

Housing Revenue Outturn 2021/22

Housing Committee, Tuesday 4 October 2022

Report of: Mark Hak-Sanders Chief Finance Officer (Section 151)

Purpose:

The purpose of the report is to provide the Housing Committee with the Housing Revenue Account 2021/22 Financial Outturn on Revenue and Capital.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report, including Appendix A, outlines the 2021/22 budget position at the end of March 2022 (Outturn).

This report supports the Council's priority of: Building a better Council/ Creating the homes, infrastructure and environment we need/ Supporting economic recovery in Tandridge/ Becoming a greener, more sustainable District.

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Recommendation to Committee:

That the Committee note the Housing Revenue Account's Revenue and Capital outturn positions for the year 2021/22 (Appendix A)

Reason for recommendation:

The Housing Revenue Account's full outturn position and proposals for use of the surplus are set out in this report and Appendix A. The recommendations support the need to build the Council's reserves towards a sustainable level, in light of growing inflation.

Introduction and background

- 1 The Housing Revenue Account 2021/22 Financial outturn was an overall underspend of £523k.
- 2 The Housing Revenue Account 2021/22 Capital programme had an underspend of £ 5,719k.

Headlines

- 3 The underspend in the Outturn is explained further in the attached appendix A, however the main were as noted below: -
 - a. £197k Salaries - underspend due to the carrying of vacant posts and vacancy drag due to the post being vacant whilst recruiting to back fill the rolls.
 - b. £172k Service Costs – underspend due to rechargeable time costs to other service in both revenue and capital.
 - c. £217k Repairs and Maintenance – overall less spend on Housing stock repairs than the set budget.
 - d. £117k Rental Income Garages – the budget set was not achieved due to long-term sickness and garage development adjustments.
- 4 The slippage in the Capital outturn was mainly related to the Housing development and new builds budget, which had slippage of £4,930k.
- 5 It should be noted that, as the outturn position is a surplus for the HRA, the underspend amount can be taken to reserves and used in future years to be spent in either the revenue or capital programmes and may allow the Council to develop new Housing stock.
- 6 The reserves position will be factored into the 2023/24 HRA budget and business plan to be considered at committee in January 2023.

Key implications

Comments of the Chief Finance Officer

The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions, taking into account all material, financial and business issues and risks. The change from M11 suggests that there is room for improvement in our approach to forecasting in the HRA (as is the case with the wider Council's finances) and this will be part of the continuing improvement plan for Finance.

At present a detailed review of staff allocations and charges to the Housing Revenue Account is underway. This along with close working with the Head of Housing will form the starting point to more accurate forecasting in future.

Comments of the Head of Legal Services

It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

Equality

This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' - 2021/22 report.

Background papers

None.

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