

HOUSING REVENUE ACCOUNT FORECAST OUTTURN POSITION FOR 2021/22

The Housing Revenue Account is currently forecast to have a surplus of **£0.92M** for business as usual (BAU) activities, which represents a percentage variance against budget of 1.2%. The Portfolio forecast variance has moved adversely by **£0.19M** from the position reported at quarter 1.

In addition, there is a **£0.57M** surplus on the COVID-19 pandemic budget, which represents no movement from the position reported at quarter 1.

	Budget Qtr 2 £M	BAU Annual Forecast Qtr 2 £M	BAU Forecast Variance Qtr 2 £M	BAU Forecast Variance Qtr 1 £M	BAU Variance Movement from Qtr 1 £M
Expenditure					
Responsive repairs	12.15	11.46	0.69 F	0.31 F	0.38 F
Cyclical maintenance	4.97	4.57	0.40 F	0.80 F	0.40 A
Rents payable	0.10	0.10	0.00	0.00	0.00
Debt management	0.09	0.09	0.00	0.00	0.00
Supervision & management	24.94	24.89	0.05 F	0.00	0.05 F
Interest & principal repayments	8.83	8.83	0.00	0.00	0.00
Depreciation	20.92	20.92	0.00	0.00	0.00
Direct revenue financing of capital	3.88	3.88	0.00	0.00	0.00
Total Expenditure	75.87	74.73	1.14 F	1.11 F	0.03 F
Income					
Dwelling rents	(71.38)	(71.15)	0.22 A	0.00	0.22 A
Other rents	(1.20)	(1.20)	0.00	0.00	0.00
Service charge income	(2.34)	(2.34)	0.00	0.00	0.00
Leaseholder service charges	(0.95)	(0.95)	0.00	0.00	0.00
Interest received	(0.01)	(0.01)	0.00	0.00	0.00
Total Income	(75.87)	(75.65)	0.22 A	0.00	0.22 A
(SURPLUS)/DEFICIT	0.00	(0.92)	0.92 F	1.11 F	0.19 A

NB Numbers are rounded

The SIGNIFICANT business as usual movements between quarter 1 and quarter 2 for the Portfolio are:

Service Area	Movement in BAU Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Cyclical Maintenance	0.40 A	A review of compliance work requirements for fire safety and other works has been undertaken. This has led to a restructure to ensure future full delivery of the cyclical maintenance programme. The movement in forecast builds in the expected cost of restructuring in 2021/22.
Dwelling Rent	0.22 A	The movement in forecast relates to rent loss due to voids, which has increased due to increased turnaround times and Estate regeneration properties being held empty prior to demolition.
Responsive repairs	0.38 F	There is a favourable variance forecast for increased income to the trading divisions (Capital Works and Safety Services), based on income data and extrapolated over the year. The movement in quarter 2 is based on a review of activity between July and August, which shows a continuing favourable trend.

A summary of the Portfolio COVID-19 forecast variance and movement since quarter 1 is shown in the table below:

Service Area	COVID Forecast Variance	COVID Forecast Variance	COVID Variance Movement from Qtr 1
	Qtr 2 £M	Qtr 1 £M	Qtr 1 £M
Supervision & Management	0.57 F	0.57 F	0.00
Total	0.57 F	0.57 F	0.00

There were no SIGNIFICANT COVID-19 variance movements between quarter 1 and quarter 2 for the Housing Revenue Account.