Appendix 7 – HOUSING REVENUE ACCOUNT (HRA)

HRA BUDGET 2025/26 - EOY	2025/26 Revised Budget	EOY 2025/26 Actual	EOY 2025/26 Variance	Q3 2025/26 Full Year Forecast Variance	Movement EOY v Q3 2025/26
	£000's	£000's	£000's	£000's	£000's
Housing Revenue Account (HRA) - Income	(145,832)	(138,960)	6,872	6,346	526
Housing Revenue Account (HRA) - Expenditure	145,832	143,256	(2,576)	(8,137)	5,561
HRA - Surplus	**0**	**4,296**	**4,296**	**(1,791)**	**6,087**

1.1. The table above shows the provisional HRA outturn position followed by more detailed explanations for any under or overspends in the year.

1.2. The HRA has achieved an end of year outturn of £4.296m overspend which reflects an adverse movement of £6.087m since Quarter 3 and has required £4.296 will be transferred from the £20m HRA reserves to offset this overspend. The main driver for the worsening position since Quarter 3 is related to Capital Financing costs, explaining almost £4m of the movement. At Quarter 3, it was anticipated that grant from the Greater London Authority for the Council's Housing Delivery Programme would be received before 31 March but this is now not expected until 2026/27. Also, a high number of loans matured in year that needed to be re-financed and were at a higher rate – both of these have had the impact of increasing borrowing costs associated with the capital programme. The other movement since last quarter relates to depreciation (£2.3m). All dwelling were subject to the annual valuation which showed an increase in value and therefore increase in depreciation charge. During 2026/27, there will need to be an improvement in the forecasting of capital financing costs to avoid such variations at year end to that reported in year. Actions will be taken across services to reduce spend and increase income levels to enable the reserve to be replenished to the £20m target in 2026/27.

1.3. During 2025/26 the Council has been forecasting a net under recovery of income mainly due to a higher than budgeted level of void properties throughout the year. The income profile was adjusted for a 2% void rate for 2025/26 and represented a challenging target given minimum levels of voids through decant programmes, increased stock turnover and the acquisition programme bringing in additional units. The total net under recovery for this year is £6.872m as well as higher Council tax spend of £836,000 for the HRA due to additional void properties and these costs therefore falling to the Council.

1.4. There is an improvements plan to turnaround 2% voids for standard circulation through better use of data and performance management within general needs and sheltered housing – by reducing time taken within all void management stages. Additional senior management oversight to work across housing is being introduced and the improvement programme also includes re-categorisation of voids so that there can be clear and consistent accountabilities, monitoring and targets set. Improved efficiency will reduce void periods and therefore income loss. Income collection performance did improve as the year progressed, and additional staff resources and new digital tools should ensure improved collection rates.

1.5. Other areas of overspend include:

- Depreciation – All dwellings undergo an annual valuation exercise as part of closing of the accounts. For 2025/26, valuations increased by £2.311m more than had been allowed for in the budget.

- Housing Delivery Team – Across the Council there has been a review of costs assumed to be funded by capital to align with accounting rules. This exercise identified £915,000 that was assumed to be funded by capital but the correct adoption of capitalisation rules means these now are revenue costs.
- Corporate Overheads which are £567,000 higher than budgeted due to additional Digital IT & Property and Right to Buy admin charges applied at the year end.
- Grants towards the Housing Delivery Programme expected to be received in year will now not be received until 2026/27 and therefore the level of borrowing to fund the capital programme at the year end was higher than expected, resulting in £1.2m additional borrowing cost (£24.4m of additional borrowing). This is due to the change in delivery timescales on some schemes.

1.6. There have also been a number of underspends on some budgets, primarily in Repairs and Compliance overall where outturn spend was £36,742,030, representing an underspend of £1,670,390 against budget. However, there were areas of pressure within this. Spend on repairs has been higher than budgeted during the year because of continued disrepairs costs, asbestos survey costs, and the higher cost of external contractors to supplement the in-house team to meet current repair demand. There was also additional costs for the Repairs service associated the adjustment for moving staff to Green Book Terms and Conditions. These pressures were off set elsewhere through delays in recruitment and maintaining vacant posts and higher than budgeted capitalisation of costs as and where appropriate. Delays in commencing some Mechanical and Engineering and Building Safety projects including the appointment of service providers has also reduced spend. Smaller underspends have arisen in Asset Management service linked to an organisational restructuring, efficiencies and recruitment lags.

1.7. Across Housing Management services income not realised has been mitigated in part by a range of budget underspends and service efficiency improvements. There has been a significant reduction in the demand for expensive hotel, and emergency accommodation which has reduced over the year and is monitored on a monthly basis. Other budget allocations underspent in 2025/26 included utility costs £889,000 lower than anticipated and Insurance premium of £863,000. Unfilled posts in the Housing Management service linked to organisational restructures (in Tenancy Management and Support & Wellbeing teams) and delays in recruitment to estate services posts has contributed to a £799,000 underspend on staffing budgets, circa 4% of overall budget. Delays in progressing the estate parking management scheme (EPMS) project has also led to slippage in this budget (£600,000) and the delayed recruitment and projects are built into spend plans for 2026/27.

Housing Revenue Account (HRA) Budget EOY Outturn v Q3 2025/26

HRA BUDGET 2025/26 - EOY	2025/26 Revised Budget	EOY 2025/26 Actual	EOY 2025/26 Variance	Q3 2025/26 Full Year Forecast Variance	Movement EOY v Q3 2025/26
	£000's	£000's	£000's	£000's	£000's
Service Charge Income - Hostels	(490)	(355)	136	128	8
Rent - Hostels	(1,853)	(1,439)	414	369	45
Rent - Dwellings	(109,275)	(103,664)	5,611	5,370	241
Rent - Garages	(697)	(644)	53	24	28
Rent - Commercial	(913)	(721)	192	123	69
CBS - Lease Rental Income	(4,693)	(5,419)	(726)	(516)	(210)
Income - Heating	(1,294)	(1,013)	281	189	92
Income - Light and Power	(1,523)	(1,556)	(33)	(35)	2
Service Charge Income - Leasehold	(10,829)	(10,372)	457	404	53
ServChgInc SuppHousg	(1,761)	(1,754)	7	4	3
Service Charge Income - Concierge	(2,230)	(2,170)	61	55	6
Grounds Maintenance	(2,323)	(2,170)	153	(26)	179
Caretaking	(4,146)	(4,017)	129	126	3
Street Sweeping	(3,804)	(3,667)	137	131	6
HRA Income	**(145,832)**	**(138,960)**	**6,872**	**6,346**	**526**
Housing Management NT	0	3	3	0	3
Housing Mgmnt Hornsy	79	110	32	0	32
TA Hostels	622	625	3	88	(85)
Rent Accounts	0	1	1	0	1
Under Occupation	184	71	-113	0	(113)
Repairs Cent Rechrge	2	0	-3	0	(3)
Respon Repair - Hos	718	571	-147	52	(199)
Water Rates Payable	33	-1,559	-1,593	0	(1,593)
Housing Mngt Recharg	3,869	3,899	30	0	30
Other RentCollection	149	186	37	0	37
Energy Billing & Collection	161	55	-107	-88	(19)
HousMgmntRechg Energ	3,067	2,177	-889	-606	(283)
Special Services Cleaning	4,311	4,394	84	0	84
Special Serv GrndMnt	2,055	2,027	-27	-250	223
HRA Pest Control	332	288	-44	20	(64)
Estate Controlled Parking	157	11	-146	0	(146)
Managed Services	160	144	-16	0	(16)
Support People Paymt	0	0	0	0	-
Bad Debt Dwellings	2,135	2,164	29	0	29
Bad Debt Prov - Leas	260	616	356	0	356
Bad Debt Prov - Comm	0	8	8		8
Bad Debt Prov - Host	70	0	-70	0	(70)
HRA- Council Tax	1,156	1,992	836	744	92
Supported Housing Central	677	467	-209	-100	(109)
Housing Management team	0	1	1	-2	4
Housing Delivery Team	385	1,300	915	76	839
Anti Social Behav Sv	714	483	-231	-170	(61)
Interest Receivable	-232	-1,776	-1,544	0	(1,544)
Corporate democratic Core	703	744	42	42	0
Leasehold Payments	108	262	154	112	42
Landlords Ins - TEN	393	495	102	102	0
Landlords - NNDR	125	153	28	28	(0)
Landlords Ins - LSHD	4,030	3,168	-863	-870	8
Capital Financing Costs	25,462	24,613	-849	-4,830	3,981
Depreciation - Dwellings	22,754	25,065	2,311	0	2,311
Community Benefit So	0	156	156	0	156
GF to HRA Recharges	2,819	2,568	-251	0	(251)
Estate Renewal	1,126	800	-325	0	(325)
Operational Dir Housing Serv & Buil	8,010	9,004	993	127	866
Housing Management Services	18,705	17,907	-1,067	-716	(351)
Housing Repairs & Compliance	38,394	37,678	-448	-1,613	1,165
Housing Asset Management	122	34	-89	-72	(16)
Housing Improvement Plan (HIP)	1,278	678	-600	-211	(390)
HRA budget release from Reserve	469	1,672	1,203	0	1,203
HRA Expenditure	**145,832**	**143,256**	**(2,307)**	**(8,137)**	**5,830**
HRA - Surplus	**0**	**4,296**	**4,296**	**(1,791)**	**6,087**

2025/26 HRA Capital Provisional Outturn Position

Scheme Ref. No.	Scheme Name	2025/26 Full year Revised Budget (£'000)	2025/26 Provisional Outturn (£'000)	Budget Variance (Underspend) / Overspend (£'000)	Qtr. 3 Forecast (£'000)	Movement between provisional outturn and Q3 Forecast (£'000)	Narrative
590	Major Works - Haringey Standard	**54,400**	**27,638**	**(26,762)**	**22,055**	**5,583**	Delays in appointing and mobilising contractors together with unforeseen site complications led to major works underspend of £5.6m against quarter 3 forecast. No carry forward requested.
552	Carbon Reduction (Affordable Energy)	**7,000**	**3,066**	**(3,934)**	**3,019**	**47**	The requirement to carry out further detailed design works following a result of intrusive surveys of in scope of properties led to delays in starting on new sites.
554	Broadwater Farm Works	**19,713**	**4,439**	**(15,274)**	**4,674**	**(235)**	Underspend due to delays across three programmes of work, including mobilisation of demolition programme, the external major works programme and the retrofit pilot programme. Spend forecasts have been updated for the latest MTFS.
557	Broadwater Farm New Build	**17,096**	**17,274**	**178**	**16,604**	**670**	Better than anticipated progress by main works contractor meant that phase 1(a) completed three months ahead of programme leading to higher than forecast full year spend.
553	Fire Safety Works	**10,891**	**7,600**	**(3,291)**	**8,175**	**(575)**	The underspend is primarily driven by revised delivery of 2 programmes for fire detection system upgrades which have been reliant on surveys to external walls and within properties. Both have been delayed due to longer than anticipated procurement and access to properties. These programmes will commence and therefore the associated expenditure will occur in 2026/27.
551	Temporary Accommodation Acquisitions	**101,767**	**51,659**	**(50,108)**	**70,955**	**(19,296)**	The underspend is due to delays in a block acquisition originally anticipated to take place in 2025/26 - now being progressed in

Scheme Ref. No.	Scheme Name	2025/26 Full year Revised Budget (£'000)	2025/26 Provisional Outturn (£'000)	Budget Variance (Underspend) / Overspend (£'000)	Qtr. 3 Forecast (£'000)	Movement between provisional outturn and Q3 Forecast (£'000)	Narrative
							2026/27. Also, the delays in voids works to almost 100 properties mean that spend will now be incurred in 2026/27.
599	New Homes Build Programme	**86,093**	**50,846**	**(35,247)**	**59,460**	**(8,614)**	The underspend is a consequence of some Schemes taking longer to get on site because of the 2024 change to Contract Standing Orders and the delays to Government High Risk Buildings Gateway 2 approvals.
550	New Homes Acquisitions	**42,007**	**57,866**	**15,859**	**54,220**	**3,646**	Acquisitions have increased during the year and the general sales market is very buoyant.
202	Housing Aids & Adaptations	**1,150**	**1,021**	**(129)**	**1,150**	**(129)**	
555	High Road West	**1,536**	**0**	**(1,536)**	**568**	**(568)**	Acquisition of council homes as part of High Road West has been delayed due to the timings of the wider scheme. Work is ongoing to review options to unlock council home delivery as early as possible.
Housing Revenue Account (HRA)		**341,653**	**221,409**	**(120,244)**	**240,880**	**(19,741)**	