

## HOUSING REVENUE ACCOUNT

### 2009/10 OUTTURN POSITION

	Latest Estimate £000	Outturn £000	Variance £000
<b>Income</b>			
Rental Income / Service Charges	167,960	170,456	(2,496)
Housing Subsidy	31,133	28,124	3,009
Recharges	2,353	1,690	663
Other Income	23,555	21,075	2,480
<b>Total Income</b>	<b>225,001</b>	<b>221,345</b>	<b>3,656</b>
<b>Expenditure</b>			
Salaries and Wages	4,934	4,736	(198)
Premises & repairs	1,491	1,328	(163)
Supplies & Services	13,394	13,154	(240)
Transport	112	131	19
Recharges	13,825	15,132	1,307
ALMO Management Fees	112,809	112,663	(146)
Provisions	1,948	818	(1,130)
Capital	76,027	73,456	(2,571)
<b>Total Expenditure</b>	<b>224,540</b>	<b>221,418</b>	<b>(3,122)</b>
<b>Net (surplus)/deficit</b>	<b>(461)</b>	<b>73</b>	<b>534</b>
Transfer to Swarcliffe PFI Sinking Fund		2,091	2,091
Transfer to (from) earmarked reserves		(3,680)	(3,680)
Transfer to (from) Pensions reserve	461	589	128
<b>Surplus</b>	<b>0</b>	<b>(927)</b>	<b>(927)</b>

At outturn the HRA generated a surplus of **£927k**.

#### 1. Key variances - Income

Rental income has exceeded the budget by £2,496k. This reflects improved void levels, higher levels of stock than anticipated due to reduced Right to Buy (RTB) sales, increased income from shops and miscellaneous properties.

Housing subsidy is less than budget due to capital charges being lower as a result of the reduction in the Council's CRI rate. This reduction in subsidy is offset by a reduction in capital charges.

A review of the revenue contributions made by the General Fund to the Swarcliffe PFI project concluded that the contribution should be reduced by £445k pa. This, together with a shortfall in income from the ALMOs, for works

managed by Property Management Services, has resulted in a £663k variation in recharges

The allowance to fund the borrowing associated with Decency is passported in full to the ALMOs. At year end the HRA is charged for all HRA/ALMO borrowing and the ALMOs pay back to the HRA the interest charges associated with the borrowing undertaken to fund works in their area. This is shown as “other income” in the HRA. The reduction in the Council’s average rate of interest has led to the ALMOs being charged a lower rate of interest than budgeted and is the main reason for the shortfall of £2,522k.

## **2. Key variances - Expenditure**

The saving on salaries and wages (£198k) are as a direct result of not filling vacancies. Savings on premises are largely a result of Property Management Services vacating space not required at Landmark Court.

Savings in a number of areas: procurement of the Adtrader and printing contracts (£100k), market research (£28k), computer software (£261k), conferences, catering and office consumables ( £28k), offset by increased expenditure on the Swarcliffe PFI scheme has resulted in a net saving of £240k on supplies and services

Internal charges are higher due to a number of appropriate recharges from the General Fund for Care Ring and Medical Rehousing (£379k), Housing Strategy and Commissioning (£395k) and the emergency call out service (£65k). Other key variations include increased legal and development charges for the Little London, Beeston & Holbeck and Lifetime homes PFI schemes (£316k) and for the ASBU service (£49k).

The saving on ALMO Management Fees (£145k) is as a result of the incentive payments to the ALMO and BITMO being less than budgeted for.

The contribution to the bad debt provision is £1.1m less than budgeted. This is as a result of more tenants being in receipt of full or partial housing benefit.

The £2.6m reduction in the cost of capital is due to a combination of a reduction in the Council’s average rate of interest on debt, notional cash interest on HRA working balances plus a Revenue Contribution to Capital (RCCO) for decency works on the Woodbridge estate and the Housing ICT project.