

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY
8 NOVEMBER 2011

HOUSING REVENUE ACCOUNT
STEWARDSHIP TO SEPTEMBER 2011

1. PURPOSE OF REPORT

To advise Members of any major differences, by management unit, between the original budget and the outturn forecast for the six months of the financial year up to 30 September 2011 in respect of the Housing Revenue Account.

2. STEWARDSHIP TO 30 SEPTEMBER 2011

2.1 During this period the total budget variances indicate that there will be a net surplus of £154,130 which will be transferred to the HRA working balance at 31 March 2012. This represents a reduction of £345,260 compared to the budgeted reduction to the working balance of £499,390. It is estimated that the working balance will stand at £3,570,681 at 31 March 2012.

2.2 The main variations by management unit are detailed below:

	£
2011-2012 ESTIMATED TRANSFER FROM THE WORKING BALANCE	499,390
85A1 MANAGEMENT	(280,980)
Savings have been made in respect salary costs which include staff vacancies and a nil pay award for 2011-12. These savings have been off set by additional agency staff to cover both maternity leave and long term sickness.	
There are savings of £200,000 in respect of the new cleaning contract and additional savings in respect of travel expenses and the support service recharge for C and E Administration.	
There is a reduction in the Supporting People funding from Devon County Council, and there are some additional costs in respect of the transfer of tenants to temporary accommodation to enable repairs to be completed for fire and water damage.	
85A3 SUNDRY LANDS MAINTENANCE	(5,000)
There is an estimated reduction in expenditure for initial cultivations	
85A4 REPAIRS FUND CONTRIBUTION	140,000
An additional £40,000 is required in order to carry out necessary Legionella testing work and £100,000 for work on void properties.	

85A8 RENTS (73,000)

It is forecast that additional rent from council dwellings of £60,000 will be collected during the financial year. This is due to a combination of factors, which include; a reduction in the number of council properties sold under the Right-to-Buy scheme and loft conversions and property extensions have resulted in certain dwellings attracting a higher rental income.

Upon a change of tenancy, the opportunity is also taken to amend the rent charged to Government guideline rent levels, which will help to accelerate rent convergence with other public sector housing bodies. This has also contributed to the higher than budgeted level of rent collected.

A further £13,000 additional income is expected to be received in respect of garages

85B1 GOVERNMENT SUBSIDY 12,850

The subsidy payment we make to government has been increased for 2011/12

85B2 INTEREST 52,000

It is estimated that there will be a reduction in income from investment interest due to lower than budgeted interest rates.

2011-2012 SECOND QUARTER FORECAST DECREASE TO THE WORKING BALANCE 345,260

3. RECOMMENDED

That the Scrutiny Committee – Community note the content of this report

DIRECTOR CORPORATE SERVICES
DIRECTOR COMMUNITY AND ENVIRONMENT

S:LP/Committee/1111SCC8
20.10.11

CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE

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

None