

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref SL/GT/VR Date 06/11/24

Revenue Monitoring Report – Housing Revenue Account

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Executive Summary

This report provides a summary of the Housing Revenue Account financial performance for the period 1 April 2024 to 16 August 2024 (Period 6). The report illustrates the provisional outturn as at 31 March 2025, with major outturn variances highlighted and explained in accordance with the Council's approved Financial Regulations.

The Service is currently projecting an underspend of £1.500m for the financial year.

In setting the 2024/25 budget, savings of £1.165m were approved which have been incorporated within the budget. It is currently anticipated that these savings will be fully delivered by the end of the financial year.

Recommendations

It is recommended that the Housing Committee:

- (1) Acknowledges the financial position of the HRA revenue budget 2024/25.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition statement	(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 The Council approved its Housing Revenue Account budget of £174m on 21 December 2023.
- 1.2 The Financial Regulations require Services to remain within their approved budgetary provision, and to report all significant deviations – defined as the higher of £100,000 or

5% - within their budget monitoring reports. Where significant deviations are identified, Services must provide explanatory commentary outline the action required to rectify such a deviation, and where relevant, must also highlight the impact this has on other budget headings.

2. Report

2.1 The Service is currently projecting an underspend of £1.500m for the financial year.

Analysis of Significant Variances

2.2 The Housing Revenue Account currently anticipates an underspend of £0.150m within Employee Costs which is as a result of increased turnover savings. The position also incorporates the potential impact of the implementation of the pay award for 2024/25 albeit this is still subject to degree of uncertainty. The financial impact of any further discussions will continue to be monitored and reported as appropriate.

2.3 An underspend of £0.925m is currently anticipated within Property costs mainly in relation to repairs (£1.000m) and electricity (£0.150m). The Service is aware and continues to monitor the potential risks to the reported position including the impact of additional transitional contracts due to come online within the latter part of the year and the potential impact of repairs required during the winter months. The position around repairs will continue to be closely monitored with updates provided in future reports where required. These underspends are partially offset by increased costs in relation to the garden assistance scheme (£0.175m) and void rent loss (£0.050m).

2.4 An underspend of £0.600m is projected within Administration Costs as a result of lower than expected future credit losses (£0.500m), added to by lower than anticipated costs associated with legal fees (£0.050m) and Sheriff Officer Fees (£0.050m).

2.5 An under recovery of £0.175m is anticipated within Rents linked to mainstream rental income.

Earmarked and One-off Resources

2.6 HRA reserve balances brought forward from 2023/24 total £16.820m. This includes a revised contingency fund balance of £1.742m, representing 1% of the approved 2024/25 HRA budget. In addition, a balance of £5.370m remains from the loan debt holiday taken in 2022/23 and is earmarked to support the ongoing cost impact of that policy decision. Finally, a balance of £3.403m is retained for ongoing risks and uncertainties and to support future budget strategies. It is anticipated that reserves totalling £3.260m will be utilised during 2024/25 as detailed in Appendix 2. A review of reserve balances will be undertaken as part of the year end close down in order to ensure suitable reserves are maintained.

2024/25 Budget Savings

2.7 The service uses a variety of information, records and processes to monitor achievement of its approved budget savings of £1.165m. It is anticipated that 100% approved savings will be delivered by the end of the financial year.

3. Measures of success

- 3.1 The Service continues to operate withing approved resources and meet required savings targets.

4. Supporting documentation

Appendix 1

HRA Summary

Appendix 2

Earmarked Reserves / Balance Sheet Provisions



Andrew McPherson
Depute Chief Executive

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The financial impacts are contained within the report and supporting appendices.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?</p>

Yes No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes No

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes No

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes No

If Yes, please provide a brief summary of the impact?

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

All activities undertaken by the council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy, Services manage these as part of their overall corporate and service planning process. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.

Reflecting the risk analysis matrix included within the Risk Management Strategy, the Service considers the impact of inflation on key service contracts and the cost of living crisis presents an ongoing risk to the financial outturn for 2023/24 and this is an ongoing focus of discussion within the Service and with Finance.

To minimise risk, this report has been prepared by Finance personnel in consultation with budget managers, in accordance with the Financial Regulations.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes No

Appendix 1

FINANCIAL MONITORING REPORT
01 April 2024 to 13 SEPTEMBER 2024 (Period 6)
COMMITTEE: HOUSING

CATEGORY (1)	ANNUAL BUDGET (5) £	PROJECTED OUTTURN (6) £	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	29,815,170	29,665,170	150,000 FAV	0.5%	150,000	Underspend due to increased turnover savings
PROPERTY COSTS	70,140,870	69,215,870	925,000 FAV	1.3%	925,000	Underspend mainly due to decreased repair and electricity costs slightly offset by increased costs to garden assistance and void rent loss
SUPPLIES & SERVICES	727,970	727,970	0 -	0.0%	0	Balanced budget
TRANSPORT & PLANT	394,350	394,350	0 -	0.0%	0	Balanced budget
ADMINISTRATION COSTS	7,068,150	6,468,150	600,000 FAV	8.5%	600,000	Underspend mainly due to decreased expected future credit losses in addition to decreased legal and sheriff officer fees
PAYMENTS TO OTHER BODIES	231,120	231,120	0 -	0.0%	0	Balanced budget
APPORTIONED EXPENSES	7,071,310	7,071,310	0 -	0.0%	0	Balanced Budget
CAPITAL FINANCING COSTS	37,574,280	37,574,280	0 -	0.0%	0	Balanced Budget
C.F.C.R.	20,089,260	20,089,260	0 -	0.0%	0	Balanced Budget
OTHER COSTS	1,056,990	1,056,990	0 -	0.0%	0	Balanced Budget
TOTAL EXPENDITURE	174,169,470	172,494,470	1,675,000 FAV	1.0%	1,675,000	
OTHER GRANTS	0	0	0 -	0.0%	0	Balanced Budget
FEES AND CHARGES	9,287,200	9,287,200	0 -	0.0%	0	Balanced Budget
RENTS	164,344,660	164,169,660	(175,000) ADV	(0.1)%	(175,000)	Under recovery of mainstream rental income
INTEREST	15,000	15,000	0 -	0.0%	0	Balanced Budget
DEPARTMENTAL CHARGES	522,610	522,610	0 -	0.0%	0	Balanced Budget
SURPLUS	0	0	0 -	0.0%	0	Balanced Budget
INCOME	174,169,470	173,994,470	(175,000) ADV	(0.1)%	(175,000)	
NET EXPENDITURE	0	(1,500,000)	1,500,000 FAV		1,500,000	

FAV = Favourable variation, underspend etc

ADV = Adverse variation, overspend, income under-recovery etc

North Lanarkshire Council
Housing Revenue Account - Earmarked Reserves
01 April 2024 to 13 SEPTEMBER 2024 (Period 6)

DESCRIPTION OF EARMARKED RESERVES	VALUE OF EARMARKED RESERVE	PROJECTED OUTTURN		CARRY FORWARD	ANALYSIS
		VALUE	%		
(1)	(2)	(3)	(4)	(5)	(6)
	£	£		£	
Ambition	1,306,293	0	100.0%	1,306,293	Carry Forward
Additional Loan Charges	3,702,000	1,542,000	58.3%	2,160,000	Carry Forward
Enterprise Contract	1,078,000	1,078,000	0.0%	0	Budget fully utilised
Rent Restructure	219,000	69,000	68.5%	150,000	Carry Forward
Loan Debt Holiday	5,370,000	571,000	89.4%	4,799,000	Carry Forward
SUB TOTAL	11,675,293	3,260,000	72.1%	8,415,293	
Change Management/Risks & Uncertainty	3,403,000	0	0.0%	3,403,000	
Core Reserve	1,742,000	0	100.0%	1,742,000	
TOTAL	16,820,293	3,260,000	80.6%	13,560,293	