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**2016/17 Housing Revenue Account (HRA) Budget  
Management Provisional Outturn Report as at March 2017  
(subject to audit)**

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**This report relates to a non key decision**

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**Purpose of this report**

1. The report presents the 2016/17 HRA provisional outturn financial position as at the end of March 2017 (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.

**RECOMMENDATIONS**

**The Executive is asked to note and approve:**

1. that the provisional Revenue outturn position is to achieve a balanced budget with a contribution to HRA Reserves of £7.190M, thus strengthening the Council's ability to invest and improve its stock of Council Houses;
2. that the provisional Capital outturn is £5.813M lower than budget. It is proposed that works to the value of £4.009M are deferred to 2017/18. These works relate to Future Investment (£3.706M) and Stock Protection (£0.303M);
3. that Right to Buy (RtB) sales are at a similar level to the previous financial year, with retained receipts of £2.583M; in addition sales of shared ownership properties generated £4.253M, resulting in a year end balance, after funding of the Capital programme, of unapplied capital receipts of

**£6.473M;**

- 4. as part of the funding of the Capital Programme there was a contribution of £1.296M from the Independent Living Development Reserve to fund spend at Priory View (£1.005M) and Houghton Regis Central (£0.291M). A further contribution of £1.575M has been made from the Strategic Reserve, to fund the transfer of assets from the General Fund; and**
- 5. the net increase in reserves is £4.319m, so that, at the year end, the HRA will have £23.771M of reserves available, of which £2.0M is identified as a minimum level of HRA Balances.**

## **Issues**

2. The provisional revenue outturn position results in a year end surplus of £7.190M compared to a budgeted surplus of £5.363M, an increase of £1.827M.
3. The key variances are reduced expenditure on Maintenance (£0.641M), Housing Operations (£0.587M), and increased income (£0.335M).
4. The provisional outturn position for the HRA **capital** programme indicates a net outturn below budget by £5.813M; this includes deferred works of £4.280M from 2015/16. £2.175M of the variance relates to the Croft Green development where significant work will not commence until 2017/18. It is proposed that £0.303M of stock protection and £3.706M 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 a contribution to the Strategic Reserve of £0.163M. The year end outturn enables a contribution to reserves of £4.319M, a shortfall against budget of £1.044M, with a contribution of £5.894M to the ILDR and a reduction of £1.575M to the Strategic Reserve. This equates to a predicted total reserve balance of £23.771M (see paragraphs 52 – 56 in Appendix A).

## **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 provisional 2016/17 HRA outturn position as at the end of March 2017, 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**