

# North Lanarkshire Council Report

## Housing Committee

Does this report require to be approved?  Yes  No

Ref SL/GT/VR Date 07/05/25

## Revenue Monitoring Report – Housing Revenue Account

**From** Andrew McPherson, Depute Chief Executive

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Veronica Roberts,  
Business Finance  
Manager

### Executive Summary

This report provides a summary of the Housing Revenue Account financial performance for the period 1 April 2024 to 28 February 2025 (Period 12). 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 £0.835m 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 £0.835m for the financial year.

### Analysis of Significant Variances

2.2 The Housing Revenue Account currently anticipates an underspend of £0.140m within Employee Costs due to increased turnover savings. This position also incorporates the impact of the 2024/25 pay award uplift.

2.3 An underspend of £1.232m is currently anticipated within Property costs. Demand for housing repairs has been lower this financial year due to increased capital investment in housing stock. This, combined with lower than anticipated contract inflation, has resulted in an underspend of £1.202m being projected. The position and associated potential risks will continue to be closely monitored with updates provided in future reports where required. In addition, information from the Council's energy unit suggests that electricity will underspend by £0.200m this financial year. These underspends are partially offset by increased costs in relation to the garden assistance scheme (£0.120m) and void rent loss (£0.050m).

2.4 An underspend of £0.700m is projected within Administration Costs due to a reduction in required future credit losses.

2.5 An overspend is reported within Payments to Other Bodies to recognise the decision taken by the Housing Committee to transfer £1.233m of the current year surplus to the General Fund to be earmarked for the provision of grant to owners in multi tenure blocks where RAAC has been confirmed, and work will be required.

2.6 An underspend of £0.419m is anticipated within Other Costs. During the 2024/25 budget setting, significant uncertainty existed around the funding requirement for housing repairs due to an unpredictable demand profile following the COVID pandemic, the impact of increased capital investment, changes to major contracts and ongoing uncertainty within the wider economy and how this would impact on inflation. To ensure continuation of the delivery of high quality and timely repairs, a contingency amount was set aside (£3.798m). The service have identified that this contingency sum is not required for repairs within the current year and therefore plan to set this aside within an Earmarked Reserve to support the future HRA and its tenants as follows:

<b>Earmarked Reserve</b>	<b>£m</b>
Allowance for additional resources to support implementation of the new housing system	0.500
Allowance for Service enhancement including environmental improvements	0.420
Initial costs associated with Digital Connectivity Masterplan for Housing tenants test of change feasibility (approved Policy & Strategy Committee 13 March)	0.500
Tenant support initiatives including affordability research, temporary employment of income maximisers to support tenancies and enhanced tenant participation activities.	0.459
<b>Total</b>	<b>1.879</b>

There will remain a level of contingency within 2025/26 which the Service will continue to keep under review through the Medium-Term Financial Planning process. An assessment of the reserves balances will be carried out by the Chief Officer (Housing) and the Section 95 Officer as part of the year end, as per normal practice.

- 2.7 In addition, Other Costs also includes £1.500m for UCAF representing the £1.000m approved as part of the HRA budget for 2025/25 to help manage the pressures of the migration to Universal Credit from Employment Support Allowance and Housing Benefit and to assist with the sustainability of tenancies, and a £0.500m overspend as a result of an increase in UCAF applicants following acceleration of the transition from Housing Benefit.
- 2.8 An under recovery of £0.423m is anticipated for mainstream rent collection.

### **Risk and Uncertainty**

- 2.9 The Service continue to consider the potential costs associated with the impact of Reinforced Autoclaved Aerated Concrete (RAAC). As noted in 2.5 above, provision has now been made to support owners within multi tenure blocks where RAAC has been confirmed. The Service continue to consider appropriate funding solutions for the costs associated with remedial action within HRA properties which could include earmarking any increased surplus within the current financial year. This will continue to be considered with future monitoring reports updated as appropriate.

### **Earmarked and One-off Resources**

- 2.10 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 £1.828m 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**

- 2.11 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.

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## **3. Measures of success**

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

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## **4. Supporting documentation**

- 4.1 Appendix 1 HRA Summary  
Appendix 2 Earmarked Reserves / Balance Sheet Provisions



**Andrew McPherson**  
**Depute Chief Executive**

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## 5. Impacts

<p><b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> 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? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.2 Financial impact</b> 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><b>5.3 HR policy impact</b> 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><b>5.4 Legal impact</b> 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><b>5.5 Data protection impact</b> 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 <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.6 Technology / Digital impact</b> 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 28 FEBRUARY 2025 (Period 12)**  
**COMMITTEE: HOUSING**

CATEGORY (1)	ANNUAL BUDGET (5) £	PROJECTED OUTFURN (6) £	PROJECTED OUTFURN VARIANCE (7)	% (8)	ANALYSIS (10)
EMPLOYEE COSTS	29,815,170	29,675,170	140,000 FAV	0.5%	Underspend due to increased turnover savings
PROPERTY COSTS	66,342,870	65,110,870	1,232,000 FAV	1.9%	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%	Balanced budget
TRANSPORT & PLANT	394,350	394,350	0 -	0.0%	Balanced budget
ADMINISTRATION COSTS	7,068,150	6,368,150	700,000 FAV	9.9%	Underspend mainly due to decreased expected future credit losses in addition to decreased legal and sheriff officer fees
PAYMENTS TO OTHER BODIES	231,120	1,464,120	(1,233,000) ADV	(533.5)%	Grant Provision for Owner Occupiers
APPORTIONED EXPENSES	7,071,310	7,071,310	0 -	0.0%	Decreased costs
CAPITAL FINANCING COSTS	37,574,280	37,574,280	0 -	0.0%	Balanced Budget
C.F.C.R.	20,089,260	20,089,260	0 -	0.0%	Balanced Budget
OTHER COSTS	4,855,010	4,436,010	419,000 FAV	8.6%	UCAF and future Earmarked Reserves
<b>TOTAL EXPENDITURE</b>	<b>174,169,490</b>	<b>172,911,490</b>	<b>1,258,000 FAV</b>	<b>0.7%</b>	
OTHER GRANTS	0	0	0 -	0.0%	Balanced Budget
FEES AND CHARGES	9,287,220	9,287,220	0 -	0.0%	Balanced Budget
RENTS	164,344,660	163,921,660	(423,000) ADV	(0.3)%	Under recovery of mainstream rental income
INTEREST	15,000	15,000	0 -	0.0%	Balanced Budget
DEPARTMENTAL CHARGES	522,610	522,610	0 -	0.0%	Balanced Budget
SURPLUS	0	0	0 -	0.0%	Balanced Budget
<b>INCOME</b>	<b>174,169,490</b>	<b>173,746,490</b>	<b>(423,000) ADV</b>	<b>(0.2)%</b>	
<b>NET EXPENDITURE</b>	<b>0</b>	<b>(835,000)</b>	<b>835,000 FAV</b>		

**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 28 FEBRUARY 2025 (Period 12)**

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	176,000	95.2%	3,526,000	Carry Forward
Enterprise Contract	1,078,000	1,078,000	0.0%	0	Budget fully utilised
Rent Restructure	219,000	2,817	98.7%	216,183	Carry Forward
Loan Debt Holiday	5,370,000	571,000	89.4%	4,799,000	Carry Forward
<b>SUB TOTAL</b>	<b>11,675,293</b>	<b>1,827,817</b>	<b>84.3%</b>	<b>9,847,476</b>	
Change Management/Risks & Uncertainty	3,403,000	0	0.0%	3,403,000	
Core Reserve	1,742,000	0	100.0%	1,742,000	
<b>TOTAL</b>	<b>16,820,293</b>	<b>1,827,817</b>	<b>89.1%</b>	<b>14,992,476</b>	