

Item

Housing Scrutiny Committee

2018/19 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing Portfolio

To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by:

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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 General Fund Housing portfolio :

- a) A summary of actual income and expenditure compared to the final budget for 2018/19 (outturn position)
- b) Revenue and capital budget variances with explanations
- c) Specific requests to carry forward funding available from budget underspends into 2019/20.

1.2 This year will be the last year that individual reports are produced for each portfolio for presentation to the relevant scrutiny committee. In line with the revised budget scrutiny process followed for the 2019/20 budget, one combined 2019/20 General Fund outturn report covering all portfolios will be produced for scrutiny at Strategy and Resources Scrutiny Committee.

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 1 July 2019:

- a) Carry forward requests of revenue funding from 2018/19 to 2019/20, as detailed in **Appendix C**, noting that none are proposed for this portfolio on this occasion.
- b) Carry forward requests of £200,000 in capital resources from 2018/19 to 2019/20 to fund re-phased net capital spending, as detailed in **Appendix D**.

3. Background

Revenue Outturn

3.1 The overall revenue budget outturn position for Housing General Fund Services is given in the table below.

2017/18 £'000	Housing General Fund Summary	2018/19 £'000	% Final Budget
3,462	Original Budget	3,783	99.0
57	Adjustment – Prior Year Carry Forwards	348	9.1
-	Adjustment – Capital Charges	25	0.6
70	Adjustment – Earmarked Reserves	(46)	(1.2)
7	Other Adjustments	(288)	(7.5)
3,596	Final Budget	3,822	100.0
3,193	Outturn	3,673	96.1
(403)	(Under) / Overspend for the year	(149)	(3.9)
348	Carry Forward Requests	0	0.0
(55)	Resulting Variation for the HGF	(149)	(3.9)

0	Other variances	0	0.0
(55)	Variance and reduced use of General Fund Reserves	(149)	(3.9)

- 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 Housing General Fund for 2018/19. The original revenue budget for 2018/19 was considered by the Executive Councillor for Housing on 17 January 2018.
- 3.2 **Appendix B** provides explanations of the main variance.
- 3.3 **Appendix C** lists revenue carry forward requests.
- 3.4 Net underspending of £148,849 was predominantly due to reduced employee costs in both Housing Advice and Housing Strategy due to a number of vacancies throughout the year, coupled with a variance showing in the Energy Officer cost centre that combines the impact of underspending in advertising costs, with a significant over-achievement in miscellaneous housing licensing fees.

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.

2017/18 £'000	General Fund Housing Portfolio Capital Summary	2018/19 £'000	% Final Budget
3,095	Final Budget	17,366	100.0
3,151	Outturn	17,166	98.8
56	Variation - (Under)/Overspend for the year	(200)	(1.2)
200	Re-phasing Requests	200	1.2
256	Variance	0	0.00

3.6 Resource of £200,000 to create an Empty Homes Loans Fund was not utilised in 2018/19. 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 2019/20 to allow progression of the scheme.

4. Implications

(a) Financial Implications

The variance from the final revenue budget (see above), would result in a decreased use of General Fund Reserves of £148,849. With no re-phasing of resource for capital projects financed from revenue, or carry forward of revenue resource to fund deferred revenue expenditure, the overall variance and decreased use of General Fund Reserves remains £148,849.

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:

- Head of Service Variance Explanations – March 2019
- Budgetary Control Reports to 31 March 2019
- Capital Monitoring Reports – March 2019

7. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Revenue Summary for this portfolio	✓
B	Revenue Major Variances for this portfolio	✓
C	Carry Forward Requests for this portfolio	✓
D	Capital Summary for this portfolio	✓

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: 01223 - 457248 or email: julia.hovells@cambridge.gov.uk.

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- Committee Outturn Report 2018-19.docx

General Fund Housing Portfolio / Housing Committee

Revenue Budget - 2018/19 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Housing General Fund						
Housing Strategy, Home Aid, Housing Aid / Needs						
Housing Advice Service	1,118,510	1,090,580	1,027,781	(62,799)	0	(62,799)
Town Hall Lettings	134,510	134,510	134,122	(388)	0	(388)
Housing Strategy	162,310	204,230	155,976	(48,254)	0	(48,254)
Home Aid / Home Improvement Grants	56,040	56,040	49,254	(6,786)	0	(6,786)
Shared Home Improvement Agency	0	0	0	0	0	0
	1,471,370	1,485,360	1,367,133	(118,227)	0	(118,227)
Housing General Fund, Other						
Homelessness Costs	188,210	188,200	211,078	22,878	0	22,878
Flexible Homeless Support Grant	3,400	94,700	91,300	(3,400)	0	(3,400)
Choice Based Lettings (Revenue Running Costs)	22,610	26,200	42,569	16,369	0	16,369
Grants to Housing Agencies	721,340	749,270	747,627	(1,643)	0	(1,643)
Bermuda Road Garages	(6,170)	(6,170)	(8,012)	(1,842)	0	(1,842)
Racial Harassment	45,390	(4,610)	(5,192)	(582)	0	(582)
Growth - Community Services	65,050	65,050	65,118	68	0	68
Strategic Housing GF Recharges	(18,210)	(18,210)	(18,210)	0	0	0
Housing Development Agency (H.D.A)	116,800	116,800	116,800	0	0	0
125 / 451 Newmarket Road - Revenue costs	(13,270)	(21,820)	(23,566)	(1,746)	0	(1,746)
Contribution to / from HRA	501,650	501,650	526,299	24,649	0	24,649
Departmental Overheads	990	990	990	0	0	0
Syrian Re-Settlement	(50,000)	0	0	0	0	0
Dual Diagnosis Street Team	0	0	0	0	0	0
Reducing Pensioner Poverty	0	8,090	8,091	1	0	1
Ditchburn Extra Care	0	0	0	0	0	0
	1,577,790	1,700,140	1,754,892	54,752	0	54,752
Total Housing General Fund	3,049,160	3,185,500	3,122,025	(63,475)	0	(63,475)
Environment - Environmental Health						
Housing Standards	531,810	403,830	399,907	(3,923)	0	(3,923)
Property Accreditation	28,940	0	0	0	0	0
Miscellaneous Housing Licensing / Energy Officer	173,580	232,840	151,389	(81,451)	0	(81,451)
Total Environment	734,330	636,670	551,296	(85,374)	0	(85,374)
Total Net Budget	3,783,490	3,822,170	3,673,321	(148,849)	0	(148,849)

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 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Housing Strategy, Home Aid, Housing Advice, General Fund and Other Housing			
Housing Strategy	Underspending in Housing Strategy was due to a vacant Enabling / Development Officer role for a proportion of the year, which once filled, was done so on a shared basis with South Cambridgeshire District Council. A 7 hours per week vacancy in the Housing Strategy Manager post, held for funding research and government grant for community housing projects, was not required to be spent in-year, and has been removed from the base budget from 2019/20.	(48,254)	Helen Reed
Homelessness	Although the costs of bed and breakfast and emergency accommodation were lower than anticipated, this underspend was more than offset by under-recovery in respect of these costs from both housing benefit and the residents themselves.	22,878	James McWilliams
Choice Based Lettings (Revenue Running Costs)	The revenue running costs for the Sub-Regional Choice Based Lettings system were more than budgeted in 2018/19, due predominantly to the need to pay for 2017/18 services provided by South Cambridgeshire District Council, which were invoiced late and where accruals were not made in the accounts in 2017/18.	16,369	James McWilliams
Contributions to / from the HRA	The recharge from the HRA to the General Fund for the cost of upkeep to shared amenities was greater than budgeted in 2018/19, due to the cost of amenity street lighting and removal of fly tipping.	24,649	Julia Hovells
Housing Advice Service	Expenditure in the Housing Advice Service for 2018/19 was less than budgeted, predominantly due to a number of vacancies in the team. Although additional staff resource was employed to respond to the requirements of the new Homeless Reduction Act, which was fully funded using Flexible Homeless Support Grant, the base staffing structure was not fully occupied all year, due to a number of internal promotions and acting up arrangements, all of which left vacant posts between appointments.	(62,799)	James McWilliams
Other		(16,318)	
Total		(63,475)	

General Fund Housing Portfolio / Housing Scrutiny Committee

Revenue Budget 2018/19 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Environmental Health			
Energy Officer / Miscellaneous Housing Licensing	There was a £10,000 underspend in advertising costs in respect of energy related activity, coupled with a significant over-achievement in miscellaneous housing licensing fee income in 2018/19.	(81,451)	Jo Dicks
Other		(3,923)	
Total		(85,374)	
Total for Housing Portfolio		(148,849)	

General Fund Housing Portfolio / Housing Committee**Revenue Budget 2018/19 - Carry Forward Requests**

Request to Carry Forward Budgets from 2018/19 into 2019/20 and future years

Item		Request £	Contact
1	Housing General Fund No carry forward requests	0	
2	Environment - Environmental Health No carry forward requests	0	
	Total Carry Forward Requests for General Fund Housing Portfolio	0	

General Fund Housing Portfolio / Housing Committee

Capital Budget 2018/19 - 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 - 100048 (38282)	Empty Homes Loans Fund	Y O'Donnell	200	200	0	(200)	200	0	This is a holding account which is recycleable where empty property home owners borrow the loan to bring the property into occupation and then and repay it back. There were no applications to borrow out of this fund in 2018/19.
100225 - SC692	Cromwell Road Redevelopment (GF)	Claire Flowers	17,166	17,166	17,166	0	0	0	Site acquired June 2018. Transferred to CIP March 19 for £27m loan note
Total Provisions			17,366	17,366	17,166	(200)	200	0	
Total for Housing			17,366	17,366	17,166	(200)	200	0	