

SUBJECT: HOUSING FINANCE

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER

1. Purpose of Report

- 1.1 To present to the Housing Scrutiny Sub Committee the Council's Housing out-turn position for 2021/22.

2. Summary

- 2.1 This report will provide members with the provisional summary of actual income and expenditure compared to revised budget for the HRA and HRS services and shows how any surpluses have been allocated to reserves.
- 2.2 The full out-turn report for the Authority will be presented to Executive on the 20 June 2022.

3. Housing Revenue Account

- 3.1 For 2021/22 the Council's Housing Revenue Account (HRA) net revenue budget was set at £14,910, resulting in an estimated level of general balances at the year-end of £1,059,743
- 3.2 The financial performance quarterly monitoring report for the 3rd quarter predicted an underspend of £31,226. The provisional outturn for 2021/22 now indicates an underspend of £19,339. This would result in HRA balances at 31 March 2022 of £1,025,202.

- 3.3 The movement from Q3 to provisional outturn position includes:

	£'000
Final outturn position in the HRS – repatriation reduction	(289)
Increase cost of repairs and maintenance following completion of billing process for HRS	226
Proposed contribution to the Invest to Save Reserve to enable to continuation funding for fixed term employee posts	160
Proposed contribution to the Disrepair Management Reserve to enable further works to reduce the increase in disrepair claims the Council is currently receiving.	300
Reduction in loan charges interest	225

- 3.4 The out-turn summary is set out in the table below:

HRA PROVISIONAL OUTTURN - 2021/22				
		Revised Budget £'000	Outturn £'000	Variance £'000
Gross Rental Income	A	(29,441)	(29,052)	389
Charges for Services & Facilities	B	(312)	(262)	50
Contribs towards Expenditure	C	(50)	(10)	40
Supervision & Management (Income)	D	(912)	(642)	270
Repairs Account Income	D2	0	(82)	(82)
Repairs & Maintenance	E	9,573	8,436	(1,138)
Supervision & Management (Expenditure)	F	8,078	7,984	(95)
Rents, Rates and Other Premises	G	334	455	121
Increase in Bad Debt Provisions	H	305	284	(21)
Insurance Claims Contingency	I	164	0	(164)
Contingencies	J	3	0	(3)
Depreciation	K	6,735	7,423	688
Impairments	L	0	0	0
Debt Management Expenses	M	12	1	(11)
HRS Trading Deficit/(Surplus)	N	0	428	428
Net Cost of Service	O	(5,509)	(5,037)	472
Loan Charges Interest	P	2,650	2,425	(225)
Investment/Mortgage Interest	Q	(20)	(24)	(4)
Net Operating Inc/Exp	R	(2,879)	(2,637)	242
Capital Accounting Adjustments	S	0	0	0
Major Repairs Reserve Adjustment	T	3,063	2,355	(708)
Transfers to/from reserves	U	(115)	331	446
(Surplus)/Deficit in Year	V	69	49	(19)
Pension Reserve	W	0	0	0
Balances b/f @ 1st April	X	(1,075)	(1,075)	0
(Increase)/Decrease in Balances	Y	69	49	(19)
Balances c/f @ 31st March	Z	(1,006)	(1,025)	(19)

4. Housing Repairs Service

- 4.1 For 2021/22 the Council's Housing Repairs Service (HRS) net revenue budget was set at zero, reflecting its full cost recovery nature.

4.2 The financial performance quarterly monitoring report for the 3rd quarter predicted a £713,876 deficit outturn for 2021/22. The provisional outturn for 2021/22 shows a trading deficit of £427,757, a movement of £286,119. The movement is as a result of the delay in billing of void jobs as highlighted at Quarter 3, which made forecasting the outturn position difficult.

4.3 The out-turn summary is set out in the table below:

	Revised Budget £'000	Outturn £'000	Variance £'000
Employees	3,351	2,944	(407)
Premises	55	91	36
Transport	333	344	11
Materials	1,415	877	(538)
Sub-Contractors	1,969	3,305	1,066
Supplies & Services	272	390	118
Central Support Costs	569	503	(66)
Capital Charges	0	2	2
Total Expenditure	7,965	8,187	223
Income	(7,965)	(7,760)	205
(Surplus)/Deficit	0	428	428

5. Resource Implications

5.1 The financial implications are contained within the report.

5.2 There are no legal implications arising from this report.

6. Recommendations

6.1 That the Housing Scrutiny Sub Committee review and note the provisional out-turn position for HRA and HRS for 2021/22.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

Does this report contain appendices? No

List of Background Papers: None

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