

Central Bedfordshire Council

EXECUTIVE

9 February 2016

December 2015 Q3 Housing Revenue Account Budget Monitoring

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This report relates to a Non Key Decision.

Purpose of this report

1. The report provides information on the 2015/16 Housing Revenue Account (HRA) projected outturn revenue and capital position as at December 2015.

RECOMMENDATIONS

The Executive is asked to note:

1. that the Revenue forecast position is to achieve a balanced budget with a contribution to HRA Reserves of £6.067M, thus strengthening the Council's ability to invest and improve its stock of Council Houses;
2. that the Capital forecast position indicates a net outturn of £1.525M below budget relating predominantly to deferred timing on the Croft Green Development; and
3. that RtB sales will be monitored for the possible impact on predicted surpluses in the medium to longer term.

Issues

2. The revenue forecast position as at the end of December 2015 projects a year end surplus of £6.067M compared to a budgeted surplus of £6.509M, a reduction of £0.442M.

3. The key variances are reduced income (£1.105M) and increased corporate costs (£0.337M), offset by reduced expenditure on Maintenance (£0.898M) and savings on interest payments (£0.132M).
4. The forecast position for the HRA capital programme indicates a net outturn of £1.525M below budget; this includes deferred works on Priory View from 2014/15. £1.915M of the below budget spend relates to the Croft Green development where significant work is unlikely to commence until 2016/17. It is proposed that £1.587M Future Investment works are deferred to 2016/17.
5. The 2015/16 budget for the HRA anticipates a contribution to the Independent Living Development Reserve (ILDR) of £6.509M. The year end forecast suggests a contribution to reserves of £6.067M, a reduction of £0.442M, with a contribution of £2.567M to the ILDR and £3.5M to the Strategic Reserve. This equates to a predicted total reserve balance of £16.165M.

Council Priorities

6. Sound financial management contributes to the Council's Value for Money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 6 Council priorities.

Corporate Implications

Legal Implications

7. None

Financial Implications

8. The financial implications are contained in the report.

Equalities Implications

9. Equality Impact Assessments were undertaken prior to the allocation of the 2015/16 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

10. The report presents the 2015/16 HRA financial position as at the end of December 2015. It sets out spend to date against the profiled revenue and capital budgets, the forecast financial outturn, and provides explanations for any variations. This report enables the Executive to consider the overall financial position of the HRA.

Appendices

Appendix A – Housing Revenue Account Detailed Commentary