

WEST DUNBARTONSHIRE COUNCIL

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

Council: 29 September 2010

Subject: Housing Revenue Account 2010/2011 Budgetary Control Statement to 31 July 2010 (Period 4)

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 31 July 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 31 July 2010 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 31 July 2010, is an adverse variance of £39,500. An explanation of the key variances is given below;-

a) Employee Costs - £94,040 Favourable

This underspend is due mainly to the savings associated with the Departmental Restructure.

b) Repairs and Maintenance - (£80,930)

This adverse variance is due mainly to an overspend on gas maintenance of £31,850 due to a higher level of spend than had been anticipated, but it is too early in the financial year to determine if this trend will continue. The other contributory factor is an under-recovery on rechargeable accounts of £51,060. This under-recovery is due to a backlog in issuing accounts as a result of staffing issues and management action is now being taken to clear the backlog. It is anticipated that the backlog will be cleared in the next few months.

c) Reallocated Salaries - (£50,250) Adverse

Employee costs are reallocated from the HRA to other budgets and when the actual employee costs incurred are less than budgeted, as referred to in paragraph 3.1a then the reallocation to other budgets is correspondingly less than budgeted, thus resulting in an adverse variance.

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 against phased budget to 31 July 2010, is an adverse variance of £39,500.

5.2 The budget will continue to be closely monitored to ensure that effective management arrangements are in place to mitigate variances.

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 2011 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 Members are asked to note the report.

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Date: 2 September 2010

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All