

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY
3 JUNE 2008

HOUSING REVENUE ACCOUNT
FINAL ACCOUNTS 2007-2008

1 PURPOSE OF REPORT

- 1.1 To advise members of the overall financial performance of the Housing Revenue Account (HRA) for the 2007-2008 financial year ended 31 March 2008.

2 HOUSING REVENUE ACCOUNT (Appendix A)

- 2.1 During the financial year regular reports were made to this committee on the estimated outturn and variance in the working balance. The final outturn has now been calculated, and the report below highlights the major differences by Management Unit from the approved annual budget.
- 2.2 There is a net deficit of £223,607 for the year, which has resulted in a reduction of £229,030 in the revenue contribution to capital expenditure and a transfer of £5,423 to the working balance at 31 March 2008. A total of £1,000,000 was used to fund works associated with achievement of the Decent Homes Standard. The working balance has therefore been increased to £2,848,591 at 31 March 2008.

3 MAIN VARIATIONS

The main variations by management unit are detailed below:

	£
2007-2008 ESTIMATED REQUIREMENT FROM WORKING BALANCE	0
5A1 MANAGEMENT	46,826
There are additional costs in respect of tenants' removal and legal expenses as a consequence of the downsizing initiative. 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 has also been offset by a reduction in the Contracts Unit support service charge to revenue and an increase in this charge to HRA capital.	
5A3 SUNDRY LANDS MAINTENANCE	16,943
There has been an increase in the contract rates in respect of assisted garden maintenance as a result of adverse weather conditions in 2007.	

5A4 REPAIRS FUND CONTRIBUTION	317,840
There has been a significant (£547K) increase in the cost of Housing reactive maintenance in 2007/08, including the repair cost to void properties. As a result there has been a reduction in the funding of capital schemes from revenue (£229K). The balance of the overspend has been funded from additional rent and investment interest.	
5A6 CAPITAL CHARGES	1,001
Additional costs have been incurred in respect of the redemption of a finance lease £1,000	
5A8 RENTS	(296,610)
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.	
5B1 GOVERNMENT SUBSIDY	(32,392)
There has been an adjustment to the amount payable in respect of the HRA Subsidy and Rental Constraint Allowance for 2007-2008	
5B2 INTEREST	(59,031)
Additional investment interest was received as a result of 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.	
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2007-2008 TRANSFER TO THE WORKING BALANCE	£ (5,423)
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4 RECOMMENDED

That Scrutiny Committee- Community note this report

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY AND ENVIRONMENT

CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE

S:LP/Committee/608SCC10
22.5.08

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

1. None