

# EAST AYRSHIRE COUNCIL

## SPECIAL POLICY AND RESOURCES COMMITTEE – 23 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 seek, as a basis for consultation only at this stage, the approval of Members of the Draft Estimates 2001/02 for the Housing Revenue Account as considered by the Special Housing Committee on 18 January 2001, and the associated possible rent levels for 2001/02. This will enable the Council to embark on a public consultation exercise prior to agreeing the level at which council house rents and other charges will be levied for the financial year 2001/02 on 15 February 2001.

#### 2 BACKGROUND

- 2.1 The Housing Committee at a Special Meeting on 18 January 2001 agreed the Draft Estimates 2001/02 - Housing Revenue Account.
- 2.2 In terms of the timetable for the Estimates 2001/02, the Committee is now presented with the Housing Revenue Account Draft Estimates 2001/02, together with proposals on growth and other expenditure reduction measures (OERM'S) by the Director of Homes and Technical Services.
- 2.3 It is intended that, if the following report is approved, the Council will undertake a public consultation exercise which will involve Trade Unions and tenants.

#### 3 HOUSING REVENUE ACCOUNT BUDGET 2001/02

- 3.1 The following summarises the position of the Housing Revenue Account Budget 2001/02 as presented to the Special Housing Committee Meeting on 21 January 2000 together with the inclusion of growth items, other expenditure reduction measures the projected income and the projected deficit balance at 31 March 2001. This is as follows:

		2001/02
	£	£
Expenditure	31,922,200	
Growth	373,060	
Other Expenditure Reduction Measures	(260,170)	
		<b>32,035,090</b>
<b><u>Income</u></b>		
House Rents (Bad Debt Provision 1.66%)	30,257,030	
Other Income	466,430	
		<b>30,723,460</b>
Excess of Expenditure on Income		<b>1,311,630</b>
Projected Surplus Balance at 31 March 2001		<b>65,950</b>
Additional amount to be funded from Rent		<b>1,245,680</b>

- 3.2 The foregoing indicates that there is a shortfall amounting to £1.246m, which will require to be funded from additional rent income. Over 48 weeks, this sum would equate to an average of £1.50 per week, per house.
- 3.3 The previous financial year was the last year of rent harmonisation. No increase is applicable to rents in regard to rent harmonisation from 2001/02 onwards.

#### 4 **GROWTH**

The proposed growth is made up of the following items:

	£
Improved Development Role/Housing Forum/Housing Bill Requirement	40,000
Adjustments to CFCR – Kitchen and Bathroom Programme	317,900
Equalisation of Void /Allocation Support	<u>15,160</u>
	<u>373,060</u>

#### 5 **OTHER EXPENDITURE REDUCTION MEASURES**

The proposed OERMs' are made up of th following:

	£
Removal of Housing Partnership Budget	(233,000)
Savings in supplies, services and admin costs	<u>(27,170)</u>
	<u>(260,170)</u>

#### 6 **RECOMMENDATIONS**

It is recommended that the Committee agree to:

- 6.1 agree these estimates for the purposes of the consultation exercise.

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

Alex McPhee  
**Director of Finance**

DMcL/AM  
 19 January 2001

#### **LIST OF BACKGROUND PAPERS NIL**

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

**AGENDA**