

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

	Working Budget £'000	Forecasted £'000	Aug 22 Variance for Year £'000	Notes	June 22 Forecasted Variance for Year £'000	
Expenditure						
Repairs & Maintenance						
Responsive	2,380	3,388	1,008	Budget managers are currently predicting a near on-target end of year 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.	11	
Minor Works	3,464	2,456	-1,008		0	
Voids	4,523	4,521	-2		13	
Servicing	1,934	1,984	50		0	
Drains & Sewers	117	117	-0		-0	
Grounds	849	849	0		0	
Property & Strategic Projects	423	423	-0		0	
Unadopted Roads	118	118	0		0	
Supervision & Management						
Employee	5,946	6,314	368		Impact of probable pay award compared to budgeted salary costs. This will become clearer when negotiations on pay increases conclude.	320
Premises	1,358	1,396	38	Additional energy and council tax related project costs, which will generate rental income once projects are occupied.	0	
Transport	36	47	11		-0	
Supplies	922	926	4		0	
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	14,487	-436	Capital HRA programme is predicting a £12m 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 £13.8m. The impact on mid-year CFR and therefore interest is significant, reducing capital charges by £436k. This does assume an interest rate of 4.05% which may change if other elements of the capital programme on Council Fund vary.	0	
Central Support Charges	1,811	1,811	-0		-0	
Direct Revenue Financing	10,000	10,000	0		0	
Total Expenditure	48,946	49,147	201		514	

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

	Working Budget £'000	Forecasted £'000	Aug 22 Variance for Year £'000	Notes	June 22 Forecasted Variance for Year £'000
Income					
Rents	-43,608	-43,608	-0	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	-177	-172	Interest rate significantly above 0.05% budgeted, assumed current year average of 0.85%	0
Grants	-296	-296	0		-0
Insurance	-221	-221	0		-0
Other Income	-496	-498	-2		-3
Total Income	-45,545	-45,719	-174		-3
Net Expenditure	3,401	3,428	27		511

HRA Reserve	£'000
Balance b/f 01/04/2022	21,895
Budgeted movement in year	-3,401
Variance for the year	-27
Contribution from Reserves	27
Balance c/f 31/03/2023	18,494