



**AGENDA ITEM:  
SUMMARY**

<b>Report for:</b>	<b>Housing and Community Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>19 June 2013</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Provisional Outturn 2012/13</b>
Contact:	Cllr Nick Tiley – Portfolio Holder for Finance and Resources James Deane – Assistant Director (Finance & Resources)
Purpose of report:	To provide details of the provisional revenue and capital outturn position for the Housing and Community Overview and Scrutiny area for 2012/13.
Recommendations	That the Committee note the provisional outturn position.
Corporate objectives:	This report supports all of the Council's Corporate Objectives.
Implications:	Financial and Value for Money implications are included within the body of the report.
Risk Implications	Risk implications are included within the body of the report.
Equalities Implications	There are no equality implications.
Health And Safety Implications	There are no health and safety implications.

Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund H&C – Housing and Community HRA – Housing Revenue Account HCA – Homes and Communities Agency
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## 1. Introduction

1.1 The purpose of this report is to outline for the Housing and Community (H&C) Overview and Scrutiny Committee Provisional Outturn for 2012/13, prior to the closure of the accounts. Outturn is reported for the following:

- General Fund Revenue Account
- Housing Revenue Account
- Capital Programme

## 2. General Fund Revenue Account

2.1 The General Fund (GF) revenue account records the income and expenditure associated with all Council functions except management of the Council's housing stock which is accounted for within the Housing Revenue Account (HRA – see section 3).

2.2 To provide Committee with some council-wide context, a summary of the GF provisional outturn position, analysed by OSC, is shown in Appendix A.

2.3 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.

2.4 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges, which are required to show the true value of resources used to provide the Council's services, but which do not result in a cash charge to taxpayers. As these costs will not be known until work on the annual accounts is complete, the forecast outturn for all areas is shown as on budget. Appendix A separates expenditure into controllable and non-controllable.

2.5 The provisional outturn for H&C is set out in the table below:

Housing & Community	Controllable Budget £000	Forecast Outturn £000	Forecast Variance	
			£000	%
Employees	3,195	3,192	(3)	-0.1%
Premises	400	438	38	9.5%
Transport	49	48	(1)	-2.0%
Supplies & Services	2,324	1,976	(348)	-15.0%
Third Parties	25	25	0	0.0%
Transfer Payments	5	5	0	0.0%
Income	(3,835)	(3,949)	(114)	-3.0%
	<b>2,163</b>	<b>1,735</b>	<b>(428)</b>	<b>-19.8%</b>

Material variances are explained below:

**2.6 Supplies and Services - £348k under budget (15%)**

The major area of underspend relates to £250k slippage on garage maintenance. The works are planned for completion early in 2013/14.

**2.7 Income - £114k over achieved (3.0%)**

Provisional outturn reflects an over achievement of income in the following areas:

- £40k relating to rental income now recovered through housing benefits, in relation to tenants at Leys Road hostel (homelessness accommodation).
- £49k due to a higher than budgeted level of licence fee income. This budget will be closely monitored in 2013/14.

**3. Housing Revenue Account (HRA)**

3.1 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.

3.2 The provisional HRA balance at the end of 2012/13 is £3.299m after a proposed transfer to reserves of £12m, subject to final outturn.

3.3 The provisional operating surplus is £11.285m - £52k (0.47%) more than the revised surplus of £11.233m. Significant variances are as follows:

**3.4 Dwelling Rents - £164k over achieved (0.3%)**

This is the combined impact of more effective voids management, new tenants moving straight to target rent, and an improved collection rate.

**3.5 Repairs & Maintenance - £211k over budget (2.2%)**

There has been an increase in demand-led expenditure for responsive and void repairs of £558k which has been partly offset by an underspend in the planned maintenance budget of £447k. The balance between expenditure on planned and responsive repairs and this will be monitored carefully in 2013/14.

**3.6 Leaseholder / Non Dwelling Expenses - £47k over budget (19%)**

The primary cause of this overspend was uninsured losses.

**3.7 Supporting People – Transition – £56k under budget (48.7%)**

Transitional spend has continued to reduce but this was not reflected in the revised budget. The budget for 2013/14 has been reduced to £50k.

#### **4. Provisional Capital Outturn**

- 4.1 Appendix C reports the detail of the provisional capital outturn for those capital projects which fall within H&C.

##### **General Fund**

- 4.2 The provisional capital outturn for H&C General Fund is £2.633m against a budget of £2.597m – an overspend of £36k (1.4%).
- 4.3 Those projects showing an overspend in 2012/13 are multi-year projects which have sufficient capital budget allocated to 2013/14 to fund the shortfall. The 2012/13 overspend is effectively a timing issue where the project has progressed more quickly than was anticipated at the time the budget was set.
- 4.4 Expenditure on both Disabled Facilities Grants (line 193) and Home Improvement Grants (line 194) is demand-led, and the value of grant applications received was less than the budget available.
- 4.5 Expenditure on The Elms Hostel (line 199) was lower than budgeted because the scheme was originally planned to have a separate design phase to be delivered in 2012/13, but will now be tendered as a design and build scheme with all costs to fall within 2013/14.

##### **HRA**

- 4.6 The provisional capital outturn for the HRA is £18.184m compared to a budget of £20.685m – an underspend of £2.501m (8%).
- 4.7 The major variances are as follows:
- £1.744m slippage relating to New Build projects (lines 260 – 264).
    - £378k slippage at the Galley Hill site (line 262) was due to legal processes at the Homes and Community Agency taking longer than anticipated to remove a covenant on the site in order to permit residential development. The lifting of the covenant was a condition of the Council's purchase. It has now been lifted and the Council's purchase of will complete in 2013/14.
    - £1.3m of this is due to the transfer of land from the General Fund for the project at London Road, Apsley (line 263), which will complete in 2013/14.
  - £729k slippage relating to two schemes within the Major Repairs Programme (lines 267 and 270).
    - During 2012/13, a decision was taken to let a two-year contract (rather than the usual one year) for the Roof Replacement programme in order to align it with the Total Asset Management contract. This led to a longer tendering process which is now complete and the works will be delivered during 2013/14.

- A protracted planning process around the Longlands flat development caused delays in 2012/13. A feasibility study has now been produced for the development of the site and the project is expected to progress during 2013.