

EAST AYRSHIRE COUNCIL

SPECIAL HOUSING COMMITTEE – 18 JANUARY 2001

DRAFT ESTIMATES 2001/02- HOUSING REVENUE ACCOUNT

Joint Report by Director of Homes and Technical Services and Director of Finance

1 PURPOSE OF REPORT

- 1.1 To advise Members and seek approval of the Draft Revenue Estimates 2001/02 in respect of the Housing Revenue Account.

2 BACKGROUND

- 2.1 The Policy and Resources Committee agreed at its meeting on 30 November 2000, in terms of the timetable for the Estimates 2001/02, that the Housing Revenue Account budget for 2001/02 should be submitted to this meeting for approval.
- 2.2 The following report summarises the estimated budget 2001/02 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 2001/02 financial year, which affects in the main, the level of rental income.

3 HOUSING REVENUE ACCOUNT

- 3.1 The Estimates 2001/02 together with the Estimates 2000/01 and projected out-turn 2000/01 for information and comparative purposes, are as follows:

Initial Estimate 2000/01 £	Projected Out-turn 2000/01 £		Base Estimate 2001/02 £	Inflation Provision 2001/02 £	CCLS Adjustments 2001/02 £	Estimate 2001/02 £
2,533,026	2,533,026	Employee Costs	2,528,690	74,880	57,950	2,661,520
12,511,425	12,511,425	Property Costs	12,511,430	530,630	(108,290)	12,933,770
158,696	158,696	Transport Costs	158,700	870	8,000	167,570
1,364,550	1,364,550	Supplies and Services	1,370,900	30,670	23,580	1,425,150
3,069,959	3,848,959	Administration Costs	3,126,130	2,110	1,081,920	4,210,160
85,000	50,000	Housing Allowances	85,000	0	0	85,000
495,458	495,458	Payments to Other Bodies	495,460	6,930	0	502,390
10,354,830	10,229,830	Debt Charges	10,354,830	0	(418,190)	9,936,640
30,572,944	31,191,944	TOTAL EXPENDITURE	30,631,140	646,090	644,970	31,922,200

3.2 Projected out-turn 2000/01

The projected outturn for the current financial year is based on budgetary control reports and is in line with that already reported to Members.

3.3 Estimates 2001/02

3.3.1 An inflation allowance of 3% has been made for Employee Costs. Other adjustments to the base budget are as shown in the appendix.

4 OTHER ISSUES

4.1 The Council has now completed its Rents Harmonisation Program, and the money which has been raised from that has been spent in the North of the Council area, and has contributed significantly to the Council Capital programme in this area.

4.2 The Council's Housing Capital Programme is funded from three sources. It is funded from the sale of Council Houses, from borrowing consent determined by Central Government and from CFCR - Capital Funded by Current Revenue. The last element has grown significantly in recent years and now forms over a third of the programme, £4.055m for a total of £9.129m in 2000/01. The level of Central Government borrowing consent will not be known until early January, but is very unlikely to be increased over the current year. If the Council is to continue to fund a strong Capital Programme it will therefore continue to be necessary to fund elements of this from the Housing Revenue Account.

5 RECOMMENDATIONS

It is recommended that Members:

- 5.1** approve the Housing Revenue Account 2001/02 estimates as detailed in paragraph 3.1
- 5.2** note that proposed rent levels will be considered at Policy and Resources Committee on 23 January 2001.
- 5.3** agree these estimates for the purposes of the consultation exercise.

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Director of Homes and Technical Services

Alex McPhee
Director of Finance

DMcL/AM
10th January 2001

**LIST OF BACKGROUND PAPERS
NIL**

For further information please contact James Lavery, Director of Homes and Technical Services on 01563 554875.

AGENDA