

Housing Revenue Account - Budget Monitoring as at 31st October 2022

	Working Budget £'000	Forecasted £'000	Oct 22 Variance for Year £'000	Notes	Aug 22 Forecasted Variance for Year £'000	
Expenditure						
Repairs & Maintenance						
Responsive	2,380	3,392	1,011	Budget managers are currently predicting a £421k underspend on revenue maintenance budget spend. However, given current inflation and the impact on construction industry capacity post-Covid and post-Brexit including significantly increasing pay, energy, fuel, and construction materials costs, there will continue to be upwards pressure on contractor rates and reduced availability as we progress through 2022/23 e.g. the Minor Works Framework is due inflation increases to the tendered Schedule of Rates and this is currently under negotiation with contractors. Remaining within budget may require delivering less with our allocated financial resources and this will become clearer as data becomes available post negotiations with contractors. Budget managers will continue to respond to these fluctuations to ensure that expenditure remain within allocated budgets and the review of the 3-year HRA Business Plan later in the year will identify appropriate adjustments to future budget allocations to reflect the position at that time.	1,008	
Minor Works	3,464	2,069	-1,395		-1,008	
Voids	4,523	4,417	-106		-2	
Servicing	1,934	2,030	97		50	
Drains & Sewers	117	122	5		-0	
Grounds	849	810	-38		0	
Property & Strategic Projects	423	428	5		-0	
Unadopted Roads	118	118	0		0	
Supervision & Management						
Employee	5,947	6,293	345		Impact of probable pay award compared to budgeted salary costs. This will become clearer when negotiations on pay increases conclude.	368
Premises	1,358	1,396	38	Additional energy and council tax related project costs, which will generate rental income once projects are occupied.	38	
Transport	35	47	11		11	
Supplies	922	918	-4		4	
Recharges	-453	-283	170	Impact of probable pay award compared to budgeted salary costs. This will become clearer when negotiations on pay increases conclude.	170	
Provision for Bad Debt	594	594	0		0	
Capital Financing Cost	14,923	14,331	-591	Capital HRA programme is predicting a £19m underspend on the revised budget of £50m . This, in conjunction with increased grant funding in 2021/22 and 2022/23 has decreased the borrowing requirement in year from £17.4m to £6.08m. The impact on mid-year CFR and therefore interest is significant, reducing capital charges by £591k. This does assume an interest rate of 4.05% which may change if other elements of the capital programme on Council Fund vary.	-436	
Central Support Charges	1,811	1,779	-32		-0	
Direct Revenue Financing	10,000	10,000	0		0	
Total Expenditure	48,946	48,461	-485		201	

Housing Revenue Account - Budget Monitoring as at 31st October 2022

	Working Budget £'000	Forecasted £'000	Oct 22	Notes	Aug 22
			Variance for Year £'000		Forecasted Variance for Year £'000
Income					
Rents	-43,608	-43,612	-4	Prediction close to target for rent due and voids	-0
Service Charges	-849	-849	-0		0
Supporting People	-70	-70	0		0
Interest on Cash Balances	-5	-179	-174	Interest rate significantly above 0.05% budgeted, assumed current year average of 0.85%	-172
Grants	-296	-296	0		0
Insurance	-221	-221	0		0
Other Income	-496	-498	-2		-2
Total Income	-45,545	-45,725	-180		-174
Net Expenditure	3,401	2,736	-665		27

HRA Reserve	£'000
Balance b/f 01/04/2022	21,895
Budgeted movement in year	-3,401
Variance for the year	665
Contribution from Reserves	-665
Balance c/f 31/03/2023	18,494