



To Executive Councillor for Housing

Report by Head of Finance

Relevant Scrutiny Committee Housing Scrutiny Committee

21 June 2016

2015/16 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Portfolio

Key Decision

1. Executive summary

1.1 This report presents, for the General Fund Housing Portfolio :

- a) A summary of actual income and expenditure compared to the final budget for 2015/16 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2016/17.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals for consideration by the Executive Councillor for Finance and Resources at the Strategy and Resources Scrutiny Committee on 4 July 2016:

- a) Proposed carry forward requests in revenue funding from 2015/16 to 2016/17, as detailed in **Appendix C**, noting that none are proposed for this portfolio on this occasion.
- b) Proposed carry forward requests of £210,000 in capital resources from 2015/16 to 2016/17 to fund rephased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

3.1 The overall revenue budget outturn position for the General Fund Housing Portfolio is given in the table below. Detail, by service grouping, is presented in **Appendix A**.

2014/15 £'000	General Fund Housing Portfolio Revenue Summary	2015/16 £'000	% Final Budget
3,469	Original Budget	3,330	98.0
-	Adjustment – Prior Year Carry Forwards	67	2.1
-	Adjustment – Service Restructure Costs	(2)	(0.1)
-	Adjustment – Earmarked Reserves	(13)	(0.3)
-	Adjustment – Capital Charges	9	0.3
-	Adjustment – Central & Support reallocations	1	0
6	Other Adjustments	0	0
3,475	Final Budget	3,392	100.0
3,186	Outturn	3,310	97.6
(289)	Variation - (Under)/Overspend for the year	(82)	(2.4)
67	Carry Forward Requests	0	0.0
(222)	Resulting Variance	(82)	(2.4)

- 3.1 **Appendix A** shows original and final budgets for the year (with the movements summarised in the above table) and compares the final budget with the outturn position for this portfolio for 2015/16. The original revenue budget for 2015/16 was considered by the Executive Councillor for Housing on 14 January 2015.
- 3.2 **Appendix B** provides brief explanations of the main variances.
- 3.3 **Appendix C** lists any revenue carry forward requests, with none requested on this occasion.
- 3.4 Net underspending of £82,391 was predominantly due to a lower than anticipated recharge from the HRA for shared amenities and staffing underspends in both the Development and Housing Standards Teams due to vacancies within the teams. There is no request to carry forward any of the underspend into 2016/17.

Capital Outturn

- 3.5 The overall capital budget outturn position for the General Fund Housing Portfolio is given in the table below. **Appendix D** shows the outturn position by scheme and programme with explanations of variances.

2014/15 £'000	General Fund Housing Portfolio Capital Summary	2015/16 £'000	% Final Budget
83	Final Budget	316	100.0
177	Outturn	49	15.5
94	Variation - (Under)/Overspend for the year	(267)	84.5
(2)	Rephasing Requests	210	66.5
92	Variance	(57)	18.0

- 3.6 Resource of £200,000 to create an Empty Homes Loans Fund was not utilised in 2015/16 due to a combination of delays in implementation, with the need to recruit to a post to facilitate the scheme, and the nature of the scheme itself, which intends to recycle the £200,000 in the form of loans awarded and later repaid. The budget is requested as a carry forward into 2016/17 to allow progression of the scheme.
- 3.7 The projects to make improvements to the Buchan Street shops area and to upgrade facilities at 125 Newmarket Road are both complete, bar the need to conclude any residual payments due to or from the authority. A request to carry forward £10,000 of resource into 2016/17, for the final contractual sums due in respect of the works to 125 Newmarket Road, is made.

4. Implications

- 4.1 The net variance from the final budget (see above), would result in a decreased use of General Fund reserves of £82,391.
- 4.2 A decision not to approve a carry forward request may impact on officers' ability to deliver the service or scheme in question and this could have staffing, equality and poverty, environmental, procurement, consultation and communication and/or community safety implications.

5. Background papers

- Closedown Working Files 2015/16
- Directors' Variance Explanations – March 2016
- Capital Monitoring Reports – March 2016
- Budgetary Control Reports to 31 March 2016

6. 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 - 2015/16 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	192,500	192,500	197,331	4,831	0	4,831
Housing Advice Service	821,750	821,750	825,822	4,072	0	4,072
Choice Based Lettings (Revenue Running Costs)	35,440	35,440	23,251	(12,189)	0	(12,189)
125 / 451 Newmarket Road - Revenue costs	(19,750)	(11,240)	(527)	10,713	0	10,713
Anti Social Behaviour	64,860	64,860	64,860	0	0	0
Housing Strategy	94,420	94,420	92,993	(1,427)	0	(1,427)
Growth - Community Services	57,290	57,290	58,553	1,263	0	1,263
Development	90,140	90,140	70,359	(19,781)	0	(19,781)
	1,336,650	1,345,160	1,332,642	(12,518)	0	(12,518)
Private Sector Housing Renewal/ Voluntary Sector						
Home Aid / Home Improvement Grants	52,480	52,480	58,446	5,966	0	5,966
Grants to Housing Agencies	735,280	785,280	790,160	4,880	0	4,880
	787,760	837,760	848,606	10,846	0	10,846
Miscellaneous Housing						
Bermuda Road Garages	(7,630)	(7,630)	(6,042)	1,588	0	1,588
Racial Harassment	36,400	36,400	36,615	215	0	215
Supporting People	18,390	18,390	14,690	(3,700)	0	(3,700)
Strategic Housing Direct Overheads	151,860	151,860	143,594	(8,266)	0	(8,266)
Strategic Housing and City Homes GF Recharges	(16,860)	(16,860)	(16,860)	0	0	0
Contribution to / from HRA	353,190	353,190	318,846	(34,344)	0	(34,344)
Ditchburn Place Care Contract Deficit	0	0	0	0	0	0
	535,350	535,350	490,843	(44,507)	0	(44,507)
Total Housing General Fund	2,659,760	2,718,270	2,672,091	(46,179)	0	(46,179)
Environment - Environmental Health						
Housing Standards	485,610	492,610	467,217	(25,393)	0	(25,393)
Property Accreditation	64,690	66,590	62,788	(3,802)	0	(3,802)
Energy Officer	127,920	123,450	110,799	(12,651)	0	(12,651)
Miscellaneous Licensing - Housing	(120)	0	0	0	0	0
Housing Standards - Misc Income	(8,250)	(8,250)	(2,616)	5,634	0	5,634
Total Environment	669,850	674,400	638,188	(36,212)	0	(36,212)
Total Net Budget	3,329,610	3,392,670	3,310,279	(82,391)	0	(82,391)

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 2015/16 - 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			
Contribution to the HRA	The contribution to the HRA for amenities provided by the HRA, but benefitting the wider population, was lower than budgeted in 2015/16, with more of the estate management expenditure incurred in the HRA being tenant related expenditure.	(34,344)	J Hovells
Development	Underspending in employee costs as a result of a vacancy within the team and also in consultants fees in 2015/16, coupled with a nil contribution to a post intended to be shared with South Cambridgeshire Council due to changes introduced as part of the creation of the HDA. Underspending was partially offset by an under-achievement in fee income.	(19,781)	S Walston
Minor Variations		7,946	
Total		(46,179)	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2015/16 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Environmental Health			
Housing Standards	Underspending in employee costs and associated staff based expenditure due to delays in recruiting to two new posts coupled with no revenue expenditure in relation to CPO's in 2015/16.	(25,393)	R Ray
Energy Officer	Underspend in respect of energy work and software budgets	(12,651)	J Dicks
Minor Variations		1,832	
		Total	
		(36,212)	
Total for Housing Portfolio / Community Services Scrutiny Committee		(82,391)	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2015/16 - Carry Forward Requests

Request to Carry Forward Budgets from 2015/16 into 2016/17 and future years

Item		Request £	Contact
1	<p>Director of Customer & Community Services</p> <p>No carry forward requests from 2015/16 into 2016/17 from this directorate for this portfolio</p>		
2	<p>Director of Environment</p> <p>No carry forward requests from 2015/16 into 2016/17 from this directorate for this portfolio</p>		
	<p>Total Carry Forward Requests for General Fund Housing Portfolio / Housing Scrutiny Committee</p>		

General Fund Housing Portfolio / Housing Committee

Capital Budget 2015/16 - 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
SC597	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	Scheme slow to start due to the need to recruit to a new post. The nature of the scheme is to recycle funds, so a variance is likely to exist on an ongoing basis. Rephase of budget into 2016/17 is requested.
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	0	88	11	(77)	10	(67)	Work to upgrade the facilities at 125 Newmarket Road were expanded to include some routine maintenance, with additional spend of £80,000 approved. Scheme complete, with the need to carry forward resource only to meet any residual retention costs. Budget in 2015/16 was a budgeting error and should not have been included.
SC599	Buchan Street Shopping Area Improvements	A Preston	0	28	38	10	0	10	Project approved in February 2015, fully funded by County Council contributions. Works completed, but with some reconciliation ongoing in respect of the spend versus the County Council contribution.
Total Provisions			200	316	49	(267)	210	(57)	
Total for Housing			200	316	49	(267)	210	(57)	