

Housing Revenue Account - Budget Monitoring - Actual 2022/23

	Working Budget £'000	Actual £'000	EOY Actual Variance for Year £'000	Notes	Feb 23 Forecasted Variance for Year £'000	
Expenditure						
Repairs & Maintenance						
Responsive	2,551	4,297	1,746	Revenue maintenance spend is £1.6m over the budget. 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 into 2023/24. In January the Minor Works Framework Schedule of Rates was increased by 9.3% in line with CPI for the 12-month period August 2021 to July 2022. The review of the 3-year HRA Business Plan for 2023/24 onwards has identified some adjustments to future budget allocations to reflect the anticipated continuing inflation impacts. Some repairs were significant in nature and have been assessed as capital and transferred to the capital programme.	1,388	
Minor Works	3,464	2,886	-578		-1,285	
Voids	4,512	4,714	202		197	
Servicing	1,934	2,052	118		102	
Drains & Sewers	157	98	-59		-41	
Grounds	849	815	-33		-33	
Property & Strategic Projects	408	588	180		191	
Unadopted Roads	118	118	0		0	
Supervision & Management						
Employee	5,770	5,695	-76	Impact of pay award compared to budgeted salary costs +£300k offset by in year vacancies -£230k.	30	
Premises	1,608	2,078	470	Additional premises insurance costs £270k & increased investment in our estates environment £230k offset by savings in utilities £-30k.	-17	
Transport	35	51	16		82	
Supplies	914	1,463	549	Legal costs in housing management £110k, compensation payments £111k, projects and activities £156k, fees £75k & other supplies and services.	324	
Recharges	-703	149	852	Salaries not capitalised as programmes of work expand (corresponding reduction in DRF) plus some vacant posts.	-281	
Provision for Bad Debt	594	335	-259	Write offs in year £184k combined with age analysis of debt reduces requirement to £335k.	-495	
Capital Financing Cost	14,923	14,310	-613	Capital HRA programme spent £26m (an underspend of £24m 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 approximately £6.1m. The impact on mid-year CFR and therefore interest is significant, reducing capital charges by £613k. Interest rate was 4.02% close to the budgeted rate of 3.99%.	-746	
Central Support Charges	1,811	1,847	35		27	
Direct Revenue Financing	10,000	9,218	-782	Reduction to offset additional potential capitalised salaries.	0	
Total Expenditure	48,946	50,714	1,768		-557	

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			Actual Variance for Year £'000		Forecasted Variance for Year £'000
Income					
Rents	-43,608	-43,634	-26	Outturn close to target for rent due and voids.	33
Service Charges	-849	-801	48		0
Supporting People	-70	-243	-173	Additional Housing Support Grant	-1
Interest on Cash Balances	-5	-353	-348	Interest rate significantly above 0.05% budgeted @ 1.83%	-363
Grants	-296	-296	0		0
Insurance	-221	-49	172	Claims settled in year were only £49k .	3
Other Income	-496	-442	54	Reduction in court costs received	35
Total Income	-45,545	-45,817	-272		-292
Net Expenditure	3,401	4,897	1,496		-850

HRA Reserve	£'000
Balance b/f 01/04/2022	21,895
Budgeted movement in year	-3,401
Variance for the year	-1,496
Balance c/f 31/03/2023	16,998