

Item

## **2017/18 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Revenue Account**

**To:**

Councillor Kevin Price, Executive Councillor for Housing

**Report by:**

Julia Hovells, Principal Accountant

Tel: 01954 - 713071

Email: [julia.hovells@cambridge.gov.uk](mailto:julia.hovells@cambridge.gov.uk)

**Wards affected:**

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

### **Key Decision**

#### **1. Executive Summary**

1.1 This report presents, for the Housing Revenue Account :

- a) A summary of actual income and expenditure compared to the final budget for 2017/18 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2018/19.
- d) A summary of housing debt which was written off during 2017/18.

## 2. Recommendations

Under Part 1 of the Housing Scrutiny Committee Agenda, the Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee:

- a) To approve carry forward requests totalling £698,690 in revenue funding from 2017/18 to 2018/19, as detailed in **Appendix C**

Under Part 2 of the Housing Scrutiny Committee Agenda, the Executive Councillor for Housing is asked to recommend to Council (following scrutiny and debate at Housing Scrutiny Committee):

- b) Approval of carry forward requests of £3,798,000 in HRA and General Fund Housing capital budgets and associated resources from 2017/18 to 2018/19 to fund re-phased net capital spending, as detailed in **Appendix D** and the associated notes to the appendix.

## 3. Background

### Revenue Outturn

- 3.1 The overall revenue budget outturn position for the Housing Revenue Account is given in the table below.

2016/17 £'000	Housing Revenue Account Summary	2017/18 £'000	% Final Budget
1,751	Original Budget (HRA Use of Reserves)	2,317	95%
191	Adjustment – Prior Year Carry Forwards	545	22%
(74)	Adjustment – Increased Interest Receipts – Reduced Interest Paid	(179)	(7%)
100	Adjustment – Increased Rent Income	(143)	(6%)
(207)	Adjustment – Increased Bad Debt Provision	1	0%

(211)	Adjustment – Reduced Depreciation	(93)	(4%)
(28)	Other Adjustments	(6)	0%
1,522	Final Budget	2,442	100%
(388)	Outturn	1,160	(48%)
<b>(1,910)</b>	<b>(Under) / Overspend for the year</b>	<b>(1,282)</b>	<b>(52%)</b>
545	Carry Forward Requests	699	29%
<b>(1,365)</b>	<b>Resulting Variation for the HRA</b>	<b>(583)</b>	<b>(24%)</b>
0	Other variances	0	0%
<b>(1,365)</b>	<b>Variance and reduced use of HRA Reserves</b>	<b>(583)</b>	<b>(24%)</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 the HRA for 2017/18. The original revenue budget for 2017/18 was approved by the Executive Councillor for Housing on 18 January 2017.
- 3.2 **Appendix B** provides explanations of the main variance.
- 3.3 **Appendix C** lists revenue carry forward requests.
- 3.4 The net underspend across the Housing Revenue Account of £1,282,028 incorporates a number of key areas of underspending.
- 3.5 General HRA Services were £674,292 less than budgeted due in part to delays in some of the Housing Transformation activity (£158,463) and in elements of the corporate change programme and contributions to corporate projects (£332,580), particularly the office accommodation strategy, coupled with underspending in City Homes (£183,510) due to vacancies within the team and a shared interim Head of Service.
- 3.6 Special HRA Services were underspent by £46,612 due to reduced temporary housing demand (£58,590) and underspending in sheltered housing (£30,835), partially offset by overspending in respect of Ditchburn Place (£40,995) and at Scholar’s Court (£40,564) where the

HRA has had to meet the service charge costs associated with un-sold shared ownership units.

- 3.7 Repairs expenditure reported a net underspend of £431,690, combining delays in elements of the revenue planned maintenance programme (£532,255) due to a change in contractor and the need for advance remedial works to be carried out with savings in the cost of gas servicing and maintenance (£70,254). Response repairs reported a significant overspend (£227,145), with extensive flat roof repairs required in year, external support used to facilitate restructure of the service and the need to cover sickness absence.
- 3.8 Slippage and savings in the Housing Capital Investment Plan result in a reduced use of revenue financing of capital expenditure of £94,791.
- 3.9 Income received in the HRA was greater than anticipated (£431,751), combining over-achievement in dwelling rents, commercial property rents and service charges and contributions received.

### Capital Outturn

- 3.10 The overall capital budget outturn position for the Housing Capital Investment Plan (HRA and Housing General Fund) is provided in the table below. **Appendix D** shows the outturn position by programme with the associated notes providing explanations of variances.

<b>2016/17 £'000</b>	<b>HRA Capital Summary</b>	<b>2017/18 £'000</b>	<b>% Final Budget</b>
37,271	Original Budget	47,263	197%
2,171	Adjustments (Re-phasing -prior year)	2,668	11%
(13,159)	Other Adjustments	(25,905)	(108%)
26,283	Final Budget	24,026	100%
23,373	Outturn	18,923	79%
<b>(2,910)</b>	<b>(Under)/Overspend for the year</b>	<b>(5,103)</b>	<b>(21%)</b>
2,896	Re-phasing Requests	3,798	16%
<b>(14)</b>	<b>(Under ) / Overspend</b>	<b>(1,305)</b>	<b>(5%)</b>

- 3.11 Spending in the Housing Capital Investment Plan in 2017/18 was below that originally anticipated, with significant reduction in the budget, particularly for new build expenditure as part of the Medium Term Financial Strategy in September / October 2017.
- 3.12 At outturn, against the latest capital budget approved, underspending of £1,383,000 was evident in new build investment, with slippage of £1,094,000 identified. This related predominantly to delays at Anstey Way, Ventress Close and the 2015/16 garage sites, where obtaining vacant possession and planning permissions, selecting contractors, and for some sites agreeing new processes with the Cambridge Investment Partnership has introduced some delays.
- 3.13 Investment in the housing stock, in respect of decent homes and other capital activity was underspent by £2,088,000, with the need to defer £1,291,000 of investment into future years having been identified.
- 3.14 The capital expenditure relating to the re-acquisition of shared ownership dwellings was not as great as anticipated in 2017/18, and the allowance of £1,171,000 to meet inflation across all aspects of the programme was not allocated, as underspending across the programme meant that this was not necessary. It is requested that the inflation allowance is re-phased into 2018/19 to allow the authority to proceed and enter into the build contracts and affordable housing agreements that have been delayed.
- 3.15 Permission is sought to re-phase the use of £95,000 direct revenue financing of capital expenditure from the Housing Revenue Account into 2018/19, and to recognise the deferral of assumed capital receipts for the sale of shared ownership properties at Clay Farm (£2,199,000) and Devolution Grant (£668,000), where these will be used to finance the re-phased capital expenditure identified.
- 3.16 Recognition also needs to be given to a reduced use of major repairs reserve as a funding source in 2017/18 (£1,182,000), with the need to recognise the deferred use of this in 2018/19 to finance re-phased capital expenditure.

### **HRA Write Offs**

- 3.17 In line with the revised process for the writing off of HRA debt, considered by Housing Scrutiny Committee in March 2015, this report also provides an appendix detailing write off of HRA debt during the

financial year 2017/18. **Appendix E** includes a summary of debt written off by both category of write off and also value banding.

## **4. Implications**

### **(a) Financial Implications**

The variance from the final revenue budget (see above), would result in a decreased use of Housing Revenue Account of £1,282,028. After re-phasing resource for capital projects financed from revenue, and carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and decreased use of Housing Revenue Account Reserves is £583,338.

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.

### **(b) Staffing Implications**

There are no direct staffing implications associated with this report..

### **(c) Equality and Poverty Implications**

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

### **(d) Environmental Implications**

There are no new environmental implications arising from this report.

### **(e) Procurement Implications**

There are no new procurement implications arising from this report.

### **(f) Consultation and Communication**

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

### **(g) Community Safety**

There are no community safety implications arising from this report.

## **6. Background papers**

Background papers used in the preparation of this report:

- Directors Variance Explanations – March 2018
- Budgetary Control Reports to 31 March 2018

## **7. Appendices**

- Appendix A – HRA Revenue Outturn 2017/18
- Appendix B – HRA Major Revenue Variance Explanations
- Appendix C – HRA Revenue Carry Forward Requests
- Appendix D – Housing Capital Investment Plan Outturn 2017/18
- Appendix D (Notes) – Notes to the Housing Capital Investment Plan
- Appendix E – HRA Write Offs 2017/18

## **8. Inspection of papers**

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

Julia Hovells, Principal Accountant

Telephone: 01954 - 713071 or email: [julia.hovells@cambridge.gov.uk](mailto:julia.hovells@cambridge.gov.uk).

## Housing Committee - Housing Revenue Account

## Revenue Budget 2017/18 - 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
<b>INCOME</b>						
Dwelling Rents	(36,596,900)	(36,600,230)	(36,717,451)	(117,221)	0	(117,221)
Rental Income (Other)	(1,119,500)	(1,144,770)	(1,222,421)	(77,651)	0	(77,651)
Service Charges	(2,724,240)	(3,152,130)	(3,204,036)	(51,906)	0	(51,906)
Contributions towards Expenditure	(3,360)	(202,920)	(296,237)	(93,317)	0	(93,317)
Other Income (Incl. RTB Capitalisation)	(456,960)	(456,960)	(548,616)	(91,656)	0	(91,656)
<b>Total Income</b>	<b>(40,900,960)</b>	<b>(41,557,010)</b>	<b>(41,988,761)</b>	<b>(431,751)</b>	<b>0</b>	<b>(431,751)</b>
<b>EXPENDITURE</b>						
Supervision & Management (General)	3,538,300	3,671,410	2,997,118	(674,292)	403,900	(270,392)
Supervision & Management (Special)	2,454,880	2,539,690	2,493,078	(46,612)	0	(46,612)
Repairs & Maintenance	6,218,580	6,573,400	6,141,710	(431,690)	200,000	(231,690)
Depreciation	9,857,820	9,765,080	9,721,242	(43,838)	0	(43,838)
Debt Management Expenditure	0	0	0	0	0	0
Other Expenditure	3,361,230	3,366,380	3,427,104	60,724	0	60,724
<b>Total Expenditure</b>	<b>25,430,810</b>	<b>25,915,960</b>	<b>24,780,252</b>	<b>(1,135,708)</b>	<b>603,900</b>	<b>(531,808)</b>
<b>Net Cost of HRA Services</b>	<b>(15,470,150)</b>	<b>(15,641,050)</b>	<b>(17,208,509)</b>	<b>(1,567,459)</b>	<b>603,900</b>	<b>(963,559)</b>
Interest Receivable (Interest on Balances)	(424,080)	(589,280)	(602,085)	(12,805)	0	(12,805)
<b>(Surplus) / Deficit on the HRA for the Year</b>	<b>(15,894,230)</b>	<b>(16,230,330)</b>	<b>(17,810,594)</b>	<b>(1,580,264)</b>	<b>603,900</b>	<b>(976,364)</b>
<b>Appropriations / Other Movement in the HRA Balance</b>						
Loan Interest	7,516,350	7,502,580	7,506,503	3,923	0	3,923
Housing Set-Aside	10,269,740	6,769,740	6,769,740	0	0	0
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	925,520	4,614,210	4,519,419	(94,791)	94,790	(1)
Transfer to / from Ear-Marked Reserves	(500,000)	(214,400)	174,704	389,104	0	389,104
<b>(Surplus) / Deficit for year</b>	<b>2,317,380</b>	<b>2,441,800</b>	<b>1,159,772</b>	<b>(1,282,028)</b>	<b>698,690</b>	<b>(583,338)</b>
<b>(Surplus) / Deficit b/f</b>	<b>(10,178,140)</b>	<b>(10,178,140)</b>	<b>(10,178,140)</b>			
<b>Balance Carried Forward</b>	<b>(7,860,760)</b>	<b>(7,736,340)</b>	<b>(9,018,368)</b>	<b>0</b>	<b>0</b>	<b>0</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

## Housing Committee - Housing Revenue Account

## Revenue Budget 2017/18 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b>Supervision and Management (General)</b>		
HRA Overheads	Budgets set aside to meet the HRA share of corporate change, including corporate restructures, shared services and office accommodation changes were not utilised in 2017/18. Some of this expenditure is expected in 2018/19 and carry forward request have been incorporated accordingly.	(332,580)
City Homes	Significant staff underspend due to vacancies as a result of restructure and sharing an interim Head of Housing. Under-occupation scheme not fully subscribed in 2017/18.	(183,510)
Strategic Advisor - Housing and Welfare Reforms	Investment in activity to transform the Housing Service was not fully delivered in 2017/18. Carry forward is requested to allow further investment in 2018/19 to include training, business process change, additional staff input in some areas to tackle performance against desired target levels.	(158,463)
Departmental Overheads (HRA)	The HRA was required to meet up-front feasibility and site investigation costs incurred by the Cambridge Investment Partnership for schemes on HRA sites where development is now unlikely or where a formal decision to develop the site had not been taken at 31st March 2018 as revenue expenditure.	76,161
Resident Involvement	Underspend in employee costs due to a vacancy in the team and in printing and postage costs due to an increase in on-line circulation of Open Door.	(34,322)
Anti-Social Behaviour	Underspending in legal fees.	(18,336)
Tenancy Support	Underspending in employee costs due to changes following the restructure, with a few fewer hours occupied by staff than those included in the establishment in this area.	(11,051)
Other		(12,191)
<b>Total</b>		<b>(674,292)</b>
<b>Supervision and Management (Special)</b>		
Temporary Accommodation	Underspending due to staffing structure changes, and a reduction in the number of temporary housing units required during 2017/18, coupled with premises and utility costs being lower than anticipated.	(58,590)
Ditchburn Place	Under achievement in catering and other income due to lower occupancy levels whilst the major refurbishment is undertaken.	40,995
Scholar's Court	Service charges paid for shared ownership properties which are yet to be sold. Costs of service provision, managed by Carter Jonas, greater than anticipated.	40,564

## Housing Committee - Housing Revenue Account

## Revenue Budget 2017/18 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Sheltered Housing	Underspending in premises and utilities costs across all sheltered housing schemes.	(30,835)
Independent Living Service	Underspending in employee costs as not all staff are part of the pension scheme and in the costs of providing enhanced support to council tenants on low incomes.	(18,520)
Emergency Alarms	Under-achievement in income due to lower than anticipated installation of new alarms.	17,275
Other	Includes underspending in special service cost centres where the explanations above include the impact of net direct spending with income variations also taken into consideration.	(37,501)
<b>Total</b>		<b>(46,612)</b>
<b>Repairs and Maintenance</b>		
Planned Repairs	Contract with Foster's started mid-way through year, and substantial part of programme is deferred to enable concrete testing / repairs to blocks of flats which were identified during survey	(532,255)
Response Repairs	Additional external contractor support required due to skills audit assessments (to facilitate re-structure), extensive number of flat roof repairs and sickness absence, which increased costs where posts needed to be covered.	227,145
Technical Services	Significant underspending in employee costs due to vacancies across the Surveying Team, with only some of the roles covered with temporary resource. Underspending in training and project related budgets as a direct result of staff vacancies and resulting limited capacity.	(71,668)
Gas Servicing	Savings due predominantly to fewer repairs additional to contract throughout the year.	(70,254)
Citywide Schemes	Overspending in cyclical contracts, particularly in respect of fire extinguisher, fire alarm and fire safety equipment servicing and maintenance.	19,655
Other		(4,313)
<b>Total</b>		<b>(431,690)</b>

## Housing Committee - Housing Revenue Account

## Revenue Budget 2017/18 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b>Other HRA Expenditure</b>		
Depreciation	The level of depreciation charged to the HRA for 2017/18 was lower than anticipated. This was predominantly due to delays in the new build delivery programme, where fewer assets required depreciating in 2017/18 than anticipated.	(43,838)
Council Tax on Voids	The cost of Council Tax in void properties was higher than anticipated, predominantly due to the need to pay Council Tax for new build dwellings well in advance of them being ready for occupation. This was exacerbated by holding shared ownership dwellings in advance of finding suitable purchasers, the impact of which will continue into 2018/19.	57,926
Other		2,798
<b>Total</b>		<b>16,886</b>
<b>HRA Income and Other</b>		
Dwelling Rents	Rent income was over-achieved by 0.32% due to a decline in the number of right to buy sales in the latter part of the year and prudent assumptions made as part of the HRA Budget Setting Report in January 2018 in respect of delays in the delivery of some of the new build housing programme in 2017/18.	(117,221)
Rental Income (Other)	Rent for HRA commercial property was over-achieved in 2017/18 (£52,100) due to some of the units at Akeman Street continuing to be occupied, where it was assumed that vacant possession would have been realised by now as a result of the decision to re-develop the site. Income for garage rentals was also marginally higher than budgeted (£25,500) due to the introduction of additional garages and parking spaces on some new build schemes.	(77,651)
Service Charges	Service charge income was over-achieved due to a combination of increased cost recovery from leaseholders, combined with higher than anticipated service charges for some of the new build schemes delivered in 2017/18, such as Virido, Clay Farm, where both expenditure and income budgets needed to be created to accurately record the activity now that final services charges for each scheme have been set.	(51,906)
Contributions towards Expenditure	Contributions towards expenditure were over-achieved by £93,300 and include the recovery of rechargeable repair costs, alongside other contributions received.	(93,317)
Other Income	Other income is over-achieved due to the recharge to capital for the administrative costs of the right to buy process and the costs recharged to the General Fund for shared amenities both being greater than budgeted.	(91,656)
Other		0
<b>Total</b>		<b>(431,751)</b>

## Housing Committee - Housing Revenue Account

## Revenue Budget 2017/18 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<b><i>HRA Interest, Premiums and Appropriations</i></b>		
Direct Revenue Funding of Capital Expenditure (DRF)	A marginally reduced demand on the use of revenue funding of capital was realised in 2017/18, due to slippage in the Housing Capital Investment Programme. This included the impact of delays in the new build, decent homes and other spend on the housing stock areas of investment. This will instead be required in 2017/18.	(94,791)
Transfer to or from Ear-Marked Reserves	The transfer from reserves for the cost of replacement of the housing IT system (£500,000) was not required in 2017/18, as the new supplier is yet to be selected. The net contribution to other HRA reserves was greater than anticipated in 2017/18.	389,104
Other		(8,882)
<b>Total</b>		<b>285,431</b>
<b>Total for Housing Revenue Account</b>		<b>(1,282,028)</b>

## Housing Committee - Housing Revenue Account

### Revenue Budget 2017/18 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2017/18 into 2018/19 and future years

Item		Request £
	<b>Director - S Hemingway</b>	
	<b>Supervision and Management General</b>	
1	Investment in activity to transform the Housing Service was not fully delivered in 2017/18. Carry forward is requested to allow further investment in 2018/19 to include training, business process change, additional staff input in some areas to tackle performance against desired target levels.	158,000
2	Resource identified for the HRA contribution to corporate and accommodation based changes was not called upon in 2017/18 in full , but is instead expected to be utilised in 2018/19 when many of the changes will now take place. This includes the moves associated with the office accommodation strategy, the HRA's contribution to the fund for the apprenticeship levy and the impact of corporate support service reviews.	245,900
	<b>Supervision and Management Special</b>	
	No carry forward requests from 2017/18 into 2018/19.	
	<b>Repairs and Maintenance</b>	
3	A carry forward of budget is requested to complete the 2017/18 external repair and paint programmes due to delays in the programme caused by a change in contractor coupled with the need to undertake remedial works following receipt of concrete condition survey data..	200,000
	<b>Appropriations</b>	
4	A marginally lower than anticipated use of revenue funding of capital was evident in 2017/18 as a direct result of underspending in the Housing Capital Investment Plan, predominantly relating to a delay in the delivery of new build schemes and underspending in both decent homes and other investment in the housing stock. This resource, in addition to other capital funding resources, will instead be required in 2018/19 to fund the deferred expenditure.	94,790
	<b>Total Carry Forward Requests for Housing Revenue Account / Housing Scrutiny Committee</b>	<b>698,690</b>

## 2017/18 Housing Capital Investment Plan - HRA &amp; General Fund Housing

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget
							2018/19 £000's	2019/20 £000's	2020/21 £000's	Post 2020/21 £000's	2018/19 £000's
<b>General Fund Housing Capital Spend</b>											
Investment in Non-HRA Affordable Housing	0	0	0	0			0	0	0	0	0
Other General Fund Housing	797	800	769	(31)		1	0	0	0	0	803
<b>Total General Fund Housing Capital Spend</b>	<b>797</b>	<b>800</b>	<b>769</b>	<b>(31)</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>803</b>
<b>HRA Capital Spend</b>											
Decent Homes Programme	6,170	4,530	3,271	(1,259)	1,056	2	357	0	0	699	6,374
Other Spend on HRA Stock	2,042	1,716	887	(829)	235	3	235	0	0	0	2,867
HRA New Build	34,457	7,545	6,162	(1,383)	1,094	4	1,094	0	0	0	26,742
HRA Acquisition	0	5,590	5,434	(156)	156	5	156	0	0	0	156
City Homes Estate Improvement Programme	0	21	21	0	0		0	0	0	0	0
Sheltered Housing Capital Investment	1,796	2,137	2,167	30	(30)	6	(30)	0	0	0	3,398
Other HRA Capital Spend	830	516	212	(304)	116	7	116	0	0	0	1,121
Inflation Allowance	1,171	1,171	0	(1,171)	1,171	8	1,171	0	0	0	2,743
<b>Total HRA Capital Spend</b>	<b>46,466</b>	<b>23,226</b>	<b>18,154</b>	<b>(5,072)</b>	<b>3,798</b>		<b>3,099</b>	<b>0</b>	<b>0</b>	<b>699</b>	<b>43,401</b>
<b>Total Housing Capital Spend</b>	<b>47,263</b>	<b>24,026</b>	<b>18,923</b>	<b>(5,103)</b>	<b>3,798</b>		<b>3,099</b>	<b>0</b>	<b>0</b>	<b>699</b>	<b>44,204</b>
<b>Housing Capital Resources</b>											
Right to Buy Receipts (General Use)	(305)	(527)	(285)	242	0	9	0	0	0	0	(532)
Right to Buy Receipts (Retained for New Build / Acquisition)	(8,464)	(3,220)	(6,723)	(3,503)	(287)	9	(287)	0	0	0	(5,355)
Right to Buy Receipts (Debt Set-Aside)	0	0	(1,419)	(1,419)	0	9	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	0	0	(1,085)	(1,085)	0	10	0	0	0	0	0
MRA / MRR	(18,551)	(8,293)	(7,111)	1,182	(1,182)	11	(1,182)	0	0	0	(18,245)
Client Contributions	0	0	(417)	(417)	0	12	0	0	0	0	0
Direct Revenue Financing of Capital	(926)	(4,614)	(4,519)	95	(95)	13	(95)	0	0	0	(598)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / PFI)	(18,145)	(5,974)	(4,022)	1,952	(2,867)	14	(2,867)	0	0	0	(15,601)
Prudential Borrowing	0	0	0	0	0		0	0	0	0	0
<b>Total Housing Capital Resources</b>	<b>(46,391)</b>	<b>(22,628)</b>	<b>(25,581)</b>	<b>(2,953)</b>	<b>(4,431)</b>		<b>(4,431)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(40,331)</b>
<b>Net (Surplus) / Deficit of Resources</b>	<b>872</b>	<b>1,398</b>	<b>(6,658)</b>	<b>(8,056)</b>			<b>(1,332)</b>	<b>0</b>	<b>0</b>	<b>699</b>	<b>3,873</b>
<b>Capital Balances b/f</b>	<b>(29,165)</b>	<b>(29,165)</b>	<b>(29,165)</b>								<b>(11,142)</b>
<b>Use of / (Contribution to) Balances in Year</b>	<b>872</b>	<b>1,398</b>	<b>(6,658)</b>				<b>(1,332)</b>	<b>0</b>	<b>0</b>	<b>699</b>	<b>3,873</b>
Set-aside for future Debt Redemption	8,411	8,411	8,296			8					
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	12,536	12,536	16,385			8					
<b>Residual capital resources remaining to fund future Housing Investment Programme</b>	<b>(7,346)</b>	<b>(6,820)</b>	<b>(11,142)</b>								<b>(7,269)</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

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Overspending of £92,000 in respect of Disabled Facilities Grants was predominantly due to an agreement with CLG to receive additional grant in the latter part of the year, but to pass it across to Huntingdonshire District Council as we did not have sufficient demand in Cambridge. £70,000 of the overspend is therefore related to this and is directly offset by grant received. The overspend in DFG's has been more than offset by underspending in Private Sector Grants and Loans of £126,000, where demand has significantly reduced in recent years.
2	A net underspend of £1,259,000 in decent homes expenditure during 2017/18 is a combination of under and overspending against the specific decent homes elements. Overspending in wall structure (£66,000), HHSRS (£29,000), and bathrooms (£8,000), is more than offset by underspending in kitchens (£15,000), roofing works (£71,000), roof structure (£175,000), re-wiring (£481,000), energy and insulation works (£52,000), central heating (£392,000), sulphate (£27,000), other health and safety (£45,000), decent homes work to new builds (£219,000) and external doors (£32,000). These variances are before accounting for leaseholder income, which is reported separately. Contractor overheads shows an apparent overspend of £72,000 against decent homes works, but is offset by an underspend in overheads against other HRA works of £159,000 and in capitalised officer fees with an apparent overspend of £73,000, offset by an underspend of £114,000 in other HRA works. Re-phasing of underspending in 2017/18 into 2018/19 is requested in respect of energy improvements (£9,000), roofing works (£71,000), other health and safety works (£45,000), central heating and boilers (£200,000) and external doors (£32,000) Re-phasing into 2022/23 is requested in respect of re-wiring (£480,000) and decent homes works to new build homes (£219,000) when the budget is expected to be required.
3	A net underspend of £829,000 was evident in 2017/18, combining underspending in a number of areas where work is still required and funds will need to be re-phased into 2018/19, including; disabled adaptations (£436,000, with £85,000 to be re-phased), asbestos removal works (£67,000, with £50,000 to be re-phased), communal area floor coverings (£42,000, with £40,000 to be re-phased), fire works (£62,000, with £60,000 to be re-phased) and hard-surfacing works (£15,000 with no re-phasing) Overspending in garages of £55,000, lifts of £4,000 and other communal area works of £7,000 was reported at year end.
4	The net underspend of £1,383,000 in the new build programme in 2017/18 relates to a number of delays in delivery in areas of the programme, coupled with spending ahead of profile in a few schemes. Net re-phasing of £1,094,000 is required. Re-phasing of budget for 2015/16 Garage Sites (£465,000) Anstey Way (£160,000), Akeman Street (£12,000), Ventress Close (£430,000), Queensmeadow (£7,000), Wulfstan Way (£21,000), Colville Garages (£22,000 and Gunhild Way (£11,000), is partially offset by negative re-phasing where spend is ahead of profile for Hills Avenue (£6,000), Kendal Way (£7,000) and Markham Close (£11,000). The profile of spending on all of these schemes will be reviewed again as part of the HRA Medium Term Financial Strategy. A key area of underspending in 2017/18 was the final position for the scheme at Clay Farm, which resulted in a saving of £397,000 at completion.
5	Under delegated authority, the Strategic Director approved a budget for the acquisition of homes on the open market for use within the HRA to enable utilisation of retained right to buy receipts in a timely manner. 21 homes were acquired in the year from a budget of £5,590,000, with £156,000 of this budget requested to be re-phased into 2018/19 to complete works to ensure that the 12 flats acquired at Tuscan Court receive the remedial works required to make them ready to let.
6	Spending in 2017/18 was £30,000 ahead of that profiled in respect of the budget for work to re-develop Ditchburn Place and as a result the budget in 2018/19 will be reduced accordingly. Phase I of the re-development of this schemes has now completed, with the ultimate result being the re-provision of flats for extra care housing for a minimum of 30 residents, but with the capacity for utilising all 50 units for this purpose in the future if required.

7	A net underspend of £304,000 in this area of the programme comprises a lower level of activity in respect of shared ownership re-purchase in 2017/18 (£119,000 under budget), and underspending due to delays in the project to re-locate Stores to Cowley Road (£123,000). Funding to upgrade aspects of housing IT system has not been utilised in 2017/18, due to the decision to re-procure the entire system, with a request to re-phase the underspend of £23,000 into 2018/19 to meet any required preliminary investment. The balance of funding for projects to introduce the Cambridge Public Sector IT Network (£6,000) will not now be required, nor will funding for works to HRA commercial premises (£32,000).
8	The allowance in the programme for inflation to costs was not required to be allocated across expenditure heads in 2017/18 as underspending across the decent homes, other investment in the housing stock and new build budgets meant that the additional funding was not required. It is proposed that this budget is re-phased into 2018/19 to ensure that sufficient budget is available in year to meet the costs of any deferred work, particularly in the new build area, where tender outcomes are awaited and CIP costs under new affordable housing agreements are still to be finalised following procurement by Hill Investment Partnership on a scheme specific basis.
9	47 properties were sold in total during 2017/18. £285,000 of the capital receipt is available for general use (after all costs have been deducted from each receipt), while £1,419,000 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 £6,723,000 of right to buy receipts have been retained by the local authority in 2017/18, 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 2018/19 to ensure that it meets its responsibilities under the retention agreement, and this may mean the acquisition of further dwellings on the open market, if new build schemes or land acquisitions associated with new build schemes do not progress as anticipated, to avoid passing the receipts to central government.
10	Capital receipts totalling £1,085,000 in respect of the sale of property on the open market were accounted for in 2017/18. The receipts have been, or will be used to fund future investment in affordable housing.
11	The major repairs reserve was used to finance capital expenditure in the housing stock in 2017/18, including investment in decent homes work, other investment in the housing stock and investment in new homes, particularly where an element of re-provision is required. Where less of this funding was utilised in 2017/18 than anticipated, it will instead be utilised in 2018/19.
12	Income was recovered from leaseholders in 2017/18 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£369,000) and was also received from private residents in relation to contributions towards DFG's or private sector housing repair grants (£48,000).
13	Due to marginal slippage in the housing capital plan in 2017/18, the use of revenue funding for capital purposes was marginally less than anticipated. A request to adjust the use of revenue funding of capital expenditure in 2018/19, resulting in the deferred use of £95,000, will ensure that there is sufficient funding to meet the re-phased expenditure requested above.
14	Receipts from the re-sale of shared ownership dwellings in 2017/18 were considerably higher than estimated with 8 re-sales or staircasing payments received. Receipts from the sale of shared ownership units at Scholar's Court were also higher than estimated, with forecasts having been based upon the purchase of the smallest share possible until we had any evidence of the proportions being acquired for the first new scheme of this type. The Disabled Facilities Grant was higher than expected due to the award of £70,000 of additional grant which was passed on to Huntingdonshire District Council. These over-achievements in income were more than offset by recognition of no receipts against the expected £2,199,000 for shared ownership sales at Clay Farm, as no units were sold in 2017/18 and the ability to claim £387,000 less Devolution Grant than expected due to slippage in the New Build Programme.

HRA Debts Written Off in 2017/18Write Off Cases by Category

Write Off Category	No. of Cases	Value Written Off
Debtor deceased	76	56,750.29
Bankruptcy / Insolvency	3	1,787.52
Debt Relief Order	4	3,161.11
Debt is Statute barred	4	9,773.60
Debtor untraceable	22	45,611.47
Uneconomical to Pursue / Recovery Procedures Exhausted	19	11,133.48
Balance of debt is small	2	16.63
Imprisonment	4	4,152.23
Unable to substantiate debt	1	102.55
Other special circumstances	5	3,007.06
Debt re-instated	6	(2,224.03)
<b>Total Written Off (Net)</b>	<b>146</b>	<b>133,271.91</b>

Write Off Cases by Value Banding

Write Off Value Band	No. of Cases	Value Written Off
Less than £100.00	17	884.91
£100.00 to £199.99	14	1,995.81
£200.00 to £299.99	4	916.46
£300.00 to £399.99	10	3,640.28
£400.00 to £499.99	20	8,999.27
£500.00 to £749.99	22	13,446.70
£750.00 to £999.99	12	10,498.25
£1,000.00 to £1,499.99	10	12,384.25
£1,500.00 to £1,999.99	12	19,936.06
£2,000.00 to £2,999.99	10	24,477.74
£3,000.00 to £3,999.99	5	18,131.90
£4,000.00 to £4,999.99	2	8,925.92
Greater than £5,000.00	2	11,258.39
Debt re-instated	6	(2,224.03)
<b>Total Written Off (Net)</b>	<b>146</b>	<b>133,271.91</b>