

Report of:	Acting Head of Housing
Contact Officer:	Janet Baldasera
Telephone No:	01543 464317
Portfolio Leader:	Housing
Key Decision:	No
Report Track:	Cabinet: 23/07/15

CABINET
23 JULY 2015
HOUSING REVENUE ACCOUNT PROVISIONAL OUTTURN 2014-15

1 Purpose of Report

- 1.1 To report the provisional outturn for the 2014-15 Housing Revenue Account budget, as part of the performance review element of the Council's agreed financial cycle.

2 Recommendations

- 2.1 That the provisional outturn for the 2014-15 Housing Revenue Account Budget is noted.

3 Key Issues and Reasons for Recommendation

- 3.1 This report presents the provisional outturn for the 2014-15 Housing Revenue Account Budget, as set out in Appendix 1.
- 3.2 Income at 31 March was £20,263,250 compared to the revised budget position of £20,513,530 reported to Council on 11 February 2015. The £250,280 decrease relates primarily to a reduction in rent income due to an increased number of void dwellings.
- 3.3 Expenditure at 31 March 2015 was £19,432,070 compared to the revised budget position of £19,455,370 reported to Council on 11 February 2015. The £23,300 decrease in expenditure relates primarily to savings in supervision and management, offset by additional costs in relation to repairs and maintenance and capital financing.
- 3.4 As a result of these changes, the net surplus of £1,058,160 (as reported to Council on 11 February 2015) has reduced (by £226,980) to £831,180

- 3.5 Working balances at 31 March 2015 are now £3.626 million compared to the £3.853 million reported to Council on 11 February 2015.

4 Relationship to Corporate Priorities

- 4.1 The implementation of the 2014-15 HRA budget contributed to a number of the service aims within the Housing Portfolio section of the 2014-15 "Place" Priority Delivery Plan.

5 Report Detail

- 5.1 The 2014-15 HRA Budget was determined by Council on 12 February 2014.
- 5.2 The accounts for 2014-15 are now closed and the informal Statement of Accounts was approved by the Head of Finance on 26th June 2015. It should, however, be noted that the accounts are subject to External Audit and may therefore be subject to change.
- 5.3 A summary of income and expenditure in relation to the revised 2014-15 HRA budget (as approved by Council on 11 February 2014), and the provisional outturn for the 2014-15 HRA budget is presented as Appendix 1.
- 5.4 The changes in income and expenditure since the report to Council (on 11 February 2014) are detailed below:-

Estimated Position Reported – 11 February 2014

	£
Estimated Income	20,513,530
Estimated Expenditure	19,455,370
	(i) 1,058,160

Net Changes in Income

	£	£
(i) Dwelling Rent	229,890	(-)
(ii) Shop and garage income	6830	(-)
(iii) Interest	770	(-)
(iv) Other	2,060	(+)
(v) Transfer from the General Fund	14,850	(-)
		(ii) 250,280 (-)

Net Changes in Expenditure

	£		£
(i) Discretionary Housing Payments	50,000	(+)	
(ii) Repairs and Maintenance	50,610	(-)	
(iii) Supervision and management (General)	239,930	(+)	
(iv) Supervision and Management (Special)	64,860	(-)	
(v) Capital Financing	151,170	(-)	
			<u>(iii) 23,300 (+)</u>
			<u>226,980 (-)</u>
Estimated Provisional outturn position (July 2015) (i) + (ii) + (iii) Net Surplus			

5.5 The reasons for the variances are summarised in Appendix 2.

5.6 As a result of the changes in income and expenditure (as set out in paragraph 5.4), the net surplus, which was estimated in respect of the 2014-15 HRA has reduced by £226,980

5.7 This has resulted in a change to working balances, which at 31 March 2015 were £3.626 million, compared to the £3.853 million reported to Council on 11 February 2015.

6 Implications

6.1 Financial

The financial implications have been referred to throughout the report.

6.2 Legal

The legal implications are set out throughout the report.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the management of the Housing Revenue Account.

These risks are managed through a prudent approach to budgeting and regular monitoring of actual and forecast income and expenditure.

An adequate level of working balances is also maintained which comprises 10% of net operating expenditure.

6.8 Equality & Diversity

This report presents the outturn position in respect of the 2014-15 Housing Revenue Account budget and as such does not require an Equality Impact Assessment as this was undertaken when the agreed budget was determined.

6.9 Best Value

None

7 Appendices to the Report

Appendix 1: HRA Outturn 2014-15

Appendix 2: 2014-15 HRA – Income and Expenditure Variations

Previous Consideration

Housing Revenue Account Budgets 2013-14 to 2015-16	Cabinet	30 January 2014
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Housing Revenue Account Budgets 2015-16 to 2017-18	Cabinet	29 January 2015
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Background Papers

None

Appendix 1

HRA OUTTURN 2014-15

	Revised Budget 2014-15 £	Actual Outturn 2014-15 £	Variance 2014-15 £
Income			
Dwelling Rent	(20,040,190)	(19,810,300)	229,890
Non Dwelling Rent	(413,490)	(406,660)	6,830
Interest	(1,460)	(690)	770
Other	(12,700)	(14,760)	(2,060)
General Fund Contribution	(45,690)	(30,840)	14,850
Total Income	(20,513,530)	(20,263,250)	250,280
Expenditure			
Discretionary Housing Payment	50,000	0	(50,000)
Repairs & Maintenance	4,257,340	4,307,950	50,610
Supervision & Management - General	3,535,810	3,295,870	(239,940)
Supervision & Management - Special	597,560	662,420	64,860
Capital Financing	6,423,660	6,574,830	151,170
RCCO as per Business Plan	4,591,000	4,591,000	0
Total Expenditure	19,455,370	19,432,070	(23,300)
Surplus/Deficit	(1,058,160)	(831,180)	226,980

Working Balance

B/fwd	(2,795,170)	(2,795,170)	0
In Year	(1,058,160)	(831,180)	226,980
C/fwd	(3,853,330)	(3,626,350)	226,980

APPENDIX 22014-15 HOUSING REVENUE ACCOUNT – INCOME AND EXPENDITURE
VARIATIONS1. Decreased Income

<u>Income</u>	<u>Decrease</u>	<u>Reason</u>
1.1 Dwelling Rent	£229,890	Reduced rent income as a result of additional voids.
1.2 Non Dwelling Rent (shops and garages)	£6830	Decrease in income from garage rents.
1.3 Interest	£770	Marginal change in income received.
1.4 General Fund Contribution	£14,850	Reduction in resources transferred from the General Fund for strategic housing.
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	£252,340	
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2. Increased Income

<u>Income</u>	<u>Increase</u>	<u>Reason</u>
2.1 Other Income	£2060	Additional income from miscellaneous rents and licences.
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	£2060	
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3. Increased Expenditure

<u>Expenditure</u>	<u>Increase</u>	<u>Reason</u>
3.1 Repairs and Maintenance	£50,610	Additional need for plastering and fencing repairs
3.2 Supervision and Management Special	£64,860	
3.3 Capital Financing	£151,170	Additional interest charges and accounting charges in relation to the impairment of non-dwelling assets which are now charged directly to the HRA
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	£266,640	
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4. Expenditure Savings

<u>Expenditure</u>	<u>Decrease</u>	<u>Reason</u>
4.1 Discretionary Housing Payments	£50,000	No contribution required
4.2 Supervision and Management (General)	£239,940	Budget savings in respect of Tenancy Service costs including employees, publications and training.
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	£289,940	
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