

Meeting: Executive
Portfolio Area: Housing and Resources

Agenda Item:

9

Date: 21 September 2015

1st QUARTER MONITORING REPORT GENERAL FUND AND HOUSING REVENUE ACCOUNT

KEY DECISION

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1. PURPOSE

- 1.1 The Council undertakes a complete review of all revenue and associated budgets on a quarterly basis. This is the 1st quarter budget monitoring report for 2015/16.
- 1.2 To update Members on the General Fund and Housing Revenue Account (HRA) projected 2015/16 net expenditure and to seek approval for the revisions to the 2015/16 revenue budgets.
- 1.3 To update Members on the General Fund and HRA savings and growth items approved for 2015/16 and the New Homes Bonus scheme allocations.
- 1.4 To update Members on the council's reserves and balances available to support revenue expenditure and to seek approval for revisions to the allocated reserves.

2. RECOMMENDATIONS

- 2.1 That the 2015/16 1st quarter General Fund projected net decrease in expenditure of £58,160 be approved.
- 2.2 That it be noted that the changes to the General Fund net budget remains within the £400,000 (increase) variation limit delegated to the Executive.
- 2.3 That the transfer of £42,580 from the capital reserve be approved subject to approving the Capital Strategy update to this Executive.
- 2.4 That the transfer of £256,240 to the regeneration assets reserve (paragraph 3.10.3 refers) be approved.
- 2.5 That the 2015/16 1st quarter net increase in Housing Revenue Account (HRA) surplus of **£11,830** be approved.

- 2.6 That it be noted that the changes to the HRA net budget remains within the £250,000 (increase) variation limit delegated to the Executive.
- 2.7 That it be noted that HRA balances are projected to be £16,007,979 as at 31 March 2016 which is £189,720 below the risk assessed level of balances (paragraph 5.3). However the HRA holds future balances for future debt repayments and capital programme for throughout the 30 year business plan.

3. GENERAL FUND - Background

- 3.1 Since the General Fund net revenue budget of £10,401,200 was approved at Council on 25 February 2015 Members have approved the net budget changes as detailed in table one below.

Table One – 2015/16 General Fund Working Budget	Working Budget £
Original Budget	10,401,200
3rd Quarter 2014/15 net decrease	(88,560)
3rd Quarter Carry forwards	37,250
4th Quarter 2014/15 net decrease	(270,680)
4th Quarter Carry forwards	281,180
Section 31 moved to above the line	(381,120)
Total Approved to Date	9,979,270

Key = (decrease in expenditure/increase in income), increase in expenditure/reduction in income

3.2 GENERAL FUND – Budget Review

3.2.1 General Fund Budget 2015/16

- 3.2.2 As a result of the 1st quarter budget monitoring review the General Fund net expenditure is projected to decrease by £58,160.

3.3 1st Quarter variances

- 3.3.1 **Commercial Properties** – Following the departure of Ridgemoor Training from the Q3 building, officers have been unable to find a new tenant. Business rates normally paid by the tenant are now a Council cost, given rise to a budget pressure of £74,940. This is partially offset by additional rental income (£48,630) from shops.
- 3.3.2 Rental from the recently acquired regeneration assets has increased as office space has been let above budgeted amounts. As previously approved by Members any surplus arising from the regeneration assets is transferred to the regeneration assets allocated reserve (see also paragraph 3.10.3).

- 3.3.3 **Off Street Parking** – Car park income has fallen compared to the same period last year and it is anticipated that it will be £115,560 lower than budgeted. This is due to a number of contributing factors including; competition from the new Biggleswade retail park and reduced footfall at the Westgate Shopping Centre. In addition a savings option (S15) generated from increased season ticket sales will not be achieved (see also paragraph 3.5.2).
- 3.3.4 **Development Control and Building Control** – Planning application and building regulation application numbers have risen in the first quarter reflecting renewed confidence in the construction industry. Fees and charges for these services areas are forecasted to be £60,000 above the working budget.
- 3.3.5 **General and local elections** income reimbursed by central government was higher than budgeted resulting in a saving of £42,010.
- 3.3.6 The **Women's (cycling) Tour** finished in Stevenage Old Town on the 22nd June. When Members approved the hosting of the tour in Stevenage (Executive 16 November 2014) it was agreed that a supplementary estimate of up to £88,000 would be approved if there was a shortfall in funding. There was an overall shortfall in funding of £24,990 relating to lower contributions and sponsorship than estimated.
- 3.3.7 The event was well received with 15,000 spectators in Stevenage Independent research indicated the benefits to Hertfordshire from visitor expenditure was £412,111, (with a net spend in Stevenage of £180,729).
- 3.3.8 **Interest receivable** is apportioned between each fund (General Fund and HRA) based on cash balances held by each fund. General Fund retained interest is forecast to increase (£27,240) due to higher cash balances and a slightly higher achieved interest rate to that budgeted.
- 3.3.9 Further pressures and savings have been identified during the 1st quarter and these are listed in the following table and in more detail in Appendix A.

Table Two	£	£
Decrease in spend/ Income increases:		
Commercial Properties Fees & Charges (para 3.3.1 refers)	(48,630)	
Elections (para 3.3.5 refers)	(42,010)	
Release Land Charges Provision (Appendix A refers)	(69,680)	
Investment Income (para 3.3.8 refers)	(27,240)	
Development Control (para 3.3.4 refers)	(30,000)	
Building Control (para 3.3.4 refers)	(30,000)	
Direct Employee costs (Appendix A refers)	(77,360)	
		(324,920)
Increase in Spend / Income reductions		
Commercial Properties Rates (para 3.3.1 refers)	80,190	
Women's Tour (para. 3.3.6-3.3.7 refers)	24,990	
Off Street Parking (para. 3.3.3 refers)	115,560	
		230,740
2015/16 savings impact		
S18 Daneshill reception (para 3.5.4 refers)	12,450	
S15 Carpark season tickets (para 3.5.2 refers)	36,000	
		48,450
Other - net decrease		10,020
Total General Fund Variances (net reduction)		(58,160)

Key = (decrease in expenditure/increase in income), increase in expenditure/reduction in income

3.4 Approved Carry Forwards 2015/16 (General Fund)

3.4.1 Members approved carry forward budgets totalling £318,430 from 2014/15 to 2015/16 and all of the carry forward requests are expected to be spent in year.

3.4.2 Table three below summaries the carry forward status.

Table Three	£
Summary of Carry forward status	
Approved Carry forwards included in 2015/16 budgets	318,430
Amount spent as at 30/06/15	49,008
Amount due to be spent to year end	269,422
Returned to balances	0
Total	318,430

3.5 Savings approved for 2015/16 (General Fund)

3.5.1 Included within the 2015/16 General Fund budgets are savings options totalling £727,370 approved at Council on the 25 February 2015.

3.5.2 Saving option **S15** - Additional Car Park Season ticket income (£36,000) will not be achieved. The planned relocation of external public sector staff to Stevenage has not been realised.

3.5.3 Following staff consultation Senior Management Board recommend the reinstatement of the budget associated with one of the savings:

- **S155** Street Scene Management (£28,090), however as implementation costs will now not be incurred there will be no impact in 2015/16.

3.5.4 One other saving has had to be withdrawn as this is no longer being actively pursued with a third party to have a presence at Daneshill reception.

- **S18** Joint use of Daneshill reception with third party (£12,450)

Further updates to these savings option will be given in subsequent budget monitoring reports to Executive.

3.6 2015/16 – General Fund Outturn Position

3.6.1 The projected outturn position on the General Fund is summarised below in table four. The General Fund Balance is now projected to be £6,727,287.

Table Four: Original Net General Fund Budget	10,020,080
Carry forwards	318,430
3rd and 4th Quarter (2013/14) changes	(359,240)
Total Approved to Date	9,979,270
1st Quarter review	(58,160)
Total Net Expenditure post Q1 review	9,921,110
less Core resources	(10,558,077)
Transfer (to)/from General Fund balances	(636,967)
General Fund balance 31/3/15	(6,090,320)
Transfer (to)/from General Fund balances	(636,967)
General Fund balance 31/3/16	(6,727,287)
Allocated Revenue Reserves 31/3/16	(1,590,246)
Allocated Capital Reserves 31/3/16	(2,099,935)
Total General Fund balances (estimated 31/3/16)	(10,417,468)

3.7 2016/17 – General Fund Budget

3.7.1 The 1st quarter budget review identified a net on-going pressure of £50,180 which will be incorporated into the 2016/17 budget setting process. No carry forward requests of budget were identified.

3.8 New Homes Bonus Schemes (NHB)

3.8.1 In February and March 2015 Members approved the allocation of £1,250,400 to the following schemes

Table Five New Homes Bonus projects approved for 2015/16	£
Allocated Capital Reserve	250,000
Domestic Abuse Co-ordinator & Stevenage Domestic Abuse Panel	235,000
Antisocial Behaviour Co-ordinator (2 year post)	77,680
No More Project (6 months extension)	80,000
De-cluttering of Street Furniture in Town Centre	139,910
Women's Tour	20,000
Litter / Dog Bin Replacement Scheme	20,000
Shrub Bed & Hedge Area Rejuvenation	150,000
Paving	25,000
Money Matters to Private & Housing Assoc renters	52,810
Supporting General Fund Expenditure	200,000
Total	1,250,400

3.8.2 The skate park and Ridlins play area, schemes approved in 2014/15, were completed in July 2015.

3.8.3 As mentioned in paragraph 3.3.6, stage four of Women's (cycling) Tour was hosted by Stevenage for which a contribution of £20,000 was approved from the New Homes Bonus.

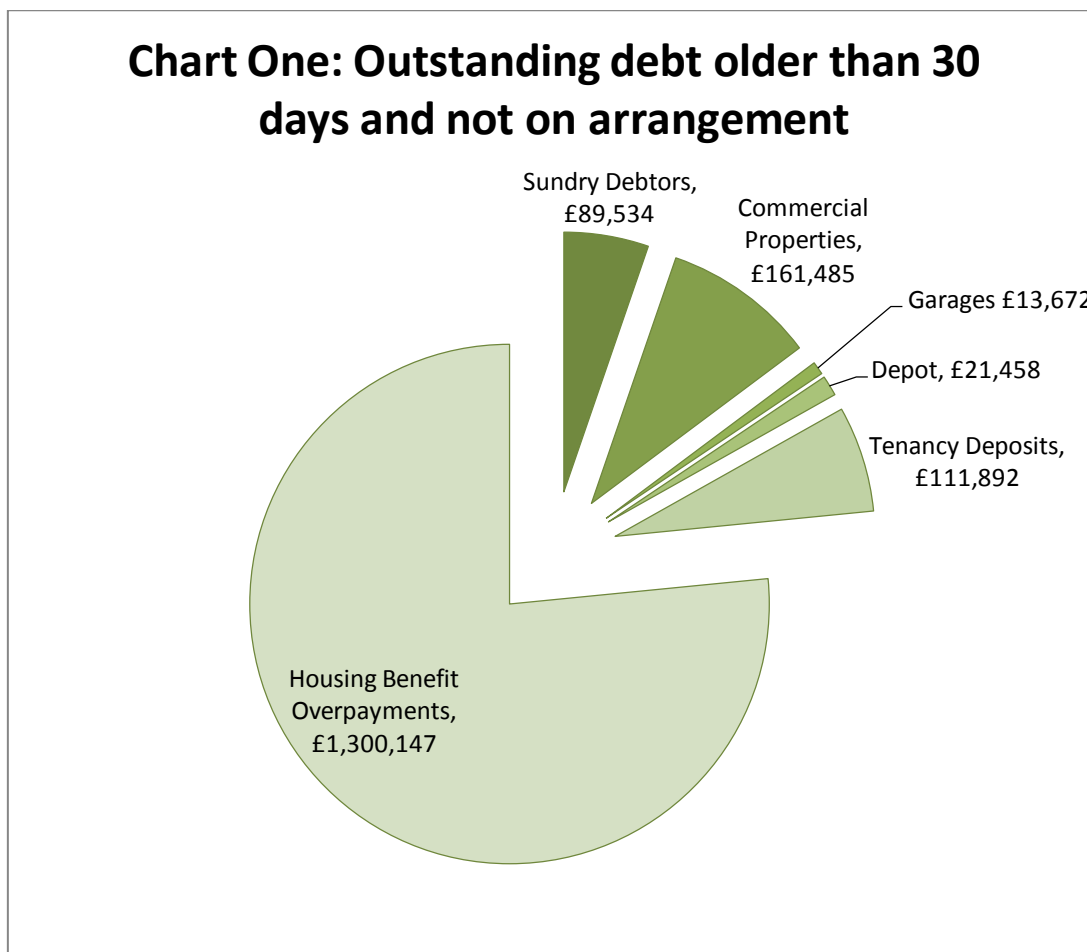
3.8.4 Further updates to New Homes Bonus approved projects will be provided to Members at the November Executive.

3.9 Review of Balances – General Fund

3.9.1 Officers have reviewed the balance sheet at the 1st quarter including any adjustments required to provisions.

3.9.2 **Bad Debt Levels (General Fund)** - As at 30 June 2015 sundry debt and housing benefit overpayment debts stood at £3,849,087 a decrease of £21,898 from the 31 March 2015 debt position (£3,870,985). Of this debt £1,698,000 is overdue and not on a payment arrangement, as shown in chart one.

Chart One: Outstanding debt older than 30 days and not on arrangement



3.9.3 **Bad debt provisions** - The calculated provision for General Fund sundry debtors is within budgeted levels. The increase in housing benefit overpayments provision is funded by the invoices raised for the recovery of over payments, recognising the difficulty in collection and the time in which it takes to recover the overpayment.

3.9.4 **Other Provisions:** Provisions no longer required have been returned to the General Fund and included in 1st Quarter. These include a sum set aside regarding land charge fees and the implementation costs of the withdrawn savings option (S155) mentioned in paragraph 3.5.1.

3.10 Allocated Reserves

3.10.1 The total value of allocated reserves available for the Council to spend as at 1 April 2015 was £2,435,721.

3.10.2 Total allocated reserves as at the 31 March 2016 are forecast to be

- Capital £2,099,935
- Revenue £1,590,246

3.10.3 A request is made to transfer £256,240 to the Regeneration Assets Allocated reserve following improved rental income forecasts for these sites (Town Square and Plaza). Currently scoping work is being undertaken relating to the size of some of the Town Square units for future re-letting, this will require capital works that can

be funded from the Regeneration Asset reserve. Members will be updated with progress on these works as part of the Capital Strategy updates.

3.10.4 A further request to transfer £42,580 from the Capital reserve is requested at 1st quarter to finance the General Fund capital schemes as detailed in the 1st Quarter Capital Strategy Update reported to this Executive.

3.10.5 Table six shows the approved transfers and anticipated transfers to and from allocated reserves, for 2015/16.

Table Six: Movements to/from Allocated Reserves 2015/16					
Allocated Reserve	Balance as at 1 April 2015	Approved transfers to/from reserves	Quarter 1 requested transfer from reserve	Anticipated transfer to/from reserves but yet to be confirmed	Forecast balance as at 31 March 2016
Revenue Reserves	£000	£000	£000		£000
Capacity Building	(185)	185			(0)
Planning Delivery	(170)				(170)
New Homes Bonus	(201)	(157)			(358)
LAMS default	(28)	(14)			(42)
NDR	(172)				(172)
Commercialisation	(100)	100			0
Town Square and Plaza	(633)	41	(256)		(848)
TOTAL REVENUE RESERVES	(1,489)	155	(256)	0	(1,590)
Capital Reserves					
Capital Reserve (Revenue and Capital contributions)	(947)	(750)	42	(445)	(2,100)
TOTAL CAPITAL RESERVE	(947)	(750)	42	(445)	(2,100)
TOTAL ALLOCATED RESERVES	(2,436)	(595)	(214)	(445)	(3,690)

3.11 Investments and Loans

3.11.1 The Council's investments as at 30 June 2015 were £57.66million. The average investment rate achieved in the 1st quarter was 0.60% compared to the average rate of 0.49% achieved last year.

3.11.2 The Council's loan portfolio totals £215.520million with the majority (£214.02million) with the Public Works Loan Board (PWLB).

3.11.3 Further information on the Council's treasury management results for 2014/15 is given in the Treasury Management report presented to this committee.

4. HOUSING REVENUE ACCOUNT (HRA) – Background

- 4.1 The HRA revenue budget of £2,698,930 (surplus) was approved at Council on 28 January 2015. Subsequently Members have approved 2015/16 budget changes as detailed in table seven below.

Table Seven – HRA Working budget	Working Budget £
Original Budget	(2,698,930)
3rd Quarter 2014/15 net increase	(146,900)
3rd Quarter Carry forwards	182,620
4th Quarter 2014/15 net increase	(62,160)
4th Quarter Carry forwards	227,990
Total Working Budget	(2,497,380)

(Key: + = increase in spend / decrease in income, () reduction in spend / increase in income)

4.2 HOUSING REVENUE ACCOUNT (HRA) – Budget Review

4.2.1 HRA Budget 2015/16

As a result of the 1st quarter budget monitoring review the 2015/16 HRA net budget is now projected to be an increase in surplus of £11,830, resulting in a current working budget surplus of £2,509,210.

4.3 1st Quarter variances

4.3.1 BMO

In the 2014/15 outturn report (4th Quarter monitoring) to the July Executive, Members were advised of an increase in the Building Maintenance Organisation (BMO) deficit in 2014/15 due to a number of factors, including a reduction in the number of jobs and higher material costs.

- 4.3.2 The number of jobs issued and completed in 2014/15 was 33,573 a 12% reduction on the previous year, (2013/14 38,080). The projected number of jobs for 2015/16 is again slightly lower than 2014/15 levels at 33,120, which may be partly due to the investment previously made in the housing stock. As a result of the 2014/15 position Members were advised of immediate action that had been implemented to improve monitoring and management within the BMO. This includes tracking the number and type of jobs completed and staff productivity levels against targets. In addition an independent external review is underway following meetings with the unions and staff. One of the aims of review is to benchmark the BMO performance against similar organisation to help ensure the BMO is delivering value for money. The timeline for the review is:

- Evidence collation, meetings with staff/tenants, benchmarking August-September
- Draft report end of October

- Review of report November
- Final report published December

- 4.3.3 As stated in paragraph 4.3.2 the number of jobs completed by the BMO in 2015/16 remains at the 2014/15 levels. The 2015/16 BMO budget is based on a higher level of income and was the set prior to the yearend review and before to the downward trend in jobs was identified.
- 4.3.4 In addition cost associated with standby and call out have increased following the implementation of single status last year.
- 4.3.5 In setting the original 2015/16 budget in January 2015 the budgeted **BMO deficit** was forecast to be £488,540. As a result of the 2014/15 deficit outturn position the 2015/16 position has been reviewed and the deficit is estimated to have increased by **£327,970 to £807,880**.
- 4.3.6 The loss on the BMO in 2014/15 was £1,197,944 and the projected loss for 2015/16 is now £807,880 (which is £390,064 lower than 2014/15) . The increase in the cost of the BMO for 2015/16 has been analysed and listed in table eight below.

Table Eight Summary of BMO financial pressures identified at 1st Quarter	£	Comment
Reduce income from less Decent Homes capital works, insurance works and void repairs.	244,860	Reduction in income based on lower projected jobs and average price.
Increase in material costs	96,720	Material prices are projected to be higher than budgeted and are be included in BMO review underway.
Increase in standby, call out costs and overtime	41,750	Cost have increased following single status implementation
Staff costs	(25,970)	Change in staffing costs following restructure (2015/16 only)
Agency and subcontractor costs	(71,030)	Reduction due to jobs be completed in house and lower number of jobs.
Vehicle hire costs	16,000	Additional vehicles have been hired, however the size of the BMO is included in the review underway.
Fleet management software to monitor van usage (ongoing)	11,000	These costs were previously included in the lease cost of the vehicles which have now been purchased.
Other costs	14,640	
Total	327,970	

4.3.7 **Repairs**

During the 1st quarter external electrical contractors were appointed to complete rewires to void properties prior to re-letting. Delays in contractors completing this work adversely impacted on other void repairs that are completed after re-wiring work. There was a peak in voids requiring rewires which the BMO was unable to resource. **Void levels** subsequently increased during the 1st quarter which adversely impacted projected rental income (**£50,640**) for the year. However tighter management of the voids as a result of the empty homes team being implemented from the 1 July will ensure that voids are appropriately managed

4.3.8 Due to the on-going difficulty in recruiting specialist trades at the BMO (due to an upturn in the construction market) work has had to be subcontracted for void and window repairs. These costs have been partially offset by a lower contribution to the BMO, however there is an overall net pressure of **£80,610** for day to day repairs reflecting the higher costs to procure these services externally.

4.3.9 **Citizens Advice Bureau (CAB)**

The service level agreement with CAB is being fulfilled under the current contract arrangements. Additional budget was included in the HRA in readiness for welfare reform impacts. Subsequently welfare reform teams have been recruited in the HRA and the additional budget is no longer required, (£47,900).

4.3.10 **Restructure Salary Costs**

As part of the approved HRA restructure additional costs were identified for 2015/16. These included temporary cover to back fill critical and time-limited posts to deliver the capital programme and improve void performance.

4.3.11 **Interest receivable**

Interest receivable is forecast to increase (£10,660) due to higher cash balances and a slightly higher achieved interest rate to that budgeted.

4.3.12 **HRA Delivery Plan – Growth**

In the HRA Business plan which was presented to Members in November 2014 funding was available to enable a number of growth bids and priorities to be put forward as part of the 2015/16 budget.

4.3.13 In March 2015 the Senior Management Board requested that the Delivery Plan be reviewed to ensure key priority projects would be appropriately resourced. The re-phasing and review of growth bids has identified an in year reduction in spend of £360,610. The proposed changes to the Delivery Plan were presented to and approved by the Housing Management Board and will be formally addressed within the HRA Business Plan report at the November Executive meeting. A summary of the 56 projects in the Delivery Plan:

- 16 have been completed and a further 3 have become mainstream activities.
- A further 19 will be completed during this financial year.
- A total of 9 projects fall within 2016/17. This includes 4 projects that have been deferred as part of the reprioritisation exercise. Some preliminary work is already being undertaken in relation to most of these projects.

- The remaining 12 projects will be delivered over the course of the next two years, and in some cases relate to longer term programmes that will continue after 2017.

4.3.14 Linked to this a number of delivery plan growth proposals included the recruitment to new posts, including the newly formed Housing Development Team. Critical posts in this team including the Assistant Director of Housing, and Housing Development and Delivery Manger have now been appointed to. However the lead in time from advert to start date across all posts has been longer than anticipated for a number of these growth posts resulting in a forecast reduction in spend in 2015/16 of (£295,950).

4.3.15 One growth bid for the feasibility study of the town flat blocks (DP18) has been deferred to enable the review to be undertaken in conjunction with the town regeneration framework (£50,000).

4.3.16 Major variances are shown in table nine below and detailed in Appendix A.

Table Nine HRA Variances 2015/16	£	£
Reduction in expenditure / Income increases:		
Reduction in client expenditure to the BMO	(145,000)	
CAB contribution (para 4.3.9 refers)	(47,900)	
Interest receivable (para 4.3.11 refers)	(10,660)	
		(203,560)
Increased expenditure / Income reductions		
Restructure Salary cost (2015/16 pressure only) (para 4.3.10 refers)	218,510	
Rents	45,650	
Subcontractors - voids, roofing, window repairs	204,300	
Building Maintenance Organisation (deficit) (para 4.3.6 refers)	327,970	
BMO Responsive Repairs (client expenditure)	156,170	
Bad debt provision (para 4.8.1 refers)	13,400	
		966,000
Growth proposals (HRA Delivery Plan) (para 4.3.12-4.3.15 refers)		
Recruitment delays to growth posts	(295,950)	
Reprioritisation of Delivery plan proposals	(360,610)	
Budget no longer required	(86,940)	
DP18 Flat block feasibility study deferred	(50,000)	
		(793,500)
Savings Proposals		
S18 Daneshill reception (HRA element) (para 3.5.4 refers)		2,500
Other - net increase		16,730
Total HRA Variances		(11,830)

(Key: + = increase in spend / decrease in income, () reduction in spend / increase in income)

4.4 **Approved Carry Forwards 2015/16 (HRA)**

4.4.1 Members approved HRA carry forward of budgets totalling £410,610 from 2014/15 to 2015/16.

4.4.2 Since approval of the carry forward requests £223,780 has been spent and a further £112,660 is due to be spent by year end, with the remaining £58,170 returned to HRA balances and one requested for a further carry forward request of £16,000 (online forms).

4.5 **Savings and Growth Bids Approved for 2015/16 (HRA)**

4.5.1 **Savings:** Included in the 2015/16 HRA budgets are savings options totalling £293,920 and growth bids of £1,549,420 approved at Council on 28 January 2015.

4.5.2 All HRA savings are currently on target to be met, however the saving option HS7 Resident Inspectors (£3,500) is at amber status and may not be fully achieved. The General Fund saving S18 (mentioned in para 3.5.4) has been withdrawn and contributed (£2,500) to the HRA savings target.

4.5.3 **Growth Bids:** Approved growth bids to the 2015/16 budget included the appointment to new posts. As mentioned in paragraphs 4.3.12 – 4.3.15 there has been a reprioritisation of the Delivery Plan growth bids, resulting in a projected reduction in spend in 2015/16 of £793,500 and the phasing will be reviewed as part of Business Plan update and in light of the recent government announcement on rent setting from 2016/17.

4.5.4 One growth bid for the feasibility study of the town tower blocks (DP18) has been deferred to enable the review to be undertaken in conjunction with the town regeneration reviews.

4.6 **2015/16 – Housing Revenue Account – Year End Position**

4.6.1 The projected HRA balance as at 31 March 2016 is summarised below in table ten.

Table Ten – Housing Revenue Account Out-turn Position	£
Original Budget	(2,698,930)
Carry forwards approved	410,610
Approved budgets adjustments to date	(209,060)
Total net surplus approved to date	(2,497,380)
1st Quarter adjustments detailed in Appendix A	(11,830)
Projected net surplus post 1st Quarter review	(2,509,210)
HRA balance brought forward 31/3/15	(13,498,769)
Surplus in year	(2,509,210)
Projected HRA balance 31/3/16	(16,007,979)

(Key: + = increase in spend / decrease in income, () reduction in spend / increase in income)

4.7 **2016/17 – HRA Budget**

4.7.1 The 1st quarter budget review identified a net on-going increase in spend of £112,800 which will be incorporated into the 2016/17 budget setting process.

4.8 **Review of Balances – Housing Revenue Account**

4.8.1 Bad Debt Levels (HRA) –. At the 31 June 2015, rent, service charge and sundry debtor levels were £1,359,658, an increase of £97,268 from the 31 March 2015 (£1,262,390) position. The increase in debt plus the additional aging of the debt has required an increase to the bad debt provision above that budgeted for (additional £13,400).

5. **IMPLICATIONS**

5.1 **Financial Implications**

5.1.1 This report is financial in nature and consequently financial implications are included above.

5.2 **Legal Implications**

5.2.1 The objective of this report is to outline the projected General Fund and HRA net expenditure for 2015/16 and the impact on the General Fund and HRA balances. While there are no legal consequences at this stage Members are reminded of their duty to set a balanced budget.

5.3 **Equalities and Diversity Implications**

5.3.1 This report is of a technical nature reflecting the projected spend for the year for the General Fund and HRA. None of the budget changes reported will change any existing equalities and diversity policies and it is not expected that these budget changes will impact on any groups covered by statutory equalities duties.

5.4 **Risk Implications**

5.4.1 A risk based assessment of **General Fund** balances is undertaken and reported to Council as part of the General Fund Budget setting process. The required level of 2015/16 General Fund balances was calculated at £2,231,868. This report forecasts General Fund balances of £6,727,287 and allocated reserve balances of £3,690,181 which is above the minimum balances required.

5.4.2 The **HRA** balances are projected to be £16,007,979. The level of HRA balances or revenue reserves risk assessed for 2015/16 is £16,197,699. The projected HRA balance is below the risked assessed level. However the HRA holds future balances for future debt repayments and capital programme for throughout the 30 year business plan.

5.4.3 The HRA business plan will be presented to Members in November, Officers will be reviewing the risk assessed level of balances and saving targets for the HRA to

achieve the required level of balances. This review will take into account recent government policy changes to decrease social housing rents by 1% for the next four years and the outcomes from the BMO review.

5.5 Policy Implications

- 5.5.1 The budget framework represents a development of a policy led budgeting approach across Council services and the overall Medium Term Financial Strategy.

BACKGROUND DOCUMENTS

- BD1 - HRA final budget proposals and rent setting report (Council 28th January 2015)
<http://www.stevenage.gov.uk/content/committees/117036/117040/117104/Council-28-January-2015-Item-2.pdf>
- 2015/2016 Council Tax Setting and General Fund Budget (Council 25th February 2015)
<http://www.stevenage.gov.uk/content/committees/117036/117040/117104/Council-25-Feb-2015-Item5A.pdf>
- New Homes Bonus – 2015/16 (Executive 30th March 2015)
<http://www.stevenage.gov.uk/content/committees/117036/117044/117108/Executive-30-March-2015-Item-4.pdf>
- 4th Quarter Monitoring Report General Fund and Housing Revenue Account (Executive 14th July 2015)
<http://www.stevenage.gov.uk/content/committees/117036/117044/117108/Executive-22-July-2014-Item10.pdf>

APPENDICES

- Appendix A - Variances to the 2015/16 General Fund Budget and HRA Budget.
- Appendix B - Investment and Loans Portfolio