

## 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 1.

	Budget Qtr 2	Annual Forecast Qtr 2	Forecast Variance Qtr 2	Forecast Variance Qtr 1	Variance Movement from Qtr 1
	£M	£M	£M	£M	£M
<b>Expenditure</b>					
Responsive & cyclical repairs	20.63	21.45	0.82 A	1.12 A	0.30 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	25.85	0.80 A	0.84 A	0.04 F
Interest & principal repayments	5.16	4.86	0.30 F	0.00	0.30 F
Depreciation	23.76	21.86	1.90 F	1.90 F	0.00
Direct revenue financing of capital	2.54	2.40	0.14 F	0.78 F	0.64 A
<b>Total Expenditure</b>	<b>77.33</b>	<b>76.71</b>	<b>0.62 F</b>	<b>0.62 F</b>	<b>0.00</b>
<b>Income</b>					
Dwelling rents	(71.84)	(71.22)	0.62 A	0.62 A	0.00
Other rents	(1.18)	(1.18)	0.00	0.00	0.00
Service charge income	(2.34)	(2.34)	0.00	0.00	0.00
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
<b>Total Income</b>	<b>(76.41)</b>	<b>(75.79)</b>	<b>0.62 A</b>	<b>0.62 A</b>	<b>0.00</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.92</b>	<b>0.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

NB Numbers are rounded

The SIGNIFICANT movements between quarter 1 and quarter 2 for the HRA are:

Service Area	Movement in Forecast Variance Between Qtr 1 and Qtr 2 £M	Explanation:
Responsive and Cyclical repairs	0.30 F	The recharge rate applied to Housing Operatives has been updated mid-year to take into account cost pressures in 2022/23. This will ensure a fairer distribution of cost to the capital programme and will reduce pressure on the Housing Revenue Account.

Interest & Principal repayments	0.30 F	A review of the Housing capital programme during July 2022 identified a likely underspend. This, combined with underspend on the capital programme at the end of 2021/22 has allowed the interest forecast to be reduced by £0.3M.
Direct Revenue Financing	0.64 A	Efforts are being made to ensure the working balance to the HRA is maintained at £2M. The level of saving still to be achieved is £0.14M, a reduction of £0.64M since Quarter 1.

### **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:

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