

WEST DUNBARTONSHIRE COUNCIL

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

Council: 30 March 2011

Subject: Housing Revenue Account 2010/2011 Budgetary Control Statement to 31 January 2011 (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 31 January 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. It should be noted that this report compares actual expenditure to 31 January 2011 to the phased probable 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 January 2011, is a favourable variance of £184,420. Actual expenditure to 31 January 2011 was £26,785,500. As the phased probable was £26,940,570 there is a small favourable variance of £155,070 against phased expenditure (0.57%). Actual income to 31 January 2011 was £27,560,740. As the phased probable was £27,531,390 there is a small favourable variance of £29,350 against phased income (0.11%). An explanation of the key variances is given below:-

a) Employee Costs - £55,280 Adverse

While the ongoing restructuring in the provision of housing services has produced savings to the HRA earlier than anticipated the successful caretaker appeal against their grading will cost the HRA an estimated £130,000 in the current year. The Council provision for meeting the cost of successful re-grading appeals applies only to the General Fund; the HRA has to bear this cost directly.

As this sum was neither budgeted nor allowed for in the probable outturn it has more than eliminated the favourable variance previously reported against this budget head.

b) Property Costs - £31,700 Favourable

It is anticipated that the charges for communal electricity, for example close lighting, and standing charges for void properties will be less than anticipated.

c) Repairs and Maintenance - £210,080 Favourable

Although there has been some unforeseen snow-related repair work overall expenditure on response repairs has been reduced following the poor weather in December. Reduced expenditure on Gas Maintenance works continues and is a consequence of the considerable expenditure in recent years on new central heating installations.

d) Council Tax on Void Houses - £56,070 Adverse

There has been a one-off charge from Finance of almost £60,000 for liabilities omitted from previous notifications of the monthly charge. The billing system has now been amended to include the full monthly liability.

e) Lost Rents - £52,150 Adverse

The probable outturn was based on a weekly void average of 317 houses. The average to the end of January has been 327 with the average number of voids per week since December at 335. There has also been a small increase in the number of void lockups.

f) Loan Charges - £69,170 Favourable

It is anticipated that given the prolonged period of low interest rates and the reduction in the likely level of net capital expenditure in the current year that overall loan charges will be less than expected.

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 probable to 31 January 2011, is a favourable variance of £184,420.

6. Risk Analysis

6.1 The present variance should be viewed in the knowledge that there are a number of variable factors - particularly the impact on Repairs of bad weather - which could arise between now and 31 March 2011 and 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: 7 March 2011

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All