

# EAST AYRSHIRE COUNCIL

## HOUSING COMMITTEE – 5 NOVEMBER 2003

### HOUSING REVENUE ACCOUNT TO 21 SEPTEMBER 2003 (PERIOD 6)

#### 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 21 September 2003 (Period 6).

## 2 OVERALL POSITION

The budgetary position summarised at Period 6 is detailed in Appendix A and highlights an underspend of £0.429m at Period 6 and a projected outturn over spend of £0.139m for the financial year 2003/2004. The budget to 21 September 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 Premises Costs

Repairs are underspent at period 6 by £452,000 (4.6%) due to the timing of expenditure but at present it is anticipated they will outturn on budget.

### 3.2 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.

### 3.3 Income

Rent income is projected to outturn £0.239m below budget. This is a result of two 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 623 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.

### **3.4 General**

The Director of Homes and Technical Services has indicated that the projected shortfall will be managed within the Department's overall resource allocation.

## **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**

13<sup>th</sup> October 2003

LIST OF BACKGROUND PAPERS

**NIL**

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