

Agenda Item	15
Report No	FHR/128/13

## Housing and Property Service Revenue Budgets: Monitoring to 31 August 2013

### Report by Interim Director of Housing and Property

#### Summary

This report sets out the current position to 31 August 2013 with regard to the:

- Housing Revenue Account
- Other Housing and Property Revenue Account
- Property Revenue Maintenance Account and
- Building Maintenance Account.

#### 1. Housing Revenue Account – Financial Monitoring to 31 August 2013

- 1.1 **Appendix 1** shows the position to 31 August 2013. At this stage a minor underspend is projected on supervision and management costs due to short term staff vacancies. A minor overspend is projected on repairs and maintenance. Void rent loss is also expected to be greater than budgeted, and improving performance on voids remains a key priority for the Service. Income is ahead of budget year to date. Overall a small surplus is projected on the HRA, which is expressed in the monitoring statement as a positive year end variance on Capital from Current Revenue (CFCR).

#### 2. Other Housing and Property Revenue – Financial Monitoring to 31 August 2013

- 2.1 **Appendix 2** shows the position to 31 August 2013. At this stage an overall net underspend of £9k is projected on this budget. There is an estimated underspend on temporary accommodation costs, balanced by a reduction in income. This is due to a planned reduction in the use of temporary accommodation. An overspend continues to be projected on the Housing Support services. As previously reported to Committee this is due to an error in the value of budget transfer to the Housing and Property Service, which is now under discussion with NHS Highland. A resolution of this issue is expected before the Committee in November.

#### 3. Property Revenue Maintenance Programme (Public Buildings, Schools etc) Financial Monitoring to 31 August 2013

- 3.1 The Property Revenue Maintenance Budget for 2013/14 has been set at £4,904,605. The table in **Appendix 3** summarises the allocated budgets by work category and details programme performance, commitment and expenditure as at 31 August 2013.
- 3.2 **Summary of Expenditure to Date**
- 3.2.1 It will be noted from the table in **Appendix 3** that 50% of the budget has been spent or legally committed while 42% of the way through the year.

3.2.2.: Current projections indicate that some planned or cyclical works may need to be postponed until next year for the budget to be balanced at year end, as it is clear that carrying out additional essential statutory compliance works to public buildings is creating pressures. Should this budget continue to come under pressure from undertaking such statutory works, a budget pressure bid may be made to enable those works to be delivered.

#### **4. Building Maintenance – Financial Monitoring to 31 August 2013**

4.1 **Appendix 4** shows the position to 31 August 2013. There will always be a difference due to timing between costs incurred by building maintenance and the income recognised in the ledger. At the end of August in addition to the £2.3m in the ledger there are work orders to the value of £2.8m at the closed stage due to come in to the ledger.

#### **5. Implications**

5.1 Any resource, equality, risk, climate change/carbon clever or legal implications are contained in the report.

#### **6. Recommendations**

6.1 Members are asked to note the monitoring statements to 31 August 2013 for the Housing Revenue Account, Other Housing and Property Revenue Account and Building Maintenance account and progress with the Property Revenue Maintenance programme.

Designation: **Interim Director of Housing and Property**

Authors/Reference: David Goldie (Head of Housing)  
Finlay MacDonald (Property Manager)  
Caroline Campbell (Maintenance and Service Support Manager)

Date: 30 September 2013

## Housing Revenue Account - Revenue Expenditure Monitoring Report

1 April 2013 to 31st August 2013

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Expenditure:-</b>				
Supervision & Management	1,927	6,624	6,581	(43)
Tenant Participation	71	203	203	0
Sheltered Housing	260	721	721	(0)
Homelessness	105	411	411	0
Repairs & Maintenance	2,778	15,359	15,395	36
Central Support	0	2,843	2,843	0
Loan Charges	0	15,629	15,629	0
CFCR	0	4,325	4,424	100
<b>Gross Expenditure</b>	<b>5,141</b>	<b>46,116</b>	<b>46,207</b>	<b>92</b>
<b>Income:-</b>				
House Rents	(17,900)	(45,307)	(45,338)	(31)
House Rent Voids	294	593	742	149
Other Rents	(603)	(1,219)	(1,403)	(184)
Other Rent Voids	114	134	210	76
Other Income	(289)	(266)	(368)	(102)
Interest on Revenue Balances	0	(50)	(50)	0
<b>Gross Income</b>	<b>(18,385)</b>	<b>(46,116)</b>	<b>(46,207)</b>	<b>(92)</b>
	<b>(13,243)</b>	<b>0</b>	<b>0</b>	<b>0</b>

### BY SUBJECTIVE

Staff Costs	1,799	5,457	5,454	(3)
Other Costs	3,391	40,659	40,802	143
<b>Gross Expenditure</b>	<b>5,190</b>	<b>46,116</b>	<b>46,256</b>	<b>140</b>
Grants	0	0	0	0
Other Income	(18,433)	(46,116)	(46,256)	(140)
<b>Gross Income</b>	<b>(18,433)</b>	<b>(46,116)</b>	<b>(46,256)</b>	<b>(140)</b>
	<b>(13,243)</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Other Housing and Property Revenue Account - Revenue Expenditure Monitoring Report

**1 April 2013 to 31 August 2013**
**Summary**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
<b>BY ACTIVITY</b>				
<b>Expenditure</b>				
Housing Development Unit	93	231	230	(0)
Private Sector Housing Grant	(6)	1,579	1,579	0
Gypsy Traveller Sites	37	108	107	(0)
Homelessness/Leasing	2,710	6,083	5,450	(633)
Housing Support	944	1,729	1,906	177
Anti Social Behaviour	113	327	318	(9)
Misc Costs	(60)	455	455	(0)
Accommodation Account	1,585	3,441	3,524	83
Asset Management	254	628	641	13
Property Management	568	1,848	1,880	32
Energy & Sustainability	107	889	932	43
Consultancy	2,122	4,980	4,753	(227)
Revenue Maintenance	1,731	4,905	4,905	0
Estates & Investment Properties	186	724	724	0
Administration	278	992	993	1
<b>Gross Expenditure</b>	<b>10,662</b>	<b>28,919</b>	<b>28,398</b>	<b>(521)</b>
<b>Income</b>				
Housing Development Unit	0	(125)	(125)	0
Gypsy Traveller Sites	(56)	(169)	(135)	34
Homelessness/Leasing	(1,823)	(4,963)	(4,339)	624
House Loans	(1)	(2)	(2)	0
Misc Income	(38)	(69)	(76)	(8)
Accommodation Account	(12)	(99)	(104)	(5)
Asset Management	(25)	(57)	(60)	(3)
Property Management	(5)	(743)	(721)	22
Energy & Sustainability	(96)	(914)	(1,004)	(90)
Consultancy	(3,852)	(8,954)	(9,017)	(63)
Revenue Maintenance	0	0	0	0
Estates & Investment Properties	(1,019)	(2,728)	(2,728)	0
Administration		(117)	(117)	0
<b>Gross Income</b>	<b>(6,927)</b>	<b>(18,941)</b>	<b>(18,429)</b>	<b>511</b>
	<b>3,735</b>	<b>9,978</b>	<b>9,969</b>	<b>(9)</b>

**BY SUBJECTIVE**

Staff Costs	2,703	7,042	6,779	(262)
Other Costs	7,959	21,877	21,619	(258)
<b>Gross Expenditure</b>	<b>10,662</b>	<b>28,919</b>	<b>28,398</b>	<b>(521)</b>
Grants	0	0	0	0
Other Income	(6,927)	(18,941)	(18,429)	511
<b>Gross Income</b>	<b>(6,927)</b>	<b>(18,941)</b>	<b>(18,429)</b>	<b>511</b>
	<b>3,735</b>	<b>9,978</b>	<b>9,969</b>	<b>(9)</b>

# Appendix 3

## Property Revenue Maintenance Budget 2013/14

### Programme Performance: 1st April to 31st August 2013

	Budget	Legally Committed	Paid	Balance	% of Budget Paid / LC	% Through Year
Day to Day Building	700,100	71,619	151,330	477,151	32%	42%
Day to Day Engineering	660,000	100,078	180,343	379,579	42%	
Service Contracts (Including Legionella and LPG Work)	1,071,336	42,612	497,936	530,788	50%	
Vandalism	110,000	12,870	21,287	75,843	31%	
Planned Maintenance	524,000	144,034	128,580	251,386	52%	
Cyclical Maintenance	710,000	204,176	260,440	245,384	65%	
Kitchen Fabric - EHO Reports	50,000	7,705	9,432	32,863	34%	
Structural Surveys	25,000	5,800	3,200	16,000	36%	
Asbestos Work	100,000	7,086	17,301	75,613	24%	
Water Safety Remedial Works	0	4,900	16,695	-21,595		
Emergency Works	120,000	49,400	20,746	49,854	58%	
HACC Beam Monitoring	30,000	0	0	30,000	0%	
Fire Legislative Measures	70,000	16,990	33,827	19,183	73%	
Insurance Identified Work	50,000	11,677	75,418	-37,095	174%	
Insurance Surveys - Zurich	33,000	33,000	0	0	100%	
Storm Damage / Winter Contingency	72,849	21,990	41,238	9,621	87%	
Leased Building Service Charges	20,000	0	0	20,000	0%	
Fees	602,320	0	252,479	349,841	42%	
<b>Overall Totals</b>	<b>4,904,605</b>	<b>733,937</b>	<b>1,710,252</b>	<b>2,504,415</b>	<b>50%</b>	

# HIGHLAND COUNCIL BUILDING MAINTENANCE

## FINANCIAL MONITORING STATEMENT PERIOD 1 APRIL 2013 - 31 AUGUST 2013

<b>SUMMARY</b>	<b>ANNUAL PLAN</b>	<b>PLANNED TO DATE</b>	<b>ACTUAL TO DATE</b>	<b>PROJECTED OUTTURN</b>	<b>YEAR END VARIANCE</b>
	£	£	£	£	
<b>INCOME</b>					
HOUSING REPAIRS	(11,360,200)	(4,733,417)	(2,031,341)	(11,360,200)	0
HOUSING CAPITAL	(2,572,612)	(1,071,922)	(125,924)	(2,572,612)	0
NON HOUSING	(620,941)	(258,725)	(158,908)	(620,941)	0
RETURNS	0	0	0	0	0
ADDITIONAL INCOME	(250,000)	(104,167)	(3,178)	(250,000)	0
	<u>(14,803,753)</u>	<u>(6,168,231)</u>	<u>(2,319,351)</u>	<u>(14,803,753)</u>	<u>0</u>
<b>DIRECT COSTS</b>					
LABOUR COSTS	3,845,188	1,461,276	1,428,354	3,845,188	0
SUB_CONTRACTORS	6,469,103	2,695,460	3,195,252	6,469,103	0
MATERIALS	1,338,361	557,650	610,082	1,338,361	0
TRANSPORT & PLANT	795,828	342,724	314,347	795,828	0
OTHER SUPPLIES & SERVICES	346,634	151,239	141,400	346,634	0
	<u>12,795,114</u>	<u>5,208,349</u>	<u>5,689,435</u>	<u>12,795,114</u>	<u>0</u>
<b>OVERHEADS</b>					
MANAGEMENT COSTS	860,391	358,496	322,754	860,391	0
APPORTIONED COSTS	289,229	166,987	98,918	289,229	0
SUPPORT COSTS	839,019	210,415	211,324	839,019	0
INTEREST ON REVENUE BALANCES	20,000	1	0	20,000	0
	<u>2,008,639</u>	<u>735,899</u>	<u>632,996</u>	<u>2,008,639</u>	<u>0</u>
<b>TOTAL COSTS</b>	<u>14,803,753</u>	<u>5,944,248</u>	<u>6,322,431</u>	<u>14,803,753</u>	<u>0</u>
<b>(SURPLUS)/DEFICIT</b>	<u>0</u>	<u>-223,983</u>	<u>4,003,079</u>	<u>0</u>	<u>0</u>