



To: Executive Councillor for Housing: Councillor Kevin Price
Report by: Julia Hovells, Business Manager / Principal Accountant
Relevant scrutiny committee: Housing Scrutiny Committee 30/6/2015
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East
Chesterton King's Hedges Market Newnham
Petersfield Queen Edith's Romsey Trumpington West
Chesterton

2014/15 Housing Revenue Account (HRA) Revenue Outturn, Carry Forwards and Significant Variances

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2014/15 outturn position (actual income and expenditure) for services within the Housing Revenue Account, compared to the current budget for the year. The position for revenue is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2015/16 are identified.
- 1.2 The report also incorporates the position in relation to the Housing Capital Investment Plan, with reported variances, and any resulting requests for re-phasing of budgets into 2015/16 and beyond.

2. Recommendations

The Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee:

- a) To agree that the carry forward requests, totalling £9,272,120 as detailed in Appendix C, are to be recommended to Council for approval.

The Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

- b) Approval to carry forward net capital resources of £13,758,000 from 2014/15, to fund re-phased capital spending in the Housing Capital Investment Plan, as detailed in Appendix D and the associated notes, re-profiling investment as follows:
- Re-phase £11,248,000 into 2015/16
 - Re-phase £2,408,000 into 2016/17
 - Re-phase £102,000 into the period post 2017/18
- c) To recognise a delay into 2015/16, for receipt of the remainder of Homes and Communities Agency Grant for the affordable housing new build and re-development programme of £274,000.
- d) To note the resulting need to defer the use of £9,223,000 of revenue funding of capital expenditure into 2015/16 and 2016/17, as considered as part of the HRA revenue carry forward requests, £2,059,000 of major repairs reserve funding into future years and the anticipated use of £1,993,000 of retained right to buy receipts, all of which will be required to fund the requested re-phasing in capital investment.

3. Background

Revenue Outturn

- 3.1 The final outturn position for the Housing Revenue Account, compared to revised and current revenue budget, is presented in detail in Appendix A.
- 3.2 The outturn position is currently presented prior to final accounting adjustments, which are not expected to have an impact on the net use of, or contribution to, balances for 2014/15. The final version of the HRA accounts for 2014/15 will be presented to Civic Affairs on 25th June 2015, for final approval at Civic Affairs in September 2015.
- 3.3 Appendix B to this report provides explanations of the main variances.
- 3.4 Appendix C sets out the final list of items, for the Housing Revenue Account, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.
- 3.5 The overall revenue budget outturn position for the Housing Revenue Account, is set out in the table below:

Housing Revenue Account 2014/15 Total (Surplus) / Deficit	£
Final Budget (Deficit - Use of Reserves)	(4,811,190)
Outturn (Surplus – Contribution to Reserves)	4,770,733
Variation – (Under) / Overspend for the year	(9,581,923)
Carry Forward Requests:	9,272,120
Net Variance	(309,803)

The net variance of (£9,581,923) on the overall Housing Revenue Account, before allowing for carry forwards, comprises a 5.8% variance in direct expenditure and a 0.06% variance in direct income. After allowing for carry forwards, the outturn position will comprise a 6% variance in expenditure and a 0.06% variance in income.

Capital Outturn

- 3.6 Appendix D provides detail for the capital schemes covered by the Housing Capital Investment Plan (Housing Revenue Account and Housing General Fund schemes funded from HRA resources).
- 3.7 Appendix D summarises the outturn position for the Housing Capital Investment Plan and the associated notes give brief explanations of the variances. A net underspend of £14,853,000 is evident, combining overspending in areas such as wall insulation, heating and boilers, window replacements, doors, health and safety works, HHSRS, and damp works, with underspending in re-roofing, roof strengthening, sulphate works, external masonry decorating, re-wiring, major voids, fencing, disabled adaptations, garage improvements, asbestos removal, chimneys, smoke detectors, fire prevention works, hard-surfacing works and lifts. The outcome of a contract adjudication with the Council's outgoing planned maintenance contractor for years 1 to 3 of the contract, resulted in the adjudicator's assessment of the price for the works completed being £1,166,000 more than had been paid, and this has been reflected in the accounts in 2014/15. £715,000 of this was required to be met from the capital programme due to the nature of the work which was assessed by the adjudicator. There is a requirement to carry forward £13,758,000 of re-phased expenditure in capital schemes between 2014/15 and 2015/16 and future years. This is predominantly in relation to net investment in decent homes in our own stock (£969,000), other investment in HRA stock (£293,000), new

build affordable housing (£9,387,000), City Homes Estate Improvement Programme (£50,000), the refurbishment of and other works to the authority's sheltered schemes (£1,871,000, plus £537,000 in inflation) and other HRA capital investment (£651,000).

- 3.8 The two key contributory factors in the level of slippage that is evident are the transition of services to a new planned maintenance contractor mid-year in 2014/15, and the timing of build and phasing of resource for the new build programme, where it is difficult to predict at the outset in which months we will hit the trigger points for contract payments, and where there may be unforeseen delays in the development process. Delays can be attributed to the time taken to obtain the relevant approvals, gain planning permission, find existing residents new accommodation and the actual build out on site.
- 3.9 Appendix D and the associated notes also highlight the need to defer the anticipated receipt of £274,000 in respect of Homes and Communities Agency Grant into 2015/16, which is directly related to the timing of progress in respect of the affordable housing new build and re-development programme.
- 3.10 Permission is also sought to re-phase the use of £9,223,000 of direct revenue funding of capital expenditure from the Housing Revenue Account and £2,059,000 in major repairs reserve into 2015/16 and beyond to finance the re-phased capital expenditure identified in paragraph 3.7.
- 3.11 Right to buy receipts were marginally lower in 2014/15 than anticipated, with 51 dwellings sold during the year. However, continuation of sales at high levels results in the need for the re-provision of affordable housing units, with the local authority still required to contribute 70% of the cost of the replacement dwellings. The authority had un-spent resource of £8,457,000 as at 31st March 2015 which are required to be re-invested in the delivery of new affordable housing within the prescribed three year timescales.

4. Implications

(a) Financial Implications

The net variance from final budget, after approvals to carry forward £9,272,120 budget from the current year into 2015/16 and 2016/17, will result in a reduction in the contribution to Housing Revenue Account reserves of £4,770,733, to instead become a £4,501,387 use of reserves.

In relation to requests to carry forward revenue budgets into 2015/16 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and / or community safety implications.

(b) Staffing Implications

There are no direct staffing implications associated with this report. The work associated with any request for carry forward resource into 2015/16 is anticipated to be delivered within existing staffing resources, or be met from the sum carried forward if additional input were identified as part of the original project.

(c) Equality and Poverty Implications

There are no direct equality or poverty implications associated with this report.

(d) Environmental Implications

There are no direct environmental implications associated with this report, as the impact of any works undertaken as part of any carry forward agreed should have been considered previously.

(e) Procurement

There are no direct procurement implications associated with this report, as the impact of any works undertaken as part of any carry forward agreed should have been considered previously.

(f) Consultation and communication

Formal consultation is carried out as part of the budget process each year, and this report presents the actual outturn position against the budget which was consulted upon. In this regard, no additional specific consultation is carried out in respect of this report.

(g) Community Safety

There are no direct community safety implications associated with this report, as the impact of any works undertaken as part of any carry forward agreed, should have been considered previously.

5. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2014/15
- Directors Variance Explanations – March 2015
- Budgetary Control Reports to 31 March 2015

6. Appendices

- Appendix A - Revenue Budget 2014/15 - Outturn
- Appendix B - Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2014/15 - Carry Forward Requests
- Appendix D – Housing Capital Investment Programme 2014/15
- Appendix D – Notes to the Housing Capital Investment Programme 2014/15

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Final Outturn

Service Grouping	Original Budget £'s	Final Budget £'s	Outturn £'s	Variation Increase/ (Decrease) £'s	Carry Forward Requests - see Appendix C £'s	Net Variance £'s
INCOME						
Dwelling Rents	(36,026,200)	(36,059,720)	(35,982,879)	76,841	0	76,841
Rental Income (Other)	(1,064,000)	(1,064,000)	(1,167,364)	(103,364)	0	(103,364)
Service Charges	(2,203,270)	(2,446,940)	(2,402,568)	44,372	0	44,372
Contributions towards Expenditure	(88,260)	(103,150)	(106,750)	(3,600)	0	(3,600)
Other Income (Incl. RTB Capitalisation)	(403,930)	(466,140)	(456,338)	9,802	0	9,802
Total Income	(39,785,660)	(40,139,950)	(40,115,899)	24,051	0	24,051
EXPENDITURE						
Supervision & Management (General)	5,053,960	4,089,564	3,878,027	(211,537)	15,000	(196,537)
Supervision & Management (Special)	2,375,290	2,805,322	2,625,623	(179,699)	3,000	(176,699)
Repairs & Maintenance	7,104,020	6,785,714	6,888,284	102,570	31,120	133,690
Depreciation	10,301,160	10,329,270	12,075,959	1,746,689	0	1,746,689
Debt Management Expenditure	20,580	0	0	0	0	0
Other Expenditure	752,920	793,030	778,051	(14,979)	0	(14,979)
Total Expenditure	25,607,930	24,802,900	26,245,944	1,443,044	49,120	1,492,164
Net Cost of HRA Services	(14,177,730)	(15,337,050)	(13,869,955)	1,467,095	49,120	1,516,215
Interest Receivable (Interest on Balances)	(57,360)	(154,420)	(277,697)	(123,277)	0	(123,277)
(Surplus) / Deficit on the HRA for the Year	(14,235,090)	(15,491,470)	(14,147,652)	1,343,818	49,120	1,392,938
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,647,710	7,547,170	7,502,828	(44,342)	0	(44,342)
Housing Set-Aside	0	811,270	811,270	0	0	0
Depreciation Adjustment (MRA)	(2,394,240)	(2,394,240)	(4,147,399)	(1,753,159)	0	(1,753,159)
Impairment	0	0	95,554	95,554	0	95,554
Direct Revenue Financing of Capital	8,911,130	14,338,460	5,114,666	(9,223,794)	9,223,000	(794)
(Surplus) / Deficit for year	(70,490)	4,811,190	(4,770,733)	(9,581,923)	9,272,120	(309,803)
(Surplus) / Deficit b/f	(8,880,738)	(8,880,738)	(8,880,738)			
Transfer from Ear-Marked to General HRA Reserves	0	(1,213,360)	(1,213,363)			
Balance Carried Forward	(8,951,228)	(5,282,908)	(14,864,834)	0	0	0

Changes between original and final budgets may be made to reflect:

- departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the HRA Mid-Year Business Plan Update)
- in the January committee cycle (as part of the HRA budget setting report)
- and via technical adjustments/virements throughout the year

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Supervision and Management (General)		
City Homes	Underspending in staffing due to vacancies and decisions not to recruit fully to posts identified to deal with relocation of residents due to the new build programme and letting of new homes (£62k). Income of £17k received for short term rental of office space where no budget expectation had existed, combined with net underspending in general operational costs such as staff recruitment, utilities, consultancy, training, telephones, stationery and printing.	(118,294)
HRA Departmental Overheads	The budget for abortive development fees was not utilised in 2014/15 as schemes being considered where costs were incurred are currently being progressed (£21k). Employee costs were underspent due to short-term vacancies and staff opting not to join the pension scheme (£13k).	(33,856)
Computer Services	Reduction in costs of the Orchard Housing Management System due to rationalisation of IT systems, coupled with a refund for charges in a prior year where Orchard have confirmed that the authority should receive some previously chargeable aspects of the system as part of the base contract.	(22,549)
Tenant Participation / Resident Involvement	Not all of the anticipated resident involvement activity took place in 2014/15, and the resident grants budget was not fully spent.	(18,226)
HRA Allocation for Recharged Costs	A specific sum of money was ear-marked in the HRA to meet any increases in recharges to the HRA following restructures and re-organisation. This was not called upon in 2014/15 as anticipated.	(14,650)
	Minor Variations	(3,962)
	Total	(211,537)
Supervision and Management (Special)		
Independent Living Service	Funding incorporated to cover the costs of retaining the current staffing structure if Supporting People funding were to have reduced / ceased was not required as the County entered into a new contract with us from May 2014 (£40k). Employee costs were underspent due to vacancies within the team (£31k), income was over-achieved (£12k) and operational costs for the service in general were less than budgeted.	(91,293)
Temporary Accommodation	Underspending in employee costs due to vacancies within the team coupled with savings in utility costs due to lower than anticipated expenditure in respect of the additional temporary housing properties taken on during 2014/15.	(51,966)

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Estate Caretaking	Underspending of £40k due to the decision not to recruit to two vacant caretaker posts whilst the service was undergoing a restructure, was partially offset by the costs of the restructure itself. The underspend in employee costs is offset by a corresponding under-achievement in service charge income below.	(32,422)
Estate Management	Overspending due to the costs of dealing with increased levels of fly-tipping on housing estates in the north of the city.	15,386
Ditchburn Place	One-off expenditure was incurred in 2014/15 to facilitate the short-term use of units being held vacant in preparation for the refurbishment of Ditchburn Place as move on accommodation from Addenbrookes Hospital. This investment will generate income in 2015/16, which would otherwise not be received, whilst also demonstrating strong partnership working with other public bodies.	15,263
Brandon Court	The cost of gas used at this scheme was significantly lower than anticipated, where budgets for the scheme were based upon other similar schemes and early indications of usage levels. Budgets for all utility costs were reviewed as part of the 2015/16 budget process.	(11,142)
Independent Living Services Management	Underspending in employee costs, coupled with savings in operational budgets for the service in general. This was addressed as part of the 2015/16 budget process, where savings were made.	(10,924)
Talbot House	Electricity and gas bills were significantly lower than anticipated in 2014/15. Budgets for all utility costs were reviewed as part of the 2015/16 budget process.	(8,201)
	Minor Variations	(4,400)
	Total	(179,699)

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>Repairs and Maintenance</i>		
Planned Repairs	The planned repair (PTR) programme was overspent in 2014/15, due entirely to the need to account for the revenue aspects of the outcome of the adjudication in respect of years 1 to 3 of the planned maintenance contract with Apollo, the previous planned maintenance contractor. The adjudication supported some of the claims from Apollo in respect of additional works, resulting in the need to make higher payment under the contract than anticipated.	342,368
Citywide Schemes	Electrical hardwire testing was underspent by £48k due to an inability to deliver the full programme in 2014/15 where there was a change in contractor. Lift maintenance was underspent by £37k, door entry works by £25k, water testing by £12k, asbestos systems and surveys by £43k, fire risk assessments by £9k and lamp column maintenance by £7k, the latter of which needs to be carried forward into 2015/16. This is partially offset by an overspend in the gas maintenance contract of £72k, where additional repair works were carried out, over and above the contract sum.	(111,282)
Response Repairs	The winter did not produce the severe weather conditions that can sometimes cause a spike in responsive repairs due to burst pipes, etc. The average cost per repair estimated at £111, but the actual average charge per repair was approximately £98, also contributing to the underspend.	(97,078)
Void Repairs	This is a reactive budget, and spend is dependent upon the number of voids during each year, and the condition in which the property is left by the outgoing tenants. The variance represents a 2.9% variation in relation to the total budget for 2014/15.	(43,602)

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Technical Services	Employee and IT costs were underspent in 2014/15, and the budget set-aside for the project to appoint a new planned maintenance contractor was not fully required. This was more than offset by a reduction in the proportion of staff time that could be charged to capital projects, based upon the latest allocations of where staff are spending their time.	7,151
	Minor Variations	5,013
	Total	102,570
Other HRA Expenditure		
Depreciation	The level of depreciation charged to the HRA for 2014/15 was significantly higher than anticipated, arising from accounting adjustments as a result of an increased year end housing stock valuation. This is largely offset by the depreciation adjustment below, which is a transitional arrangement, currently only allowed until the end of 2016/17.	1,746,689
Bad Debt Provision	The contribution to the bad debt provision for 2014/15 was lower than budgeted based upon the opening fund balance, call on the fund in the year and the incidence of both current and former tenant arrears at 31st March 2015.	(56,341)
Council Tax	The cost of Council Tax which has to be met from the HRA in respect of void properties was higher than anticipated in 2014/15 due predominantly to lengthy void periods in properties vacated for demolition and redevelopment as part of the new build and re-development programme.	40,042
	Minor Variations	1,320
	Total	1,731,710

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>HRA Income and Other</i>		
Rent - Other Land and Premises	Rent income for HRA shops and land was higher than budgeted for in 2014/15 due predominantly to the outcome of rent reviews for shops and a variation for the lease of the land at Eastfields, which resulted in the lease premium changing from payment of one year in arrears, to an in-year sum, which resulted in the receipt of two years income in one financial year.	(103,364)
Dwelling Rents	Rent income was under-achieved by 0.2% due predominantly to delays in the delivery of some of the new build housing programme in the latter part of 2014/15.	76,841
Service Charges	Service Charge income was under-achieved due to a combination of the decision not to recruit to two vacant caretaker posts in 2014/15 as the service was undergoing a restructure, resulting in no expenditure for these posts, but also no corresponding service charge income (£40k), coupled with delays in the delivery of some of the new build housing programme.	44,372
	Minor Variations	6,202
	Total	24,051
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	A reduced demand on the use of revenue funding of capital was realised in 2014/15 as a result of the timing of payments in respect of the new build affordable housing projects and the transition to a new planned maintenance contractors during 2014/15. This resource will instead be required in 2015/16 and beyond.	(9,223,794)
Depreciation Adjustment	Transfer of funding into the Major Repairs Reserve (the equivalent of depreciation for HRA dwelling assets) can be adjusted under transitional arrangements for a five year period, after which full depreciation will be applicable. The transitional income adjustment for 2014/15 was greater than budgeted as a direct result of the changes in the level of depreciation charged in 2014/15.	(1,753,159)
Interest Received	Interest is now received in the HRA based upon both revenue and capital balances held. Interest received in respect of HRA balances during 2014/15 was significantly higher than anticipated due to a combination of the rate being marginally higher than expected and the level of underspending across the HRA as a whole, which resulted in far higher cash balances at 31st March 2015 than expected..	(123,277)
Impairment	This year-end adjustment, following receipt of asset valuations, relates to revaluation losses on non-dwelling assets, which unlike dwelling revaluation movements, are not permitted to be reversed elsewhere in the accounts.	95,554

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Loan Interest	Loan interest was lower than anticipated in 2014/15, as no additional external borrowing was required in year, and the rate payable to the General Fund for the existing element of internal borrowing was lower than the rate that would have been payable externally, which was the assumption included in the HRA Business Plan for prudence.	(44,342)
	Minor Variations	0
	Total	(11,049,018)
Total for Housing Revenue Account		(9,581,923)

Housing Committee - Housing Revenue Account

Revenue Budget 2014/15 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2014/15 into 2015/16 and future years

Item	Request £
Director of Customer and Community Services	
Supervision and Management General	
Resident Involvement - Three on-line courses for residents scheduled to take place in 2014-15 have been delayed and are now taking place in 2015-16. Each course costs £5,000 which includes trainer, equipment, venue and examination.	15,000
Supervision and Management Special	
Emergency Alarms - A carry forward of £3,000 is required to meet the final costs associated with the transition of data between suppliers as part of a change in contractor for the emergency telephone answering service.	3,000
Repairs and Maintenance	
1 Work in respect of inspection and maintenance of lamp columns on housing land, has been delayed until 2015/16.	6,120
2 Necessary work to complete inspections of emergency lighting installations will not now take place until 2015/16.	25,000
Appropriations	
5 A reduced demand on the use of revenue funding of capital was realised in 2014/15 as a direct result of underspending in the Housing Capital Investment Plan brought about by a combination of delays in the delivery of the new build / re-development programme and the transition to a new planned maintenance contractor in the middle of the year. A significant proportion of this resource will instead be required in 2015/16 and beyond to fund the deferred spending. £8,095,000 will now be required in 2015/16, with the balance of £1,128,000 being utilised in 2016/17.	9,223,000
	9,272,120

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	A refund of £174,000 of overpaid VAT in respect of the works to the Assessment Centre on East Road has been accounted for in 2014/15 following agreement with the contractor that this sum is due to the Council and there was no demand for the use of the £20,000 budget to tackle unfit housing in the private sector. These items were partially offset by a net overspend in respect of Disabled Facilities and Private Sector Grants of £51,000, which was more than offset by the receipt of contributions and grant repayments from clients, as detailed in note 12.
2	A net underspend of £819,000 in decent homes expenditure during 2014/15 relates predominantly to delivery of the Planned Maintenance Contract, where a change in contractor took place mid-year. Overspending in wall insulation (£189,000), heating and boilers (£14,000), doors (£25,000), windows (£38,000), health and safety works (£58,000), HHSRS (£17,000), damp works (£12,000) and the overheads cost centre which includes the financial impact of the outcome of the contract adjudication (£1,095,000) was more than offset by underspending in energy works (£7,000) re-roofing (£600,000) roof strengthening (£851,000), kitchens (£38,000), bathrooms (£228,000), external masonry decorating (£92,000), sulphate works (£102,000), chimneys (£102,000), smoke detectors (£16,000) re-wiring (£22,000), major voids (£146,000) wall structure work (£7,000) and fees and overheads (£66,000), where not all of the planned work was completed during 2014/15, and where re-phasing of resources is required to allow completion of the anticipated programme in later years. This includes re-phasing into 2015/16 in respect of re-roofing (£139,000), roof structure works (£500,000), bathrooms (£50,000), major voids (£60,000), re-wiring (£22,000), external masonry decorating (£89,000) and wall structures (£7,000). In respect of sulphate works, where work is only carried out when a property becomes void, re-phasing is requested to the end of the existing funding, which will be 2029/30.
3	A net underspend of £729,000 was evident in 2014/15, combining underspending in a number of areas where work is still required and funds will need to be re-phased into 2015/16, including; fencing (£127,000), fire safety works (£293,000, with £130,000 to be re-phased) and lifts (£36,000). Underspending also occurred in disabled adaptations (£12,000), fees (£18,000), asbestos removal (£136,000), garage improvements (£93,000), tenants incentive schemes (£18,000) communal area floor coverings (£84,000) and hard-surfacing works (£83,000), where no re-phasing is required. The communal areas uplift allocation was overspent by £129,000 and overheads by £6,000, but these costs were met from underspending elsewhere in the programme.
4	The underspend in the new build programme in 2014/15 relates to a combination of delays in the delivery of the programme, coupled with the timing of the spend in respect of the 146 new and re-development programme. A net resource of £9,387,000 is required to be re-phased into 2015/16 to ensure that contractual commitments can be met. The net re-phasing combines slippage of resource for Roman Court, Barnwell Road, Wadloes Road, Colville Road, Aylesborough Close, Atkins Close, Water Lane, Ekin Road, Hawkins Road, Fulbourn Road and in respect of the some of the market units being purchased on the new build sites. This is partially offset by use of resource for Campkin Road slightly ahead of profile against the latest capital plan. The profile of spending on all of these schemes will be reviewed again as part of the HRA Mid-Year Financial Review process.
5	Some of the projects identified as part of the City Homes estate Improvement Programme are yet to be completed and resources of £50,000 are requested to be carried forward into 2015/16 to allow these projects to take place.
6	Underspending of £1,871,000 in respect of the budget for work to re-develop Ditchburn Place is requested to be re-phased into 2016/17 to allow this scheme to be progressed in phases across 2 years from early 2016. This follows delays in the planning and design stage of the project, where the authority needs to ensure that it makes best use of the site given the proposed level of investment, the mixed use nature of the buildings as a whole and the involvement of third party partner organisations in the services provided there.

7	Funding to upgrade aspects of housing IT Systems has not been fully utilised in 2014.15, with a request to re-phase the underspend of £16,000 into 2015/16 to complete the implementation of the new asbestos management system. Resources of £160,000, from an underspend of £175,000 are requested to be rephased to complete the roofing work to HRA commercial premises in Campkin Road. The balance of funding for projects to introduce the Cambridge Public Sector IT Network (£29,000) and to upgrade the air cooling systems in housing administrative buildings (£11,000) is requested as a carry forward into 2015/16 to allow completion of both projects. The remaining allocation from 2014/15 for buying back ex-Council dwellings of £435,000 is also requested as a carry forward, to allow the authority to proceed with acquisitions to ensure appropriate utilisation of retained right to buy receipts, which need 70% match funding.
8	The sum of money set-aside in 2014/15 to meet the costs of inflation in the capital programme will need to be re-phased into 2015/16 and 2016/17 to meet the additional costs anticipated for the Ditchburn Place project, where the initial budget provision made in 2011/12 will need to be inflated to current price levels.
9	51 properties were sold in total during 2014/15. £493,000 of the capital receipt is available for general use, while £1,399,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £3,406,000 of right to buy receipts have been retained by the local authority in 2014/15, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame. The authority is required to invest a significant sum during 2015/16 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of dwellings on the open market if some of the new build schemes meet with delays.
10	Capital receipts totalling £5,948,000 in respect of the value of land transfer for the market housing at the new build / re-development sites which had progressed during the year to the point at which the expenditure incurred by the developer in respect of the affordable housing element of the site exceeded the value of the land, were accounted for in 2014/15. These receipts have been used to finance some of the spend in respect of the affordable housing on the same sites.
11	Slippage in the decent homes and other investment in the housing stock in 2014/15 resulted in a lower than anticipated call on the use of funding from the major repairs reserve for the year. The balance of use of the reserve (£2,059,000) will need to re-phased in line with the expenditure to ensure that sufficient resource is available to finance the expenditure at each year end.
12	Income was due from leaseholders in 2014/15 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£313,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£81,000). £18,000 compensation was received from the new build contractor towards unanticipated costs associated with one of the re-development sites.
13	Due to slippage in the housing capital plan in 2014/15, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2015/16 and 2016/17 by the £9,223,000 funding not utilised in 2014/15, will ensure that there is sufficient funding to meet the re-phased expenditure requested above.
14	Homes and Communities Agency and Area Committee Grant of £782,000 was received in 2014/15 for 5 schemes which started on site or reached completion. An additional £274,000 is anticipated for schemes which were expected to complete during the year, but which have been delayed until early 2015/16, the point at which this resource is now anticipated to be received.