

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Director of Housing, Regeneration and Environmental Services (Housing & Regeneration Services)

Social Justice Committee : 17 January 2007

Subject: Housing Revenue Account 2006/2007 Budgetary Control Statement to 15 November 2006 (Period 7)

1. Purpose

- 1.1 The purpose of this report is to provide the Committee with an update on the financial performance of the Housing Revenue Account (HRA) to the period ended 15 November 2006. Budgetary control statements for the HRA are also presented to the full Council to allow Members 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 2006 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 2006, is a favourable variance of £455,400. An explanation for the key variances is given below:-
- a) The adverse variance of £107,490 on Employee Costs is mainly due to voluntary redundancy payments of £56,000 which were not budgeted for, coupled with a review of the staff chargeable to the HRA which has resulted in an increased charge.
 - b) The adverse variance of £56,740 on Property Costs is due to an overspend on Electricity and Gas costs of £20,820 as a result of an increase in utility charges, along with an increase in the Property Insurance allocation of £34,710.
 - c) The favourable variance of £27,750 on Administration Costs is mainly attributable to an underspend of £21,370 on the Tenant Participation budget, as a consequence of the Tenants' Umbrella Bodies failing to appoint a resource worker.

- d) The favourable variance on Lost Rents of £87,640 is an indication that the Void Housing Strategy is contributing towards a downward trend in the level of void houses.
- e) The favourable variance of £37,420 on Council Tax is a consequence of having to pay Council Tax for less void properties, and again is an indication that the Void Housing Strategy is being successful in reducing the number of void houses.
- f) The favourable variance on Loan Charges of £227,500 is due to a debt rescheduling exercise carried out during this financial year.
- g) The favourable variance of £68,530 on House Rent is a consequence of the housing stock available at the beginning of this financial year being higher than allowed for in the preparation of the estimates.
- h) The favourable variance on Reallocated Salaries of £154,020 is due to a revision of the allocations to other budgets, resulting in a higher level of salary recharge than had been allowed for in the preparation of the original budget.

4. Personnel Issues

- 4.1 The redundancies referred to in paragraph 3.1 (a) were voluntary and presented 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 2006, is a favourable variance of £455,400.

6. Recommendation

- 6.1 **The Committee is asked to note the report.**

Irving Hodgson
Acting Director of Housing, Regeneration and Environmental Services
(Housing & Regeneration Services)
Date: 27 December 2006

Wards Affected: All

Background Papers: None

Appendix: HRA Budgetary Control Report

Person to Contact: James Pow, Manager of Finance
Telephone 01389 737535
Email : jim.pow@west-dunbarton.gov.uk