

**Summary**

At the end of **Period 2** the HRA is projecting a surplus of **£278k**. Key variances from budget are detailed below.

**Key Variances - Income**

Net additional rental income of **£1,352k** is projected from dwellings, garages and miscellaneous properties. This is primarily as a result of void levels being 0.7% lower than budgeted. This additional income will be paid over to the ALMOs as additional void incentive payments.

Income from Heat Lease charges is projected to be **£290k** higher than budget following a full review of the scheme. In addition, it is projected that **£159k** additional income will be received from telecomms as a result of rent reviews.

**Key Variances - Expenditure**

There is currently a projected overspend on salaries of **£67k**. This is due to the part year cost (£88k) of Phase 1 of the Housing Services restructure offset by savings in other areas.

Recharges are projected to overspend by **£90k** due to an unbudgeted recharge from the Housing General Fund for the Housing Options Team.

It is projected that **£1,550k** will be paid over to the ALMOs as incentive payments in respect of voids and arrears. However, the decision to end the penalty/incentive scheme in relation to the Strategic Landlord ALMO Performance Framework will generate a saving of **£172k** against budget.

**Report to Housing & Regeneration Scrutiny Board**  
**2012/13 Budget - Period 2 position.**

<b>Division</b>	<b>Spend</b>	<b>£000 +</b>	<b>£000 -</b>	<b>£000 Sum</b>	
Statutory Housing	Staffing	73			Largely relates to Managing Workforce Change (MWC) costs.
	Income	1			
	Other				
		<b>74</b>	<b>0</b>	<b>74</b>	
Regeneration Programmes	Staffing	25			MWC pressures due to restructure in Nov 11
	Income		(3)		
	Supplies Other		(2)		
		<b>25</b>	<b>(5)</b>	<b>20</b>	
<b>Total</b>		<b>99</b>	<b>(5)</b>	<b>94</b>	