

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 23 MAY 2001

PROPOSAL TO ESTABLISH A HOUSING REVENUE ACCOUNT RENEWAL AND REPAIR FUND

Report by the Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.2 To advise Members of the proposal to establish a Housing Revenue Account Renewal and Repair Fund.

2. BACKGROUND

- 2.1 The accounts for the year ended 31 March 2001 are currently being finalised and will be presented to the Council on 28 June and will thereafter be subject to audit. It is anticipated that the Housing Revenue Account will show a surplus at 31 March 2001.
- 2.2 The Local Government (Scotland) Act 1975 empowers a local authority to establish a Renewal and Repair Fund to be used for the purpose of defraying expenditure to be incurred from time to time in repairing, maintaining, replacing and renewing any building, works, plant, equipment or articles belonging to the authority.
- 2.3 The Policy and Resources Committee on 10 February 2000 agreed to establish a Renewal and Repair fund. An element of the fund can be ring-fenced for expenditure relating to the Housing Revenue Account (HRA). Expenditure would initially be met from the HRA with offsetting funds being transferred subsequently from the Renewal and Repairs Fund to the HRA.
- 2.4 Approval of the Scottish Executive requires to be sought for any transfer from such a fund to the HRA. Any such transfer would be limited to being equal to the expenditure being met from the HRA.

3. PROPOSED FUND

- 3.1 In view of the likely positive outturn in respect of the Housing Revenue Account, it is proposed to transfer the surplus to the Renewal and Repairs Account Fund, established by the Council at the Policy and Resources Committee of 10th February 2000 and to ring fence this sum for future expenditure on the HRA. The ring fenced funds could be used for a number of purposes but would primarily be aimed at being available for extreme weather emergencies or for additional sums requiring to be invested in the Council's housing stock where appropriate. If Members are agreeable to the establishing of such a fund the sums available would be reported to them by the Director of Finance in June in the course of his normal reporting upon the Council's accounts and would then subsequently be the subject of regular reports to Members at the Housing Committee. No expenditure from such reserves would be made without seeking specific Housing Committee approval prior to application to the Scottish Executive.

4. LEGAL/FINANCIAL IMPLICATIONS

- 4.1** The establishment of an element of the Renewal and Repairs Fund ring-fenced for future expenditure in respect of the Housing Revenue Account is permissible in terms of the relevant legislation. Consent of the Scottish Executive is required to operate transfers from that Fund.

5. RECOMMENDATION

- 5.1** It is recommended that Members note the intention to establish a ring fenced amount within the Renewal and Repair Fund. The value of any credit balance fund available will be reported in due course to the Council as part of the Director of Finance's normal report on Accounts.

James Lavery
Director of Homes and Technical Services
JL/WT
8 May 2001

LIST OF BACKGROUND PAPERS

Nil

Any Member wishing further information should contact James Lavery, Director of Homes and Technical Services on 01563 554875

Implementation Officer: James Lavery

AGENDA