

## HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2013/14 (H000)

---

MEETING:	1. CABINET 2. EXECUTIVE MEMBER FOR HOUSING
DATE:	1. 17TH JUNE 2014 2. 6TH JUNE 2014
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING & STRATEGY HEAD OF FINANCE
WARD:	ALL
COMMUNITY FORUM:	ALL
KEY DECISION REF.	399

---

FOR PUBLICATION

BACKGROUND PAPERS: NONE

---

### 1.0 **PURPOSE OF REPORT**

- 1.1 To report on the Revenue Outturn for 2013/14 and to provide explanations for significant variations from the Revised Estimates approved by Cabinet on 28th January 2014.
- 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 £164,740 (paragraph 3.6) and £4,256,310 (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	(9,439)	(7,179)	(8,671)
Direct Revenue Financing (DRF)	6,516	6,410	35
Other Appropriations	3,240	3,930	4,417
<b>(Increase)/Decrease in HRA balance</b>	<b>317</b>	<b>3,161</b>	<b>(4,219)</b>
Change on previous column	-	2,844	(7,380)

3.2 The main variations from the Original to the Revised budget £2,844k were:

<b>Variances – Original to Revised Budget</b>	
	£'000
Approved carry forwards	195
Net expenditure increase in Housing Management - General	4
Net expenditure reduction in Housing Management - Special	54
Reduction in dwelling/non-dwelling rents	135
Decrease in interest receivable due to lower interest rate	58
In year growth – Voids (Welfare Reforms)	400
Anticipated increase in Solar Panel income	(40)
Reduced DRF due to revised capital programme	(106)
Provision for Debt Repayment	2,140
Net Miscellaneous	4
<b>Total</b>	<b>2,844</b>

3.3 The Revenue Outturn of £4,219k surplus represents:

- An increase in surplus of £4,536k against the Original Budget; and
- An increase in surplus of £7,380k 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 2013/14

- 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:-

<b>Significant Variances Revised to Outturn 2013/14</b>	
<u>Description</u>	Overspend / (Under-spend) £'000
Overall increase in income	(295)
Reduced Supervision & Management – general costs	(172)
Increased Supervision & Management – special costs	28
Reduced Rent, Rates, Taxes & Other Charges	(5)
Under-spend on Repairs and Maintenance	(343)
Bad Debt Provision	(166)
Provision for Accumulated Absences	(52)
Reduced Direct Revenue Financing	(6,375)
<b>Overall Reduction in budget requirement</b>	<b>(7,380)</b>

- 3.6 Housing Services carry forward requests totalling £164,740 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 £4,256,310). This sum needs approval to be carried forward from 2013/14 into 2014/15 to enable the schemes to be completed.
- 4.2 These schemes have been delayed mainly by procurement issues (further details are shown at Annexe 5). The problems have largely been resolved, with just the sheltered scheme replacement currently being out to tender. It is forecast that the carry forward sum can be fully spent during 2014/15.
- 4.3 The delayed schemes represent almost two-thirds of the total underspend. Ignoring these schemes the underspend on the other programmes is £2,238,183, which is 11.6% of the total budget.

4.4 The overall position is a net under-spend of £6,494,493 (33.8%), comprising an overspend of £172,573 and an underspend of £6,667,066.

## 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 <sup>st</sup> April	206
Add: Receipts in the year	2,267
Less: Housing receipts "Pooled"	(761)
Less: Applied to finance HRA Cap Expend	(1,283)
<b>Balance C/fwd 31<sup>st</sup> March</b>	<b>429 *</b>

\* The balance of £429k 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 Estimates £000	Actual Expenditure £000
Balance at 1st April 2013	(8,276)	(8,276)
Direct Revenue Financing	6,410	35
Other Appropriations	3,930	4,417
(Surplus)/Deficit in year on HRA Services	(7,179)	(8,671)
Balance at 31st March 2014	(5,115)	(12,495)

The high balance at 31<sup>st</sup> March 2014 results mainly from a significant underspend on the HRA Capital Programme (£6,494k). 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 2014 of £8,074k. Of this balance a significant proportion has been earmarked to support the 2014/15 Housing Capital programme.

7.0 **RECOMMENDATIONS**

- 7.1 That the report be noted.
- 7.2 That the revenue and capital carry forward requests for £164,740 (paragraph 3.6) and £4,256,310 (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 SERVICE MANAGER – BUSINESS PLANNING & STRATEGY

B. DAWSON  
HEAD OF FINANCE

Officer recommendation supported/not supported/modified as below or Executive Member's recommendation/comments if no officer recommendation.



Signed

Executive Member

Date 6 June 2014

Consultee Executive Member/Support Member comments (if applicable)/declaration of interests:

Further information on this report can be obtained from Steven Spencer, Accountancy Services (extension 5454).