

FOR PUBLICATION

HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2015/16 (H000)

MEETING:	1. CABINET 2. CABINET MEMBER - HOUSING
DATE:	1. 28 JUNE 2016 2. 20 JUNE 2016
REPORT BY:	HOUSING MANAGER CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REF.	635

FOR PUBLICATION

BACKGROUND PAPERS: NONE

1.0 **PURPOSE OF REPORT**

- 1.1 To report on the Revenue Outturn for 2015/16 and to provide explanations for significant variations from the Revised Estimates approved by Cabinet on 23rd February 2016.
- 1.2 To report the Capital Outturn for the year.

2.0 **RECOMMENDATIONS**

- 2.1 That the report be noted.
- 2.2 That the revenue and capital carry forward requests for £311,870 (paragraph 3.6) and £2,460,900 (paragraph 4.1) respectively, and associated financing be approved.

3.0 **REVENUE OUTTURN**

3.1 The revenue budgets and outturn were as follows:-

	Original Budget £'000	Revised Budget £'000	Actual Outturn £'000
HRA Services (Surplus)/ Deficit	(10,443)	(10,090)	(10,071)
Direct Revenue Financing (DRF)	10,835	7,121	3,097
Other Appropriations	4,599	4,550	4,529
(Increase)/Decrease in HRA balance	4,991	1,581	(2,445)
Change on previous column	-	(3,410)	4,026

3.2 The main variations from the Original to the Revised budget (£3,410) were:

Variances – Original to Revised Budget	
	£'000
Approved carry forwards	235
Net expenditure increase in Housing Management - General	165
Net expenditure reduction in Housing Management - Special	(172)
Increase in Rent, Rates, Taxes & Other Charges	145
Reduction in Contributions from General Fund	40
Net increase in dwelling/non-dwelling rents & service charges	(442)
Decrease in interest receivable	96
DLO surplus lower than anticipated	300
Supporting People Grant higher than forecast	(166)
Anticipated increase in Solar Panel income	(20)
Reduced DRF due to revised capital programme	(3,714)
Bad Debts provision increased	140
Net Miscellaneous	(17)
Total	(3,410)

3.3 The Revenue Outturn of £2,445k surplus represents:

- An increase in surplus of £7,436k against the Original Budget; and
- An increase in surplus of £4,026k against the Revised Budget.

3.4 The following information is attached:-

Annexe 1- Housing Revenue Account Summary

- Annexe 1a - Supervision and Management General Expenses
- Annexe 1b - Supervision and Management Special Expenses
- Annexe 1c - General Fund Contributions
- Annexe 2 - Subjective Analysis
- Annexe 3 - Variance Analysis, revised budget to outturn
- Annexe 4 - Carry Forward Requests
- Annexe 5 - HRA capital expenditure 2015/16

3.5 A detailed analysis of the variances from the revised budget to the outturn is shown in Annexe 3 but the most significant variances are summarised below:-

Significant Variances Revised to Outturn 2015/16	
<u>Description</u>	Overspend / (Under-spend) £'000
Overall decrease in income (mainly rents)	771
Decrease in OSD Surplus	100
Increase in interest on HRA balance	(57)
Reduced Supervision & Management – general costs	(663)
Increased Supervision & Management – special costs	140
Increased Rent, Rates, Taxes & Other Charges	23
Provision for Accumulated Absences	(21)
Under-spend on Repairs and Maintenance	(295)
Reduced Direct Revenue Financing	(4,024)
Overall Reduction in budget requirement	(4,026)

3.6 Housing Services carry forward requests totalling £311,870 have been made, details of which are provided in Annexe 4.

4.0 **CAPITAL OUTTURN**

4.1 Annexe 5 provides a summary of expenditure on capital schemes in the year and indicates those schemes that were not finalised during the year (total of £2,460,900). This sum needs approval to be carried forward from 2015/16 into 2016/17 to enable the schemes to be completed.

4.2 Spend on these schemes has been delayed mainly by procurement issues and late starts on site by contractors (further details are shown at Annexe 5).

4.3 If the delayed schemes are ignored the underspend on the other programmes is £1,311,427 which is 5.99% of the total budget.

4.4 The overall position is a net under-spend of £3,772,327 (17.2%), comprising an overspend of £435,108 and an underspend of £4,207,435.

5.0 **CAPITAL RECEIPTS**

5.1 The movement on useable capital receipts in the year is summarised in the table below. All useable receipts were used in the year.

	Useable Capital Receipts
	£'000
Balance b/fwd 1 st April	700
Add: Receipts in the year	3,835
Less: Housing receipts "Pooled"	(941)
Less: Applied to finance HRA Cap Expend	(2,933)
Balance C/fwd 31st March	661 *

* The balance of £661k represents the retained "one-for-one" element of RTB receipts.

6.0 **BALANCES**

6.1 The effect of the increased surplus on HRA balances is outlined below:

	Revised Estimate £000	Actual Expenditure £000
Balance at 1st April 2015	(18,026)	(18,026)
Direct Revenue Financing	7,121	3,097
Other Appropriations	4,550	4,529
(Surplus)/Deficit in year on HRA Services	(10,090)	(10,071)
Balance at 31st March 2016	(16,445)	(20,471)

The increase in balance at 31st March 2016 results mainly from an underspend on the HRA Capital Programme (£3,772k). See paragraphs 4.1 to 4.4 for details.

6.2 If the carry forward requests outlined at paragraphs 3.6 and 4.1 are approved, this would give a final position at 31st March 2016 of £17,698k. Of this balance a significant proportion has been earmarked to support the Housing Capital programme in future years.

7.0 **RECOMMENDATIONS**

7.1 That the report be noted.

7.2 That the revenue and capital carry forward requests for £311,870 (paragraph 3.6) and £2,460,900 (paragraph 4.1) respectively, and associated financing be approved.

8.0 **REASONS FOR RECOMMENDATIONS**

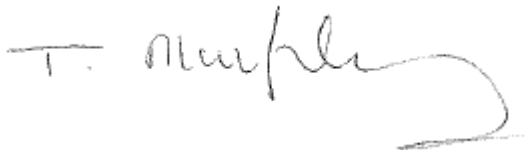
8.1 To enable the HRA revenue outturn to be included in the Council's overall Statement of Accounts.

8.2 To consider the carry forward requests which will allow for the completion of the revenue and capital schemes which were not finalised during the financial year.

A. CRAIG
HOUSING MANAGER

B. DAWSON
CHIEF FINANCE OFFICER

Officer recommendation supported.



Signed:
Cabinet Member

Date: 20 June 2016

Further information on this report can be obtained from Steven Spencer, Accountancy Services (Tel: 01246 345454).