

REPORT

<b>To:</b> HOUSING & TECHNICAL SERVICES COMMITTEE		<b>Subject:</b> REVENUE BUDGET MONITORING REPORT PERIOD 1 APRIL 2001 – 14th SEPTEMBER 2001 HOUSING REVENUE ACCOUNT
<b>From:</b> DIRECTOR OF HOUSING & PROPERTY SERVICES		
<b>Date:</b> 19 September 2001	<b>Ref:</b> TMCK/DS/AN/1	

**1. Introduction**

1.1 The purpose of this report is to advise Committee on actual expenditure and income against estimates for the year to date and on the projected outturn. The report also provides explanations of the more significant variances.

**2. Summary of Budget Variances**

2.1 The net expenditure for the period shows an underspend of £262,612 (1.02%). However, the projected outturn indicates an underspend of £72,000 (0.07%) at the year-end. This is a movement of £23,000 from the previous report to committee and is mainly attributable to a reduction in rent income levels. An expenditure statement is appended to the report.

**3. Explanation of Projected Outturn Variances**

3.1 Employee Costs

i The department is anticipating a saving of £100,000 as a result of vacancies during the year. £100,000 Underspend

3.2 Property Costs

i The department is continuing to address the problem of void properties. The current projected underspend will be closely monitored throughout the year. This underspend is due to the continuing success of the letting initiative and the removal of garage and lock up sites where a fall in rental income due to the removal of long term voids is also anticipated. (See Section 3.5ii.) £216,000 Underspend

3.3 Supplies and Services

i The operating lease budget is profiled for spend to start on projects mid-year, however a slippage of £250,000 has been identified for the year 2001/2002. £250,000 Underspend

### 3.4 Administration Costs

It should be noted that an overspend in Sheriff Officer fees relating to rent arrears cases has been netted off against the over-recovery of court fees. (See 3.5i.)

### 3.5 Income

- i. This over-recovery is a result of an increase in the volume of rent arrears cases reaching court, with the £131,000 increase in legal fees associated with rent arrears' recovery being offset by an increase in court fees recovered of £157,000. (See 3.4.) £26,000 Over-recovery
- ii. As a result of the earlier profiling than anticipated of council house sales and the removal of surplus lock-up and garage sites an under-recovery of £370,000 in rental income is anticipated. This under-recovery can be partly offset by a projected underspend on void properties. (See section 3.2i.). These projections will be closely monitored on a monthly basis with variations dependent upon the level of council house sales and any future housing development decisions. £370,000 Under-recovery
- iii. It is anticipated, based on prior year figures that departmental recharges will be lower than budgeted. This issue will be addressed as part of this year's budget setting process. £150,000 Under-recovery

## 4. Financial Concurrence

- 4.1 The Director of Finance concurs with the financial information contained within this report and has been fully involved in its preparation.

## 5. Summary

- 5.1 The projected underspend is mainly attributable to the projected under-recovery of rental income, which is partially offset by an underspend on voids. Further savings are also anticipated on operating leases. The department will closely monitor this position throughout the year.

## 6. Recommendation

- 6.1 Committee is requested to note the contents of this report.



T McKenzie  
**Director of Housing & Property Services**  
encl.

**NORTH LANARKSHIRE COUNCIL**

**FINANCIAL MONITORING REPORT**

**1 April 2001 to 14 September 2001**

**COMMITTEE: HOUSING AND TECHNICAL SERVICES**

**SERVICE: HRA**

LINE NO.	DESCRIPTION	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCES		%	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCES		%
		(3)	(4)	(5)					(9)	(10)	
(1)	(2)	£	£	£		(6)	£	£	£		(10)
1.	EMPLOYEE COSTS	5,306,639	5,360,261	(53,622)	Overspend	-1%	12,361,860	12,261,860	100,000	Underspend	0.81%
2.	PROPERTY COSTS	17,689,315	17,281,161	408,154	Underspend	2%	40,840,310	40,624,310	216,000	Underspend	0.53%
3.	SUPPLIES AND SERVICES	1,583,118	1,499,755	83,363	Underspend	5%	2,359,835	2,109,835	250,000	Underspend	10.59%
4.	TRANSPORT & PLANT	199,001	222,688	(23,687)	Overspend	-12%	372,275	372,275	0		
5.	ADMINISTRATION COSTS	734,830	759,653	(24,823)	Overspend	-3%	1,455,703	1,586,703	(131,000)	Overspend	-9.00%
6.	PAYMENTS TO OTHER BODIES	145,146	137,200	7,946	Underspend	5%	314,170	314,170	0		
7.	OTHER COSTS	5,082	2,616	2,466	Underspend	49%	11,000	11,000	0		
8.	APPORTIONED EXPENSES	0	0	0			3,475,327	3,475,327	0		
9.	CAPITAL FINANCING CHARGES	0	0	0			30,250,000	30,250,000	0		
10.	C.F.C.R	0	0	0			5,108,000	5,108,000	0		
11.	TOTAL EXPENDITURE	25,663,131	25,263,334	399,797	Underspend	2%	96,548,480	96,113,480	435,000	Underspend	0%
12.	FEES AND CHARGES	140,326	181,476	41,150	Over-recovery	29%	3,211,272	3,368,272	157,000	Over-recovery	5%
13.	RENTS	42,310,433	42,140,958	(169,475)	Under-recovery	0%	92,314,279	91,944,279	(370,000)	Under-recovery	0%
14.	INTEREST	9,240	380	(8,860)	Under-recovery	-96%	720,000	720,000	0		
15.	DEPARTMENTAL CHARGES	0	0	0			302,929	152,929	(150,000)	Under-recovery	-50%
16.	SURPLUS	0	0	0			0	0	0		
17.	TOTAL INCOME	42,459,999	42,322,814	(137,185)	Under-recovery	0%	96,548,480	96,185,480	(363,000)	Under-recovery	0%
18.	NET EXPENDITURE	(16,796,868)	(17,059,480)	262,612	Underspend	1.02%	0	(72,000)	72,000	Underspend	0.07%