

Annexe 1.5

HOUSING REVENUE ACCOUNT FORECAST OUTTURN POSITION FOR 2020/21

	Budget July 2020	BAU* Annual Forecast as at July 2020	BAU* Forecast Variance July 2020	COVID-19 Forecast Pressures July 2020
	£M	£M	£M	£M
Expenditure				
Responsive repairs	13.26	13.26	0.00	0.00
Housing investment	5.19	4.79	0.40 F	0.00
Rents payable	0.10	0.10	0.00	0.00
Debt management	0.09	0.09	0.00	0.00
Supervision & management	22.52	22.43	0.08 F	1.25 A
Interest & principal repayments	5.09	5.09	0.00	0.00
Depreciation	20.47	20.47	0.00	0.00
Direct revenue financing of capital	8.89	8.89	0.00	0.00
Total Expenditure	75.60	75.12	0.48 F	1.25 A
Income				
Dwelling rents	(70.24)	(70.30)	0.06 F	0.04 A
Other rents	(1.22)	(1.22)	0.00	0.00
Service charge income	(3.25)	(3.25)	0.00	0.00
Leaseholder service charges	(0.88)	(0.88)	0.00	0.00
Interest received	(0.01)	(0.01)	0.00	0.00
Total Income	(75.60)	(75.66)	0.06 F	0.04 A
(SURPLUS)/DEFICIT	0.00	(0.54)	0.54 F	1.29 A

NB Numbers are rounded

*Business as usual

The SIGNIFICANT business as usual issues for the HRA are:

Service Area	BAU Forecast Variance July 2020 £M	Explanation
Housing investment (Cyclical Maintenance)	0.40 F	Based on the cyclical maintenance 2019/20 outturn favourable variance of £0.70M, and taking into account a slow start to works in the current year in part due to COVID-19, a forecast estimate has been made that Cyclical Maintenance will be underspent by £0.40M.

The SIGNIFICANT COVID pressures for the HRA are:

Service Area	COVID Forecast Pressures July 2020 £M	Explanation
Supervision & Management	1.25 A	<p>Due to COVID-19 there is estimated to be increases in arrears for residential / commercial rent & service charges which is represented by an increase in provision for bad debts amounting to £1.10M. This will continue to be monitored throughout the COVID-19 crisis period as the likelihood of debt recovery will be largely dependent on the aftermath of the lockdown period and the subsequent economic impact on jobs and tenant finances.</p> <p>In addition, extra Personal Protective Equipment for HRA staff is expected to be required, at a cost of £0.15M.</p>