

Agenda Item	4.
Report No	CLH 02/18

HIGHLAND COUNCIL

Committee: Care, Learning and Housing

Date: 30 May 2018

Report Title: Housing Revenue Account (HRA) and Non-HRA Budget: Near-final Outturn Report 2017/2018

Report By: Director of Community Services

1. Purpose/Executive Summary

1.1 This report provides the near-final monitoring position for the Housing Revenue Account and non- Housing Revenue Account revenue budgets for the period from 1 April 2017 to 31 March 2018.

2. Recommendations

2.1 Members are invited to:

- approve the near-final revenue budget position for 1 April 2017 to 31 March 2018; and
- agree that the year-end HRA surplus of £0.325m be applied as Capital from Current Revenue.

3. Background

- 3.1 There are two main elements of the Housing Revenue Budget included in this report: The Housing Revenue Account (HRA) is used to account for income and expenditure associated with the Council's front-line housing services to Council house tenants and costs associated with Council housing. In addition there is a Non-Housing Revenue Account (Non-HRA) element of the budget, which is part of the Council's overall General Fund, and which relates to housing services that are not directly provided to Council tenants. The revenue expenditure monitoring statement reflecting near final out-turn figures for 2017/18 is attached as **Appendix 1**.

4. Housing Revenue Account

- 4.1 Expenditure was £0.662m over budget for the year. This comprises overspends of £1.206m on supervision and management costs, mainly arising from increased bad debt provision; £0.102m on homelessness costs due to an increase in the number of HRA properties being used as temporary accommodation; and £0.559m on repairs and maintenance, mainly due to expenditure ahead of budget on gas servicing, day to day repairs and repairs to empty homes. Corporate recharges were £0.107 more than estimated. Overspends were offset by a loan charges which were £1.359m lower than budgeted. This is due to a combination of lower than expected borrowing due to slippage / underspends on the HRA capital programme; higher than expected capital receipts from Council house sales; and treasury management associated with current low interest rates.
- 4.2 Income from house rents and other income were higher than budgeted. For other income this is mainly in relation to the value of invoices raised for rechargeable repairs and former tenant arrears, which is not actual 'cash' income. There are implications for this in future years, as bad debt provision for uncollectable invoices are budgeted as expenditure items under the Supervision and Management heading.
- 4.3 Taking expenditure and income into account the overall outturn position for the HRA was a surplus of around £0.325m for 2017/18. As in previous years, and noted in previous revenue monitoring reports it is recommended that this surplus be applied as additional Capital from Current Revenue, and this is reflected in the monitoring statement in **Appendix 1**.

5. Non-Housing Revenue Account

- 5.1 As previously reported, the Corporate Resources Committee considered the overall Council monitoring position for the period ended 30 September 2017 on 15 November 2017. The Committee also agreed to a number of budget virements to utilise a forecast underspend on loan charges, to address a number of recurring budget pressures across Council Services. For Non-HRA, this resulted in an additional £0.3m being fed into the budget this year. This is now reflected within the budget monitoring report.
- 5.2 The near final outturn for the non-HRA budget shows an overall underspend of £10k. This is made up of an overspend of £35k on Homelessness and underspends totalling £45k on Housing Support, Antisocial behaviour and Gypsy-Traveller sites.

6. Implications

- 6.1 Resource – implications are discussed in the report.

- 6.2 Risk – continuing trend in bad debt provision present a risk to the overall sustainability of the HRA. This will be kept under regular review and any risks identified report to future Committees.
- 6.3 Community (Equality, Poverty and Rural), Legal, Risk, Climate Change / Carbon Clever, Gaelic – There are no implications arising as a direct result of this report.

Designation: Director of Community Services

Date: 21 May 2018

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Appendix 1

COMMUNITY SERVICES

Revenue Expenditure Monitoring Statement

1 April 2017 to 31 March 2018

Financial Detail

BY ACTIVITY

Housing Revenue Account

	£000 Actual YTD	£000 Annual Budget	£000 Year End Estimate	£000 Year End Variance
Supervision and Management	7,607	6,401	7,607	1,206
Tenant Participation	162	212	162	(50)
Sheltered Housing	704	705	704	(1)
Homelessness	682	580	682	102
Repairs and Maintenance	17,039	16,480	17,039	559
House Rent Voids	739	722	739	17
Other Rent Voids	313	232	313	81
Central Support	3,627	3,520	3,627	107
Loan Charges	17,584	18,943	17,584	(1,359)
Gross Expenditure	48,457	47,795	48,457	662
House Rents	(49,035)	(48,863)	(49,035)	(172)
Other Rents	(1,946)	(1,954)	(1,946)	8
Other Income	(1,203)	(356)	(1,203)	(847)
Interest on Revenue Balances	(37)	(61)	(37)	24
Gross Income	(52,221)	(51,234)	(52,221)	(987)

HRA TOTAL

(3,764) (3,439) (3,764) (325)

BY SUBJECTIVE

Staff Costs	5,533	5,392	5,533	141
Other Costs	46,688	45,842	46,688	846
Gross Expenditure	52,221	51,234	52,221	987
Grants	0	0	0	0
Other Income	(52,221)	(51,234)	(52,221)	(987)
Total Income	(52,221)	(51,234)	(52,221)	(987)

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Non-Housing Revenue Account

Homelessness	1,917	1,882	1,917	35
Supporting People	1,579	1,601	1,579	(22)
Anti Social Behaviour	156	159	156	(3)
Gypsy Traveller Sites	(54)	(34)	(54)	(20)

NON-HRA TOTAL

3,598 3,608 3,598 (10)

BY SUBJECTIVE

Staff Costs	1,288	1,298	1,288	(10)
Other Costs	6,734	6,558	6,734	176
Gross Expenditure	8,022	7,856	8,022	166
Grants	(127)	(48)	(127)	(79)
Other Income	(4,297)	(4,200)	(4,297)	(97)
Total Income	(4,424)	(4,248)	(4,424)	(176)

3,598 3,608 3,598 (10)