

APPENDIX 1 – ANNEX 5

	Budget £M	Forecast Qtr 3 £M	Variance Qtr 3 £M	Forecast Qtr 2 £M	Variance Movement from Qtr 2 £M
Expenditure					
Responsive repairs	11.33	11.13	0.20 F	0.20 F	0.00
Housing investment	5.19	4.81	0.38 F	0.20 F	0.18 F
Rents payable	0.10	0.10	0.00	0.00	0.00
Debt management	0.09	0.13	0.05 A	0.05 A	0.00
Supervision & management	23.08	22.84	0.24 F	0.30 F	0.06 A
Interest & principal repayments	6.56	5.59	0.97 F	0.97 F	0.00
Depreciation	19.97	19.97	0.00	0.00	0.00
Direct revenue financing of capital	7.94	7.94	0.00	0.00	0.00
Total expenditure	74.24	72.50	1.74 F	1.62 F	0.12 F
Income					
Dwelling rents	70.16	70.16	0.00	0.00	0.00
Other rents	1.16	1.16	0.00	0.00	0.00
Service charge income	2.28	2.23	0.05 A	0.05 A	0.00
Leaseholder service charges	0.64	0.84	0.20 F	0.20 F	0.00
Interest received	0.01	0.01	0.00	0.00	0.00
Total income	74.24	74.39	0.15 F	0.15 F	0.00
(Surplus) / Deficit for the year	0.00	(1.89)	1.89 F	1.77 F	0.12 F

Housing Revenue Account Forecast Quarter 3 2019/20

NB Table includes numbers which are rounded

Responsive Repairs (£0.20M favourable variance, no movement from Qtr 2)

Due to the expansion of fire safety remedial works in the capital programme, the Housing Operations team have diverted time into this area to deliver the works required. This has led to a £0.2M favourable variance as staffing costs have been recharged into this capital scheme.

Cyclical Maintenance (Housing Investment) (£0.38M favourable variance, £0.18M favourable movement from Qtr 2)

Delays in recruitment to the Capital Assets Team have resulted in a reduction in the cyclical maintenance carried out. None of the statutory landlord responsibilities have been affected by this reduction. The favourable movement since quarter two of £0.18M is due to the re-forecasting of specific maintenance budgets for which there is no planned delivery this year, due to the ongoing recruitment delay.

Supervision & Management (£0.24M favourable variance, £0.06M adverse movement from Qtr 2)

There has been a reduction in the forecast recharge from the Capital Assets Team of £0.3M, based on a review of the work undertaken for the Housing Revenue Account due to vacancies within the team.

There has also been high staff turnover in the Neighbourhood Warden teams, and the resulting vacant posts, which are in the process of being recruited to, have resulted in a forecast favourable variance of £0.17M.

Low staff turnover in Supported Housing will result in an adverse variance of £0.03M as the vacancy management factor is not expected to be achieved. In addition to this, a review of recharges to the General Fund for Occupational Therapists, and the work patterns to support it, will lead to an under-recovery of £0.07M.

The remaining balance relates to a number of small variances within this area.

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Interest & Principal Repayments (£0.97M favourable variance, no movement from Qtr 2)

As a result of a review of the HRA capital programme (and subsequent reduction in forecast expenditure) the amount of borrowing required for capital financing has decreased, leading to a reduction in the interest and principal payable.

Leaseholder Service Charges (£0.20M favourable variance, no movement from Qtr 2)

Further work has been carried out to increase applicable charges for works allowable under section 20 of the Commonhold and Leasehold Reform Act 2002.