

EAST AYRSHIRE COUNCIL

SPECIAL HOUSING COMMITTEE – 16 JANUARY 2002

DRAFT ESTIMATES 2002/2003- 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 2002/03 in respect of the Housing Revenue Account.

2 BACKGROUND

- 2.1 In terms of the timetable for the Estimates 2002/03, the Housing Revenue Account budget for 2002/03 is submitted to this meeting for approval.
- 2.2 The following report summarises the estimated budget 2002/03 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 2002/03 financial year, which affects in the main, the level of rental income.

3 HOUSING REVENUE ACCOUNT

- 3.1 The Estimates 2002/03, together with the Estimates 2001/02 and projected out-turn 2001/02 for information and comparative purposes, are as follows:

Initial Estimate 2001/02 £	Projected Out-turn 2001/02 £		Base Estimate 2002/03 £	Inflation Provision 2002/03 £	Other Adjustments 2002/03 £	Estimate 2002/03 £
2,693,790	2,584,785	Employee Costs	2,693,790	78,540	88,310	2,860,640
12,933,770	13,171,283	Property Costs	12,933,770	348,470	(138,690)	13,143,550
167,570	152,468	Transport Costs	167,570	880	3,220	171,670
1,397,980	1,405,981	Supplies and Services	1,397,980	31,590	26,640	1,456,210
4,718,050	4,593,628	Administration Costs	4,718,050	2,590	(193,360)	4,527,280
269,390	272,388	Payments to Other Bodies	269,390	7,580	2,690	279,660
10,254,540	10,184,540	Debt Charges	10,254,540	-	(271,850)	9,982,690
32,435,090	32,365,073	TOTAL EXPENDITURE	32,435,090	469,650	(483,040)	32,421,700

- 3.2 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 Allowance for inflation has been made in the relevant budget lines.

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 nearly half of the programme, £4.373m from a total of £9.531m in 2001/02. The level of Central Government borrowing consent is not known for the time being, 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. Discussions are also taking place at COSLA level about the possibility of abandoning or reducing the current level of set-aside for Capital Receipts, (whereby at present 75% of such receipts must be used to pay off historic debt). However, it is unlikely that any decision by Central Government will be made quickly on this.
- 4.3 Housing Benefits continue to play a major part in supporting tenants on limited income. Given the major efforts by the Council Staff, which are showing some signs of success in reducing arrears, it is felt that additional resources should be invested in improving Benefits take-up and accordingly it is proposed to provide additional resources within the HRA to allow for the recruitment of outposted Benefits Staff. These posts are currently contained within the Employee Costs line of the budget.
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| Housing Benefits/Arrears Staff (3 posts) | <u>£51,210</u> |
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5 RECOMMENDATIONS

It is recommended that Members:

- 5.1 approve the Housing Revenue Account 2002/03 estimates as detailed in paragraph 3.1
- 5.2 note that proposed rent levels will be considered at a special Policy and Resources Committee on 16 January 2002
- 5.3 agree these estimates for the purposes of the consultation exercise.

James Lavery
Director of Homes and Technical Services

Alex McPhee
Director of Finance

DMcL/RD
 14 January 2002

LIST OF BACKGROUND PAPERS NIL

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

AGENDA
