
December Q3 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 2017/18 Housing Revenue Account (HRA) projected outturn revenue and capital position as at December 2017.

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 £5.861M, 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 £10.881M, against a budget of £14.342M. It is proposed that £3.344M of works are deferred to 2018/19;
3. that Right to Buy (RtB) sales will be monitored for the possible impact on predicted surpluses in the medium to longer term; and
4. that Executive has approved, at its December 2017 meeting, the virement of the underspend at Croft Green (£3.725M) to the New Build and Acquisitions budget line, to enable further purchases of properties that will partly address the increasing transitional accommodation pressure in the General Fund.

Issues

2. The revenue forecast position as at the end of December 2017 projects a year end surplus of £5.861M compared to a budgeted surplus of £6.115M, a reduction of £0.254M.
3. The forecast position for the HRA capital programme indicates a net outturn below budget at £10.881M; this includes deferred works of £4.009M from 2016/17. It is proposed that £3.344M of works are deferred to 2018/19.
4. The 2017/18 budget for the HRA anticipates a contribution to the Independent Living Development Reserve (ILDR) of £5.796M and a contribution to the Strategic Reserve of £0.319M. The year end forecast currently suggests a contribution to Reserves of £5.861M, comprised of £5.796 to the ILDR and £0.065M to the Strategic Reserve. This equates to a predicted total reserve balance of £25.078M.

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 2017/18 budgets and each Directorate was advised of significant equality implications relating to their budget proposals.

Conclusion and next Steps

9. The report presents the 2017/18 HRA financial position as at the end of December 2017. 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 Comment