

## WEST DUNBARTONSHIRE COUNCIL

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

Council: 26 August 2009

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**Subject: Housing Revenue Account 2009/2010 Budgetary Control Statement to 15 July 2009 (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 15 July 2009. 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 July 2009 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 July 2009, is a small favourable variance of £39,570. An explanation of the key variances is given below;-

- a) Employee Costs - £32,780 Favourable

This underspend is mainly due to vacancies.

- b) Repairs and Maintenance - (90,480) Adverse

This overspend is due mainly to an overspend of £103,850 on Jobbing Repairs, an overspend of £73,920 on Other Maintenance, an underspend on the Close Cleaning Pilot of £32,910 and a net over-recovery of £51,210 on Insurance and Rechargeable Work.

The overspend on Jobbing Repairs relates mainly to private contractor repairs and the overspend is not expected to continue at this level; the overspend on Other Maintenance is due to the cost of the ventilation contract being higher than anticipated; the underspend on the Close Cleaning Pilot is as a result of the contract coming in at less than had been allowed for in the estimates, and the over-recovery on Insurance and Rechargeable Work reflects a higher level of recovery from owner occupiers than had been anticipated.

c) House Rent - £38,640 Favourable

The number of houses being sold is less than that assumed in the estimates and accordingly this has resulted in this small favourable variance.

d) Factoring/Insurance Charge - £55,410 Favourable

The value of factoring/insurance invoices issued to owner occupiers has been greater than assumed when preparing the estimates.

**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 July 2009, is a favourable variance of £39,570.

5.2 It is too early in the financial year to identify any underlying trend.

**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. Conclusions and Officers' Recommendations**

7.1 The report identifies a small underspend of £39,570 against the phased budget.

7.2 It is too early in the financial year to identify any underlying trend.

7.3 Members are asked to note the report.

**Elaine Melrose**

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

**Date: 30 July 2009**

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**Appendix:** HRA Budgetary Control Report

**Background Papers:** None

**Wards Affected:** All