

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Council: 27 October 2010

Subject: Housing Revenue Account 2010/2011 Budgetary Control Statement to 31 August 2010 (Period 5)

1. Purpose

- 1.1** The purpose of this report is to provide Members with an update on the financial performance of the Housing Revenue Account (HRA) to the period ended 31 August 2010. Budgetary control statements for the HRA are also presented to the Housing, Environment and Economic Development Committee to allow the Committee to monitor performance.

2. Background

- 2.1** Attached, at Appendix 1, is the budgetary control statement for the Housing Revenue Account. It should be noted that this report compares actual expenditure to 31 August 2010 to the phased budget as at that date.

3. Main Issues

- 3.1** The overall net position on the Housing Revenue Account, measuring the actual against phased budget to 31 August 2010, is a favourable variance of £51,360. An explanation of the key variances is given below;-

a) Employee Costs - £122,260 Favourable

This underspend is due mainly to the savings associated with the Departmental Restructure.

b) Repairs and Maintenance - (£40,670) Adverse

This adverse variance is due mainly to two offsetting variances; an underspend on other repairs of £26,040, but it is too early in the financial year to determine if this trend will continue, and an under-recovery on rechargeable accounts of £62,630. This under-recovery is due to a backlog in issuing accounts, as a result of resource issues and management action is now being taken to clear the back log. It is anticipated that the backlog will be cleared in the next few months.

c) Lost Rents - £90,700 Favourable

The average weekly voids now number around 332 compared to the budgeted number of 389 per week. This favourable variance is expected to continue to the financial year end.

d) Reallocated Salaries - (£65,270) Adverse

Employee costs are reallocated from the HRA to other budgets and when the actual employee costs incurred are less than budgeted, (see note 3.1 a), then the reallocation is also less, thus resulting in an adverse variance.

4. People Implications

4.1 There are no implications.

5. Financial Implications

5.1 The overall net position on the Housing Revenue Account, measuring the actual against phased budget to 31 August 2010, is a favourable variance of £51,360.

5.2 The underspends associated with the Departmental Restructure and Lost Rents will continue until the year end.

6. Risk Analysis

6.1 The present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2011 which could affect the year end spend.

7. Equalities Impact

7.1 No significant issues were identified in a screening for potential equality impact of this report.

8. Conclusions and Recommendations

8.1 Members are asked to note the report.

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Date: 4 October 2010

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All