

WEST DUNBARTONSHIRE COUNCIL

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

Council: 28 October 2009

Subject: Housing Revenue Account 2009/2010 Budgetary Control Statement to 15 September 2009 (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 15 September 2009. 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 September 2009 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 September 2009, is an adverse variance of £63,010. An explanation of the key variances is given below;-

- a) Employee Costs - £60,580 Favourable

This underspend is mainly due to vacancies.

- b) Repairs and Maintenance - (£66,200) Adverse

This overspend is due mainly to an overspend of £188,450 on Jobbing Repairs, an overspend of £113,890 on Other Maintenance, an underspend on the Close Cleaning Pilot of £35,200 and a net over-recovery of £208,060 on Insurance and Rechargeable Work.

The overspend on Jobbing Repairs relates mainly to repairs carried out by the Housing Repairs and Maintenance Trading Operation and management action will be taken to ensure that this budget is not exceeded in the current financial year.

The overspend on Other Maintenance is due to the cost of the ventilation contract being higher than anticipated; the underspend on the Close Cleaning Pilot is as a result of the contract coming in at less than had been allowed for in the estimates, and the over-recovery on Insurance and Rechargeable Work reflects a much higher level of recovery from tenants and former tenants than had been anticipated.

c) Loan Charges - (£58,670) Adverse

The adverse variance on Loan Charges is a consequence of the 2008/2009 overspend on the HRA Capital Programme exacerbated by the reducing level of Council house sales.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 The overall net position on the Housing Revenue Account, measuring the actual against phased budget to 15 September 2009, is an adverse variance of £63,010.

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 2010 which could affect the year end spend.

7. Conclusions and Officers' Recommendations

7.1 The report identifies an overspend against the phased budget of £63,010.

7.2 The budgetary position will be closely monitored and appropriate action taken over the balance of the year to ensure that the service operates within the agreed budget parameters.

7.3 Members are asked to note the report.

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Date: 8 October 2009

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All