

WEST DUNBARTONSHIRE COUNCIL

Report by Acting Director of Housing, Regeneration and Environmental Services (Housing and Regeneration Services)

Council : 29 August 2007

**Subject: Housing Revenue Account 2007/2008 Budgetary Control
Statement to 15 July 2007 (Period 3)**

1. Purpose of Report

- 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 2007. 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 2007 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 2007, is a favourable variance of £263,970. An explanation for the key variances is given below:-
- a) The favourable variance of £33,460 on Employee Costs is mainly due to a small number of vacancies.
 - b) The favourable variance of £47,750 on Property Costs is primarily due to an underspending of £43,070 on Electricity and Gas. Although early in the financial year it does look like this estimate may be overstated.
 - c) The adverse variance of £32,170 on Transport Costs includes an allowance of £33,000 for Leasing Charges which were previously charged to the Housing Repairs and Maintenance Trading Account. The terms of the new MTC contract require that such costs are now met by the Client.

- d) The favourable variance of £204,890 on Repairs and Maintenance is the result of underspending on a number of repair budgets. That said the pending file as at 10 August 2007 was only £9,428. It is too early in the financial year to determine whether this level of underspend will continue.
- e) The favourable variance of £24,410 on Lost Rent indicates that the level of void houses is continuing to fall as a result of the Council's Void Housing Strategy.
- f) The adverse variance of £29,330 on Factoring/Insurance income suggests that the budget of £911,300 may have been set too high.
- g) The adverse variance of £33,710 on Reallocated Salaries is a consequence of the reduced spend on Employee Costs. When the expenditure on Employee Costs drops then the level of Employee Costs recharged to other budgets will also drop.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 The financial implication is that the overall net position on the Housing Revenue Account, measuring the actual against phased budget to 15 July 2007, is a favourable variance of £263,970.

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 2008 which could affect the year end spend.

7. Conclusion

- 7.1 The report identifies an underspend against phased budget of £263,970.
- 7.2 However it is too early in the financial year to determine whether this level of underspend will continue.

8. Recommendation

8.1 Members are asked to note the report.

Irving Hodgson

**Acting Director of Housing, Regeneration and Environmental Services
(Housing & Environmental Services)**

Date: 15 August 2007

Wards Affected: All

Background Papers: None

Appendix: HRA Budgetary Control Report

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