

Overview & Scrutiny Committee

Monday 20 January 2025

10.30 am

Ground Floor Meeting Room G02A - 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No. 5

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| | Enclosed is the presentation on the Housing Revenue Account (HRA) | |

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Date: 19 January 2025

Housing Revenue Account

Overview & Scrutiny - 20 Jan 2025



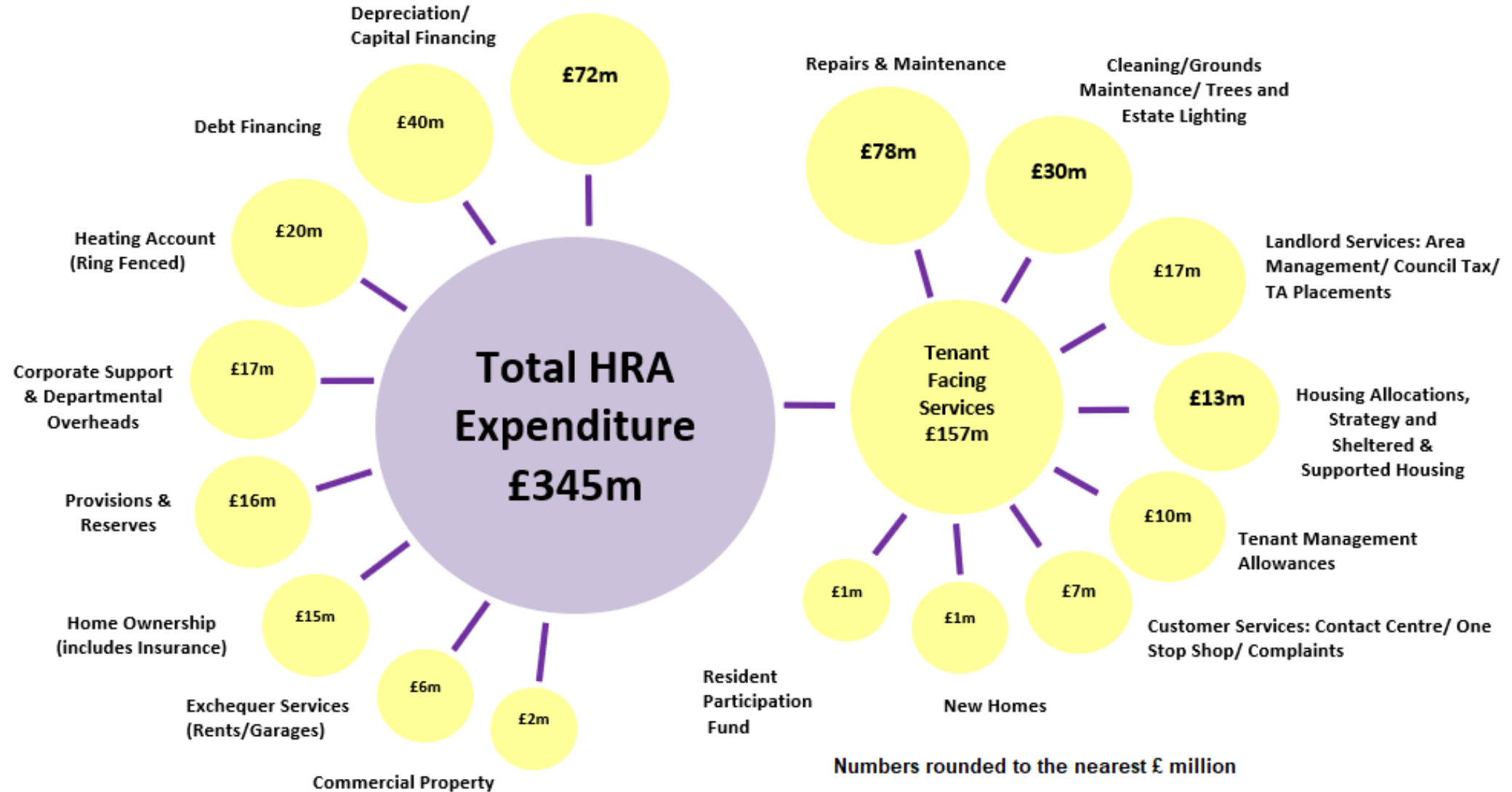
HRA– 2024-25 Budget Forecast at Month 8

| | Outturn | Budget | Forecast | Variance |
|--------------------------|-----------------|-----------------|-----------------|---------------|
| | 23-24 | 24-25 | 24-25 | 24-25 |
| Income | £000's | £000's | £000's | £000's |
| Tenant's Charges | -266,628 | -297,660 | -297,732 | -72 |
| Voids | 9,443 | 6,482 | 8,963 | 2,481 |
| Homeowner Charges | -38,440 | -37,502 | -48,125 | -10,623 |
| Other Income | -16,225 | -16,795 | -16,650 | 145 |
| Total Income | -311,850 | -345,475 | -353,544 | -8,069 |
| Expenditure | | | | |
| Tenant facing services | 167,718 | 156,971 | 165,070 | 8,099 |
| Other Services | 71,523 | 76,617 | 74,740 | -1,877 |
| Capital and Financing | 50,080 | 71,851 | 83,410 | 11,559 |
| Debt Financing | 25,066 | 40,036 | 38,477 | -1,559 |
| Total Expenditure | 314,387 | 345,475 | 361,697 | 16,222 |
| Total HRA | 2,537 | 0 | 8,153 | 8,153 |

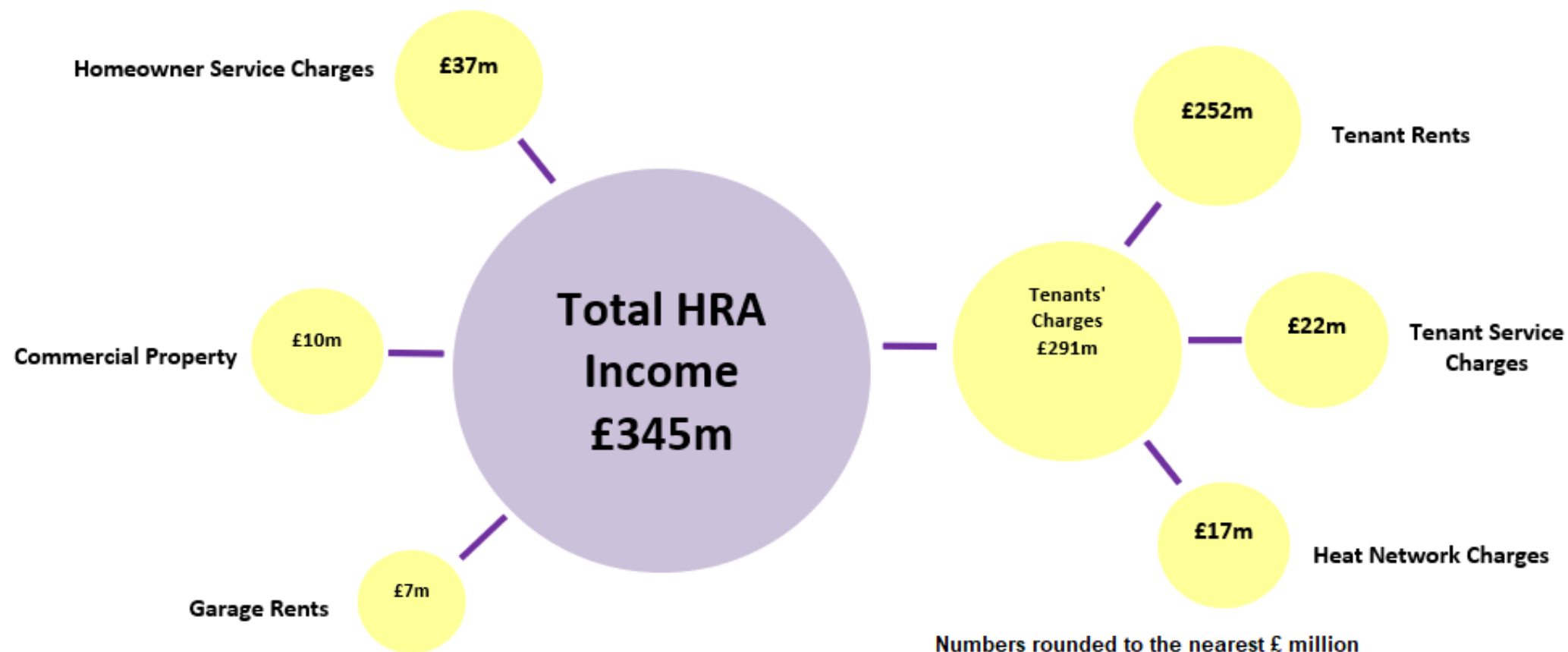
HRA Recovery Plan Headlines

- 2024-25 budget forecast c.£8.15m O/S at month 8
- Delivery of some savings taking longer than expected
- Overall savings requirement remains the same (c.£19.6m), so the balance of savings not achieved in 24-25 will be rolled over into 25-26.
- Capital Asset Management works budget position significantly improved (vs. 23/24) and minimal borrowing required.

Housing Revenue Account Expenditure Budget 2024-25



Housing Revenue Account Income Budget 2024-25



Housing Investment Programme

| | Forecast | | | | | | Total Forecast |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30+ | |
| | £000 | £000 | £000 | £000 | £000 | £000 | |
| Programme Spend | | | | | | | |
| Asset Management | 74,938 | 105,569 | 103,746 | 108,748 | 80,086 | 254,991 | 728,078 |
| New Build & Acquisitions | 156,336 | 114,070 | 50,942 | 68,409 | 63,439 | 96,185 | 549,381 |
| Other Programmes | 5,549 | - | - | - | - | - | 5,549 |
| Total Spend | 236,823 | 219,639 | 154,688 | 177,157 | 143,525 | 351,176 | 1,283,008 |
| Financing | | | | | | | |
| Major Repairs Reserve | 39,636 | 48,534 | 51,903 | 46,691 | 46,691 | 75,267 | 308,722 |
| CERA | 36,719 | 27,910 | 30,765 | 32,544 | 33,358 | 179,724 | 341,020 |
| Non RTB receipts | 10,730 | 31,091 | 5,000 | 4,000 | - | - | 50,821 |
| RTB receipts | 6,030 | 5,174 | 900 | - | - | - | 12,104 |
| Grants & external contributions | 19,605 | 15,505 | 12,307 | 15,533 | 10,741 | 3,796 | 77,487 |
| S106 receipts | 3,776 | 10,000 | 10,000 | 10,000 | 10,000 | 20,000 | 63,776 |
| Borrowing | 120,327 | 81,425 | 43,813 | 68,389 | 42,735 | 72,389 | 429,078 |
| Total Financing | 236,823 | 219,639 | 154,688 | 177,157 | 143,525 | 351,176 | 1,283,008 |

HIP Headlines

- £1.28bn programme over the next 10 years
- £728m of this is investment in existing properties
- Still need to borrow £429m to fully deliver the existing 'committed' new homes programme
- 2024/25 position improved vs. prior year – very limited borrowing likely for Asset Management vs. c.£59m in prior year.
- Disposal of small number of void assets generating receipts is helping keep borrowing down

PWLB Borrowing Rate (40yr)



The rate at which the council can borrow for its homes has increased from 1.7% in Jan 2022 to 5.7% in Jan 2025,