

APPENDIX F (ii)

HOUSING REVENUE ACCOUNT REVENUE BUDGET MONITORING 2004/05

1. A further monitoring of the accounts has been undertaken, to update the position on the anticipated out-turn for the year.
2. Appendix F(iii) shows a summary of the Housing Revenue Account (HRA) forecast out-turn compared with the current budget. Latest predictions at Period 11 show a net underspend of £279,000.
3. The Period 10 (January 2005) prediction was that the account would be underspent by £426,000. Latest predictions show a reduction in the expected underspend of £152,000.
4. The main reasons for this reduction in underspend are:
 - Additional agency staff within the Housing Needs section (£74,000)
 - A reduction in the likely rent income from Hostels (£30,000)
 - Recalculation of the likely impact of Subsidy Limitation (£50,000)
5. These variations have been offset by additional income from shop rentals (£38,000).

FINANCIAL IMPLICATIONS

6. The financial position of the HRA in 2004/05 has a bearing on the Council's ability to meet the Decent Homes Standard within the required timetable, and to provide a robust financial basis for the Stock Options Appraisal due to be completed by the Summer of 2005. It is therefore imperative that close attention is paid to monitoring the account, in particular those areas which tend to be the most volatile.

LEGAL IMPLICATIONS

7. There are no legal implications to this report and this has been agreed with the relevant solicitor in Legal Services on 6 April 2005.

RISKS

8. The major risks faced this year affecting predictions were external interest rates, property sales and responsive repairs (especially over the Winter period). The impact of these have now largely been included within predictions.

COUNCILLOR CONSULTATIONS

9. Councillor Roy Davies has been consulted regarding this report.

OPTIONS

10. The Executive could seek further information before noting the results of the monitoring.

APPENDIX

11. Appendix F(iii) – Housing Revenue Account Budget Monitoring.

BACKGROUND PAPERS

12. There are no background papers relating to this report.