

Agenda Item	5
Report No	HP/02/25

Committee: Housing and Property

Date: 29 January 2025

Report Title: Housing Revenue Account (HRA) and Non-HRA Budget Monitoring Statement to 31 December 2024

Report By: Assistant Chief Executive – Place

1 Purpose/Executive Summary

- 1.1 This report provides the monitoring report for the Housing Revenue Account and Non-Housing Revenue Account revenue budgets for the financial year 2024/25 to 31 December 2024.

2 Recommendations

- 2.1 Members are asked to
- i. Scrutinise and **APPROVE** the budget position on the Housing Revenue Account and Non-Housing Revenue Account 2024/25 for the period to 31 December 2024.

3 Implications

- 3.1 **Resource** – The report provides detail on how the Service will achieve a balanced budget for 2024/25.
- 3.2 **Legal** – There is a legal requirement to ensure that the Housing Revenue Account has a balanced budget at year-end.
- 3.3 **Risk** - There are no implications arising as a direct result of this report.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process or people)** - There are no implications arising as a direct result of this report.
- 3.5 **Gaelic** - There are no implications arising as a direct result of this report.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring update report and therefore an impact assessment is not required.

5 Background

5.1 There are two main elements of the Housing Revenue Budget included in this report:

1. The Housing Revenue Account (HRA) budget, which 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 and related assets.
2. In addition, there is a Non-Housing Revenue Account (Non-HRA) budget, which is part of the Council's overall General Fund, and relates to housing services that are not directly provided to Council tenants.

6 Housing Revenue Account

6.1 The main elements of the Housing Revenue Account budget are outlined below.

Supervision and Management

This budget covers the staffing and other running costs for the management and repair of Council housing. The budget includes bad debt provision against rent income.

Tenant Participation and Sheltered Housing

These form part of the overall category of Supervision and Management costs but are reported as separate lines on the monitoring statement to provide Members and tenants with information on the separate costs of these service areas. These budgets cover the staff and running costs of the services, including the costs of support to tenant groups and tenant and customer engagement activities.

Homelessness

Some Council housing is used as temporary accommodation to meet our statutory homelessness functions. This budget covers the management costs associated with this accommodation. In line with an existing Council commitment and with revised national guidance on temporary accommodation standards we have been increasing the use of our own housing stock as temporary accommodation.

Repairs and Maintenance

This budget covers the cost of carrying out revenue funded day to day repairs and planned maintenance to council houses, including repairs to empty houses and revenue funded environmental improvements. This includes the costs of the Council's in-house Building Maintenance teams.

House Rent Voids

At any time, the Council will have some properties empty as part of its normal letting operations and will therefore have no rent income for those properties. The budget for house rent voids is based on actual rents for vacant council houses.

6.7 **Other Rent Void Loss**

This budget covers rent loss on other HRA properties, mainly garages and garage sites and houses used for temporary accommodation.

6.8 **Central Administration**

This budget covers the costs of corporate charges to the HRA for legal, financial, IT and other corporate services in relation to the Council's landlord role.

6.9 **Loan Charges**

This budget covers the revenue costs of repaying debt held on the Housing Revenue Account. Borrowing takes place to fund capital investment in improvements to Council housing and other assets held on the Housing Revenue Account, as well as to fund the council house building programme.

6.10 Committee will be aware of ongoing Council efforts to lobby the UK Government for the write-off of historic housing debt, and these efforts have continued following the recent General Election.

6.11 **Income**

Revenue expenditure on managing and maintaining the Council's housing stock needs to be met from income. Housing Revenue Account income is generated mainly from Council house rents. Income is also received through other sources, mainly: garage and garage site rentals, service charges, rechargeable services.

7 Housing Revenue Account – Monitoring Report to 31 December 2024

7.1 **Appendix 1** provides details of the Housing Revenue Account income and expenditure to 31 December 2024.

7.2 As requested at the last Committee, additional information on the breakdown of spend per budget is provided at **Appendix 2** of this report.

7.3 Expenditure as of 31 December 2024 was £27.335m. The anticipated year-end outturn is £68.601m against a budget of £68.568m.

7.4 The main variances relate to supervision and management and repairs.

7.5 The supervision and management budget are anticipated to be £0.155m under-budget at year-end, reflecting both the natural turn-over in staffing but also the long-term effect of the Covid-19 pandemic on recruitment. A list of current vacancies by post title has been issued recently to Members of this Committee, as well as confirmation of the activity to fill these posts as quickly as possible.

7.6 The repairs budget is anticipated to be £0.180m over-budget at year-end. This reflects the pressures of delivering repairs and meeting statutory compliance which are referred to elsewhere in reports to this Committee. In line with experience nationally, the costs associated with materials, transport/fuel and utilities remain high. In simple terms, the average cost of a repair continues to be significantly higher than several years ago.

7.7 Despite the cost pressures reported at 7.6 above, officers are confident that the budgets will continue to be managed to ensure a balanced budget at year-end.

8. Non-Housing Revenue Account – Monitoring to 31 December 2024

- 8.1 The Non-Housing Revenue Account (Non-HRA) budget is part of the Council's overall General Fund and relates to housing services that are not directly provided to Council tenants. This covers the costs of providing homelessness services and accommodation through external accommodation providers as well as housing support services. The monitoring report to 31 December 2024 is attached at **Appendix 3** of this report.
- 8.2 As requested at the last Committee, additional information on the breakdown of spend per budget is provided at **Appendix 4** of this report.
- 8.3 Year to date expenditure on homelessness is £1.374m against a budget of £1.724m and an anticipated outturn of £2.331m. This reflects the ongoing pressure of delivering homelessness services as detailed in the Housing Performance Report to this Committee.
- 8.4 Year to date expenditure on the housing support budget is £0.542m against a budget of £1.481m. The anticipated year-end underspend here is anticipated to be achieved through cost-effective in-house delivery of services previously commissioned to external support providers.
- 8.5 Overall, the predicted overspend in the homelessness end of year budget is expected to be balanced by the underspend in the housing support budget, producing a near balanced budget by year end.

Designation: Assistant Chief Executive - Place

Date: 9 January 2025

Authors: Brian Cameron, Strategic Lead - Housing & Building
Maintenance
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Appendices: Appendix 1 – Housing Revenue Account Monitoring Statement 2024/25;
Appendix 2 – Housing Revenue Account Monitoring Statement 2024/25 (detailed appendix);
Appendix 3 – Non-Housing Revenue Account Monitoring Statement 2024/25;
Appendix 4 - Non-Housing Revenue Account Monitoring Statement 2024/25 (detailed appendix)

Housing Revenue Account Monitoring Statement 2024/25 1 April 2024 – 31 December 2024

	£'000	£'000	£'000	£'000
	Actual	Annual	Year End	Year End
	YTD	Budget	Estimate	Variance
BY ACTIVITY				
Supervision & Management	9,049	10,250	10,095	(155)
Tenant Participation	204	336	280	(55)
Sheltered Housing	451	645	609	(36)
Homelessness	411	795	773	(22)
Repairs and Maintenance	16,167	21,309	21,489	180
House Rent Voids	855	950	1,143	193
Other Rent Voids	199	325	253	(72)
Central Support	0	4,458	4,458	0
Loan Charges	0	29,500	29,500	0
Gross Expenditure	27,335	68,568	68,601	33
House Rents	(48,704)	(64,861)	(64,982)	(121)
Other Rents	(2,286)	(3,294)	(3,090)	204
Other Income	657	(351)	(747)	(396)
Interest on Revenue Balances	0	(62)	0	62
Gross Income	(50,334)	(68,568)	(68,819)	(251)
Grand Total HRA	(22,999)	0	(218)	(218)
BY SUBJECTIVE				
Staff Costs	10,964	15,612	14,806	(807)
Other Expenditure	16,370	52,955	53,795	840
Gross Expenditure	27,335	68,568	68,601	33
Grant Income	1,172	(212)	(204)	8
Other Income	(51,506)	(68,357)	(68,615)	(258)
Total Income	(50,334)	(68,568)	(68,819)	(250)
NET TOTAL	(22,999)	0	(218)	(218)

Housing Revenue Account Monitoring Statement 2024/25 1 April 2024 – 31 December 2024 (detailed appendix)

		STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
31/12/2024		Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
BY ACTIVITY																					
	Supervision & Management	6,918	5,101	6,845	(73)	3,332	3,947	3,249	(83)	0	0	0	0	0	0	0	0	10,250	9,049	10,095	(155)
	Tenant Participation	272	161	221	(51)	63	42	59	(5)	0	0	0	0	0	0	0	0	336	204	280	(55)
	Sheltered Housing	437	326	433	(4)	208	124	176	(32)	0	0	0	0	0	(0)	(0)	(0)	645	451	609	(36)
	Homelessness	281	144	265	(16)	514	267	508	(6)	0	0	0	0	0	0	0	0	795	411	773	(22)
	Repairs and Maintenance	7,705	5,231	7,041	(664)	20,816	14,527	21,407	591	(2)	338	1	3	(7,209)	(3,930)	(6,960)	249	21,309	16,167	21,489	180
	House Rent Voids	0	0	0	0	950	855	1,143	193	0	0	0	0	0	0	0	0	950	855	1,143	193
	Other Rent Voids	0	0	0	0	325	199	253	(72)	0	0	0	0	0	0	0	0	325	199	253	(72)
	Central Support	0	0	0	0	4,458	0	4,458	0	0	0	0	0	0	0	0	0	4,458	0	4,458	0
	Loan Charges	0	0	0	0	29,500	0	29,500	0	0	0	0	0	0	0	0	0	29,500	0	29,500	0
	Capital Funded from Current Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Gross Expenditure	15,612	10,964	14,805	(807)	60,167	19,961	60,754	587	(2)	339	1	3	(7,209)	(3,930)	(6,960)	249	68,568	27,335	68,601	33
	House Rents	0	0	0	0	0	0	0	0	0	0	0	0	(64,861)	(48,704)	(64,982)	(121)	(64,861)	(48,704)	(64,982)	(121)
	Other Rents	0	0	0	0	0	0	0	0	0	0	0	0	(3,294)	(2,286)	(3,090)	204	(3,294)	(2,286)	(3,090)	204
	Other Income	0	0	0	0	0	(0)	0	0	(210)	1,172	(203)	7	(148)	(516)	(550)	(402)	(358)	657	(754)	(396)
	Interest on Revenue Balances	0	0	0	0	0	0	0	0	0	0	0	0	(62)	0	0	62	(62)	0	0	62
	Gross Income	0	0	0	0	0	(0)	0	0	(210)	1,172	(203)	7	(68,365)	(51,506)	(68,623)	(258)	(68,575)	(50,334)	(68,826)	(251)
	Grand Total HRA	15,612	10,964	14,805	(807)	60,167	19,961	60,754	587	(212)	1,511	(202)	10	(75,574)	(55,436)	(75,583)	(9)	(7)	(22,999)	(226)	(218)

Non-Housing Revenue Account Monitoring Statement 2024/25 1 April 2024 – 31 December 2024

	£'000	£'000	£'000	£'000
	Actual	Annual	Year	Year
	YTD	Budget	End	End
			Estimate	Variance
BY ACTIVITY				
Homelessness	1,374	1,724	2,331	607
Supporting People	542	1,481	830	(651)
Gypsy Traveller Sites	(4)	21	5	(17)
Resettlement funding	(8,457)	(0)	117	117
Grand Total Non-HRA	(6,545)	3,226	3,282	56
BY SUBJECTIVE				
Staff Costs	1,546	2,086	1,949	(136)
Other Expenditure	3,884	4,866	4,878	12
Gross Expenditure	5,430	6,952	6,828	(125)
Grant Income	(9,528)	(213)	(216)	(3)
Other Income	(2,447)	(3,513)	(3,329)	183
Total Income	(11,975)	(3,726)	(3,545)	180
NET TOTAL	(6,545)	3,226	3,282	56

Non-Housing Revenue Account Monitoring Statement 2024/25 1 April 2024 – 31 December 2024 (detailed appendix)

	STAFF COSTS				OTHER COSTS				GRANT INCOME				OTHER INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End	Annual	Actual	Year End	Year End
	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance	Budget	YTD	Estimate	Variance
BY ACTIVITY																				
Homelessness	1,507	1,156	1,470	(37)	3,604	2,573	4,062	458	(23)	(31)	(33)	(10)	(3,363)	(2,324)	(3,168)	195	1,724	1,374	2,331	607
Supporting People	314	141	260	(53)	1,167	401	570	(597)	0	0	0	0	0	0	0	0	1,481	542	830	(651)
Gypsy Traveller Sites	75	33	41	(34)	95	86	124	29	0	0	0	0	(149)	(124)	(161)	(12)	21	(4)	5	(17)
Resettlement funding	190	216	178	(12)	0	824	122	122	(190)	(9,497)	(183)	7	0	0	0	0	(0)	(8,457)	117	117
Grand Total Non-HRA	2,086	1,546	1,949	(136)	4,866	3,884	4,878	12	(213)	(9,528)	(216)	(3)	(3,513)	(2,447)	(3,329)	183	3,226	(6,545)	3,282	56