

Central Bedfordshire Council

EXECUTIVE - 10 February 2015

December 2014 Q3 Housing Revenue Account Budget Monitoring

Report of Cllr Carole Hegley, Executive Member for Social Care, Health and Housing (carole.hegley@centralbedfordshire.gov.uk) and Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources (maurice.jones@centralbedfordshire.gov.uk)

Advising Officers: Julie Ogley, Director of Social Care, Health and Housing (julie.ogley@centralbedfordshire.gov.uk) and Charles Warboys, Chief Finance Officer (charles.warboys@centralbedfordshire.gov.uk)

This report relates to a Non 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 December 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 £6.735M, 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 £14.157M, an under spend of £3.963M, 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 December 2014 projects a year end surplus of £6.735M compared to a budgeted surplus of £6.191M, an improvement of £0.544M.

3. The key positive variances are, forecast reduced expenditure from Direct Revenue Financing of £691K, additional income of £39K and a £32K reduction in Housing Management costs; these are offset by a forecast increase in expenditure within Asset Management of £129K and an increase in Corporate Resources of £84K.
4. The average interest on Self Financing debt has been confirmed for the year at 2.43% delivering an outturn for interest repayment of £4.015M, £7K higher than forecast. The Council has saved a significant sum in the current financial year by taking 27% of its debt portfolio on a variable basis. The variable average has been confirmed at 0.66% for the year; this is considerably lower than any of the fixed rate debt.
5. The forecast position for the HRA capital programme indicates an under spend of £3.963M. This includes deferred works on Priory View from 2013/14 (£2.503M).
6. 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 £7.481M will be spent, funded from the Independent Living Development Reserve.
7. The 2014/15 budget for the HRA anticipates a contribution to the Independent Living 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 £6.735M, an improvement of £544K. This equates to a predicted total reserve balance of £19.964M.

Council Priorities

8. 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

9. None

Financial Implications

10. The financial implications are contained in the report.

Equalities Implications

11. 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

12. The report presents the 2014/15 HRA financial position as at the end of December 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