

WEST DUNBARTONSHIRE COUNCIL

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

Council : 19 December 2007

Subject: Housing Revenue Account 2007/2008 Budgetary Control Statement to 15 November 2007 (Period 7)

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 November 2007. 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 15 November 2007 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 15 November 2007, is a favourable variance of £304,740. An explanation for the key variances is given below:-

- a) The favourable variance of £99,020 on Employee Costs is mainly due to a small number of APT&C vacancies, and delays in recruiting caretakers.
- b) The favourable variance of £147,550 on Property Costs is primarily due to an underspending of £125,560 on Electricity and Gas as a result of the decision by the Authorities Buying Consortium (ABC) to delay renegotiation of a new contract and to exercise the option available to extend the previous contract for a further year.

There is also an underspending on Property Insurance of £21,090 due to savings on the new insurance contract.

- c) The adverse variance of £67,950 on Transport Costs includes an allowance of £71,000 for Leasing Charges which were previously charged to the Housing Repairs and Maintenance Trading Account. The terms of the new MTC contract require that such costs are now met by the Client.
- d) The favourable variance of £44,240 on Supplies and Services is primarily the result of Tenant Participation expenditure being £36,790 less than estimated, coupled with an underspend on Printing/Stationery of £9,790.
- e) The adverse of £58,440 on Repairs and Maintenance is mainly due to less capitalisation of major repairs.
- f) The favourable of £25,230 on Miscellaneous Expenditure is in respect of council tax paid on void houses and reflects the improvement in the level of void houses within the Authority.
- g) The favourable variance of £47,670 on Lost Rent demonstrates that the level of void houses is continuing to fall as a result of the Council's Void Housing Strategy.
- h) The favourable variance of £192,500 on Loan Charges reflects debt rescheduling since the budget was set, along with the cumulative impact of the 2006/2007 underspend on the HRA Capital Programme and the anticipated underspend on this year's HRA Capital Programme, as previously reported to Members.
- i) The adverse variance of £102,460 on Reallocated Salaries is the consequence of the favourable variance on Employee Costs. As employee costs reduce so does the amount of salaries reallocated to other budgets.

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 budget to 15 November 2007, is a favourable variance of £304,740.

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 2008 which could affect the year end spend.

7. Conclusion

7.1 The report identifies an underspend against phased budget of £304,740.

8. Recommendation

8.1 Members are asked to note the report.

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Development**

(Housing & Regeneration Services)

Date: 10 December 2007

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All