

## BUDGET MONITORING 2012/13 - PROVISIONAL OUTTURN AS AT 31 MARCH 2013

## HOUSING REVENUE ACCOUNT (HRA)

	FULL YEAR - 2012/13			Comments	Variance Jan 13 £000
	Budget £000	Actual £000	Variance £000		
<b><u>INCOME</u></b>					
Rental Income - Dwellings, Direct Access Units & Garages	-54,175	-54,463	-289	Increased service charge income particularly from furniture packs, offsetting loss of rental income from increased RTB sales of 85 in total in 2012/13. Plus additional rent and housing benefit due to Alex Street temporary accommodation still being in operation, and increased use of dispersed units.	-144
Rental Income - Shops & Offices etc.	-198	-231	-33	Some one-off increases in income due to back collection of re-negotiated leases. This was partially offset by reductions in lettings income as a result of reviews by the Community Lettings Panel.	-29
Interest on Mortgages	0	0	0		0
Interest on Balances	-10	-29	-19	Increase in overall average balances held has improved the interest due to the HRA.	3
	<b>-54,382</b>	<b>-54,724</b>	<b>-341</b>		<b>-171</b>
<b><u>EXPENDITURE</u></b>					
Housing Subsidy	0	0	0		0
Capital Charges - Net Effect	16,553	15,572	-981	Total estimated savings from HRA Debt portfolio of £0.981m in 2012/13, consisting of three elements:- i) Savings estimated at £0.650m on £128.193m of loans taken out at preferential interest rates from the Public Works Loan Board (PWLb) to fund the self-financing settlement payment to the Treasury. ii) Estimated savings of £0.296m on the Council's existing debt portfolio which is now split between the HRA and the General Fund. Some of this saving is as a result of temporary borrowing of £8.173m at a lower rate than budgeted for, this has resulted in significant one-off additional savings. iii) Debt Management Expenses (DME) - saving of £0.035m against budgeted costs for HRA share of loan arrangement fees, external debt advice and Treasury staff time.	-929

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HRA Management Costs	10,548	10,056	-492	Range of savings across management Cost Centres leading to overall saving of £0.492m. Including:- i) Water Rates Commission - additional £0.044m in commission over budget, and one-off £0.080m windfall on reconciliation of water rate accounts. ii) Insurance Commission - additional £0.008m earned due to negotiated commission rate and uptake. iii) Miscellaneous - £0.057m contribution towards overheads from RTB and Leasehold Management budgets, £0.061m from small underspends across HRA management and reduced Electricity, Gas & Water usage in the final quarter. iv) Improved Court Cost recovery against budgeted costs - estimated £0.060m improvement. v) Customer Service Recharges - saving against budgeted costs of £0.060m. vi) Savings of £0.100m against estimated pension and national insurance contributions. vii) PFI anticipated overspends reduced from £0.041m to £0.017m in-year due to delays in timetable, will mean cost overruns will move into 2013-14, mainly in relation to consultancy costs.	-16
Repairs	11,655	11,750	95	Additional costs incurred in relation to range of works, including:- Flooding; Fencing and Re-roofing repairs.	-27
Revenue Support to Capital Programme	3,193	3,950	757	Increased Revenue Contribution represents use of additional balances from 2011-12 to fund new build pilot project at Station Road, Wallsend(As per Cabinet report of 13 August 2012). £0.837m of additional balances of which £0.757m will be allocated in 2012-13 and the balance of £0.080m against the project in 2013/14.	757
Contribution to Housebuilding Fund	65	1,019	954	As agreed by Council the estimated interest saving on the HRA debt portfolio will become a contribution to the HRA Housebuilding Fund. This sum has been confirmed at £1.011m for 2012/13(including the originally budgeted £0.065m). In addition £0.008m of budget underspend on the HRA Grounds Maintenance contribution has also been transferred to the Fund as part of the Final Accounts closedown process for 2012/13. Over £0.600m of these funds have been allocated against the Byrness Court new build scheme for 2013-14.	929
Contribution to Major Repairs Reserve - Depreciation	13,418	13,465	47		0
Contingencies, Bad debt Provision & Supporting People Transitional Protection	312	214	-98	In-year saving on required Bad Debt Provision of £0.091m due to overall level of arrears and bad debt written off.	-7
Pension Fund Deficit Funding	797	797	0		0

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	56,540	56,823	282		708
	2,158	2,099	-59		537
<b>BALANCES BROUGHT FORWARD</b>	-3,461	-4,298	-837		-837
<b>BALANCES TO CARRY FORWARD</b>	-1,303	-2,199	-896		-300

**Note**

We will review current in year monitoring to determine whether these year end variations can be identified earlier in the year