

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 8 FEBRUARY 2005

HOUSING REVENUE ACCOUNT TO 12 DECEMBER 2004 (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 12 December 2004 (Period 9) 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 9

Actual gross expenditure to date amounts to £24,024,686 and represents 69.9% 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 £467,780 (4.5%) above budget due to demand.

3.2.2 **Voids**

At Period 9 latest figures indicate that there are 605 void properties against 716 estimated for in the budget which are at present projected to outturn £175,000 under budget.

3.3 Supplies and Services

Supplies and Services are anticipated to outturn £40,780 under budget at 31 March 2005. This is due to reduced expenditure over a number of budget headings which are partly offset by an increase in the provision for bad debt (non rent arrears).

3.4 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.

3.5 Income

This projected over-recovery of non-rent income relates mainly to increased income due for rechargeable repairs and increased income from the preferred supplier scheme.

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

27th 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 12 DECEMBER 2004 - PERIOD 9

Housing Revenue Account

SUMMARY OF OBJECTIVE COSTS					
Actual Expend. to 12-Dec-04	Actual as % of Ann Est		Annual Estimate	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£			£	£	£
2,004,575	61.5%	Employee Costs	3,259,760	3,062,090	(197,670)
10,385,691	66.1%	Premises Costs	15,723,360	16,016,140	292,780
114,354	63.4%	Transport Related Costs	180,250	180,250	0
3,866,230	93.1%	Supplies & Services	4,153,590	4,112,810	(40,780)
765,281	92.2%	Third Party Payments	830,340	830,340	0
3,872,000	67.1%	Debt Charges	5,768,050	5,593,050	(175,000)
2,465,467	69.2%	CFCR / Planned Maintenance	3,561,230	3,561,230	0
551,088	62.3%	Homeless Hostels	884,260	884,260	0
24,024,686	69.9%	TOTAL EXPENDITURE	34,360,840	34,240,170	(120,670)
(23,237,938)	71.6%	Income - Rents etc	(32,472,550)	(32,472,550)	0
(861,731)	85.8%	Income - Other	(1,004,030)	(1,082,030)	(78,000)
(616,975)	69.8%	Income - Homeless Hostels	(884,260)	(884,260)	0
(691,958)		NET EXPENDITURE	0	(198,670)	(198,670)
		Balance B/Fwd	0	0	0
		Net Balance C/Fwd	0	(198,670)	(198,670)