

FOR PUBLICATION

HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2014/15 (H000)

MEETING:	1. CABINET 2. CABINET MEMBER FOR HOUSING
DATE:	1. 16 JUNE 2015 2. 2 JUNE 2015
REPORT BY:	HOUSING SERVICE MANAGER – BUSINESS PLANNING & STRATEGY CHIEF FINANCE OFFICER
WARD:	ALL
COMMUNITY ASSEMBLY:	ALL
KEY DECISION REF.	522

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BACKGROUND PAPERS: NONE

1.0 **PURPOSE OF REPORT**

- 1.1 To report on the Revenue Outturn for 2014/15 and to provide explanations for significant variations from the Revised Estimates approved by Cabinet on 10 February 2015.
- 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 £234,740 (paragraph 3.6) and £1,446,590 (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	(9,166)	(9,364)	(9,901)
Direct Revenue Financing (DRF)	6,608	1,402	0
Other Appropriations	3,836	4,536	4,370
(Increase)/Decrease in HRA balance	1,278	(3,426)	(5,531)
Change on previous column	-	(4,704)	(2,105)

3.2 The main variations from the Original to the Revised budget (£4,704k) were:

Variations – Original to Revised Budget	
	£'000
Approved carry forwards	165
Net expenditure increase in Housing Management - General	56
Net expenditure reduction in Housing Management - Special	98
Increase in Rent, Rates, Taxes & Other Charges	71
Net increase in dwelling/non-dwelling rents & service charges	(41)
Increase in interest receivable due to higher interest rate	(65)
DLO surplus lower than anticipated	400
Supporting people Grant higher than forecast	(47)
Anticipated increase in Solar Panel income	(40)
Reduced DRF due to revised capital programme	(5,206)
Bad Debts provision reduced	(115)
Net Miscellaneous	20
Total	(4,704)

3.3 The Revenue Outturn of £5,531k surplus represents:

- An increase in surplus of £6,809k against the Original Budget; and
- An increase in surplus of £2,105k 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 2014/15

- 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 2014/15	
<u>Description</u>	Overspend / (Under-spend) £'000
Overall decrease in income	27
Increase in interest on HRA balance	(31)
Reduced Supervision & Management – general costs	(355)
Increased Supervision & Management – special costs	48
Increased Rent, Rates, Taxes & Other Charges	29
Under-spend on Repairs and Maintenance	(708)
Bad Debt Provision	292
Provision for Accumulated Absences	(4)
Reduced Direct Revenue Financing	(1,402)
Net of all other variances	(1)
Overall Reduction in budget requirement	(2,105)

- 3.6 Housing Services carry forward requests totalling £234,740 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 £1,446,590). This sum needs approval to be carried forward from 2014/15 into 2015/16 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 £2,309,707 which is 12.0% of the total budget.

4.4 The overall position is a net under-spend of £3,756,297 (19.6%), comprising an overspend of £639,696 and an underspend of £4,395,993.

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	429
Add: Receipts in the year	3,269
Less: Housing receipts "Pooled"	(831)
Less: Applied to finance HRA Cap Expend	(2,167)
Balance C/fwd 31 March	700 *

* The balance of £700k 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 2014	(12,495)	(12,495)
Direct Revenue Financing	1,402	0
Other Appropriations	4,536	4,370
(Surplus)/Deficit in year on HRA Services	(9,364)	(9,901)
Balance at 31 March 2015	(15,921)	(18,026)

The high balance at 31 March 2015 results mainly from an underspend on the HRA Capital Programme (£3,756k). 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 31 March 2015 of £16,345k. 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 £234,740 (paragraph 3.6) and £1,446,590 (paragraph 4.1) respectively, and associated financing be approved.

8.0 **REASONS FOR RECOMMENDATIONS**

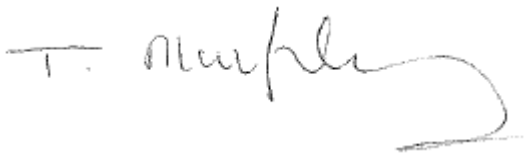
8.1 To enable the HRA revenue outturn to be included in the Council's overall Statement of Accounts.

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
CHIEF FINANCE OFFICER

Officer recommendation supported.



Signed

Cabinet Member

Date 2.6.2015

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