

BUDGET MONITORING 2011/2012 - PROVISIONAL OUTTURN AS AT 31 MARCH 2012

HOUSING REVENUE ACCOUNT (HRA)

	FULL YEAR - 2011/12			Comments	Variance
	Full Year Budget £000	Provisional Outturn £000	Variance £000		Jan 2012 £000
INCOME					
Rental Income - Dwellings, Direct Access Units & Garages	-50,109	-50,435	-326	Final rent reconciliation saw an overall improved position in rents and service charge income for a number of reasons: low level of voids in non-sheltered stock leading to improved rent collection (£0.131m); increased service charge income mainly due to furniture packs (£0.106m); improved rent collection on temporary accommodation schemes under new service arrangements (£0.079m).	-84
Rental Income - Shops & Offices etc.	-214	-262	-48	Small windfall of "backlog" income from re-negotiation of existing lease arrangements.	-49
Interest on Mortgages	0	0	0		0
Interest on Balances	-10	-18	-8	Small improvement in the interest earned on cash balances held due to the higher year-end balance levels.	-6
	-50,333	-50,715	-382		-139
EXPENDITURE					
Housing Subsidy	6,141	7,089	948	Estimated Final Claim for HRA Subsidy for 2011/12 shows the Consolidated Rate of Interest (CRI) is still on a reducing trend, resulting in a reduced 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 adjusted for impact of self-financing settlement on 28 March 2012, 4 days interest on £128.193m, payment received to provide some cover for the charges of just under £0.046m.	820
Capital Charges - Net Effect	9,785	8,805	-980	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. The estimated Final subsidy claim has the projected CRI again reducing leading to an even greater in-year benefit in terms of reduced capital charges. The self-financing deal lead to 4 days actual interest charges hitting the HRA, total costs estimated at £0.049m as part of the Item 8 charge, this is slightly higher than the cover provided by Government as they based their estimate on an assumed interest rate applied to new debt rather than the CRI. In addition we have to pay arrangement fees on the £128m self-financing debt of £0.35 per £1.000 totalling just under £0.045m.	-852

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HRA Management Costs	10,945	9,665	-1,280	Management costs have seen significant overall savings of over £1.200m due to a range of issues: vacancy savings across the service (£0.432m) – most of which have now been filled to cover the impact of redundancies and service restructures; increased water rates commission, water rates and other income (£0.273m); improved recovery of court cost income (£0.081m); significant savings in energy costs on sheltered accommodation schemes (£0.089m) due to improved energy efficiency measures within schemes; saving on consultancy and other costs re PFI scheme (£0.075m) re-provided in 2012-13 due to unavoidable delays; savings on some central budgets (£0.030m); and Home-finder team savings (£0.050m)	-739
Repairs	11,201	12,160	959	As reported during the year, 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. This includes the costs of significant repairs undertaken to guttering across the stock.	683
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	540	-107	Reduced call on in-year Bad Debt Provision and not all contingency required.	-50
Pension Fund Deficit Funding	725	725	0		0
	50,882	50,422	-460		-138
	549	-293	-842		-277
BALANCES BROUGHT FORWARD	-3,766	-4,005	-239		-239
BALANCES TO CARRY FORWARD	-3,217	-4,298	-1,081		-516