

Central Bedfordshire Council

Executive

4 December 2018

September (Quarter 2) Housing Revenue Account Budget Monitoring

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

Responsible Director(s): Charles Warboys, Director of Resources,
(Charles.Warboys@centralbedfordshire.gov.uk)

This report relates to a Non Key Decision

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 September 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 £6.660M, 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 of £22.838M, representing a positive variance against budget of £2.292M, with proposals for slippage of £2.265M;**
3. **the proposal that principal debt repayment, budgeted at £0.200M for 2018/19, should not occur, due to the recent announcements concerning scrapping of the HRA debt cap and the potential to take out additional borrowing to build more homes; and**
4. **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 September 2018 projects a year end surplus of £6.660M compared to a budgeted surplus of £6.501M, an increase of £0.159M.
3. The forecast position for the HRA **capital** programme indicates a net outturn of £22.838M against a budget of £25.130M; this includes deferred works of £4.944M from 2017/18.
4. The 2018/19 budget for the HRA anticipated 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 indicates a contribution to Reserves of £6.660M; it is proposed to allocate £6.590M to the Strategic Reserve and £0.070M to the Life Cycle Reserve. It is proposed not to make an additional contribution to the ILDR in this financial year as the start on site at Houghton Regis Central has been delayed, and a balance of £17.900M already exists in this Reserve. Total Reserve balances are forecast at £24.796M.

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 September 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