

# EAST AYRSHIRE COUNCIL

## HOUSING COMMITTEE – 28 JANUARY 2004

### HOUSING REVENUE ACCOUNT TO 16 NOVEMBER 2003 (PERIOD 8)

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

## 1 PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position of the Housing Revenue Account for the period ended 16 November 2003 (Period 8).

## 2 OVERALL POSITION

The budgetary position summarised at Period 8 is detailed in Appendix A and highlights an underspend of £0.280m at Period 8, and a projected break-even position for the financial year 2003/2004. The budget to 16 November 2003 is based on standard phasing for each period of income and expenditure, except where the Director of Homes and Technical Services has indicated otherwise.

## 3 SUBJECTIVE ANALYSIS

### 3.1 Employee Costs

Employee Costs are underspent at Period 8 by £0.041m and are projected to outturn £0.065m under budget as a result of some vacancies within the Department and a reduction in Overtime and Other Employee Related Expenses.

### 3.2 Premises Costs

#### 3.2.1 Voids

At Period 8 latest figures indicate that there are 748 void properties against 793 estimated for in the budget which are at present projected to outturn £0.061m under budget.

#### 3.2.2 Central Heating Leasing

It is anticipated that Central Heating Leasing will outturn £0.035m underbudget as a result of continuing house sales.

#### 3.2.3 Repairs

Repairs are underspent at Period 8 by £0.262m (2.7%) due to the timing of expenditure but at present it is anticipated they will outturn £100,000 above budget due to demand.

### 3.3 Debt charges

Debt charges are projected to outturn £0.100m under budget. The underspend is largely attributable to a favourable cashflow profile and debt rescheduling.

### 3.4 CFCR

As a result of increased capital receipts, as noted below, the full contribution to the capital budget from the CFCR budget in the HRA will not be required in 2003/2004. This amounts to £100,000, which is 2.9% of the CFCR budget.

### 3.5 Income

#### 3.5.1 Rent Income

Rent income is projected to outturn £0.300m below budget. This is a result of three main factors:-

- 1) Following the changes in the right to buy legislation in the Housing (Scotland) Act 2001 the number of applications for Council House purchases has continued to run at a high level. The Director of Corporate Resources now anticipates that 637 houses will be sold in 2003/04, rather than 524 originally estimated, and this in turn results in a decrease in the projected income for 2003/04.
- 2) Due to the acceleration of the demolition programme at the end of 2002/03 and increased sales the number of houses in the housing stock at the start of the financial year was lower than expected.  
Although the increase in house sales will result in lower rent income it will also result in higher than budgeted capital receipts within the Housing capital budget for 2003/04.
- 3) As a result of the continuing demolition programme in 2003/04 rent income will be reduced. This is offset by a reduction in Void Property Costs as noted above.

#### 3.5.2 Other Income

Other income is projected at present to outturn £0.014m above budget.

## 4 RECOMMENDATIONS

- 4.1 It is recommended that Members note the contents of this report.

Alex McPhee  
**Director of Finance**

James Lavery  
**Director of Homes and Technical Services**

15<sup>th</sup> December 2003

### LIST OF BACKGROUND PAPERS

NIL

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

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