
**2015/16 Housing Revenue Account (HRA) Budget Monitoring
Provisional Outturn Report as at March 2016 (subject to audit).**

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This report relates to a Non Key Decision.

Purpose of this report

1. The report presents the 2015/16 HRA provisional outturn financial position as at the end of March 2016 (subject to audit). It sets out spend against the revenue and capital budgets, and provides explanations for any variations. This report enables the Executive to consider the overall financial position of the HRA.

RECOMMENDATIONS

The Executive is asked to:

1. **Consider the Revenue provisional outturn which has achieved a balanced budget with a contribution to HRA Reserves of £7.488M, thus strengthening the Council's ability to invest and improve its stock of Council Houses.**
2. **Consider the Capital provisional outturn which is £5.736M lower than budget.**
3. **Approve the deferred spend of £4.280M as detailed in Table 2 of Appendix A. These works relate to Future Investment (£3.888M) and Stock Protection (£0.392M).**
4. **Note that Right to Buy (RtB) sales are at a similar level to the previous financial year, resulting in a year end balance of unapplied capital receipts of £2.996M.**
5. **Note that as part of the funding of the Capital Programme there was a contribution of £7.074m from the Independent Living Development Reserve to fund spend at Priory View (£6.778M) and Houghton Regis Central (£0.296M).**
6. **Note the net decrease in reserves is £1.104M, so that, at the year end, the HRA will have £19.452M of reserves available, of which £2.0m is identified as a minimum level of HRA Balances.**

Issues

- 2 The revenue provisional outturn position is a year end surplus of £7.488M compared to a budgeted surplus of £6.509M, an increase of £0.979M.
- 3 The key variances are reduced expenditure on Maintenance (£1.310M), savings on interest payments (£0.132M), Direct Revenue Financing (£0.258M) and Housing Management (£0.279M), offset by reduced income (£0.884M) and increased corporate costs (£0.208M).
- 4 The capital outturn provisional position for the HRA is below net budget by £5.736M; this includes deferred works on Priory View from 2014/15. £2.938M net relates to the Croft Green development where significant work is unlikely to commence until 2016/17. It is proposed that £3.888M Future Investment and £0.392M of Stock Protection 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 outturn includes a contribution to reserves of £7.488M, an increase of £0.979M, with a contribution of £4.116M to the ILDR and £3.372M to the Strategic Reserve. This equates to a predicted total reserve balance of £19.452M.

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 provisional 2015/16 HRA outturn position as at the end of March 2016, and provides explanations for any variations. This report enables Executive to consider the overall financial position of the HRA.

Appendices

Appendix A – Housing Revenue Account Detailed Commentary