

Agenda Item	4.
Report No	PEO 01/18

HIGHLAND COUNCIL

Committee: People Committee

Date: 25 January 2018

Report Title: Housing Revenue Budget Monitoring Report
- 1 April 2017 to 31 December 2017

Report By: Director of Community Services

1. Purpose/Executive Summary

- 1.1 This report invites Members to approve the revenue budget monitoring position for the period from 1 April 2017 to 31 December 2017.

2. Recommendations

- 2.1 Members are invited to approve the revenue budget position for 1 April 2017 to 31 December 2017 and agree that the projected revenue surplus associated with savings on loan charges be applied as additional Capital From Current Revenue.

3. Background

- 3.1 There are two main elements of the Housing Revenue Budget included in this report. The Housing Revenue Account (HRA) is used to account for income and expenditure associated with the Council's front-line housing services to Council house tenants and costs associated with Council housing. In addition there is a Non-Housing Revenue Account (Non-HRA) element of the budget, which is part of the Council's overall General Fund and which relates to services that are not directly provided to Council tenants. The revenue expenditure monitoring statement is attached as **Appendix 1** and shows the financial position to 31 December 2017.

4. Housing Revenue Account

- 4.1 An underspend of £0.596m is projected overall on Housing Revenue Account expenditure. This comprises overspends of £0.546m on supervision and management costs, mainly arising from increased bad debt provision, and £0.122m on homelessness costs due to an increase in the number of HRA properties being used as temporary accommodation. Void rent loss on both houses and garages are also ahead of budget. However the major variation in estimated outturn relates to loan charges, which are currently expected to be £1.364m lower than budgeted. This is due to a combination of lower than expected borrowing due to slippage / underspends on the HRA capital programme; higher than expected capital receipts from Council house sales taking place in the current year; and treasury management associated with current low interest rates.
- 4.2 All income categories are currently projected to be higher than budgeted but it should be borne in mind that this relates to total rent charged and the total value of invoices issued, and not actual "cash" income. Uncollected rent and invoices are budgeted as expenditure items.
- 4.3 Overall we are currently projecting an HRA surplus of around £1.4m for 2017/18, most of which is associated with reduced loan charge estimates. It is recommended that this surplus be applied as additional Capital from Current Revenue which will further reduce borrowing this year.

5. Non-Housing Revenue Account

- 5.1 As previously reported, the Corporate Resources Committee considered the overall Council monitoring position for the period ended 30 September 2017 on 15 November 2017. The Committee also agreed to a number of budget virements to utilise a forecast underspend on loan charges, to address a number of recurring budget pressures across Council Services. For Non-HRA, this resulted in an additional £0.3m being fed into the budget this year. This is now reflected within the budget monitoring report.

6. Implications

- 6.1 Resource – implications are discussed in the report.
- 6.2 Risk – implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified report to future Committees.
- 6.3 Community (Equality, Poverty and Rural), Legal, Risk, Climate Change / Carbon Clever, Gaelic – There are no implications arising as a direct result of this report.

Designation: Director of Community Services

Date: 15 January 2017

Authors: David Goldie, Head of Housing and Building Maintenance
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COMMUNITY SERVICES

Revenue Expenditure Monitoring Statement

1 April 2017 to 31 December 2017

Financial Detail

BY ACTIVITY

Housing Revenue Account

Supervision and Management	
Tenant Participation	
Sheltered Housing	
Homelessness	
Repairs and Maintenance	
House Rent Voids	
Other Rent Voids	
Central Support	
Loan Charges	
Capital Funded from Current Revenue	
Gross Expenditure	

£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
4,742	6,401	6,947	546
126	212	200	(12)
518	705	688	(17)
465	580	702	122
13,681	16,480	16,480	(0)
557	722	764	42
227	232	319	87
0	3,520	3,520	0
0	18,943	17,579	(1,364)
0	3,439	4,856	1,417
20,317	51,234	52,055	821

House Rents	
Other Rents	
Other Income	
Interest on Revenue Balances	
Gross Income	

(35,773)	(48,842)	(49,058)	(216)
(1,863)	(1,956)	(2,062)	(106)
(476)	(375)	(874)	(499)
0	(62)	(62)	0
(38,113)	(51,234)	(52,055)	(821)

HRA TOTAL

(17,796)	0	(0)	(0)
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BY SUBJECTIVE

Staff Costs	
Other Costs	
Gross Expenditure	
Grants	
Other Income	
Total Income	

3,794	5,402	5,441	39
11,391	45,832	46,614	782
15,185	51,234	52,055	821
0	0	0	0
(38,113)	(51,234)	(52,055)	(821)
(38,113)	(51,234)	(52,055)	(821)
(22,928)	0	(0)	(0)

Non-Housing Revenue Account

Homelessness	
Supporting People	
Anti Social Behaviour	
Gypsy Traveller Sites	

1,390	1,882	1,887	6
933	1,601	1,601	0
232	159	154	(6)
(42) -	34	(48)	(13)
2,512	3,608	3,594	(14)

NON-HRA TOTAL

BY SUBJECTIVE

Staff Costs	
Other Costs	
Gross Expenditure	
Grants	
Other Income	
Total Income	

942	1,298	1,265	(33)
4,548	6,557	6,576	19
5,490	7,856	7,841	(14)
0	(48)	(48)	0
(2,978)	(4,200)	(4,199)	1
(2,978)	(4,248)	(4,247)	1
2,512	3,608	3,595	(14)