

## WEST DUNBARTONSHIRE COUNCIL

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

Council: 24 March 2010

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**Subject: Housing Revenue Account 2009/2010 Budgetary Control Statement to 15 February 2010 (Period 10)**

#### **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 February 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 15 February 2010 to the phased probable outturn as at that date.

#### **3. Main Issues**

- 3.1** The overall net position on the Housing Revenue Account, measuring the actual against phased probable outturn to 15 February 2010, is a favourable variance of £90,360. An explanation of the key variances is given below;-

a) Employee Costs - (£69,400) Adverse

The probable outturn was understated and also a number of vacancies have now been filled which were not allowed for in the original probable outturn.

b) Repairs and Maintenance - £217,880 Favourable

This underspend is due mainly to a favourable variance of £283,290 on Jobbing Repairs, an overspend of £126,250 on Other Maintenance, an overspend of £48,290 on Other Repairs and a net over-recovery of £82,880 on Insurance and Rechargeable Work.

The underspend on Jobbing Repairs is the consequence of increased transfers to the HRA Capital Programme, the overspend on Other Maintenance is due to a higher spend on gas maintenance and lift repairs than had been included in the original probable outturn, the overspend on Other Repairs is due to an increase in the community alarm costs and a greater number of Energy Performance Certificates, and the over-recovery on Insurance and Rechargeable Work reflects a much higher level of recovery from owner occupiers than had been anticipated.

c) Lost Rent - £148,890 Favourable

The favourable variance of £148,890 is a result of the decision of the 2 September Housing, Environment and Economic Development Committee to declare a number of houses surplus to requirements and accordingly they have been removed from the Letting Pool, thus reducing the lost rent figure. Income from House Rents has reduced by a corresponding figure.

d) House Rents - (£172,180) Adverse

The adverse variance of £172,180 on House Rents is due primarily to the decision of the 2 September Housing, Environment and Economic Development Committee to declare a number of houses surplus to requirements and accordingly they have been removed from the Letting Pool, thus reducing the income accruing from rents.

e) Miscellaneous Income - (43,340) Adverse

The adverse variance of £43,340 on Miscellaneous Income is due to a combination of lower interest recoverable on home loans and reduced income in respect of reallocated property costs.

**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 probable outturn to 15 February 2010, is a favourable variance of £90,360.

5.2 It is anticipated that this favourable variance will continue to the financial 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 2010 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** The report identifies an underspend against the phased probable outturn of £90,360.
- 8.2** Members are asked to note the report.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 4 March 2010**

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**Appendix:** HRA Budgetary Control Report

**Background Papers:** None

**Wards Affected:** All