Appendix 1

HOUSING REVENUE ACCOUNT (HRA)

REVENUE MONITORING 2019/20 Quarter 3

	2019/20 Full Year Budget £'000	2019/20 Budget to Date Apr - Dec £'000	2019/20 Actuals Apr - Dec £'000	2019/20 Variance Apr - Dec £'000	2019/20 Projected Outturn £'000	2019/20 Projected Variance £'000
INCOME						
Dwelling Rents	22,857	17,259	17,351	-92	22,955	-98
Non-Dwelling Rents	523	481	498	-17	539	-16
Tenants' Charges for Services & Facilities	649	495	377	118	581	68
Contributions towards Expenditure	43	14	41	-27	81	-38
Total Income	**24,072**	**18,249**	**18,267**	**-18**	**24,156**	**-84**
EXPENDITURE						
Repairs & Maintenance	5,293	4,142	4,116	-26	5,547	254
Supervision & Management	8,660	6,449	5,919	-530	8,285	-375
Rent, Rates, Taxes & Other Charges	144	108	62	-46	347	203
Provision for Bad Debts	273	0	0	0	200	-73
Depreciation & Impairment of Fixed Assets	5,729	0	0	0	5,729	0
Interest Payable & Debt Management Costs	4,179	1,759	1,759	0	4,179	0
Total Expenditure	**24,278**	**12,458**	**11,856**	**-602**	**24,287**	**9**
Net cost of Services	**206**	**-5,792**	**-6,412**	**-620**	**131**	**-75**
Net Operating Expenditure	**206**	**-5,792**	**-6,412**	**-620**	**131**	**-75**
Interest Receivable	-36	0	0	0	-100	-64
Revenue Contribution to Capital Outlay	0	0	0	0	0	0
Use of Balances	-170	0	0	0	-31	139
Transfer to Earmarked Reserves	0	0	0	0	0	0
(Surplus)/Deficit on Services	**0**	**-5,792**	**-6,412**	**-620**	**0**	**0**

Financial Commentary:

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April - December 2019

The major variances are due to the following:

- Repairs & Maintenance:

A thorough review of repairs and maintenance spending has been undertaken because earlier forecasts predicted a significiant overspend. The review has identified major expenditure on void properties (such as kitchen and bathroom replacements) and boiler replacements within the gas cost centre where it is possible to capitalise the works. Evidence of the capital works has been required prior to capitalisation and processes are being reviewed so that this work can be managed and captured more effectively in the future. The review also identified commitments within the housing sysytem which were historic and could be cleared.

- Supervision & Management:

Supervision and Management is £530k underspent as at quarter 3. The majority of the underspend (£375k) relates to savings against employee budgets and this will be an underspend at the year end. The balance of the underspend relates to premises costs and professional fees and although there is a possibility these will be underspent at the year end the management accounts have prudently assumed that they are spent in the final quater.

- Rent, Rates and Other Charges:

The forecast outturn includes an estimated £200k allocation for insurance claims. This is based on the claim allocation in 2018/19 but the charge will be calculated from actual claims arising within the financial and is likely to fluctuate. The budget for 2020/21 and medium term financial plan now includes a budget for this.

Please note: For items where budgets to date show as zero this is due to these costs being allocated as part of the year end accounting processes

HRA CAPITAL 2019/20 Quarter 3

Strategic Purpose

Help Me to Find Somewhere to Live in my Locality

	2019/20 Full Year Budget £'000	2019/20 Budget to Date Apr - Dec £'000	2019/20 Actuals Apr - Dec £'000	2019/20 Variance YTD £'000
1-4-1 Housing Replacement	4,277	3,208	2,644	-564
Catch Up Rep-Bath Replacements	100	75	62	-13
Catch Up Rep-Kitchen Upgrades	100	75	102	27
Asbestos General	1,000	750	167	-583
Structural Repairs	60	45	39	-6
General Roofing	50	38	0	-38
Electrical Upgrades	400	300	235	-65
Upgrade Of Central Heating Systems	400	300	197	-103
Window Replacements	100	75	9	-66
Equipment & Adaptations	696	522	252	-270
External Cladding & Wall Hanging	0	0	4	4
Drainage	0	0	5	5
Water Supply	50	38	1	-37
Environmental Enhancements	375	281	42	-239
Kitchen voids	0	0	2	2
FRA Works	500	375	425	50
Stock Condition Survey	150	113	277	165
Fencing Renewals	90	68	0	-68
Housing System	537	403	229	-174
Design & Supervision	350	263	0	-263
	9,235	**6,926**	**4,692**	**-2,234**

Financial Commentary:
The projects form the basis of an interim capital improvement plan pending the outcome of a comprehensive stock condition survey. The survey will be used to inform the budgets required for the 30 year business plan.

Works are also currently being undertaken on a needs only basis pending the survey outcome

1-4-1 Housing Replacement: properties built or purchased using 1-4-1 capital receipts generated from Right to Buy sales