

Appendix A

Quarter 2 / Month 6 (September 2023) Financial Report – Housing Committee

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Revenue Commentary – Housing General Fund

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
601 Salaries	865	865	0	0		
(141) Meadowside Mobile Homes	(109)	(124)	15	0		15
50 Westway	0	0	0	0		
75 Private Sector Enabling	91	82	9	9		9
(84) Housing of the Homeless	(179)	(179)	0	0		
51 Other Housing Renewal Functions	12	12	0	0		
0 Syrian & Afghan Refugees	25	25	0	0		
(45) Ukraine Placements	0	0	0	0		
4 Redstone House	0	0	0	0		
(69) Housing Benefits	31	31	0	0		
21 Other variances less than £10k	1	1	0	0		
462 Housing General Fund	737	713	24	9	0	24

Housing General Fund overspend £24k – Change £9k from M3, mainly due to :-

- **£15k Meadowside Mobile Homes** – No change from M3, reassessment for increased costs for planned repairs and tree works.
- **£9k Private Sector Enabling – change £9k from M3**, due to £10k additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services) and £3k additional costs of employees provided by Mole Valley Partnership, offset by £4k release of underspend on housing renovation grants.

Alongside the known variance on Meadowside, risks are being managed within the budget, particularly in respect of Homelessness which is very sensitive to changes in temporary accommodation costs. Spend to-date is in line with expectations, but a small increase in numbers can have a significant impact on the budget. Temporary Accommodation costs can also have a knock-on impact on Housing Benefit (although a reserve exists to mitigate the impact on the latter).

Savings Tracker – Housing General Fund

Committee	Target	Complete	Green	Amber	Red	Black
Housing GF	210	60	0	150	0	0
Total	210	60	0	150	0	0

Target

- Achieved
- Plans in place
- Some risks to delivery
- Significant risk
- Not achieved

- The Housing general Fund Committee budget includes a savings target of £210k.
- Of this:
 - £60k is currently deemed to be achieved
 - £0k is deemed to be achievable
 - £150k is deemed to have some risk until the saving is actually delivered

• Detail of the savings plan for this committee is set out below:

Savings Title	Total Target saving (2023/24)	Complete	Green	Amber	Red	Black
Homelessness and DFG	150			150		
DFG - Salary Capitalisation	60	60				
Total	210	60	0	150	0	0

Revenue Risks – Housing General Fund

Committee	Outline of Risk	Mitigation	Range Max - Min £k
Housing	Demand for Social accommodation is on the rise with lack of availability of LA's being able to house families and individuals. The use of Bed and Breakfast accommodation is on the rise not only in Tandridge but throughout the UK.	Keeping a watching brief on the costs Tandridge are incurring. The government have released additional grant of £154k in 2023/24 to help with the additional costs and also Tandridge hold funds within the Homelessness reserve which we expected will cover any additional costs.	

Revenue Budget –Housing Revenue

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
2,302 Salaries	2,179	2,149	30	30		30
1,027 Services Costs	1,947	1,865	82	22		82
1,542 Corporate Support Service	1,574	1,572	2	2		2
2,457 Repairs and Maintenance	3,636	3,636	0	0		
1,616 Interest Changes on Loan	2,045	2,045	0	0		
(14,528) Rental Income Dwellings	(15,973)	(15,973)	0	0		
(263) Rental Income Garages	(385)	(385)	0	0		
(359) Other Income	(153)	(136)	(17)	(17)		(17)
(6,205) Total Revenue Movement before Tfr to Reserves	(5,130)	(5,227)	97	37	0	97
6,205 Transfer to Reserves	5,227	5,227	0	0		
0 HRA	97	0	97	37	0	97

Housing Revenue Account - £97k net overspend – Change £37k from M3, mainly due to :-

- **£30k Salary Costs** – Change £30k from M3, due to additional reinvestment in the Building Surveyors team to cover Health and Safety and other priority areas.
- **£82k Service Costs** – Change £22k from M3, due to releasing (£5k) consultancy budget no longer required offset by £9k increase costs of voids for Council Tax and £28k new fraud contract with R&B. Projected £60k increased costs on Orchard MRI Housing Management Software linked to upgrading to a new hosted version.
- **£2k Corporate Support Services** – Change £2k from M3, due to the HRA 30-year plan advisor contract increasing support to the Housing Development team.
- **(£17k) Other Income** - Change (£17k) from M3, due to increase in income from private house lease extensions.

Savings Tracker – Housing Revenue Account

Committee	Target	Complete	Green	Amber	Red	Black
Housing - HRA	150	-	-	150	-	-
Total	150	0	0	150	0	0

Target
Achieved
Plans in place
Some risks to delivery
Significant risk
Not achieved

- The Housing Revenue Account budget includes a savings target of £150k.
- Of this:
 - £150k is deemed to have some risk until the saving is actually delivered

• Detail of the savings plan for this committee is set out below:

Savings Title	Total Target saving (2023/24)	Complete	Green	Amber	Red	Black
Housing Manage Salary apportionment	150			150		
Total	150	0	0	150	0	0

Capital Budget – Housing General Fund

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Housing General Fund					
Disabled Facilities Grants	503	420	(83)	0	(83)
Total Housing General Fund	503	420	(83)	0	(83)

- The Capital Budget was approved by Full Council on 9th February 2023 at £503k.
- The request for Capital carry forwards of £139k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing to be reported during the September 2023 committee cycle.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £503k with £139k carried forward into 2024/25.
- At Q2, the total Capital Forecast for HGF is £420k, with a slippage of (£83k), mainly due to surplus capital grant, reprofiled into 2024/25.
- Spend across the Committee's schemes is c.£37k (9%) at M6 however with many projects in the pipeline to start this financial year the capital programme is on track to achieve the forecasted spend.

Capital Budget – Housing Revenue Account

Service	Annual Budget 2023-24 £k	Forecast M6 2023/24 £k	Variance M6 2023/24 £k	Nature of Variance	
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k

Housing Revenue Account					
Council House Building	11,244	11,330	86	0	86
Improvements to Housing Stock	4,648	4,461	(187)	0	(187)
HRA IT - Hardware/Infrastructure	241	241	0	0	0
Total Housing Revenue Account	16,133	16,031	(102)	0	(102)

- The Capital Budget was approved by Full Council on 9th February 2023 at £15,398k.
- The request for Capital carry forwards of £4,597k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing reported during the September 2023 committee cycle.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £16,133k with £3,862k carried forwards to 2024/25.
- At Q2, the total Capital Forecast for HGF is £16,031k, with a Slippage Variance of (£102k), mainly due from
 - Council House Building – acceleration £86k.
 - Adaptations for the Disabled – slippage (£187k).
- Spend across the Committee’s schemes is c.£4,512k (28%) at M6 although will accelerate as stalled schemes at Uplands and Bronzeoak are re-started and the LAHF purchases are completed.