

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
4 SEPTEMBER 2007**

**HOUSING REVENUE ACCOUNT
STEWARDSHIP TO JUNE 2007**

1. PURPOSE OF REPORT

- 1.1 To advise Members of any major differences by management unit to the outturn forecast for the first three months of the financial year up to 30 June 2007.

2. STEWARDSHIP TO 30 JUNE 2007

- 2.1 During this period the total of the variances indicate that there will be a net surplus of £6,960, which will be transferred to the working balance at 31 March 2008, increasing the working balance to £2,850,128.
- 2.2 The main variations by management unit are detailed below:

	£
2007-2008 ESTIMATED TRANSFER TO THE WORKING BALANCE	0
5A1 MANAGEMENT	
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, and an increase in the allocation of some staffing costs from capital to revenue. This was identified as part of the 2006/07 accounts closing procedures. There are additional costs in respect of tenants' removal and legal expenses as a consequence of the downsizing initiative.	90,040
5A8 RENTS	
A reduction in the number of Right To Buy sales in 2006-07 has resulted in an increase in the rent collectable. There is also an estimated increase in the garage rent income.	(100,000)
5B2 INTEREST	
It is estimated that there will be a reduction in the mortgage interest as a result of additional early redemptions in respect of mortgage debt.	3,000
2007-2008 FIRST QUARTER FORECAST INCREASE IN WORKING BALANCE	(£6,960)

3. ACTION PLAN

- 3.1 The budgets, for staffing costing in respect of Right To Buy administration and allocations to capital schemes, will be amended to reflect the additional costs in 2008/09.
- 3.2 Tenants' removal and legal expenses will be funded from the additional income from housing rents resulting from the reduction in Right To Buy sales.

4. RECOMMENDED

That the Scrutiny Committee – Community note this report.

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY AND
ENVIRONMENT

S:LP/Committee/907SCC17
23.8.07

CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE

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

None