

Item

2021/22 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account

To:

Councillor Gerri Bird, Executive Councillor for Housing

Report by:

Julia Hovells, Assistant Head of Finance and & Business Manager

Tel: 01223 - 457248

Email: julia.hovells@cambridge.gov.uk

Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

1. Executive Summary

1.1 This report presents, for the Housing Revenue Account:

- a) A summary of actual income and expenditure compared to the final budget for 2021/22 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from both revenue and capital budget underspends into 2022/23.
- d) A summary of housing debt which was written off during 2021/22.

2. Recommendations

Under Part 1 of the Housing Scrutiny Committee Agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee:

- a) To approve carry forward requests totalling £12,561,760 in revenue funding from 2021/22 into 2022/23, as detailed in **Appendix C**.

Under Part 2 of the Housing Scrutiny Committee Agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

- b) Approval of carry forward requests of £22,055,000 in HRA and General Fund Housing capital budgets and associated resources from 2021/22 into 2022/23 and beyond to fund re-phased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.

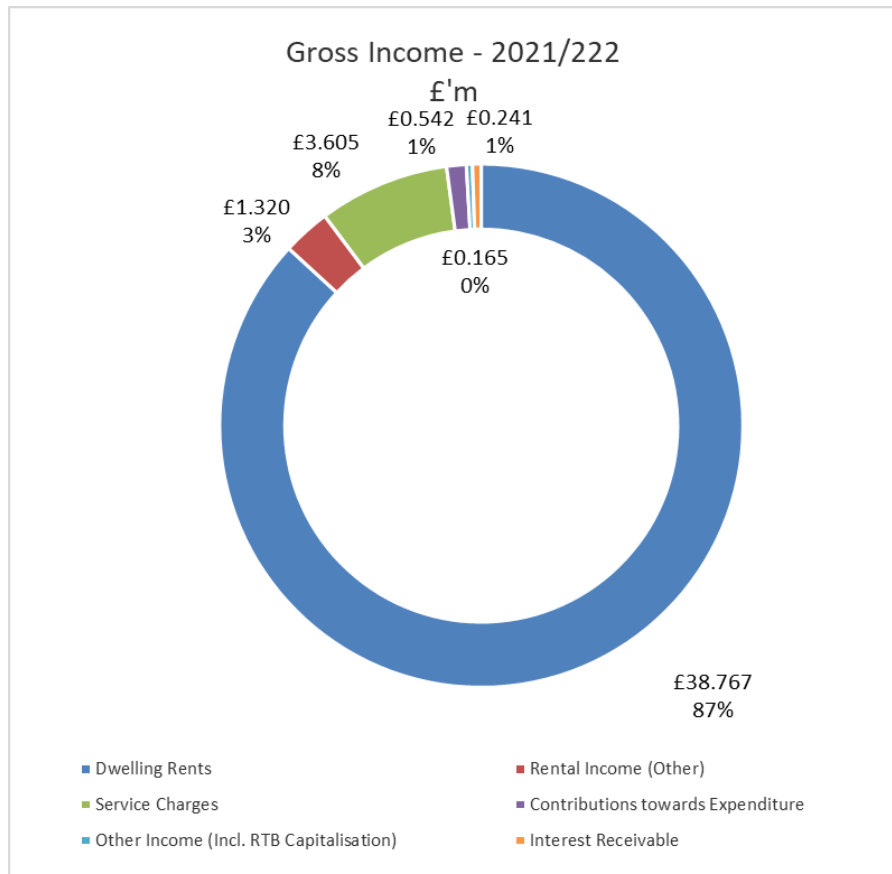
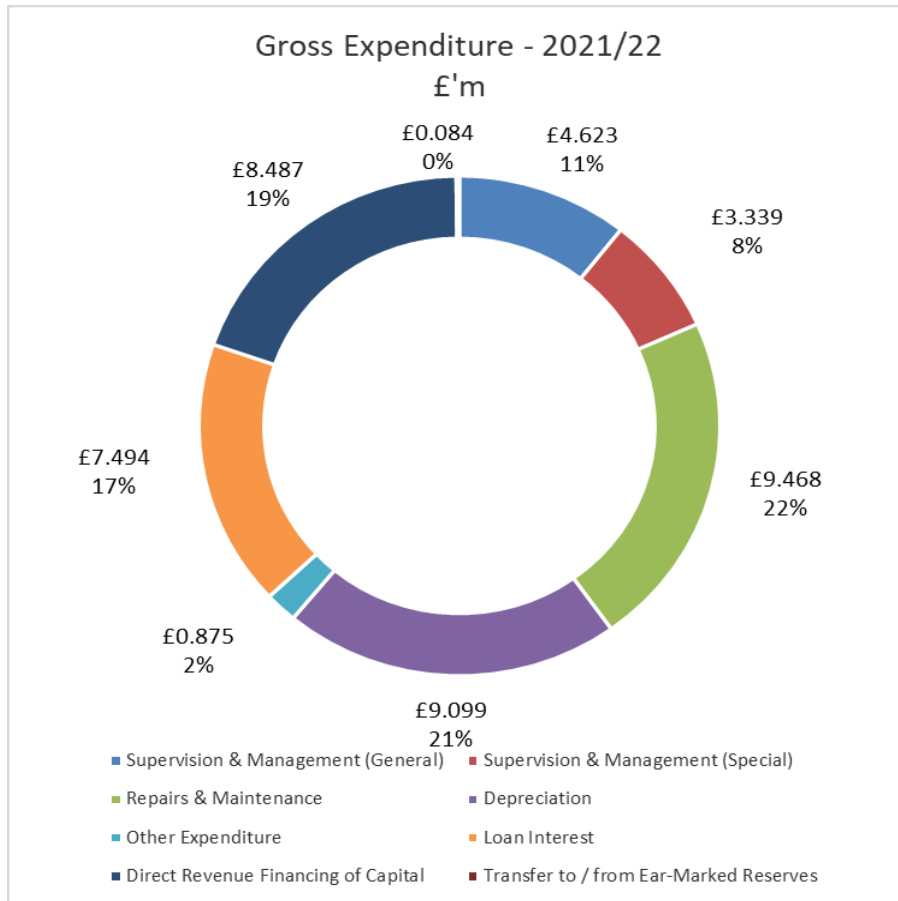
3. Background

Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Housing Revenue Account is given in the table and charts below.

2020/21 £'000	Housing Revenue Account Summary	2021/22 £'000	% Final Budget
3,998	Original Budget (HRA Use of Reserves)	6,397	45%
1,431	Adjustment – Prior Year Carry Forwards	7,598	54%
555	Other Adjustments	104	1%
5,984	Final Budget	14,099	100%
(3,354)	Outturn	(1,170)	8%
(9,338)	(Under) / Overspend for the year	(15,269)	108%
7,598	Carry Forward Requests	12,562	89%
(1,740)	Resulting Variation for the HRA and (reduced) / increased use of reserves	(2,707)	19%

Gross Expenditure and Income Charts – 2021/22



- 3.2 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for the HRA for 2021/22. The original revenue budget for 2021/22 was approved by the Executive Councillor for Housing on 19 January 2021.
- 3.3 **Appendix B** provides explanations of the main variance.
- 3.4 **Appendix C** lists revenue carry forward requests.
- 3.5 The final outturn position for the HRA is a net underspend of £15,269,719, which represents 108% of the net use of reserves approved for the year.
- 3.6 Significant variances are as follows:
- General HRA Services; underspend of £554k due to a number of staff vacancies, the temporary office closure and reduced demand for welfare reform funding in City Homes, reduced overhead recharges as a result of underspending in support services across the Council and deferral of some Housing Transformation activity to align with the 'Our Cambridge' programme.
 - Special HRA Services; overspend of £103k due to increased overhead recharges resulting from a review of the apportionment basis, overspending in temporary housing, with both increased stock numbers (36% increase) and increased operating costs and spending on furniture and equipment in sheltered and temporary housing, which is fully funded from the ear-marked reserve for repairs and renewals.
 - Repairs; underspend of £1,382k due to far fewer backlog and response repairs than expected following the reduced service delivered throughout the earlier stages of the coronavirus pandemic (£652k), an inability to deliver the fire door inspection programme as a result of contractor issues (£286k), delays in the delivery of the smoke and heat detector programmes due to contractor capacity and access constraints (£730k) and savings in the delivery of gas servicing (£109k). Void costs were conversely higher than anticipated (£375k) due to both the volume and cost.
 - Depreciation; underspend of £1,475k as a result of a review of the remaining useful asset lives, which takes place every 5 years and on this occasion extended the lives significantly.

- Other Expenditure; underspend of £346k, with the contribution to the bad debt provision being significantly lower than anticipated as a result of fewer debt write offs in 2021/22 and arrears being broadly maintained throughout the year. Partially offset by an overspend in council tax in respect of void properties, where the number of general voids and length of void period was greater in 2021/22 and homes were held vacant pending redevelopment.
- Income; over-achievement of £165k with the sum capitalised for administration of the right to buy process being higher than anticipated, an over-achievement in service charges as a result of an increase in temporary housing provision, catering services at Ditchburn Place and an increase in the level of rechargeable repairs raised. Rent income was marginally under-achieved due to increased right to buy sales coupled with delays in new build handovers.
- Interest Receipts; over-achievement of £95k due to an increased level of HRA balances resulting from underspending in both revenue and capital.
- Appropriations / Other; underspend of £11,355k, with a reduced call on DRF (direct revenue financing of capital expenditure) and the associated use of housing set-aside as a result of underspending in the capital programme and income transferred from the ear-marked reserve for repairs and renewals to fund expenditure in 2021/22.

Housing Revenue Account Reserves

- 3.7 The table below sets out the movement on the Housing Revenue Account reserve for 2021/22:

	2021/22 £'000
Original Budget – Contribution from HRA reserves	6,397
Adjustment – Prior Year Carry Forwards	7,598
Other Adjustments	104
Final Budget – Contribution from HRA Reserves	14,099
Net Variance for the Year	(15,269)

Total Contribution to HRA General Reserves – Draft Statement of Accounts	(1,170)
HRA General Reserve Balance - 1 April 2021	(18,420)
HRA General Reserves Balance - 31 March 2022	(19,590)

Capital Outturn

3.8 The overall capital budget outturn position for the Housing Capital Investment Plan (HRA and Housing General Fund) is provided in the table below. **Appendix D** shows the outturn position by programme with the associated notes providing explanations of variances.

2020/21 £'000	HRA Capital Summary	2021/22 £'000	% Final Budget
60,995	Original Budget	68,747	111%
6,560	Adjustments (Re-phasing -prior year)	17,112	28%
(12,496)	Other Adjustments	(23,877)	(39%)
55,059	Final Budget	61,982	100%
34,451	Outturn	38,250	62%
(20,608)	(Under)/Overspend for the year	(23,732)	(38%)
18,610	Re-phasing Requests	22,055	35%
(1,998)	(Under) / Overspend	(1,677)	(3%)

3.9 Spending in the Housing Capital Investment Plan in 2021/22 was below that originally anticipated, with reduction in the budget, particularly for new build and decent homes backlog expenditure as part of the Medium-Term Financial Strategy in September / October 2021 and the Budget Setting Report in January / February 2022.

3.10 Significant variances are as follows:

- General Fund Housing; underspend of £456k in disabled facilities and repairs assistance works delivered through the Home Improvement

Agency, with issues securing contractors and materials to allow works to proceed.

- Decent Homes; underspend of £5,350k due predominantly to contractor capacity, materials shortages, adverse weather conditions, access issues and tenant refusals.
 - Other Spend on HRA Stock; underspend of £3,370k with the programme encountering the same issues as the decent homes programme, but with fire safety works at Kingsway being intentionally put on hold pending consultation and review of the housing scheme.
 - New Build; underspend of £11,549k, with delays on a number of sites as a result of labour and materials shortages and on others due to delays in securing vacant possession and obtaining planning permission.
 - Acquisition; underspend of £2,578k, with 5 additional homes to accommodate rough sleepers still to be acquired and an underspend in the demand led budget for buying homes on the open market where future development may be an option.
 - Other HRA Capital Spend; underspend of £438k with no shared ownership repurchases in 2021/22 and the last phases of the Orchard Housing Management System implementation delayed until 2022/23.
- 3.11 Permission is sought to re-phase the use of £20,930k of DRF (direct revenue financing) into 2022/23 and to reduce the use of Major Repairs Reserve funding in future years by £6,072k to offset its additional use in 2021/22. £3,359k of the use of Devolution Grant held in balances will be deferred until 2022/23, as will the anticipated receipt and use of £704k of Homes England grant funding for the acquisition of homes for rough sleepers.

HRA Write Offs

- 3.12 In line with the revised process for the writing off of HRA debt, considered by Housing Scrutiny Committee in March 2015, this report also provides an appendix detailing write off of HRA debt during the financial year 2021/22. **Appendix E** includes a summary of debt written off by both category of write off and also value banding.

4. Implications

(a) Financial Implications

The variance from the final revenue budget (see above), would result in a decreased use of Housing Revenue Account reserves of £15,269,719. After carry forward of revenue resource to fund deferred expenditure, the overall variance and resulting reduction in the use of Housing Revenue Account reserves is £2,707,959.

A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

(b) Staffing Implications

There are no direct staffing implications associated with this report.

(c) Equality and Poverty Implications

There are no new equality or poverty implications associated with this report.

(d) Environmental Implications

There are no new environmental implications arising from this report.

(e) Procurement Implications

There are no new procurement implications arising from this report.

(f) Consultation and Communication

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

(g) Community Safety

There are no community safety implications arising from this report.

5. Background Papers

There were no specific background papers used in the preparation of this report. Data directly from the Council's financial management system was used in the report's preparation.

6. Appendices

- Appendix A – HRA Revenue Outturn 2021/22
- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2021/22
- Appendix D Notes – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2021/22

7. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

Julia Hovells, Assistant Head of Finance & Business Manager

Telephone: 01223 - 457248 or email: julia.hovells@cambridge.gov.uk.

Housing Committee - Housing Revenue Account

Revenue Budget 2021/22 - Final Outturn

Service Grouping	Original Budget £000's	Final Budget £000's	Outturn £000's	Variation Increase/ (Decrease) £000's	Carry Forward Requests - see Appendix C £000's	Net Variance £000's
INCOME						
Dwelling Rents	(39,078)	(38,832)	(38,767)	65	0	65
Rental Income (Other)	(1,301)	(1,287)	(1,320)	(33)	0	(33)
Service Charges	(3,086)	(3,544)	(3,605)	(61)	0	(61)
Contributions towards Expenditure	(668)	(490)	(542)	(52)	0	(52)
Other Income (Incl. RTB Capitalisation)	(458)	(81)	(165)	(84)	0	(84)
Total Income	(44,591)	(44,234)	(44,399)	(165)	0	(165)
EXPENDITURE						
Supervision & Management (General)	3,948	5,177	4,623	(554)	172	(382)
Supervision & Management (Special)	3,091	3,237	3,340	103	0	103
Repairs & Maintenance	8,452	10,850	9,468	(1,382)	1,222	(160)
Depreciation	10,793	10,574	9,099	(1,475)	0	(1,475)
Other Expenditure	3,916	1,221	875	(346)	0	(346)
Total Expenditure	30,200	31,059	27,405	(3,654)	1,394	(2,260)
Net Cost of HRA Services	(14,391)	(13,175)	(16,994)	(3,819)	1,394	(2,425)
Interest Receivable (Interest on Balances & Item 8)	(231)	(146)	(241)	(95)	0	(95)
(Surplus) / Deficit on the HRA for the Year	(14,622)	(13,321)	(17,235)	(3,914)	1,394	(2,520)
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,472	7,494	7,494	0	0	0
Housing Set-Aside	(5,858)	(9,763)	0	9,763	(9,763)	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	19,133	29,417	8,487	(20,930)	20,931	1
Transfer to / from Ear-Marked Reserves	272	272	84	(188)	0	(188)
(Surplus) / Deficit for year	6,397	14,099	(1,170)	(15,269)	12,562	(2,707)
(Surplus) / Deficit b/f	(18,420)	(18,420)	(18,420)			
Balance Carried Forward	(12,023)	(4,321)	(19,590)	0	0	0

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Financial Strategy - MTFS)
- via technical adjustments/virements throughout the year

Housing Committee - Housing Revenue Account

Revenue Budget 2020/21 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
Supervision and Management (General)		
City Homes	Underspend due to staff vacancies, with the need to carry forward resource for the fixed term Tenancy Auditor and Assistant Housing Officer posts, temporary closure of the offices at 171 Arbury Road and under-utilisation of funding ear-marked to support tenants through the transition to Universal Credit, with the balance of this funding to be carried forward into 2022/23.	(215,784)
HRA General Overheads	Reduced costs to be borne by the HRA overall in 2021/22 as a result of underspending in the majority of support services across the Council, with the cost allocation basis for the HRA also revisited.	(157,608)
Central HRA Provisions	Funding set-aside to meet the HRA's contribution to corporate costs and to fund business expansion costs was not required in full in 2021/22.	(86,100)
Housing Transformation	Delays in recruiting the Zero Tolerance Officer and in mobilising the 'Our Cambridge' transformation programme, which the HRA will be required to contribute to. Carry forward approvals are in pace to meet both of these costs in 2022/23.	(59,636)
Other		(34,367)
Total		(553,495)
Supervision and Management (Special)		
R&R Fund Expenditure	Expenditure on furniture and equipment in temporary and sheltered housing. This expenditure is not budgeted for in year, but is fully funded from ear-marked reserves set-aside specifically for these purposes.	68,922
Temporary Accommodation	Increased costs as a result of both increased unit numbers (36% increase), the acquisition of homes to accommodate rough sleepers and the coronavirus pandemic, with single occupancy of shared units for the early part of 2021/22 and enhanced operational requirements.	55,934
HRA Special Overheads	Reduced costs to be borne by the HRA overall in 2021/22 due to underspending in the majority of support services across the Council, but with the cost allocation basis also revisited in some areas, displaying increased costs in special services.	52,493
Other		(74,457)
Total		102,892

Housing Committee - Housing Revenue Account

Revenue Budget 2020/21 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
Repairs and Maintenance		
Response Repairs	Resource from 2020/21 to tackle backlog was not required, with fewer backlog response repairs than expected, coupled with difficulties in recruiting to vacancies in the team.	(652,039)
Risk and Compliance	The fire door inspection programme was undelivered as a result of contractor issues, electrical inspections and asbestos surveys were not completed in full by March 2022, but emergency lighting repairs marginally overspent.	(382,074)
Estate Investment	The revenue aspects of the Estate Investment Scheme were overspent at 31 March 2022, where fencing costs were significantly higher than estimated. The revenue overspend is however offset by an underspend in the capital aspect of this project.	56,857
Voids	Void repairs overspent, with an increase in the volume, complexity and average cost of voids, exacerbated by the condition that homes are being returned to us in.	375,277
Citywide Schemes	Cyclical repairs reported an underspend, with the programme of smoke and heat detector installations suffering significant delay due to contractor ongoing capacity and access issues.	(638,660)
Heat and Hot Water Servicing	Heat Servicing underspent, with removal of gas supplies at Princess Court, Hanover Court and Kingsway, coupled with demolition of homes for re-development where new units have not yet been handed back.	(109,378)
Other		(31,670)
Total		(1,381,687)
Other HRA Expenditure		
Depreciation	Depreciation was significantly lower than anticipated in 2021/22 as a direct result of an increase in the remaining asset lives across the housing portfolio following a review of this by the Council's external valuers. The review, conducted every 5 years, re-bases the remaining useful life taking account investment made in the homes as part of the decent homes programme.	(1,475,600)
Contribution to the Bad Debt Provision	The required contribution to the bad debt provision was significantly lower than anticipated as a result of minimal debt write off in 2021/22 and the level of current rent arrears being broadly maintained throughout the year.	(456,602)
Council Tax	Council tax payments were greater than anticipated as a result of a higher level of general void properties and the need to pay for homes vacated for re-development up to the point that the entire site is handed over.	118,035
Other		(7,703)
Total		(1,821,870)

Housing Committee - Housing Revenue Account

Revenue Budget 2020/21 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
<i>HRA Income and Other</i>		
Rental Income (Dwellings)	Dwelling rent income was very marginally lower than budgeted due to a combination of more right to buy sales in 2021/22 than anticipated, coupled with delays in handover of new build dwellings on some of the HRA development sites, with the Mill Road site suffering the most significant handover delays.	65,659
Service Charges	Service charge income was over-achieved due predominantly to an increase in temporary housing stock which carry higher levels of service charge and an over-achievement in catering service charge income at Ditchburn Place as occupancy levels have returned to normal. The catering income over-achievement is however offset by corresponding spending with the catering company. Leasehold service charges were under-achieved as a result of the actuals adjustment for the prior year, where not all services were delivered as planned due to the coronavirus pandemic.	(61,612)
Contributions towards Expenditure	Contributions towards expenditure were higher than anticipated, with significant rechargeable repairs raised during 2021/22 (£60,768 more than budgeted) and receipts for small parcels of land or access being recognised in the accounts. Contribution from the General Fund for shared amenities was however, marginally lower than budgeted.	(52,899)
Other Income	Other income is over-achieved due to the recharge to capital for the administrative costs of the right to buy process being greater than budgeted.	(83,480)
Other		(33,126)
Total		(165,458)
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	Revenue financing of capital was considerably lower than anticipated due to overall underspending in the Housing Capital Programme. The underspending in the capital programme was due in part to the inability to deliver work that was brought about by the materials and labour shortages caused by the coronavirus pandemic. This funding will now be needed in future years.	(20,930,604)
Housing Set-Aside	When budgets were approved, the assumption was included that the HRA would draw down funds from the ear-marked reserve for debt repayment or future reinvestment in new homes, to help fund new build schemes in 2021/22. Delays in the capital investment in respect of new build homes during 2021/22 mean that this resource will not now be drawn down until 2022/23.	9,763,000
Transfer to or from Ear-Marked Reserves	A transfer from R&R fund reserves to finance the next phase of costs of the replacement Housing Management Information System (£118,644) was combined with also drawing from the reserve to fund expenditure in communal areas of sheltered schemes, emergency alarms and temporary housing.	(187,565)
Interest Received	The interest due to the HRA for 2021/22 was greater than anticipated due to the level of average revenue and capital balances which were held in the HRA during the year. Underspending in both revenue and capital budgets results in a greater level of reserves at year end than anticipated, and balances also included the remainder of the Devolution funding which was paid directly to the Council by DLUHC.	(94,994)
Other		62
Total		(11,450,101)
Total for Housing Revenue Account		(15,269,719)

Housing Committee - Housing Revenue Account
Revenue Budget 2021/22 - Carry Forward Requests

Final Request to Carry Forward Housing Revenue Account Revenue Budgets from 2021/22 into 2022/23

Item	Cost Centre	Contact	2021/22 Budget	Final outturn variance position of cost centre (underspend)/overspend at year end prior to carry forward	March 2022 Carry Forward Request £	Final June 2022 Carry Forward Request £
Strategic Director - Jane Wilson Supervision and Management General						
1	6008	Julia Hovells	168,000	(59,636)	60,000	59,630
Housing Transformation - Housing Transformation activity has been delayed during 2021/22 as a result of the need to wait for detail surrounding the Housing White Paper and to ensure that activity is aligned with the corporate 'Our Cambridge' transformation programme. Further activity is now planned for 2022/23. Resource carried forward will also allow officers to fulfil a commitment to funding the fixed term role of Zero Tolerance Officer to enforce the Zero Tolerance policy, recognising that the appointment was delayed in 2021.						
2					50,000	50,000
City Homes - Welfare Reforms - One-off additional funding to support tenants through the transition from Housing Benefit to Universal Credit has not been required during 2021/22, as the bulk of tenants have not yet been 'passport through' to the new system. This is likely to be at some point during 2022/23.						
3	6012	Anna Hill	1,366,610	(215,834)	59,260	59,260
City Homes - Staffing - Funding was approved for 2 fixed term posts. A Tenancy Auditor, hoped to be in post for 12 months from April 2021 has been appointed from the end of February 2022 due to continued COVID constraints, with funding of £41,700 for 11 months to be carried forward. A dedicated Assistant Housing Officer to be in post from October 2021 for 12 months to tackle former tenants' arrears has not been successfully recruited to and as a result the 6 months funding in 2021/22 of £17,560 is requested as a carry forward so that the 12 month post can be recruited to from April 2022.						
4	6002	Laura Adcock	102,910	(7,961)	3,150	3,150
Resident Involvement - A project has been commissioned during 2021/22 to connect communal use computers in each of our sheltered schemes to facilitate digital inclusion. The project has been delayed due to the availability of resource to roll this out and therefore a carry forward has been requested.						
Supervision and Management Special No carry forward items						
Repairs and Maintenance						
5					283,200	276,800
Cyclical Maintenance – Heat Detectors - Due to the coronavirus pandemic the start of the heat detector works was delayed, and the contractor has experienced significant difficulties with gaining access to properties since that point. The carry forward will allow continued heat detectors to be installed to meet the agreed programme.						
6	6205	John Conroy	1,266,200	(638,661)	466,600	453,400
Cyclical Maintenance – Smoke Detectors - Due to the coronavirus pandemic the start of these smoke detector works was delayed, and the contractor has experienced significant difficulties with gaining access to properties since that point. The carry forward will allow continued smoke detectors to be installed to meet the agreed programme.						
The total variance across the Repairs Service at the end of March 2022, was a net underspend of £1,381,700, so although the carry forward requests against cost centre 6205 will exceed the budget for the cost centre, approval can be given as the costs can be met within the overall repairs budget.						
7					156,870	161,330
Risk and Compliance - Hardwire Testing - The 2021/22 electrical inspection programme has not been completed as a result of the contractor experiencing access issues to a number of the properties identified for inspection. Carry forward of resource will allow the contractor to continue undertaking electrical hard wire tests, and to ensure that the backlog is addressed, and the authority is compliant with legislation.						
8					45,760	19,150
Risk and Compliance – Asbestos Surveys and Inspections - The underspend in the asbestos surveys budget from 2021/22 is requested to be carried forward to extend the contract for the fixed term Asbestos Officer to continue with the asbestos investigations and surveys programme to ensure that compliance can be demonstrated, and appropriate action is taken.						
9	6215	Renier Barnard	767,950	(382,074)	266,440	286,440
Risk and Compliance - Fire Door Inspections - The contract for fire door inspections was terminated last year as a result of a slow start from the contractor. A new contractor has now been appointed, but it has taken time to mobilise the new arrangements, and as a result the programme has been unable to progress this year. A carry forward is requested to allow this work to be delivered in 2022/23.						
The total variance across the Repairs Service at the end of March 2022, was a net underspend of £1,381,700, so although the carry forward requests against cost centre 6215 will exceed the budget for the cost centre, approval can be given as the costs can be met within the overall repairs budget.						

Housing Committee - Housing Revenue Account
Revenue Budget 2021/22 - Carry Forward Requests

Final Request to Carry Forward Housing Revenue Account Revenue Budgets from 2021/22 into 2022/23

Item		Cost Centre	Contact	2021/22 Budget	Final outturn variance position of cost centre (underspend/overspend at year end prior to carry forward)	March 2022 Carry Forward Request £	Final June 2022 Carry Forward Request £
10	Asset Management - Water Conservation Project - Funding of £50,000 was approved in January 2021, to be split over two financial years, and to cover both research and pilot changes. Although work has been commissioned, the timing of delivery means that the budget will be required as a carry forward to complete the project. The total variance across the Repairs Service at the end of March 2022, was a net underspend of £1,381,700, so although the carry forward requests against cost centre 6203 will exceed the budget for the cost centre, approval can be given as the costs can be met within the overall repairs budget.	6203	Lynn Thomas	791,710	5,505	25,000	25,000
Appropriations							
11	Underspending in the Housing Capital Programme in 2021/22 resulted in a reduced call upon revenue resources to fund capital expenditure. To ensure that any re-phased capital expenditure can be financed in 2022/23, it is requested to carry forward the approval to use the balance of revenue funding approved for 2021/22 into the following year.	6001	Julia Hovells	29,417,230	(20,930,600)	TBC	20,930,600
12	Underspending in the Housing Capital Programme in 2021/22 resulted in a reduced call upon revenue resources to fund capital expenditure as identified above. This in turn meant that the authority did not need to draw some of these resources from ear-marked reserves, but will instead need to do this in 2022/23.	6000	Julia Hovells	(9,763,000)	9,763,000	TBC	(9,763,000)
Total Revenue Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee						1,416,280	12,561,760

Notes to the Housing Capital Investment Plan

Note	Category	Spend / Income Area	Budget 2021/22	(Under) / Over Spend	Re-Phasing	Reason for Variance
1	General Fund Housing	Disabled Facilities Grants	707,000	(344,607)	0	Underspent predominantly due to reduced demand and continued limited access to the homes of potentially vulnerable clients in 2021/22 as a direct result of the coronavirus pandemic, coupled with contractor capacity and materials shortage issues.
1	General Fund Housing	Private Sector Grants and Loans	195,000	(111,634)	0	Underspend due to reduced demand as with DFG's.
2	Decent Homes	Officer's Fees	403,000	15,829	0	Decent Homes officers fees were marginally higher than budgeted, but this was more than offset in the officer's fees charged to Other Own Stock Works in 2021/22.
2	Decent Homes	Insulation / Energy Efficiency	3,433,000	(1,138,839)	1,139,000	Delivery of the External Wall Insulation and Solar PV project has been delayed due to weather and structural issues but will be completed by July 2022 and additional energy efficiency works will be delivered in 2022/23.
2	Decent Homes	Central Heating / Boilers	1,616,000	(402,438)	402,000	The contractors capacity in relation to this workstream throughout the year was limited due to labour and material supply issues. The programme was also affected by problems gaining access to tenants homes due to Covid, and tenant refusals to have the work carried out..
2	Decent Homes	Electrical / Wiring	355,000	(44,728)	45,000	Surveys of the properties in the programme were limited due to issues with access to tenants homes which was exacerbated by concerns in relation to Covid.
2	Decent Homes	Roof Covering	1,160,000	(447,994)	447,000	The programme was not completed as there were problems with the supply of materials and the residual effect of Covid impacting the workforce with contractors being unwell and unable to work.
2	Decent Homes	External Doors	1,252,000	(437,821)	437,000	Shortages of both materials and labour, and access issues resulted in less work being delivered than anticipated, all impacted by the coronavirus pandemic.
2	Decent Homes	Kitchens	1,011,000	(153,571)	154,000	The contractors capacity in relation to this workstream throughout the year was limited due to labour supply issues. The programme was also affected by problems gaining access to tenants homes due to Covid, and tenant refusals to have the works carried out.
2	Decent Homes	Bathrooms	967,000	(75,929)	76,000	The contractors capacity in relation to this workstream throughout the year was limited due to labour supply issues. The programme was also affected by problems gaining access to tenants homes due to Covid, and tenant refusals to have the works carried out.
2	Decent Homes	Roof Structure	500,000	(341,865)	125,000	Underspend was caused by a mix of material supply and workforce difficulties, plus delays in Section 20's being issued.
2	Decent Homes	Other Health and Safety Works	103,000	186,795	0	Works in 2021/22 were to balconies in Sackville Close flats. The overspend in costs will be met from underspending in the Wall Structure budget.
2	Decent Homes	Sulphate Attacks	102,000	(102,000)	102,000	This budget is held as contingency in case of incidence of sulphate attack in Lichfield Road / Neville Road. There were no cases in 2021/22.
2	Decent Homes	HHSRS	296,000	(127,884)	128,000	This budget underspent as there were a lot of refusals by tenants to have the work done amid fears of COVID.
2	Decent Homes	Wall Structure	2,760,000	(1,080,975)	893,000	Tender going out for structural works via MACE consultants to 17 blocks was later than expected going out, this caused the underspend. Request that underspend on this budget is re-phased, after allowing for funding the overspend of £188,795 in Other Health and Safety Works.
2	Decent Homes	Contractor Overheads	1,396,000	(644,922)	450,000	Underspending in specific decent homes elements results in a corresponding under-spend in contractor overheads.

Note	Category	Spend / Income Area	Budget 2021/22	(Under) / Over Spend	Re-Phasing	Reason for Variance
2	Decent Homes	PVCU Windows	949,000	(539,428)	539,000	As with other workstreams last year, there were problems with sourcing materials, staff off with COVID and tenants reluctant to let contractors into their homes to work.
2	Decent Homes	Other External Works	80,000	(14,203)	14,000	Although all external masonry painting was carried out in 2021/22, less was identified than expected. This resulted in a small underspend of £14,203.
3	Other Spend on HRA Stock	Disabled Adaptations	1,008,000	(295,918)	200,000	A number of projects were carried over from 2020/21 as a result of COVID issues, with some of these still delayed due to issues with access. The contractor has however completed over 100 orders. Funding for extensions was not utilised in 2021/22 due to delays with consultation, design and joint funding arrangements, but are anticipated to take place in 2022/23.
3	Other Spend on HRA Stock	Communal Areas Uplift	182,000	36,450	0	There was an overspend on this budget, as more works were required when on site carrying out the refurbishment of the drying areas in the Roman estate (Minerva Way, etc.).
3	Other Spend on HRA Stock	Officer's Fees	141,000	(61,715)	0	Other Spend on Stock officers fees were lower than budgeted as a result of staff vacancies during the year.
3	Other Spend on HRA Stock	Asbestos Removal	54,000	84,026	0	Planned asbestos removal work at Hazelwood and Molewood Close cost more than expected. Also more proactive identification and removal of asbestos in void properties led to a budget overspend.
3	Other Spend on HRA Stock	Garage Improvements	100,000	(67,360)	67,000	Some of the garage sites proposed for refurbishment in 2021/22 were removed as there is potential for redevelopment by the HDA. There were also garage works ordered in 2021/22, that didn't complete due to material supply problems and the contractor workforce being affected by COVID.
3	Other Spend on HRA Stock	Hard Surfacing	282,000	(36,859)	37,000	Not all works completed in 2021/22, with small amount to be re-phased into 2022/23 due to materials / workforce issues.
3	Other Spend on HRA Stock	Communal Area Floor Coverings	100,000	(76,902)	77,000	Smaller programme delivered in 2021/22, and we received £30,000 back from Foster for works that were mistakenly over-charged in the year before.
3	Other Spend on HRA Stock	Fire Prevention / Fire Safety Works	929,000	(872,270)	872,000	Some fire safety works at Kingsway flats (fire alarm system and compartmentation) were put on hold pending a committee report about the future of the block. The work will be delivered in 2022/23. Emergency lighting at Albemarle Way and Maitland Avenue was committed but work not completed at 31/3/22. Fire safety works to maisonettes continued but there were issues with access leading to an underspend.
3	Other Spend on HRA Stock	Lifts and Door Entry	124,000	(45,135)	40,000	Underspend is due to material supply and labour issues causing delays in installation. A lift which was projected to be installed before year end was delayed.
3	Other Spend on HRA Stock	Contractor Overheads	292,000	(127,416)	127,000	Underspending in specific decent homes elements results in a corresponding underspend in contractor overheads.
3	Other Spend on HRA Stock	Estate Investment	1,753,000	(1,449,874)	1,393,000	The planned streetlight replacement project (£600,000) was delayed as result of COVID and supply chain issues. Work was not delivered in 2021/22 but contracts were signed and work will be delivered in 2022/23. A communal lighting project (estimated £400,000) was also planned but this was also delayed and will be delivered in 2022/23. Approx. £45,000 of bike stores were delayed due to supply chain issues.
3	Other Spend on HRA Stock	Communal Electrical Installations / Fire	96,000	(56,997)	57,000	The contractors capacity in relation to this workstream throughout the year was limited due to labour and material supply issues exacerbated by COVID.
3	Other Spend on HRA Stock	Communal Entrance / Enclosure Doors	400,000	(400,000)	400,000	This underspend was caused by two things; the usual materials supply issues and workforce off with COVID at the start of the year and the fact that the large communal door projects originally scheduled to be done by Foster, are now included within the MACE tender.
4	New Build	Barnwell Road	0	(8,812)	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.

Note	Category	Spend / Income Area	Budget 2021/22	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	Campkin Road (Phase1)	0	1,224	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Colville Road (Phase 1)	0	(6,023)	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Aylesborough (Phase 1)	0	530	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Water Lane	0	(15,526)	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Unallocated Retained RTB Receipts	3,677,000	(3,677,000)	3,677,000	Funding for 1,000 programme not yet allocated to schemes.
4	New Build	Anstey Way	93,000	(62,908)	63,000	Final account not yet agreed between Hill and Cambridge Investment Partnership, so call on scheme contingency for any variations not yet known.
4	New Build	Hawkins Road	0	(17,902)	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Fulbourn Road	0	(23,154)	0	Scheme completed. Financial settlement between contractor and CCC. CCC to remedy outstanding identified defects in accordance with settlement agreement.
4	New Build	Akeman Street	95,000	(61,515)	62,000	Final account not yet agreed between Hill and Cambridge Investment Partnership, so call on scheme contingency for any variations not yet known.
4	New Build	Ventress Close	50,000	(49,899)	0	Scheme complete - contingency budget not required in full.
4	New Build	Queensmeadow	1,000	(1,000)	0	No additional costs from consultants required hence the variation. Now handed over and out of defects.
4	New Build	Wulfstan Way	1,000	(1,000)	0	No additional costs from consultants required hence the variation. Now handed over and out of defects.
4	New Build	Colville Road Garages	1,000	(1,000)	0	No additional costs from consultants required hence the variation. Now handed over and out of defects.
4	New Build	Kendal Way	50,000	(42,134)	42,000	Underspend due to delay in planning application process.
4	New Build	Kingsway	368,000	(368,000)	0	Scheme on hold pending review of the wider Kingsway site. Funding to be removed from the programme and re-bid for if required in the future.
4	New Build	Mill Road	1,957,000	(1,432,447)	1,432,000	Affordable Housing Agreement (AHA) payments stopped due to delays on site, these payments are due to recommence in June 2022
4	New Build	Gunhild Way	1,000	(1,000)	0	No additional costs from consultants required hence the variation. Now handed over and out of defects.
4	New Build	Markham Close	0	181	0	Additional costs from consultants required hence the variation. Now handed over and out of defects.
4	New Build	Cromwell Road Redevelopment (HRA)	3,684,000	34,355	(34,000)	Spend marginally ahead of profile.
4	New Build	Teddar Way	50,000	(32,165)	32,000	Underspend due to delay in planning application process.
4	New Build	Colville Road (Phase 2)	5,331,000	(217,979)	218,000	Slight underspend this year when compared to profiled spend in 2021/22.
4	New Build	Clerk Maxwell Road	1,391,000	(1,079,078)	1,079,000	Underspend in 2021/22 because Golden Brick was not completed in the financial year, as it was delayed by one month.
4	New Build	Meadows and Buchan Street	3,589,000	(1,478,532)	1,479,000	Underspend as programme was slower than expected. Start on site was delayed due to pre commencement planning conditions being signed off later than expected.

Note	Category	Spend / Income Area	Budget 2021/22	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	Campkin Road Phase 2	6,066,000	(958,631)	959,000	Project underspend due to lower than expected valuations by March 2022.
4	New Build	POD Homes	10,000	(591)	0	Scheme completed
4	New Build	L2	1,897,000	(13,793)	14,000	Slight variation against budget, with AHA legal fees yet to be finalised.
4	New Build	Colville Road III	1,724,000	(1,061,645)	1,062,000	Planning permission delay which has caused a delay in the start on site date.
4	New Build	Histon Road	212,000	(42,341)	42,000	Underspend is due to incorrect profiling.
4	New Build	Fen Road	394,000	(257,493)	257,000	Delays in planning submission causing delays to start on site. Permission now granted so site can progress.
4	New Build	Ditton Fields	265,000	(227,175)	227,000	A delay in planning approval has meant that there is a delay in starting on site, planning now approved.
4	New Build	Aragon Close	24,000	28,245	(28,000)	Spending higher than anticipated as up-front costs have been incurred quicker altering the profile. Supply chain issues are likely to mean an increase in budget which will be brought forward for approval in the MTFS.
4	New Build	Sackville Close	24,000	29,982	30,000	Spending higher than anticipated in 2021/22 as initial work has been completed quicker than anticipated, altering the profile. Supply chain issues are likely to mean an increase in budget which will be brought forward for approval in the MTFS.
4	New Build	Borrowdale	127,000	(65,141)	65,000	The Passivhaus programme was delayed so PCSA works haven't yet progressed. Supply chain issues are likely to mean an increase in budget which will be brought forward for approval in the MTFS.
4	New Build	Aylesborough Close	653,000	(348,579)	349,000	Underspend due to delays in planning process.
4	New Build	St Thomas's Road	82,000	(48,817)	49,000	Timing of outlay changed due to planning application being delayed to later in the year. Budget change likely as part of the MTFS because of changes to tenure and numbers.
4	New Build	Paget Road	72,000	(42,321)	42,000	Timing of outlay changed due to planning application being delayed to later in the year. Budget decrease likely as part of MTFS because of changes to three beds from one and two beds and decrease in numbers.
5	HRA Acquisition	Acquisition and Disposal	3,148,000	(1,028,349)	1,028,000	This budget is set-aside to allow the authority to strategically acquire homes on the open market that are in areas where future development may be an option. Expenditure is therefore variable depending upon what property is marketed in any year.
5	HRA Acquisition	RSAP Acquisitions	3,631,000	(1,549,613)	1,550,000	This budget combines HRA resource with grant funding from Homes England for the acquisition of 14 homes to accommodate rough sleepers. By March 2022, 9 of the 14 homes required had been purchased, with Homes England confirming that the remaining grant can be carried forward into 2022/23.
6	Sheltered Housing	Ditchburn Place	0	9,038	0	Final consultant fee from finalised account
7	Other HRA Capital Spend	Shared Ownership Repurchase	300,000	(300,000)	0	No shared ownership homes were re-acquired during 2021/22.
7	Other HRA Capital Spend	Commercial Property	30,000	(19,105)	19,000	Less work than anticipated to HRA commercial properties identified by Property Services in the year, with a re-phasing request to allow works to take place in 2022/23.

Note	Category	Spend / Income Area	Budget 2021/22	(Under) / Over Spend	Re-Phasing	Reason for Variance
7	Other HRA Capital Spend	Orchard Upgrade	238,000	(119,356)	119,000	The Orchard implementation project is still progressing. There are aspects of the asset module still to implement and the new service charges module has just been released by Orchard to allow us to proceed and implement this during 2022/23.
8	Right to Buy Receipts	Cash Receipts	(5,634,000)	(5,523,000)	0	34 properties were sold in total during 2021/22. £363,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £1,094,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £4,066,000 of right to buy receipts have been retained by the local authority in 2021/22, but must be re-invested now in financing up to 40% of additional social housing or shared ownership units, provided this is done within a 5 year time frame.
9	Other Capital Receipts	Cash Receipts	(300,000)	(706,000)	0	A number of shared ownership housing transactions took place in 2021/22, with a net sum of £665,000 retained once any sums due to DLUHC had been paid. A capital receipt of £41,000 was recognised in 2021/22 in relation to the sale of HRA land.
10	MRA / MRR	MRA	(5,133,000)	(11,205,000)	6,072,000	The major repairs reserve was used to finance capital expenditure in the housing stock in 2021/22, including investment in decent homes work and other investment in the housing stock. Where more of this funding was utilised in 2021/22 than anticipated, instead of using DRF, the use of MRA will be reduced in 2022/23 and beyond.
11	Client Contributions	Contributions	0	(248,000)	0	Income was recovered from leaseholders in 2021/22 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£241,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£7,000).
12	Direct Revenue Financing of Capital (Including R&R)	DRF	(29,417,000)	(8,487,000)	(20,930,000)	The use of revenue funding for capital purposes was less than anticipated, due to underspending across the capital programme and increased use of the major repairs reserve in year. This resource will instead be required in 2022/23 to meet the cost of the re-phased capital expenditure.
13	Other Capital Resources (Grants / Loan Repayments)	Grants and Other Resources	(17,032,000)	(11,160,000)	(4,063,000)	Less of the Devolution Grant, which was received in full in 2020/21 was utilised in 2021/22 than anticipated, due to delays on new build sites, with £3,359,000 of this resource being deferred for use into 2022/23. (£7,785,000). The full Homes England RSAP Grant of £1,730,000 was not claimed in 2021/22, with 5 homes still to acquire and a deferred grant claim of £704,000 now anticipated in 2022/23.

HRA Debts Written Off in 2021/22Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Bankruptcy / Insolvency	0	0.00
Debt re-instated	3	(8,089.24)
Debt relief order	4	8,285.15
Debtor deceased	17	19,577.98
Debtor is residing outside the UK	0	0.00
Debtor untraceable	2	6,507.59
Imprisonment	0	0.00
Other special circumstances	5	7,001.71
Statute barred	8	13,320.34
Uneconomical to recover	2	215.21
Recovery Procedures Exhausted	9	14,380.36
Unable to Substantiate Debt	1	37.93
Court has refused to make and order	0	0.00
Balance of debt is small	5	18.35
Total Written Off (Net)	56	61,255.38

Write Off Value Band	No. of Cases	Value Written Off
Less than £100	10	276.07
£100.00 to £199.99	3	515.50
£200.00 to £299.99	2	512.09
£300.00 to £399.99	2	3,516.17
£400.00 to £499.99	0	0.00
£500.00 to £749.99	8	4,579.80
£750.00 to £999.99	4	3,426.03
£1,000.00 to £1,499.99	8	9,357.07
£1,500.00 to £1,999.99	3	5,391.18
£2,000.00 to £2,999.99	6	14,396.94
£3,000.00 to £3,999.99	5	17,964.96
£4,000.00 to £4,999.99	1	4,126.29
Greater than £5,000.00	1	5,282.52
Debt re-instated	3	(8,089.24)
Total Written Off (Net)	56	61,255.38