

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Council: 25 February 2009

Subject: Housing Revenue Account 2008/2009 Budgetary Control Statement to 15 January 2009 (Period 9)

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 January 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 January 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 January 2009, is a favourable variance of £402,170. An explanation of the key variances is given below:-

a) Employee Costs - £107,750 Favourable

This underspend is due to a number of contributory factors, including an underspend on APT&C Staff of £127,460 due to vacancies, and a net underspend on Caretakers of £89,580, due to the delay in introducing the Estate Enhancement Pilot Schemes approved by the Council at the Rent Setting meeting on 14 February 2008. The budgetary control figures to period 9 also include an overspend of £98,960 in respect of the provision for the realignment payments which are anticipated will be paid to employees who voluntarily accept their new contractual conditions.

b) Supplies, Services and Administration Costs - £39,410 Favourable

This underspend is due to a combination of favourable variances including £10,090 in respect of Computer Supplies/Equipment, £7,720 in respect of Printing & Stationery, £8,600 on Telephones and £14,890 in respect of an underspend on Tenant Participation Costs.

c) Other Expenditure - (£93,480) Adverse

This overspend is due mainly to a provision for the effect of increased recharges from other departments to reflect the realignment payments which are anticipated will be paid to employees who voluntarily accept their new contractual conditions.

d) Repairs and Maintenance - £431,680 Favourable

This favourable variance is caused by a number of factors including an underspend of £145,670 on Gas Maintenance, due to a large number of obsolete boilers and systems being discovered during annual maintenance visits and consequently being replaced through the HRA Capital Programme with a resultant reduction in the revenue costs. The favourable variance is also due to an over-recovery of £301,200 on Insurance Recoveries and Rechargeables. It is anticipated that this favourable variance will continue to the year end.

e) Lost Rent - £187,970 Favourable

This underspend reflects the fact that the level of void houses has fallen from that assumed in the preparation of the 2008/2009 estimate, mainly due to a number of houses being declared surplus to requirements and consequently taken out of the letting pool. There has been an almost corresponding reduction in the rental income as referred to in note 3.1 f) below.

f) House Rent - (£210,630) Adverse

This under-recovery in house rent is mainly due to a number of houses being declared surplus to requirements and consequently being taken out of the letting pool.

g) Interest on Revenue Balances - (£58,580) Adverse

Interest on Revenue Balances is now projected to be under-recovered at the year end and this adverse variance is the under-recovery as at period 9.

h) Reallocated Salaries - £54,830 Favourable

This favourable variance is due to an increased allocation of salary costs to reflect the provision for the realignment payments which are anticipated will be paid to employees who voluntarily accept their new contractual conditions referred to in note 3.1 a).

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 January 2009, is a favourable variance of £402,170.

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 2009 which could affect the year end spend.

7. Conclusion

7.1 The report identifies an underspend against the phased budget of £402,170.

8. Recommendation

8.1 Members are asked to note the report.

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Date: 3 February 2009

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All