

Item

2022/23 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 2022/23 (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 2023/24.
- d) A summary of housing debt which was written off during 2022/23.

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 £334,670 in revenue funding from 2022/23 into 2023/24, 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 £15,880,000 in HRA and General Fund Housing capital budgets and associated resources from 2022/23 into 2023/24 and beyond to fund re-phased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.

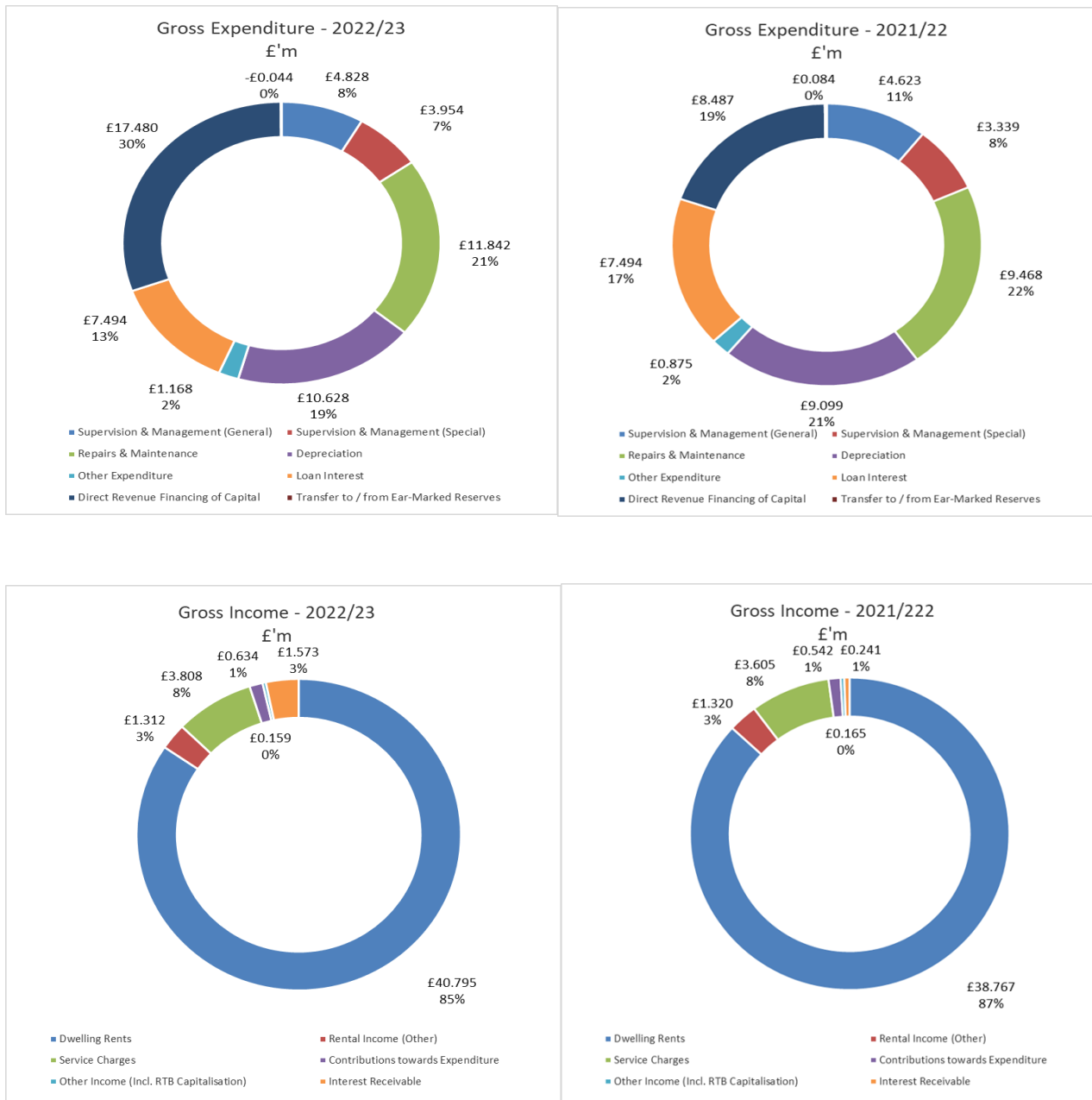
3. Background

Revenue Outturn

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

2021/22 £'000	Housing Revenue Account Summary	2022/23 £'000	% Final Budget
6,397	Original Budget (HRA Use of Reserves)	1,029	11%
7,598	Adjustment – Prior Year Carry Forwards	12,562	137%
104	Adjustment – HRA MTFS or HRA BSR Approved	(4,444)	(48%)
14,099	Final Budget	9,147	100%
(1,170)	Outturn	9,069	99%
(15,269)	(Under) / Overspend for the year	(78)	(1%)
12,562	Carry Forward Requests	335	4%
(2,707)	Resulting Variation for the HRA and (reduced) / increased use of reserves	257	3%

Gross Expenditure and Income Charts – 2022/23 (and 2021/22 for comparison)



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 2022/23. The original revenue budget for 2022/23 was approved by the Executive Councillor for Housing on 20 January 2022.

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 £78,035, which represents a marginal 1% reduced use of reserves, compared with that approved for the year.
- 3.6 Significant variances are as follows:
- General HRA Services; underspend of £320k due to a number of staff vacancies, a reduction in abortive development costs as new build schemes received approval and costs were capitalised and reduced demand for welfare reform funding in City Homes.
 - Special HRA Services; overspend of £393k due to overspending in temporary housing, with both increased stock numbers and increased operating costs, including utility costs, increased utility costs in sheltered housing and communal areas of flat blocks 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; overspend of £1,526k due to an increase in the volume and complexity of void properties, with sub-contractors brought in to meet the demand (£1,222k), overspending in fencing, the installation of heat detectors with more installations achieved than anticipated and in maintenance and servicing of sheltered housing boilers, electrical appliances, door entry systems, lifts and automatic gates. Overspending was partially offset by underspending in fire door inspections, electrical inspections and employee costs as a result of vacancies across the team.
 - Depreciation; overspend of £156k as a result of increased depreciation in respect of garages, where asset values have increased and in IT investment in the Orchard system.
 - Other Expenditure; underspend of £117k, with the contribution to the bad debt provision being significantly lower than anticipated as a result of arrears being broadly maintained throughout the year. Partially offset by an overspend in council tax in respect of void properties, where the number, and length of inoccupancy, of general voids was greater in 2022/23 and homes were held vacant pending redevelopment.
 - Income; over-achievement of £448k with rental income being greater than anticipated as a result of handovers in the latter part of 2022/23,

clearing the backlog of void properties and a slow down in the decant of homes for redevelopment. Contributions towards expenditure were also over-achieved, with significant rechargeable repairs raised during 2022/23.

- Interest Receipts; over-achievement of £611k due to a significant increase in the rates available to the authority for investments, particularly in the latter part of 2022/23. An increased level of HRA balances was also a factor, resulting from underspending in the capital programme.
- Appropriations / Other; underspend of £387k, with income transferred from the ear-marked reserve for repairs and renewals to fund expenditure in 2022/23 and a marginally reduced call on DRF (direct revenue financing of capital expenditure) because of underspending in the capital programme.

Housing Revenue Account Reserves

3.7 The table below sets out the movement on the Housing Revenue Account reserve for 2022/23:

	2022/23 £'000
Original Budget – Contribution from HRA reserves	1,029
Adjustment – Prior Year Carry Forwards	12,562
Adjustment – HRA MTFS or HRA BSR Approved	(4,444)
Final Budget – Contribution from HRA Reserves	9,147
Net Variance for the Year	(78)
Total Contribution from HRA General Reserves – Draft Statement of Accounts	9,069
HRA General Reserve Balance - 1 April 2022	(19,590)
HRA General Reserves Balance - 31 March 2023	(10,521)

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.

2021/22 £'000	HRA Capital Summary	2022/23 £'000	% Final Budget
68,747	Original Budget	97,104	116%
17,112	Adjustments (Re-phasing – approved in June 2022)	19,287	23%
(23,877)	Other Adjustments (Re-phasing and changes approved in HRA MTFS October 2022 and HRA BSR February 2023)	(32,610)	(39%)
61,982	Final Budget	83,781	100%
38,250	Outturn	66,624	80%
(23,732)	(Under)/Overspend for the year	(17,157)	(20%)
22,055	Re-phasing Requests	15,880	19%
(1,677)	(Under) / Overspend	(1,277)	(1%)

3.9 Spending in the Housing Capital Investment Plan in 2022/23 was below that originally anticipated, with reductions in the budget, particularly for new build and decent homes expenditure as part of the Medium-Term Financial Strategy in September / October 2022 and the Budget Setting Report in January / February 2023.

3.10 Significant variances are as follows:

- General Fund Housing; underspend of £246k in disabled facilities and repairs assistance works delivered through the Home Improvement Agency, but with some recovery in demand and delivery, when compared to 2021/22.

- Decent Homes; underspend of £2,822k due predominantly to contactor selection and capacity, materials shortages, access issues and tenant refusals.
 - Other Spend on HRA Stock; underspend of £771k with the programme encountering the same issues as the decent homes programme, but with particular delays in street lighting replacement being delivered as part of the estate investment programme.
 - New Build; underspend of £12,072k, with delays on a number of sites as a result of securing vacant possession and planning permission and in delivery on site, with labour and materials shortages still proving problematic in some areas.
 - Acquisition; underspend of £754k, with 1 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 £492k with no shared ownership repurchases in 2022/23 and the last phases of the Orchard Housing Management System implementation delayed until 2023/24.
- 3.11 Permission is sought to re-phase the use of £7,528k of Major Repairs Reserve funding in future years. The use of £2,501k of Devolution Grant held in balances will be deferred until 2023/24, as will the anticipated receipt and use of £124k 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 2022/23. **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 reduced use of Housing Revenue Account reserves of £78,035. After carry

forward of revenue resource to fund deferred expenditure, the overall variance and a resulting increase in the use of Housing Revenue Account reserves is £256,635. The impact of this will be addressed as part of the HRA Medium Term Financial Strategy.

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 2022/23

- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2022/23
- Appendix D Notes – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2022/23

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 2022/23 - 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	(41,314)	(40,518)	(40,795)	(277)	0	(277)
Rental Income (Other)	(1,346)	(1,319)	(1,312)	7	0	7
Service Charges	(3,368)	(3,807)	(3,808)	(1)	0	(1)
Contributions towards Expenditure	(570)	(472)	(634)	(162)	0	(162)
Other Income (Incl. RTB Capitalisation)	(464)	(145)	(159)	(14)	0	(14)
Total Income	(47,062)	(46,261)	(46,708)	(447)	0	(447)
EXPENDITURE						
Supervision & Management (General)	4,082	5,148	4,828	(320)	85	(235)
Supervision & Management (Special)	3,242	3,561	3,954	393	0	393
Repairs & Maintenance	8,066	10,587	11,842	1,255	250	1,505
Depreciation	11,144	10,472	10,628	156	0	156
Other Expenditure	4,103	1,285	1,168	(117)	0	(117)
Total Expenditure	30,637	31,053	32,420	1,367	335	1,702
Net Cost of HRA Services	(16,425)	(15,208)	(14,288)	920	335	1,255
Interest Receivable (Interest on Balances & Item 8)	(218)	(962)	(1,573)	(611)	0	(611)
(Surplus) / Deficit on the HRA for the Year	(16,643)	(16,170)	(15,861)	309	335	644
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,727	7,494	7,494	0	0	0
Housing Set-Aside	(4,942)	0	0	0	0	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	14,611	17,546	17,480	(66)	0	(66)
Transfer to / from Ear-Marked Reserves	277	277	(44)	(321)	0	(321)
(Surplus) / Deficit for year	1,030	9,147	9,069	(78)	335	257
(Surplus) / Deficit b/f	(19,590)	(19,590)	(19,590)			
Balance Carried Forward	(18,560)	(10,443)	(10,521)	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 2022/23 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
Supervision and Management (General)		
City Homes	Underspend due predominantly to staff vacancies 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 2023/24.	(191,787)
Tenancy Support	Underspend due to staff vacancies, with difficulties in recruiting to these during 2023/24.	(65,661)
Other		(62,704)
Total		(320,152)
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.	141,182
Temporary Accommodation	Increased set up and operational costs as a result of a significant increase in unit numbers, with the need to prepare additional properties for letting alongside increased costs of both gas and electricity.	146,715
Mill Road Third Party Estate Services	Service charge payments to the management company were lower than budgeted as a direct result of delays in handover of the new homes in 2022/23.	(72,373)
Sheltered Housing	The overspend was predominantly due to increased costs of gas and electricity in sheltered flats and associated communal areas, and backdated charges for water usage.	60,908
Estate Management	Overspend due to the increased costs of electricity in communal areas of flats.	57,969
Other		58,886
Total		393,287
Repairs and Maintenance		
Voids	An increase in the volume, complexity and average cost of voids, exacerbated by the condition that homes are being returned to us in has led to a significant overspend. A number of sub-contractors were engaged to address the backlog of void repairs, with the majority of these works completed by 31 March 2023.	1,221,699
Citywide Schemes	The programme of smoke detector installations suffered additional delay due to access issues and contractor capacity. but overspends are evident across a number of other areas of cyclical maintenance, including heat detector installations, sheltered boiler and electrical appliance servicing, door entry, lift and gate maintenance.	240,413

Housing Committee - Housing Revenue Account

Revenue Budget 2022/23 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
Risk and Compliance	Commencement of the fire door inspection and repair programme was delayed at the start of the year, with fewer repairs being carried out than originally anticipated (£333,860) and electrical inspections have not been delivered as planned due to access issues and contractor capacity (£139,270). Underspending is partially offset by overspending in respect of asbestos surveys (£83,620), fire risk assessments (£49,030), fire protection equipment (£26,510) and emergency lighting servicing and repairs (£99,650).	(213,505)
Asset Management	Underspending in employee costs due to vacancies within the team that have proved difficult to recruit to, and in the water conservation project, which has slipped in part to 2023/24.	(143,056)
Planned Revenue Repairs	Overspending in both fencing works due to an increased demand and in the external repair prior to repaint programme.	86,921
Other		63,266
Total		1,255,738
Other HRA Expenditure		
Depreciation	Depreciation was higher in 2022/23 than anticipated, particularly in respect of the depreciation for non-dwellings assets (garages), where the value of the asset has increased and plant and equipment (IT systems), where investment in the Orchard system has resulted in an increased value to depreciate over the remaining life of the asset..	156,447
Contribution to the Bad Debt Provision	The required contribution to the bad debt provision was significantly lower than anticipated in 2022/23. A significant amount of debt was written off in 2022/23 when compared to 2021/22, but arrears were reduced in percentage terms by the end of the year, reducing the need to top up the provision.	(306,099)
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.	162,570
Corporate and Democratic Core Costs	Corporate and democratic core costs exceeded the budget in 2022/23, resulting in the HRA share being higher than anticipated also.	54,777
Other		(28,306)
Total		39,389

Housing Committee - Housing Revenue Account

Revenue Budget 2022/23 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
HRA Income and Other		
Rental Income (Dwellings)	Dwelling rent income was higher than budgeted due to a combination of handovers in the latter part of the year, work to clear the backlog of void dwellings making them available for relet and a slow down in the decant of units at Princess and Hanover Court, with a number of vacant homes being used for temporary housing, so still generating a rental stream.	(276,988)
Contributions towards Expenditure	Contributions towards expenditure were higher than anticipated, with significant rechargeable repairs raised during 2022/23 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.	(161,688)
Other		(8,861)
Total		(447,537)
HRA Interest, Premiums and Appropriations		
Direct Revenue Funding of Capital Expenditure (DRF)	Revenue financing of capital was only marginally lower than anticipated due to underspending in the Housing Capital Programme. The underspending in the capital programme was due in part to contractor capacity and access issues in the existing housing stock and in delays in the delivery of the new build programme. A net overspend in the HRA means that the balance of this resource will not be available in 2023/24.	(65,994)
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 (£32,043) was combined with also drawing from the reserve to fund expenditure in communal areas of sheltered schemes, emergency alarms, temporary housing and housing repairs. The cessation of the emergency alarm service resulted in £99,407 being transferred back to general reserves	(321,446)
Interest Received	The interest due to the HRA for 2022/23 was significantly greater than anticipated due to an average interest rate of 2.04% for 2022/23, compared to a rate of 0.24% in 2021/22. The level of average revenue and capital balances which were held in the HRA during the year was also higher, with underspending in capital budgets resulting in a greater level of reserves at year end than anticipated.	(611,333)
Other		13
Total		(998,760)
Total for Housing Revenue Account		(78,035)

Housing Committee - Housing Revenue Account

Revenue Budget 2022/23 - Carry Forward Requests

Final Request to Carry Forward Housing Revenue Account Revenue Budgets from 2022/23 into 2023/24

Item	Cost Centre	Contact	Final outturn variance position of cost centre (underspend) / overspend at year end prior to carry forward	March 2023 Carry Forward Request £	Final June 2023 Carry Forward Request £
Strategic Director - Jane Wilson					
Supervision and Management General					
1	6008	Julia Hovells	10,270	117,970	0
Housing Transformation - Carry forward no longer required as provision made in 2022/23 for the HRA's share of the cost of change in respect of the Senior Management Review, resulting in the resource being utilised in year.					
2	6012	Anna Hill	(191,860)	55,370	55,370
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 2022/23, as the bulk of tenants have not yet been 'passported through' to the new system. This is likely to be at some point during 2023/24, with all claimants to be moved across before the end of 2024.					
Supervision and Management Special					
3	6104/6105	Nathan Chapman	17,260	17,500	0
Independent Living Service and Independent Living Service Management - CCTV Upgrade - Carry forward not required as project was successfully completed by late March 2023.					
Repairs and Maintenance					
4	6215	Renier Barnard	(213,500)	100,000	100,000
Risk and Compliance - Electrical Testing - The 2022/23 electrical inspection programme, which incorporated resource carried forward from 2021/22 was not delivered in full in 2022/23 as a result of a contract change in November 2022. 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.					
5	6215	Renier Barnard	(213,500)	100,000	100,000
Risk and Compliance - Fire Door Inspections - A contract for fire door inspections is now being delivered, but it took time to mobilise the new arrangements, and as a result the programme, which included resource carried forward from 2021/22, was not delivered in full in 2022/23. The programme has also been refined to recognise the level of repair work that it is prudent to complete before considering a full door replacement. A carry forward is requested to allow this work to continue in 2023/24.					
6	6203	Lynn Bradley	(143,810)	50,000	50,000
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, delays have been experienced in delivery of the project meaning that the budget will be required as a carry forward to complete the project in 2023/24.					
Appropriations					
No carry forward items					
Other					
Carry forwards under £50,000 approved under delegation the the Chief Financial Officer					
				440,840	334,670
Total Revenue Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee					

Notes to the Housing Capital Investment Plan

Note	Category	Spend / Income Area	Budget 2022/23	(Under) / Over Spend	Re-Phasing	Reason for Variance
1	General Fund Housing	Disabled Facilities Grants	750,000	(173,292)	0	Underspend predominantly due to continued reduced demand, although activity did recover somewhat in 2022/23 when compared with the previous two years, where the vulnerable nature of the client group coupled with materials and labour shortages impacted activity.
1	General Fund Housing	Private Sector Grants and Loans	195,000	(73,305)	0	Underspend due to reduced demand as with DFG's.
2	Decent Homes	Officer's Fees	505,000	(49,823)	0	Decent Homes officers fees were lower than budgeted, with some staff vacancies that could not be filled in the year contributing to this.
2	Decent Homes	Insulation / Energy Efficiency	3,539,000	(1,284,717)	1,284,000	The authority has been awarded SHDF grant funding to contribute towards the programme of energy work. The award process was delayed so work won't start until 2023/24. The first phase of external wall insulation is now ordered. Part of the under spend related to the net zero carbon project, where design work is underway and fees are being incurred but work will not be on site until autumn 2023.
2	Decent Homes	Central Heating / Boilers	1,900,000	(358,777)	358,000	The underspend was due to problems experienced by the contractor in gaining access to complete the ordered work.
2	Decent Homes	Electrical / Wiring	255,000	420,582	0	An overspend was evident in electrical upgrades where work was ordered assuming a significant level of no accesses as experienced in previous years where in reality the contractor was successful in accessing the majority of properties to carry out the works.
2	Decent Homes	Roof Covering	1,079,000	265,326	0	The overspend is due to a CPI uplift of 8.98%, urgent decent homes roof failures added late in the year, additional site costs at Monkswell and a number of urgent shed roof replacements passed from response repairs to planned works, as repair was not viable.
2	Decent Homes	External Doors	1,058,000	(237,708)	237,000	There were quite a lot of properties on the original 2022/23 programme of works, where the doors had already been replaced outside of the standard programme of works due to failings, but the stock-condition data had not been updated to show this. There were also a number of tenant refusals and no access properties, with housing management now working with the team to resolve these.
2	Decent Homes	Kitchens	865,000	36,458	0	The budget for kitchen replacement was marginally overspent in 2022/23 as a result of the final prices for this workstream being slightly higher than anticipated.
2	Decent Homes	Bathrooms	800,000	(274,004)	274,000	The underspend was due to problems experienced by the contractor in gaining access to complete the ordered work.
2	Decent Homes	Roof Structure	425,000	(88,510)	0	Underspending in roof structure works was more than offset by overspending in roof covering works in 2022/23.
2	Decent Homes	Other Health and Safety Works	50,000	(49,660)	0	Works in this area have been picked up under the wall structure budget as the work required was wider than just balconies. This budget can be combined with wall structure funding for future years.
2	Decent Homes	HHSRS	278,000	(57,954)	57,000	There was an underspend in this budget due to a late start in the works to communal stairwells. The delays were caused by a combination of waiting for Building Control confirmation that the works were not under their purview and design changes asked for by Housing.
2	Decent Homes	Wall Structure	784,000	(80,247)	80,000	Works to some flat blocks had begun by 31 March 2023, but will not complete until 2023/24, necessitating funding being carried forward to meet this commitment.

Note	Category	Spend / Income Area	Budget 2022/23	(Under) / Over Spend	Re-Phasing	Reason for Variance
2	Decent Homes	Contractor Overheads	1,279,000	(492,059)	315,000	Underspending in specific decent homes elements results in a corresponding under-spend in contractor overheads.
2	Decent Homes	PVCU Windows	1,021,000	(403,461)	403,000	Underspending was a result of a supply chain issue where the supplier couldn't manufacture the windows quickly enough. This is being addressed for 2023/24, with additional suppliers being added. Also there were a number of tenant refusals and no access issues.
2	Decent Homes	Other External Works	371,000	(167,390)	167,000	Although all ordered external masonry painting was carried out in 2022/23, less was identified than expected. This resulted in an underspend.
3	Other Spend on HRA Stock	Disabled Adaptations	1,008,000	(45,160)	0	Investment levels maintained despite contract change mid-year. There have been several wet room refurbishments which increased the amount of works on the programme in 2022/23.1 extension began in 2022/23 but this will be completed in 2023-24. The number of equipment and access works increased coupled with renewals of stairlifts and through floor lifts. This has meant an increased spend for the financial year 2022-23, when compared to previous years.
3	Other Spend on HRA Stock	Communal Areas Uplift	100,000	34,295	0	Additional drying areas identified in the Minerva Way area, which required update / resurfacing works causing the overspend.
3	Other Spend on HRA Stock	Officer's Fees	141,000	13,370	0	Small overspend that is offset by under-spend on Decent Homes Officer's Fees budget.
3	Other Spend on HRA Stock	Asbestos Removal	23,000	47,907	0	There has been some unforeseen urgent work and a higher volume of work in association with repairs and voids.
3	Other Spend on HRA Stock	Garage Improvements	167,000	(7,638)	0	
3	Other Spend on HRA Stock	Hard Surfacing	262,000	(10,062)	10,000	Expenditure broadly in line with the budget for 2022/23.
3	Other Spend on HRA Stock	Communal Area Floor Coverings	100,000	(86,760)	86,000	Section 20 process was delayed, which in turn delayed delivery and a mini-tender was required to procure a new MMA resin flooring supplier.
3	Other Spend on HRA Stock	Fire Prevention / Fire Safety Works	622,000	(125,472)	125,000	Fire compartment work at Kingsway Flats is designed and priced but did not start on site in 2022/23. Work is due to start and will be completed in 2023/24.
3	Other Spend on HRA Stock	Lifts and Door Entry	49,000	37,141	0	The overspend was due to the need to replace a lift at a sheltered scheme which was not anticipated at the beginning of the year.
3	Other Spend on HRA Stock	Contractor Overheads	447,000	(208,732)	70,000	Underspending in specific other spend on HRA stock work elements results in a corresponding underspend in contractor overheads.
3	Other Spend on HRA Stock	Estate Investment	1,200,000	(208,604)	208,000	The underspend relates to the street light replacement programme, where work was not completed at 31/3/23. The underspend will need to be re-phased to 2023/24.
3	Other Spend on HRA Stock	Communal Electrical Installations / Fire	350,000	(89,909)	89,000	The underspend was due to the contractor struggling to resource the communal electrical works particularly as they were focused on revenue repair works in response to more urgent requirements.
3	Other Spend on HRA Stock	Communal Entrance / Enclosure Doors	121,000	(121,000)	121,000	Works were delayed in this year, as a tender process was unsuccessful. The work has now been reverted back to the Foster Planned Maintenance Contract, but this happened too late for works to complete by year end.
4	New Build	Unallocated Retained RTB Receipts	1,460,000	(1,460,000)	1,460,000	Funding for 10 Year New Homes Programme not yet allocated to schemes.
4	New Build	Anstey Way	63,000	24,743	0	Final account resulted in additional costs for the affordable housing as a result of additions and variations.

Note	Category	Spend / Income Area	Budget 2022/23	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	Akeman Street	62,000	103,730	0	Final account resulted in additional costs for the affordable housing as a result of additions and variations.
4	New Build	Kendal Way	111,000	(82,652)	83,000	Underspend due to delays in planning and subsequent processes. Scheme now proceeding to contract stage.
4	New Build	Mill Road	2,258,000	(941,684)	232,000	Affordable Housing Agreement (AHA) payments now complete, with only additions, variations and associated fees to be finalised. Scheme is reporting an underspend at this stage, with contingency for SDLT payment not required.
4	New Build	Cromwell Road Redevelopment (HRA)	3,213,000	(669,938)	212,000	The Cromwell Road scheme will underspend against the agreed budget, as the HRA is not required to meet the SDLT costs on the original CIP land purchase. there is also a delay in completing the final units, resulting in the need for some re-phasing into 2023/24..
4	New Build	Teddar Way	144,000	(130,750)	131,000	Underspend due to delays in planning and subsequent processes. Scheme now proceeding to contract stage.
4	New Build	Colville Road (Phase 2)	5,625,000	(541,981)	542,000	Some aspects of phase 2 cannot be completed until phase 3 finishing works commence due to shared access and site storage. Re-phase into 2023/24 and 2024/25.
4	New Build	Clerk Maxwell Road	2,717,000	(603,780)	604,000	Underspend due to delays on site as a result of material supply issues.
4	New Build	Meadows and Buchan Street	8,700,000	(2,772,343)	2,772,000	Underspend due to delays on site meaning commencement of phase 2 has started later than expected.
4	New Build	Campkin Road Phase 2	7,280,000	344,800	(345,000)	Profile of budget was incorrect, with more progress made in 2022/23 than the profiled budget anticipated. Budget for 2023/24 will be reduced accordingly.
4	New Build	L2	7,763,000	732,567	(733,000)	Underspend is as a result of profiling errors when the budget was originally established. These funds will need to be carried forward into 2023/24, when the affordable housing agreement payments will be made.
4	New Build	Colville Road III	4,478,000	(2,446,399)	2,446,000	This scheme was delayed due to discharge of planning conditions and completion of phase 2, The delay in expenditure represents about a two month delay and budget needs to be carried forward to 2023/24.
4	New Build	Histon Road	1,674,000	(1,661,083)	1,661,000	Completion payment delayed as a result of build delays on site.
4	New Build	Fen Road	2,340,000	(195,008)	195,000	This scheme was delayed starting on site for approximately 4-6 weeks due to sign off of planning conditions, and so an underspend was evident in 2022/23. This is required as a carry underspend forward into 2023/24.
4	New Build	Ditton Fields	799,000	(73,144)	73,000	A slight delay on start on site leading to a delay of approximately one month in delivery and therefore payments. This is required as a carry underspend forward into 2023/24.
4	New Build	Aragon Close	638,000	(615,943)	616,000	Underspending is evident as a result of significant planning delays and now archaeology works, which will delay start on site further.
4	New Build	Sackville Close	686,000	(673,771)	674,000	Underspending is evident as a result of significant planning delays and now archaeology works, which will delay start on site further.
4	New Build	Borrowdale	295,000	135,510	(136,000)	Initial delay getting on site, but good progress made and now slightly ahead of the programme, resulting in a small overspend, with the need to draw budget from 2023/24.
4	New Build	Aylesborough Close	1,652,000	(698,093)	698,000	Underspend due to delays in starting on site as a result of decanting, planning and pre-commencement condition delays.

Note	Category	Spend / Income Area	Budget 2022/23	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	St Thomas's Road	896,000	(829,659)	67,000	£763,000 of the underspend relates to the acquisition of an adjacent dwelling to facilitate the development, which was ultimately bought from the Local Authority Housing Fund budget for use for refugees. The balance of the underspend was due to delays in the programme, with the scheme now progressing to the planning application stage.
4	New Build	Paget Road	42,000	(12,874)	13,000	Underspend due to delays in the programme in 2022/23, but with the scheme now progressing to planning application stage.
4	New Build	Fanshawe Road	2,623,000	286,899	(287,000)	Overspend as decant costs accounted for in the budget profile for 2022-23, but not the pre-planning fees, which were paid at the end of March 2023. The budget in 2023/24 will be reduced accordingly.
4	New Build	Princess and Hanover Court	3,599,000	472,122	(472,000)	Some delay in acquisition of leasehold dwellings compared to the number assumed when the budget profile was originally agreed. These will now take place in 2023/24.
4	New Build	East Road	387,000	213,619	(214,000)	The budget for pre-planning costs in 2022/23 for the East Road site was under-estimated resulting in an overspend in 2022/23, which will result in the budget for 2023/24 being reduced accordingly.
4	New Build	Hills Avenue POD Homes	0	4,770	(5,000)	Funding utilised in 2022/23 for legal searches required to inform scheme deliverability ahead of budget allocation in 2023/24. Budget allocation in 2023/24 will be reduced accordingly.
4	New Build	Homes England Grant Repayable	0	18,500	0	This project code has been set up to record the expenditure associated with Homes England Grant that is repayable if a property built with grant is subsequently sold. The expenditure is funded from the capital receipt from the sale. This sum relates to the sale of the final share of a shared ownership dwelling in the city.
5	HRA Acquisition	Acquisition and Disposal	2,444,000	(799,833)	800,000	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	1,550,000	(716,820)	717,000	This budget combines HRA resource with grant funding from Homes England for the acquisition of 14 homes to accommodate rough sleepers. By March 2023, 13 of the 14 homes required had been purchased, with Homes England confirming that the remaining grant can be carried forward into 2023/24.
5	HRA Acquisition	Local Authority Housing Fund Acquisitions	0	763,054	0	The government have awarded the authority grant towards the acquisition or build of 30 homes to accommodate refugees. Although most activity will take place in 2023/24, the opportunity was taken to use this funding to acquire a property in St Thomas's Road, where budget approval was already in place as part of the Colville III scheme, as the acquisition was required to allow better access to the site.
6	Other HRA Capital Spend	Shared Ownership Repurchase	300,000	(300,000)	0	No shared ownership homes were re-acquired during 2022/23.
6	Other HRA Capital Spend	Commercial Property	69,000	(55,143)	55,000	Less work than anticipated to HRA commercial properties was identified by Property Services in the year, with a re-phasing request to allow works to take place in 2023/24, with a particular commitment to meeting fit out costs for the commercial units at Akeman Street to aid letting.
6	Other HRA Capital Spend	Orchard Upgrade	119,000	(86,957)	87,000	The Orchard implementation project is still progressing. There final aspects of the asset module are still to be implemented and the new housing mobile and service charges module have yet to be released to us by Orchard to allow us to proceed and implement these during 2023/24.
6	Other HRA Capital Spend	Estate Services Van	50,000	(50,000)	50,000	A new electric Estate Services Van has been ordered, with a delivery date awaited. The lead in time for these vehicles has proved quite extensive.

Note	Category	Spend / Income Area	Budget 2022/23	(Under) / Over Spend	Re-Phasing	Reason for Variance
7	Right to Buy Receipts	Cash Receipts	(7,782,000)	1,947,000	0	28 properties were sold in total during 2022/23. £443,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £878,000 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 £4,514,000 of right to buy receipts have been retained by the local authority in 2022/23, 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.
8	Other Capital Receipts	Cash Receipts	(300,000)	(161,000)	0	A number of shared ownership housing transactions took place in 2022/23, with a net sum of £416,000 retained once any sums due to DLUHC had been paid. A capital receipt of £45,000 was recognised in 2022/23 in relation to the sale of HRA land.
9	MRA / MRR	MRA	(22,013,000)	7,528,000	(7,528,000)	The major repairs reserve was used to finance capital expenditure in the housing stock in 2022/23, including investment in decent homes work and other investment in the housing stock. Where less of this funding was utilised in 2022/23 than anticipated as a result of slippage in the investment programme, the use of MRA will be increased in 2023/24 and beyond.
10	Client Contributions	Contributions	0	(632,000)	0	Income was recovered from leaseholders in 2022/23 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£610,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£22,000).
11	Direct Revenue Financing of Capital (Including R&R)	DRF	(17,546,000)	66,000	0	The use of revenue funding for capital purposes was broadly in line with the budget for 2022/23, with only a marginal (£66,000) under-utilisation. The balance of resource will not be available in 2023/24 as a result of the HRA reporting a net revenue overspend for 2022/23.
12	Other Capital Resources (Grants / Loan Repayments)	Grants and Other Resources	(30,364,000)	4,226,000	(2,625,000)	Less of the Devolution Grant, which was received in full in 2020/21 was utilised in 2022/23 than anticipated, due to delays on new build sites, with £2,501,000 of this resource being deferred for use into 2023/24. The full Homes England RSAP Grant of £1,730,000 was not claimed by the end of 2022/23, with 1 home still to acquire and a deferred grant claim of £124,000 now anticipated in 2023/24.

HRA Debts Written Off in 2022/23Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Bankruptcy / Insolvency	1	4,637.13
Debt re-instated	4	(8,040.46)
Debt relief order	19	32,497.52
Debtor deceased	152	151,716.34
Debtor is residing outside the UK	1	5,519.95
Debtor untraceable	0	0.00
Imprisonment	0	0.00
Other special circumstances	5	6,017.21
Statute barred	80	97,781.72
Uneconomical to recover	36	3,719.19
Recovery Procedures Exhausted	11	29,771.09
Unable to Substantiate Debt	0	0.00
Court has refused to make and order	0	0.00
Balance of debt is small	74	397.96
Total Written Off (Net)	383	324,017.65

Write Off Value Band	No. of Cases	Value Written Off
Less than £100	102	2,222.99
£100.00 to £199.99	21	2,757.34
£200.00 to £299.99	26	6,642.32
£300.00 to £399.99	20	6,875.41
£400.00 to £499.99	24	10,775.45
£500.00 to £749.99	54	32,804.34
£750.00 to £999.99	31	27,954.72
£1,000.00 to £1,499.99	38	46,951.93
£1,500.00 to £1,999.99	16	27,850.39
£2,000.00 to £2,999.99	23	56,146.12
£3,000.00 to £3,999.99	10	36,122.46
£4,000.00 to £4,999.99	7	31,959.06
Greater than £5,000.00	7	42,995.58
Debt re-instated	4	(8,040.46)
Total Written Off (Net)	383	324,017.65

For context, the level of write off in 2022/23 represents less than 1% (0.8%) of the rent due for the year.