

Report of Head of Finance, Environment & Neighbourhoods

Report to Housing Advisory Board

Date: 9th July 2015

Subject: Housing Leeds (HRA) Revenue Financial Position Quarter 1 2015/16

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The purpose of this report is to update Housing Advisory Board on the revenue financial position for the Housing Leeds (HRA) service as at the end of Quarter 1.

Recommendations

Housing Advisory Board is requested to note the contents of this report.

1. Summary Position

1.1 At the end of Quarter 1 the HRA is projecting a surplus of £(740)k against the 2015/16 Budget.

2. Key Variances – Income

2.1 Income is projected to be £(106)k more than budget. This is due to income of £(35)k now being projected from equity share properties and the final charge for Corporate Management being £(71)k less than the agreed budget due to reductions in staffing in central functions.

3. Key Variances - Expenditure

3.1 Savings of £(544)k are projected in relation to employees which is primarily due to posts which are currently vacant. Interviews have recently taken place

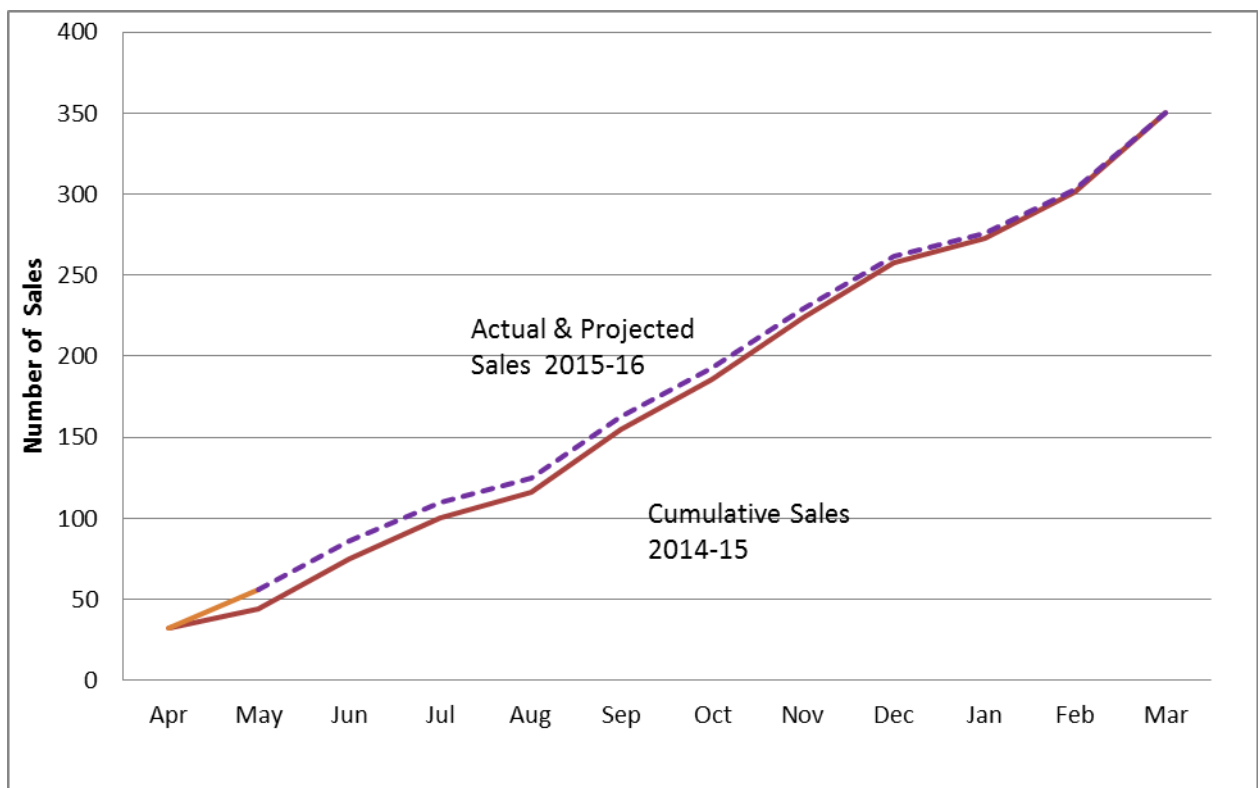
for a number of these vacant posts and it is anticipated that most posts will be filled within the next 2 months.

- 3.2 Net savings of £(184)k are projected in relation to internal charges. This is mainly due to savings in the charges for the Anti - Social Behaviour Team and Occupational Therapists which have arisen due to vacancies within these services.
- 3.3 Other variations to budget include unbudgeted accommodation costs of £58k offset by savings of £(42)k generated due to HRA contributions to the capital scheme established to make equal pay payments to HRA staff during 2013/14 being fully funded in 2014/15.

4. Right to Buy (RTB) Sales

- 4.1 To the end of May there were 56 completed sales with total sales of 350 being projected to year end. As this is the same as 2014/15 it is anticipated that total year sales of 350 units will generate sales receipts of @ £17m. The Government are yet to confirm the formula in respect of 2015/16 however based on 2014/15 the Council would be able to retain @ £11m of these receipts to passport to Registered Social Landlords (RSLs) as a grant to fund 30% of the cost of building new housing stock, retain to repay debt or to fund other capital expenditure subject to the new formula.

Council House Sales to end of May 2015 & Projected Sales to Year End

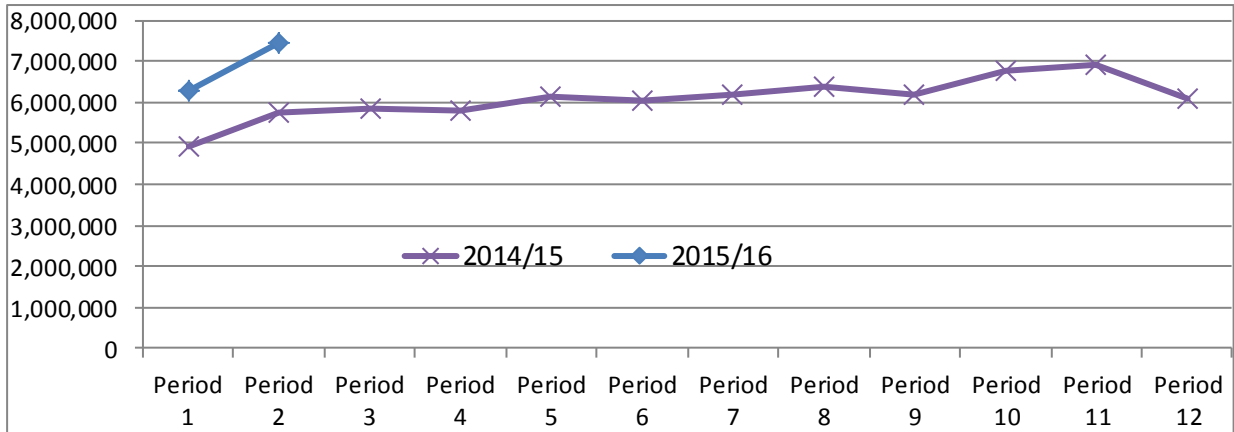


5. Arrears

- 5.1 Excluding technical arrears, arrears for current tenants are £6.4m compared to £5.8m at the end of 2014/15, an increase of £0.6m. There are currently circa 5,174 tenants classified as under-occupied. At the end of 2014/15

approximately 53% of under-occupiers were in arrears, this rose to 56% as at the end of May 2015. The value of dwelling rent arrears for under-occupiers has decreased by £11k since the end of 2014/15 and now stands at £844k.

Comparison of Current Tenant Arrears 2014/15 and 2015/16



6. Collection Rates

6.1 Collection rates to the end of May were 96.07% for dwelling rents, compared to the target of 98.06%.

7. Background Documents

7.1 None.

8. Recommendations

8.1 HAB is requested to note the contents of this report.