



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 General Fund 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 General Fund Portfolio, compared to the current budget for the year. The position for revenue and capital 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.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To agree which of the carry forward requests, totalling £66,900 as detailed in Appendix C, are to be recommended to Council for approval.
- b) To seek approval from Council to re-phase spending of £2,000 in respect of works to the shopping area in Buchan Street, from 2015/16, back into 2014/15 to reflect the profile of spending for the scheme.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Housing portfolio, compared to final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this service portfolio, for which approval is sought to carry forward unspent budget from 2014/15 to the next financial year, 2015/16.
- 3.4 The overall revenue budget outturn position for the Housing portfolio is set out in the table below:

| Housing Portfolio 2014/15 Revenue Summary | £ |
|--|-----------|
| Final Budget | 3,475,330 |
| Outturn | 3,186,022 |
| Variation – (Under)/Overspend for the year | (289,308) |
| Carry Forward Requests: | 66,900 |
| Net Variance | (222,408) |

The net variance represents 6% of the overall portfolio budget for 2014/15.

Capital Outturn

- 3.1 Appendix D shows the outturn position for schemes and programmes within the Housing portfolio, with explanations of variances.
- 3.2 A net overspend of £94,000 is evident, with £93,000 of this relating to investment to upgrade the facilities at 125 Newmarket Road. £80,000 of this overspend was approved under urgency in November 2014, with the cost to be met from the repairs and renewals fund for the building. A £1,000 underspend in the property accreditation scheme, is more than offset by spending of £2,000 in respect of works to the Buchan Street shopping area, where the project was not anticipated to incur costs until 2015/16. It is requested that £2,000 of the budget for

works to the Buchan Street shopping area is brought forward into 2014/15, leaving the balance of £28,000 to be spent in 2015/16 to meet the residual costs of the project.

4. Implications

(a) Financial Implications

The net variance from final budget, after approvals to carry forward £66,900 budget from the current year into 2015/16 and 2016/17, will result in a decreased use of General Fund reserves of £222,408.

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 – Capital Budget 2014/15 - Outturn

7. Inspection of papers

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

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General Fund Housing Portfolio / Housing Committee

Revenue Budget - 2014/15 Outturn

| Service Grouping | Original Budget £ | Final Budget £ | Outturn | Variation Increase / (Decrease) £ | Carry Forward Requests - see Appendix C £ | Net Variance £ |
|--|----------------------|-------------------|------------------|--------------------------------------|--|-------------------|
| Housing General Fund | | | | | | |
| Housing Strategy, Development, Housing Aid/ Needs | | | | | | |
| Homelessness Costs | 225,300 | 254,940 | 123,687 | (131,253) | 0 | (131,253) |
| Grant Funded Homelessness Costs | 581,760 | 715,450 | 663,249 | (52,201) | 50,000 | (2,201) |
| Housing Advice Service | 421,580 | 710,470 | 696,608 | (13,862) | 0 | (13,862) |
| Choice Based Lettings (Revenue Running Costs) | 31,530 | 35,310 | 38,999 | 3,689 | 0 | 3,689 |
| 125 / 451 Newmarket Road - Revenue costs | (40) | 1,580 | 13,996 | 12,416 | 0 | 12,416 |
| Anti Social Behaviour | 65,800 | 65,800 | 65,800 | 0 | 0 | 0 |
| Housing Strategy | 74,660 | 105,110 | 97,358 | (7,752) | 0 | (7,752) |
| Growth - Community Services | 39,690 | 55,510 | 56,610 | 1,100 | 0 | 1,100 |
| Development | 65,940 | 107,740 | 101,290 | (6,450) | 0 | (6,450) |
| | 1,506,220 | 2,051,910 | 1,857,597 | (194,313) | 50,000 | (144,313) |
| Private Sector Housing Renewal/ Voluntary Sector | | | | | | |
| Home Aid / Home Improvement Grants | 42,580 | 52,550 | 26,652 | (25,898) | 0 | (25,898) |
| Grants to Housing Agencies | 162,730 | 176,480 | 178,518 | 2,038 | 0 | 2,038 |
| | 205,310 | 229,030 | 205,170 | (23,860) | 0 | (23,860) |
| Miscellaneous Housing | | | | | | |
| Bermuda Road Garages | (8,130) | (7,440) | (6,354) | 1,086 | 0 | 1,086 |
| Racial Harassment | 22,930 | 37,220 | 38,120 | 900 | 0 | 900 |
| Supporting People | 14,400 | 14,400 | 14,400 | 0 | 0 | 0 |
| Strategic Housing Direct Overheads | 204,210 | 176,860 | 170,228 | (6,632) | 0 | (6,632) |
| Strategic Housing and City Homes GF Recharges | 708,350 | (16,530) | (16,530) | 0 | 0 | 0 |
| Contribution to / from HRA | 337,260 | 346,260 | 342,431 | (3,829) | 0 | (3,829) |
| Ditchburn Place Care Contract Deficit | 0 | 0 | 0 | 0 | 0 | 0 |
| | 1,279,020 | 550,770 | 542,295 | (8,475) | 0 | (8,475) |
| Total Housing General Fund | 2,990,550 | 2,831,710 | 2,605,062 | (226,648) | 50,000 | (176,648) |
| Environment - Refuse and Environment | | | | | | |
| Housing Standards | 389,320 | 492,940 | 440,623 | (52,317) | 7,000 | (45,317) |
| Property Accreditation | 47,080 | 57,690 | 55,787 | (1,903) | 1,900 | (3) |
| Energy Officer | 59,920 | 92,990 | 84,550 | (8,440) | 8,000 | (440) |
| Miscellaneous Licensing - Housing | (20,030) | 0 | 0 | 0 | 0 | 0 |
| | 476,290 | 643,620 | 580,960 | (62,660) | 16,900 | (45,760) |
| Total Net Budget | 3,466,840 | 3,475,330 | 3,186,022 | (289,308) | 66,900 | (222,408) |

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

- portfolio and 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/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

General Fund Housing Portfolio / Housing Committee

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

| Service Grouping | Reason for Variance | Amount £ | Contact |
|--|--|------------------|------------|
| Customer & Community Services - Housing Strategy, Development, Housing Advice, Private Sector Housing and Miscellaneous Housing | | | |
| Homelessness Costs | Spending on bed and breakfast provision was significantly lower than anticipated due to a combination of a lower level of demand and an increased supply of alternative accommodation, in the form of Cornerhouse and the temporary use of HRA dwellings for emergency housing purposes (£95k). The operating costs of Cornerhouse were also less than prudently assumed at the outset, and the budget for this will be reviewed as part of the 2016/17 budget process (£14k). No top up was made in 2014/15 in respect of the Access Scheme (£14k). | (131,253) | D Greening |
| CLG Homelessness Grant | Underspending in CLG Homelessness Grant for 2014/15, based on projects completed by 31st March 2015, with underspending in discretionary housing payments and employee costs. Funding awarded to third party organisations is currently approved under delegation, by the Head of Strategic Housing, with a request to carry forward £50,000 of resource into 2015/16 to meet both these liabilities and to allow additional discretionary housing payments to be made. | (52,201) | D Greening |
| Home Aid / Home Improvement Grants | Additional income was received in 2014/15, with £33k of small value grant and loan repayments being repaid to the authority by the clients. £10,000 of grant and loan repayments were assumed in year, but It is not possible to accurately predict this income as there may be no grant or loan repayments in any one year, and a large number in another. | (25,898) | H Reed |
| Housing Advice Service | Underspending in employee costs due to a combination of vacancies and decisions by staff not to partake in the pension scheme. | (13,862) | D Greening |
| 125 / 451 Newmarket Road | Rent income for the occupation of 125 Newmarket Road was significantly under-achieved in 2014/15 due to changes in occupancy and difficulties in identifying suitable tenants to directly occupy or sub-let parts of the premises. | 12,416 | D Greening |
| Housing Strategy | Budget for the safer homes initiative was not fully spent in 2014/15. | (7,752) | H Reed |
| Minor Variations | | (8,098) | |
| Total | | (226,648) | |

General Fund Housing Portfolio / Housing Committee

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

| Service Grouping | Reason for Variance | Amount £ | Contact |
|--|--|--------------|-------------------------|
| Environment - Refuse and Environment | | | |
| Housing Standards | Variance due to staff vacancies (one now filled), This can be offered up as a one off saving | (52,317) | R Ray |
| Energy Officer | Underspend on energy work and software budgets | (8,440) | J Dicks |
| Minor Variations | | (1,903) | |
| | | Total | (62,660) |
| Total for Housing Portfolio / Community Services Scrutiny Committee | | | <u>(289,308)</u> |

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2014/15 - Carry Forward Requests

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

| Item | | Request £ | Contact |
|------|---|---------------|------------|
| | Director of Customer & Community Services | | |
| 1 | CLG Homelessness Grants - Carry forward of these external grant balances are requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. This grant is no longer ring-fenced, but local authorities are strongly encouraged to utilise the resource for the purpose it was awarded, with the Head of Strategic Housing having delegated authority to approve spending across the spending review period. | 50,000 | D Greening |
| | Director of Environment | | |
| 2 | Housing Standards - This carry forward is requested to meet the revenue costs arising from Compulsory Purchase Orders | 7,000 | R Ray |
| 3 | Property Accreditation - This carry forward is requested to meet the costs of promotional activities, particularly development of the web-site, which did not take place in 2014/15. | 1,900 | R Ray |
| 4 | Energy Officer - Carry forward of resource to meet the balance of energy works not completed in 2014/15, which are now anticipated to be undertaken in 2015/16 | 8,000 | J Dicks |
| | Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee | 66,900 | |

General Fund Housing Portfolio / Housing Committee

Capital Budget 2014/15 - Outturn

| Capital Ref | Description | Lead Officer | Original Budget £000 | Final Budget £000 | Outturn £000 | Variance - Outturn compared to Final Budget £000 | Re-phase Spend £000 | Over / (Under) Spend £000 | Variance Explanation / Comments |
|--------------------------|--|--------------|-------------------------|----------------------|-----------------|---|---------------------------|------------------------------------|---|
| PV163 | Compulsory Purchase Orders (CPOs) | R Ray | 400 | 0 | 0 | 0 | 0 | 0 | |
| PV386 | HMOs - Management Orders | R Ray | 50 | 0 | 0 | 0 | 0 | 0 | |
| PV414 | Property Accreditation Scheme | R Ray | 2 | 2 | 1 | (1) | 0 | (1) | Scheme Complete |
| PV527 | Energy efficiency Improvements to private sector housing | J Dicks | 25 | 0 | 0 | 0 | 0 | 0 | |
| PV529 | Upgrade facilities at 125 Newmarket Road | D Greening | 0 | 81 | 174 | 93 | 0 | 93 | Work to upgrade the facilities at 125 Newmarket Road were expanded to include some routine maintenance in line with an urgent decision in November 2014, which approved additional spend of £80,000 to be funded from R&R provision for the site. |
| SC599 | Buchan Street Shopping Area Improvements | A Preston | 0 | 0 | 2 | 2 | (2) | 0 | Project approved at Council in February 2015, fully funded by County Council contributions. Some up front costs incurred prior to 1/4/2015. |
| Total Provisions | | | 477 | 83 | 177 | 94 | (2) | 92 | |
| Total for Housing | | | 477 | 83 | 177 | 94 | (2) | 92 | |