

Central Bedfordshire Council

EXECUTIVE

12 June 2018

2017/18 Housing Revenue Account (HRA) Budget Management Outturn Report as at March 2018 (subject to audit)

Report of Cllr Carole Hegley, Executive Member for Social Care and Housing (carole.hegley@centralbedfordshire.gov.uk) and Cllr Richard Wenham, Deputy Leader and Executive Member for Resources (richard.wenham@centralbedfordshire.gov.uk)

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This report relates to a Non Key Decision.

Purpose of this report

1. The report presents the 2017/18 HRA outturn financial position as at the end of March 2018 (subject to audit). It sets out spend against the revenue and capital budgets, and provides explanations for any variations. This report enables Executive to consider the overall financial position of the HRA.
2. The outturn position was agreed by the Leader, Deputy Leader, Chief Executive and Director of Resources, under delegated authority from the Executive and this report brings the result into the public domain.

RECOMMENDATIONS

The Executive is asked to:

1. **approve the provisional Revenue outturn position of a surplus of £8.23M, thus strengthening the Council's ability to invest and improve its stock of Council Houses;**
2. **approve the provisional Capital outturn of £7.519M and the proposed slippage of £4.944M, deferred to 2018/19. These works relate to Future Investment (£4.797M) and Stock Protection (£0.147M). See table 2;**

3. **note that the provisional outturn position and new proposed earmarked reserves were approved by the Leader, Deputy Leader and Chief Executive and Director of Resources under a delegated approval granted by the Executive at its April 2018 meeting;**
4. **note that Right to Buy (RtB) sales are slightly higher than previous financial years, with retained receipts totalling £3.928M, resulting in a year end balance, after funding of the Capital programme, of unapplied capital receipts of £8.145M;**
5. **note that as part of the funding of the Capital Programme there was a contribution of £0.194M from the Independent Living Development Reserve to fund spend at Houghton Regis Central. A further contribution of £2.837M has been made from the Strategic Reserve, towards the Capital programme (£2.741M) and the transfer of assets from the General Fund (£0.096M); and**
6. **note that the net increase in reserves is £5.199M, so that, at the year end, the HRA will have £28.97M of reserves available, of which £2.0M is identified as a minimum level of HRA Balances.**

Issues

3. The provisional revenue outturn position results in a year end surplus of £8.23M compared to a budgeted surplus of £6.115M, an increase of £2.115M.
4. The key variances are increased income (£0.306M), reduced expenditure on Housing Operations and Financial Inclusion (£0.472M) and reduced principal debt repayment (£1.36M).
5. The provisional outturn position for the HRA **capital** programme indicates a net outturn below budget at £7.519M; this includes deferred works of £4.009M from 2016/17. It is proposed that £4.944M of works are deferred to 2018/19.
6. The 2017/18 budget for the HRA anticipated a net contribution to Reserves of £2.109M, with a contribution to the Independent Living Development Reserve (ILDR) of £3.796M and a contribution from the Strategic Reserve of £1.687M. The year end outturn suggests a net contribution to Reserves of £5.199M, an improvement against budget of £3.09M, comprising £5.602 to the ILDR, a contribution of £0.532M from the Strategic Reserve and £0.129M to the Life Cycle Reserve. This equates to a total Reserve balance of £28.97M.

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 6 Council priorities.

Corporate Implications

Legal Implications

8. None

Financial Implications

9. The financial implications are contained in the report.

Equalities Implications

10. Equality Impact Assessments were undertaken prior to the allocation of the 2017/18 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

11. The report presents the provisional 2017/18 HRA outturn position (subject to audit) as at the end of March 2018, 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