

## HOUSING REVENUE ACCOUNT

### 2010/11 QUARTER 1

	Latest Estimate £000	Projection Quarter 1 £000	Variance £000
<b>Income</b>			
Rental Income / Service Charges	172,197	173,320	(1123)
Housing Subsidy	29,778	29,778	0
Recharges	5,671	5,534	137
Other Income	22,568	22,575	(7)
<b>Total Income</b>	<b>230,215</b>	<b>231,208</b>	<b>(993)</b>
<b>Expenditure</b>			
Salaries and Wages	4,330	4,112	(218)
Premises & repairs	1,314	1,438	124
Supplies & Services	13,370	13,744	375
Transport	111	107	(4)
Recharges	15,626	15,712	86
ALMO Management Fees	112,696	113,696	1,000
Provisions	2,280	2,186	(94)
Capital	80,295	80,295	0
<b>Total Expenditure</b>	<b>230,021</b>	<b>231,290</b>	<b>1269</b>
<b>Net (surplus)/deficit</b>	<b>(194)</b>	<b>82</b>	<b>276</b>
Transfer to (from) Swarcliffe PFI Sinking Fund	0	(225)	(225)
Transfer to (from) Swarcliffe Environmentals	0	(180)	(180)
Transfer to (from) Pensions reserve	194	194	0
<b>Surplus</b>	<b>0</b>	<b>(129)</b>	<b>(129)</b>

At the end of **Quarter 1** the HRA is projecting a surplus of **£129k**.

#### 1. Key variances - Income

Void levels for the first three months are lower than budgeted which if maintained will generate additional rental income (**£1,123k**). This income will be paid over to the ALMOs as additional incentive payments. The increase in income, due to a reduction in the number of void properties, is partially offset by Right to Buy (RTB) sales for 2009/10 being higher than anticipated.

Property Services are currently projecting a shortfall in fee income from the ALMOs (**£137k**) although it is envisaged that this will be partially offset by increased income from other sources. The projected costs associated with downsizing the service to

match future workloads will continue to be met from the earmarked reserve set aside for this purpose.

## **2. Key Variances - Expenditure**

The increase in pass through costs and the need to meet the cost of access refusals in relation to the Swarcliffe PFI scheme will be funded from the Sinking Fund (**£225k**). In addition, the cost of environmental works (**£180k**) will be funded from a reserve set up in previous years for this purpose.

ALMO management fees are projected to increase by **£1,000k**, which is due to the improved performance in respect of reduced number of void properties.

There are projected savings of **£218k** on salaries and wages, primarily due to posts being held vacant and a number of additional officers taking early retirement at the end of March 2010.

At Quarter 1 a review of the position in respect of the contribution to the bad debt provision indicates a saving of **£94k**.