

## **REPORT TO EXECUTIVE**

Date of Meeting: 6 July 2021

## **REPORT TO COUNCIL**

Date of Meeting: 21 July 2021

Report of: Director Finance

Title: 2020/21 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 Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2021 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 £333,000 as detailed in paragraph 8.4;
- (2) The HRA financial position for 2020/21 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. Members are presented with a quarterly financial update in respect of the HRA and this is the final update for 2020-21.

#### **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 2020/21 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 Although the financial position for the HRA shows a significant underspend, members should note that this is a mix of timing of expenditure and decisions taken to borrow to support the investment in new Homes over the next few years. The HRA medium term financial plan still indicates that all available resources will be used up over the next few years and therefore this underspend is committed in future years.

#### **6. What are the legal aspects?**

- 6.1. The Housing Revenue Account is framed by the Local Government and Housing Act 1989. 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:**

This report raises no issues for the Monitoring officer

#### **8. Report Details:**

##### **HRA FINAL ACCOUNTS TO 31 MARCH 2021**

##### **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

	£
<b>Approved Budgeted Deficit</b>	<b>3,321,605*</b>
Tenancy Services Restructure budget - Council approved 25 February 2020	149,026
Supplementary budgets – Council approved 21 July 2020	657,040
Emergency budget – Council approved 21 July 2020 (£nil impact on total surplus/deficit)	-
<b>Revised Budgeted Deficit</b>	<b>4,127,671</b>

*2020/21 Approved Budget Represented By	£
MANAGEMENT	1,108,135
TENANCY SERVICES	1,302,920
SUNDRY LANDS MAINTENANCE	573,830
REPAIR & MAINTENANCE PROGRAMME	6,785,570
REVENUE CONTRIB TO CAPITAL	5,246,550
CAPITAL CHARGES	3,513,540
HOUSING ASSETS	2,093,020
RENTS	(19,195,320)
INTEREST	1,893,360
MOVEMENT IN WORKING BALANCE	<b>(3,321,605)</b>
Net Cost	£nil

The approved budget was in a deficit position due to a large anticipated revenue contribution to capital in the year of £5,246,550.

The 2020-21 financial year has ended with an overall net surplus of £2.711m. This represents a movement of £6.838m compared to the budgeted deficit of £4.128m for 2020-21 with, most notably, £5.247m deferral of the revenue contribution to capital and £1.328m relating to a reduction in the repairs and maintenance programme, largely due to delays in the various programmes as a result of COVID-19.

Excluding revenue contribution to capital and the repairs and maintenance budgets that were impacted by COVID-19 interruptions, the service cost areas, managed by the Service Leads, spend for 20-21 came out very close to budget at 97% overall.

A projected under-spend of £6.080m has previously been reported to Executive Committee 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 £0.759m. 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
Revenue Contribution to Capital	(£5,246,550)	(£5,246,550)

**Officer Responsible: Assistant Director of Housing (AP)**

- The amount of revenue contributions required to finance the HRA Capital programme in 2020-21 has been reduced to £nil for 2020/21 and deferred to 2021-22.

A larger than anticipated portion of the 2020-21 capital programme has been funded by borrowing, due to the PWLB loan taken out in April 2020. Therefore, less revenue contributions are required towards capital financing this year but the contribution is still required in future years, so there is no impact of this on the Medium-Term Financial Plan.

Management Costs	£25,559	(£48,986)
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**Officers Responsible:  
Assistant Director of Housing (AP)  
Assistant Director of Housing (LB)**

- (£46k) underspend in employee costs, due to recruitment delays as a result of COVID-19.
- £84k additional consultancy fees in relation to the implementation of the new housing IT system. Overspend is being met by a saving in employee costs across other areas of the HRA.
- (£57k) savings in tenant participation and liaison, in relation to conference/seminar budget, publications and leaflets budget and community development project budget; all of which have been largely on hold during 2020/21 due to COVID-19, as well as a review of the Resident Involvement Strategy. £25k of this saving will be requested as a supplementary budget for 2021/22, in order to deliver the revised Resident Involvement Strategy, approved by Council.
- £37k overspend on empty property charges, this is due to delays in re-letting properties. A review of this part of the service is currently underway.
- (£80k) additional service charges and miscellaneous income, relating to older persons' accommodation and insurance service charges, solar panel rental and sales of land under £10k.
- (£17k) saving on housing development team recharge. This budget has now been transferred to the housing asset team, where this work is now undertaken.
- £27k overspend on legal fees, primarily resulting from a fine imposed on the Council by the Health & Safety Executive following an incident in 2017.
- £3k Amalgamation of various under and overspends in relation to COVID-19, including cost of letters to tenants, empty property charges and additional cleaning costs.

<b>Tenancy Services</b>	<b>(£17,758)</b>	<b>(£62,185)</b>
<p><b>Officer Responsible:</b>  <b>Assistant Director of Housing (LB)</b></p> <ul style="list-style-type: none"> <li>• (£70k) Savings in employee costs due to recruitment delays.</li> <li>• £20k cost impact of lower than anticipated number of Right-to-Buy property sales in the year.</li> <li>• (£10k) savings in court and legal fees.</li> <li>• (£7k) saving on valuation fees due to lower number of RTB requests in the year.</li> <li>• £5k Amalgamation of various forecast over/ (under)spends.</li> </ul>		
<b>Sundry Land Maintenance</b>	<b>(£188,380)</b>	<b>(£215,299)</b>
<p><b>Officer Responsible:</b>  <b>Assistant Director of Housing (AP)</b>  <b>Assistant Director of Housing (LB)</b></p> <ul style="list-style-type: none"> <li>• (£41k) underspend on garden assistance, this is due to the service being on hold earlier in the year, during the first COVID-19 lockdown.</li> <li>• (£174k) underspend on trees works. Ash Dieback disease has taken slightly longer to take hold in Exeter when compared with the surrounding area, but when it does there will be a rise in tree management costs, for this reason a supplementary budget will be requested to carry forward £140k of underspend on this budget into 2021-22.</li> </ul>		
<b>Repair &amp; Maintenance Programme</b>	<b>(£1,103,436)</b>	<b>(£1,328,210)</b>
<p><b>Officer Responsible: Assistant Director of Housing (AP)</b></p> <ul style="list-style-type: none"> <li>• (£1,002k) underspend on low maintenance and painting, this is due to interruption of works during COVID-19 lockdown.</li> <li>• (£159k) underspend on general maintenance works. This is due to appointment restrictions during the year as a result of Lockdown periods – catch-up of this work is well underway with cost efficiencies being delivered by grouping work by specific area and tasks.</li> <li>• £472k overspend on repairs to void properties. This is due to a much higher than usual number of larger/higher cost voids working through the system during 2020/2021. A number of void properties resulted in expenditure in excess of £10k without significant amounts of capital works – one additional large element of the cost was property clearances and likely resulted from the closure of recycling centres for large parts of the year.</li> </ul>		

- (£153k) underspend on gas & central heating servicing. This is largely due to efficiencies emerging from the new Liberty contract, that started in 2019/20 and new boiler installs successfully reducing the number of call-outs.
- (£40k) forecast underspend on Legionella testing. Testing had not been possible due to COVID-19 closures but was able to resume in the third quarter of the year.
- (£91k) underspend in decorations for older and vulnerable people. Due to COVID-19 access to carry out these works has not been possible.
- (£232k) underspend on asbestos surveys and removals. This work has been delayed as it is tied to the kitchens & bathrooms replacement programme, which has been delayed due to COVID-19.
- (£99k) underspend on communal decorations, this programme was on hold for the majority of the year due to COVID-19.
- £24k amalgamation of various minor forecast under and overspends, largely COVID-19 related.

<b>Capital Charges</b>	<b>£nil</b>	<b>£259,396</b>
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**Officer Responsible: not applicable (statutory accounting charge)**

- Depreciation charges are higher than budgeted due to a valuation increase of the properties in the portfolio at 2019/20 year end.

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.

<b>Housing Assets</b>	<b>£288,928</b>	<b>£184,554</b>
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**Officer Responsible: Assistant Director of Housing (AP)**

- £29k overspend in employee costs. Several positions were filled with agency staff at the start of the year, with a plan to recruit permanent officers to all positions during 20-21. Despite delays due to COVID-19 work, this plan has largely been executed and all positions have been filled or were in latter stages of the recruitment process as at 31 March 2021.
- £67k Forecast overspend in tenant decant costs. The budget overspend position has arisen due to the delayed progress (due to the COVID pandemic) of the Laings development resulting in costs being incurred during 2020/21 rather than 2019/20, and a number of major works projects which were not anticipated at the commencement of the year. The position regarding future year's budget for this area of cost will be re-evaluated and revised as required. Whilst decanting tenants can be disruptive in the short term the long term strategic asset management of our stock will benefit all our tenants over an extended period.
- £104k Forecast overspend on consultancy fee. £51k in relation to the implementation of the new housing assets integrated contract and £34k in relation to low carbon works, these works have been accelerated during the year, working towards the Council's commitment to carbon neutral by 2030. The further £19k overspend is in relation to housing development consultancy works.

<ul style="list-style-type: none"> <li>• (£18K) Saving on vehicle and fuel costs, this includes the disposal of some low value capital assets.</li> <li>• £3k amalgamation of various minor forecast over and underspends.</li> </ul>		
<b>Rents</b>	<b>£nil</b>	<b>(£420,801)</b>
<p><b>Officer Responsible: Assistant Director of Housing (LB) &amp; Service Lead Revenues, Benefits and Customer Access</b></p> <ul style="list-style-type: none"> <li>• The rents for 2020-21 were reviewed as part of the COVID-19 Emergency budget and the rents budget was reduced by £824k for 2021/22.</li> <li>• The actual rents collected for 2020-21 were £421k over of the emergency budget and only £404k lower than the original budget.</li> <li>• The £824k emergency budget reduction in rents was a worst case scenario, based on the forecast arrears at the time and assumed a full write-off. It has been reported throughout the year that there was an expectation actual rents collected for the year would be ahead of budget.</li> <li>• The level of arrears as at 31 March 2021 is higher than in previous years but in-line with expectations and other social landlords.</li> </ul>		
<b>Interest</b>	<b>£161,828</b>	<b>£39,609</b>
<p><b>Officer Responsible:</b>  <b>Assistant Director of Housing (AP)</b>  <b>Assistant Director of Housing (LB)</b></p> <ul style="list-style-type: none"> <li>• Reflects the actual interest cost of the new PWLB loan taken out for the HRA in April 2020, this will be used to fund the next wave of Council property developments. The loan was agreed earlier than originally anticipated in order to benefit from the low interest rate offered at the time. This has reduced the cost to the HRA over the life of the loan.</li> <li>• This also reflects the lower anticipated interest receivable by the HRA. Interest rates received on investments have fallen significantly since the start of the year and the impact of this will be reflected in the interest earned on HRA balances.</li> </ul>		
<b>Total budget (underspend)/overspend</b>	<b>(£6,079,809)</b>	<b>(£6,838,473)</b>
<b>2020/21 HRA Deficit/ (Surplus)</b>		<b>(2,710,802)</b>

### 8.3. Impact on HRA Working Balance

The total budget variances for 2020-21 have resulted in a surplus of £2,710,802 which will be transferred to 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 2021, is set out below:

<b>Movement</b>	<b>2020/21</b>
Opening HRA Working Balance, as at 1 April 2020	<b>£10,239,475</b>
Surplus for 2020/21	£2,710,802
Balance resolved to be retained (HRA contingency)	(£4,000,000)
<b>Balance Available, as at 31 March 2021</b>	<b>8,950,277</b>

#### 8.4. **Supplementary Budgets**

There is a requirement for supplementary budgets in 2021/22 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 £333,000 identified in Appendix 2 are submitted to Executive for approval and added to the 2021/22 budget.

#### 8.5. **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:

<b>Movement</b>	<b>2020/21</b>
Opening Major Repairs Reserve, as at 1 April 2020	<b>£11,831,831</b>
Revenue monies set aside during 2020/21	£3,772,936
Amount used to finance capital expenditure during 2020/21	(£471,569)
<b>Balance, as at 31 March 2021</b>	<b>£15,133,198</b>

#### 8.6. **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 2021, the HRA's borrowing stood at £73.242 million. The total of the £15.36 million new loan and the former 'debt cap' level of £57,882,413.

## 8.7. HRA Capital Programme

The 2020-21 HRA Capital Programme was last reported to Executive on 6 April 2021. Since that meeting the following changes have been made that have increased the programme.

Description	2020/21	Approval / Funding
<b>HRA Capital Programme</b>	<b>£25,155,805</b>	
Budgets deferred to future financial years at Quarter 3	(£3,242,290)	Council – 20 April 2021
Savings identified at Quarter 3	(£1,000)	Council – 20 April 2021
Acquisition of Social Housing	420,000	Section 106 funded – Delegated powers 6 <sup>th</sup> October 2020
<b>Revised HRA Capital Programme</b>	<b>£22,332,515</b>	

## 8.8. Performance

HRA Capital expenditure in the year amounted to £16,167,996 which equates to 72% 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	7,316,811
Capital investment in the provision of new council homes	8,851,186
<b>Total HRA Capital Expenditure</b>	<b>16,167,997</b>

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 £6.551 million budget into future years, whereas £0.100 million budget has been brought forward from future years and spent in 2020/21 (giving a net budget carry forward of £6.451 million), as indicated in Appendix 4.

## 8.9. HRA Capital Financing

The total HRA capital expenditure for 2020-21 will be financed as follows:

HRA Capital Finance	£
Major Repairs Reserve	471,570
Revenue Contribution to Capital	-
Capital Receipts	3,540,062

Commuted sums (S106)	4,035,863
Borrowing	8,120,502
<b>Total HRA Capital Financing</b>	<b>16,167,997</b>

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

#### 8.10. 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.

<b>Scheme</b>	<b>Overspend / (Underspend)</b>
<b>Laings refurbishment</b>	<b>£200,000</b>
<p><b>Officer Responsible – Assistant Director of Housing (AP)</b></p> <p>The scheme has progressed slower than anticipated due to COVID restrictions throughout the year and the total cost of the project is expected to increase as a consequence. There have also been issues in relation to the agreement of drainage diversions with South West Water and this has resulted in increased project costs.</p>	
<b>Extracare Scheme</b>	<b>£200,000</b>
<p><b>Officer Responsible – Assistant Director of Housing (AP)</b></p> <p>Some late specification changes have resulted in additional project costs – these have been revisions in readiness for the Fire Safety Legislation implemented this year. There has also been a financial impact of delays during the year as a result of COVID restrictions.</p>	
<b>Bovemoors Lane</b>	<b>(£120,000)</b>
<p><b>Officer Responsible – Assistant Director of Housing (AP)</b></p> <p>The site is largely complete and total project costs are expected to come in under original budget.</p>	

#### 8.11. Schemes to be deferred to 2020/21 and beyond

Schemes which have been identified as being wholly or partly deferred to 2021/22 and beyond are:

<b>Scheme</b>	<b>Budget deferred to/(brought forward from) future years</b>
<b>Adaptions</b>	<b>£181,126</b>
<p><b>Officer Responsible – Planned Works Lead</b></p>	

Internal works were suspended in the last COVID-19 lockdown and this had an impact on some of the large adaptations projects that were planned for the end of the year. Works on these projects are now underway early 2021/22.	
<b>Common Area Footpath &amp; Wall Improvements</b>	<b>£68,976</b>
<p><b>Officer Responsible – Compliance Lead</b></p> <p>There were two major projects that were expected to take place in Quarter 4. Due to COVID restrictions, section 20 consultation and changes to the specification there were delays in these projects, works are now underway in early 2021/22.</p>	
<b>Communal Area Improvements</b>	<b>£58,281</b>
<b>Communal Door and Screen Replacements</b>	<b>£216,690</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>There were increased waiting times on doors and screens and this led to a delay on a large project that was due to take place in Quarter 4. These budgets were also impacted when internal works were suspended in the last lockdown.</p>	
<b>Fire Risk Assessment Works</b>	<b>£120,063</b>
<p><b>Officer Responsible – Planned Works Lead and Compliance Lead</b></p> <p>Internal works were suspended which delayed the fitting of replacement fire doors, there were also longer wait times on delivery of doors during the period.</p> <p>The planned works and compliance teams have worked together with external contractors to review and update work programmes for future years. All work has been prioritised to ensure full delivery of fire risk assessment responsibilities.</p>	
<b>Fire Safety Storage Facilities</b>	<b>£178,387</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>This is a programme of works to move existing bin stores or build new stores in order to maximise fire safety. The programme has now been aligned to the windows and doors programme.</p> <p>The budget has been re-profiled to align to the related programme of works.</p>	
<b>LAINGS Refurbishments</b>	<b>£437,025</b>
<p><b>Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)</b></p> <p>The scheme is now expected to be completed in Sept/October 2021. This is later than previously anticipated due to delays as a result of COVID restrictions and the number of tradespeople that are allowed onsite at any one time.</p> <p>The £437k to carry forward includes the £200k expected overspend detailed above.</p>	
<b>Reroofing - Flats</b>	<b>£73,782</b>

<b>Reroofing - Houses</b>	<b>£318,170</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>Delays were experienced as a consequence of works being on hold during the first lockdown, although contractors made efforts to catch-up on the programme once lockdown had lifted, this wasn't quite achieved before the Year End.</p>	
<b>Structural Repairs</b>	<b>£198,941</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>Large structural repairs works in relation to carbon reduction, including cavity wall and external wall works, were due to commence in the last quarter. It took slightly longer than expected to procure and mobilise contracts but these works are now underway in early 21/22.</p>	
<b>Window Replacements</b>	<b>£166,325</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>In-year delays were experienced as a consequence of re-designing the installation programme to align the window and door installations. By doing so, the Council has secured contract and installation efficiencies and ensured less disruption for our tenants. Products come from the same suppliers so we are securing budget efficiencies through procurement economies of scale.</p> <p>The programme is also aligned with the cyclical decorations budget so we actually carry out multiple component and elemental works to a property all in one go but the programme design has taken some time to resolve and set out. One significant further in year delay in programme delivery has occurred due to the need for a bat survey on the Flowerpot Lane Estate which meant that the programme of works was delayed by six months.</p>	
<b>Social Housing Acquisitions - Section 106</b>	<b>£490,000</b>
<b>Social Housing Acquisitions - Open Market</b>	<b>£319,281</b>
<p><b>Officer Responsible – Assistant Director of Housing (LB)</b></p> <p>The purpose of this budget is to allow the HRA to buy properties on the open market and Section 106 agreements to increase the stock available for social housing in-line with asset management strategy.</p> <p>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.</p>	
<b>Extra Care Scheme</b>	<b>£563,008</b>
<p><b>Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)</b></p> <p>The building is now expected to be finalised in June 2021, with highway and drainage to be completed by September 2021. Kier had been suffering delays due to COVID</p>	

and are struggling to get enough labour on site due to shortages and social distancing issues.

The £563k to carry forward includes the £200k expected overspend detailed above.

<b>Bovemoors Lane</b>	<b>£105,358</b>
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**Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)**

This scheme was largely completed before the year end and all 10 properties are now available for tenants. There are still a small amount external works to complete, contractor retention and final consultant's fees to pay, following the defects period.

The £105k to carry forward, includes the £120k expected saving detailed above.

<b>Hamlin Gardens</b>	<b>£84,827</b>
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**Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)**

The main contractor had to pull out of the scheme so this will now be retendered. Work is now not expected to start on this project until September/October 2021 and will run to 2023/24.

<b>Vaughan Road</b>	<b>£250,000</b>
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**Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)**

The Vaughan Road development has been delayed due to the availability of contractors and the need to reassess the development budget against submitted tenders. Further financial viability assessment has been carried out and a report will be submitted to Executive and Council at a later date to set out the new development business case.

<b>Thornpark Rise</b>	<b>£2,596,104</b>
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**Officer Responsible – Officer Responsible – Assistant Director of Housing (AP)**

The purchase of 9 properties at Thornpark Rise was expected to complete in December 2020. This has been delayed due to outstanding snagging items still to be completed. The purchase is now expected in Quarter 1 of 2021/22.

## 9. COUNCIL OWN BUILD FINAL ACCOUNTS TO 31 MARCH 2021

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.

9.2. Key Variances from Budget

The 2020-21 year has ended with an overall net surplus of £30,940, which will be transferred to the COB working balance. This represents an increase of £15,470, compared to the budgeted transfer to the working balance of £15,470. 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:

12.4.1. 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?**

No

**Director Finance: David Hodgson**

Author: Kayleigh Searle

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

Background papers used in compiling this report:-

None

Contact for enquires:  
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