

WEST DUNBARTONSHIRE COUNCIL

Report by Acting Director of Housing, Regeneration and Environmental Services (Housing & Environmental Services)

Council : 28 February 2007

**Subject: Housing Revenue Account 2006/2007 Budgetary Control
Statement to 15 January 2007 (Period 9)**

1. Purpose of Report

- 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 15 January 2007. Budgetary control statements for the HRA are also presented to the Social Justice 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 15 January 2007 to the phased probable outturn as at that date.

3. Main Issues

- 3.1** The overall net position on the Housing Revenue Account, measuring the actual against phased probable outturn to 15 January 2007, is an adverse variance of £68,350. An explanation for the key variances is given below:-

- a) Employee Costs - £116,840 (Favourable)

The favourable variance on Employee Costs is due to a reallocation of salary costs which was not allowed for in the preparation of the probable outturn figures.

- b) Property Costs - £26,200 (Favourable)

The favourable variance of £26,200 on Property Costs is due mainly to a phased underspend of £25,360 on Electricity and Gas costs. The probable outturn took account of the expected large increases in these utility costs and it may be that the probable outturn figure has been a little overstated.

c) Repairs - £234,550 (Adverse)

The probable outturn on Repairs now looks to be understated but repairs expenditure is being closely monitored with a view to bringing the final outturn more into line with the year end projection.

d) House Rents - £46,660 (Favourable)

The favourable variance of £46,660 on House Rents is a consequence of the slowing down of council house sales.

e) Reallocated Salaries - £65,820 (Adverse)

The adverse variance on Reallocated Salaries of £65,820 is due to a revision of the allocations to other budgets, resulting in a lower level of salary recharge than had been allowed for in the preparation of the probable outturn.

4. Personnel Issues

4.1 There are no personnel issues

5. Financial Implications

5.1 The financial implication is that the overall net position on the Housing Revenue Account, measuring the actual against phased probable outturn to 15 January 2007, is an adverse variance of £68,350.

6. Risk Analysis

6.1 The risk to the Council is that the year end position is significantly worse than the period 9 figures are indicating. However there is nothing at the time of writing this report that would suggest that this is likely to happen.

7. Recommendation

7.1 Members are asked to note the report.

Irving Hodgson

**Acting Director of Housing, Regeneration and Environmental Services
(Housing & Environmental Services)**

Date: 13 February 2007

Wards Affected: All

Background Papers: None

Appendix: HRA Budgetary Control Report

Person to Contact: James Pow, Manager of Finance
Telephone 01389 737535