

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 25 JANUARY 2006

DRAFT ESTIMATES 2006/2007 - HOUSING REVENUE ACCOUNT

Joint Report by Executive Director of Neighbourhood Services and Executive Head of Finance

1. PURPOSE OF REPORT

- 1.1** To advise Members and seek approval of the Draft Revenue Estimates 2006/07 in respect of the Housing Revenue Account, for the purposes of consultation.

2. BACKGROUND

- 2.1** In terms of the timetable for the Estimates 2006/07, the Housing Revenue Account budget for 2006/07 is submitted to this meeting for approval, for the purposes of consultation.
- 2.2** The following report summarises the estimated budget 2006/07 for the Housing Revenue Account, excluding the Homeless Persons Account, and informs Members of the variances between the estimates for the current financial year and those proposed for the forthcoming financial year.
- 2.3** The estimates, whilst taking account of the current level of service, have been adjusted to reflect the impact of potential council house sales estimated for 2006/07 financial year which affects in the main, the level of rental income.

3. HOUSING REVENUE ACCOUNT

- 3.1** The projected outturn for the current financial year is based on budgetary control reports and is in line with that reported to Members.
- 3.2** Allowance for inflation has been made in the relevant budget lines.
- 3.3** The Estimates 2006/07, together with the Estimates 2005/06 and projected outturn 2005/06 for information and comparative purposes, are as follows:

Estimate 2005/06 £	Projected Out-turn 2005/06 £		Base Estimate 2006/07 £	Inflation Provision 2006/07 £	Other Adjustments 2006/07 £	Estimate 2006/07 £
3,174,205	3,134,205	Employee Costs	3,174,205	79,390	57,170	3,310,765
15,720,810	15,828,810	Premises Costs	15,720,810	465,500	(762,510)	15,423,800
166,140	151,140	Transport Related Costs	166,140	610	-	166,750
4,364,965	4,329,965	Supplies and Services	4,364,965	91,840	-	4,456,805
807,613	807,613	Third Party Payments	807,613	25,210	-	832,823
5,500,000	5,250,000	Debt Charges	5,500,000	-	(300,000)	5,200,000
3,561,230	3,561,230	CFCR/Planned Maintenance	3,561,230	-	-	3,561,230
33,294,963	33,062,963	TOTAL EXPENDITURE	33,294,963	662,550	(1,005,340)	32,952,173
(32,285,573)	(32,093,573)	House Rents	(32,285,573)	-	1,538,800	(30,746,773)
(1,009,390)	(1,119,390)	Other Income	(1,009,390)	(25,960)	(4,400)	(1,039,750)
(33,294,963)	(33,212,963)	TOTAL INCOME	(33,294,963)	(25,960)	1,534,400	(31,786,523)
-	(150,000)	Excess of Expenditure on Income	-	636,590	529,060	1,165,650
-	-	Projected Surplus Balance at 31 March 2005	-	-	-	-
-	150,000	Transfer to Repairs & Renewals Fund	-	-	-	-
-	-	Additional Amount To Be Funded From Rent	-	636,590	529,060	1,165,650

3.4 The prudential framework in relation to capital expenditure began in April 2004. The estimates assume a total capital programme of £13.66m in 2006/07. This is an increase of £1.233M over the current year's programme and is designed to help meet the new requirements of the Scottish Housing Quality Standard.

3.5 The above indicates that there is a shortfall amounting to £1.166M, which will require to be funded from additional, rent income. Over 52 weeks, this sum would equate to an average of £1.64 per week, per house. The draft estimates also include a proposed increase of £0.14p per week for Lockups and £0.99 per year for Garage Site charges.

4. RECOMMENDATIONS

4.1 It is recommended that Members:

- (i) approve the Housing Revenue Account 2006/07 estimates as detailed in paragraph 3.3, for the purposes of the consultation exercise; and
- (ii) note that proposed rent levels will be considered at the meeting of the Policy and Resources Committee on 9 February 2006, following the result

of the consultation exercise with a view to making a recommendation to the Council.

William Stafford
Executive Director of Neighbourhood Services

Alex McPhee
**Executive Head of
Finance**

9 January 2006

LIST OF BACKGROUND PAPERS

NIL

For further information please contact William Stafford, Executive Director of Neighbourhood Services on 01563 576023.