

HOUSING REVENUE ACCOUNT (HRA) - FORECAST OUTTURN 2008-09

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Period 6 : September 2008

	Approved Budget 2008-09	Forecast Outturn 2008-09	Variance £000	Variance (%)	Comments
Expenditure					
Employee Costs	1,893,290	1,794,669	-98,621	-5%	Training budgets fully spent in line with contract with Richmond College. Pay award reflected at 2.45%. Underspend in respect of various vacant post which is in part being used to fund 2 additional caretakers which can be recovered by way of service charges
Supplies & Services	458,810	457,855	-955	0%	Minor variations across a wide range of budget heads
Utility cost	410,000	416,163	6,163	2%	Communal electricity and water rates recovered through facility charges below.
Estate & Sheltered Services	1,970,070	1,902,322	-67,748	-3%	Increased salary costs funded by vacant posts detailed in employee costs above, £110k increased staffing costs in respect of sheltered wardens offset by anticipated contribution of £73k from Adults services, underspend on gas costs £123k
Central Recharges	1,663,840	1,663,940	100	0%	
Home Ownership Service	161,970	202,607	40,637	25%	Net cost of service not funded by service charge admin. Half post extra plus higher cost of agency cover for managers post
Operating Expenditure	6,557,980	6,437,557	-120,423	-2%	
Contingency - general	196,900	115,000	-81,900	-42%	£115k committed to date re deep clean on estates 65k and redundancy cost £50k, 2.5k HFTRA
Charges for Capital	5,520,640	5,813,687	293,047	5%	Assumes full spend on Decent Homes capital programme including rephasing from 2009-10 into 2008-09 of £3.6m, together with impact of increase in interest rates which will be offset in part by lower levels of subsidy payable
Contribution to Repairs Account	4,752,170	5,402,170	650,000	14%	Anticipated outturn, reflecting corrective action discussed with Corporate Director and Portfolio Holder
RCCO	1,000,000	1,000,000	0	0%	Contribution to Decent Homes expenditure.
Bad or Doubtful Debts	100,000	140,000	40,000	40%	Assumed level of right offs and arrears position requires an increase of £140k to ensure the provision is maintained at the appropriate levels.
Total Expenditure	18,127,690	18,908,414	780,724	4%	
Income					
Rent Income – Dwellings	-21,160,320	-21,345,000	-184,680	1%	Income budget not appropriately reflecting anticipated income for the year.
Rent Income – Non Dwellings	-990,810	-829,660	161,150	-16%	Lower levels of garage income (£77k), shops leases (£86k) when compared with approved budget.
Service Charges - Tenants	-1,079,420	-1,088,480	-9,060	1%	
Service Charges - Leaseholders	-363,870	-382,900	-19,030	5%	Reflects billing of 2008-09 on account invoices. Excludes actual adjustments re 2007-08 outturn which have yet to be invoiced.
Facility Charges	-469,980	-470,377	-397	0%	
Interest	-19,000	-17,000	2,000	-11%	Mortgage Interest receivable.
Other Income	-8,010	-28,016	-20,006	250%	Mainly court cost and recovered
Transfer from General Fund	-83,000	-83,000	0	0%	Contribution from the HGF.
HRA Subsidy	6,837,600	6,506,217	-331,383	-5%	Reduction in HRA Subsidy payable following completion of second advance claim form.
					Combination of factors including increase in interest rate for capital charges from 4.50% to 5.15% (£423k) and adjustment anticipated in relation to final subsidy claim for 2007-08 of £91k
Total Income	-17,336,810	-17,738,216	-401,406	2%	
In Year Deficit / (Surplus)	790,880	1,170,198	379,318	48%	
BALANCE	-5,450,859	-5,070,285			HRA Business Plan assumes surplus carried forward into 2009-2010 of £5,685K. This shortfall of £615k is likely to affect the liability of the HRA.