

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - COMMUNITY**  
**6 MARCH 2012**

**HOUSING REVENUE ACCOUNT**  
**STEWARDSHIP TO DECEMBER 2011**

**1. PURPOSE OF REPORT**

- 1.1 To advise Members of any major differences, by management unit, between the original budget and the outturn forecast as at the 31 December 2011 in respect of the Housing Revenue Account.

**2. STEWARDSHIP TO 30 DECEMBER 2011**

- 2.1 During this period the total budget variances indicate that there will be a net surplus of £1,665,990 which will be transferred to the HRA working balance at 31 March 2012. This represents an increase of £1,166,600 compared to the budgeted reduction to the working balance of £499,390. It is estimated that the working balance will stand at £5,082,541 at 31 March 2012.
- 2.2 The main variations by management unit are detailed below:

	£
<b>2011-2012 ESTIMATED TRANSFER FROM THE WORKING BALANCE</b>	<b>499,390</b>
<b>85A1 MANAGEMENT</b>	<b>(106,850)</b>
<p>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.</p> <p>There are savings in respect of the new cleaning contract, which have been partially offset by a reduction in service charges, and additional savings in respect of travel expenses and the support service recharge for C and E Administration.</p> <p>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.</p>	
<b>85A3 SUNDRY LANDS MAINTENANCE</b>	<b>7,000</b>
<p>There is an estimated reduction in expenditure for initial cultivations offset by a reduction in service charge income.</p>	

**85A4 REPAIRS FUND CONTRIBUTION** (1,241,990)

An additional £40,000 is required in order to carry out necessary Legionella testing work and £200,000 for work on void properties. This has been offset by reductions in service contracts for gas and central heating, communal area fire alarm testing, door entry systems and extractor fan maintenance.

The Revenue Contribution to Capital expenditure has been reduced by £1.24m due to a reduction in the outturn forecast in respect of the housing capital program. The majority of the shortfall will be carried forward to 2012/13.

**85A8 RENTS** (415,000)

It is forecast that additional rent from council dwellings of £405,000 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. The rent increase was also higher than the original budget due to the effect of rent convergence in 2015/16.

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 £10,000 additional income is expected to be received in respect of garages

**85B1 GOVERNMENT SUBSIDY**

The subsidy payment we make to the government has been increased for 2011/12 12,850

**85B2 INTEREST** 78,000

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

**2011-2012 THIRD QUARTER FORECAST INCREASE TO THE WORKING BALANCE** (1,166,600)

**3. RECOMMENDATION**

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

ASSISTANT DIRECTOR - FINANCE

ACTING ASSISTANT DIRECTOR - HOUSING & CONTRACTS

S:PA/LP/Cttee/312SCC3  
23.2.12

Local Government (Access to Information) Act 1985 (as amended)  
Background papers used in compiling this report - None