

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	THE EXECUTIVE
DATE:	18 SEPTEMBER 2017
SUBJECT:	HRA BUDGET MONITORING, QUARTER 1 2017/18
PORTFOLIO HOLDER(S):	COUNCILLOR JOHN GRIFFITH
HEAD OF SERVICE:	MARC JONES
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LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

1. The Executive is requested to note the following:-
 - (i) The position set out in respect of the financial performance of the Housing Revenue Account (HRA) for Quarter 1 2017/18.
2. **Background**
 - (i) In March 2017, the Council agreed a budget for 2017/18 that showed a planned deficit of £3,353k.
 - (ii) The budget for 2017/18 included a contribution to the capital programme of £8,882k.
 - (iii) The HRA is 'ringfenced', and its reserves cannot be transferred to the General Fund.
3. This report sets out the financial performance of the HRA for the period from 1st April 2017 to 30th June 2017.
4. **Overview**
 - (i) The revenue financial position for 2017/18 shows an overspend of £49k, a variance of less than 2%. More detail is shown in Appendix A.
 - (ii) Capital expenditure is behind profiled expenditure but is expected to be on budget by the end of the year. More detail is shown in Appendix B.
5. **Income**
 - (i) Income is £41k (1%) better than the profiled budget.
 - (ii) The budget assumed that the remodelling of the garage stock would be complete. The forecast has been amended to show additional income of £25k to account for the phasing of the project.

6. Expenditure

- (i) Overall, expenditure is £45k below budget. As yet, there are no significant trends to report.

7. Year End Adjustments

- (i) This heading covers items of expenditure that form part of the year end accounting process and are not generally monitored during the year.

8. Repairs and Maintenance

- (i) The Housing Maintenance Unit (HMU) shows an overspend of £53k. The overspend is due to additional expenditure on subcontractors and materials on day to day maintenance work. However, the expenditure is being reviewed which could reduce the overspend. Procedures have been reviewed to improve the coding and timeliness of purchase orders, and the expenditure will be closely monitored.
- (ii) Other Repairs and Maintenance are overspent due to the procurement of services (particularly ground maintenance) that covers much of the financial year. This would be expected to be on budget by the end of the year.

9. Capital Expenditure

- (i) Capital expenditure to the end of June shows no significant variation to date. Details are shown in Appendix B.

B - What other options did you consider and why did you reject them and/or opt for this option?		
n/a		
C - Why is this a decision for the Executive?		
This matter is delegated to the Executive.		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
DD - Who did you consult? What did they say?		
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2	Finance / Section 151 (mandatory)	n/a– this is the Section 151 Officer's report
3	Legal / Monitoring Officer (mandatory)	Will be consulted as part of SLT
4	Human Resources (HR)	

5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	
F - Appendices:		
Appendix A – Revenue expenditure and forecasts to end of Quarter 1. Appendix B – Capital expenditure and forecasts to end of Quarter 1.		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> • 2017/18 HRA budget (as approved by this Committee on 20 March 2017). • HRA 30 Year Business Plan 2017/47 (as approved by this Committee on 20 March 2017). 		

APPENDIX A

	Annual Budget 2017/18	Profiled Budget	Total Expenditure to Date	Variance to Date	Projected over/under spend
	£	£	£	£	£
HRA Revenue Accounts - June 2017					
Income					
Income - Dwellings	-16,052,000	-3,996,948	-4,020,743	-23,795	
Income - Garages	-185,000	-46,065	-56,950	-10,885	-25,000
Income- Service Charges	-97,000	-24,153	-31,777	-7,624	
Income - Other	-291,000	-63,993	-62,712	1,281	
Total Income	-16,625,000	-4,131,159	-4,172,182	-41,023	-25,000
Expenditure					
Tenant Participation	96,710	24,034	14,656	-9,378	
Rent Administration	409,410	102,079	16,514	-85,565	
Estate Management	206,280	50,621	109,037	58,416	
Building Maintenance Staff (Non BMU)	863,890	214,056	214,537	481	
Other Revenue Expenditure	629,020	156,682	147,124	-9,558	
Total Income and Expenditure	2,205,310	547,472	501,868	-45,604	0
Year end adjustments					
Interest/MRP	3,677,000	0	0	0	
Bad Debt Provision	147,000	0	0	0	
Recharge from Housing Service	621,830	0	0	0	
Recharge from Central Services	677,010	0	0	0	
Revenue Contribution to Capital Programme	8,882,000	0	0	0	
HRA Total	-414,850	-3,583,687	-3,670,314	-3,670,314	-25,000
HMU					
Other Repairs and Maintenance	3,268,040	810,851	863,507	52,656	
Repairs and Maintenance	3,767,630	935,285	1,071,271	135,986	0
TOTAL HRA DEFICIT	3,352,780	-2,648,402	-2,599,043	49,359	-25,000

Note: A negative number in the forecast change column indicates an improvement in the overall position.

APPENDIX B

SERVICE	Annual Budget (£)	Profiled Budget (£)	Total Expenditure (£)	Variance to profile (£)	Projected Expenditure (£)	Projected (Under) / Over (£)
Housing HRA						
Central Heating Contract	600,000	30,000	30,677	677	600,000	0
Planned Maintenance Contract	4,635,000	750,000	639,663	-110,337	4,635,000	0
HMU Vehicles 2017/18	144,000	0	0	0	144,000	0
Environmental Works	502,580	25,645	25,617	-28	502,580	0
Remodelling of Existing Stock	693,120	0	195	195	693,120	0
Acquisition of Existing Properties	4,800,000	350,000	348,337	-1,663	4,800,000	0
Public Sector Adaptations	350,000	100,000	109,179	9,179	350,000	0
Fire Risk	167,620	0	0	0	167,620	0
WHQS	870,280	67,570	26,128	-41,442	870,280	0
Premises	110,000	27,500	39,378	11,878	110,000	0
Totals for : Housing HRA	12,872,600	1,350,715	1,219,175	-131,540	12,872,600	0