

Appendix E – Housing Revenue Account

	Para Refs	2021/22 Revised Budget (£'000)	2021/22 Amount (£'000)	Additional Reserve Transfers (£'000)	2021/22 Outturn Variance (£'000)
Housing Committee					
Dwelling rents and service charges		(22,779)	(22,522)		257
Other charges and income		(629)	(715)		(86)
Provision for bad debt		200	63		(137)
Total Income	1.1	(23,208)	(23,174)		34
Supervision and management	1.2	4,196	3,967	(78)	(307)
Repairs and maintenance	1.3	4,503	4,799	100	396
Independent Living service	1.4	637	525		(112)
Other expenditure	1.5	540	723		183
Independent Living Modernisation	1.6	381	345	37	1
Total Expenditure		10,257	10,359	59	161
Support Service Charges from the GF	1.7	2,058	2,204		147
Revenue funding of capital programme (Depn & RCCO)		6,217	6,214	3	0
Provision for repaying debt		967	0	967	0
Interest payable/receivable		3,334	3,329		(5)
Total Other Costs and Income		12,576	11,747	970	141
Total Expenditure/Income		(375)	(1,068)	1,029	336
Transfers to/(from) HRA earmarked reserves		94	1,119	(1,029)	(4)
Transfers to/(from) HRA general reserves		281	281	0	0
Total Housing Revenue Account		0	332	0	332

1.1 Income – £34k loss of income

During the course of the financial year the number of empty council house properties undergoing works to make them ready to be let has significantly reduced. The number of properties recorded as work in progress at the start of the year was 164. This was as a consequence of Covid restrictions and labour market pressures. Since April 2021 this position has improved considerably. As at the year end this number has reduced to 71 and is anticipated to be in line with our forecast to return to pre pandemic levels by the end of the first quarter of 2022/2023.

The hard work of the Property Care team and its contractors assisted through additional targeted resources (see para 1.3) means we are continuing to reduce the recent historical backlog. Material and labour supply chains still remains uncertain, and we will continue monitor how this may impact on workstreams.

Garage rents are higher than budgeted but will continue to reduce in line with the approval to review the use of all garage sites.

An allowance for this non payment of rents is included in the Provision for Bad Debt line. This has not been as high as budgeted and has reduced during the year through proactive support for tenants including sustainable payment arrangements to maintain tenancies.

1.2 **Supervision and Management – (£307k) underspend**

Over the year a number of posts have become vacant and recruited to through due process. While these posts are in the process of recruitment, performance of the service has been strong. Taking into account vacancy and recruitment across the year the underspend is (£290k).

Transfers from reserves have been needed to cover the cost of transformation including redundancy costs and strategic housing support.

There is also an underspend of (£88k) on IT software. This predominantly relates to budget available for a new housing system which is now due for implementation later in the year.

1.3 **Repairs and maintenance – £396k overspend**

As referenced in para 1.1 above, a targeted resource of £250k was allocated to provide additional capacity to deliver works on empty properties and bring them back to habitable use. £196k has been used against revenue costs of void works, with further spend in capital void works. This is reducing the backlog of void properties undergoing works.

Numbers are on track to return to pre Covid levels by the end of Q1 2022/23 however while this work is still ongoing, voids costs are expected to be higher than budget. This is partly as a consequence of an increase in council tax of £171k on empty properties.

There is also an overspend of £191k in Property Care. This predominantly relates to the increased use of subcontractors and pressure on the cost of materials.

Included is a revenue transfer carry forward of £100k towards cyclical works which will be undertaken in 2022/23.

1.4 **Independent Living Service - (£112k) underspend**

The underspend for the year primarily relates to utilities where lockdown caused a significant reduction in communal utilities. There have also been savings in salaries where posts have remained unfilled in 2021/22 as well as underspends on fixtures and fittings where tenant improvements were restricted due to Covid.

1.5 **Other expenditure - £183k overspend**

Fly tipping and contaminated waste continues to be a costly problem within the estates. A cleaner estates action plan has recently been adopted by Housing Committee. This sets out the expectations, aspirations and methodology used in the delivery of the service and will be used to improve the service by looking at hot spots and the consideration of improved waste storage areas.

This includes additional UBICO activity at various sites throughout the year.

1.6 **Independent Living Modernisation**

The Independent Living Modernisation Programme (previously known as the Sheltered Modernisation Programme) includes modernisation works to green and amber schemes, as well as the decanting costs and void costs e.g. council tax for the red schemes. It consists of works to schemes that are part revenue and part capital and the budget is split based on estimates.

This is fully funded from the Independent Living modernisation earmarked reserve, along with a contribution towards the lost service charges that formed part of the original business case.

1.7 **Support Charges from the General Fund – £147 overspend**

Charges from the General Fund for shared and support services such as IT, HR and finance are £147k higher than budgeted for the year. This is largely due to overspends on ICT Service including salaries and running expenses as reported in the General Fund Outturn position.