

Quarter 1 2022/23 Budget Monitoring - Housing Committee

Housing Committee Tuesday, 4 October 2022

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

Purpose: To note the 2022/23 Quarter 1 / Month 3 (June) Financial position of both the Revenue and Capital for the Committee (including HRA).

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2022/23 Quarter 1 / Month 3 (June) financial position of both the Revenue and Capital budgets for the Committee (including HRA)

This report supports the Council's priority of: Building a better Council

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Recommendation to Committee:

That the Committee's forecast Revenue and Capital budgets positions as at Quarter 1 / M3 (June) 2022 be noted (including HRA).

Reason for recommendation:

The Council has a duty to ensure that its expenditure does not exceed resources available. The medium-term financial outlook remains uncertain and so the Council must continue to take steps towards growing its financial resilience, including building reserves to a sustainable level.

It is essential, as a matter of prudence that the financial position 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 any

new expenditure is contained within the available resources.

Finance have committed to bringing quarterly financial monitoring updates to each committee to ensure that all members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and as background to the emerging budget for 2023/24.

The consolidated position will be reported to Strategy & Resources Committee on the 29th September 2022.

Introduction and background

- 1 The 2022/23 Housing General Fund Revenue budget was approved at £476k on 24th March 2022, including the distribution of staffing increments and vacancy factor (known as the Tranche 2 budget).
- 2 The 2022/23 Housing Revenue Account (HRA) Capital Budget was approved at £11,586k by Council on 10th February 2022 having been considered by Housing Committee on the 25th January 2022. £460k was approved in the Housing General Fund.
- 3 The HRA Capital Budget was increased to £15,956k by carry-forwards from 2021/22 approved by S&R committee on 30th June 2022.

Key Points

- 4 The key headline at M3 is that both the HGF and HRA total forecast revenue are holding to budget 2022/23, however in HGF there are two offsetting amounts. The two offsetting amounts are as follows:-
 - Housing Benefit currently assumes that expenditure is matched by the Government's subsidy, however this is not the case and therefore we have provided £80k in the M3 budget monitoring to cover the under recovered costs.
 - Homelessness - we are able to recognise more of the Homelessness grant and use it to offset legitimate costs elsewhere in the committee.
- 5 At present it is assumed that the full HRA Capital Budget is deliverable, although there are variances on individual lines. The General Fund shows a variance on current expectations of DFG spend. This is an early estimate and will continue to be kept under review.

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 key financial implications at this stage are captured in the body of the report.

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

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

Climate change

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

Appendices

Appendix A - Committees M3 (June) 2022 Financial Report and supporting data.

Background papers

- Housing Committee 22/23 draft budget and Medium-Term Financial Strategy –Housing Committee – 25th January 2022
- 2022/23 final budget and 2023/24 MTFS - Strategy and Resources Committee 1st February 2022
- Housing Committee - 2022/23 Budget – Tranche 2 Pressure and Savings Distribution –Housing Committee - 24th March 2022
- 2021/22 Budget – Outturn Report – Strategy and Resources Committee 30th June 2022

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