

# EAST AYRSHIRE COUNCIL

## POLICY AND RESOURCES COMMITTEE – 30 MARCH 2006

### BUDGETARY CONTROL SUMMARY STATEMENT HOUSING REVENUE ACCOUNT TO 5 FEBRUARY 2006 (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 5 February 2006 (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 at £0.225m in surplus at 31 March 2006.

## 3 SUBJECTIVE ANALYSIS

### 3.1 Employee Costs

Employee Costs are projected to outturn £0.040m under budget. This is the result of staff turnover within the department.

### 3.2 Premises Costs

#### 3.2.1 Voids

Void rent loss is currently projected to be £0.450m less than budget. This is due to a lower than budgeted number of rent loss weeks to Period 11 reflecting the acceleration of the demolition programme. This is offset by a reduction of £0.300m in rent income (see 3.7 below).

#### 3.2.2 Repairs

An additional £0.570m has been allocated to repairs and maintenance. This is offset by an underspend in voids as outlined above, underspends in debt charges, Employee Costs, Transport Costs, Supplies & Services and increased income as a result of lower than budgeted house sales (see 3.7 below).

### 3.3 Transport Cost

Transport Costs are projected to outturn £0.015m under budget. This is the result of reduced repair and maintenance costs due to vehicle replacements.

### 3.4 Supplies & Services

Supplies and Services are projected to outturn £0.047m under budget. This is due to reduced miscellaneous expenses and the Supporting People contribution for Sheltered Housing tenants being less than anticipated.

Bad Debt provision is expected to outturn £0.020m over budget offset by a reduction in IT costs.

### **3.5 Debt Charges**

It is projected that debt financing costs will outturn £0.325m less than budget at the year-end. This is due to a favourable cash flow profile resulting in additional investment income.

### **3.6 Homeless Hostels**

Homeless Hostels expenditure is projected to outturn £0.018m over budget. This is a result of staff cover required for vacant posts and staff training days and essential repairs and maintenance. This is partially offset by a reduction in debt charges.

### **3.7 Income**

#### **3.7.1 House Rent**

It is anticipated that House Rent income will be under recovered by £0.192m. Of this £0.300m is due to the acceleration of the demolition programme partially offset by increased income of £0.108m due to lower than expected house sales. This is offset by reduced void rent loss expenditure as outlined above. The balance has been allocated to repairs and maintenance (see 3.2. above).

#### **3.7.2 Other Income**

Other income is projected to outturn £0.110m above budget and relates mainly to increased income from rechargeable repairs.

#### **3.7.3 Hostel Income**

Hostel income is projected to outturn £0.018m over budget. This is the result of higher than budgeted occupancy levels within the hostel.

## **RECOMMENDATIONS**

**5.1** 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 2006

## **LIST OF BACKGROUND PAPERS**

NIL

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

## APPENDIX A

### EAST AYRSHIRE COUNCIL

#### POLICY AND RESOURCES COMMITTEE – 30 MARCH 2006

#### BUDGETARY CONTROL SUMMARY STATEMENT HOUSING REVENUE ACCOUNT TO 5 FEBRUARY 2006 (PERIOD 11)

Actual Exp. To 5/2/06	Actual Exp. To P11 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
2,644,969	83.3%	EMPLOYEE COSTS	3,174,205	3,134,205	(40,000)
13,713,972	87.2%	PREMISES COSTS	15,720,810	15,840,510	119,700
121,664	73.2%	TRANSPORT COSTS	166,140	151,140	(15,000)
3,084,412	70.7%	SUPPLIES & SERVICES	4,364,965	4,318,265	(46,700)
807,189	99.9%	THIRD PARTY PAYMENTS	807,613	807,613	0
4,442,308	80.8%	DEBT CHARGES	5,500,000	5,175,000	(325,000)
1,333,767	37.5%	PLANNED MAINTENANCE	3,561,230	3,561,230	0
754,747	80.9%	HOMELESS HOSTELS	933,498	951,198	17,700
<b>26,903,028</b>	<b>78.6%</b>	<b>TOTAL EXPENDITURE</b>	<b>34,228,461</b>	<b>33,939,161</b>	<b>(289,300)</b>
(26,825,588)	83.1%	INCOME - RENTS ETC	(32,285,573)	(32,093,573)	192,000
(937,907)	92.9%	INCOME - OTHER	(1,009,390)	(1,119,390)	(110,000)
(810,123)	86.8%	INCOME - HOMELESS HOSTELS	(933,498)	(951,198)	(17,700)
<b>(1,670,590)</b>	<b>-</b>	<b>NET EXPENDITURE</b>	<b>0</b>	<b>(225,000)</b>	<b>(225,000)</b>
		BALANCE B/F	0	0	0
		NET BALANCE C/F	0	(225,000)	(225,000)