

# NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## POLICY DEVELOPMENT GROUP –11 JANUARY 2017

Title of report	<b>HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2017/18</b>
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Purpose of report	To receive the Committee's comments on the Cabinet's draft 2017/18 Housing Revenue Account (HRA) Budget proposals
Council Priorities	Value for Money Homes and Communities
Implications:	
Financial/Staff	As included in report.
Link to relevant CAT	Delivering a HRA Budget for 2017/18 will allow the Council to achieve the objectives for the service as set out in the Housing Business Plan and Service Team Business Plans.
Risk Management	The Council sets an HRA budget, which is regularly monitored throughout the year to ensure services are delivered within budget. Risks are managed through the corporate risk management process.
Equalities Impact Screening	None identified.
Human Rights	None identified.
Transformational Government	Not applicable

Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team (CLT), Cabinet (13 December 2016).
Background papers	<a href="#">Capital Programmes, Cabinet 13 December 2016.</a>
Recommendations	<b>THAT THE COMMITTEE PROVIDES ANY COMMENTS IT MAY HAVE FOR CONSIDERATION BY THE CABINET WHEN IT MEETS ON 7 FEBRUARY 2017 PRIOR TO THEIR RECOMMENDATIONS BEING TAKEN TO COUNCIL ON 23 FEBRUARY 2017.</b>

## 1.0 INTRODUCTION

1.1 Housing Revenue Account Draft Revenue Budget proposals for 2017/18 were presented to the Cabinet for approval for consultation at its meeting on 13 December 2016. The Policy Development Group is invited to consider these proposals, along with the Addendum at appendix 2, and provide any comments for the Cabinet to take into account when it agrees its final recommendations on 7 February 2017.

1.2 Further details are included in the attached Cabinet reports:

Appendix 1 Draft Housing Revenue Account (HRA) Budget Proposals 2017/18

1.3 The formal consultation process commenced on 14 December 2016 and ends on 12 January 2017 with details of the timetable shown in appendix D of the Cabinet Report of 13 December 2016. The outcome of this consultation exercise will be fed back into the subsequent reports to Cabinet and Council to seek approval for the final budget.

1.4 The draft proposals for 2017/18 include a budgeted surplus of £276k, which will be transferred to the debt repayment reserve.

1.5 The only proposed changes at present to the Cabinet Report of 13 December 2016 are as follows:

- Paragraph 5.4 will be amended to state that gas central heating charges will reduce by 10% in 2017/18, which will be reflected in tenants' service charges

## 2.0 2016/17 BUDGET POSITION

2.1 The budgeted position for 2016/17 was a £2.395m surplus. The overall forecast at period 8 shows a potential surplus of £2.756m. The additional forecast surplus of £361k is largely down to the increase in expected rent due to empty properties being let more quickly, a reduction in the overall number of empty properties, and a reduction in corporate overheads attributed to the HRA.

- 2.2 As a result of this the balance on the Housing Revenue Account at 31 March 2017 is estimated to be £8.2 m. This balance significantly exceeds our agreed minimum working balance on the HRA of £1m and has been developed as a provision against the future repayment of debts taken out on a maturity repayment basis, as described within the HRA Business Plan. The first maturity loans of £10m and £3m fall due for repayment on 28 March 2022. This balance is transferred to a loan repayment reserve for the purposes of repaying these loans commitments.

### **3.0 CONSULTATION PROCESS**

- 3.1 The contents and appendices of this report will be used to consult with Council tenants on the proposals for the 2017/18 Housing Revenue Account budget.
- 3.2 Consultation in accordance with the timetable referenced in paragraph 1.3 above will include consulting with tenant members of the Performance and Finance Working Group (the Council's Resident Involvement technical finance working group) and the Tenants and Leaseholders Consultation Forum (the Council's main consultative body of tenants) to review and comment on the proposals.
- 3.3 In addition, the contents and appendices of this report will be published on the Council's Housing internet page and available in hard copy format upon request.

### **4.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

- 4.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.
- 4.2 Taking into account identified risks, the Deputy Section 151 Officer considers that the estimates which form the Housing Revenue Account Budget for 2017/18 are robust and prudent and the proposals are deliverable.
- 4.3 The Deputy Section 151 Officer also considers that the overall level of Housing Revenue Account reserves is adequate.