

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 26 JANUARY 2005

DRAFT ESTIMATES 2005/2006 - 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 2005/06 in respect of the Housing Revenue Account, for the purposes of consultation.

2. BACKGROUND

- 2.1** In terms of the timetable for the Estimates 2005/06, the Housing Revenue Account budget for 2005/06 is submitted to this meeting for approval, for the purposes of consultation.
- 2.2** The following report summarises the estimated budget 2005/06 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 2005/06 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 2005/06, together with the Estimates 2004/05 and projected out-turn 2004/05 for information and comparative purposes, are as follows:

Estimate 2004/05 £	Projected Out-turn 2004/05 £		Base Estimate 2005/06 £	Inflation Provision 2005/06 £	Other Adjustments 2005/06 £	Estimate 2005/06 £
3,259,760	3,062,090	Employee Costs	3,259,760	95,610	5,370	3,360,740
15,723,360	15,897,360	Premises Costs	15,723,360	340,810	(443,330)	15,620,840
180,250	180,250	Transport Related Costs	180,250	-	-	180,250
4,153,590	4,153,590	Supplies and Services	4,153,590	26,050	63,390	4,243,030
830,340	830,340	Third Party Payments	830,340	-	-	830,340
5,768,050	5,593,050	Debt Charges	5,768,050	-	(268,050)	5,500,000
3,561,230	3,561,230	CFCR/Planned Maintenance	3,561,230	-	-	3,561,230
33,476,580	33,277,910	TOTAL EXPENDITURE	33,476,580	462,470	(642,620)	33,296,430
(32,472,550)	(32,472,550)	House Rents	(32,472,550)	-	1,157,350	(31,315,200)
(1,004,030)	(1,004,030)	Other Income	(1,004,030)	-	(13,390)	(1,017,420)
(32,476,580)	(33,476,580)	TOTAL INCOME	(32,476,580)	-	1,143,960	(32,332,620)
-	(198,670)	Excess of Expenditure on Income	-	462,470	501,340	963,810
-	-	Projected Surplus Balance at 31 March 2005	-	-	-	-
-	198,670	Transfer to Repairs & Renewals Fund	-	-	-	-
-	-	Additional Amount To Be Funded From Rent	-	462,470	501,340	963,810

3.4 The prudential framework in relation to capital expenditure began in April 2004. The estimates assume a total capital programme of £12.427m in 2005/06. This is an increase of £0.725M 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 £0.964M which will require to be funded from additional rent income. Over 48 weeks, this sum would equate to an average of £1.40 per week, per house. The draft estimates also include a proposed increase of £0.10p per week for Lockups and £3.39 per year for Garage Site charges.

4. RECOMMENDATIONS

It is recommended that Members:

- 4.1** approve the Housing Revenue Account 2005/06 estimates as detailed in paragraph 3.3, for the purposes of the consultation exercise; and
- 4.2** note that proposed rent levels will be considered at the meeting of the Policy and Resources Committee on 8 February 2005, following the result of the consultation exercise with a view to making a recommendation to the Council.

William Stafford
Executive Director of Neighbourhood Services
11 January 2005

Alex McPhee
Executive Head of Finance

LIST OF BACKGROUND PAPERS

NIL

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