

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 26 JANUARY 2005

HOUSING REVENUE ACCOUNT TO 14 NOVEMBER 2004 (PERIOD 8)

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 14 November 2004 (Period 8) and the projected outturn for the year.

2. OVERALL POSITION

2.1 Projected Outturn

Based on all available information, it is currently projected that the Housing Revenue Account, which is detailed at Appendix A, will outturn at £198,670 in surplus as at 31 March 2005.

2.2 Budget Performance to Period 8

Actual gross expenditure to date amounts to £20,764,628 and represents 60.4% of the estimated expenditure for the year. Year-to-date variances have been analysed and are mainly attributable to timing of expenditure and receipt of income in advance of expenditure. Such timing variances should level out over the year, but if this is not the case, reasons for the anticipated variances are highlighted in section 3 of this report.

3. SUBJECTIVE ANALYSIS

3.1 Employee Costs

Employee Costs are projected to outturn £197,670 under budget mainly as a result of vacancies and staff turnover within the department. A service review is currently being undertaken by the Executive Director of Neighbourhood Services.

3.2 Premises Costs

3.2.1 Repairs

Repairs are anticipated to outturn £299,000 (2.9%) above budget due to demand.

3.2.2 Voids

At Period 8 latest figures indicate that there are 601 void properties against 716 estimated for in the budget which are at present projected to outturn £125,000 under budget.

3.3 Debt charges

Debt charges are anticipated to outturn £175,000 under budget. £150,000 of this underspend is due to the spending profile of the capital programme and improved investment returns. A further £25,000 of savings has been achieved due to a debt rescheduling exercise by Finance Service.

4. OTHER ITEMS

- 4.1** Members are asked to approve the purchase of 4 vans to replace existing vehicles, which have to come to the end of their usual life or beyond economic repair. The vehicles will be procured on a lease basis in accordance with the contractual arrangements currently in place. The leases will be taken over a 3 year period with expected annual costs of £2,000 per vehicle. In addition the expected annual maintenance cost per vehicle is £800. There is a provision for the procurement of replacement vehicles in the HRA budget for financial year 2004/05.

5. RECOMMENDATIONS

- 5.1** The Committee are recommended to:

- (1) approve the lease of 4 vans as referred to in this report
- (2) otherwise note the contents of this report

Alex McPhee
Executive Head of Finance

William Stafford
Executive Director of Neighbourhood Services

6 January 2005

LIST OF BACKGROUND PAPERS

NIL

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

APPENDIX A

**HOUSING REVENUE ACCOUNT BUDGET
AS AT 14 NOVEMBER 2004 - PERIOD 8**

Housing Revenue Account

SUMMARY OF OBJECTIVE COSTS					
Actual Expend. to 14-Nov-04	Actual as % of Ann Est		Annual Estimate	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£			£	£	£
1,785,907	55%	Employee Costs	3,259,760	3,062,090	(197,670)
9,852,720	63%	Premises Costs	15,723,360	15,897,360	174,000
99,816	55%	Transport Related Costs	180,250	180,250	0
2,133,674	51%	Supplies & Services	4,153,590	4,153,590	0
756,108	91%	Third Party Payments	830,340	830,340	0
3,457,263	60%	Debt Charges	5,768,050	5,593,050	(175,000)
2,191,526	62%	CFCR / Planned Maintenance	3,561,230	3,561,230	0
487,614	55%	Homeless Hostels	884,260	884,260	0
20,764,628	60%	TOTAL EXPENDITURE	34,360,840	34,162,170	(198,670)
(20,537,071)	63%	Income - Rents etc	(32,472,550)	(32,472,550)	0
(677,413)	67%	Income - Other	(1,004,030)	(1,004,030)	0
(707,620)	80%	Income - Homeless Hostels	(884,260)	(884,260)	0
(1,157,476)		NET EXPENDITURE	0	(198,670)	(198,670)
		Balance B/Fwd	0	0	0
		Net Balance C/Fwd	0	(198,670)	(198,670)