

REPORT TO EXECUTIVE

Date of Meeting: 5 July 2022

REPORT TO COUNCIL

Date of Meeting: 19 July 2022

Report of: Director Finance

Title: 2021/22 HRA Budget Monitoring Report – Outturn

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Board members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2022 in respect of the Housing Revenue Account and the Council's new build schemes.

An outturn update in respect of the HRA Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

2. Recommendations:

2.1. It is recommended the Executive note the report and Council notes and approves (where applicable):

- (1) The supplementary budgets of £550,500 as detailed in paragraph 8.5;
- (2) The HRA financial position for 2021/22 financial year; and
- (3) The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4

3. Reasons for the recommendation:

3.1. To formally note the HRA's projected financial position and to approve the reported variations to the HRA Capital Programme.

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. Board members are presented with a quarterly financial update in respect of the HRA and this is the final update for 2021-22.

4. What are the resource implications including non-financial resources

4.1. The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2021/22 are set out in the body of this report.

The impact on the HRA's available financial resources are set out in Appendix 3.

5. Section 151 Officer comments:

5.1 The report also demonstrates the very real challenges in delivering the planned programme of works. Similar to the General Fund there are challenges with recruitment and delivery of projects. This has had a significant impact on the expected spend in the year, but merely pushes the need for expenditure down the line. Members should note that in the current financial climate there is a risk that costs will rise significantly at the point they are delivered.

6. What are the legal aspects?

6.1. The Housing Revenue Account is framed by the Local Government and Housing Act 1989. Section 74 of the Act sets out the duty to keep a Housing Revenue Account and the obligations in relation to the HRA. This Act created the ring-fence and the structure within which the HRA operates and covers the detailed operation of the HRA, including the credits (income) and debits (expenditure) which make up the account.

7. Monitoring Officer Comments:

7.1. Members will carefully note the content of this report and the impact on the HRA's available financial resources and the challenges in delivering the planned programme of works.

Simon Copper (Deputy Monitoring Officer)

8. Report Details:

HRA FINAL ACCOUNTS TO 31 MARCH 2022

8.1. Background to the HRA

The Housing Revenue Account (HRA) records expenditure and income relating to council dwellings and the provision of services to tenants. Housing authorities have a statutory duty to maintain a HRA account, which is primarily a landlord account, in order to account to their tenants for income and expenditure on council housing separately from other functions and services of the Council. This includes tenancy management, repairs and maintenance, council house building and council house retrofits.

8.2. Projected Surplus/Deficit

	£
Approved Budgeted transfer from/ (to) the working balance	6,647,075*
Supplementary budgets – Council approved 20 July 2021	333,000
Revenue Contribution to Capital deferred from 2020/21 – Council approved 20 April 2021	446,550
Revised Budgeted transfer from/ (to) the working balance	7,426,625

*2021/22 Approved Budget Represented By	£
85A1 MANAGEMENT	1,267,435
85A2 TENANCY SERVICES	1,455,550
85A3 SUNDRY LANDS MAINTENANCE	604,910
85A4 REPAIR & MAINTENANCE PROGRAMME	6,393,320
85A5 REVENUE CONTRIB TO CAPITAL	7,950,000
85A6 CAPITAL CHARGES	3,742,940
85A7 HOUSING ASSETS	2,210,260
85A8 RENTS	(19,236,370)
85B2 INTEREST	2,259,030
85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(6,647,075)

The HRA has built up a considerable working balance of £12.950 million as at 31 March 2021. This is considerably higher than the £4 million contingency resolved to be retained. The HRA approved Medium Term Financial Plan (MTFP) plans to reduce the working balance, largely through significant revenue contributions to capital. This enables the built-up working balance to be used to fund the HRA capital programme towards planned works, retrofits and Council House building developments.

The approved budget was in a deficit position of £7.427m due to a large anticipated revenue contribution to capital in the year of £8.397m.

8.3. The 2021-22 financial year has ended with an overall net deficit of £1.804m. This represents a movement of £5.622m compared to the budgeted deficit of £7.427m for 2021-22. The key reason for the variance to budget is a £5m deferral of revenue contribution to capital for 2021-22 due to delays in the capital programme.

Excluding revenue contribution to capital; the service cost areas, managed by the Service Leads, spend for 21-22 came out very close to budget at 96% overall.

A projected under-spend of £22k has previously been reported to the board as part of the quarterly budget monitoring updates. The variances in the final quarter of the financial year have therefore resulted in further savings of £5.600m. The reasons for this and the main deviations from budget for the financial year are set out below. Please also refer to Appendix 1.

Budget Heading	Forecast Outturn Budget Variance at Quarter 3 (Under)/Overspend	Actual Budget Variance (Under)/Overspend
Management Costs	£30,000	£2,431
<p>Officers Responsible: Assistant Director of Housing (AP) Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> • £48k overspend in empty property council tax charges. A number of invoices relating to 2020/21 became payable in Q1 of 2021/22. These properties were empty longer term due to major works and the pandemic and being unable to let them. Approximately 35 properties were held empty for major works or redevelopment opportunities. • £25k overspend in business rates. These are back-dated charges for the mobile offices provided to remote working housing officers. • (£79k) underspend in tenant participation and liaison. The £79k underspend in the Resident Involvement budget relates to a number of costs areas. These include room hire, staff costs, consultants fees and community development projects. During Covid 19 we held less face to face gatherings and relied on remote meetings there created some underspend. With regard to consultancy fees we budgeted for higher costs than was actually tendered. Covid again resulted in some delays in our community development projects and propose to plan these through our neighbourhood action plan once the strategy is finalised. <p>A supplementary budget has been requested to carry forward the £79k underspend into 2022/23, we are confident that this underspend and the 2022/23 budget will be spent during 2022/23 delivering our Resident Involvement Action plan.</p> <ul style="list-style-type: none"> • £8k Amalgamation of various under and overspends. 		
Tenancy Services	£nil	(£162,515)
<p>Officer Responsible: Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> • (£67k) Savings in employee costs due to recruitment delays. • (£36k) service charge income not budgeted in relation to emergency lighting. Emergency lighting costs are recoverable under service charges and started being charged to leaseholders during 2021/22. 		

- (£12.5k) underspend on shared ownership costs. The 2021/22 budget allowed for costs in anticipation of shared-ownership arrangements. Shared-ownership is not expected to be offered during 2021/22 therefore this budget is not due to be spent.
- (£12.4k) underspend on downsizing scheme costs. £12k of this saving is being requested as a supplementary budget for 2022/23, in order to bring focus to this scheme and review incentive offerings.
- £25k overspend on utility bills. This reflects the increasing cost of energy. A review will be undertaken on the process of managing energy bills to ensure that charges are accurately based on meter readings and any estimated bills are recalculated to actual.
- (£29k) underspend in recharges to other Council services. These recharges are calculated at each Year End based on the level of works carried out by other Council departments on behalf of the HRA.
- (£16k) underspend on external property valuation fees. This is due to lower than expected number of valuations and also some valuations have been undertaken internally which has proved more cost-effective.
- (£15k) Amalgamation of various under and overspends.

Sundry Land Maintenance	(£53,640)	(£372,256)
<p>Officer Responsible: Assistant Director of Housing (AP) Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> • (£60k) underspend on garden assistance. This is a service provided on a monthly basis and spend is therefore dependent on how many gardens are expected to be serviced each month. • (£315k) underspend on trees work. This is the result of two issues faced during the year; COVID has led to a shortage of contractor labour. Subsequently there are both delivery delays on Ash Die Back and core Arboriculture works, this has prevented the Arboriculture team from achieving a higher level of spend on the budget. <p>Also Ash Die Back is a triage monitored programme of work whereby removals are only carried out when disease presents with an urgent (red category) need for remedial works. At the moment we are monitoring all trees with the disease. Those in amber will likely move into red in the next 12-18 months requiring urgent works, however to date, there have not been substantial changes in classification requiring remedial action, for this reason a supplementary budget will be requested to carry forward £300k of underspend on this budget into 2022-23.</p> <p>A future plan will be agreed between the Assistant directors of housing and the service provider, to ensure that budget is aligned with service delivery needs going-forward.</p>		
Repair & Maintenance Programme	£nil	£6,995

Officer Responsible: Assistant Director of Housing (AP)

- £292k overspend on general reactive repairs. The budgetary impact is consistent with national trends and is potentially a consequence of the COVID periods with people spending more time at home, properties exhibiting more 'wear and tear', less/delayed capital investment and increased expectations for repair completions. Close monitoring continues to be in place to scrutinise activity and expenditure.
- £231k overspend on voids. The recent void analysis indicates that we have had a larger than usual number of void properties this year returned to us with high void costs which are not capital repairs. Work by the Voids Review Group continues to examine reasons for this trend and ways to mitigate and it is hoped that Housing Officer visits will go some way to reducing this pressure. Additionally, as a priority action the Voids Review Group are currently reviewing the Recharge Policy to make it fit for purpose and it is anticipated that this will assist in the management of voids, and the associated costs, moving forward.
- (£105k) underspend on Older Persons' decoration. This service provision has been temporarily suspended (2021/22) following the COVID period and risk assessments relating to non-urgent work. Furthermore, we do not currently have significant demand from tenants. It is likely that we will review and recommence this service offer to tenants during the 2022/23 financial year.
- (£210k) underspend on gas and central heating servicing and maintenance. This is largely due to continuing efficiencies emerging from the Liberty contract, that started in 2019/20 and new boiler installs successfully reducing the number of call-outs.
- £159k overspend on asbestos surveys and removals. This is largely due to the increased activity in the capital programme which resulted in more works during the year and increase in the level of surveys and asbestos removal works. There has been an increase in the number of void properties this year and asbestos surveys and removals are carried out during the void period in order to ensure long-term safety of the housing stock.
- (£165k) underspend on cyclical decorations. This programme has been running alongside the retrofit capital works programme, spend is dependent on timing of when work can be arranged and undertaken but was reduced during the period as a consequence of more brick treatments being carried out and less painting required.
- (£84k) underspend on fire door inspections and fire risk assessments. The new fire door inspection regulations that were expecting to result in additional costs during 2021/22 are not being implemented until 2022/23. Fire risk assessments have been undertaken during the year to meet regulations, the timing of these works has resulted in the underspend during the year.
- (£82k) underspend on communal decorations due to revisions to the cyclical programme.
- (£27k) amalgamation of other under and overspends.

Revenue Contribution to Capital	(£nil)	(£5,000,000)
<p>Officer Responsible: Assistant Director of Housing (AP)</p> <ul style="list-style-type: none"> The amount of revenue contributions required to finance the HRA Capital programme in 2020-21 has been reduced by £5m for 2021/22 and deferred to future years. The contribution is still required in future years, so there is no impact of this on the Medium-Term Financial Plan. <p>This is due to deferrals in the capital programme.</p>		
Capital Charges	£101,155	£87,687
<p>Officer Responsible: not applicable (statutory accounting charge)</p> <p>Depreciation charges are higher than budgeted due to a valuation increase of the properties in the portfolio at 2020/21 year end.</p> <p>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.</p>		
Housing Assets	£nil	£18,716
<p>Officer Responsible: Assistant Director of Housing (AP)</p> <ul style="list-style-type: none"> (£20k) underspend in employee costs, this is due to the timing of filling vacant positions. £30k overspend in consultants fees. This is largely related to low carbon works which have been accelerated during the year, working towards the Council's commitment to carbon neutrality and managing the green energy grants. £9k amalgamation of various minor forecast over and underspends. 		
Rents	£nil	£101,969
<p>Officer Responsible: Assistant Director of Housing (LB) & Service Lead Revenues, Benefits and Customer Access</p> <ul style="list-style-type: none"> The rent collected for 2021/22 was largely in line with budget – Variance is under 0.6% of budget. 		
Interest	(£100,000)	(£305,807)
<p>Officer Responsible: Assistant Director of Housing (AP) Assistant Director of Housing (LB)</p>		

<ul style="list-style-type: none"> The 2021/22 budget included interest cost for additional £3.9m approved borrowing. This additional borrowing is not likely to be required for 12-18 months. Interest receivable was higher than anticipated as the HRA had higher reserve balances at Year End than was expected per the budget. This is largely due to deferrals in the capital programme. 		
Total budget (underspend)/overspend	(£22,485)	(£5,622,292)
2021/22 HRA Deficit/ (Surplus)		1,804,333

8.4. Impact on HRA Working Balance

The total budget variances for 2021-22 have resulted in a deficit of £1,804,333 which will be transferred from the HRA working balance, as set out below.

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The balance, as at 31 March 2022, is set out below:

Movement	2021/22
Opening HRA Working Balance, as at 1 April 2021	£12,950,277
Deficit for 2021/22	(£1,804,333)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31 March 2022	7,145,944

8.5. Supplementary Budgets

There is a requirement for supplementary budgets in 2022/23 as the HRA has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £550,500 identified in Appendix 2 are submitted to Executive for approval and added to the 2022/23 budget.

8.6. Major Repairs Reserve

Under self-financing Councils are expected to set aside some of their income each year into the Major Repairs Reserve, in order to ensure appropriate provision is made towards financing future capital works or to repay debt. The balance held in the reserve at the end of the financial year is set out below:

Movement	2021/22
Opening Major Repairs Reserve, as at 1 April 2021	£15,133,198
Revenue monies set aside during 2021/22	£3,830,627
Amount used to finance capital expenditure during 2021/22	(£830,447)
Balance, as at 31 March 2022	£18,133,378

8.7. HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment are set out in Appendix 3 for the period to 2025/26.

The total available resources is made up of several reserve balances; the HRA working balance, the Useable Capital Receipts reserve and the Major Repairs Reserve.

The HRA working balance is the movement on revenue budgets, contributions can be made from this reserve towards financing capital budgets in the form of 'Revenue Contributions to Capital'. The useable capital receipts reserve is made up of both the Right-to-Buy (RTB) receipts reserve and the Non-RTB receipts reserve; these reserves are available to finance capital spend, some restrictions apply. The Major Repairs Reserve is increased each year by the HRA depreciation charge to revenue, this reserve is then available to spend on the HRA capital programme.

The total forecast HRA available resources is impacted by variances in both revenue budgets detailed in section 8.3 above and variances in capital budgets detailed in section 8.12 below.

The forecast total available resources over the Medium-term-Financial-Plan (MTFP) has improved by £845k since last reported at quarter 3 stage. This is largely as a result of additional grant funding received in relation to Vaughan Road enabling costs of £717k, additional Right-To-Buy receipts of £1.4m, offset by a reduction in expected borrowing of £1.3m, due to a reduction in the delegated powers development budget.

Total available reserves over the MTFP are now expected to be £2.054 million after deducting the £4 million balance resolved to be retained (HRA contingency).

Due to the number of current projects proceeding through viability assessments, and in recognition of new Legislation around Decent homes and Fire Safety due in the next 12 months it is, at this stage, considered prudent to maintain the total available reserves as stated.

8.8. HRA Debt

In October 2018 the Government formally removed the HRA debt cap, which restricted the amount of borrowing stock-holding local authorities could have for the purposes of the HRA. The lifting of the 'debt cap' means that local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Executive on 8 October 2019 approved the first Council House Building Programme, which will deliver 100 new homes into the HRA at a cost of £18 million. On 5 April 2020, the Council took

out a loan of £15.36 million from the PWLB to support this programme. The remaining £2.64 million will be funded by capital receipts.

As at 31 March 2022, the HRA's borrowing stood at £73.242 million. The total of the £15.360 million new loan and the former 'debt cap' level of £57.882 million.

The HRA currently has approval to borrow a further £5.6 million, this will likely be required in the next 12 to 24 months.

8.9. HRA Capital Programme

The 2021-22 HRA Capital Programme was last reported to Executive on 5 April 2022. Since that meeting the following changes have been made that have increased the programme.

Description	2021/22	Approval / Funding
HRA Capital Programme	£24,894,913	
Additional approved budget	£4,129,271	Executive – 5 April 2022
Savings/reapportioned budgets	(£2,055,319)	Executive – 5 April 2022
Budgets deferred to future financial years	(£3,777,666)	Executive – 5 April 2022
Budgets brought back from future years	£594,884	Executive – 5 April 2022
Revised HRA Capital Programme	£23,786,083	

8.10. Performance

HRA Capital expenditure in the year amounted to £19,334,475 which equates to 81% of the revised approved capital programme (as set out above). The nature of capital investment in the financial year comprised:

HRA Capital Expenditure	£
Capital investment in existing stock	14,183,561
Capital investment in the provision of new council homes	5,150,914
Total HRA Capital Expenditure	19,334,475

A detailed list of HRA capital budgets and actual expenditure is set out in Appendix 4.

It is proposed to carry forward a total of £4.716 million budget into future years, whereas £0.260 million budget has been brought forward from future years and spent in 2021/22 (giving a net budget carry forward of £4.456 million), as indicated in Appendix 4.

8.11. HRA Capital Financing

The total HRA capital expenditure for 2021-22 will be financed as follows:

HRA Capital Finance	£
Major Repairs Reserve	897,224
Revenue Contribution to Capital	3,396,550
Capital Receipts	4,182,272
Commuted sums (S106)	708,953
Borrowing	7,239,498
External contributions	592,424
Grants	2,317,555
Total HRA Capital Financing	19,334,475

The impact on the capital resources available to the HRA over the next 4 years is set out in Appendix 3.

8.12. Capital Budget Variances

The details of key (greater than +/- £50k) variances from budget are set out below. The Assistant Director of Housing (AP) will be able to provide further details in respect of these areas, if required.

Scheme	Overspend / (Underspend)
Communal Doors and Screens	(£116,278)
<p>Officer Responsible – Planned Works Lead</p> <p>The communal doors and screens programme has been revaluated and it is now expected that the above amount will no longer be required. The 2022-23 and beyond budgets have been assessed as adequate for the works required in this area.</p>	
Energy retrofit	£218,938
<p>Officer Responsible – Planned Works Lead</p> <p>Planned work programmes were refocussed from the start of 2021/22 to reflect the Council's carbon neutrality ambitions and deliver affordable warmth for our tenants. This necessitated a period of budget realignment where some over and under spends will be reported this year as we transition to the revised capital programme.</p> <p>Additionally, the Council received Green Energy Grants towards funding carbon reduction works on the housing stock. These grants have significantly accelerated this energy retrofit programme of works for 2021/22 which includes; cavity wall insulation, solar PV panels, loft insulation and heating upgrades. The grant conditions dictate that a landlord contribution is expected, so the HRA does have to finance a proportion of each retrofit out of its available resources.</p>	

A number of properties were energy retrofitted but did not meet the criteria for the green energy grant, so additional properties had to be added to the programme in order to meet the requirements of the grant before the end of the year. This has resulted in an additional £218k being spent in 2021/22 over and above what was anticipated.	
Fire Risk Assessment works – Planned	(£102,660)
<p>Officer Responsible – Planned Works Lead</p> <p>This budget is for replacement front and internal fire doors. The initial and more urgent fire door replacements, where the existing door was not adequate, have been installed during 2021/22 and the next round of replacing existing doors has now commenced. The MTFP budget has been revaluated and it is now expected that the above amount will no longer be required. The 2022-23 and beyond budgets have been assessed as adequate for the works required in this area.</p>	
Window replacements	(£51,030)
<p>Officer Responsible – Planned Works Lead</p> <p>Programme rearrangements, and efficiencies via procurement and contractor management have resulted in savings from the 2021/22 budget.</p>	
Energiesprong (Zebcat)	£51,030
<p>Officer Responsible – Planned Works Lead</p> <p>The contractor on this project went into administration in early 2022. A new contractor has therefore been appointed to undertake the final works in 2022/23 at additional expected cost of £50k. It was essential for the Council to complete these works which, for a number of reasons, had been ongoing for a number of years. The works are now complete.</p>	

8.13. Schemes to be deferred to 2022/23 and beyond

Schemes which have been identified as being wholly or partly deferred to 2022/23 and beyond are:

Scheme	Budget deferred to/(brought forward from) future years
Adaptions	£90,846
<p>Officer Responsible – Planned Works Lead</p> <p>There are some large adaptions projects that have required formal procurement of contracts due to size. This has resulted in some works that were planned for 2021/22 being deferred into 2022/23.</p>	
Bathroom replacements	£71,896
Kitchen replacements	£53,541

<p>Officer Responsible – Planned Works Lead</p> <p>The contractor in place for these works went into administration in early 2022 which resulted in a disruption to this programme in quarter 4 of 2021/22. A new contractor has taken over this contract and works are expected to get underway again in early 2022/23.</p>	
Boiler replacements	£82,059
<p>Officer Responsible – Compliance Lead</p> <p>The boiler replacement programme has accelerated this year due to the need to replace a number of obsolete models which were unviable to maintain and were placing additional pressure on repairs budgets. Budget was brought forward from 2022/23 in anticipation of the contractor, Liberty making good progress with this replacement programme and getting ahead of the expected programme for 2021/22, not all of the brought forward budget was required in 2021/22 and therefore will be deferred into 2022/23.</p>	
Fire Risk Assessment Works – Planned	£54,757
<p>Officer Responsible – Planned Works Lead</p> <p>This budget is for replacement front and internal fire doors. The initial and more urgent fire door replacements, where the existing door was not adequate, have been installed during 2021/22 and the next round of replacing existing doors has now commenced, this programme will continue into 2022/23.</p>	
LAINGS refurbishments	£242,476
<p>Officer Responsible – Assistant Director of Housing (AP)</p> <p>Following the termination of the Contract with the previous contractor, work has been carried out to secure an alternative contractor to complete the 6 properties nearest to completion. The final 6 properties will be fully re-procured later in the year. Initial cost estimates have been received to evidence this budget requirement for 2022/23.</p>	
Reroofing - Flats	£133,285
<p>Officer Responsible – Planned Works Lead</p> <p>There are some large flat re-roofing projects expected in 2022-23 and the deferral of 2021-22 budget will go towards financing these projects.</p>	
Reroofing - Houses	(£151,496)
<p>Officer Responsible – Planned Works Lead</p> <p>It has been identified that in order to prepare properties for carbon reduction upgrades, some roofing works are required. Surveys confirmed that a significant number of roofs needed renewal including the installation of insulation and ventilation. Additionally, the roofing programme was accelerated in order to achieve Green Homes Grant full</p>	

allocation and spend and some future budget has been brought back into 2021-22 to finance.

Rennes House	£96,800
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Officer Responsible – Assistant Director of Housing (AP)

With Rennes House tenant engagement now completed it is possible to set out the timescale for the demolition of the building which is aligned to the development of alternative housing at Vaughan Road. The Rennes scheme will likely commence in 24 months' time subject to final confirmation of the financial business by Members later this year. This budget has therefore been re-profiled accordingly.

Structural repairs	£336,966
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Officer Responsible – Planned Works Lead

Additional budget was requested for structural repairs in 2021/22 Q3 this was in relation to anticipated additional structural works required on energy retrofit properties. The properties undertaking retrofit works in Q4 of 2021/22 required less structural repairs than anticipated. It is expected that this budget will be required in 2022/23 to cover retrofit properties that will require structural works.

Window replacements	£218,196
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Officer Responsible – Planned Works Lead

The window replacement programme is aligned with several other programmes and the timing of expenditure therefore depends on several factors. The budget will be required in future years.

Energiesprong (Zebcat)	£50,000
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Officer Responsible – Planned Works Lead

The contractor on this project went into administration in early 2022. A new contractor has therefore been appointed to undertake the final works in 2022/23.

Social Housing Acquisitions - Open Market	£1,023,546
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Officer Responsible – Assistant Director of Housing (LB)

The purpose of this budget is to allow the HRA to buy properties on the open market to increase the stock available for social housing in-line with asset management strategy.

Properties are identified throughout the year and offers are made, subject to approval under delegated authority. The timing of spend on this budget is therefore subject to properties coming on to the market that fall within strategy and the house purchase process.

Extra Care Scheme	£331,421
<p>Officer Responsible – Assistant Director of Housing (AP)</p> <p>Some alterations to the building are being carried out to match the care requirements. Highways works are substantially complete so some costs can now be reclaimed back to this budget from the neighbouring private care village owner.</p>	
Delegated Powers (DP) development budget	£1,700,000
<p>Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)</p> <p>The DP budget is available to allow the Assistant director of housing the flexibility to make decisions that would result in increased housing stock, whether by property purchase or development. The timing of spend on this budget is therefore subject to opportunities arising.</p>	
Council own build (Phase 3) – 4 Proposed Sites	£88,700
<p>Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)</p> <p>The budgets were requested to engage Exeter City Living to undertake feasibility assessments on four sites with a view to delivering the next phase of new, high quality and low-carbon Council homes. This work will largely be undertaken in 2022/23</p>	

9. Historic Council own build Final Accounts to 31 March 2022

9.1. The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

As the 21 units were built using HCA funding in conjunction with borrowing (£998k), they are accounted for separately in order to ensure that they self-financing. A separate COB working balance and Major Repairs Reserve are maintained until such time as a sufficient balance has been accumulated to repay the debt attributable to these properties, at which point the units can be accounted for with the wider HRA stock.

9.2. Key Variances from Budget

The 2021-22 year has ended with an overall net surplus of £4,760, which will be transferred to the COB working balance. This represents an increase of £30,530, compared to the budgeted transfer from the working balance of £25,770. Please refer to Appendix 1 for more details.

The variance is largely due to lower than expected repairs and maintenance costs in relation to the properties.

10. How does the decision contribute to the Council's Corporate Plan?

The Housing Revenue Account contributes to a key purposes, as set out in the Corporate Plan; Building great neighbourhoods.

11. What risks are there and how can they be reduced?

For clarity, these are specific financial risks, alongside the risks captured in the corporate risk register.

It is not permissible for the HRA to go into an overall financial deficit position, it is therefore important to ensure that an adequate level of HRA balances is maintained as a contingency against risks. The HRA resolve to retain a working balance at no less than £4 million to mitigate against financial risks.

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

12. Equality Act 2010 (The Act)

12.1. Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding

12.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

12.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

12.4. In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because there are no significant equality and diversity impacts associated with this decision.

13. Carbon Footprint (Environmental) Implications:

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

14. Are there any other options?

None.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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