Decision Report - Executive Decision
Forward Plan Reference: FP/23/--/--
Decision Date – 06 September 2023
Key Decision – No

2023/24 Housing Revenue Account Budget Monitoring as at Quarter 1 (30 June 2023)

Executive Member(s): Deputy Leader of the Council and Lead Member for Resources and Performancer(s); Lead Member for Communities, Housing and Culture
Local Member(s) and Division: All
Lead Officer: Jason Vaughan, Executive Director for Resource & Corporate, S151 Officer
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1 Executive Summary

1.1 This report provides an update on the projected outturn financial position of the Council's Housing Revenue Account (HRA) for the financial year 2023/24 (as at 30th June 2023).

1.2 The headline estimates for **revenue** costs are:

Revenue Budget	Forecast to budget	Green
General Reserves	£12.049m forecast balance = favourable compared to £3.722m minimum requirement	Green
Earmarked Reserves	£258k opening balance	Green

1.3 The HRA is a ring-fenced account which must abode by the accounting regulations and ensure that cross subsidy does not occur. Whist self-financing has provided some flexibilities, the HRA is heavily regulated which restricts income growth and increase cost pressures.

1.4 The HRA has set a balance budget for 2023/24 however areas of risk for the will year relate to **economic operating environment** and the impact this may have on any variation from the forecasts assumed when setting the budget, for example the cost of borrowing for the refinancing of debt, pay awards, cost of materials and utilities, etc.

1.5 In addition, there are risks associated with **regulatory and compliance** requirements. For example, changes are expected during the year in relation to the Regulator of Social Housing's decent home standard where the cost impact is unknown, as well as a new Bill passing through parliament which will require several changes to home safety, tenant satisfaction measures, complaints handling, a new inspection regime for social landlords which will increase resource requirements.

1.6 From an **operational** perspective, the risk here relates to the levels of demand from our tenants for support and service, for example for debt and benefit advice, repairs and maintenance on their properties, and the number and condition of void properties. This is a very reactive service based on the needs of the tenants.

1.7 The headline estimates for **capital** costs are:

1.8 The Housing Revenue Account (HRA) Capital Programme for 2023/24 onwards is £122.606m (subject to approval). This consists of £32.208m of new schemes approved for 2022/23 plus £90.397m proposed budget carry forward.

1.9 The current forecast outturn is to budget for the Major & Improvement Works. The Social Housing Development schemes will be delivered over the next eight years.

2 Recommendations

2.1 The Executive:

2.2 To note the HRA's forecast financial performance and projected reserves position for 2023/24 financial year as at 30 June 2023, including key risks and future issues and opportunities detailed in the report which will be closely monitored and updated throughout the year.

2.3 To note the forecast outturn position of the Capital Programme.

2.4 To approve a supplementary capital budget of £3,313,829 for the in-house service to spend on Fire Safety.

3 Financial and Risk Implications

3.1 Financial forecasts are based on known information and projections based on assumptions. As such any forecast carries an element of risk. The current forecasts included in this report are considered reasonable given the extra element of risk around inflation being experienced in the current economic operating environment and based on experience it is feasible the year end position could change. It is common for overspends and / or underspends to emerge during the year, reflecting an optimism bias within previous forecasting. There may also be matters beyond the Council's control that affect the final outturn position.

3.2 Salient in year budget risks are summarised below. The Council manages financial risk in several ways including setting prudent budgets, carrying out appropriate monitoring and control of spend, operating robust financial procedures, and so on. The Council also holds both unearmarked and earmarked reserves which include contingencies to manage budget risk.

3.3 Budgets and forecasts are based on known information and the best estimates of the housing service's future spending and income. Income and expenditure over the 2023/24 financial year are estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain. The Council carries protection against risk and uncertainty in several ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

3.4 The following general risks and uncertainties have been identified:

Regulatory and Compliance

3.5 Over the past few years, the regulatory and compliance requirements have increased. The landlord functions have increasingly stringent standards to ensure customers are kept safe. Recent and imminent legislation in Fire Safety and Damp & Mould has led to greater investment in a range of components and different working practices. The proportionate cost of works associated with compliance has increased significantly over the past three years. The landlords are investing significantly in electrical safety checks, compartmentalisation within blocks and fire doors and Homes in Sedgemoor with the Council has enhanced its practices to manage new Building Safety Act requirements.

3.6 **Landlord Compliance:** Both operating models have good and well-established approaches to ensure the Council keep tenants safe. The big six compliance areas (Gas, Electric, Water, Asbestos, Fire Safety and Lifts) have now been joined by Damp & Mould. Housing is increasingly scrutinised and reputational damage as well as harm is significant if the Council fails to manage its compliance responsibilities. The Council is ultimately responsible. Performance management frameworks are in place to measure landlord compliance and new approaches have been developed to help the services respond to damp and mould cases. The Housing Regulator is currently supporting the in-house service's action plan to bring Electrical testing to top quartile performance. This should be achieved by October. Regular audits take place and currently a Fire Safety Audit is being carried out involving both landlord services.

3.7 **Social Housing Regulation Bill:** This paper is passing through parliament with its core objectives being – to facilitate a new, proactive approach to customer regulation regime, refine the existing economic regime and strengthen the regulatory powers to enforce customer and economic regulation. The bill will include Awaab's Law placing additional requirements in relation to resolving damp & mould on the landlord and requiring greater professionalisation of the service. The Council landlords are applying the new Tenant Satisfaction Measures and reporting these through Key Performance Indicators. The bill will require several changes to home safety, tenant satisfaction measures, complaints handling, a new inspection regime for social landlords and a strengthened role for the Regulator of Social Housing. The Bill provides addition impetuous for the two operating models to share best practice and learn from one another. The in-house service is focusing this year on improving communication with tenants, within the service and on Core Service delivery (repairs, compliance, Capital programme, voids/lettings, tenancy management and income collection).

3.8 **Responding to increased stock quality standards:** Changes to the Regulator of Social Housing's decent home standard as well as higher thermal efficiency standards which may not be fully supported by additional external grant funding would place an additional burden on HRA resources available for elemental investment in homes. After a period of transition, the strategic Housing Revenue Account service will be in a good position to influence stock investment for all 10,000 homes and align strategy such as low carbon retrofit.

3.9 **Right To Buy (RTB) Receipts**: This is a government policy that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The receipts allowed to be retained by the Council can now fund up to 40% of new social housing costs and must be used within five years of receipt. To date, with the exception of one instance in Q1 2015/16 where receipt and interest was repaid, the Council has successfully fully spent all of their retained 1-4-1 receipts.

Economic Operating Environment

3.10 **Inflation:** The current economic operating environment is placing financial risk on the Council in terms of rising inflation increasing the cost of supplies such as utilities, labour and materials, above budgeted assumptions. Regardless of the difference in how the repairs are delivered (by a direct labour organisation or contracts) the shortage of labour and materials is increasing costs to the service and often additional supervision is required to ensure quality is maintained.

3.11 **Rising cost of borrowing:** The landlord service has a well development social housing and regeneration programme; however, these schemes can only obtain a maximum of 40% subsidy from the RTB Scheme (subject to criteria) leaving the Council to borrowing to finance the remaining 60% cost of the scheme. With the cost of borrowing rising this is having a significant impact on the MTFP and 30-Year Business when new borrowing is required to either refinance debt falling due or to finance new borrowing requirements.

3.12 The PWLB has recently announced a reduction in the margin applied to loans that will be used to fund capital expenditure within the Housing Revenue Account (HRA). Available from the 15 June 2023 qualifying loans (submitted within one year) will attract a margin of 0.40% above Gilts which is a discount of 0.60% below the published PWLB rates.

3.13 The Council is exploring further opportunities to subsidise schemes and reduce the HRAs borrowing requirements. For example, the service is currently working with Homes England to submit a bid in August to access funding for its regeneration programme as part of the North Taunton Woolaway Project.

3.14 **Capital Programme Forecasts:** Engaging with Contractors at all tiers continues to be very challenging, therefore the risk to the capital programme and forecast costs should be considered. The labour and materials market are still in short supply, with Contractors unable to resource both tenders being issued on projects on site. As such, competition in the market is more limited than it has been for some time.

3.15 The cost pressure created by inflation, the liquidation of a number of contractors, logistics challenges and the general acceleration to get projects to site, is causing previous fixed price contracts to be re-appraised within a matter of months of a successful tender. This could move schemes to the limits of viability. The resulting impact of this cost pressure is resulting in Tier One (larger scale) Contractors often turning down tender opportunities unless an inflation clause (requiring the Client to take the risk of inflation), is included in Contracts, whilst smaller Contractors are withdrawing tenders after submission or operating on such a small margin as to put them at risk of failure.

3.16 There is no question that the cost of maintenance and construction has significantly increased over the past two years. The forecast tender price inflation market appears to be at a turning point as inflation and demand pressures fall. This may see new opportunities during the tendering of works however the baseline is significantly higher than 2021/2022. The material price index in January 2023 increased by 10.4% (All Words) which was slightly down on previous months. Tender price inflation appears to be dropping to around 3% in 2023 compared to 3.75% in 2022. Although the Housing Revenue Account is sufficiently robust the ability to deliver works will in part relate to the solvency of contractors and their ability to manage the economic environment.

3.17 **Recruitment:** There are a number of vacancies across the Council and assumptions have been made as to when these vacancies will be filled. The Council is experiencing recruitment issues (as seen country-wide) therefore assumptions and forecasts may change, in addition to higher agency costs to cover roles where permanent recruitment is not successful.

3.18 **Cost of living crisis, Welfare Reform and Universal Credit (UC):** The impacts of these are significant with the number and value of rent accounts in arrears expected to increase considerably. Several mitigations are already in place to help support tenants affected particularly by the rising cost of living such as debt advice, access to discretionary housing payments and an arrears management team with redesigned workflow processes. These issues may require the Council to revise future income projections.

Operational Delivery

3.19 **Repairs & Maintenance**: Overall this is a very demand led and reactive service based on the needs of the tenants. There are also a number of uncontrollable variables associated with this service such as the weather (e.g., cold winters causing burst pipes, roof leaks, etc), condition of properties when returned (e.g., void refurbishments), consumer demand on minor internal / external repairs (e.g., broken door or fence) and the type of repair work required. Market pricing of materials etc can also be volatile with some unit costs increasing in recent years. As such the levels of demand do not always follow a recognisable trend. We therefore caveat the forecasts in these areas to account for fluctuations.

3.20 **Fluctuation in demand for services:** We operate many demand-led services and the levels of demand do not always follow a recognisable trend, which may lead to fluctuations in costs and income compared with current forecasts. Regulatory change is increasing the landlords need to improve access to the service and by its nature increase demand. Increase in demand can often be a positive in terms of maintenance as early intervention can limit damage and save costs to the landlord.

3.21 **HRA Service Level Agreements with the new unitary council:** As the Housing Revenue Account comes together as one account there is an opportunity to review and formally agree the service level agreements which helps the landlord functions operate through the purchase of General Fund skills. For example, finance, human resources, business support, governance, etc. The in-house landlord is looking at all its services in order to secure appropriate resources from within its own structure or through other Council directorates. It is envisaging the new Service Level Agreements will allow the landlord and HRA strategic business team to better meet the challenges as a highly regulated social landlord.

Technical Accounting Risks

3.22 **Bad Debt Provision:** The budgeted bad debt provision of £147k provides financial capacity for any increase in arrears and / or aging debt from one year to the next as well as any in-year write offs. This is a year-end technical accounting adjustment. The key challenges facing the arrears position are the pressures to maximise rental income in an environment of reduced government support and greater need to utilise internal resources; the 'cost of living crisis' marked by reductions in real income accompanied by increases in utility, fuel costs and food prices; welfare reforms which have made extensive use of sanctions and reductions in eligibility; and the impact of the COVID pandemic. Homes in Sedgemoor have excelled at managing income and are currently in the top ten social housing landlord nationally. The in-house service does not compare as well and is narrowly outside the top quartile industry standard. Income generation and managing debt is being elevated in importance for the service and new software is being introduced to support this critical work.

3.23 The approaches incorporated at the Council to aid the HRA's enforcement of debt and support to tenants include providing direct welfare benefit advice and support; facilitating access to employment and training, support and advice; facilitating access to debt prevention support; and opportunities for flexible rent payment.

3.24 **Unitary Council:** The landlord functions have transitioned well into the new authority. The challenges since April have been working with new financial systems, learning other corporate software such as risk management software and working to procedures such as those in relation to recruitment and governance. It is currently unknown what the potential HRA costs will be and whether revenue costs including costs associated with staff movements due to uncertainty/feeling of insecurity, additional reliance on agency staff to fill vacancies in the short term, rebranding vehicle, offices and PPE have been impacted. From a capital perspective the business plan does provide some headroom to allow non-right to buy receipts to be used as flexible capital receipts to fund transformation costs. Revenue costs of implementation are not currently budgeted and will place additional pressures on the HRA budget and reserves, thus we will need to review planned expenditure and reserves during the business planning process in 2023/24.

3.25 **Forecasting Assumptions:** It is conceivable that, whilst budget holders are optimistic that they will spend all their budget, experience shows that variances are more accurate in the last quarter of the financial year. The pace of spending may also reduce as capacity and delivery of priorities is affected by local government structural change.

3.26 **Year-end Adjustments:** There are certain items that are not determined or finalised until the financial year-end. For example, the final assessment of provisions required for bad debts and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.

4 Partnership Implications

4.1 A range of HRA services are provided through partnership arrangements such as MIND, citizen's advice, Taunton East Development Trust, North Taunton and Wiveliscombe Area Partnership. The cost of these services is reflected in the Council's financial outturn position for the year. The Housing Revenue Account is increasingly having to question the funding of services outside its core service.

5 Scrutiny Comments / Recommendations

5.1 This report will be considered by Scrutiny on 8 August 2023. A summary of the comments and recommendations discussed will be provided here for the Executive to consider.

6 Background and Full details of the Report

6.1 The Housing Revenue Account (HRA) is a ring-fenced, self-financing, account used to manage the Council's housing stock, with the Council acting as the Landlord. This has been the case since April 2012 where, under the Localism Act 2011, the government abolished the national subsidy system (which required an annual payment from the HRA to Central Government) and introduced ‘self-financing’. This new system enabled Councils to retain all rental income to fund the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of debt. As part of the self-financing agreement, Councils had to buy themselves out of the subsidy system by making a one-off payment to the Government. The debt taken in 2012 was a total of £133m; £85.198m for the Taunton Deane Borough Council legacy authority and £47.321m for the Sedgemoor District Council legacy authority.

6.2 Self-financing does bring financial benefits and more flexibility, especially since the borrowing cap was removed in October 2018, however the HRA is still heavily regulated. For example, rent increases are restricted by the Regulator of Social Housing’s Rent Standard, there are specific regulations which govern eligible income and expenditure to prevent cross subsidy with the General Fund, as well as the decent homes standards that stipulate the conditions of properties.

6.3 The new unitary Somerset Council has inherited two landlord operating models which now sit under one Housing Revenue Account. The two landlord operating models are an in-house service in the West, formerly Somerset West and Taunton (SWT), and Homes in Sedgemoor which is an Arm’s Length Management Organisation (ALMO) operating in the North, formerly Sedgemoor District Council (SDC). The combined total dwelling stock as at 1 April 2023 is 9,665 (5,653 from SWT and 4,012 from SDC). In addition to this we have 599 leasehold properties (489 from SWT and 110 from SDC).

6.4 The Council’s two operating models which deliver the landlord functions will continue to operate as they did previously however there are various transitional projects taking place which will enable the Council to compare the two models like for like. These transitional projects will also allow the Council’s in-house service and Homes in Sedgemoor to learn from one another. The transitional programme will also recognise the opportunity to enhance the Council’s strategic Housing Revenue Account responsibilities. This will allow the council to be a better client to the arm’s length service and its own in-house service. The transition will see appropriate resources at landlord function level and at the strategic level allowing the in-house and Homes in Sedgemoor landlord service to be ambitious in delivering great and improving services to customers and allow the Council to make strategic decisions in relation to stock investment, growth, rent setting, zero carbon homes and administering its statutory and regulatory responsibilities. Following a period of transition, the Council will be able to turn toward an option appraisal of its stock and operating models.

6.5 The regular monitoring of financial information is a key element in the Council’s HRA Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the HRA's Medium Term Financial Plan and 30-Year Business Plan.

6.6 Members are to note that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels and where actual costs and income can vary from initial estimates and assumptions. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas. Budget Holders, with support and advice from their finance business partner, update their forecasts monthly based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year-end, and several risks and uncertainties are highlighted within this report. However, the following forecast is reasonable based on current information.

7 HRA Revenue Budget 2023/24 Forecast Outturn

7.1 This report provides the Housing Revenue Account (HRA) forecast end of year financial position for revenue and capital expenditure as at 30 June 2023.

7.2 The current year end forecast outturn position for the HRA for 2023/24 is to budget. The table below summarises the approved revenue budget for the combined HRA for 2023/24, with more detail found in Appendix A.

Table 1: HRA Revenue Outturn Summary

	Current Budget	Forecast Outturn	Forecast Variance	
	£000	£000	£000	%
Gross Income	-51,115	-51,115	0	0.0%
Service Expenditure	29,578	29,578	0	0.0%
Other Expenditure	21,537	21,537	0	0.0%
Total	**0**	**0**	**0**	**0.0%**

8 Capital Programme

8.1 The Housing Revenue Account (HRA) Capital Programme for 2023/24 onwards is £122.606m (subject to approval) as summarised in the table below. This consists of £32.208m of new schemes approved for 2022/23 by Full Council on 22 February 2023 plus £90.397m of previously approved schemes in prior years that have been proposed to be carried forward and are pending approval as part of the outturn report being presented to the Executive on 6 September 2023.

Table 2: Summary of HRA Capital Programme Approved Budget for 2023/24

	2022.23 Slippage Budget	2023.24 Approved Budget	2023.24 Total Budget
	£000	£000	£000
Majors & Improvements	5,507	22,206	27,712
Social Housing Development	84,891	10,003	94,893
Total	**90,397**	**32,208**	**122,606**

8.2 The Council plans to finance this investment through the Major Repairs Reserve, Capital Receipts, Capital Grants, Revenue Funding and Borrowing.

8.3 The HRA Capital Programme relates to in-year works and longer-term schemes that will be completed over the next eight years. Once the capital budget slippage has been approved the planned profiled spend will be updated and provided, in the quarter 2 report, to reflect the estimated timing of capital expenditure for the approved schemes.

8.4 The current forecast outturn is to budget for the Major & Improvement Works. Further work is underway to update the profiled capital expenditure for the Social Housing Development Schemes as this total approved budget will be spent over the next eight years.

8.5 The Information on what the HRA capital programme plans to deliver during 2023/24 can be found below**.**

Major Works and Improvement:

8.6 The two operating models both aim to maintain homes to the decent home’s standard enhance the thermal comfort of tenants by moving towards 2030 and 2050 standards.

8.7 The 2023/24 capital programme includes major programmes such as kitchens, bathrooms, heating improvements, insulation and ventilation, door entry systems, external doors, fasciae and soffits, roofing and windows.

8.8 The two operating models have previously placed slightly different emphasis on different aspects of major works however under one Housing Revenue Account decent homes, low carbon living, stock sustainability and block investment can be approached more consistently. Both organisations have been successful at being awarded grant for low carbon works and combined bids and programmes will be encouraged.

8.9 Members are being asked to approve a supplementary capital budget of £3,313,829 (in addition to the current budget of £150,000 plus pending carry forward of £373,671) for the in-house HRA to spend on essential fire safety works following Fire Risk Assessments (FRAs) to general needs, sheltered and extra-care schemes. These works include fire doors (and fire door automation), compartmentalisation works, emergency lighting, fire safety flooring to communal areas, and consumer unit upgrades to communal areas. Procurement activities are underway and internal resources are being arranged to ensure the works can be delivered during the 2023/24 financial year. This will be funded from a combination of the Major Repairs Reserve and borrowing, subject to the final outturn position of the capital programme, and Officers will ensure that the most effective use of resources is made. In light of the budget returns proposed in the Outturn Report 2022/23, this supplementary budget request will stay within the assumptions of 30-Year Business Plan presented to members in February 2023.

Social Housing Development Programme:

8.10 The Homes in Sedgemoor and in-house functions both have a social housing development programme of works, which increases stock through a combination of acquisitions from the open market and / or building new homes.

8.11 The Right To Buy (RTB) scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. During 2022/23 the Council sold 50 properties (SWT 28 and SDC 22). The Council estimates that on average 55 properties will be sold each year through the Right to Buy Scheme. Therefore, growth in our housing stock is vital to replace stock and attempt to ensure Somerset has more affordable homes to meet the increasing demand.

8.12 The two landlords have diverse approaches and discussions are taking place within the setting of the review of the action plan a more consistent approach to growth. The in-house team has two major schemes delivering over the next six to seven years whilst Homes in Sedgemoor have generally more schemes over a shorter period, and these tend to be smaller schemes. The HRA has started aligning its growth ambitions with opportunities to deliver homes on behalf of the Council especially for vulnerable customers. The landlords are purchasing for displaced persons and building and purchasing properties to support the General Fund homelessness challenges. The HRA 30-Year Business Plan considers the cost of growth alongside the many other service needs. The annual business planning process reviews affordability annually.

9 HRA Earmarked Reserves

9.1 The Housing Revenue Account (HRA) Earmarked Reserves at the beginning of 2023/24 totalled £258k (see **Table 3** below). These have been carried forwards from Somerset West and Taunton. There were none held by Sedgemoor District Council.

9.2 Earmarked reserves are set aside for a specific purpose and are reviewed on a regular basis. These funds have been earmarked to be spent within the next two years.

Table 3: Earmarked Reserves Balances

Description	**Opening Balance 01/04/2023 £000**	**Transfers £000**	**Projected Balance 31/3/2024 £000**
Hinkley – Community Grants	130	0	130
Climate Change Grant - Electric Vehicles	77	0	77
Hinkley – Home Moves Plus Grant	34	0	34
Tenant Satisfaction Grant	17	0	17
Total	**258**	**0**	**258**

10 HRA Unearmarked Reserves

10.1 The Housing Revenue Account (HRA) Unearmarked Reserves opening balance of £13.699m stands above the recommended minimum balance of £3.722m and provides ongoing financial resilience and mitigation for unbudgeted financial risks.

10.2 The recommended minimum balance for the combined HRA is £3,722,400 and is equates to approximately 7.3% of gross income and £385 per property.

10.3 As part of the budget setting proposals to Full Council on 22 February 2023, £1.650m of current reserves will be used to support the base budget in 2023/24. Further approved (or proposed) allocations to / from Unearmarked Reserves are shown in the table below.

Table 4: HRA Unearmarked Reserves Balance

	Approval	**£000**
Balance Brought Forward 1 April 2023		
From Sedgemoor District Council		10,713
From Somerset West and Taunton		2,986

Total Balance Brought Forward 1 April 2023		**13,699**
Budgeted Contribution to support base budget 2023/24	FC – Feb23	-1,650
Current Balance		**12,049**
Forecast: 2023/24 Projected Overspend / Underspend		0
Projected Balance 31 March 2024		**12,049**
Recommended Minimum Balance		3,722
Projected Balance above Minimum Reserve Balance		8,327

Background Papers

HRA Budget Setting Report – Full Council 22 February 2023
HRA Outturn Report - tbc

List of Appendices

Appendix A	Housing Revenue Account (HRA) Approved Budget for 2023/24

Report Sign-Off (if appropriate) (internal use only - not for publication)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	
Communications	Chris Palmer	
Finance & Procurement	Nicola Hix	
Workforce	Chris Squire	
Asset Management	Oliver Woodhams	
Executive Director / Senior Manager	Chris Hall / Jason Vaughan	
Strategy & Performance	Alyn Jones	
Executive Lead Member	Cllr Federica Smith / Cllr Liz Leyson	
Consulted:	Councillor Name	
Local Division Members		
Opposition Spokesperson	Choose an item.	
Scrutiny Chair	Choose an item.	

Appendix A: Housing Revenue Account (HRA) Approved Budget for 2023/24

	In-House	ALMO	Combined					
	Approved Budget	Approved Budget	Original Budget	Current Budget	Full Year Projection	Month 3 Variance		A/(F)
	£m	£m	£m	£m	£m	£m	%	
Income								
Dwelling Rents	(27.1)	(18.0)	(45.2)	(45.2)	(45.2)	0.0	0.0%	-
Non Dwelling Rents	(0.7)	(0.6)	(1.3)	(1.3)	(1.3)	0.0	0.0%	-
Charges for Services / Facilities	(1.9)	(1.5)	(3.4)	(3.4)	(3.4)	0.0	0.0%	-
Contributions Towards Expenditure	(0.2)	(1.1)	(1.3)	(1.3)	(1.3)	0.0	0.0%	-
	(29.9)	**(21.2)**	**(51.1)**	**(51.1)**	**(51.1)**	**0.0**	**0.0%**	**-**
Expenditure								
Repairs and Maintenance	8.7	4.4	13.1	13.1	13.1	0.0	0.0%	-
Supervision and Management	4.1	5.2	9.2	9.2	9.2	0.0	0.0%	-
Special Services	1.6	1.3	2.9	2.9	2.9	0.0	0.0%	-
Rents, Rates, Taxes and Other Charges	0.2	0.7	0.8	0.8	0.8	0.0	0.0%	-
Central Recharges (to / from the General Fund)	3.2	0.2	3.4	3.4	3.4	0.0	0.0%	-
	17.8	**11.8**	**29.6**	**29.6**	**29.6**	**0.0**	**0.0%**	**-**
Other Operating Income and Expenditure								
Interest Payable	3.3	2.5	5.8	5.8	5.8	0.0	0.0%	-
Interest Receivable	0.0	(0.3)	(0.3)	(0.3)	(0.3)	0.0	0.0%	-
Change in Provision for Bad Debts	0.1	0.0	0.1	0.1	0.1	0.0	0.0%	-
Depreciation	9.1	7.3	16.3	16.3	16.3	0.0	0.0%	-
Capital Financing	0.0	1.2	1.2	1.2	1.2	0.0	0.0%	-
Movement in Reserves	(0.4)	(1.3)	(1.6)	(1.6)	(1.6)	0.0	0.0%	-
	12.1	**9.4**	**21.5**	**21.5**	**21.5**	**0.0**	**0.0%**	**-**
Net Surplus(-) / Deficit for the Year	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0%**	**-**