



To Executive Councillor for Housing  
Report by Chief Executive, Strategic Directors and Head of Finance  
Relevant Scrutiny Committee Housing Scrutiny Committee 20 June 2017

### **2016/17 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 2016/17 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2017/18.

#### **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 3 July 2017:

- a) Carry forward requests totalling £57,060 revenue funding from 2016/17 to 2017/18, as detailed in **Appendix C**, noting that none are proposed for this portfolio on this occasion.
- b) Carry forward requests of £3,091,000 in capital resources from 2016/17 to 2017/18 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**.

2015/16 £'000	General Fund Housing Portfolio Revenue Summary	2016/17 £'000	% Final Budget
3,330	Original Budget	3,438	102.7
67	Adjustment – Prior Year Carry Forwards	0	-
(2)	Adjustment – Service Restructure Costs	(89)	(2.7)
(13)	Adjustment – Earmarked Reserves	(1)	(0.0)
9	Adjustment – Capital Charges	0	-
1	Adjustment – Central & Support reallocations	0	-
0	Other Adjustments	0	-
3,392	Final Budget	3,348	100.0
3,310	Outturn	3,196	95.5
<b>(82)</b>	<b>Variation - (Under)/Overspend for the year</b>	<b>(152)</b>	<b>(4.5)</b>
0	Carry Forward Requests	57	1.7
<b>(82)</b>	<b>Resulting Variance</b>	<b>(95)</b>	<b>(2.8)</b>

- 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 2016/17. The original revenue budget for 2016/17 was considered by the Executive Councillor for Housing on 13 January 2016.
- 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 £152,087 was predominantly due to underspending in Housing Strategy as a direct result of vacant or partially vacant posts, coupled with receipt of Community Housing Fund Grant of £52,000, which will not be spent until 2017/18. Homelessness costs and the costs of choice based lettings were also underspent in 2016/17, whilst the Housing Advice was overspent due to the need to account for the Housing General Fund aspects of the costs of wider housing restructuring.

### 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.

<b>2015/16 £'000</b>	<b>General Fund Housing Portfolio Capital Summary</b>	<b>2016/17 £'000</b>	<b>% Final Budget</b>
316	Final Budget	5,992	100.0
49	Outturn	2,900	48.4
<b>(267)</b>	<b>Variation - (Under)/Overspend for the year</b>	<b>(3,092)</b>	<b>(51.6)</b>
210	Re-phasing Requests	3,091	51.6
<b>(57)</b>	<b>Variance</b>	<b>(1)</b>	<b>(0.0)</b>

- 3.6 Resource of £200,000 to create an Empty Homes Loans Fund was not utilised in 2016/17. Due to the nature of the scheme, 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 2017/18 to allow progression of the scheme.
- 3.7 The project to deliver a new community centre on the Clay Farm site has been delayed during 2016/17 due to construction issues. Now resolved, work on site has re-commenced, with completion now anticipated to be in mid-July 2017.

#### **4. Implications**

- 4.1 The net variance from the final budget (see above), would result in a decreased use of General Fund reserves of £95,027, after allowing for carry forwards.
- 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 2016/17
- Directors' Variance Explanations – March 2017
- Capital Monitoring Reports – March 2017
- Budgetary Control Reports to 31 March 2017

#### **6. Inspection of papers**

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

Authors' Names: Julia Hovells, Jackie Collinwood  
 Authors' Phone Numbers: 01954 - 713071; 01223 - 458241  
 Authors' Emails: julia.hovells@cambridge.gov.uk  
 jackie.collinwood@cambridge.gov.uk

## General Fund Housing Portfolio / Housing Committee

## Revenue Budget - 2016/17 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
<b>Housing General Fund</b>						
<b>Housing Strategy, Home Aid, Housing Aid / Needs</b>						
Housing Advice Service	878,740	880,240	924,504	44,264	0	44,264
Town Hall Lettings	36,400	36,400	36,400	0	0	0
Housing Strategy	158,880	161,880	37,279	(124,601)	52,340	(72,261)
Home Aid / Home Improvement Grants	53,320	53,320	46,828	(6,492)	0	(6,492)
Shared Home Improvement Agency	0	0	0	0	0	0
	<b>1,127,340</b>	<b>1,131,840</b>	<b>1,045,011</b>	<b>(86,829)</b>	<b>52,340</b>	<b>(34,489)</b>
<b>Housing General Fund, Other</b>						
Homelessness Costs	196,960	196,960	181,695	(15,265)	0	(15,265)
Choice Based Lettings (Revenue Running Costs)	35,260	35,260	18,007	(17,253)	0	(17,253)
Grants to Housing Agencies	752,190	752,190	746,431	(5,759)	0	(5,759)
Bermuda Road Garages	(7,830)	(7,830)	(6,321)	1,509	0	1,509
Racial Harassment	37,580	37,580	38,976	1,396	0	1,396
Supporting People	22,460	7,480	0	(7,480)	0	(7,480)
Growth - Community Services	60,140	60,140	63,595	3,455	0	3,455
Strategic Housing Direct Overheads	102,470	0	0	0	0	0
Strategic Housing and City Homes GF Recharges	(17,200)	(17,200)	(17,200)	0	0	0
Housing Development Agency (H.D.A)	0	0	0	0	0	0
125 / 451 Newmarket Road - Revenue costs	(12,060)	(12,160)	(2,065)	10,095	0	10,095
Anti Social Behaviour	66,160	0	0	0	0	0
Contribution to / from HRA	360,250	441,390	427,787	(13,603)	0	(13,603)
Syrian Re-Settlement	0	0	0	0	0	0
Ditchburn Place Care Contract Deficit	0	0	0	0	0	0
	<b>1,596,380</b>	<b>1,493,810</b>	<b>1,450,905</b>	<b>(42,905)</b>	<b>0</b>	<b>(42,905)</b>
<b>Total Housing General Fund</b>	<b>2,723,720</b>	<b>2,625,650</b>	<b>2,495,916</b>	<b>(129,734)</b>	<b>52,340</b>	<b>(77,394)</b>
<b>Environment - Environmental Health</b>						
Housing Standards	508,720	508,720	512,526	3,806	0	3,806
Property Accreditation	65,790	65,790	66,633	843	0	843
Energy Officer	148,340	147,580	120,578	(27,002)	4,720	(22,282)
Housing Standards - Income Generation	(8,250)	0	0	0	0	0
<b>Total Environment</b>	<b>714,600</b>	<b>722,090</b>	<b>699,737</b>	<b>(22,353)</b>	<b>4,720</b>	<b>(17,633)</b>
<b>Total Net Budget</b>	<b>3,438,320</b>	<b>3,347,740</b>	<b>3,195,653</b>	<b>(152,087)</b>	<b>57,060</b>	<b>(95,027)</b>

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

and are detailed and approved:

- in the January committee cycle (as part of the Budget-Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFS)
- via technical adjustments/virements throughout the year

## General Fund Housing Portfolio / Housing Scrutiny Committee

### Revenue Budget 2016/17 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
<b>Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing</b>			
Housing Advice Service	Expenditure in the Housing Advice Service for 2016/17 exceeded the budget due to a combination of the need to account for the housing general fund share of the potential exit costs anticipated to arise from the Housing Service Restructure (£23,000), coupled with additional staff costs to address workload arising from the implementation of the new choice based lettings system (£33,000). This was partially offset by the receipt of additional income in this service area.	44,264	David Greening
Housing Strategy	Housing Strategy underspent by £59,000 due to the vacant Growth Development Office post and 7 hours of the vacant Housing Strategy Manager post, coupled with associated underspending in operational costs as a direct result of the vacancies. Community Housing Fund grant income of £52,000 was also received in the latter part of the year, to be spent in partnership with South Cambridgeshire District Council in 2017/18. The Sub-Regional Housing Service shows an underspend of £13,000, as all of the costs, including the Council's overheads associated with this service were funded by contributions from local authority partners and registered providers or from reserves available from prior years.	(124,601)	Helen Reed
Choice Based Lettings (Revenue Running Costs)	The implementation of a new IT system for choice based lettings has resulted in a reduction in IT costs for 2016/17. In the first year, this saving was more than offset by the need to deploy additional staff in the Housing Advice Service (see above) to deal with issues arising from the project.	(17,253)	David Greening
Homelessness Costs	Lower than anticipated spending in respect of the placement of homeless households in bed and breakfast in 2016/17, resulted in underspending in this service area.	(15,265)	David Greening
Other		(16,879)	
<b>Total</b>		<b>(129,734)</b>	
<b>Environment - Environmental Health</b>			
Energy Officer	Carry forward request for £4,720 to promote Collective Energy Switch Scheme. Underspends relating to staffing budgets and (£4,500) transferred from holding code relating to CAN East	(27,002)	Jo Dicks

**General Fund Housing Portfolio / Housing Scrutiny Committee****Revenue Budget 2016/17 - Major Variances  
from Final Revenue Budgets**

<b>Service Grouping</b>	<b>Reason for Variance</b>	<b>Amount £</b>	<b>Contact</b>
Other		4,649	
<b>Total</b>		<b>(22,353)</b>	
<b>Total for Housing Portfolio / Housing Scrutiny Committee</b>		<b>(152,087)</b>	

## General Fund Housing Portfolio / Housing Committee

### Revenue Budget 2016/17 - Carry Forward Requests

Request to Carry Forward Budgets from 2016/17 into 2017/18 and future years

Item		Request £	Contact
1	<p><b>Housing General Fund</b></p> <p>Community Housing Fund Grant awarded for promoting / developing community-led housing. A carry forward is requested to allow work with South Cambridgeshire District Council (also awarded grant) on how to make best use of the grant for the benefit of both districts.</p>	52,340	Helen Reed
2	<p><b>Environment - Environmental Health</b></p> <p>Carry forward request relates to the Cambridgeshire Collective Switching Scheme - the carry forward will allow for effective promotion of the scheme with three campaigns planned for 2017/18</p>	4,720	Jo Dicks
	<p><b>Total Carry Forward Requests for General Fund Housing Portfolio / Housing Scrutiny Committee</b></p>	<b>57,060</b>	

General Fund Housing Portfolio / Housing Committee

Capital Budget 2016/17 - 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	The nature of this scheme is to recycle funds, so a variance is likely to exist on an ongoing basis. Rephase of budget into 2017/18 is requested.
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	10	10	9	(1)	0	(1)	Work to upgrade the facilities at 125 Newmarket Road, with the re-phased budget in 2016/17 to meet residual retention costs. Scheme now finalised.
PV526 / PV564	Clay Farm Community Centre (Phase I - Section 106) and (Phase 2 - Construction)	A Carter	5,782	5,782	2,891	(2,891)	2,891	0	Completion has been delayed due to construction issues. Works have now re-commenced and are due to complete mid July 2017. The projected capital spend remains within budget.
<b>Total Provisions</b>			<b>5,992</b>	<b>5,992</b>	<b>2,900</b>	<b>(3,092)</b>	<b>3,091</b>	<b>(1)</b>	
<b>Total for Housing</b>			<b>5,992</b>	<b>5,992</b>	<b>2,900</b>	<b>(3,092)</b>	<b>3,091</b>	<b>(1)</b>	

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

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium-Term Financial Strategy, MTFs)
- in the January committee cycle (as part of the Budget-Setting Report, BSR)
- via technical adjustments/virements throughout the year