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CLERK TO COMMITTEE FOR SOCIAL DEVELOPMENT

Dr Kevin Pelan
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10 December 2013

Dear *Kevin*

JANUARY 2014 MONITORING ROUND

1. The Department's final monitoring return for 2013-14 is due with Finance & Personnel on 3rd January. The oral briefing on this had been scheduled for Thursday 12th December, but has since been postponed until 9th January. With the usual caveat that the information provided may be subject to change, the following table and subsequent paragraphs outline our main proposals. It should be noted however that the return to DFP will be made before the reconvened briefing to the Committee.

Table : January Monitoring Round position

	£m
Additional Receipts (to be remitted to DFP)	
HELM clawback	8.10
Housing Association Grant	<u>0.60</u>
	<u>8.70</u>
Reduced Requirements (resource)	
Housing	<u>7.21</u>
Reduced requirement (non-cash)	
Social Security Agency	<u>0.63</u>
Proposed reduction / reallocation (budget realignment)	
Housing deficit grant	- 4.00
Housing benefit admin grant	+ 4.00

The £10m Housing resource easement declared at October monitoring will be re-submitted as part of the January return.

2. Additional receipts

- 2.1 Additional capital receipts of £8.7m have been identified on the housing side. There is an £8.1m recovery of grant for advance land purchases from HELM Housing Association. Current advice is that the £8.1m is a debtor that we have to allow for and show as extra income. We are discussing this matter with DFP colleagues, with a view to agreeing how it is to be reflected in the final monitoring round return. A further £0.6m in extra Housing Association Grant receipts has been achieved, bringing the amount of additional capital income / receipts for surrender to around £8.7m.

3. Reduced resource requirements

- 3.1 While the figures may be subject to further adjustment, at this stage around £7.21m in reduced resource requirements has been identified. The Housing Executive has identified easements of £7m, primarily from reduced planned maintenance costs. The contractual position has still not been finalised and thus it is unlikely that there will be significant spend in this area for the remainder of the year. In addition there is the release of £0.21m relating to an outstanding accounting accrual for 2011-12 Household Fuel payment costs.

4. Reduced Non-cash requirements

- 4.1 A further easement of £0.63m in SSA resource non-cash funding has been identified and will also be surrendered. The easement has arisen from a recent Land & Property Services re-evaluation of land & buildings, which has necessitated depreciation and impairment adjustments to baselines.

5. Proposed reduction / reallocation

- 5.1 We are moving £4m from the NI Housing Executive deficit grant line to the Housing Benefit admin grant line. This is to better reflect the current expenditure requirements within the Housing Executive and will facilitate the future changes required under Welfare Reform. This accounting adjustment to realign budgets has no nett effect on overall Housing Executive expenditure.

6. Additional proposed transfer to NICHA

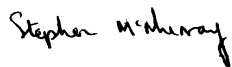
- 6.1 The NI Co-Ownership Scheme remains the Department's main measure for supporting potential first-time buyers and those returning to the market experiencing affordability problems who wish to purchase their own home but cannot afford to do so outright. Our bid for £10m at October monitoring was only partially met, with an additional £5m being allocated. The NICHA Chief

Executive recently confirmed that the Association could effectively utilise a further £10m this year if further funding became available. It is therefore the intention to make a further £10m for the Co-ownership scheme available through the redeployment of resources from Housing Association Grant receipts and the Social Housing Development Programme. The extra £10m would provide funding for an additional 200 homes.

7. Summary

7.1 The above paragraphs set out the main elements of the Department's monitoring round proposals which I trust the Committee will find helpful.

Yours sincerely



STEPHEN McMURRAY

cc. A Hamilton
T O'Reilly
M Daly
J Wilkinson
K Sands
D Reid