

WEST DUNBARTONSHIRE COUNCIL

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

Council: 24 November 2010

Subject: Housing Revenue Account 2010/2011 Budgetary Control Statement to 30 September 2010 (Period 6)

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 30 September 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 30 September 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 30 September 2010, is an adverse variance of £41,940. An explanation of the key variances is given below;-

a) Employee Costs - £134,510 Favourable

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

b) Repairs and Maintenance - (£74,690) Adverse

This adverse variance is due to a number of offsetting variances, but the major cause is an under-recovery on rechargeable accounts of £66,780. This under-recovery is due to a backlog in issuing accounts, as a result of staff shortages, and management action has now been taken to clear the back log. The positive impact of this action will become clear from period 7 forward.

c) Lost Rents - £94,560 Favourable

The average weekly voids now number around 328 compared to the budgeted number of 389 per week. This favourable variance is expected to continue to the financial year end.

d) House Rent - (£85,720) Adverse

This is a relatively small adverse variance and represents only 0.5% of the total phased rental income as at period 6. The adverse variance has arisen because the average rent for houses occupied or available to let is slightly less than anticipated.

e) Reallocated Salaries - (£98,170) 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 30 September 2010, is an adverse variance of £41,940.

5.2 The favourable variances 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: 3 November 2010

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All