

# EAST AYRSHIRE COUNCIL

## POLICY & RESOURCES COMMITTEE – 28 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 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))
3.256	67.9%	EMPLOYEE COSTS	3.930	3.930	0
13.817	61.2%	PREMISES COSTS	19.093	19.649	0.556
0.104	59.4%	TRANSPORT COSTS	0.157	0.129	(0.028)
0.756	14.5%	SUPPLIES & SERVICES	4.597	4.398	(0.199)
0.862	97.8%	THIRD PARTY PAYMENTS	0.837	0.867	0.030
0.111	0.0%	DEBT CHARGES	5.332	5.232	(0.100)
<b>18.906</b>	<b>47.3%</b>	<b>TOTAL EXPENDITURE</b>	<b>33.946</b>	<b>34.046</b>	<b>0.259</b>
(26.769)	71.4%	INCOME - RENTS ETC	(31.912)	(32.059)	(0.147)
(1.710)	68.7%	INCOME - OTHER	(2.034)	(2.146)	(0.112)
<b>(9.573)</b>	<b>-</b>	<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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 turnover 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 savings from 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 £1.190m will be allocated to repairs.

### **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 Environmental 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 £0.100m 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 £0.030m 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**  
7 March 2007

William Stafford  
**Executive Director of Neighbourhood Services**

### **LIST OF BACKGROUND PAPERS NIL**

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