

Corporate, Housing and Wellbeing Services Directorate

1. Revenue Summary

At the end of Period 10 an overspend of £0.778m is forecast for the Corporate, Housing and Wellbeing Services Directorate.

The forecast spend at year end is £7.186m. This has increased by £0.559m from the forecast reported at Period 8. This primarily relates to an increase of £0.300m to the forecast for temporary accommodation and the cost of the pay award for 2023/24 which was previously reported against the Corporate Contingency budget within Strategic Finance.

Service	Year End Forecast at Period 10				Year End Forecast at P8	Change in Forecast
	Latest Budget	10	Actuals	Forecast Variance		
	£000	£000	£000	£000	£000	£000
ICT & Shared Services	1,193	1,403	1,542	210	1,177	226
Customer & Corporate Services	1,810	1,787	1,781	(22)	1,719	68
Housing & Wellbeing	3,405	3,995	2,640	591	3,730	265
Total	6,407	7,186	5,963	778	6,626	559

2. Revenue Variances

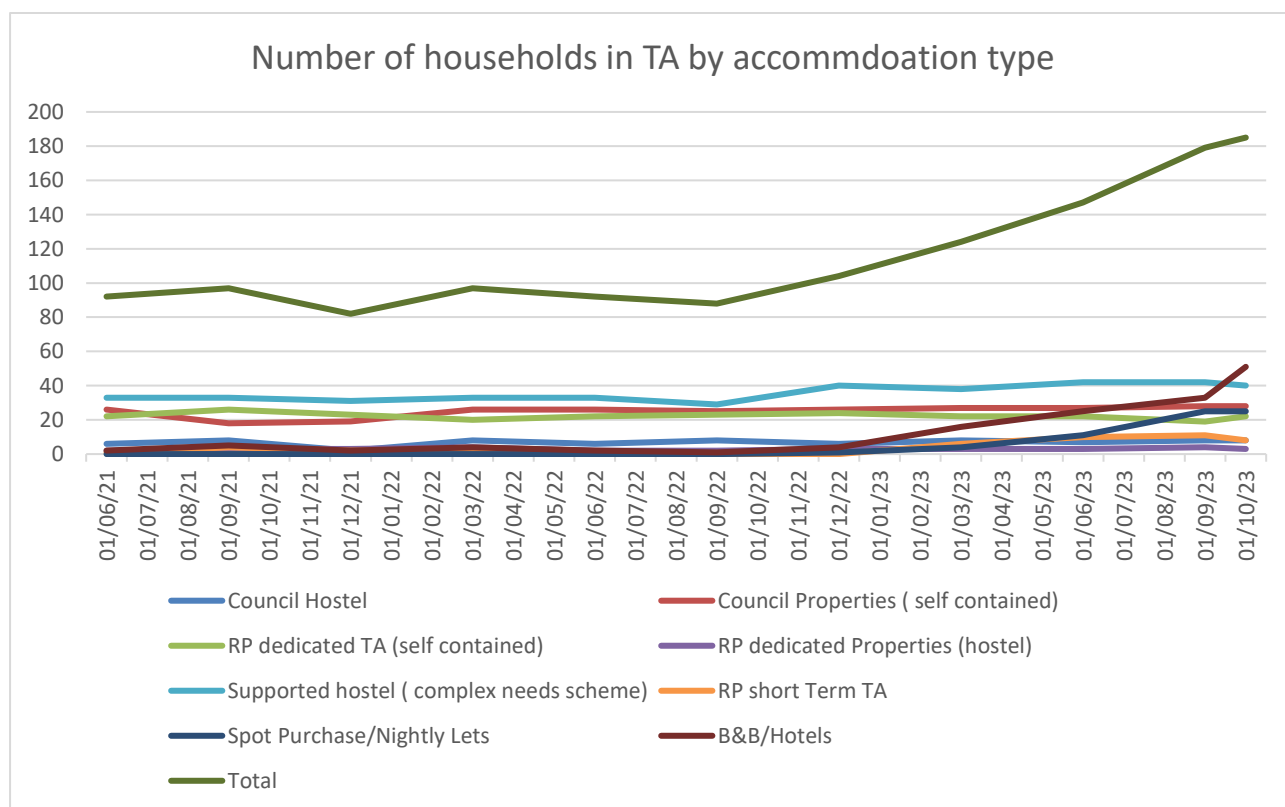
Reported variances are itemised in the table below:

Service Area	Description	Details of Variances	£'000
Corporate Housing & Wellbeing	ICT	Net additional share of shared service costs, includes additional staffing costs, hardware maintenance and software maintenance and licencing costs	125
		Direct client costs of licences and licences	51
	Housing	Net additional pressure on cost and volume of temporary accommodation	814
		Net Addition grant for the refugee scheme	(20)
	Pest Control Contract	Loss of income due to a lower demand for the service	10
	Environmental Health	Additional income as a result of H4U work, providing support to other local authorities and followup work on HMOs	(108)
		Additional income for Health Inequalities work and other health work	(138)
	Project Resource	Savings on staffing cost	(22)
		Other Variances	66
	TOTAL	778	

The main variation to budget continues to be relate to the costs of temporary accommodation. As at 31 January, this is expected to result in an overspend of £0.814m. The pressure is due to an increase in demand which has increased significantly since the end of the last financial year. The trend has continued to see an increase in the number of families being supported compared to demand from single individuals requiring support. Since the start of the financial year, there has been a 68% increase in the number of people needing single person accommodation compared to an increase of 107% in the demand for family accommodation.

There are a range of contributing factors driving the increase in demand. These include rising rents, no fault evictions as private landlords exit the rental market, and a shortage of available accommodation. These factors are all linked to the cost of living crisis including rising interest rates driving up mortgage costs for both families and landlords.

The following graph shows the number of households in temporary accommodation by accommodation type and illustrates the sharp increase in households supported over the last 14 months from Autumn 2022 compared to a stable period of demand over the previous 14 months in 2021/22. This increase in demand is over and above the core accommodation that is commissioned for temporary accommodation and demand has been met through an increase in the use of bed and breakfast and hotel accommodation and the spot purchase of nightly lets. The typical cost of accommodating a household in through nightly lets is between £200 and £300 per week. This cost increases to a typical cost of between £400 and £500 when households are accommodated in bed and breakfast.



Actions are being taken to manage the cost pressures. These actions broadly fall into three categories:

- Targeted prevention to reduce demand
- Procurement of additional core temporary accommodation to meet demand at a lower cost, including reviewing opportunities to redeploy Council owned properties
- Increasing through-put by working with partners to maximise opportunities to deliver affordable housing and enable households to move on into stable accommodation

3. Significant Income Streams

Income generating items can fluctuate depending on the economic climate. Licencing income has been identified as a significant income stream for this directorate. It is currently forecast to achieve a small favourable variance at year end.

Service Area	Income Stream	Latest Budget 2023/24 £000	Forecast 2023/24 £000	Forecast Variance £000	Comments
Corporate, Housing & Wellbeing	Licensing	(246)	(261)	(15)	Minor Variation

4. Capital Investment Programme

Budget Responsibility	Services	Latest Budget 2023/24	Forecast Outturn 2023/24	Actual to date	Latest Budget 2024/25	Latest Budget 2025/26
		£'000	£'000	£'000	£'000	£'000
ICT & Shared Services	ICT Shared Services	68	68	223	68	68
	ICT Client Services	468	368	78	655	855
Customer & Corporate Services	Customer Services	46	46	0	30	30
	Town Hall Quarter	9,801	4,736	3,000	16,101	0
Housing & Wellbeing	Environmental Health	300	265	132	220	200
	Housing	1,059	2,615	990	123	50

The Capital Investment Programme includes the Town Hall Quarter Programme. A number of key milestones have been achieved during the year, including achieving practical completion of decarbonisation works to the Town Hall and Colosseum and commencing work on the Colosseum refurbishment following the appointment of Morgan Sindall as the contractor.

The scheme detail is provided at Annex A

Corporate, Housing and Wellbeing Services Directorate Capital Scheme Detail

Capital Scheme	Latest Budget 2023/24	Forecast Outturn 2023/24	Forecast Variance	Actual 2023/24	Scheme Update
	£	£	£	£	
ED-CORPORATE, HOUSING & WELLBEING					
ICT Shared Services					
ShS-ICT Modernisation	0	0	0	(450)	
ShS-Migration To The Cloud	22,534	22,534	0	0	
ShS-Hardware Replacement Programme	45,000	45,000	0	223,197	
ICT Client Services					
ICT-Hardware Replacement Programme	100,929	929	(100,000)	77,603	In year underspend forecast by service.
ICT-Business Application Upgrade	206,756	206,756	0	0	
ICT-Project Management Provision	160,000	160,000	0	0	
Customer Services					
Building Investment Programme	46,411	46,411	0	0	
Town Hall Quarter (Concept)					
Town Hall & Colosseum Projects	0	0	0	17,519	
Decarbonisation Project Salix	0	0	0	781,574	
Town Hall Quarter (Delivery)					
Town Hall Refurbishment	1,800,000	400,000	(1,400,000)	212,132	Service request for budget rephasing into 2024/25.
Colosseum Refurbishment	6,500,000	3,000,000	(3,500,000)	1,214,086	
Annexe Refurbishment	38,848	38,848	0	38,848	
Thq Programme Delivery	500,000	300,000	(200,000)	176,890	
Decarbonisation Project Salix	646,436	646,436	0	255,904	
Innovation & Incubation Hub	0	35,000	35,000	0	
Town Hall / Colosseum Fabric Works	315,807	315,807	0	303,306	
Environmental Health					
Decent Homes Assistance	100,000	85,000	(15,000)	15,750	In year underspend forecast by service.
Private Sector Housing Renewal	200,000	180,000	(20,000)	115,943	Service rephase request of £20k into 2024/25.
Housing					
Private Sector Stock Condition	16,534	16,534	0	3,000	
Retained Housing Stock	62,372	62,372	0	7,262	Additional works needed in order to let for temporary accommodation.
LAHF Properties (Rounds 1 & 2)	980,000	2,536,105	1,556,105	980,000	DLUHC funding relating to Afghan resettlement to be utilised in 2023/24.
Renovation - 4, Butterwick	0	0	0	0	
Total	11,741,627	8,097,732	(3,643,895)	4,422,563	