

## BUDGET MONITORING 2011/2012 - FORECAST AS AT 31 JANUARY 2012

## HOUSING REVENUE ACCOUNT (HRA)

	FULL YEAR - 2011/12			Comments	Variance
	Full Year Budget £000	Forecast Outturn			Nov 2011
		Estimated Outturn £000	Variance £000		£000
<b>INCOME</b>					
Rental Income - Dwellings, Direct Access Units & Garages	-50,109	-50,168	-59	Various small variations in rents and service charge, void levels and temporary accommodation charges.	-38
Rental Income - Shops & Offices etc.	-214	-240	-26		-26
Interest on Mortgages	0	0	0		0
Interest on Balances	-10	-10	0		0
	<b>-50,333</b>	<b>-50,418</b>	<b>-85</b>		<b>-64</b>
<b>EXPENDITURE</b>					
Housing Subsidy	6,141	6,961	820	Second Advance HRASubsidy Claim for 2011-12 saw Consolidated Rate of Interest (CRI) still on a reducing trend, resulting in a reduction in level of subsidy cover for debt charges, and an increase in the level of subsidy paid to Government. This is more than offset by the reduction in actual debt charges. Also now adjusted for impact of self-financing settlement on 28 March 2012, 4 days interest on £128.193m , subsidy has been adjusted to provide some cover for the charges estimated at £0.046m.	865
Capital Charges - Net Effect	9,785	8,888	-897	This is the other side of the impact on capital charges of the current falling trend in the CRI. The "notional" cover in subsidy is reduced leading to a higher level of subsidy payable, but we are paying lower "actual" charges on the debt we hold. The difference between the two is because we have a slightly higher level of actual debt than the "notional" level assumed by Government in their subsidy calculations. Following the second advance subsidy claim the projected CRI has again reduced leading to an even greater in-year benefit in terms of reduced capital charges. Plus the self-financing deal will lead to 4 days actual interest charges hitting the HRA, estimated at £0.062m, this is higher than subsidy cover as Government have based their estimate on the interest rate applied to new debt rather than the CRI.	-959
HRA Management Costs	10,945	10,414	-531	Combination of issues causing variations including vacancy projections and Sheltered Accommodation energy costs. Plus some projected underspends on Consultancy costs for PFI because of the delays to the scheme, which will need to be re-provided in the 2012-13 budget. Overall estimated underspend currently £0.525m.	-525

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Repairs	11,201	11,885	684	Due to a review of service issues and priorities requiring urgent attention in relation to repairs, additional resources have been made available as a result of the use of contingency sums and in-year savings being made elsewhere in the HRA.	684
Revenue Support to Capital Programme	1,412	1,412	0		0
Contribution to Major Repairs Reserve	10,026	10,026	0		0
Contingencies, Bad debt Provision & Supporting People Transitional Protection	647	641	-6		-6
Pension Fund Deficit Funding	725	725	0		0
	<b>50,882</b>	<b>50,952</b>	<b>70</b>		<b>59</b>
	<b>549</b>	<b>534</b>	<b>-15</b>		<b>-5</b>
<b>BALANCES BROUGHT FORWARD</b>	<b>-3,766</b>	<b>-4,005</b>	<b>-239</b>		<b>-239</b>
<b>BALANCES TO CARRY FORWARD</b>	<b>-3,217</b>	<b>-3,471</b>	<b>-254</b>		<b>-244</b>