

MONTH END DATE

31 August 2023

PERIOD

5

Subjective Analysis	Variance Analysis				
	Budget	Forecast	Forecast	Forecast	RAG
	2024/25	Spend	Variance	Variance	Status
	£000	£000	£000	%	
Employee Costs	7,661	7,283	(378)	-5%	↑
Subjective Description					
Cost of employees charged directly to the HRA.					
Variance Narrative					
Main Issues	An employee cost underspend is anticipated as management target staffing efficiencies, including tighter controls on staff recruitment and overtime.				
Mitigating Action	None required.				
Anticipated Outcome	A year end underspend.				

Subjective Analysis	Variance Analysis				
	Budget	Forecast	Forecast	Forecast	RAG
	2024/25	Spend	Variance	Variance	Status
	£000	£000	£000	%	
Other Expenditure	330	560	230	70%	↓
Subjective Description					
Rent abatements, support for young tenants, legal and banking expenses, and other sundry costs.					
Variance Narrative					
Main Issues	A rent abatement overspend of £100k is forecast because demand is exceeding the new reduced abatement budget. It is worth noting that the 2024/2025 rent abatement spend is forecast to be circa £250,000 less than the 2023/2024 spend.				
Mitigating Action	Housing Operations and Building Service will continue to place the strictest controls over the abatement process to minimise this spend.				
Anticipated Outcome	A year end overspend.				

Subjective Analysis	Variance Analysis				
	Budget	Forecast	Forecast	Forecast	RAG
	2024/25	Spend	Variance	Variance	Status
	£000	£000	£000	%	
Repairs & Maintenance	15,208	13,393	(1,815)	-12%	↑
Subjective Description					
Responsive and planned repair and maintenance services to houses and lockups and income recovered from tenant rechargeable and owner occupier repairs.					
Variance Narrative					
Main Issues	A high volume of repair orders and ongoing inflationary pressures are driving up costs, with the most significant pressures across responsive repair and void repair budgets.				
Mitigating Action	Officers have reviewed the repairs spend and identified a potential saving against the 2024/2025 repair and maintenance budget by transferring spend charged to revenue to the capital programme. A review of specific workstreams identified revenue funded works that extend the lifespan of the assets. Specifically work carried out in void properties to bring these back to relet standard are significant and include component renewals. Furthermore, the completion of an Electrical Installation Condition Report (EICR) is complementary to the environmental sensor installation programme.				
Anticipated Outcome	A year end underspend				

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Subjective Analysis	Variance Analysis				RAG Status
	Budget	Forecast	Forecast		
	2024/25	Spend	Variance		
	£000	£000	£000	%	
Void Loss (Council Tax / Lost Rents)	1,109	1,282	173	16%	↓
Subjective Description					
Lost rental income for void houses and lockups and the cost of council tax on long term void properties					
Variance Narrative					
Main Issues	Council tax payments for longer term void houses are forecast to exceed budget. There is limited progress being made with utility companies as council staff try and resolve debt on meters and meter reconnections. The poor performance of the utility companies adversely impacts on the length of time properties are void and leads to more empty properties incurring a council tax liability.				
Mitigating Action	Housing staff will continue to engage with utility companies to highlight meter issues that are preventing properties being available for let. Housing and Building Services staff will continue to prioritise the repair and subsequent allocation of longer term void properties.				
Anticipated Outcome	A year end overspend.				

Subjective Analysis	Variance Analysis				RAG Status
	Budget	Forecast	Forecast		
	2024/25	Spend	Variance		
	£000	£000	£000	%	
Loan Charges	22,092	26,041	3,949	18%	↓
Subjective Description					
Loans Fund repayments and the payment of interest and expenses on outstanding HRA debt.					
Variance Narrative					
Main Issues	Local authority borrowing costs for medium / long term Public Works Loan Board (PWL) debt and short term debt have remained high. The higher interest rates are driving up HRA debt financing costs. The HRA budget assumed that borrowing rates would reduce in 2024/2025. Whilst Interest rates were originally expected to fall over the course of this year, we now expect rates to remain high for the remainder of the financial year.				
Mitigating Action	The Council will continue to actively manage its external / internal borrowing to ensure that it minimises borrowing costs.				
Anticipated Outcome	A year end overspend.				