

Somerset West and Taunton Council

Executive – 20 July 2022

Housing Revenue Account Financial Monitoring – Outturn Position 2021/22

This matter is the responsibility of Executive Councillor Francesca Smith, Portfolio Holder for Housing

Report Author: Kerry Prisco, Management Accounting and Reporting Lead

1 Executive Summary / Purpose of the Report

- 1.1 This report contains information related to Somerset West and Taunton Council's (SWT) Housing Revenue Account's (HRA) financial performance for the 2021/22 financial year. The outturn figures included are provisional subject to the completion of the external audit of the statutory financial statements. The audit is due to be completed between July and September with the findings due to be reported to the Audit and Governance Committee on 27th September this year.
- 1.2 The challenging economic operating environment, as well as regulatory and political demands have continued to place financial pressure on the HRA during 2021/22. The service has had a backlog of responsive and planned maintenance and compliance works to deliver during the year as well as the rising costs of materials causing further financial pressure.
- 1.3 Covid has continued to impact business operations by causing further delays on the delivery of the capital programme, as such the Housing Senior Management Team have proposed budget returns to realign the capital programme. The reduced spend on the capital programme during the year did have a positive financial impact as this increasing investment income. The impact of Covid has increased costs in other areas of the business such as deep cleaning on sheltered accommodation and staffing requirements to maintain tenancy support.
- 1.4 In addition, there have been two other financial one-off adjustments this year that has helped the outturn position. The first is the successful Open Contractor project that identified major repairs undertaken as part of the voids process that could be capitalised to reduce pressure on the revenue account. The second, is that a debtors imbalance has been resolved resulting in a favourable one-off adjustment.
- 1.5 The unstable economic operating environment along with regulatory and political pressures means that the service is still experiencing high levels of volatility and financial movements that are high risk. Whilst the year end position is an underspend, resulting in a small increase on general reserves which may look favourable this level may not be sufficient with the level of volatility being experienced. Therefore, the service needs to deliver ongoing efficiency savings and manage spend closely during 2022/23 to provide more financial capacity to enable the business to flex against

changing and competing demands.

1.6 The **revenue outturn position** for the financial year 2021/22 is as follows:

- a) The HRA Revenue Outturn position for 2021/22 is a net underspend of £170k (0.6% of gross income).
- b) The HRA is a ring-fenced, self-financing account used to manage the Council's Housing Landlord function, which is budgeted to break even (net of approved transfers to/from HRA Reserves). As the HRA Net Budget is net £nil with costs wholly offset by income and reserves, performance is reported against gross income for monitoring purposes.

1.7 The **capital outturn position** for 2021/22 is as follows:

- a) The actual spend on the HRA Capital Programme during 2021/22 was £12.708m (see **Appendix A**). The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development of new stock.
- b) A budget return of £11.847m is being proposed across the HRA Capital Programme. Section 10 and **Appendix A** provides more information.
- c) A carry forward of £95.022m is being proposed for schemes in 2022/23 and future years (see **Appendix A**).

1.8 The **reserves position** for 2021/22 is as follows:

- a) The **unearmarked reserves** are projected to be £3.413m which is £1.413m above the recommended minimum balance of £2m.
- b) The **earmarked reserves** are projected to be £54k and are committed to support spending in future years.

2 Recommendations

2.1 The Executive is recommended to:

- a) Note the reported Housing Revenue Account Budget underspend of £170k in 2021/22 and the HRA General Reserves Balance of £3.413m as at 31 March 2022.
- b) Note the Capital Outturn position.
- c) Approve the proposed reductions to the Capital Programme Budget of £11.847m for underspends on schemes where budget is no longer required, and the continuation of £95.022m approved budget rolled forward for the 2022/23 Housing Revenue Account Capital Programme (as per **Appendix A**).

3 Risk Assessment

3.1 This is a retrospective report therefore no risk assessment has been completed. Risk assessments regarding budget monitoring were carried out during the year and included with these reports. Financial risks and uncertainties are included in budget setting and budget monitoring reports presented to Members.

- 3.2 The challenging economic operating environment continues to place ongoing financial pressure on the business with rising costs of materials, fuel and utility costs as seen nationally. In addition, the sector faces regulatory demands to maintain Decent Homes Standards and Lettable Standards, as well as meeting compliance safety checks. There is also political pressure to build new homes and achieve carbon neutrality by 2030. All these components place financial pressure on the business, and therefore it is paramount that the service delivers on the financial strategy to find and embed ongoing efficiency savings of £650k over the next three years (Full Council 8 February 2022) and maintain the strength of general reserves to provide increased resilience and flexibility for management and members to mitigate short term pressures.

4 Background and Full details of the Report

- 4.1 This report informs Members of SWT's financial outturn (a comparison of net spending against the budget for the year) for revenue and capital budgets in 2021/22 for the Council's Housing Revenue Account (HRA).
- 4.2 Scrutiny and the Executive have received quarterly budget monitoring reports throughout the year which have highlighted variances from budgets and comments from the budget holders, as well as summarising the main risks and uncertainties as explained above. The forecast position has fluctuated during the year.
- 4.3 The outturn figures contained in this report are provisional at this stage. The financial outturn has been taken into account when preparing the Council's Draft Statement of Accounts, which is due to be approved by the Assistant Director – Finance (S151 Officer) at the end of June, and is now subject to review by the Council's External Auditor. Should the External Auditor identify the need for any changes to the Accounts these will be reported to the Audit and Governance Committee on 27th September this year.

5 2021/22 Financial Performance

- 5.1 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demand-led service costs and income levels. The budget monitoring process involves a regular review of all budgets. Budget Holders, with support and advice from their finance business partners, review the position, and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that assumptions and estimates will differ from the eventual outcome, and several risks and uncertainties have been highlighted in previous budget monitoring reports.

5.2 The Council has continued to operate within the framework of their Financial Strategy and the overall financial standing at the end of the financial year is sound. The Reserve balances for the HRA is above the recommended minimum, which provides added financial resilience which is prudent given the scale of risk and uncertainty. The Medium Term Financial Plan also incorporates planned use of reserves to support the 2022/23 budget, and the current reserves balance is sufficient to support this approach.

6 Housing Revenue Account

6.1 The HRA is a ring-fenced account used to manage the Council's housing stock of approximately 5,700 properties, with the Council acting as the Landlord. The HRA operates as a 'self-financing' service, with costs of the properties and associated services funded by housing rents and specific fees and charges. The HRA is working within a 30-year business plan, reflecting the long-term nature of the housing assets, and plans to break-even each year.

6.2 **Revenue Outturn Position:** The revenue outturn position for the financial year 2021/22 for the HRA is a net underspend of £170k (0.6% of gross income). The end of year position is closer to budget compared to the £354k overspend forecast at Q3. Table 1 below shows a high level summary of the revenue outturn against budget.

Table 1: HRA Revenue Outturn Summary

	Current Budget £000	Outturn £000	Forecast Variance	
			£000	%
Gross Income	-27,667	-27,919	-251	0.9%
Service Expenditure	15,354	15,956	602	2.2%
Other Operating Expenditure and Income	12,313	11,793	-521	-1.9%
Total	0	-170	-170	-0.6%

6.3 The department variances to budget are shown in Table 2, with explanations for the variances set out below.

Table 2: Main Outturn Variances

	Current Budget £000	Outturn £000	Q4	Q3	Q2	Q1
			Variance £000			
Gross Income:						
Dwelling Rents	-24,951	-24,629	321	424	291	29
Non-Dwelling Rents	-704	-702	2	-54	8	6
Charges for Services / Facilities	-1,623	-1,490	133	-95	-27	-42
Other Income	-389	-462	-73	-44	-2	-2
One-Off Debtors Adjustment	-	-635	-635	-	-	-
Sub-Total Gross Income	-27,667	-27,919	-252	231	270	-9

Service Expenditure:						
Development & Regeneration	219	37	-182	-64	-265	-43
Community Resilience	154	175	21	9	8	14
Tenancy Management	2,901	3,254	353	329	54	128
Maintenance	3,429	4,408	979	1,083	682	354
Assets	1,277	1,080	-197	-232	-137	-53
Compliance	2,317	2,305	-12	-326	438	233
Performance	5,057	4,697	-360	-175	-187	-13
Sub-Total Service Expenditure	15,354	15,956	602	624	593	620
Central Costs / Movement in Reserves:						
Revenue Contribution to Capital	-	-	-	-	-	-
Interest Payable	2,669	2,808	139	150	-	-
Interest Receivable	-	-389	-389	-358	-	-
Change in Provision for Bad Debt	180	116	-64	-	-	-
Depreciation	7,663	8,261	598	-293	-293	-
Capital Debt Repayment	1,821	1,069	-752	-	-	-
Capital Grants and Contributions	-	-599	-599			
Other Operating Expenditure	-	382	382			
Movement In Reserves	-20	145	165	-	-	-
Sub-Total Central Costs / Movement in Reserves:	12,313	11,793	-521	-501	-293	-
Net Surplus(-) / Deficit for the Year	-	-170	-170	354	570	611

Gross Income

- 6.4 **Dwelling Rents:** the budgeted income for 2021/22 is £24.951m, which reflects an assumption of 2% void losses and applying a 52-week year. The outturn position for dwelling rent income is an under recovery against budget of £322k which is in part due to stock reductions related to the North Taunton regeneration scheme, timings of RTB sales and levels of voids. This includes £119.5k of write offs during the year (see section 7).
- 6.5 **Non-Dwelling Rents:** the budgeted income for 2021/22 is £704k. Overall this has come in on target against budget. There was a slight under recovery on garages rental income offset by a slight over recovery on shop lease income.
- 6.6 **Charges for Services / Facilities:** The budgeted income for 2021/22 for the **Service Charge Income for Dwellings** (after discounts have been applied to tenants such as Piper Charge to Sheltered Housing and Extra Care) less an average 2% void loss

and applying a 52-week year, is £1.380m. The outturn position resulted in £14k under recovery of income.

- 6.7 The budget income for 2021/22 for income for **Leaseholder Charges for Services** is £233k. Leaseholds are invoiced a year in arrears. The routine repairs were low due to COVID and lockdown. The major repairs were also lower and capped at £250 this year. In addition to this, following a successful tender, building insurance premiums have now dropped meaning less of a recharge to our customers. Therefore £109k less income was billed to leaseholders.
- 6.8 The budgeted income for **Meeting Halls** for 2021/22 is £10k. The outturn position showed less than £1k of income was received due to COVID restrictions preventing this service to be provided. The meeting halls were re-opened at the end of September 2021.
- 6.9 **Other Income:** This includes (a) photovoltaic income which over recovered, (b) active recharging of voids repairs to tenants as part of their lease agreement and (c) various small additional contributions towards spend on the One Teams.
- 6.10 **One-Off Debtors Adjustment:** This variance has been offset during 2021/22 by a one-off favourable correcting adjustment of £720k to the HRA. This correction was necessary to update and accurately reflect the Academy system debtors position within the financial management system (FMS). A prior-year audit of the accounts had identified an imbalance between the two systems. Following a subsequent and thorough investigation, the cause of the imbalance has now been identified as being the result of rent account adjustments (refunds of overpayments to tenants) not having been fed through to the FMS. The system processes are now being updated. Whilst £85k of the correction related to 2021/22, the system error dates to before the merger of the two former councils into SWT, therefore having accumulated over several years.

Service Expenditure

- 6.11 **Development & Regeneration:** The underspend relates to a few posts held vacant for the early part of the year. The delivery of new development projects has not required this resource as the service has focused on establishing a development pipeline. The development pipeline of 342 units is now established and following procurement and planning this resource in the structure will be required as the service increasingly moves into delivery from 2022/23. This also relates to the capitalisation of staffing costs as part of the Right To Buy scheme.
- 6.12 **Tenancy Management:** This area covers lettings, supported housing, rent recovery, leaseholders and other tenancy management support activities. The total current budget is £2.901m. The outturn position is an overspend of £353k. This relates to a number of different areas including (a) an overspend related to the upgrade of the controlled entry systems to flat blocks where we are now incurring expenditure relating to contracts and the maintenance of the systems that are higher than before, (b) an overspend due to increased levels of cleaning in supported housing settings required in light of COVID plus the cost for a range of compliance requirements, (3) an overspend related to a significant increase in activity following the implementation of annual tenancy reviews to identify and help resolve issues (for example house

clearance due to hoarding), and (4) an overspend on staffing costs due to additional resource drafted in to help the team manage challenging workloads throughout COVID and backfilling long term sickness.

- 6.13 **Maintenance:** The overspend of £979k relates to the ongoing repairs and maintenance of the housing stock either tenanted or void activity undertaken to ensure our Lettable Standard is met. Whilst this is a very demand led and reactive service based on the needs of the tenants, this service has experienced an increase in cost pressures as inflation drives up the cost of materials (as seen nationally). The assumed ongoing impact of this pressure is reflected in the rebasing of budgets for 2022/23. This year the team has also incurred additional costs to deliver the backlog of repairs following COVID restrictions. The year end position was also less than originally expected due to the successful Open Contractor project that identified major repairs undertaken as part of the voids process could be capitalised reducing pressure on the revenue account.
- 6.14 **Assets:** The underspend of £197k relates to a number of staff vacancies during the year across the capital investment and asset management team, reduced cost of the Housing Partnership, reduction in repairs and maintenance spend on other non-dwelling assets and a reduced spend on SAP EPC and stock validation costs caused by a lack of available resources to undertake the work during COVID.
- 6.15 **Compliance:** The improvements implemented as part of the Open Contractor project have meant that an appropriate level of overheads have now been allocated to this service area which have reduced the predicted overspend over the course of the year. The final outturn position is an underspend of £12k (0.52%) of the approved budget.
- 6.16 **Performance:** Of the total budget of £5.057m, £3.9m relates to shared costs such as support services, pension deficit, and governance, leaving £1.1m on operating costs such as staffing, insurance, training, travel, stationery, printing and bank charges, as well as the Tenants Empowerment and Tenants Action Group. The underspend of £360k is (a) a reduction in cost for the shared support staff, (b) the funding of the pay award from general reserves where the costs are shown elsewhere within services and (c) underspends in both Tenants Empowerment and Tenants Action Group costs.

Central Costs and Movement in Reserves

- 6.17 **Interest Payable:** there is an overspend of £139k on interest payable. This is the difference between the estimated and actual cost of refinancing existing debt of £20m in March 2021, and two loans on variable rates of interest.
- 6.18 **Interest Receivable:** The reduction in the capital outturn position (see section 10) compared to the original projections has reduced the current year capital financing requirement for the HRA. Therefore, with investments exceeding the capital financing requirement, this has resulted in internal investment income of £389k.
- 6.19 **Change in Provision for Bad Debt:** This is a technical accounting entry which considers the year end arrears position and makes a provision within the accounts for the possibility of non-payment. This will change year-on-year depending on the level of arrears held at the end of each financial year and the aged profile of the

arrears. This year the change in expected credit losses (provision for bad debt) has increased by £116k which is an underspend of £64k against the budget of £180k.

- 6.20 **Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and must be used to fund the capital programme and/or repay capital debt. Depreciation is calculated at the end of the financial year and is based on each of the major components of each property e.g. kitchen, bathroom, roof, etc.
- 6.21 In prior years, elements of the depreciation calculation saw some components of the assets having a useful life over 100 years. There has been a recommended technical accounting update requiring components to have a maximum useful life of 70 years. This has been applied to the calculation for 2021/22 resulting in an increase in the dwelling depreciation charge. This financial impact has been managed strategically in 2021/22 by reducing the voluntary repayment of debt through the revenue account and replacing this with existing capital receipts to eliminate the financial impact on repaying debt as well as the impact on the revenue account.
- 6.22 For 2021/22 the dwelling depreciation charge was £8.005m and the other land and buildings depreciation charge was £256k; a total of £8.261m against a budget of £7.663m which has resulted in an overspend of £0.598m compared to the original budget. The budget for next year has already been increased.
- 6.23 **Capital Debt Repayment:** The HRA has consistently provided a provision within the revenue account to maintain the repayment of debt. For 2021/22 this has been strategically reduced by the increase seen in dwelling depreciation as result of the change in technical accounting requirements (as mentioned above) which is why an underspend of £752k against budget is being reported.
- 6.24 **Capital Grants and Contributions:** During 2021/22 the service has received additional funding of £470k from the Hinkley Housing Strategy Fund approved by Full Council on 25 August 2020 towards the social housing development scheme at Seaward Way. This provides a positive financial impact as it reduces the borrowing requirement and thus the cost of borrowing for this scheme.
- 6.25 The service has also received £129k of new external grant funding from Homes England as part of the Rough Sleeping Action Programme (RSAP). This funding has fully financed the HRA purchase of a new property reserved for temporary accommodation and helped to refurbish two other properties.
- 6.26 **Other Operating Expenditure:** This overspend relates to £382k for the annual payment Right to Buy (RTB) payment to the Department for Levelling Up, Housing & Communities (DLUHC) which is fully funded by RTB capital receipts that is contained within the Movement in Reserves.
- 6.27 **Movement In Reserves:** The outturn of £145k is related to technical accounting entries including (a) a credit of £382k which is the movement from RTB capital receipts to offset the RTB annual payment (see above), (b) a debit of £129k and £470k which is the movement of the capital grants and contributions being moved to the balance sheet (see above), (c) a credit of £20k for the general fund contribution towards the Open Contractor project manager, and (d) a credit of £52k to offset the amortisation charge within the accounts.

7 Debt Write Off

- 7.1 The total amount of debtor write-offs made during 2021/22 amount to £119.5k, of which £99.6k related to dwelling rental income and £19.9k of non-dwelling rental and other charges such as repairs and court costs. Of this there were no individual customers where individual debts greater than £25,000 that were written off.

8 HRA Earmarked Reserves

- 8.1 The Council can set aside HRA funds for specific purposes to be used in future years. The table below provides a summary of the HRA earmarked reserves and the movements during the year.
- 8.2 The HRA Earmarked Reserves at the beginning of 2021/22 totalled £1.107m. Of this £869k was approved to be returned to General Reserves by Full Council on 5 October 2021 and a further £175k by the Executive on 15 December 2021. The balance as at 31 March 2022 is £54k and this has been committed to support spending in future years.

Table 3: Balance of HRA Earmarked Reserves held at 31 March 2022

Description	Balance B/F £000	Transfer In £000	Transfer Out £000	Balance C/F £000
One Teams	26	0	-20	6
Social Housing Development Fund	849	0	-849	0
Contribution to Transformation	175	0	-175	0
Lettings – Home Moves Plus	57	43	-52	48
Total	1,107	43	-1,096	54

9 HRA Unearmarked Reserves

- 9.1 The table below summarises the movement on the HRA unearmarked reserves during the year.

Table 4: HRA Unearmarked Reserves Balance

	£000
Balance Brought Forward 1 April 2021	2,686
Approved In-Year Transfers In	1,044
Approved In-Year Transfers Out	-487
Provision Outturn 2021/22	170
Balance Carried Forward 31 March 2022	3,413
Future Use of Reserve in 2022/23	-200
Projected Balance	3,213
Recommended Minimum Balance	2,000
Balance above recommended Minimum Operational Target	1,213

- 9.2 The HRA general (unearmarked) reserves at the start of the year were £2.686m. This is £686k above the minimum recommended reserve level of £2m. Remaining at or above these targets provides added financial resilience to in year pressures through volatility and unforeseen cost increases and income reductions.

- 9.3 General reserves have increased by £1.044m through the return of earmarked reserves that are no longer required for their original purpose (approved by Full Council on 5 October 2021 and the Executive 15 December 2021).
- 9.4 General reserves have decreased by £487k to fund in-year pressures such as the 1.75% pay award, project manager costs for the OC review, share of corporate costs as well as additional staffing capacity for monitoring performance on complaints, compliance administrator, stock condition surveyors and procurement support.
- 9.5 The balance as at 31 March 2022 (subject to audit) is £3.413m, which is £1.413m above the recommended minimum balance of £2m. The projected balance on reserves as at 31 March 2022 provides sufficient capacity to support the approach of the Medium Term Financial Plan which incorporates the planned use of £200k of reserves to support the 2022/23 budget.
- 9.6 The remaining balance of £1.213m provides some financial resilience and flexibility for management and members to mitigate short term pressures within the HRA. However, the unstable economic operating environment along with regulatory and political pressures means that the current levels of reserves may not be sufficient. Therefore, the service needs to deliver the financial strategy to find and embed ongoing efficiency savings of £650k over the next three years to provide more financial capacity to enable the business to flex against changing and competing demands.

10 HRA Capital Outturn Position

- 10.1 The HRA **approved Capital Programme** at the end of 2021/22 is £119.438m (see **Appendix A**). This consists of £13.800m of new schemes approved by Full Council on 8 February 2021 plus £104.527m of previously approved schemes carried forward from prior years. In addition, £1.111m of supplementary budgets were approved by Full Council on 29 March 2022.
- 10.2 The HRA approved Capital Programme relates to in-year works and longer-term schemes that will be completed over the next ten years. The Council is financing this investment through the Major Repairs Reserve, Capital Receipts, Capital Grants, Revenue Funding and Borrowing.
- 10.3 The **actual spend** on the HRA Capital Programme during 2021/22 was £12.708m (see **Appendix A**). The major areas of capital spend during the year related to the capital maintenance for the existing housing stock and the development of new stock. The actual spend during 2021/22 will be financed using a combination of Capital Grants, Capital Receipts, Major Repairs Reserve and borrowing.
- 10.4 The capital outturn position is reporting an **overspend** of £138k (see **Appendix A**) for the fully funded purchase of a new property reserved for temporary accommodation (see paragraph 6.25 above) and preliminary professional advice on a new scheme that proposes to regenerate non-traditional properties in Oake.
- 10.5 The capital outturn position is also reporting proposed **capital budget returns** of £11.847m (see **Appendix A**). The Housing Senior Management Team have

reviewed projected capital expenditure and are confident that the remaining capital slippage and new approved budget for 2022/23 will be sufficient to meet the capital asset management plan over the next 12 months. These budget returns will positively impact the financial position of the HRA's 30-Year Business Plan and the Council's treasury management strategy.

- a) A budget return of £4.972m on Major Works relates to ongoing delays in delivery of some capital schemes in 2021/22 due to the impact of Covid. This is due to both available contractor resources to deliver programmed works as well as tenants not providing access to their home due to anxiety around catching Covid. In addition, supply chain material shortages on a range of construction products has further hampered completions. A review of works still necessary to be undertaken to ensure we meet, for example, the Decent Homes Standard and safety compliance works has been completed and 'slippage' monies from the 2021/22 budgets added to the 2022/23 budgets.
 - b) A budget return of £99k for Related Assets and £73k for Exceptional and Extensive relates to a number of factors resulting in a recognition that the annual budget is sufficient in future years and that the underspend does not need to be carried forward.
 - c) A budget return of £404k for Vehicles. The capital expenditure budget estimate for 2022/23 was £155k, however revised estimates to include a proportion of the fleet to be electrical vehicles have increased estimated capital expenditure by £65k. Therefore £65k of the budget will be carried forward with the remainder of £404k being returned.
 - d) A budget return of £212k for Aids and Adaptations and DFGs relates to a number of factors resulting in a recognition that the annual budget is sufficient in future years and that the underspend does not need to be carried forward.
 - e) A budget return of £6.087m for Social Housing Development schemes relates to budget allocated in 2021/22 (plus prior year slippage) to meet the Council's "1-4-1 Agreement" target spend under the Right to Buy (RTB) scheme (see section 11). However, this target has been achieved through new build schemes instead and is projected to continue to do so in future years.
- 10.6 The total budget to be **carried forward** into 2022/23 and future years is £95.022m (see **Appendix A**). There was also £14.379m of new capital budget approved by Full Council on 8 February 2022. This gives a total approved capital budget of £109.401m to be spent in 2022/23 and future years.

11 HRA Right To Buy (RTB) Capital Receipts

- 11.1 The RTB scheme is a government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. During 2021/22 the Council sold 35 homes through the RTB Scheme.
- 11.2 Through a "1-4-1 Agreement" with the Treasury / DLUHC, the Council can retain a small proportion of these RTB receipts and use them to fund new social housing. From the 1 April 2021, the Government issued a policy change allowing these receipts to now account for up to 40% (previously 30%) spend on new social housing

costs, with the remaining 60% coming from other funds such as revenue funding or borrowing.

11.3 This policy change also increased the timeframe that these receipts must be spent to five years (previously 3 years) of the capital receipt or returned to Government with interest at 4% over base rate from the date of the original receipt. To date, the Council has successfully spent all of their retained 1-4-1 receipts with no returns being made to the Treasury / MHCLG.

11.4 During the financial year 2021/22 the total attributable spend on eligible RTB schemes was £2.627m. This was spent on a variety of social housing development schemes.

12 Links to Corporate Strategy

12.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

13 Community Scrutiny Comments / Recommendations

13.1 This report was considered and the recommendations supported by Community Scrutiny on 29 June 2022. The main comments and / or questions related to:

13.2 The level of voids assumed within the budget, the current levels being experienced, and the actions taken to try and keep levels low going forwards.

13.3 The reason for staff vacancies across the capital investment and asset management team, and what plans there were to fill these going forwards.

13.4 The reason for the capitalisation of major void works and social development project officers, and the impact this had on both the revenue and capital account.

13.5 The reason for the capital budget return and assurance that the capital programme was sufficient to deliver the major works required to maintain our housing stock, as well as enquiries into individual capital schemes' allocations within the programme in 2022/23.

Democratic Path:

- **Community Scrutiny – 29 June 2022**
- **Executive – 20 July 2022**
- **Full Council – No**

Reporting Frequency: Annually

List of Appendices

Appendix A	HRA Capital Outturn Position 2021/22
Appendix B	HRA Original v Current Budget Position

Contact Officers

Name	Kerry Prisco
Direct Dial	01823 218758
Email	k.prisco@somersetwestandtaunton.gov.uk

Name	James Barrah
Direct Dial	01823 217553
Email	j.barrah@somersetwestandtaunton.gov.uk

Name	Paul Fitzgerald
Direct Dial	01823 217557
Email	p.fitzgerald@somersetwestandtaunton.gov.uk