

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY
10 NOVEMBER 2009

HOUSING REVENUE ACCOUNT
STEWARDSHIP TO SEPTEMBER 2009

1. PURPOSE OF REPORT

- 1.1 To advise Members of any major differences by management unit to the outturn forecast for the first six months of the financial year up to 30 September 2009.

2. STEWARDSHIP TO 30 SEPTEMBER 2009

- 2.1 During this period the total of the variances indicate that there will be a net deficit of £684,220 which will be transferred to the working balance at 31 March 2010. £682,100 was a planned reduction in the working balance to support Revenue Contributions to Capital expenditure (RCC) and £2,120 is the estimated additional deficit identified at the end of the second quarter stewardship. It is estimated that the working balance will stand at £2,174,045 at 31 March 2010.

The main variations by management unit are detailed below:

£

2009-2010 ESTIMATED TRANSFER FROM THE WORKING BALANCE (682,100)

85A1 MANAGEMENT

Transport costs are also expected to exceed the budget due to essential user lump sum now being assigned to various posts. There is a reduction in the costs that can be offset against the capital receipts pooling as a result of the reduction in Right To Buy sales. Income from Legal costs recovered is expected to be below the estimate.

There is an increase in the cost of temporary staff due to long term sickness.

59,750

85A3 SUNDRY LANDS MAINTENANCE

There is a reduction in the work undertaken in respect of initial cultivations in the garden maintenance programme.

(10,500)

85A6 CAPITAL CHARGES

Additional costs have been incurred in respect of the redemption of a finance lease

7,850

85A8 RENTS

452,220

As a result of changes in the government's directions on the rent increase for 2009/10, housing rents uplift was reduced to 3.1% this year. There is now an estimated decrease of £424,720 in the rent and there is also an increase in the number of void properties which has reduced the rent collectable.

85B1 GOVERNMENT SUBSIDY

(512,200)

There is a reduction in the subsidy payable for 2009/10 as a result of the changes to the rent uplift changes as directed through the HRA subsidy regime.

85B2 INTEREST

5,000

It is estimated that there will be a reduction in the mortgage interest as a result of the reduction in interest rates.

2009-2010 SECOND QUARTER FORECAST DECREASE IN WORKING BALANCE

(£684,220)

3. ACTION PLAN

- 3.1 Manage the void properties and reduce as far as possible the time properties remain vacant.
- 3.2 Reduce the budget for initial cultivations in 2010/11
- 3.3 Further reduce the budget transferred to capital for Right to Buy sales.

4. RECOMMENDED

That Scrutiny Committee – Community note this report.

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY AND ENVIRONMENT

CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**

- 1. None