

WEST DUNBARTONSHIRE COUNCIL

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

Council: 23 February 2011

Subject: Housing Revenue Account 2010/2011 Budgetary Control Statement to 31 December 2010 (Period 9)

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 December 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 December 2010 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 December 2010, is a favourable variance of £50,530. Actual expenditure to 31 December 2010 was £24,555,580. As the phased probable was £24,586,130 there is a small favourable variance of £30,550 against phased expenditure (0.12%). Actual income to 31 December 2010 was £24,840,030. As the phased probable was £24,820,050 there is a small favourable variance of £19,980 against phased income (0.08%). An explanation of the key variances is given below :-

a) Employee Costs - £45,160 Favourable

The ongoing restructuring in the provision of housing services has produced savings to the HRA earlier than anticipated.

b) Property Costs - £11,960 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 - £70,060 Adverse

Additional expenditure on response repairs has been only partly offset by anticipated savings on the gas maintenance contract. Reduced expenditure on the latter will be related to the considerable expenditure in recent years on new central heating installations.

d) Lost Rents - £21,080 Adverse

The probable outturn was based on a weekly void average of 317 houses. The average to the end of December has been 323 with the average number of voids per week edging upwards since November. There has also been a small increase in the number of void lockups.

e) Loan Charges - £62,250 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 December 2010, is a favourable variance of £50,530.

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 the recent 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: 28 January 2011

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Appendix: HRA Budgetary Control Report

Background Papers: None

Wards Affected: All