

Agenda Item	4
Report No	HP/20/21

HIGHLAND COUNCIL

Committee: Housing and Property Committee

Date: 15 December 2021

Report Title: Housing Revenue Account (HRA) and Non-HRA Budget: Monitoring Statement to 30 September 2021

Report By: Executive Chief Officer Property and Housing

1 Purpose/Executive Summary

1.1 This report provides the Housing Revenue Account and non-Housing Revenue Account monitoring statement for Q2 of 2021/2022. The budget monitoring statement is attached as **Appendix 1**.

2 Recommendations

2.1 Member are asked to:

APPROVE the budget position on the Housing Revenue Account and non-Housing Revenue Account 2021/2022 for the period to 30 September 2021.

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.

5 Housing Revenue Account

- 5.1 The monitoring position for the HRA and non HRA revenue budget for 2021/2022 to the end of September 2021 is attached as **Appendix 1**.
- 5.2 At this stage there are underspends projected on the direct costs for delivering housing management services, across the Supervision and Management and Sheltered Housing functions. These are mainly due to reduced staff costs arising from vacant posts and on costs such as staff travel.
- 5.3 A projected overspend is showing for expenditure on homelessness. The homelessness budget within the HRA is used to fund management and maintenance of HRA property that is used as temporary accommodation. The overspend is mainly due to repairs and maintenance expenditure associated increasing the number of properties used as temporary accommodation.
- 5.4 An overspend is projected on Repairs and Maintenance, mainly due to work being carried out to address a backlog of routine repairs that we were not able to undertake during lockdown. The Committee considered 2020/2021 HRA outturn figures in September 2021. That report highlighted an underspend of £2.755m on day-to-day repairs due to covid-19, and that this had been transferred to HRA balances. It was agreed that this should be earmarked for additional spend on “catch-up repairs” in the current year. The budget figure for repairs and maintenance shown in **Appendix 1** does not include the £2.755m of earmarked balances. The current projected overspend is within the level of balances approved.
- 5.5 As reported in Q1, an overspend is projected on Other Rent Voids. This heading includes the rent loss through empty garages and temporary accommodation rents and service charges for property held on the Housing Revenue Account but used to meet homelessness duties. Reasons for the overspend reported vary across areas but contributory factors are: an increase in properties being used as temporary accommodation; some delays in set up and reletting repairs for these properties; an increase in properties used as “decants” following the need for major works in secure tenancies; planned reduction in reletting of garage sites identified for environmental works. Housing Managers are reviewing the position locally with a view to reducing the projected overspend.
- 5.6 Based on advice from the Head of Corporate Finance, Central Support charges from the HRA to the General Fund to cover the costs of corporate services to the HRA is currently predicted to be higher than budgeted. This is in line with the outturn figures for 2020/21.
- 5.11 On the income side, Council house rent income is slightly below budget, mainly due to rent income from new build property being below estimated levels following slippage in the new build programme against original estimates, and an increase in the number of mainstream properties being used for temporary accommodation. The latter factor is reflected in the income figure for other rents, which includes rent for temporary accommodation, which is ahead of budget.
- 5.12 Taking all these factors into account the Housing Revenue Account is currently projected to overspend by £1.196m, net of earmarked balances.

6 Non-Housing Revenue Account

6.1 Year to date expenditure on the Non-Housing Revenue Account is broadly in line with the budget. No variations against budget are projected.

Designation: Executive Chief Officer Property and Housing

Date: 9 November 2021

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

APPENDIX 1

HOUSING REVENUE ACCOUNT AND NON-HOUSING REVENUE ACCOUNT

Revenue Expenditure Monitoring Statement

1 April 2021 to 30 September 2021

Financial Detail

BY ACTIVITY

Housing Revenue Account

	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Supervision and Management	5,053	8,673	8,542	(131)
Tenant Participation	110	301	301	0
Sheltered Housing	253	710	672	(38)
Homelessness	581	1,204	1,390	186
Repairs and Maintenance	9,452	18,899	19,824	925
House Rent Voids	382	803	759	(44)
Other Rent Voids	231	246	407	161
Central Support	0	3,920	4,085	165
Loan Charges	0	23,375	23,375	0
Capital Funded from Current Revenue	0	0	0	0
Gross Expenditure	16,062	58,131	59,355	1,224
House Rents	(27,010)	(54,416)	(54,333)	83
Other Rents	(1,724)	(3,286)	(3,382)	(96)
Other Income	(1)	(367)	(382)	(15)
Interest on Revenue Balances	0	(62)	(62)	0
Gross Income	(28,735)	(58,131)	(58,159)	(28)

HRA TOTAL

(12,673)	0	1,196	1,196
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BY SUBJECTIVE

Staff Costs	5,556	12,724	11,493	(1,231)
Other Costs	10,505	45,407	47,862	2,455
Gross Expenditure	16,061	58,131	59,355	1,224
Grants	17	(187)	(211)	(24)
Other Income	(28,752)	(57,944)	(57,948)	(4)
Total Income	(28,735)	(58,131)	(58,159)	(28)

(12,674)	0	1,196	1,196
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Non-Housing Revenue Account

Homelessness	604	2,461	2,461	0
Supporting People	532	1,544	1,544	0
Gypsy Traveller Sites	(30)	(48)	(48)	0

NON-HRA TOTAL

1,106	3,957	3,957	0
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BY SUBJECTIVE

Staff Costs	742	1,697	1,553	(144)
Other Costs	2,488	5,820	6,011	191
Gross Expenditure	3,230	7,517	7,564	47
Grants	(532)	(121)	(115)	6
Other Income	(1,592)	(3,439)	(3,492)	(53)
Total Income	(2,124)	(3,560)	(3,607)	(47)

1,106	3,957	3,957	0
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