

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Council: 29 October 2008

Subject: Housing Revenue Account 2008/2009 Budgetary Control Statement to 15 September 2008 (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 2008. 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 2008 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 2008, is a favourable variance of £95,230. An explanation of the key variances is given below;-

a) Employee Costs - Favourable £82,550

This underspend is due to a number of contributory factors, including an underspend on Salaries of £18,490 due to vacancies and an underspend of £53,450 on Manual Worker Wages due to the delay in introducing the three Estate Enhancement Pilot Schemes approved by the Council at the Rent Setting meeting on 14 February 2008.

b) Supplies, Services and Administration Costs - Favourable £29,800

This underspend is due to a combination of favourable variances including £6,880 in respect of Computer Supplies/Equipment and £14,960 in respect of an underspend on Tenant Participation Costs. It is anticipated that the Tenant Participation budget will be fully spent by the financial year end.

c) Repairs and Maintenance - Favourable £102,530

This favourable variance is caused by a number of factors including an underspend of £63,730 on Jobbing Repairs, an underspend of £41,600 on Gas Maintenance, an underspend of £26,860 on CCTV Maintenance, an underspend of £14,660 on Ventilation Systems, offset by an under-recovery of £40,710 on Rechargeable Repairs. It is anticipated that this favourable variance will continue to the year end.

d) Miscellaneous - Adverse £101,340

Increases in former tenant arrears since the start of this financial year has necessitated an increase in the Bad Debt Provision of £55,000 at period 5.

The balance of this adverse variance is due to an overspend at period 5 of £46,340 on Council Tax payments. As referred to in paragraph 3.1 (e), a number of houses have been declared surplus to requirements and consequently have been taken out of the letting pool. In the preparation of the 2008/2009 estimates, the estimated reduction in Council Tax payments has been overstated and consequently this overspend will continue.

e) Lost Rent - Favourable £89,070

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 - Adverse £87,300

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.

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 2008, is a favourable variance of £95,230.

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 the phased budget of £95,230.

8. Recommendation

- 8.1** Members are asked to note the report.

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Date: 9 October 2008

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All