

## June (Quarter 1) Housing Revenue Account Budget Monitoring

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**This report relates to a Non Key Decision**

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### Purpose of this report

1. The report provides information on the 2018/19 Housing Revenue Account (HRA) projected outturn revenue and capital position as at June 2018.

### RECOMMENDATIONS

The Executive is asked to note and approve

1. that the Revenue forecast position is to achieve a balanced budget with a contribution to HRA Reserves of £6.493M, thus strengthening the Council's ability to invest and improve its stock of Council Houses;
2. that the Capital forecast position indicates a net outturn on budget of £25.130M; and
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 2018 projects a year end surplus of £6.493M compared to a budgeted surplus of £6.501M, a decrease of £0.008M. This is presented as a nil variance after movements to reserves.
3. The forecast position for the HRA **capital** programme indicates net outturn on budget of £25.130M; this includes deferred works of £4.944M from 2017/18.

4. The 2018/19 budget for the HRA anticipates a contribution to the Independent Living Development Reserve (ILDR) of £1.156M and a contribution to the Strategic Reserve of £5.345M. The year end forecast currently suggests a contribution to Reserves of £6.493, comprising £1.156M to the ILDR, £5.267M to the Strategic Reserve and £0.070M to the Life Cycle Reserve. This equates to a predicted total Reserve balance of £22.337M.

### **Council Priorities**

5. 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**

6. None

#### **Financial Implications**

7. The financial implications are contained in the report.

#### **Equalities Implications**

8. Equality Impact Assessments were undertaken prior to the allocation of the 2018/19 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

### **Conclusion and next Steps**

9. The report presents the 2018/19 HRA financial position as at the end of June 2018. 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**