

**WEST DUNBARTONSHIRE COUNCIL**  
**HRA REVENUE BUDGETARY CONTROL 2018/2019**

**Appendix 4**

**PERIOD END DATE**

**31 March 2019**

Subjective Summary	Total Budget 2018/19 £000	Outturn £000	Variance 2018/19 £000 %		Annual RAG Status
Employee Costs	4,409	4,489	80	2%	↓
Property Costs	1,795	1,653	(142)	-8%	↑
Transport Costs	101	81	(20)	0%	↑
Supplies, Services And Admin	379	335	(44)	-12%	↑
Support Services	2,668	2,562	(106)	-4%	↑
Other Expenditure	291	435	144	49%	↓
Repairs & Maintenance	11,693	11,885	192	2%	↓
Bad Debt Provision	1,060	763	(297)	-28%	↑
Void Loss (Council Tax/Lost Rents)	1,084	866	(218)	-20%	↑
Loan Charges	19,028	25,100	6,072	32%	↓
<b>Total Expenditure</b>	<b>42,508</b>	<b>48,169</b>	<b>5,661</b>	<b>13%</b>	<b>↓</b>

House Rents	40,822	40,678	144	0%	↓
Lockup Rents	230	228	2	1%	↓
Factoring/Insurance Charges	1,114	1,159	(45)	-4%	↑
Other rents	132	115	17	13%	↓
Interest on Revenue Balance	70	93	(23)	-33%	↑
Miscellaneous income	140	6,152	(6,012)	-4294%	↑
<b>Total Income</b>	<b>42,508</b>	<b>48,425</b>	<b>(5,917)</b>	<b>-14%</b>	<b>↑</b>

<b>Net Expenditure</b>	<b>0</b>	<b>(256)</b>	<b>(256)</b>
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MONTH END DATE

31 March 2019

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
<b>EMPLOYEE COSTS</b>	4,409	4,489	80	2%	↓
<b>Subjective Description</b>					
This budget covers all employees charged directly to the HRA including caretakers.					
<b>Variance Narrative</b>					
<b>Main Issues</b>	The main reason for this adverse variance relates to an increase in the proportion of staffing costs recharged from other accounts of the authority, namely Homeless Persons and HMT0. Reviews by both services have identified that a higher percentage of staff time is spent on HRA activities, which was reflected in an increase in charge at the year end.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
<b>PROPERTY COSTS</b>	1,795	1,653	(142)	-8%	↑
<b>Service Description</b>					
This budget covers electricity, gas, rates, rents, cleaning and insurance costs.					
<b>Variance Narrative</b>					
<b>Main Issues</b>	The main reason for this favourable variance relates to a one year saving in respect of a provision for prior years unbilled electricity costs which is now not required.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
<b>SUPPORT SERVICES</b>	2,668	2,562	(106)	-4%	↑
<b>Service Description</b>					
This budget covers central support recharges to the HRA.					
<b>Variance Narrative</b>					
<b>Main Issues</b>	A review of the support services allocation across all services was undertaken during 2017/18 to reflect the revised current service structures. This resulted in the amount to be recharged to the HRA to be less than budgeted.				

MONTH END DATE

31 March 2019

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
OTHER EXPENDITURE	291	435	144	49%	↓
<b>Service Description</b>					
This budget covers strategy expenditure as well as legal fees, bank charges, rent abatements, tenancy sustainment work and factor's commission.					
<b>Variance Narrative</b>					
Main Issues	There are a number of reasons for this overspend, the main reasons being an increase in legal expenses (£25k) in relation to summons costs and monthly court fees, and an increase in rent abatements (£119k) due to void initiatives.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
REPAIRS & MAINTENANCE	11,693	11,885	192	2%	↓
<b>Service Description</b>					
This budget covers all repair and maintenance expenditure to houses and lockups.					
<b>Variance Narrative</b>					
Main Issues	The main reason for this overspend relates to the increased cost of void repairs. The main aim of 18/19 had been focus on maximising the number of void properties brought up to acceptable standard for re-letting and also reducing the time between lets.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
Bad Debt Provision	1,060	763	(297)	-28%	↑
<b>Service Description</b>					
This budget allows for the provision for bad and doubtful debts to be maintained at an appropriate level.					
<b>Variance Narrative</b>					
Main Issues	The budgeted provision is based upon prior year actual outturns. The 18/19 budget was set, prior to the end of 17/18, taking into account the outturn for 16/17. The actual bad debt provision was less than budget and was reflective of the 17/18 actual outturn.				

Budget Details		Variance Analysis			
Subjective Analysis	Budget	Forecast Spend	forecast Variance	RAG Status	
	£000	£000	£000	%	
VOID LOSS	1,084	866	(218)	-20%	↑
<b>Service Description</b>					
This budget covers the rents lost on void houses and lockups and the cost of council tax on void properties					
<b>Variance Narrative</b>					
Main Issues	An improvement in the number of void properties is reflected in a lower than anticipated void loss on rents (£99k) and on the associated cost of council tax (£12k). A refund of void council tax of approximately £108k was also received for properties which were previously identified for demolition.				

MONTH END DATE

31 March 2019

Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
Loan Charges		19,028	25,100	6,072	32%	↓
<b>Service Description</b>						
Loan Charges comprise of 4 elements which are repayments of principle sums, the payments of interest and expenses and the cost of capital funded from current reserves (CFCR)						
<b>Variance Narrative</b>						
<b>Main Issues</b>	Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock. As noted in the report to Council on the 14 February 2019, £6.072m of the £7.422m of reserves was in respect of the regeneration of stock and therefore an additional £6.072m CFCR has been applied in year which explains the reason for this adverse variance. This is offset by the contribution from the reserves as shown within the miscellaneous income section.					

Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
HOUSE RENTS		(40,822)	(40,678)	144	0%	↓
<b>Service Description</b>						
Rental income from houses						
<b>Variance Narrative</b>						
<b>Main Issues</b>	This budget is based on the expected numbers of stock available for rent and makes assumptions about when surplus stock will be removed from the letting pool. The rate of transfer of surplus stock from the letting pool was higher than assumed in the budget.					

Budget Details		Variance Analysis				
Subjective Analysis		Budget	Forecast Spend	forecast Variance		RAG Status
		£000	£000	£000	%	
MISCELLANEOUS INCOME		140	6,152	6,012	4294%	↑
<b>Service Description</b>						
Any other miscellaneous Income						
<b>Variance Narrative</b>						
<b>Main Issues</b>	The main reason for this favourable variance relates to additional income received in year from the revenue reserves which offsets the adverse variance reported within the loan charges section above, in relation to the additional CFCR applied in year (£6.072m). This is offset to a small extent by reduced income in several areas such as laundry and shared property costs.					