

EAST AYRSHIRE COUNCIL

POLICY AND RESOURCES COMMITTEE – 4 OCTOBER 2001

HOUSING REVENUE ACCOUNT TO 29 JULY 2001 (PERIOD 4)

Joint Report by the Director of Finance and the Director of Homes and Technical Services

1 PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position of the Housing Revenue Account.

2 OVERALL POSITION

- 2.1 The budgetary position summarised at Period 4 is detailed in [Appendix A](#) which, highlights an over spend of £0.108m at Period 4 and a projected out-turn overspend of £0.416m for the financial year 2001/2002. The budget to 29 July 2001 is based on standard phasing for each period of income and expenditure, except where the Director of Homes and Technical Services has indicated otherwise.

3 SUBJECTIVE ANALYSIS

3.1 Employee Costs

Employee Costs are underspent as a result of some vacancies within the department.

3.2 Property Costs

Property Costs are over budget by £0.302m. Of this total £0.188m relates to repairs which are projected at present to out-turn at £0.498m over budget. This is due to two main factors: a projected over spend of £0.321m on Void Property Security between lets and an overspend of £0.167m on Building & Works and C.B.C. ordering due to the current level of required Housing Maintenance. Management Action has and is being taken to address the situation as far as possible.

Electricity costs were overspent at Period 4 by £0.074m. Since then, discussions with Scottish Power have resulted in reduced charges being agreed.

3.3 Administration Costs

Voids – latest figures indicate that there are 829 void properties against 875 estimated for in the budget. It is expected at present that in the current year void expenditure will out-turn £0.064m under budget.

Bad Debt Provision – Bad Debts require to be met by the department originating the charge. Current figures indicate that a provision of £0.028m may be required. Management action will be taken to maximise collection of charges raised.

3.7 Income

Rent income is projected to outturn £0.054m below budget. This is a result of the increased level of house sales last year which resulted in a lower number of houses at the start of the current year.

4 RECOMMENDATIONS

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

Alex McPhee
Director of Finance

James Lavery
Director of Homes and Technical Services

5th September 2001

**LIST OF BACKGROUND PAPERS
NIL**

For further information please contact James Lavery, Director of Homes and Technical Services on 01563 554875.

AGENDA