

Central Bedfordshire Council

EXECUTIVE - 9 December 2014

September 2014 Q2 Housing Revenue Account Budget Monitoring

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This report relates to a Key Decision

Purpose of this report

1. The report provides information on the 2014/15 Housing Revenue Account (HRA) projected outturn revenue and capital position as at September 2014.

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 £7.345M, thus strengthening the Council's ability to invest and improve its stock of Council Houses;**
2. **that the Capital forecast position indicates an outturn of £16.767M, an under spend of £1.353M, which includes deferred works from 2013/14 relating to Priory View of £2.503M; and**
3. **that Right to Buy 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 September 2014 is a year end surplus of £7.345M compared to a budgeted surplus of £6.191M, an improvement of £1.154M.
3. The key positive variances are a forecast increase in income of £0.480M and reduced expenditure from direct revenue funding of £0.877M, these are offset by expenditure for Asset Management forecast to increase by £0.064M and increased maintenance costs of £0.131M.
4. The forecast position for the HRA capital programme indicates an underspend of £1.353M. This includes deferred works on Priory View from 2013/14 (£2.503M).

5. Galliford Try Partnerships commenced work on site at the Priory View Extra Care Development in April 2014 with an estimated completion date of Autumn 2015. It is predicted that in 2014/15 £10.277M will be spent, funded from the Extra Care Development Reserve.
6. The 2014/15 budget for the HRA anticipates a contribution to the Extra Care Development Reserve of £5.182M and a contribution to the Strategic Reserve of £1.009M. The year end forecast suggests a contribution to reserves of £7.345M, an improvement of £1.154M. This equates to a predicted total reserve balance of £17.778M.

Council Priorities

7. 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 5 Council priorities.

Corporate Implications

Legal Implications

8. None

Financial Implications

9. The financial implications are contained in the Appendix..

Equalities Implications

10. Equality Impact Assessments were undertaken prior to the allocation of the 2014/15 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

11. The report presents the 2014/15 HRA financial position as at the end of September 2014. 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