

Report to: Environmental Services Scrutiny Committee

Date: 8th April 2014

Report of: Director of Development and Regeneration

Report No: ESSC/16/14

Deputy Chief Executive

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Report Title: Housing Services Finance – Quarter Three 2013/14 Report

Non Confidential: **(Non-Confidential)** This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose: This report provides the Environmental Services Scrutiny Committee with information relating to the financial quarter three position for Housing Services for the 2013/14 financial year.

Recommendations: It is recommended that the Environmental Services Scrutiny Committee:

- notes the financial quarter three position of the service.

Decision:

Background Doc(s):

(for use on Exec Rep)

Signed:

Leader / Executive Cabinet Member

Monitoring Officer

Date:

This report does not require an equality impact assessment to be carried out due to being outside the high and medium relevance review requirements

Summary:

This report outlines the financial quarter three position in respect of Housing Services for the 2013/14 financial year.

Key Issues:**Revenue Expenditure:**

The quarter three position for Housing Services is a projected underspend of £131,000 after reserve movements.

Capital Expenditure:

Capital expenditure at quarter three is £3,015,000 against a budget of £4,267,000.

Reserves:

The department has a projected year end general reserve of £1,338,410.

Efficiency targets:

Budgeted efficiency savings for the department are £443,000. All planned efficiencies have been achieved.

Risk:

Specific areas of financial risk relate to loss of grants and occupancy within the accommodation services

1 Introduction

This report provides the Executive Cabinet Member with the financial quarter three position relating to Housing Services, for the 2013/14 financial year.

The information covers financial information and risks for the department.

2 Revenue expenditure

2.1 Revenue budget

The approved revenue budget for the service totals:

Table One: Housing Services – Approved revenue budget 2013/14

	£'000	£'000
Original Approved Housing Budget 2013/14		2,342
Recharges 2013/14		181
Original Manager's Controllable Housing Budget 2013/14		2,161
Insurance revised estimate	-1	
Auto enrolment	21	
		<hr/> 20
Adjusted Manager's Controllable Housing Budget as at Quarter 3		2,181
Recharges 2013/14		181
Adjusted Housing Budget as at Quarter 3		2,362

2.2 In year revenue changes

There have been two budget adjustments in quarter three:

- Budget received for the revised insurance charges
- A budget has been allocated for the auto enrolment of pensions

2.3 Financial outturn position

Table two below outlines the Housing Service's financial position, as at the 31st December 2013.

Table Two—Housing Services Projected Financial Position 2013/14 Quarter Three

Housing Services	Budget 13/14	Projected Outturn	Net Variance
	£'000	£'000	£'000
Housing - General	894	818	-76
Community Housing Services	186	168	-18
Accommodation	372	374	2
Bolton Community Homes (BCH)	278	278	0
Options and Advice Services	632	593	-39
Total for Housing Services	2,362	2,231	-131

Variance analysis

The overall financial position for the service after movements to reserves amounts to a projected outturn position of an underspend of £131,000.

There are no major variances to report.

3 Savings and efficiency target

In setting the strategic budget for the year the overall saving and efficiency target is £443,000.

Table Three – Strategic options for 2013/14

Proposed Savings	Strategic Options 13-14 (£'000)
Housing Services Review	427
Management of Cash Limited Budgets	16
Total Strategic Options	443

Table three shows the detail of the strategic options for Housing. Action has been taken to implement the reductions and monitoring of expenditure against specific options has been incorporated into the financial monitoring.

All options have been achieved.

4 Capital programme monitoring

Appendix A outlines the projected capital outturn position for Housing Services for 2013/14 as at quarter three.

The Housing capital programme spend to date is £3,015,000 against a budget of £4,267,000 (70.7%).

New Build Affordable Homes

The joint Affordable Housing Programme between the Council and Bolton at Home will deliver approximately 20 units in the next 18 months. During the quarter the budget has been increased by £690k using the New Homes Bonus Funds already received by the Council but not previously included in this year's programme.

An additional budget of £36k has been added to the programme to meet final retention now due on a previous year's project at Hamilton Court.

5 Reserve movements

Outlined below are the movements to the Housing Services reserves for 2013/14.

The outturn movement's column represents the impact upon reserves of the outturn position shown at table two of the report.

Table Four – Housing Services reserves position 2013/14

Description	As at 01/04/13 £	Year End £	Projected Outturn £	As at 31/03/14 £
Affordable Housing	-329,053		73,470	-255,583
Pinpoint	-200,379		25,364	-175,015
Homeless	-497,086			-497,086
Furnished Tenancies	-373,934			-373,934
Mental Health Discharge	-15,366			-15,366
Lease Management	-56,435		-10,000	-66,435
Private Sector Stock Condition Survey	-90,216			-90,216
Housing & Public Health	-90,646		34,859	-55,787
Property Maintenance	-100,000	-100,000		-200,000
	-1,753,115	-100,000	123,693	-1,729,422
General Reserve	-407,181	-31,000	-800,229	-1,238,410
Other Total	-407,181	-31,000	-800,229	-1,338,410
Grand Total	-2,160,296	-131,000	-676,536	-2,967,832

6 Risk area

- 6.1** A number of risks have been identified relating to the delivery of housing services as part of the D&R risk management approach. Ongoing monitoring is ensuring that these risks have appropriate and robust actions/controls in place to mitigate any significant risks.

There are 9 financial risks identified for Housing Services:

- Red 0

- Amber 7
- Green 2

Gypsy Site

There are issues around antisocial behaviour and crime relating to the gypsy site. The site requires significant investment and a Homes and Community Agency (HCA) bid has been successful to fund the refurbishment. The scheme is due to start early 2014.

A multiagency working group has been established to address the issues relating to the site.

Welfare Reform

The specific details relating to welfare reform are not known at this point in time. There are two key elements to the financial risk which relate to the introduction of the Benefit Cap which will be rolled out from July 2013 and Universal Credit anticipated to be introduced from October 2013. However, this will now only apply to 10 Job Centre areas, 3 of which are in Greater Manchester but doesn't include Bolton. The risk is still there over the longer term. A project team has been created involving key stakeholders and partner agencies. A strategy is being developed to mitigate loss of income and impact on services. This will involve work with Housing Benefit and Stakeholders to develop flexible approaches.

Implementation of the savings and Efficiency Review

There are a number of vacant posts that are proving difficult to fill. Due to the changes being implemented as part of the review it is critical that all the posts are filled in order to meet demand from customers and partners.

6.2 Housing occupancy levels

There are risks associated with setting void targets for temporary accommodation provision. However, whilst Benjamin Court currently has a 10% void level built into its budget, the actual void levels have been:

October	19%
November	17%
December	13%

7 Conclusions and recommendations

This report has provided information relating to the projected financial outturn, as at quarter three for Housing Services for the 2013/14 financial year. It is recommended that the Environmental Services Scrutiny Committee:

- Notes the financial quarter three position for the Service.
- Note the key findings in the report

Housing Capital Programme 2013/14

Project Name	Current Programme 13/14 £000	Actual Spend As at Quarter 3 £000	Projected Spend to 31/3/14 £000
Disabled Facilities Grants	1,825	1,321	1,825
Private Sector Renewals	635	209	635
Affordable Warmth	386	238	386
Care & Repair	177	64	177
Empty Dwellings	70	9	70
New Build Affordable Homes	1,000	1,000	1,000
Safe Warm & Dry (PSR)	138	138	138
Hamilton Court	36	36	36
TOTAL	4,267	3,015	4,267