

Action Log Item: The Committee requests more detailed information on the HRA approved capital programme for period 9

RESPONSE

The latest information in relation to the HRA Capital programme at a summary level is out below:

Housing Revenue Account (HRA) forecast £18.632m underspend

HRA P9 Capital Monitoring

Theme	Directorate	November Budget	P9	Actual	Variance
		2020-21	Forecast	P9	Nov Budget
		(£m)	2020-21	(£m)	Vs P9
		(£m)	(£m)	(£m)	Forecast
		(£m)	(£m)	(£m)	(£m)
Annual Rolling Programme	HRA	24.512	17.814	9.129	(6.698)
Approved Programme	HRA	52.889	40.955	13.298	(11.934)
Total		77.401	58.769	22.427	(18.632)

The approved HRA budget for 2020/21 is £77.401m. The forecast for the year is £58.769m, which represents 76% of the budget.

The spend to date is £22.427m which is 29% of the budget. The HRA capital programme is forecast to underspend by £18.632m in 2020/21.

The major variances are described below:

Tower Hamlets Homes (THH) - Annual Rolling Programme

Budget £24.512m
Forecast: £17.814m
Variance: (£6.698m) underspend

Of the £24.512m budget, THH are projecting spend of £17.814m, an underspend of £6.698m is anticipated at year end. This is principally due to an underspend in the Mechanical and Electrical programmes for council dwellings, which have been hampered by COVID-19.

Approved Programme – First 1,000 Homes

Budget £52.889m
Forecast: £40.955m
Variance: (£11.934m) underspend

Works commenced to deliver 150 new council homes in March 2020, and to deliver a further 17 new homes in December 2020. Progress on some sites is ahead of schedule, but on others, there have been issues which have caused delays to physical starts on site, many of which have been beyond the council's control such as challenges associated with utility providers and agreement of wayleaves and easements with third parties. This has resulted in underspend and at P9 it is no longer possible for the 2020/21 delivery targets programmed by the contractors to be met.

Further detail are set out below:

Appendix 2

HRA capital programme monitor 2020-21 Period 9

Theme	Directorate	Programme	Nov Budget 2020-21 (£m)	P9 Forecast 2020-21 (£m)	Actual P9 (£m)	Variance Nov Budget Vs P9 over / (under) spend forecast (£m)
Annual Rolling	Housing Revenue Account	Housing Capital Programme	24,512	17,814	9,129	(6,695)
Approved Prog	Housing Revenue Account	Ocean Estate Regeneration	0,719	0,719	0,006	0,000
		Blackwall Reach	2,145	2,145	1,238	0,000
		Phase 2a Infill Pipeline Schemes (1-4-1)	10,565	7,000	4,469	(3,565)
		New Supply - On site	11,95	3,000	2,103	(8,950)
		New Supply Preconstruction (Phase 1)	6,856	4,000	1,701	(2,854)
		Mayor's Priority - Housing	2,717	2,717	0,242	0,000
		Phase 2b Mixed Tenure Schemes (1-4-1)	2,563	6,000	3,700	3,437
		The Purchase of 5106 Properties	15,374	15,374	(0,159)	0,000
Approved Programme Total			52,889	40,955	13,298	(11,934)
HRA Total			77,401	58,769	22,427	(18,632)