

WEST DUNBARTONSHIRE COUNCIL

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

Council: 31 August 2011

Subject: Housing Revenue Account 2011/2012 Budgetary Control Statement to 30 June 2011 (Period 3)

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 June 2011. 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. This report compares actual expenditure to 30 June 2011 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 June 2011, is a favourable variance of £84,410. Actual expenditure to 30 June 2011 was £8,081,270. As the phased budget was £8,186,280 there is a small favourable variance of £105,010 against phased expenditure (1.28%). Actual income to 30 June 2011 was £8,992,080. As the phased budget was £9,012,680 there is a small adverse variance of £20,600 against phased income (0.23%). An explanation of the key variances is given below:

a) Employee Costs - £80,920 Favourable

The ongoing restructuring in the provision of housing services has produced savings to the HRA.

b) Property Costs - £20,240 Adverse

It is anticipated that the charges for electricity and gas at the Area Housing Offices and sheltered housing units will be greater than budgeted.

c) Repairs & Maintenance - £114,750 Favourable

Contingencies within both the Gas Maintenance and Ventilation contracts have not been required to date. In addition, recoveries from insurance and rechargeable accounts are both greater than budgeted.

d) Council Tax on Void Houses - £33,750 Adverse

This is consistent with void performance being less than anticipated, as described in e) below.

e) Lost Rents - £37,460 Adverse

The average number of voids per week has been 385. The budget was based on an average of 329 per week. This is a reflection of short term work being undertaken to explore options for the future deliver of temporary accommodation across West Dunbartonshire. It is anticipated that this position will improve in the coming months as the future temporary and supported accommodation delivery model is finalised. In addition the department will also shortly conclude its revised strategy to tackle long term void through letting planning and envisage continuous improvement in this area.

f) Reallocated Salaries - £43,430 Adverse

A consequence of the favourable variance against employee costs is that there will tend to be a lower reallocation of salaries to accounts outwith the HRA, for example, HRA Capital and Non-HRA.

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 net expenditure against phased budget to 30 June 2011, is a favourable variance of £84,410.

6. Risk Analysis

6.1 The present variance should be viewed in the knowledge that it is still very early in the financial year and that there are a number of variable factors which could arise between now and 31 March 2012 which could impact on the year end position.

7. Equalities, Health and Humans Rights Impact Assessment (EIA)

7.1 No issues were identified in a screening for potential equality impact of this report.

8. Strategic Assessment

8.1 The report is for noting. As such it does not directly affect any of the strategic priorities. It does, however, identify resources available to the Council to deliver the Strategic Priorities, principally Social and Economic Regeneration.

9. Conclusions and Recommendations

9.1 While there is no reason at this stage to anticipate any major problems within the HRA activity will continue to be monitored closely over the coming months.

9.2 Members are asked to note the report.

Elaine Melrose

Executive Director of Housing, Environmental and Economic Development

Date: 10 August 2011

Person to Contact: Gillian McNeilly - Finance Manager, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737194, e-mail: gillian.mcneilly@west-dunbarton.gov.uk

Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All