

	Approved Budget 2008-09 £000	Draft Outturn Q4 2008-09 £000	Variance		Q3	Comments
			£000	%		
Expenditure						
Employee Costs	1,644	1,636	-8	0%	-206	Additional expenditure of £52k incurred in relation to HR advice. This was compensated for by lower than anticipated levels of expenditure on salaries in resident services of £57k in respect of vacant posts (a senior professional and a tenant participation officer). Further underspends on training and the Harrow Housing conference.
Supplies & Services	463	263	-200	-43%	-79	Increased costs of printing of £29k, resulting from the need to send quarterly rent statements to all parties to a tenancy. Expenditure lower than assumed in the budget in relation to legal fees of £23k, a lower level of expenditure on the resident survey of £17k, £70k on IT costs recharged to HGF in relation to HARP project staff secondment and IT development budget now shared between HRA and HGF, £133k over commitment of accrual for prior years, and lower membership fees and printing costs in relation to Locata of £16k.
Utility cost	503	622	119	23%	97	The cost of delivery heating [gas and electricity] to sheltered blocks exceeded the budget as a result of price increases in the second half of the year, widening the gap between costs and amounts recovered by facility charges.
Estate & Sheltered Services	2,130	2,188	58	3%	-7	Costs in excess of the budget for property insurance of £152k and additional staffing costs of £65k resulting from the voluntary severance scheme. Council tax £18k as a result of longer void period for dwellings undergoing major works. Increased costs for Caretaker vehicle hire of £16k.

	Approved Budget	Draft	Variance		Q3	
	2008-09	Outturn	£000	%		
	£000	Q4 2008-09 £000	£000	%		
Central Recharges	1,664	1,666	2	0%	0	Lower levels of expenditure on estate based resident services staff of £152k due to a part year effect of number of vacant posts including a senior professional, leasehold services manager and also a caretaker salary cost in relation to deep clean which is charged to contingency. Lower level of expenditure in relation to communal lighting of £80k.
Operating Expenditure	6,404	6,375	-29	1%	-195	
Contingency - general	197	128	-69	-35%	-32	The provision for unforeseen expenditure was charged with redundancy costs of £30k, the 'deep clean' on estates costing £81k and the Housemark benchmarking exercise of the repairs service at £11k.
Charges for Capital	5,521	5,685	164	3%	344	Capital expenditure financed totals £15.6m. The variation reflects a reduction in the MRA of £77k, a reduction in interest earned on balances of £111k [reflecting interest rate changes] and increased capital charges following the increase in borrowing costs from 4.5% to 4.76% [reflecting the average cost of borrowing across the Council and which will be partly offset by increased subsidy]. The variation also reflects a lower level of right to buy receipts, previously assumed at £500k but reduced to reflect the 25% capital receipt from the three sales in 08-09.
Contribution to Repairs Account	4,752	5066	314	7%	505	The qtr 2 position projected increased costs in excess of the budget of £1.2m. Action was taken to control the increased expenditure at £650k, and assumed a full spend on the external decorations programme. The outturn position reports overspends on landlord repairs of £268k, cyclical maintenance of £121k, voids of £156k, salaries of £17k and a lower level of repairs recharged to leaseholders of £56k. The overall position is reduced given the lower level of expenditure on the decorations programme and minor estate improvements. Expenditure of £257k in relation to decorations programme will need to be carried forward to finance expenditure committed in 2009-10.

	Approved Budget 2008-09 £000	Draft Outturn Q4 2008-09 £000	Variance		Q3	
			£000			
RCCO	1,000	1,000	0	0%	0	Contribution to Decent Homes expenditure.
Bad or Doubtful Debts	100	173	73	73%	100	Rent arrears outstanding at 31 st March 2009 totalled £1.4m and service charge arrears £285k. Rent amounts written off during the year of £91k reduced the provision, and given the increase in arrears and age of debt resulted in an increase to the provision being required.
HRA Subsidy	6,837	6,820	-18	0%	-332	Additional subsidy of £109k reflecting the increased costs of borrowing [as detailed above] offset by an adjustment of £91k following submission of the final claim for 2007/08.
Total Expenditure	24,811	25,247	435	2%	390	
Income						
Rent Income – Dwellings	-21,160	-21,202	42	0%	181	Reconciliation differences on the annual tenants rent account reconciliation.
Rent Income – Non Dwellings	-991	-837	-154	-16%	130	Lower levels of commercial income and garage rent arising from increased voids, resulting in an income shortfall.
Service Charges - Tenants	-1,079	-1,087	8	0%	-9	
Service Charges - Leaseholders	-210	-227	17	8%	-34	Reflects billing of 2008-09 on account invoices, adjustments to date for disputed amounts and adjustment in relation to the 2007-08 actuals raised in January 2009.
Facility Charges	-470	-475	5	1%	0	Recovered from tenants, expenditure shown above as utility costs.
Interest	-19	-12	-7	37%	2	Mortgage Interest receivable.
Other Income	-8	-106	98	1225%	85	Costs awarded to the Council in relation to successful court action, are charged to tenants accounts pending recovery, resulting in increased income of £22k. In addition a prior year adjustment in relation to HRA mortgages results in further income of £62k.
Transfer from General Fund	-83	-83	0	0%	-83	Contribution from the HGF for Shared Amenities as budgeted.
Total Income	-24,020	-24,030	-10	0%	446	
In Year Deficit / (Surplus)	791	1,217	426	54%		
BALANCE	-5,451	-5,021				HRA Business Plan assumes surplus carried forward into 2009-2010 of £5,685K. This shortfall of £664k is likely to affect the viability of the HRA.