

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
4 MARCH 2008**

**HOUSING REVENUE ACCOUNT
STEWARDSHIP TO DECEMBER 2007**

1. PURPOSE OF REPORT

1.1 To advise Members of any major differences by management unit to the outturn forecast for the nine months of the financial year up to 31st December 2007.

2. STEWARDSHIP TO 31 DECEMBER 2007

2.1 During this period the total of the variances indicate that there will be a net surplus of £114,860, which will be used to fund capital expenditure in respect of the Decent Homes Standard. The working balance at 31st March 2008 will be £2,843,168.

2.2 The main variations by management unit are detailed below:

	£
2007-2008 ESTIMATED TRANSFER TO THE WORKING BALANCE	0

5A1 MANAGEMENT

There are additional costs in respect of tenants' removal and legal expenses as a consequence of the downsizing initiative.	143,590
---	---------

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.

5A3 SUNDRY LANDS MAINTENANCE

There has been an increase in the contract rates in respect of assisted garden maintenance as a result of adverse weather conditions in 2007.	12,000
---	--------

5A4 REPAIRS FUND CONTRIBUTION

The overall net surplus generated mainly by additional rent and investment interest will be used to increase the revenue contribution to capital expenditure.	114,860
---	---------

5A6 CAPITAL CHARGES

Additional costs have been incurred in respect of the redemption of a finance lease	1,000
---	-------

5A8 RENTS

A reduction in the number of Right To Buy sales in 2006-07 (185,000) has resulted in an increase in the rent collectable. There is also an estimated increase in the garage rent income.

5B1 GOVERNMENT SUBSIDY

There has been an adjustment to the amount payable in (19,450) respect of the HRA Subsidy and Rental Constraint Allowance for 2007-2008

5B2 INTEREST

It is estimated that there will be additional investment (67,000) interest due to an increase in interest rates; this is offset by a reduction in the mortgage interest as a result of additional early redemptions in respect of mortgage debt.

2007-2008 SECOND QUARTER FORECAST INCREASE IN WORKING BALANCE (£0)

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/308SCC9
21.2.08

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