

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.08 – 02.01.09 (PERIOD 10)
From: HEAD OF HOUSING & SOCIAL WORK RESOURCES		
Date: 25 FEBRUARY 2009	Ref: RP/UC/IMcC	HOUSING REVENUE ACCOUNT

1. Purpose of Report

This report advises Committee on the overall financial position of the Housing Revenue Account for the period 1 April 2008 to 2 January 2009. Variances are reported for both year-to-date and projected outturn, with major outturn variances being highlighted and explained.

2. Executive Summary of Financial Position

2.1. The Service is currently projecting a year-end underspend of £602,000, a favourable movement of £431,000 from the £171,000 underspend previously reported for period 9. This movement is attributable to predicted savings within employee costs and operational leasing charges combined with an over-recovery of Housing Benefit. The potential over-recovery of house rental income has also been increased to reflect the lower level of house sales anticipated this year. An analysis of variances at subjective level is set out at Appendix 1.

3. Corporate Considerations

3.1. Due to the current volatile nature of energy, the Council (through the Scotland Excel contract) extended its existing energy contracts to 31 March 2009, resulting in electricity and gas tariffs increasing by 45% and 55% respectively from October 2008 to March 2009. Upon comparing projected energy costs with base budgets, the Housing Revenue Account is likely to incur additional cost pressures of around £358,000 in the current financial year.

4. Explanation of Major Out-Turn Variances

4.1. Appendix 1 outlines the Service's performance against budget; a summary of the major variances is outlined within table 1 below.

4.2. Service Overview

Service Division	Outturn Position (£s)	Analysis
Housing Revenue Account	£602,000 Underspend	<p>An employee costs underspend combined with savings within void rent loss and an over-recovery of house rental income, due to a reduced level of 'right to buy' sales and demolitions, are being partially offset by increased energy costs.</p> <p>An over-recovery of Housing Benefit will be partially offset by corresponding overspends on Council Tax payments and the requirement for additional furniture and fittings.</p> <p>Operational Leasing charges are also lower than anticipated and contribute to the reported net position.</p>
Total	£602,000 Underspend	

5. Financial Concurrence

5.1. The Executive Director of Finance and Customer Services concurs with the financial information contained in the report and has been fully involved in its preparation.

6. Recommendations

It is recommended that the contents of this report is noted.



R Paul
Head of Housing and Social Work Resources
23 January 2009

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For further information on this report, please contact Ian McCulloch, Housing and Social Work Services Accountant on telephone 01698 332834.

FINANCIAL MONITORING REPORT DIVISION : HOUSING REVENUE ACCOUNT SUMMARY
 1 April 2008 to 2 January 2009 (P10) Cost Centre: HRA (H1)
 COMMITTEE: HOUSING & SOCIAL WORK SERVICES

Appendix 1

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)	ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
		£	£	£	£	£	£		
1.	EMPLOYEE COSTS	11,339,993	11,213,839	126,154 Underspend	15,099,169	14,935,169	164,000 Underspend	1.09%	Saving resulting from availability of funding for homeless advice. Anticipated overspend on energy costs offset by reduction in Void Rent Loss. Operational Leasing costs offset by homeless furniture costs. Car Allowances offset by savings in fuel charges. Legal fees and insurance liability.
2.	PROPERTY COSTS	34,524,352	34,663,583	(139,231) Overspend	45,513,147	45,694,147	(181,000) Overspend	-0.40%	
3.	SUPPLIES AND SERVICES	3,738,068	3,717,299	20,769 Underspend	3,869,580	3,842,580	27,000 Underspend	0.70%	
4.	TRANSPORT & PLANT	1,114,692	1,154,692	(40,000) Overspend	1,585,503	1,637,503	(52,000) Overspend	-3.28%	
5.	ADMINISTRATION COSTS	2,963,283	2,989,437	(26,154) Overspend	3,085,187	3,119,187	(34,000) Overspend	-1.10%	
6.	PAYMENTS TO OTHER BODIES	225,457	225,457	0 On Target	569,437	569,437	0 On Target		
7.	OTHER COSTS	0	0	0 On Target	0	0	0 On Target		
8.	APPORTIONED EXPENSES	987,913	987,913	0 On Target	4,550,555	4,550,555	0 On Target		
9.	CAPITAL FINANCING CHARGES	0	0	0 On Target	18,225,000	18,225,000	0 On Target		
10.	C.F.C.R.	0	0	0 On Target	10,663,000	10,663,000	0 On Target		
11.	TOTAL EXPENDITURE	54,893,758	54,952,220	(58,462) Overspend	103,160,578	103,236,578	(76,000) Overspend	-0.07%	
12.	FEES AND CHARGES	3,346,393	3,542,547	196,154 Over-recovery	4,400,803	4,655,803	255,000 Over-recovery	5.79%	Housing Benefit over-recovery and misc. income. Housing Rents.
13.	RENTS	66,029,376	66,354,761	325,385 Over-recovery	95,357,080	95,780,080	423,000 Over-recovery	0.44%	
14.	INTEREST	5,383	5,383	0 On Target	657,000	657,000	0 On Target		
15.	DEPARTMENTAL CHARGES	0	0	0 On Target	547,277	547,277	0 On Target		
16.	SURPLUS	0	0	0 On Target	2,198,418	2,198,418	0 On Target		
17.	TOTAL INCOME	69,381,152	69,902,691	521,539 Over-recovery	103,160,578	103,838,578	678,000 Over-recovery	0.66%	
18.	NET EXPENDITURE	14,487,394	14,950,471	463,077 Underspend	0	602,000	602,000 Underspend	0.58%	

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