

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 24 JANUARY 2007

BUDGETARY CONTROL SUMMARY STATEMENT HOUSING REVENUE ACCOUNT TO 10 DECEMBER 2006 (PERIOD 9)

Joint Report by the Executive Head of Finance and the Executive Director of Neighbourhood Services

1 PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position of the Housing Revenue Account for the period ended 10 December 2006 (Period 9).

2 OVERALL POSITION

- 2.1 The budgetary position summarised at Period 9 is detailed in Appendix A. It is anticipated that Housing Revenue Account will outturn on budget at 31st March 2007.

3 SUBJECTIVE ANALYSIS

3.1 Premises Costs

3.1.1 Voids

Void rent loss is currently projected to underspend by £0.520m. This is due to lower than budgeted long term voids and is offset by additional repairs expenditure as outlined below (see 3.1.3 below).

3.1.2 Gas Central Heating Leasing

A saving of £0.045m is anticipated from the buy out of a number of gas central heating leases and is offset by additional repairs expenditure as outlined below (see 3.1.3 below).

3.1.3 Repairs

The opportunity will be taken to use the reduction in void rent loss, gas central heating leasing and debt charges, along with additional rent income and anticipated savings on transport and supplies and services costs to increase expenditure on repairs and programmed maintenance.

3.2 Transport Costs

It is projected that a saving of £0.015m will be achieved on transport costs. This is due to savings on maintenance and external hire costs and is offset by additional repairs expenditure as outlined above (see 3.1.3 above).

3.3 Supplies & Services

Managed savings within administration budgets and a reduction in Supporting People Protected Tenant payments will result in a favourable variance of £0.150m and is offset by additional repairs expenditure as outlined above (see 3.1.3 above).

3.4 Debt Charges

It is projected that debt financing will outturn £0.1m under budget due to a favourable cash flow profile. This variance is offset by additional expenditure as noted above (see 3.1.3 above).

3.5 Income

An over-recovery of rent income of £0.1m is anticipated due to lower than budgeted Right to Buy sales. This is offset by additional repairs expenditure (see 3.1.3 above).

4. RECOMMENDATIONS

4.1 It is recommended that Members note the contents of this report.

Alex McPhee
Executive Head of Finance

William Stafford
Executive Director of Neighbourhood Services

8 January 2007

LIST OF BACKGROUND PAPERS

NIL

For further information please contact William Stafford, Executive Director of Neighbourhood Services on 01563 556023

APPENDIX A
2006/07 HOUSING REVENUE ACCOUNT
AS AT 10 DECEMBER – PERIOD 9

HOUSING REVENUE ACCOUNT
FINANCIAL PERFORMANCE SUMMARY

Actual Exp. To 10/12/06 (£m)	Actual Exp. To P9 as % of Annual Estimate	Detail	Annual Estimate 2006/07 (£m)	Projected Actual to 31/3/07 (£m)	Variance (Favourable) / Adverse (£m)
2.248	67.9%	EMPLOYEE COSTS	3.311	3.311	0
10.575	68.6%	PREMISES COSTS	15.424	15.789	0.365
0.090	59.4%	TRANSPORT COSTS	0.152	0.137	(0.015)
0.647	14.5%	SUPPLIES & SERVICES	4.467	4.317	(0.150)
0.819	97.8%	THIRD PARTY PAYMENTS	0.837	0.837	0
0	0.0%	DEBT CHARGES	5.200	5.100	(0.100)
1.048	29.4%	CFCR / PLANNED MAINTENANCE	3.561	3.561	0
0.614	61.8%	HOMELESS HOSTELS	0.994	0.994	0
16.041	47.3%	TOTAL EXPENDITURE	33.946	34.046	0.100
(22.787)	71.4%	INCOME - RENTS ETC	(31.912)	(32.012)	(0.100)
(0.703)	67.6%	INCOME - OTHER	(1.040)	(1.040)	0
(0.694)	69.8%	INCOME - HOMELESS HOSTELS	(0.994)	(0.994)	0
(8.143)	-	NET EXPENDITURE	0	0	0
		BALANCE B/F	0	0	0
		NET BALANCE C/F	0	0	0