Surplus) / Deficit for the year on HRA services	(6.7)	2.6	9.3	(3.1)	5.8
Transfer To/(From) from reserves	6.7	(2.6)	(9.3)	3.1	(5.8)
Net	0.0	0.0	0.0	0.0	0.0

Income is reporting a shortfall of £2.1 million at the end of P3 compared to budget. The main contributing factor to the negative variance is higher than expected void properties and lower than expected service charge income.

The forecast for **repairs & maintenance**, was running £2.3 million behind the budget at the end of P3. The main elements of overspends in the budgets for;

- +£1.5 million Response Repairs - overspend due to backlog of repair works from prior years.
- +£0.5 million Barton House - for hotel dilapidation bill.
- +£0.3 million – Additional costs for waste tipping.

The **supervision and management service** is running £5.7 million behind the budget at the end of P3. The main elements are overspending in the budgets for;

- +£1.8 million - Security, delay in fire alarm project and other capital projects, and Barton House resource draw has resulted in additional overhead costs.
- +£0.3 million - Additional computer licensing fees.
- +£0.8 million - Additional recharge costs not previously budgeted for.
- +£0.3 million - Additional Insurance costs.
- +£0.4 million - Additional consultancy cost re improvement programme

- +£2.1 million - Additional staff expenditure related the Housing and Consumer Standards Programme Board.

Special Services are reporting a £0.8 million positive variance in P3.

The main elements are underspends in the budgets for;

- £(0.8) million Communal Amenities – Lower than expected energy costs. Energy forecast this will continue to be monitored throughout the year.

Interest receivable £0.8 million positive variance in P3.

- £(0.8) million Interest Income – additional investment income receivable as a result of increased interest rates.

Rent Impairment £0.8 million adverse variance in P3.

- £0.8 additional bad debt provision.

Section B: Risks and Opportunities

Division	Service	Committee	CC	Risk or Opportunity	Description	Linked to Top-4 Programme?	Risk / (Opportunity) £'000	Likelihood	Net Risk / Opportunity £'000
Housing and Landlord Services	Housing Options	Homes and Housing Delivery	15436	Risk	Expenditure pressure	Yes - Temporary Accommodation	300	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear)	225
Housing and Landlord Services	Housing Options	Homes and Housing Delivery	10507	Opportunity	Mitigations	Yes - Temporary Accommodation	(530)	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear)	(398)
32 - HRA	321 - HRA	Homes and Housing Delivery	10123	Risk	Additional Depreciation Charge will be greater than budgeted (Previous years depreciation charge was above current	No	1,720	High Likelihood - Risk is very likely to come to bear, mitigations are being reviewed but not yet clear)	1,290

		years budget estimate. Although forecast spend is in the region of £18.5m lower than budgeted, this is still in excess of previous years spend, therefore a risk of an increased depreciation charge exists.)			
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Section C: Capital

Approved Budget £358m	Revised Budget £223m	Expenditure to Date £19.7m 3% of Budget	Forecast Outturn £224m 62% of Budget	Outturn Variance £0.6m
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Gross Expenditure by Programme		Current Year (FY2024) - Period 3				Performance to budget	
Ref	Scheme	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
						%	
£000s							
Housing Revenue Account							
HRA1	Planned Programme - Major Projects	77,223	10,668	81,870	4,646	14%	105%
HRA2	New Build and Land Enabling	144,683	8,842	139,829	(4,854)	6%	97%
HRA4	HRA Infrastructure	1,302	151	2,102	800	12%	161%
HRA6	HRA Fleet Replacement Programme	200	0	200	0	0%	100%
NH07	Private Housing	4,520	482	4,494	(26)	11%	99%
PE06 C	Local Authority Housing Fund - Refugee Settlement	2,057	112	2,057	0	5%	100%
PL30	Housing Delivery Programme	27,972	1,399	21,085	(6,887)	5%	75%
PL34	Strategic property - Community investment scheme	629	470	870	241	75%	138%

Total Housing Revenue Account	258,586	22,124	252,507	(6,080)	9%	98%
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Key Messages:

There is an overall current year forecast underspend of £6.1 million against the Capital Works Revised Budget of £258.6 million with a year-to-date spend of £22.1 million (9%). The table above shows slippage across all programmes, except for the HRA Fleet Replacement and Refugee Settlement projects.

The capital budgets within Housing and Landlord Services are split between General Fund Housing and the HRA as follows:

	Budget	Expenditure to Date	Forecast	Variance	Expenditure to date	Forecast
General Fund	223,408	19,661	224,001	592	9%	100%
HRA	35,178	2,463	28,506	(6,672)	7%	81%
Total	258,586	22,124	252,507	(6,080)	9%	98%

A full review of the HRA Home Improvement Programme is currently being undertaken by the service in relation to compliance and health and safety works. Although not yet quantified, it is anticipated that this review will result in an increased investment requirement in existing stock, thereby utilising some of the slippage and underspends reported at P3.

General Fund Capital Programme

Housing Delivery Programme

The variance has arisen due to:

Filwood Framework (Recreate Public Realm) – forecast adjusted to reflect latest anticipated spend profile (-£1.2m);

Filwood Framework (Former Cinema) – Forecast reduced in line with the reallocation of most of the funds towards Cultural Hub to fund the library (-£1.8m);

Filwood Framework (Cultural Hub) – Forecast reprofiled into 2025/26 as construction not expected to commence before the end of 2024. Library funding forecast re-allocated to this scheme (and profiled in 2025/26) following EDM (-£3.5m);

Neighbourhood Police Facility Trinity Road – Forecast increased to correctly reflect the expected payment within this year of 85% of the awarded grant amount. This will be paid once the CIL agreement has been signed and sealed (+£0.5m);

Fulford Road Rugby Club Development – Forecast increased resulting in an overall overspend. This is due to the forecast now reflecting the spend of additional funding from Bristol City Council Enabling Budget and West of England Combined Authority (WECA) (+£0.5m);

Hengrove Projects – Programme delivery is slower than originally anticipated due to the contractors needing to provide revised programmes spend profiles. This slippage has been agreed with WECA via a formal change request (-£1.9m).

HRA Capital Programme

Planned Programme

The Planned Programme is reporting an overspend of £4.6 million. The key variances above £0.5 million are detailed below:

Overspends:

- £2.2 million overspend in Rewires works project as a result of a revision to the scope of works.
- £1 million overspend on Littlecross House energy efficiency works upon revision of forecasts guided by recently received cash-flow forecasts from the delivery partner.

New Build and Land Enabling

The New Build and Land Enabling programme is reporting a slippage of £4.8 million, which is made up of the slippages in the following projects:

- £2.8 million slippage reported for the developer led project Dovercourt Depot. Following an updated cashflow, Start on Site (SoS) is now not anticipated until April 25. As the next value due is paid at Golden Brick (that is effectively when SoS has been achieved), we don't expect any further monies to be paid out in this financial year.
- £2 million slippage on the developer led Baltic Wharf projects represent removal of the previously forecast deposit.

HRA Infrastructure

£0.8 million overspend on HRA infrastructure is on account of future years funding being brought forward in order to combat expected delays to current delivery timeframe.