

EAST AYRSHIRE COUNCIL

POLICY & RESOURCES COMMITTEE – 15 NOVEMBER 2005

HOUSING REVENUE ACCOUNT TO 18 SEPTEMBER 2005 (PERIOD 6)

**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 18 September 2005 (Period 6).

2 OVERALL POSITION

- 2.1 The budgetary position summarised at Period 6 is detailed in Appendix A. It is anticipated that Housing Revenue Account will outturn at £150,000 in surplus at 31 March 2006.

3 SUBJECTIVE ANALYSIS

3.1 Premises Costs

It is anticipated that premises costs will be underspent by £192,000.

Void rent loss will show a favourable variance of £400,000. This is due to a lower than budgeted number of rent loss weeks to period 6 reflecting the acceleration of the demolition programme. This is offset by a reduction of £300,000 in rent income (see 3.3 below).

An additional £208,000 has been allocated to repairs and maintenance. This is offset by the variance in voids as outlined above and increased income as a result of lower than budgeted house sales (see 3.3 below).

3.2 Debt Charges

It is projected that debt financing costs will outturn £150,000 less than budget at the year-end. This is due to a favourable cash flow profile, resulting in additional investment income.

3.3 Income

It is anticipated that House Rent income will be under recovered by £192,000. Of this £300,000 is due to the acceleration of the demolition programme partially offset by increased income of £108,000 due to lower than expected house sales. This is offset by reduced void rent loss as outlined above. The balance has been allocated to repairs and maintenance (see 3.1 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

28 October 2005

**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 – 15 NOVEMBER 2005

**HOUSING REVENUE ACCOUNT 2005/06
TO 18 SEPTEMBER 2005 (PERIOD 6)**

Actual Exp. To 18/09/05	Actual Exp. To P6 as % of Annual Estimate	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
1,428,268	45.0%	EMPLOYEE COSTS	3,174,205	3,174,205	0
7,726,782	49.2%	PREMISES COSTS	15,720,810	15,528,810	(192,000)
66,414	40.0%	TRANSPORT COSTS	166,140	166,140	0
1,593,982	36.5%	SUPPLIES & SERVICES	4,364,965	4,364,965	0
461,603	57.2%	THIRD PARTY PAYMENTS	807,613	807,613	0
2,469,231	44.9%	DEBT CHARGES	5,500,000	5,350,000	(150,000)
1,643,645	46.2%	PLANNED MAINTENANCE	3,561,230	3,561,230	0
468,042	50.1%	HOMELESS HOSTELS	933,498	933,498	0
15,857,967	46.3%	TOTAL EXPENDITURE	34,228,461	33,886,461	(342,000)
(14,868,525)	46.1%	INCOME - RENTS ETC	(32,285,573)	(32,093,573)	192,000
(505,398)	50.1%	INCOME - OTHER	(1,009,390)	(1,009,390)	0
(441,785)	47.3%	INCOME - HOMELESS HOSTELS	(933,498)	(933,498)	0
42,259	-	NET EXPENDITURE	0	(150,000)	(150,000)
		BALANCE B/F	0	0	0
		NET BALANCE C/F	0	(150,000)	(150,000)