

Housing

HRA Revenue:

The HRA is currently operating within our budget variances and is anticipated to be within budget at year end. The key variables are staff vacancies and recruitment, the rise in disrepair claims (and the effect on legal costs), the rent loss due to voids and the increased pressure on rent collection. However, we are not expecting any major fluctuations or variations apart from any additional costs to deliver the administration's key priorities and any additional resources to implement the new legislation arising from the Social Housing (Regulation) Act. Our intention is to use and redirect where possible existing resources and budgets to achieve any additional spending requirements. We are currently identifying both costs and resources and will update our forecasts as they become available.

We are also in discussions with HTS to review both their cost base and performance to achieve the key priorities. This will include the additional use of sub-contractors and the anticipated cost of the housing repairs backlog/WIP reduction, improved void performance and tackling the outstanding disrepair claims. We will have revised forecasts by the end of August and will update our budget forecast at the end of quarter 2.

Capital:

Although there is a fully committed Housing Capital programme of works and many schemes are on site, not all will conclude within this financial year. Therefore, the projected outturns against the known project timetables have been updated, resulting in a requirement as per Appendix E of the report to commit to carryover monies against the following work streams into 24/25:

HTS – Sumners Farm Close

Although refurbishment and conversion works have commenced to the barn, due to the complex nature of the rebuild because of its listed status, the programme will now extend into the early part of the 24/25 Housing Capital Programme.

External works - External works associated with the Housing Investment programme continue to be delivered aligned to the original programme with no priority changes having been required. However due to the delays encountered as a result of the requirements to completely review the Major Works process and the subsequent requirement to retender schemes, has set the programme back. Due to commence in the autumn are four large projections which will now not complete until late Spring of 2024, budgets projections have therefore been reviewed and updated to reflect these changes.

Compliance and Energy Efficiency - There is a fully committed programme of works with a number of schemes already on site, not all of the schemes will complete within the financial year therefore there is a requirement to carry monies over to the 24/25.

Housing IT - Work continues at a pace with delivery of the new Orchard upgrades and launch of the new Housing Asset Management system, the budget is fully committed, however there is a requirement to carry monies over into 24/25 as not all works will conclude within this financial year.

Regeneration

Revenue:

The revenue budget for Strategic Growth and Regeneration shows a minimal adverse variance of £6,000 at Quarter 1. However, it is expected that that this will be within budget by the year end.

The most significant factor in the Quarter 1 variances is the large reduction in income from the Watergardens car park. Income forecasts for the year had already been reduced, in line with post-Covid trends. However, income has fallen short of these reductions largely, it is believed, to greater use of free parking availability provided by some retailers. This issue is to be explored with the Watergardens management to ensure that practices in this regard are compliant with the contract. One positive development though is that income projections from the Harvey Centre have been exceeded with slightly better occupancy than forecast and also higher income from the cinema.

The variance relating to the street lighting agreement is the additional energy costs that have been incurred by Essex County Council. This should decrease over time as ECC roll out the conversion to LED lighting during the course of this year, which will result in lower energy consumption to be recharged to Harlow.

Capital:

The Regeneration element of the capital programme consists of the following items – works to the Harvey Centre, house-building projects, Estate Renewal Fund and delivery of the Towns Fund and Levelling Up Fund programmes. The Harvey Centre works comprise completion of the car park resurfacing and internal works to enable the occupation of a new tenant (Shoe Zone), all of which are on track. Housebuilding projects are also on track for phase 1 schemes with starts on site planned within this financial year. The Elm Hatch development has been through a major re-design and a revised planning application has now been submitted. Some expenditure will take place this year, but the bulk of the project costs will be incurred in 2024/25. The Estate Renewal Programme will continue to deliver a programme of upgrades to local hatches and neighbourhoods and full expenditure is expected within this year. Equally, the Towns Fund and Levelling Up Fund projects are all commencing this year, with the demolition of Occasio House underway and the demolition of the Terminus House bridge expected in Quarter 3.

Community and Environment

Revenue:

The service area is broadly on target to remain within the approved service budgets at Quarter 1. There is a small inflationary pressure being forecast in the waste service budget but this is more than offset by other savings identified elsewhere as reflected in Appendix B.

The service will remain focussed on the delivery within the budget for the remainder of the financial year.

Good progress is being made with the work to improve the grounds maintenance performance. Working with HTS the roll out of those improvements and new ways of working from the pilot areas is expected to be town wide prior to the end of the summer works programme. This is ahead of the expected town wide roll out which had originally been planned for the start of the new summer programme in 2024.

Capital:

Good progress has been made with the grant funded project to scope out the options for the development of the Harlow Museum.

The requirement to replace and modernise the sound system within the Playhouse was originally programmed for the 2024/25 financial year. However this has been brought forward in to 2023/24 as the equipment is no longer fit for purpose and could have a detrimental effect on the operation of the service and the performances if it is not replaced urgently.

Otherwise, good progress is being made across the services capital schemes.

Governance

Revenue:

The Governance Service has no significant financial variations in quarter 1. Underspending has occurred from vacancies that exist within two teams, IT and Legal Services. A vacancy within IT has been created by internal promotion into the IT Manager position following the initial vacancy created in January. Within Legal, a vacancy exists for a Principal Solicitor – Litigation, this vacancy has proven difficult to recruit to given current market conditions. Both positions being addressed via recruitment shortly. The vacancies have had limited immediate impacts although ongoing pressures will need to be resolved. Work within legal has continued to be supported using an external framework where specialisms and capacity have been an issue. Staffing within Legal has been strengthened by investment in staff development, further administrative support, and the appointment of two apprentices. Carry forwards previously approved by Cabinet ([detailed here in the year report made in July](#)) are being utilised to further project work.

Capital:

At this stage it is anticipated that all Capital sums within Governance for project works will be completed and expended by the end of the financial year. Capital projects include:

Webcasting – This is on target to be completed and begin with an initial soft launch in September.

Capitalised refresh/replacement of desktop IT equipment – This is an annual budget allowing end of life equipment to be replaced and will be expended this year.

IT Hardware upgrades – As above – This budget covers server and other associated hardware refresh/replacement projects.

Cloud migration costs enabling hybrid and flexible working and decommissioning of on-site server infrastructure – Expenditure to date has been the designing the process for cloud migration and first tranche of server upgrades and decommissioning to ensure cloud readiness. This will continue on target for the remainder of the year and continue into 24/25. This programme is in line with the Councils IT Strategy.

Finance

Revenue:

Insurance premium costs have exceeded the original estimates made when the 2023/24 budget was set. This is largely being driven by the increased costs of materials required to carry out insured repairs being passed on or factored into the costs of premia.

Otherwise, the overall service is currently operating well and within the approved budget.

Capital Programme:

The finance service has no projects within the capital programme for 2023/24 financial year.