

Housing Revenue Account - Budget Monitoring as at 29th February 2024

	Working Budget £'000	Forecasted £'000	Feb 24 Variance for Year £'000	Notes	Dec 23 Forecasted Variance for Year £'000
Expenditure					
Repairs & Maintenance					
Responsive	3,053	6,212	3,159		2,550
Minor Works	3,917	3,451	-466		-285
Voids	5,191	4,691	-500		54
Servicing	2,127	1,860	-268		157
Drains & Sewers	165	166	1		-39
Grounds	891	851	-40		-40
Property & Strategic Projects	696	755	59		-359
Unadopted Roads	123	123	0		0
Supervision & Management					
Employee	7,745	7,067	-678		-613
Premises	1,757	3,061	1,304	There has been a significant increase in routine repair demands from tenants with predicted overspend on responsive repairs (£3.1m up from £2.5m) and a change in the underspend on minor works (from £285k to £466k). Grounds maintenance charges are likely to come in £40k under budget and servicing costs £268k under budget. Revenue voids are likely to be underspent by £0.5m with many jobs being appropriately charged to capital.	743
Transport	47	61	14		13
Supplies	1,260	2,151	891	Additional forecast energy costs in sheltered schemes of almost £604k. Due to underspends elsewhere some Estate Improvement works brought forward (budget will be increased for 2024/25). Re-alignment of most of the Temporary Accommodation function from Council Fund to HRA (in line with advice received). These additional Temp Accommodation costs offset by "Other Income" line below (-443k)	382
Recharges	-2,078	-2,078	-0	Additional spend related to legal costs in housing management (£184k). Also increased decant activity for major repair works as a result of greater number of decant properties becoming available and resultant additional compensation costs and project costs.	-0
Provision for Bad Debt	250	246	-4	Based on forecast total indebtedness arrears of £3.2m as at 31/03/2024, current aged debt analysis and estimated write-off for the year of £224k	-59
Capital Financing Cost	15,001	14,593	-407	Capital HRA programme is predicting a £1m overspend on the revised budget of £33.9m. This, in conjunction with increased grant funding in 2022/23 and 2023/24 has increased the borrowing requirement in year from £8.4m to approximately £10.1m. The impact on mid-year CFR and therefore interest is significant, reducing capital charges by £407k. This does assume an interest rate of 4.01% which may change if other elements of the capital programme on Council Fund vary.	-547
Central Support Charges	2,403	2,403	0		0
Direct Revenue Financing	10,000	9,000	-1,000	Amended funding of capital programme to allow for services which are revenue in nature e.g. resourcing to specific projects. This may be varied in closing the accounts to optimise borrowing/capital position.	-396
Total Expenditure	52,549	54,613	2,064		1,562

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			Variance for Year £'000		Forecasted Variance for Year £'000
Income					
Rents	-46,247	-46,867	-620	Void loss has reduced in year from a budget of 3.5% to 2.34% and is forecast to continue at this level for the remainder of the financial year, saving over £0.6m in foregone rental income.	-620
Service Charges	-981	-1,068	-87	Void loss has reduced in year from a budget of 3.5% to 2.34% and is forecast to continue at this level for the remainder of the financial year, saving over £87k in foregone rental income.	-87
Supporting People	-70	-445	-375	HSG funding diverted to support eligible staff expenditure	0
Interest on Cash Balances	-137	-800	-663	Interest rate significantly above 0.9% budgeted, assumed current year average of 4.76% by year end	-475
Grants	-296	-296	0		0
Insurance	-171	-0	171	No forecast income from insurance claims.	0
Other Income	-49	-492	-443	Increased income as a result of meeting eligible Temporary Accommodation costs (see Premises budget line above)	-296
Total Income	-47,951	-49,969	-2,018		-1,478
Net Expenditure	4,598	4,644	46		84

HRA Reserve	£'000
Balance b/f 01/04/2023	16,998
Budgeted movement in year	-4,598
Variance for the year	-46
Balance c/f 31/03/2024	12,353