

The Highland Council

Finance, Housing and Resources Committee – 27 November 2013

Agenda Item	16
Report No	FHR/ 160/13

Housing and Property Service Revenue Budgets: Monitoring to 30 September 2013

Report by Interim Director of Housing and Property

Summary

This report sets out the current position to 30 September 2013 with regard to the:

- Housing Revenue Account
- Other Housing and Property Revenue Account
- Property Revenue Maintenance Account and
- Building Maintenance Account.

1. Housing Revenue Account – Financial Monitoring to 30 September 2013

1.1 **Appendix 1** shows the position to 30 September 2013. So far an underspend is projected on management costs, largely due to short term staff vacancies. An overspend is projected on repairs and maintenance. This is being kept under review and action will be considered to bring spend back into line with budget. Void rent loss is shown as a debit in the income section of the monitoring report. Rent loss on empty houses remains higher than budgeted. Reducing void rent loss is a key priority for service managers. Overall Capital From Current Revenue is projected to be £44k below budget.

2. Other Housing and Property Revenue – Financial Monitoring to 30 September 2013

2.1 **Appendix 2** shows the position to 30 September 2013.

2.2 An underspend is projected on homelessness accommodation costs, with a corresponding reduction in projected income. In April 2013, the Finance, Housing and Resources Committee agreed a new approach to the Council's provision of temporary accommodation for homeless households. This involves a planned reduction in the use of framework tendered rooms and investment of revenue savings on additional new build / acquisition of self-contained flats in small developments across the Highlands. This approach aims to provide better quality accommodation for homeless people and deliver 200 new one bedroom units by 2017.

2.3 Work on this project is progressing well. The number of framework rooms in use has reduced by 57 since April 2013 and 19 new one bedroom units have been provided across Highland, with a further 10 properties contained within the current year's development programme. The success of the homelessness prevention team, which has seen the overall demand for temporary accommodation reduce, and the increased use of leased properties has enabled us to continue to meet our duty to provide accommodation. A further, more detailed update on the project will be provided for Members early in 2014.

3. Property Revenue Maintenance Programme (Public Buildings, Schools etc.) Financial Monitoring to 30 September 2013

3.1 The Property Revenue Maintenance Budget for 2013/14 has been set at £4,904,605. The table in **Appendix 3** summarises the allocated budgets by work category and details programme performance, commitment and expenditure as at 30 September 2013.

3.2 Summary of Expenditure to Date

3.2.1 It will be noted from the table in **Appendix 3** that 59% of the budget has been spent or legally committed while 50% of the way through the year.

3.2.2. Current projections indicate that some planned or cyclical works may need to be postponed until next year for the budget to be balanced at year end, as it is clear that carrying out additional essential statutory compliance works to public buildings is creating pressures.

4. Building Maintenance – Financial Monitoring to 30 September 2013

4.1.1 **Appendix 4** shows the position to 30 September 2013. There will always be a difference due to timing between costs incurred by building maintenance and the income recognised in the ledger. At the end of September in addition to the £4.5m in the ledger there are work orders to the value of £2.2m at the closed stage due to come in to the ledger.

5. Implications

5.1 Any resource, equality, risk, climate change/carbon clever or legal implications are contained in the report.

6. Recommendations

6.1 Members are asked to note the monitoring statements to 30 September 2013 for the Housing Revenue Account, Other Housing and Property Revenue Account and Building Maintenance account and progress with the Property Revenue Maintenance programme.

Designation: **Interim Director of Housing and Property**

Authors/Reference: David Goldie (Head of Housing)
Finlay MacDonald (Property Manager)
Caroline Campbell (Maintenance and Service Support Manager)

Date: 18 November 2013

Housing Revenue Account - Revenue Expenditure Monitoring Report

1 April 2013 to 30th September 2013

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Expenditure:-				
Supervision & Management	2,273	6,624	6,540	(84)
Tenant Participation	79	203	203	0
Sheltered Housing	302	721	721	(0)
Homelessness	132	411	411	0
Repairs & Maintenance	4,684	15,359	15,530	171
Central Support	0	2,843	2,843	0
Loan Charges	0	15,629	15,629	0
CFCR	4,281	4,325	4,281	(44)
Gross Expenditure	11,752	46,116	46,159	43
Income:-				
House Rents	(21,686)	(45,307)	(45,307)	(0)
House Rent Voids	362	593	759	166
Other Rents	(707)	(1,219)	(1,369)	(150)
Other Rent Voids	134	134	205	71
Other Income	(341)	(266)	(397)	(130)
Interest on Revenue Balances	0	(50)	(50)	0
Gross Income	(22,237)	(46,116)	(46,159)	(43)
	(10,486)	0	(0)	(0)
BY SUBJECTIVE				
Staff Costs	2,145	5,458	5,398	(61)
Other Costs	9,606	40,657	40,760	103
Gross Expenditure	11,751	46,116	46,158	42
Grants	0	0	0	0
Other Income	(22,237)	(46,116)	(46,158)	(42)
Gross Income	(22,237)	(46,116)	(46,158)	(42)
	(10,486)	0	0	(0)

Non-Housing Revenue Account - Revenue Expenditure Monitoring Report
--

1 April 2013 to 30 September 2013
--

Summary

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
BY ACTIVITY				
Expenditure				
Housing Development Unit	112	230	230	(0)
Private Sector Housing Grant	756	1,579	1,579	0
Gypsy Traveller Sites	43	108	106	(2)
Homelessness/Leasing	3,693	6,082	5,395	(687)
Supporting People	1,203	1,729	1,906	177
Anti Social Behaviour	134	327	316	(11)
Misc Costs	(24)	455	455	(0)
Accommodation Account	1,733	3,441	3,489	48
Asset Management	308	628	631	3
Property Management	721	1,848	1,957	109
Energy & Sustainability	218	887	930	43
Consultancy	2,536	4,980	4,997	17
Revenue Maintenance	2,215	4,905	4,905	0
Estates & Investment Properties	375	724	724	0
Administration	293	991	1,044	53
Gross Expenditure	14,316	28,914	28,664	(250)
Income				
Housing Development Unit	(50)	(125)	(125)	0
Gypsy Traveller Sites	(65)	(169)	(136)	33
Homelessness/Leasing	(2,132)	(4,963)	(4,284)	679
House Loans	(1)	(2)	(2)	0
Misc Income	(43)	(69)	(76)	(7)
Accommodation Account	(13)	(99)	(91)	8
Asset Management	(28)	(57)	(57)	0
Property Management	(5)	(743)	(721)	22
Energy & Sustainability	(103)	(914)	(1,004)	(90)
Consultancy	(4,270)	(8,954)	(9,353)	(399)
Revenue Maintenance	0	0	0	0
Estates & Investment Properties	(1,385)	(2,728)	(2,728)	0
Administration	0	(117)	(117)	0
Gross Income	(8,095)	(18,940)	(18,694)	246
	6,221	9,974	9,970	(4)

BY SUBJECTIVE

Staff Costs	3,255	7,088	6,826	(262)
Other Costs	11,061	21,826	21,838	12
Gross Expenditure	14,316	28,914	28,664	(250)
Grants	0	0	0	0
Other Income	(8,095)	(18,940)	(18,694)	246
Gross Income	(8,095)	(18,940)	(18,694)	246
	6,221	9,974	9,970	(4)

Appendix 3

Property Revenue Maintenance Budget 2013/14

Programme Performance: 1st April to 30th September 2013

	Budget	Legally Committed	Paid	Balance	% of Budget Paid / LC	% Through Year
Day to Day Building	700,100	81,006	188,193	430,901	38%	50%
Day to Day Engineering	660,000	108,616	242,312	309,072	53%	
Service Contracts (Including Legionella and LPG Work)	1,071,336	34,093	615,556	421,687	61%	
Vandalism	110,000	10,411	29,054	70,535	36%	
Planned Maintenance	524,000	137,062	180,476	206,462	61%	
Cyclical Maintenance	710,000	179,464	311,098	219,438	69%	
Kitchen Fabric - EHO Reports	50,000	6,335	20,324	23,341	53%	
Structural Surveys	25,000	5,800	4,841	14,359	43%	
Asbestos Work	100,000	6,512	19,486	74,003	26%	
Water Safety Remedial Works	0	4,000	21,346	-25,346		
Emergency Works	120,000	62,058	42,289	15,653	87%	
HACC Beam Monitoring	30,000	0	0	30,000	0%	
Fire Legislative Measures	70,000	19,035	38,813	12,152	83%	
Insurance Identified Work	50,000	16,235	92,622	-58,857	218%	
Insurance Surveys - Zurich	33,000	33,000	0	0	100%	
Storm Damage / Winter Contingency	72,849	14,680	57,206	963	99%	
Leased Building Service Charges	20,000	2,500	0	17,500	13%	
Fees	602,320	0	301,985	300,335	50%	
Overall Totals	4,904,605	720,807	2,165,601	2,062,197	59%	

**HIGHLAND COUNCIL
BUILDING MAINTENANCE**

FINANCIAL MONITORING STATEMENT PERIOD 1 APRIL 2013 - 30 SEPTEMBER 2013

SUMMARY	ANNUAL PLAN	PLANNED TO DATE	ACTUAL TO DATE	PROJECTED OUTTURN	YEAR END VARIANCE
	£	£	£	£	
INCOME					
HOUSING REPAIRS	(11,360,200)	(5,680,098)	(3,062,981)	(12,039,804)	(679,604)
HOUSING CAPITAL	(2,572,612)	(1,286,302)	(1,250,117)	(2,833,750)	(261,138)
NON HOUSING	(620,941)	(310,464)	(202,522)	(620,941)	0
RETURNS	0	0	0	0	0
ADDITIONAL INCOME	(250,000)	(124,997)	(10,553)	(250,000)	0
	<u>(14,803,753)</u>	<u>(7,401,862)</u>	<u>(4,526,173)</u>	<u>(15,744,495)</u>	<u>(940,742)</u>
DIRECT COSTS					
LABOUR COSTS	3,845,188	1,777,532	1,744,251	3,845,189	1
SUB_CONTRACTORS	6,469,103	3,235,320	3,947,024	7,164,667	695,564
MATERIALS	1,338,361	669,174	750,509	1,610,256	271,895
TRANSPORT & PLANT	795,828	406,622	373,375	794,044	(1,784)
OTHER SUPPLIES & SERVICES	346,634	179,123	168,153	363,844	17,210
	<u>12,795,114</u>	<u>6,267,771</u>	<u>6,983,313</u>	<u>13,778,000</u>	<u>982,886</u>
OVERHEADS					
MANAGEMENT COSTS	860,391	430,227	382,474	860,391	0
APPORTIONED COSTS	289,229	184,408	124,787	289,229	0
SUPPORT COSTS	839,019	252,498	234,664	796,875	-42,144
INTEREST ON REVENUE BALANCES	20,000	1	0	20,000	0
	<u>2,008,639</u>	<u>867,134</u>	<u>741,925</u>	<u>1,966,495</u>	<u>(42,144)</u>
TOTAL COSTS	<u>14,803,753</u>	<u>7,134,905</u>	<u>7,725,238</u>	<u>15,744,495</u>	<u>940,742</u>
(SURPLUS)/DEFICIT	<u>0</u>	<u>-266,957</u>	<u>3,199,065</u>	<u>0</u>	<u>0</u>