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East Dunbartonshire Council

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**PLACE, NEIGHBOURHOOD &
CORPORATE ASSETS
COMMITTEE:**

25 JANUARY 2024

PNCA/003/24/JR:

CHIEF FINANCE OFFICER

CONTACT OFFICER:

**JAMIE ROBERTSON, CHIEF FINANCE
OFFICER**

SUBJECT TITLE:

**HOUSING REVENUE ACCOUNT
MONITORING REPORT 2023/24 AT PERIOD 8**

1.0 PURPOSE

- 1.1** The purpose of this Report is to provide an update to Members of the Place, Neighbourhood and Corporate Assets Committee regarding the performance of the 2023/24 Housing Revenue Account (HRA), as at accounting period 8 from the 1 April to the 26 November 2023.

2.0 RECOMMENDATIONS

It is recommended that the Place Neighbourhood & Corporate Assets Committee:

- 2.1** reviews the Period 8 analysis and agrees that it represents an early indication of the potential financial outturn position;
- 2.2** instructs Officers to continue to report on potential for the financial outturn in line with the established cycle of reports; and
- 2.3** otherwise notes the content of this Report.

**JAMIE ROBERTSON
CHIEF FINANCE OFFICER**

3.0 BACKGROUND/MAIN ISSUES

- 3.1** The HRA budget of £17.304m for 2023/24, was approved by a meeting of the Council on 23 February 2023 (Report CFO/008/23/JR). This Report presents an update to that position.
- 3.2** Financial projections are based on budget monitoring reports as at Period 8, updated with the latest financial and management information up to the time of submission of this Report to this Committee.
- 3.3** Appendix 1 to this Report sets out the actual spend, with the HRA reporting a £3.398m surplus of income over expenditure at the end of Period 8. This position is not anticipated to be sustained with the projected year-end outturn reflecting accelerated expenditure and end of year charges. Year-to-date surplus will therefore be reduced during Periods 11 and 12.
- 3.4** This analysis is provided over a number of reporting areas including employee costs, housing repair charges, recharges from other services and capital financing costs. At this time, employee costs are forecast to be under budget due to vacancies within the HRA structure. Supplies & Services costs are also forecast to be under budget due to a reduction in the expected value of bad debts for the year.
- 3.5** Housing Repair Charges are expected to be overspent due to the under budgeting of gas servicing works. This was reported within the P6 HRA Monitoring Report in October, and is still expected to be the case. Capital Financing Costs are also expected to be overspent due to the rise in interest rates that has occurred during the year when compared to the interest rates at the budget setting process.
- 3.6** The Housing Service continues to recover from the impacts of Covid-19 with related costs impacting on various elements of the service at reducing levels. Reductions in income due to voids has reduced and re-let timescales were met within the last quarter. Such progression should be balanced against the potential impacts of new requirements under the Cost of Living (Tenant Protection) (Scotland) Bill. This could have implications for rental income and rent arrears with these implications currently being reviewed by Officers.
- 3.7** Report PNCA/098/23/JR to the Place Neighbourhood & Corporate Assets Committee meeting on 9 November 2023 highlighted the HRA reserves position as being £9.270m. This balance represents the 2022/23 unaudited outturn position and is a reduction on the previous year's reserves position of £10.421m.
- 3.8** It is the intention of Officers to review the sufficiency of the carried forward surpluses and the overall position, ensuring that they remain at a level to support ongoing initiatives. This review will also consider whether those elements that have previously been earmarked, continue to be required at those levels and could therefore be returned to HRA reserves to support future planning. Any changes arising from this review will be reported at the upcoming Council budget setting Committee.

4.0 IMPLICATIONS

The implications for the Council are as undernoted.

- 4.1** Frontline Service to Customers – none.
- 4.2** Workforce (including any significant resource implications) – none.
- 4.3** Legal Implications – none.

- 4.4 Financial Implications – Financial implications are set out in the body of the Report.
- 4.5 Procurement – none.
- 4.6 ICT – none.
- 4.7 Corporate Assets – none.
- 4.8 Equalities Implications – none.
- 4.9 Sustainability- none.
- 4.10 Other – No other issues noted.

5.0 **MANAGEMENT OF RISK**

The risks and control measures relating to this Report are as follows:-

- 5.1 Housing and support services resources are in place to deliver programmes. Housing and Finance will work together to highlight any areas of concern through regular monitoring of budget lines.

6.0 **IMPACT**

- 6.1 **ECONOMIC GROWTH & RECOVERY** – Continuous investment in local housing, through development and an increase of the asset base held by the Council.
- 6.2 **EMPLOYMENT & SKILLS** - Potential for jobs through housing investment and new developments, SHIP programme and existing stock capital programme.
- 6.3 **CHILDREN & YOUNG PEOPLE** – The accommodation of families, including children and young people, through allocation or homeless waiting lists.
- 6.4 **SAFER & STRONGER COMMUNITIES** – Housing input into secure better street design and working with Community Safety and Police Scotland to maximise safety and minimise anti-social behaviour.
- 6.5 **ADULT HEALTH & WELLBEING** – Housing contributes through the Care and Repair programme, Aids and Adaptations, new developments and SHIP, Community Care and Alcohol and Drug protocol.
- 6.6 **OLDER ADULTS, VULNERABLE PEOPLE & CARERS** – N/A.
- 6.7 **CLIMATE CHANGE** – N/A.
- 6.8 **CORPORATE PARENTING** – N/A
- 6.9 **STATUTORY DUTY** – N/A.

7.0 **POLICY CHECKLIST**

- 7.1 This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 **APPENDICES**

