

Housing Revenue Account - Budget Monitoring as at 31st October 2023

	Working Budget	Forecasted	Oct 23 Variance for Year	Notes	Aug 23 Forecasted Variance for Year
	£'000	£'000	£'000		£'000
Expenditure					
Repairs & Maintenance					
Responsive	3,053	4,862	1,809		1,735
Minor Works	3,917	3,568	-349		-1,610
Voids	5,191	5,191	-0		20
Servicing	2,127	2,284	157		-63
Drains & Sewers	165	150	-15		-49
Grounds	891	851	-40		0
Property & Strategic Projects	1,065	1,065	-0		0
Unadopted Roads	123	123	0		0
Supervision & Management					
Employee	7,377	7,012	-365		-307
Premises	1,757	2,368	611		602
Transport	47	55	7		27
Supplies	904	1,392	488		490
Recharges	-2,078	-2,078	-0		-0
Provision for Bad Debt	606	606	0		0
Capital Financing Cost	15,001	14,512	-489		0
Central Support Charges	2,403	2,403	0		0
Direct Revenue Financing	10,000	10,000	0		0
Total Expenditure	52,549	54,363	1,814		845

There has been a significant increase in routine repair demands from tenants with predicted overspend on responsive repairs (£1.8m up from £1.735m) and a reduction in the underspend on minor works (from £1.6m to £349k). Additional electrical periodic testing will result in overspend on servicing of £157k while grounds maintenance charges are likely to come in £40k under budget.

Savings from vacant posts .

Additional forecast energy costs in sheltered schemes £200k. Additional Estate improvement works predicted to be £150k over original budget . Re-alignment of most of the Temporary Accommodation function from Council Fund to HRA (in line with advice received) increasing expenditure with corresponding increase in Other Income £261k.

Additional spend related to legal costs in housing management £50k, compensation costs £179k, fees/project costs £170k and office refurbishments £39k. General Office Supplies of postage, photocopying etc £50k

Capital HRA programme is predicting a £5m underspend on the revised budget of £33.9m. This, in conjunction with increased grant funding in 2022/23 and 2023/24 has decreased the borrowing requirement in year from £8.4m to approximately £5.9m. The impact on mid-year CFR and therefore interest is significant, reducing capital charges by £568k. This does assume an interest rate of 4.01% which may change if other elements of the capital programme on Council Fund vary.

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	Working Budget £'000	Forecasted £'000	Oct 23 Variance for Year £'000	Notes	Aug 23 Forecasted Variance for Year £'000
Income					
Rents	-46,247	-46,815	-568	Void loss has reduced in year from a budget of 3.5% to 2.3% and is forecast to continue at this level for the remainder of the financial year, saving over £0.5m in foregone rental income.	-499
Service Charges	-981	-1,065	-84		Impact of fewer voids
Supporting People	-70	-70	0		0
Interest on Cash Balances	-137	-618	-481	Interest rate significantly above 0.9% budgeted, assumed current year average of 4.25% by year end	0
Grants	-296	-296	0		0
Insurance	-171	-171	0		1
Other Income	-49	-444	-395	Transfer of the Temporary Accommodation function from Council Fund to HRA with increased income £261k offset by increase in expenditure in Supervision & Management premises. Additional fees and costs recoverable.	-187
Total Income	-47,951	-49,479	-1,528		-764
Net Expenditure	4,598	4,884	286		81

HRA Reserve	£'000
Balance b/f 01/04/2023	16,998
Budgeted movement in year	-4,598
Variance for the year	-286
Balance c/f 31/03/2024	12,114