

Central Bedfordshire Council

EXECUTIVE

11 October 2016

June Q1 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 2016/17 Housing Revenue Account (HRA) projected outturn revenue and capital position as at June 2016.

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 £5.346M, thus strengthening the Council's ability to invest and improve its stock of Council Houses**
2. **That the Capital budget is £15.589M (including £4.280M deferred from 2015/16) and that the forecast position indicates a net outturn of £12.250M, below budget by £3.399M. It is proposed that this £3.399M of future investment works are deferred to 2017/18.**
3. **That Right to Buy (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 June 2016 projects a year end surplus of £5.346M compared to a budgeted surplus of £5.363M, a reduction of £0.017M.
- 3 The key variances are increased expenditure within Housing Operations

(£0.309M) due to under achievement of Managed Vacancy savings and other minor variances offset by reduced expenditure on Maintenance (£0.207M)..

- 4 The Capital budget is £15.589M (including £4.280M deferred from 2015/16) and that the forecast position indicates a net outturn of £12.250M, below budget by £3.399M. It is proposed that this £3.339M of future investment works are deferred to 2017/18.
- 5 The 2016/17 budget for the HRA anticipates a contribution to the Independent Living Development Reserve (ILDR) of £5.2M and contribution to the strategic reserve of £0.163M. The year end forecast suggests a contribution to reserves of £5.346M, a decrease of £0.017M, with a contribution of £5.346M to the ILDR. This equates to a predicted total reserve balance of £21.669M.

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 2016/17 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

10. The report presents the 2016/17 HRA financial position as at the end of June 2016. 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