

REPORT TO: COMMUNITIES COMMITTEE ON 19 AUGUST 2008

SUBJECT: HOUSING REVENUE ACCOUNT AND OTHER HOUSING BUDGET MONITORING 2008/09

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report presents budget monitoring information for the period to 30 June 2008 in respect of the Housing Revenue Account (HRA) and Other Housing.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to housing budget management.

2. RECOMMENDATION

- 2.1 **It is recommended that the Communities Committee notes this report.**

3. BUDGET COMMENTARY

- 3.1 Housing budget reports are presented to each cycle of Committee meetings.

3.2 Housing Revenue Account (HRA)

- 3.2.1 **APPENDIX I** details HRA budgetary performance to 30 June 2008.
- 3.2.2 At this stage of the financial year, it is premature to consider any revision to projected outturns. As part of the budget process for 2009/10, each budget will be examined with Budget Managers in October 2008.
- 3.2.3 There are minor variations between actual spend to 30 June 2008 and budget proportionments to that date. Of the variations noted, the most significant are

Supervision and Management – underspend of £0.096m due to £0.041m staffing underspends and £0.055m due to budget phasing for property rental, insurance costs and IT development.

Repairs and Maintenance – historically budgetary spend is lower in the first part of the year. A separate report on the Committee's agenda indicates the commitment levels across budgets which indicate a reasonable position for this stage of the financial year.

3.3 Other Housing

- 3.3.1 **APPENDIX II** details budgetary performance to 30 June 2008.

- 3.3.2 The variance noted in Housing Benefits is due to housing benefits being paid after financial assessment by benefits officers and the level of payment varies according to the needs of individual applicants. The department of works and pensions refunds the council according to set percentage rates. The underspend arises from higher percentage of benefit recovered than budgeted.
- 3.3.3 In Improvement Grants, the variance relates to Scottish Government additional funding of £0.342m to be used for Disability Adaptations and Care and Repair not yet utilised.
- 3.3.4 On Housing Support services, variances relate to the timing of payments to external providers.
- 3.3.5 On the Gypsy/Travellers Budget, the variation is due to staff costs yet to be recharged to this budget from the Housing Revenue Account.
- 3.3.6 Expenditure on homelessness will continue to be closely monitored over this financial year.

3.4 Efficiency Savings

- 3.4.1 Progress in achieving efficiency savings towards the Council's efficiency savings target is reported quarterly to Committee and currently relates to the Other Housing Budget within the General Services Budget, for which the target is £0.011m for vacancy monitoring and procurement. Actual savings are recorded against budget heads as they are made and are anticipated to exceed the target.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The Community Plan and Service Improvement Plan identify that the quality of housing and quality of housing service provision are Council priorities.

(b) Policy and Legal

There are no policy or legal implications of this report.

(c) Resources (Financial, Risks, Staffing and Property)

The financial implications of this report are considered above.

(d) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on the report has been carried out with the Director of Community Services, senior managers within Housing, and Margaret Wilson, Head of Financial Services. All agree the content of the report.

5. CONCLUSION

- 5.1 This report indicates that the HRA is projected to produce a small deficit in 2008/09. As has been the case in recent years, the main pressure within the Other Housing Budget relates to the Homelessness budget, largely arising from the statutory requirement to provide temporary accommodation.**

Author of Report: Jill Stewart, Chief Housing Officer
Background Papers: Held by CHO
Ref: CC/JS/TS – Housing Budgets – 19 August 2008

Housing Revenue Account

APPENDIX I

Service Description	Annual Budget 2008-2009 Agreed 14.02.08	Amended Annual Budget 2008-09 Agreed 10.06.08	Budget to 30th June 2008	Actual to 30th June 2008	Variance at 30th June 2008	Projected Outturn to 31st March 2008	Projected Variance to 31st March 2008
	£,000	£'000	£,000	£,000	£,000	£,000	£,000
Expenditure							
Supervision & Management	3,859	3,879	761	665	96	3,879	0
Sheltered Housing	19	19	5	4	1	19	0
Hostels	455	455	114	83	31	455	0
Flood	250	250	62	0	62	250	0
Repairs and Maintenance	4,883	4,940	1,235	704	531	4,940	0
Financing Costs	2,239	2,239	0	0	0	2,239	0
Bad & Doubtful Debts	66	66	16	0	16	66	0
CFCR	1,000	1,000	0	0	0	1,000	0
Transitional Relief	4	4	1	2	(1)	4	0
Total Gross Expenditure	12,775	12,852	2,194	1,458	736	12,852	0
Income							
Hostel rents	87	87	22	22	0	87	0
Non-dwelling rents	133	133	33	13	(20)	133	0
House rents	11,959	11,959	2,990	3,252	262	11,959	0
HSG	190	190	48	29	(19)	190	0
IORB	145	145	0	0	0	145	0
Other income	269	269	67	8	(59)	269	0
Total Income	12,783	12,783	3,160	3,324	164	12,783	0
Net Expenditure/(Income)	(8)	69	(966)	(1,866)	572	69	0
Balance carried forward	(1,028)	(1,028)					
Estimated Balance at end of Period	(1,036)	(959)					

Supervision and management budget increased by £0.020m being Common Housing Underspend 07/08 carried forward to 08/09 agreed Communities Committee 10.06.08.

Repairs and Maintenance budget increased by £0.057m being slippage in 07/08 carried forward to 08/09 agreed Communities Committee 10.06.08.

**General Services Housing
Monitoring to 30th June 2008**

APPENDIX II

Service Description	Annual Budget 2008/09 £'000	Budget to 30th June 08 £'000	Actual to 30th June 2008 £'000	Variance at 30th June 2008 £'000	Projected Outturn to 31st March 2009 £'000	Projected Variance 2008-09 £'000
Improvement Grants						
Employee Costs	94	24	12	12	94	0
Operating Costs	17	2	1	1	17	0
Care & Repair	103	13	0	13	103	0
Improvement Grants	1105	0	89	(89)	1105	0
Government Grants & Income Received	(1259)	(315)	(663)	348	(1259)	0
(Surplus)Deficit	60	(276)	(561)	285	60	0
Housing Support Services						
Employee Costs	374	94	87	7	374	0
Operating Costs	108	21	(14)	35	108	0
Housing Support Payments	1602	824	724	100	1602	0
Income received	(110)	(28)	(38)	10	(110)	0
(Surplus)Deficit	1974	911	759	152	1974	0
Gypsy/Travellers						
Employee Costs	23	6	5	1	23	0
Operating Costs	12	(1)	16	(17)	12	0
Income received	(12)	0	0	0	(12)	0
(Surplus)Deficit	23	5	21	(16)	23	0
Homelessness						
Employee Costs	502	122	126	(4)	502	0
Operating Costs	185	41	54	(13)	185	0
Temporary Accommodation Costs	254	64	175	(111)	254	0
Payments to External Bodies	33	35	23	12	33	0
Housing/Council tax benefits	0	0	4	(4)	0	0
Government Grants	(34)	(5)	(82)	77	(34)	0
Income Received	(12)	(3)	(131)	128	(12)	0
Control	0	0	48	(48)	0	0
(Surplus)Deficit	928	254	217	37	928	0
Housing Benefit	158	(157)	339	(496)	158	0
Affordable Housing	350	0	(23)	23	350	0
Landlord Registration	54	14	(66)	80	54	0
House Loans	(18)	(4)	(1)	(3)	(18)	0
Misc General Services	49	12	(119)	131	49	0
Savings	0	0	0	0	0	0
(Surplus)Deficit	3578	759	566	193	3578	0