

HOUSING REVENUE ACCOUNT FORECAST OUTTURN POSITION FOR 2022/23

The Housing Revenue Account is currently forecast to have a nil variance against the budgeted deficit for the year, no movement from the position forecast at quarter 2.

	Budget Qtr 3	Annual Forecast Qtr 3	Forecast Variance Qtr 3	Forecast Variance Qtr 2	Variance Movement from Qtr 2
	£M	£M	£M	£M	£M
Expenditure					
Responsive & cyclical repairs	20.63	21.43	0.80 A	0.82 A	0.02 F
Rents payable	0.10	0.20	0.10 A	0.10 A	0.00
Debt management	0.08	0.08	0.00	0.00	0.00
Supervision & management	25.05	25.51	0.46 A	0.80 A	0.34 F
Interest & principal repayments	5.16	4.76	0.40 F	0.30 F	0.10 F
Depreciation	23.76	21.86	1.90 F	1.90 F	0.00
Direct revenue financing of capital	2.54	2.38	0.16 F	0.14 F	0.02 F
Total Expenditure	77.33	76.22	1.11 F	0.62 F	0.49 F
Income					
Dwelling rents	(71.84)	(70.43)	1.41 A	0.62 A	0.79 A
Other rents	(1.18)	(1.47)	0.28 F	0.00	0.28 F
Service charge income	(2.34)	(2.35)	0.02 F	0.00	0.02 F
Leaseholder service charges	(1.05)	(1.05)	0.00	0.00	0.00
Interest received	0.00	0.00	0.00	0.00	0.00
Total Income	(76.41)	(75.30)	1.11 A	0.62 A	0.49 A
(SURPLUS)/DEFICIT	0.92	0.92	0.00	0.00	0.00

NB Numbers are rounded

The SIGNIFICANT movements between quarter 2 and quarter 3 for the HRA are:

Service Area	Movement in Forecast Variance Between Qtr 2 and Qtr 3 £M	Explanation:
Supervision & Management	0.34 F	The favourable variance on Supervision & Management arises from a revised energy forecast following confirmation of Q1 and Q2 costs of £0.37M, improved major repairs charges recovery of £0.08M, and grant funding of £0.09M towards rough sleeper staffing costs. There is an adverse movement of £0.2M due to an estimated increase in bad debt provision as debt arrears remains high.
Rental Income	0.79 A	The adverse variance relates to continuing high void costs which results partly from properties awaiting demolition and partly from high void turnaround times.
Other rents	0.28 F	The favourable variance on Other Rents relates to commercial property income, which has performed better than the budget expectation.

Landlord Controlled Heating Account

The Council provides landlord controlled heating to 5,664 tenants and leaseholders across the City. Costs are incurred by the Council in respect of electricity, gas and geothermal power, and are subsequently recharged to tenants. The charges to tenants increased in 2022/23 by 16%, and energy costs have significantly increased (88% for electricity, 150% for gas). The current projected deficit on the account for 2022/23 is as follows:

	£M
Forecast energy cost	7.50
Forecast full year income	(4.60)
In-Year Deficit	2.90
Deficit brought forward from 2021/22	0.88
Deficit carried forward to 2023/24	3.78