

Report to the Council Housebuilding Cabinet Committee



**Epping Forest
District Council**

Report reference: CHB-003-2017/18
Date of meeting: 29 January 2018

Portfolio: Housing
**Subject: Council House-Building Programme – Financial
Position**
Responsible Officer: Matt Rudgyard (01922 564000)
Democratic Services Officer: Jackie Leither

Recommendations/Decisions Required:

(1) That the current financial position be noted, in respect of:

- (a) The amount of additional “Replacement Right to Buy (RTB) Receipts” for utilisation under the Government’s “one-for-one replacement” scheme that has been received; when it is required to be spent; the actual expenditure to date; and the future planned expenditure profile (Appendix 2);**
- (b) The amount and use of financial contributions available to the Council’s Housebuilding Programme from Section 106 Agreements, in lieu of the provision of on-site affordable housing on private development sites, and other sources of funding (e.g. sales of HRA land and non-RTB property, and external funding) (Appendix 3) and;**
- (c) The expenditure profile that reflects the house-building programme (Appendix 4).**

Executive Summary

One of the Cabinet Committee’s Terms of Reference is to monitor expenditure on the Council Housebuilding Programme.

The Financial Reports attached at Appendix 2, 3 and 4 set out the current financial position with the various aspects of the Housebuilding Programme.

Reasons for Proposed Decision

The Council’s Housebuilding Programme is a high profile, high cost activity. It is therefore essential to ensure that budgets, costs and expenditure are properly monitored, to enable corrective action to be taken at the earliest opportunity when necessary.

Other Options for Action

Not to have regular Financial Reports presented to the Cabinet Committee.

Background

1. One of the Cabinet Committee's Terms of Reference is to monitor expenditure on the Housing Capital Programme Budget for the Council Housebuilding Programme, ensuring the use (within the required deadlines) of the capital receipts made available through the Council's Agreement with the Department of Communities and Local Government (DCLG) allowing the use of additional "Replacement Right to Buy (RTB) Receipts" received as a result of the Government's increase in the maximum RTB Discount to be spent on housebuilding.

2. The Cabinet Committee regularly receives a suite of detailed financial reports covering all financial issues relating to the Housebuilding Programme. Since progress on a phase by phase basis is monitored separately (see separate progress report elsewhere on the agenda), it has been possible to consolidate the detailed financial reports into the 3 appendices as set out below.

Appendix 2 - Captures the total amount of Replacement Right To Buy Receipts received and available for use for "One-for-One Replacement" on the Council's House-building Programme, as captured on the Pooling Return to the DCLG and when it is required to be spent. It also captures the actual expenditure to date and compares that to the projected future planned expenditure profile.

Appendix 3 - Sets out the amount and use of financial contributions available to the Council's Housebuilding Programme from Section 106 Agreements, in lieu of the provision of on-site affordable housing on private development sites, and other sources of funding (e.g. sales of HRA land and non-RTB property, and external funding)

Appendix 4 - Sets out the expenditure profile. This has been profiled to reflect the detailed programme that has been included elsewhere on the agenda, which discusses the need to accelerate the house-building programme

3. This information is captured and presented for monitoring purposes.

4. Please note that due to programme spending that we are forecasting that no 1-4-1 receipts need be given back this year. It is also worth noting that if future spend is consistent with the forecast budget we should be able to utilise all 1-4-1 receipts over the lifecycle of the project.

Resource Implications:

These are set out in the detailed Financial Reports at Appendices 2, 3 and 4.

Legal and Governance Implications:

It is good governance to properly monitor costs and expenditure, and keep financial forecasts up to date – especially for such a high profile, high cost programme.

Safer, Cleaner and Greener Implications:

None – in relation to this report.

Consultation Undertaken:

None

Background Papers:

None

Risk Management:

One of the biggest risks to the Housebuilding Programme is the potential for budgets, costs and expenditure to not be properly monitored, and for them to become out of control as a result. Monitoring the Financial Reports helps mitigate this risk.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to the report and is attached at CHB-001-2017/18.