

## Housing Revenue Account (HRA)

At the end of Period 5 the HRA is projecting a deficit of **£184k** which is a movement of £21k from Period 4 (£205k deficit).

### Key variances - Income

**£2.1m** of additional rental income is projected from dwellings and miscellaneous properties. This additional income is as a result of void levels being lower than budgeted and the decline in Right to Buy (RTB) sales. Of the increased income it is projected that **£1.8m** will be paid over to the ALMOs as additional void incentive payments.

Property Services are currently projecting a shortfall in fee income from the ALMOs (**£47k**), although this is partially offset by increased income (**£30k**) 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.

### Key Variances - Expenditure

There are projected savings of **£260k** 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.

The **£1,074k** projected overspend on supplies and services has arisen due to the following:-

- (a) an increase in pass through costs and the need to meet the cost of access refusals in relation to the Swarcliffe PFI scheme (**£250k**). These costs will be primarily funded from the PFI Sinking Fund.
- (b) CCTV and Community Centre costs being identified as more appropriate to charge to the HRA (**£500k**)
- (c) additional costs in relation to the Lifetime Homes PFI (**£208k**)
- (d) unbudgeted grant payment for tenant empowerment (**£32k**)
- (e) increased insurance, PPPU charges, other variations (**£84k**).

Payments to the ALMOs are projected to increase by **£1.8m** due to the ALMOs receiving incentive payments as a result of void levels being 1.1% less than budgeted.

At Quarter 1 a review of the position in respect of the contribution to the bad debt provision indicated a saving of **£94k**. This will be reviewed again at the end of Quarter 2.