

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 7 FEBRUARY 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 shown in the table below. It is anticipated that Housing Revenue Account will outturn on budget at 31 March 2007.

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)
2.670	67.9%	EMPLOYEE COSTS	3.930	3.930	0
11.690	61.2%	PREMISES COSTS	19.093	19.458	0.365
0.091	59.4%	TRANSPORT COSTS	0.157	0.142	(0.015)
0.680	14.5%	SUPPLIES & SERVICES	4.597	4.447	(0.150)
0.819	97.8%	THIRD PARTY PAYMENTS	0.837	0.837	0
0.091	0.0%	DEBT CHARGES	5.332	5.232	(0.100)
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)
(1.397)	68.7%	INCOME - OTHER	(2.034)	(2.034)	0
(8.143)	-	NET EXPENDITURE	0	0	0

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 3.1.2 below).

3.1.2 Premises Costs

There is a projected adverse variance of £0.885m which mainly reflects additional expenditure on programmed maintenance and repairs as a result of savings elsewhere in the budget.

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 3.1.2 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 3.1.2 above).

3.4 Debt Charges

It is projected that debt financing will outturn £0.100m under budget due to a favourable cash flow profile. This variance is offset by additional expenditure as noted above (see 3.1.2 above).

3.5 Income

An over-recovery of rent income of £0.100m is anticipated due to lower than budgeted Right to Buy sales. This is offset by additional repairs expenditure (see 3.1.2 above).

4. RECOMMENDATIONS

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

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Executive Head of Finance

William Stafford
Executive Director of Neighbourhood Services

17 January 2007

LIST OF BACKGROUND PAPERS

NIL

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