

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 24 JANUARY 2007

DRAFT ESTIMATES 2007/2008 - 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 2007/08 in respect of the Housing Revenue Account, for the purposes of consultation.

2. BACKGROUND

- 2.1 In terms of the timetable for the Estimates 2007/08, the Housing Revenue Account budget for 2007/08 is submitted to this meeting for approval, for the purposes of consultation.
- 2.2 The following report summarises the estimated budget 2007/08 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 2007/08 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 2007/08, together with the Estimates 2006/07 and projected outturn 2006/07 for information and comparative purposes, are as follows:

Estimate 2006/07 £	Projected Out-turn 2006/07 £		Base Estimate 2007/08 £	Inflation Provision 2007/08 £	Other Adjustments 2007/08 £	Estimate 2007/08 £
3,310,761	3,310,761	Employee Costs	3,310,761	69,980	59,770	3,440,511
15,423,801	15,788,801	Premises Costs	15,423,801	542,170	(325,580)	15,640,391
152,350	137,350	Transport Related Costs	152,350	870	-	153,220
4,466,757	4,316,757	Supplies and Services	4,466,757	78,400	49,490	4,594,647
837,270	837,270	Third Party Payments	837,270	41,950	-	879,220
5,200,000	5,100,000	Debt Charges	5,200,000	-	200,000	5,400,000
3,561,230	3,561,230	CFCR/Planned Maintenance	3,561,230	-	-	3,561,230
32,952,169	33,052,169	TOTAL EXPENDITURE	32,952,169	733,370	(16,320)	33,669,219
(31,912,423)	(32,012,423)	House Rents	(31,912,423)	-	722,970	(31,189,453)
(1,039,746)	(1,039,746)	Other Income	(1,039,746)	(15,650)	(49,860)	(1,105,256)
(32,952,169)	(33,052,169)	TOTAL INCOME	(32,952,169)	(15,650)	673,110	(32,294,709)
-		Excess of Expenditure on Income	-	717,720	656,790	1,374,510
-	-	Projected Surplus Balance at 31 March 2007	-	-	-	-
-		Transfer to Repairs & Renewals Fund	-	-	-	-
-	-	Additional Amount To Be Funded From Rent	-	717,720	656,790	1,374,510

3.4 The prudential framework in relation to capital expenditure began in April 2004. The estimates assume a total capital programme of £15.027m in 2007/08. This is an increase of £1.367M 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 £1.375M, which will require to be funded from additional, rent income. Over 52 weeks, this sum would equate to an average of £1.98 per week, per house. The draft estimates also include a proposed increase of £0.18 per week for Lockups and £1.19 per year for Garage Site charges.

4. RECOMMENDATIONS

4.1 It is recommended that Members:

- (i) approve the Housing Revenue Account 2007/08 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 7 February 2007, following the result

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

William Stafford
**Executive Director of Neighbourhood Services
Finance**

Alex McPhee
Executive Head of

3 January 2007

LIST OF BACKGROUND PAPERS

NIL

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