

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 21 MARCH 2007

**BUDGETARY CONTROL SUMMARY STATEMENT
HOUSING REVENUE ACCOUNT TO 4 FEBRUARY 2007 (PERIOD 11)**

**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 4 February 2007 (Period 11).

2. OVERALL POSITION

- 2.1 The budgetary position summarised at Period 11 is detailed in Appendix A. It is anticipated that Housing Revenue Account will outturn on budget at 31 March 2007.

3. SUBJECTIVE ANALYSIS

3.1 Premises Costs

3.1.1 Voids

Void rent loss is currently projected to underspend by £0.589m. This is due to lower than budgeted long term voids and improved voids performance during the year 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. On this basis it is estimated that an additional £1.19m will be spent.

3.2 Transport Costs

It is projected that a saving of £0.028m 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, a saving on HRA Hit Squad payments and a reduction in Supporting People Protected Tenant payments will result in a favourable variance of £0.199m 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 Third Party Payments

An adverse variance of £30,000 is anticipated due to additional payments to Outdoor Amenities in relation to demolition sites and additional weedspraying.

3.6 Income

An over-recovery of rent income of £0.147m is anticipated due to lower than budgeted Right to Buy sales. Further additional income of £0.112m is anticipated from preferred supplier scheme, a departmental recharge and tenant to pay income. 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

23 February 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 4 FEBRUARY – PERIOD 11

HOUSING REVENUE ACCOUNT
FINANCIAL PERFORMANCE SUMMARY

Actual Exp. To 4/2/07	Actual Exp. To P11 as % of Annual Estimate	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
2,737,770	82.7%	EMPLOYEE COSTS	3,310,761	3,310,761	0
12,549,193	81.4%	PREMISES COSTS	15,423,801	15,979,801	556,000
102,794	67.5%	TRANSPORT COSTS	152,350	124,350	(28,000)
711,888	15.9%	SUPPLIES & SERVICES	4,466,757	4,267,757	(199,000)
861,409	102.9%	THIRD PARTY PAYMENTS	837,270	867,270	30,000
0	0.0%	DEBT CHARGES	5,200,000	5,100,000	(100,000)
1,192,014	33.5%	CFCR / PLANNED MAINTENANCE	3,561,230	3,561,230	0
750,671	75.5%	HOMELESS HOSTELS	994,115	994,115	0
18,905,739	55.7%	TOTAL EXPENDITURE	33,946,284	34,205,284	259,000
(26,768,950)	83.9%	INCOME - RENTS ETC	(31,912,423)	(32,059,423)	(147,000)
(851,811)	81.9%	INCOME - OTHER	(1,039,746)	(1,151,746)	(112,000)
(858,074)	86.3%	INCOME - HOMELESS HOSTELS	(994,115)	(994,115)	0
(9,573,096)	-	NET EXPENDITURE	0	0	0
		BALANCE B/F	0	0	0
		NET BALANCE C/F	0	0	0