

## **2023/24 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account**

**To:**

Councillor Gerri Bird, Executive Councillor for Housing

**Report by:**

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**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 2023/24 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from both revenue (confirmation of in principle decisions made in March 2024) and capital budget underspends into 2024/25.

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

- 1.2 The final position for the HRA for 2023/24 is a reported net overspend of £859k before interest and appropriations. This position incorporates a significant overspend in repairs activity for 2023/24, which is partially offset by an over-achievement in income in the year and underspending in general management expenditure.
- 1.3 It should be noted that industry maintenance costs have increased significantly over the past two years, alongside the need for a greater level of investment in the housing stock to ensure compliance with current regulations. This is reflected in the detail of this report, where overspending is reported in these areas.
- 1.4 The budgetary performance across our repair and maintenance function should therefore be viewed in a national context, with the sector facing significant challenges over the past year, and Cambridge is no exception. This trend is likely to continue for the foreseeable future. A recent report shows that the 204 largest housing providers have seen a 35% increase in repair spending compared to pre-pandemic levels, translating to roughly £2.6 billion and last year a 20% increase (approximately £1.3 billion).
- 1.5 Several factors have contributed to the Council's overspend, high inflation (having peaked at 11.1% in October 2022), the ongoing pressure of tackling COVID-related backlogs and the urgent, unbudgeted need to address significant housing stock compliance issues. Our proactive approach to tenant engagement, including a dedicated team and a revamped reporting system, has led to a significant 77% increase in reported damp and mould (DCM) cases. These factors have combined to rapidly drive-up demand for goods and services and therefore cost.
- 1.6 Our commitment to improving tenant living conditions and reducing unacceptable wait times for tenants has required significant investments in repairs and maintenance. By strategically overspending, we've not only addressed essential needs but also improved the overall lived experience for our tenants:
  - Percentage of repairs completed within target timescale improving from 73.9% to 89.2%
  - Percentage of repairs completed at first visit from 66.8% to 72.1%

- Average time in days to repair a void (General Needs & Sheltered) from 50.1 days to 27.6 days

1.7 Following identification of two historic rent regulation issues, it was necessary to account for the estimated rent refunds due for 2023/24 within the financial year (£542k), and to reduce the opening balance for the HRA by the refund value up to 31/3/2023 (£3,827k). To ensure that the HRA could maintain the target level of general HRA reserves at 31/3/2024, taking account of these adjustments, and will still hold reserves well above the prudent minimum level after carry forwards are accounted for, a revised capital financing strategy was adopted in 2023/24. The use of Direct Revenue Financing of Capital (DRF) was reduced by £3,814k and instead capital expenditure was financed from the attributable debt set-side capital reserve.

1.8 Following these changes, the final position for the HRA, after capital financing, interest and appropriations, was a net underspend of £3,595k.

## 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 £562,600 in revenue funding from 2023/24 into 2024/25, 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 £12,507,000 in HRA and General Fund Housing capital budgets and associated resources from 2023/24 into 2024/25 and beyond to fund re-phased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.
- c) Approval of a revised capital financing structure for 2023/24, utilising £8 million of capital reserves set-aside for either debt redemption or re-investment, in place of borrowing and direct revenue financing of capital. This recognises the current high interest rates for borrowing and the need to maintain a prudent level of revenue reserves following

the requirement to allow for payment of rent refunds arising from the rent regulation error.

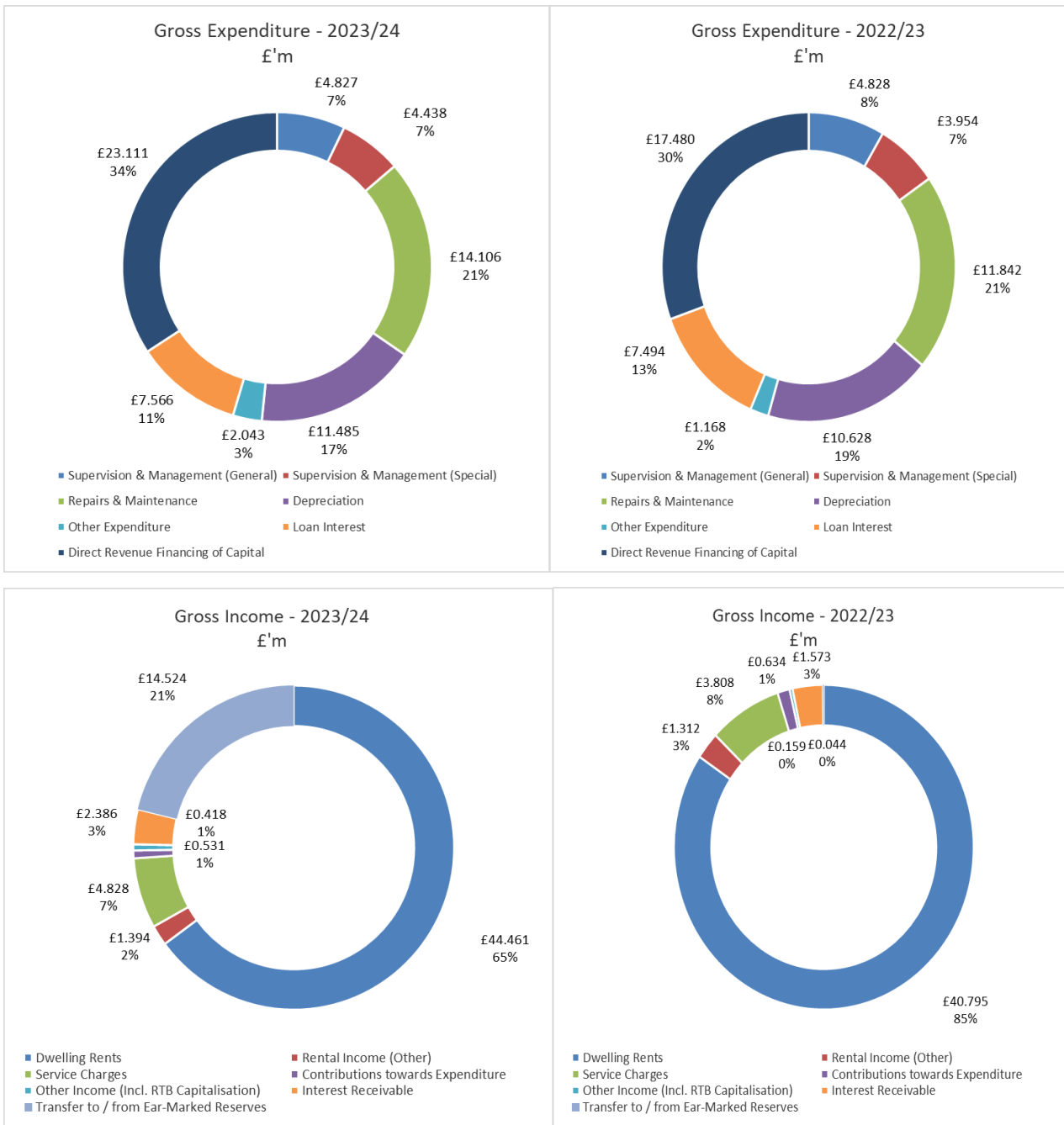
### 3. Background

#### Revenue Outturn

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

<b>2022/23 £'000</b>	<b>Housing Revenue Account Summary</b>	<b>2023/24 £'000</b>
1,029	Original Budget (HRA Use of Reserves)	6,185
12,562	Adjustment – Prior Year Carry Forwards	335
(4,444)	Adjustment – HRA MTFs or HRA BSR Approved	(3,891)
9,147	Final Budget	2,629
9,069	Outturn	(966)
<b>(78)</b>	<b>(Under) / Overspend for the year</b>	<b>(3,595)</b>
335	Carry Forward Requests	563
<b>257</b>	<b>Resulting Variation for the HRA and (reduced) / increased use of reserves</b>	<b>(3,032)</b>

## Gross Expenditure and Income Charts – 2023/24 (and 2022/23 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 2023/24. The original revenue budget for 2023/24 was approved by the Executive Councillor for Housing on 24 January 2023.

- 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 £3,595k, which recognises a change to the structure of the capital financing for 2023/24, as outlined in the Capital Outturn section of this report.
- 3.6 Significant variances are as follows:

- General HRA Services; underspend of £677k due to the timing of investing the housing transformation funding and the abortive development cost funding approved for Ekin Road and air space development. A number of staff vacancies were also evident in the year and there is a deferred need for the welfare reform funding in City Homes. Of this, a carry forward of £388k is incorporated into this report.

Housing Transformation Funding was spent in 2023/24 as follows:

Area of Expenditure	2023/24 Expenditure
Housemark Subscription (recurring annual cost)	£10,550.00
Housing Maintenance Improvement Project	£52,789.72
Rent Regulation Error Project	£17,778.44
Total Expenditure	£81,118.16

- Special HRA Services; overspend of £123k due to increased utility costs in 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 £2,052k due to an increase in the volume and complexity of void properties and an increase in response repairs, with damp and mould and disrepair cases contributing to this. Sub-contractors were brought in to meet these demands. Additional investment in areas of compliance was also evident, with increased electrical inspections, fire inspections and asbestos surveys, all bearing a cost and giving rise to remedial works. Overspending was partially offset by underspending in smoke detector installations due to delays in the delivery of this programme as a result of access issues.

- Depreciation; underspend of £94k as a result of reduced depreciation in respect of infrastructure assets and plant and equipment (IT investment), where over time assets become fully depreciated.
- Other Expenditure; overspend of £63k, with an overspend in council tax in respect of void properties, where the number, and length of inoccupancy, of general voids was greater in 2023/24 and more homes were held vacant pending redevelopment.
- Income; over-achievement of £608k with service charge income being greater than anticipated as a result of increased temporary accommodation and recovery of higher utility charges. Garage and commercial property income over-achieved due to occupancy levels and favourable rent reviews. Other income also over-achieved, with an increase in the sum that was capitalised for the cost of administering the right to buy process and reimbursement of electricity costs towards the cost of producing heat in communal heat plants on new build sites.
- Interest Receipts; over-achievement of £155k due to a significant increase in the rates available to the authority for investments, particularly in the latter part of 2023/24.
- Appropriations / Other; underspend of £4,299k, with a reduced use of direct revenue financing of capital expenditure to maintain a minimum prudent general HRA reserve, income transferred from the ear-marked reserve for repairs and renewals to fund expenditure in 2023/24 and a lower interest cost than budgeted as a result of deferring the need to borrow externally in the HRA from 2023/24 to 2024/25.

### **Housing Revenue Account Reserves**

3.7 The table below sets out the movement on the Housing Revenue Account reserve for 2023/24:

	<b>2023/24 £'000</b>
Original Budget – Contribution from HRA reserves	6,185
Adjustment – Prior Year Carry Forwards	335
Adjustment – HRA MTFS or HRA BSR Approved	(3,891)
<b>Final Budget – Contribution from HRA Reserves</b>	<b>2,629</b>

Net Variance for the Year	(3,595)
<b>Total Contribution (to) / from HRA General Reserves – Draft Statement of Accounts</b>	<b>(966)</b>
HRA General Reserve Balance - 1 April 2023	(10,521)
Adjustment to 1 April 2023 reserves balance for rent regulation error	3,827
2023/24 Contribution (to) / from HRA General Reserves – Draft Statement of Accounts	(966)
<b>HRA General Reserves Balance - 31 March 2024</b>	<b>(7,660)</b>

## Capital Outturn

3.9 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.

<b>2022/23 £'000</b>	<b>HRA Capital Summary</b>	<b>2023/24 £'000</b>
97,104	Original Budget	122,943
19,287	Adjustments (Re-phasing – approved in June 2023)	14,329
(32,610)	Other Adjustments (Re-phasing and changes approved in HRA MTFS November 2023 and HRA BSR February 2024)	(52,410)
83,781	Final Budget	84,862
66,624	Outturn	71,502
<b>(17,157)</b>	<b>(Under)/Overspend for the year</b>	<b>(13,360)</b>
15,880	Re-phasing Requests	12,507
<b>(1,277)</b>	<b>(Under) / Overspend</b>	<b>(853)</b>



3.10 Spending in the Housing Capital Investment Plan in 2023/24 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 November 2023 and the Budget Setting Report in February 2024.

3.11 Significant variances are as follows:

- General Fund Housing; underspend of £384k in disabled facilities and repairs assistance works delivered through the Home Improvement Agency, with demand still at lower levels than experienced a number of years ago.
- Decent Homes; underspend of £5,959k due predominantly to subcontractor selection and capacity, access issues and tenant refusals.
- Other Spend on HRA Stock; underspend of £1,618k with the programme encountering the same issues as the decent homes programme, but with particular delays in works being delivered as part of the estate investment programme.
- New Build; underspend of £3,825k, with delays on a number of sites as a result of securing vacant possession and planning permission and in delivery on site in some areas. A number of schemes finalised with reported underspends.
- Acquisition; underspend of £1,271k, with 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 £303k with no investment in commercial property in 2023/24, the last phases of the Orchard Housing Management System implementation delayed whilst additional development work is undertaken and the rollout of new corporate ICT hardware taking longer than planned.

3.12 The capital financing for 2023/24 has been amended to reduce the use of direct revenue financing to ensure that a prudent level of HRA general revenue reserves has been maintained despite the need to account for the estimated rent refunds due to tenants following identification of the rent regulation error. Financing has also been amended to remove the need to borrow externally during 2023/24, at a time of unusually high interest rates. These changes have been

facilitated by instead using £8 million of the attributable debt set-aside capital reserve, which can be used to redeem loans or alternatively can be used to re-invest, in this case in the delivery of new homes.

- 3.13 Permission is sought to re-phase the need to borrow to fund the re-phased capital expenditure identified in this report.

### **HRA Write Offs**

- 3.14 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 2023/24. **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), results in a decreased use of Housing Revenue Account reserves after carry forwards of £3,032k. However, this is more than offset by the reduction of £3,827k in the opening balance on revenue reserves as a result of the need to account for rent refunds. For now, HRA revenue reserves remain above the target level and are forecast to remain above the prudent minimum level for the remainder of 2024/25, but a full review of the reserves position will be carried out 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 new 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) Net Zero Carbon, Climate Change and 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) Community Safety**

There are no community safety implications arising from this report.

## **5. Consultation and communication considerations**

Tenant and leaseholder representatives are consulted as an integral part of the scrutiny process associated with this committee.

## **6. 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.

## **7. Appendices**

- Appendix A – HRA Revenue Outturn 2023/24
- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2023/24
- Appendix D Notes – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2023/24

## **8. Inspection of Papers and Queries**

If you have a query on the report, please contact:

Julia Hovells, Head of Finance & Business Manager

Telephone: 01223 - 457248 or email: [julia.hovells@cambridge.gov.uk](mailto:julia.hovells@cambridge.gov.uk).

## Housing Committee - Housing Revenue Account

## Revenue Budget 2023/24 - 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
<b>INCOME</b>						
Dwelling Rents	(44,731)	(44,449)	(44,461)	(12)	0	(12)
Rental Income (Other)	(1,321)	(1,335)	(1,394)	(59)	0	(59)
Service Charges	(3,812)	(4,433)	(4,828)	(395)	0	(395)
Contributions towards Expenditure	(549)	(505)	(531)	(26)	0	(26)
Other Income (Incl. RTB Capitalisation)	(534)	(302)	(418)	(116)	0	(116)
<b>Total Income</b>	<b>(50,947)</b>	<b>(51,024)</b>	<b>(51,632)</b>	<b>(608)</b>	<b>0</b>	<b>(608)</b>
<b>EXPENDITURE</b>						
Supervision & Management (General)	5,694	5,504	4,827	(677)	388	(289)
Supervision & Management (Special)	4,267	4,315	4,438	123	20	143
Repairs & Maintenance	10,767	12,054	14,106	2,052	155	2,207
Depreciation	11,967	11,579	11,485	(94)	0	(94)
Other Expenditure	1,477	1,980	2,043	63	0	63
<b>Total Expenditure</b>	<b>34,172</b>	<b>35,432</b>	<b>36,899</b>	<b>1,467</b>	<b>563</b>	<b>2,030</b>
<b>Net Cost of HRA Services</b>	<b>(16,775)</b>	<b>(15,592)</b>	<b>(14,733)</b>	<b>859</b>	<b>563</b>	<b>1,422</b>
Interest Receivable (Interest on Balances & Item 8)	(670)	(2,231)	(2,386)	(155)	0	(155)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(17,445)</b>	<b>(17,823)</b>	<b>(17,119)</b>	<b>704</b>	<b>563</b>	<b>1,267</b>
<b>Appropriations / Other Movement in the HRA Balance</b>						
Loan Interest	8,889	7,941	7,566	(375)	0	(375)
Housing Set-Aside	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	29,446	26,925	23,111	(3,814)	0	(3,814)
Transfer to / from Ear-Marked Reserves	(14,705)	(14,414)	(14,524)	(110)	0	(110)
<b>(Surplus) / Deficit for year</b>	<b>6,185</b>	<b>2,629</b>	<b>(966)</b>	<b>(3,595)</b>	<b>563</b>	<b>(3,032)</b>
<b>(Surplus) / Deficit b/f</b>	<b>(10,521)</b>	<b>(10,521)</b>	<b>(10,521)</b>			
<b>Adjustment to opening reserves to reflect rent regulation error</b>	<b>0</b>	<b>0</b>	<b>3,827</b>			
<b>Balance Carried Forward</b>	<b>(4,336)</b>	<b>(7,892)</b>	<b>(7,660)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2023/24 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
<b>Supervision and Management (General)</b>		
HRA Departmental Overheads	Additional budget of £490,000 was approved to undertake feasibility studies at Ekin Road and property suitable for air space development. Not all of this funding was utilised in 2023/24 and a carry forward of £191,720 was provisionally approved at March HSC. This is reduced to a carry forward value of £108,750 based upon final spending for 2023/24. The underspend is also contributed to by a vacant post, which has proved difficult to recruit to.	(154,880)
Housing Transformation	The Housing Transformation Fund was increased in 2023/24 to allow the HRA to both prepare for housing regulation and contribute to the costs of corporate transformation. Although work has progressed in both areas, there is still a huge amount to complete. Early work has identified some regulatory concerns and data issues, which will also need significant resource to deliver the improvement required. As a result, a carry forward was approved in principle at HSC in March 2024 to supplement the fund already available in 2024/25 to ensure that improvements can be delivered as quickly as possible.	(239,852)
City Homes	City Homes cost centre underspent as a result of vacancies across the team, the majority of which have now been recruited to, with start dates pending. Funding to support tenants through the transition from housing benefit to universal credit was not fully utilised in 2023/24, with a carry forward approved in principle at HSC in March 2024, which is reduced in this report as some expenditure was incurred in 2023/24.	(191,079)
Other		(91,463)
<b>Total</b>		<b>(677,274)</b>
<b>Supervision and Management (Special)</b>		
Estate Management	Estate management costs exceeded the budget in 2023/24 as a result of increased electricity costs in communal areas of HRA flats.	70,360
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.	85,625
Other		(33,430)
<b>Total</b>		<b>122,555</b>
<b>Repairs and Maintenance</b>		
Responsive Repairs	The overspend relates to a significantly higher than budgeted use of external contractors (which more than offsets any underspending in the in-house workforce), some high value damp, condensation and mould works and a rise in disrepair claims.	633,146
Voids	Overspend in temporary accommodation void works with an increase in refugee voids in 2023/24 taking up greater resource. The overspend is caused by significant expenditure in external contractors, due to clearing of the remaining backlog from 2022/23 combined with the poor condition voids are being returned in.	618,528

## Housing Committee - Housing Revenue Account

## Revenue Budget 2023/24 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
Citywide Schemes	Underspend on smoke detectors and street lighting. The full smoke detector programme was given to the contractor, but due to access issues spend was below budget. Underspending in street lighting is as a result of the upgrade programme, which has reduced ongoing repairs.	(154,322)
Risk and Compliance	Overspend on lift and emergency lighting due to major failures occurring, with a high number of asbestos investigations carried out throughout the year. Furthermore, there has been a rise in unauthorised adaptations causing a major increase in electrical safety inspections and resulting spend. A slight underspend is evident in fire door inspections.	624,552
Heating and Hot Water Servicing	Overspend is the result of additional repairs required during the winter months, coupled with installation of CO2 detectors alongside the gas servicing.	236,444
Planned Revenue Repairs	There were a number of door canopies in Gray Road, Ward Road and St Thomas's Square, that were in an unsafe condition and could not be repaired / decorated, but had to be replaced.	89,590
Repairs Overheads	Recharges to the HRA for support services were marginally lower than budgeted for 2023/24 when adjusted based upon actual expenditure incurred in the year. ICT Services, the Assistant Director of Assets and Property and Procurement were the biggest contributors to the underspend, with this partially offset by increased costs from the Customer Service Centre.	(90,022)
Third Party Management Costs	Costs associated with third party management overspent in 2023/24 predominantly due to the costs of electricity at Dykes Bower Court, where there are concerns about how the communal heating system is currently operating.	98,923
Other		(5,225)
<b>Total</b>		<b>2,051,614</b>
<b>Other HRA Expenditure</b>		
Depreciation	Depreciation was lower in 2023/24 than anticipated, particularly in respect of the depreciation for infrastructure assets and plant and equipment (IT systems), as some assets become fully depreciated.	(94,665)
Council Tax	Council tax payments were greater than anticipated as a result of a higher level of general void properties for longer and the need to pay for homes vacated for re-development up to the point that the entire site is handed over.	97,928
Budget for business expansion costs	The budget included to recognise an increase in stock numbers was not fully allocated in 2023/24, but effectively offsets overspending elsewhere in the HRA.	(73,350)
Other		39,065
<b>Total</b>		<b>(31,022)</b>

## Housing Committee - Housing Revenue Account

## Revenue Budget 2023/24 - Major Variances from Final Revenue Budgets

Service Grouping / Cost Centre	Reason for Variance	Amount £
<b>HRA Income and Other</b>		
Service Charge Income	Service charge income was over-achieved, predominantly in respect of temporary housing due to an increase in temporary housing stock which carry higher levels of service charge, an over-achievement in catering service charge income at Ditchburn Place as occupancy levels have been high, increased income in respect of recovering higher utility costs and recovery of the full costs of service provision to leaseholders.	(394,873)
Rental Income (Other)	Rent for both HRA garages and commercial property was marginally over-achieved in 2023/24, with favourable rent reviews more than offsetting the loss from continued vacant units at Akeman Street, which still prove difficult to let.	(58,907)
Other Income	Other income was over-achieved due to an over-achievement in income in respect of the capitalised costs of right to buy administration, coupled with the reimbursement of the cost of electricity used to produce heat for the communal heat systems at some of the more recent new build schemes	(116,613)
Other		(37,018)
<b>Total</b>		<b>(607,411)</b>
<b>HRA Interest, Premiums and Appropriations</b>		
Direct Revenue Financing of Capital (DRF)	There was a reduced use of direct revenue financing of capital expenditure in 2023/24, as a result of a revised capital financing strategy which was adopted to ensure that the general HRA revenue reserves did not fall below the prudent minimum despite the need to account for the value of estimated rent refunds due as a result of the rent regulation error.	(3,814,854)
Loan Interest	The cost of borrowing was less than anticipated, with slippage in the capital programme meaning that external borrowing was not required in 2023/24 as planned.	(374,013)
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 (£13,258) was combined with also drawing from the reserve to fund expenditure in communal areas of sheltered schemes and temporary housing.	(109,830)
Interest Received	The interest due to the HRA for 2023/24 was significantly greater than anticipated due to an interest rate of over 5% being realised by the latter part of 2023/24, compared to an average rate of 2.04% in 2022/23.	(155,023)
Other		0
<b>Total</b>		<b>(4,453,720)</b>
<b>Total for Housing Revenue Account</b>		<b>(3,595,258)</b>

**Housing Committee - Housing Revenue Account**  
**Revenue Budget 2023/24 - Carry Forward Requests**

Final Request to Carry Forward Housing Revenue Account Revenue Budgets from 2023/24 into 2024/25

Item		Cost Centre	Contact	Final outturn variance position of cost centre (underspend) / overspend at year end prior to carry forward	March 2024 Carry Forward Request £	Final June 2024 Carry Forward Request £
	<b>Supervision and Management General</b>					
1	HRA Business Overheads - A budget for abortive HRA development fees exists to allow feasibility work to be undertaken on potential new build development sites. This budget was increased in 2023/24 to allow specific feasibility work at Ekin Road and in respect of rooftop (air space) development. Not all of this work was completed in 2023/24 and the balance of the budget is requested as a carry forward into 2024/25 to facilitate completion of the work.	6007	Julia Hovells	(194,395)	191,720	108,750
2	Housing Transformation - The Housing Transformation Fund was increased in 2023/24 to allow the HRA to both prepare for housing regulation and contribute to the costs of corporate transformation. Although work has progressed in both areas, there is still a huge amount to complete. Early work has identified some regulatory concerns and data issues, which will also need significant resource to deliver the improvement required. As a result, a carry forward is requested to supplement the fund already available in 2024/25 to ensure that improvements can be delivered as quickly as possible.	6008	Julia Hovells	(239,851)	229,200	239,850
3	City Homes - Welfare Reforms - One-off funding is approved to support the transition between housing benefit and Universal Credit, particularly during the period where all remaining claimants who need to, are required to move between benefits. Some extra resource was deployed in 2023/24, leaving the balance available to support this task in 2024/25.	6012	Anna Hill	(191,079)	61,240	39,460
	<b>Supervision and Management Special</b>					
4	Independent Living Service - Activity Co-Ordinator - Grant funding of £40,110 was received in 2023/24 to allow the employment of an Activity Co-Ordinator for sheltered and older person's housing on a fixed term contract for 12 months. The postholder was recruited and started during October 2023 and so will be in post until October 2024. Carry forward of the funding will allow the authority to fulfil the grant commitments and honour the fixed term contract.	6104	Laura Adcock	(26,455)	20,230	20,220
	<b>Repairs and Maintenance</b>					
5	Citywide Schemes - Smoke Detectors - Orders for the annual programme of smoke detector replacements were issued at the start of 2023/24, but due to access issues, the expenditure was well below budget. The need to replace these smoke detectors still exists, and therefore a carry forward is requested into 2024/25 to make further attempts to complete these works.	6205	John Conroy	(154,322)	229,130	154,320
	<b>Appropriations</b>					
	No carry forward items					
	<b>Other</b>					
	Additonal carry forwards under £50,000 approved under delegation the the Chief Finance Officer				0	0
	<b>Total Revenue Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee</b>				<b>731,520</b>	<b>562,600</b>





## Notes to the Housing Capital Investment Plan

Note	Category	Spend / Income Area	Budget 2023/24	(Under) / Over Spend	Re-Phasing	Reason for Variance
1	General Fund Housing	Disabled Facilities Grants	808,000	(290,329)	0	Demand for DFG's was lower than budgeted in 2023/24, with £74k of additional DFG funding being passed across to Huntingdonshire District Council to ensure that it was spent in year.
1	General Fund Housing	Private Sector Grants and Loans	195,000	(93,706)	0	Underspend due to reduced demand as with DFG's.
2	Decent Homes	Officer's Fees	526,000	(25,174)	0	Decent Homes officers fees were marginally lower than budgeted, but with this offset by an overspend in officer's fees relating to other work to the stock.
2	Decent Homes	Insulation / Energy Efficiency	6,823,000	(3,530,113)	3,530,000	Energy works, to include both insulation works and full retrofit, have suffered some delay whilst the contractors were procured. Work is now well underway, but some re-phasing will be required.
2	Decent Homes	Central Heating / Boilers	2,354,000	1,761	0	Expenditure in respect of heating and boilers was broadly in line with the budget for 2023/24.
2	Decent Homes	Electrical / Wiring	608,000	(121,173)	121,000	The full year programme was placed with the contractor, but access issues resulted in an underspend being reported for the year.
2	Decent Homes	Roof Covering	1,702,000	20,245	0	There were a number of urgent re-roofing jobs in Nuns Way, with premature failures experienced, giving rise to an overspend..
2	Decent Homes	External Doors	472,000	(83,810)	84,000	The main planned maintenance contractor experienced issues with their sub-contractor, resulting in the need to procure a sub-contractor to deliver these works, resulting in delays in the programme.
2	Decent Homes	Kitchens	750,000	332,578	0	The annual programme was placed with the contractor, but additional kitchen replacements were required in void dwellings, causing an overspend in year.
2	Decent Homes	Bathrooms	594,000	(195,747)	196,000	Entire programme was ordered with contractor, but access has proven to be a significant issue. Additionally a limited number of bathrooms were fitted in voids.
2	Decent Homes	Roof Structure	62,000	26,659	0	Extra-ordinary costs incurred by appointing specialist surveyors to prepare specification and lodge an NHBC claim for the early failure of a new-build roof at Upperhall Court.
2	Decent Homes	Other Health and Safety Works	52,000	(52,000)	52,000	Budget held to tackle wall structure works, to pay for the works to flat blocks at Hanson/Nicholson/Walker.
2	Decent Homes	Chimneys	2,000	(2,000)	0	No work undertaken in 2023/24.
2	Decent Homes	HHSRS	520,000	(363,372)	363,000	Works on site to communal stairs were delayed, due to leaseholder complaints and requiring Building Control to confirm that proposed works were compliant.
2	Decent Homes	Wall Structure	1,896,000	(630,064)	630,000	Budget was increased to enable Bermuda Terrace structural works to be done. This project is delayed, currently being surveyed and works will not start until later in 2024/25.
2	Decent Homes	Contractor Overheads	1,361,000	(336,718)	337,000	Underspending in specific decent homes elements results in a corresponding under-spend in contractor overheads.
2	Decent Homes	PVCU Windows	1,061,000	(451,783)	452,000	Some budget was ear-marked to support window replacements in the external wall insulation works programme, but this wasn't utilised fully in year. Additionally the planned works main contractor had issues with their subcontractor resulting in the need to replace them, causing additional delay.

Note	Category	Spend / Income Area	Budget 2023/24	(Under) / Over Spend	Re-Phasing	Reason for Variance
2	Decent Homes	Other External Works	272,000	76,852	0	Additional timber cladding replacements at Ancaster Way / Trevone Place was paid for from this budget, resulting in an overspend.
2	Decent Homes	Decent Homes Backlog	625,000	(625,000)	625,000	This budget was not required in 2023/24 and will need to be re-phased into later years of the programme.
3	Other Spend on HRA Stock	Disabled Adaptations	808,000	20,289	0	2023-24 has seen an increase in activity in respect of adaptations. with larger extension projects undertaken. The budget has been impacted by materials and labour cost inflation. Minor adaptations requests have increased, as have refurbishments of wet rooms, with many of these being requests from the repairs surveyors as part of damp and mould works.
3	Other Spend on HRA Stock	Communal Areas Uplift	100,000	(5,471)	5,000	The programme was broadly completed in 2023/24, with a small underspend to be re-phased into 2024/25.
3	Other Spend on HRA Stock	Officer's Fees	119,000	27,820	0	Other spend on HRA stock officers fees were marginally higher than budgeted, but with this offset by an underspend in officer's fees relating to decent homes work.
3	Other Spend on HRA Stock	Asbestos Removal	52,000	74,145	0	The Risk and Compliance team have been proactively removing asbestos to reduce risk and this has resulted in an overspend
3	Other Spend on HRA Stock	Garage Improvements	104,000	(5,681)	0	Expenditure broadly in line with the budget for 2023/24.
3	Other Spend on HRA Stock	Hard Surfacing	235,000	(7,959)	8,000	Expenditure broadly in line with the budget for 2023/24.
3	Other Spend on HRA Stock	Communal Area Floor Coverings	104,000	13,704	0	The programme was delivered, but there were some extra works that resulted in a slight overspend.
3	Other Spend on HRA Stock	Fire Prevention / Fire Safety Works	1,494,000	(379,927)	380,000	Fire safety works have been ordered in 2023/24 but not all works were completed at 31/3/24. Slippage is requested to be re-phased into 2024/25.
3	Other Spend on HRA Stock	Lifts and Door Entry	49,000	(29,526)	30,000	Limited work was undertaken in relation to these workstreams during the year due to resource issues.
3	Other Spend on HRA Stock	Contractor Overheads	438,000	(196,263)	196,000	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	1,208,000	(630,276)	630,000	There is a planned programme of work to spend the remaining EIS budget, but a number of the schemes are still in design / consultation stage.
3	Other Spend on HRA Stock	Communal Electrical Installations / Fire Systems	329,000	(289,686)	290,000	Limited work was undertaken in 2023/24 with work that was planned being re-phased into 2024/25. Work has been designed and priced and is undergoing leaseholder consultation.
3	Other Spend on HRA Stock	Communal Entrance / Enclosure Doors	542,000	(209,242)	209,000	Works delayed due to specification changes, and now expected to be delivered in 2024/25.
4	New Build	2015/16 Garage Sites	0	(6,210)	0	The scheme at Teddar Way has been aborted, with all costs, including prior year expenditure, being moved to revenue.
4	New Build	Unallocated Retained RTB Receipts	680,000	(680,000)	680,000	Funding for 10 Year New Homes Programme not yet allocated to schemes.
4	New Build	Hills Avenue	0	(35,468)	0	The new build scheme at Hills Avenue was aborted, with all prior year expenditure being moved to revenue. The scheme was replaced with a scheme to deliver POD Homes.
4	New Build	Kendal Way	169,000	(124,505)	125,000	Underspend due to delays in start on site as a result of boundary issues and cost concerns.

Note	Category	Spend / Income Area	Budget 2023/24	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	Mill Road	232,000	(75,048)	0	The new build scheme at Mill Road is now complete, with final costs, inclusive of any variations being marginally lower than budgeted.
4	New Build	Cromwell Road Redevelopment (HRA)	590,000	(392,409)	0	The new build scheme at Cromwell Road is now complete, with the contingency aspect of the budget not required in full.
4	New Build	Teddar Way	0	(39,618)	0	The scheme at Teddar Way has been aborted, with all costs, including prior year expenditure, being moved to revenue.
4	New Build	Colville Road (Phase 2)	351,000	(185,764)	186,000	The remaining 4 units on the Colville II new build site are anticipated to hand over during 2024/25, with funding requiring re-phasing to facilitate this.
4	New Build	Clerk Maxwell Road	604,000	(172,751)	0	New homes on the Clerk Maxwell site handed over during 2023/24, with contingency budgets not required, resulting in an underspend on the scheme.
4	New Build	Meadows and Buchan Street	8,513,000	154,358	(154,000)	Progress in delivery of new homes on the Meadows and Buchan sites is marginally ahead of profile, with the need to re-phase budgets accordingly.
4	New Build	Campkin Road Phase 2	1,672,000	(75,930)	0	The scheme at Campkin Road completed in the summer of 2023, with contingency budgets not required in full, resulting in a underspend.
4	New Build	L2	7,346,000	(180,712)	0	75 new homes on the site at L2 were handed over in spring 2024, with the contingency budget not required in full, resulting in an underspend.
4	New Build	Colville Road III	6,759,000	(224,626)	225,000	Progress in the delivery of new homes on the site at Colville III is progressing well, with a small amount of resource requiring re-phasing into 2024/25 to complete the scheme.
4	New Build	Histon Road	1,661,000	(30,099)	0	The new homes on the Histon Road site were handed over in the summer of 2023, with the budget for contingency works not required in full.
4	New Build	Fen Road	1,625,000	185,118	0	New homes on this site were handed over in spring 2024, with allowance made for retention and anticipated variations, giving rise to a reported overspend as a result of higher than anticipated costs to deliver greater energy efficiency in these homes.
4	New Build	Ditton Fields	1,140,000	60,986	0	New homes on this site were handed over in spring 2024, with allowance made for retention and anticipated variations, giving rise to a reported overspend as a result of higher than anticipated costs to deliver greater energy efficiency in these homes.
4	New Build	Aragon Close	1,165,000	(311,079)	311,000	This scheme is on site, but has suffered some initial delay as a result of archaeological findings, resulting in the need to re-phase budget into 2024/25.
4	New Build	Sackville Close	1,242,000	(337,251)	337,000	This scheme is on site, but has suffered some initial delay as a result of archaeological findings, resulting in the need to re-phase budget into 2024/25.
4	New Build	Borrowdale	549,000	58,332	0	New homes on this site were handed over in spring 2024, with allowance made for retention and anticipated variations, giving rise to a reported overspend as a result of higher than anticipated costs to deliver greater energy efficiency in these homes.
4	New Build	Aylesborough Close	3,932,000	(431,312)	431,000	Work is on site for the scheme at Aylesborough Close, with earlier delays resulting in the need to re-phase a small proportion of the budget into 2024/25.
4	New Build	St Thomas's Road	188,000	(54,674)	55,000	This site is currently on hold, pending a review of the scheme design and unit numbers.
4	New Build	Paget Road	79,000	(3,337)	3,000	Planning has been submitted for this scheme with spending broadly in line with profile.

Note	Category	Spend / Income Area	Budget 2023/24	(Under) / Over Spend	Re-Phasing	Reason for Variance
4	New Build	Fanshawe Road	1,300,000	(250,871)	251,000	This scheme is slightly behind schedule due to delays in obtaining planning permission and securing vacant possession.
4	New Build	Princess and Hanover Court	4,467,000	(118,184)	118,000	The site at Princess and Hanover is currently being decanted to allow decisions to be made about future investment on this site. A small underspend is evident at 31/3/2024, which will require re-phasing.
4	New Build	East Road	120,000	(120,000)	120,000	No costs have been incurred on this site to date as a result of scheme design delays, with the need to re-phase budget into future years.
4	New Build	Hills Avenue POD Homes	20,000	(17,419)	5,000	Reduced legal fees led to underspend.
4	New Build	Eddeva Park	3,000	9,849	(10,000)	Initial legal and consultancy costs are now being incurred for this site, with costs marginally higher in 2023/24 than anticipated.
4	New Build	East Barnwell	758,000	(428,039)	428,000	Delay in expenditure due to programme delays.
4	New Build	Newbury Farm	12,000	(4,691)	5,000	Legal and consultancy fees are now being incurred for this site, with a marginal underspend in 2023/24.
4	New Build	ATS, Histon Road	0	7,049	(7,000)	Spend covers legal fees ahead of contractual expenditure
5	HRA Acquisition	Acquisition and Disposal	2,800,000	(1,046,928)	1,047,000	A small number of homes on the Ekin Road site were acquired during 2023/24, but not as many as the budget allowed for. Other strategic acquisition opportunities did not presented themselves in 2023/24.
5	HRA Acquisition	RSAP Acquisitions	517,000	(257,899)	0	All 14 homes for rough sleeper's have been acquired at a lower cost than anticipated originally.
5	HRA Acquisition	Local Authority Housing Fund Acquisitions	9,448,000	33,463	0	37 homes were acquired for accommodating refugees by 31/3/2024, which more than met the commitment to DLUHC, which required the acquisition of 34 homes for this purpose. A small overspend is evident due to the cost of works required to some of the homes to allow letting.
6	Other HRA Capital Spend	Shared Ownership Repurchase	300,000	(90,189)	0	One shared ownership home was re-purchased in 2023/24 to meet a specific identified need.
6	Other HRA Capital Spend	Commercial Property	88,000	(88,040)	88,000	The budget was allocated to meet fit out costs for the new commercial units at Akeman Street to aid letting and this is still under consideration. The budget will need to be re-phased into 2024/25.
6	Other HRA Capital Spend	Orchard Upgrade	87,000	(73,742)	74,000	Two of the Orchard modules have been delayed in implementation whilst MRI carry out further development of them to meet our organisational needs.
6	Other HRA Capital Spend	Estate Services Van	50,000	(196)	0	Estate Services Van delivered at the end of March 2024.
6	Other HRA Capital Spend	HRA Corporate ICT Contribution	130,000	(51,047)	51,000	The HRA has contributed to the corporate cost of IT hardware replacement and infrastructure investment in 2023/24, with some activity and laptop rollouts delayed until 2024/25.
7	Right to Buy Receipts	Cash Receipts	(5,091,000)	989,000	0	15 properties were sold in total during 2023/24. £363,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £391,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the units no longer owned. A further £3,348,000 of right to buy receipts have been retained by the local authority in 2023/24, but must be re-invested now in financing up to 50% of additional social housing or shared ownership units, provided this is done within a 5 year time frame.

Note	Category	Spend / Income Area	Budget 2023/24	(Under) / Over Spend	Re-Phasing	Reason for Variance
8	Other Capital Receipts	Cash Receipts	(300,000)	(41,000)	0	A number of shared ownership housing transactions took place in 2023/24, with a net sum of £261,000 retained once any sums due to DLUHC had been paid. Capital receipts of £80,000 were recognised in 2023/24 in relation to the sale of HRA land.
9	MRA / MRR	MRA	(19,264,000)	95,000	0	The major repairs reserve was used in full to finance capital expenditure in the housing stock in 2023/24, including investment in decent homes work and other investment in the housing stock.
10	Client Contributions	Contributions	0	(283,000)	0	Income was recovered from leaseholders in 2023/24 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£271,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£12,000).
11	Direct Revenue Financing of Capital (Including R&R)	DRF	(26,925,000)	3,814,000	0	The use of revenue funding for capital purposes was less than budgeted in 2023/24 as a result of a revised capital financing strategy to ensure that a prudent minimum level of HRA general reserves could be maintained at 31/3/2024. Use of this resource was replaced with the use of the attributable debt set-aside capital reserve, which was used to fund new homes in place of DRF.
12	Other Capital Resources (Grants / Loan Repayments)	Grants and Other Resources	(17,824,000)	(159,000)	0	The balance of the Devolution Grant, which was received in full in 2020/21 was utilised in 2023/24. Homes England Grant was received for new build homes and SHDF grant to fund energy works in the existing stock. Additional DFG funding through the Better Care Fund was received in 2023/24, with this sum passed across to Huntingdonshire District Council to spend as demand in Cambridge was insufficient to utilise the resource in year.
13	Prudential Borrowing	Borrowing	(15,039,000)	15,039,000	(12,507,000)	Borrowing was not undertaken in 2023/24, with all available internal resource being utilised before borrowing due to the rates available currently being prohibitive. Borrowing will definitely be necessary in 2024/25.

HRA Debts Written Off in 2023/24Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Bankruptcy / Insolvency	0	0.00
Debt re-instated	0	0.00
Debt relief order	4	8,225.38
Debtor deceased	34	30,882.15
Debtor is residing outside the UK	0	0.00
Debtor untraceable	0	0.00
Imprisonment	1	4,457.42
Other special circumstances	4	3,784.41
Statute barred	16	4,219.46
Uneconomical to recover	9	713.03
Recovery Procedures Exhausted	17	24,652.86
Unable to Substantiate Debt	2	2,869.16
Court has refused to make and order	0	0.00
Balance of debt is small	18	90.97
<b>Total Written Off (Net)</b>	<b>105</b>	<b>79,894.84</b>

Write Off Value Band	No. of Cases	Value Written Off
Less than £100	35	1,008.31
£100.00 to £199.99	6	856.13
£200.00 to £299.99	6	1,529.75
£300.00 to £399.99	3	1,068.74
£400.00 to £499.99	5	2,244.35
£500.00 to £749.99	12	7,667.62
£750.00 to £999.99	7	6,052.15
£1,000.00 to £1,499.99	13	16,089.63
£1,500.00 to £1,999.99	11	19,076.96
£2,000.00 to £2,999.99	3	6,300.57
£3,000.00 to £3,999.99	1	3,258.41
£4,000.00 to £4,999.99	2	8,749.12
Greater than £5,000.00	1	5,993.10
Debt re-instated	0	0.00
<b>Total Written Off (Net)</b>	<b>105</b>	<b>79,894.84</b>