

Agenda Item	5.
Report No	CLH 61/19

HIGHLAND COUNCIL

Committee: Care, Learning and Housing Committee

Date: 10 October 2019

Report Title: Housing Revenue Account (HRA) and Non-HRA Budget Monitoring Statement to 30 September 2019

Report By: Interim Chief Officer Resources (Community Services)

1. Purpose/Executive Summary

- 1.1 This report provides the monitoring position for the Housing Revenue Account and non-Housing Revenue Account revenue budgets for the period from 1 April 2019 to 30 September 2019.

2. Recommendations

- 2.1 Members are invited to approve the budget position on the Housing Revenue Account and non-Housing Revenue Account.

3. Implications

- 3.1 Resource – There are no implications arising from this report.
- 3.2 Risk – There are no implications arising from this report.
- 3.3 Community (Equality, Poverty and Rural), Legal, Risk, Climate Change / Carbon Clever, Gaelic – There are no implications arising as a direct result of this report.

4. Background

- 4.1 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 the 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 housing services that are not directly provided to Council tenants. The revenue expenditure monitoring statement reflecting the position to 30 September 2019 and containing estimated out-turn figures for 2019/20 is attached at **Appendix 1**.

5. Housing Revenue Account

- 5.1 At this stage there are underspends projected on the direct costs for delivering housing management services, as shown across the Supervision and Management, Tenant Participation and Sheltered Housing headings. These are mainly attributable to lower than budgeted staff costs arising from vacancy management.
- 5.2 An underspend is also projected on expenditure on homelessness. The homelessness line in the Housing Revenue Account relates to the costs of council housing used as temporary accommodation. The projected underspend relates to a number of factors, including staff costs and lower than anticipated expenditure on repairs and furnishings.
- 5.3 The latest Loan Charge estimates indicate a projected overspend of £200k against budget, although this will be partly dependent on progress with the HRA Capital Programme, including the Council House Building programme this year. Overall there has been a fairly sustained period of HRA borrowing over recent years, partly driven by the reduction in capital receipts as a result of Right to Buy sales. This will need to be considered as part of the review that is currently taking place of the Council's HRA Capital Plan.
- 5.4 Rent loss on vacant mainstream houses is showing an estimated underspend, with an overspend projected on rent loss on other properties. The latter figure relates to rent loss for HRA houses used as temporary accommodation and to garages. The variations against budget relate to the number of housing properties in use as temporary accommodation against estimates and the turnover rate of those properties. Rent loss on empty garages is also higher than budgeted.
- 5.5 Overall expenditure is below budget, and this has been reflected in the monitoring statement by an increase in estimated expenditure on Capital from Current Revenue.
- 5.6 On the income side, mainstream rent income is below budget at this stage of the year, but this is balanced by other rent income being ahead of budget. This is due to rent income from new build property being below estimated levels in the year to date as a result of slippage in the new build programme against original estimates and an increase in the number of mainstream properties being used for temporary accommodation.

6. Non-Housing Revenue Account

6.1 Year to date expenditure on the Non-Housing Revenue Account is broadly in line with the budget. An overspend of £23k is anticipated in the Gypsy/Traveller Site budgets due to urgent work required to meet new fire safety standards.

Designation: Interim Chief Officer Resources (Community Services)

Date: 1 October 2019

Authors: David Goldie, Head of Housing and Building Maintenance
Mike Mitchell, Services Finance Manager

COMMUNITY SERVICES

Revenue Expenditure Monitoring Statement

1 April 2019 to 30 September 2019

Financial Detail

BY ACTIVITY

Housing Revenue Account

	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Supervision and Management	3,496	7,823	7,662	(161)
Tenant Participation	111	289	240	(49)
Sheltered Housing	289	711	626	(85)
Homelessness	353	878	808	(70)
Repairs and Maintenance	8,757	17,868	17,868	0
House Rent Voids	279	754	588	(166)
Other Rent Voids	189	229	348	119
Central Support	0	3,577	3,577	0
Loan Charges	0	19,445	19,645	200
Capital Funded from Current Revenue	0	2,456	2,873	417
Gross Expenditure	13,474	54,030	54,235	205
House Rents	(18,940)	(51,136)	(50,891)	245
Other Rents	(1,365)	(2,455)	(2,887)	(432)
Other Income	(356)	(377)	(395)	(18)
Interest on Revenue Balances	0	(62)	(62)	0
Gross Income	(20,662)	(54,030)	(54,235)	(205)

HRA TOTAL

(7,187)	0	0	0
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BY SUBJECTIVE

Staff Costs	2,725	6,230	5,828	(402)
Other Costs	10,749	47,800	48,407	607
Gross Expenditure	13,474	54,030	54,235	205
Grants	0	(62)	(62)	0
Other Income	(20,662)	(53,968)	(54,173)	(205)
Total Income	(20,662)	(54,030)	(54,235)	(205)

(7,187)	0	0	0
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Non-Housing Revenue Account

Homelessness	516	1,887	1,892	5
Supporting People	463	1,544	1,544	0
Gypsy Traveller Sites	(10)	(32)	(9)	23

NON-HRA TOTAL

970	3,399	3,427	28
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BY SUBJECTIVE

Staff Costs	529	1,120	1,059	(61)
Other Costs	2,092	5,692	5,725	33
Gross Expenditure	2,621	6,812	6,784	(28)
Grants	0	(30)	(30)	0
Other Income	(1,651)	(3,383)	(3,327)	56
Total Income	(1,651)	(3,413)	(3,357)	56

970	3,399	3,427	28
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