

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY
2 JUNE 2009

HOUSING REVENUE ACCOUNT
FINAL ACCOUNTS 2008-2009

1 PURPOSE OF REPORT

- 1.1 To advise members of the overall financial performance of the Housing Revenue Account (HRA) for the 2008-2009 financial year ended 31 March 2009.

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 £252,926 for the year, which has resulted in a reduction of £262,600 in the revenue contribution to capital expenditure and a transfer of £9,764 to the working balance at 31 March 2009. The working balance has therefore been increased to £2,858,265 at 31 March 2009.

3 MAIN VARIATIONS

The main variations by management unit are detailed below:

2008-2009 ESTIMATED REQUIREMENT FROM WORKING BALANCE	£
	0

85A1 MANAGEMENT

17,254

There are saving on salaries due to various vacant posts between April and June, the Housing Manager post was vacant until 1 July 2008. This has been partly offset by agency staff costs.

There is an increase in utility costs, tenants' removal costs and legal expenses. Tenant participation and equipment tools and materials have also exceeded the budget.

Transport costs have exceeded the budget due to essential user lump sum now being assigned to various posts. There has been 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.

This has been offset by additional Supporting People Grant income in respect of sheltered accommodation back dated to April 2003; this is due to previous changes of tenancies, and a reduction in support service costs recharged to the HRA.

85A3	SUNDRY LANDS MAINTENANCE	(26,643)
	There has been a reduction in respect of initial cultivations in the assisted garden maintenance contract together with a reduction in the cost general estates maintenance for 2008/09.	
85A4	REPAIRS FUND CONTRIBUTION	192,826
	There has been a significant (£455K) increase in the cost of Housing reactive maintenance in 2008/09, including the repair cost to void properties and electrical work. As a result there has been a reduction in the funding of capital schemes from revenue (£263K). The balance of the overspend has been funded from additional rent and a reduction in other costs.	
85A6	CAPITAL CHARGES	7,111
	Additional costs have been incurred in respect of the redemption of a finance lease	
85A8	RENTS	(235,786)
	A reduction in the number of Right To Buy sales in 2007-08 and 2008-09 has resulted in an increase in the rent collectable. This has been offset by a reduction in the garage rent collected (£17K) due to an increase in void garages.	
85B1	GOVERNMENT SUBSIDY	(10,834)
	There has been an adjustment to the amount payable in respect of the HRA Subsidy for 2008/09.	
85B2	INTEREST	46,398
	There has been a reduction in investment interest received (£42K) as a result of lower interest rates due mainly to the economic downturn in 2008/09; there has also been a reduction in the mortgage interest (£4K) as a result of additional early redemptions in respect of mortgage debt.	
2008-2009 TRANSFER TO THE WORKING BALANCE		£ (9,674)

4 RECOMMENDED

That Scrutiny Committee- Community note this report.

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY AND ENVIRONMENT

S:DSS/PA/LP/Cttee/609SCC13
20.5.09

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