



CAERPHILLY HOMES TASK GROUP – 3RD NOVEMBER 2016

SUBJECT: HOUSING REVENUE ACCOUNT BUDGET MONITORING – PERIOD 4 2016/17

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

- 1.1 The attached report, which outlined the projected expenditure for the Housing Revenue Account (HRA) for the 2016/17 financial year, was considered by the Policy and Resources Scrutiny Committee on 4th October 2016.
- 1.2 Members were advised that the HRA is currently projecting a year end outturn of £870k underspend, which represents just under 2% of the total HRA budget. Members attention was directed to the main variances within this expenditure as detailed in the report, namely Salaries and Mileage (£86k overspend), Service Specific Related and Office Related (£92k underspend), Income (£1.3m additional), Building Maintenance (£283k overspend) and Revenue Contribution to Capital (£147k overspend). Full financial details relating to the HRA projected outturn for 2016/17 were appended to the Scrutiny Committee report.
- 1.3 Officers explained that the in-house workforce for the Welsh Housing Quality Standard (WHQS) is expected to increase its spend to £10m due to the increase of properties expected to be completed this year compared to last year (an additional 240 properties). The additional costs are fully funded from the WHQS programme and therefore do not form part of the HRA variance in the report.
- 1.4 It was noted that the HRA working balances at the end of 2015/16 stood at £19.8m, with the majority of the funding earmarked to fund the WHQS programme. To date no borrowing has been undertaken to fund the WHQS programme. However, the current business plan anticipates a borrowing requirement of £57m to fully deliver the programme. In response to a Member's query regarding alternative solutions to borrowing, Officers explained that it is not permissible to use the General Fund to provide loans to the HRA, and that the cost of borrowing has already been factored into the business plan.
- 1.5 Following consideration and discussion of the report, the Policy and Resources Scrutiny Committee noted its contents.
- 1.6 Members are asked to consider the report and note its contents.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 4th October 2016 – Agenda Item 11