



AGENDA ITEM: 9

SUMMARY

| | |
|-------------------------|--|
| Report for: | Housing and Communities Overview and Scrutiny Committee |
| Date of meeting: | 11 September 2013 |
| PART: | 1 |
| If Part II, reason: | |

| | |
|---|--|
| Title of report: | Quarter 1 Outturn Report 2013/14 |
| Contact: | Cllr Nicholas Tiley, Portfolio Holder Finance & Resources James Deane, Assistant Director (Finance & Governance) Author: Paul Sutton, Group Manager (Financial Services) |
| Purpose of report: | To provide details of the forecast outturn position as at the end of Quarter 1 2013/14. |
| Recommendation: | That Committee note the forecast outturn position |
| Consultees: | Budget managers |
| Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i> | Not Applicable. |

| | |
|---|--|
| Glossary of acronyms and any other abbreviations used in this report: | HRA – Housing Revenue Account GF – General Fund |
|---|--|

1. Introduction

1.1 The purpose of this report is to outline Council's forecast outturn for 2013/14 as at 30 June 2013. The report covers the following budgets:

- General Fund
- Housing Revenue Account (HRA)
- Capital Programme

2. General Fund Revenue Account

2.1 The General Fund revenue account records the income and expenditure associated with all Council functions except management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA) (see Section 6).

2.2 Appendix A separates expenditure into controllable and non-controllable categories in order to focus scrutiny on those controllable areas that officers are able to influence.

2.3 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges. These are required to show the true value of resources used to provide the Council's services, but do not result in a cash charge to taxpayers. As costs will not be known until year-end, the forecast outturn for all areas is shown as on budget.

3. Housing & Community

3.1 The table below sets out the forecast outturn position for the Committee's services by subjective. This is supported by an analysis of major variances.

| Housing & Community | Controllable Budget £000 | Forecast Outturn £000 | Forecast Variance | |
|---------------------|-----------------------------|--------------------------|-------------------|--------------|
| | | | £000 | % |
| Employees | 2,960 | 3,065 | 105 | 3.5% |
| Premises | 398 | 415 | 17 | 4.3% |
| Transport | 57 | 46 | (11) | -19.3% |
| Supplies & Services | 2,198 | 2,213 | 15 | 0.7% |
| Third Parties | 25 | 25 | 0 | 0.0% |
| Transfer Payments | 4 | 4 | 0 | 0.0% |
| Income | (3,801) | (3,929) | (128) | -3.4% |
| | 1,841 | 1,839 | (2) | -0.1% |

3.2 Employees - £105k over budget (3.5%)

- A £46k pressure is projected within Strategic Housing. This is due to temporary posts for Housing Options Officers. There is grant available within earmarked reserves for this and the pressure will be removed if members approve its use.
- A £51k pressure is projected due to Agency staff costs in Building Control to undertake additional checking following an increase in the number of applications received and maternity leave cover within Development Management.

3.3 Income - £128k over budget (3.36%)

There are three main variances:

- £65k from the provision of homelessness accommodation at Leys Road Hostel;
- £120k recovered housing benefit to off-set the cost of providing homelessness accommodation through private providers (Bed & Breakfast).

Partly offset by:

- A £63k underachievement within Regulatory Services due to the cessation of drainage service provision to the HRA following the retirement of an employee.

4. Housing Revenue Account (HRA)

4.1 The HRA is a ring-fenced account relating to the Council's Landlord functions. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The forecast outturn position for the HRA is shown at Appendix B.

4.2 The projected HRA balance at the end of 2013/14 is £2.549m. The forecast operating deficit is £228k – a change of £413k compared to the surplus of £185k originally budgeted. Significant variances are as follows:

4.3 Repairs and Maintenance - £410k over budget: (8.87%)

The repairs and maintenance budget is projecting an overspend due to an increase in responsive repairs and void repairs. There has been a sharp increase recently in the number of voids, which is attributed to the welfare reform changes and an increase in the number of tenants requesting to downsize. A review of planned maintenance projects is underway to try and identify savings to bring the overall budget back on track.

4 Capital Programme

4.1 The table below summarises capital forecast outturn for this committee. The detailed capital programme by scheme is set out at Appendix C.

| | Current Budget £000 | Forecast Outturn £000 | Forecast Slippage £000 | Forecast Variance | |
|---------------------|--------------------------------|----------------------------------|-----------------------------------|--------------------------|----------|
| | | | | £000 | % |
| Housing & Community | 5,336 | 5,376 | 0 | 40 | 0.7% |

- 4.2 The forecast variance is based upon the capital budget approved by Cabinet in February 2013 adjusted for slippage brought forward at outturn and items approved in year. The changes are detailed in the table below:

| Amendments | £000 | Approved |
|---------------------------------------|---------------|-----------------------------|
| 2013/14 GF Original Budget | 4,829 | |
| Affordable Housing Development Fund | 524 | Portfolio Holder Decisions |
| Slippage carried forward from 2012/13 | -17 | Audit Committee - June 2013 |
| 2013/14 GF Current Budget | 5,336 | |
| 2013/14 HRA Original Budget | 23,659 | |
| Slippage carried forward from 2012/13 | 1,771 | |
| Estate Improvements | 750 | Cabinet April 2013 |
| Balcony Repairs | 1,000 | Cabinet April 2013 |
| 2013/14 Current Budget | 27,180 | |

- 4.3. There are no major variances.