

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 11 - SUMMARY

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
Housing Revenue Account						
Income	(32.269)	(32.372)	(0.103)	(0.108)	£0.080m reflects the decision to delay implementation of Service Charges to 1st April 2018 (from January 2018) to allow more time for full consultation. £0.036m relates to the loss of income on garages following refurbishments and demolition. £0.227m relates to a reduction in the contribution towards the provision for bad debts. £0.067m relates to Council Tax credits. £0.064m relates to delays in the handover of new properties compared to the estimated dates in the original business plan. The remaining £0.011m relates to minor variances.	
Capital Financing - Loan Charges	7.545	7.486	(0.059)	(0.059)	£0.118m relates to a reduction in the expected interest charge for HRA borrowing. This is because interest rates have remained low since the Brexit referendum. Borrowing costs have also been minimised through efficient treasury management. £0.016m relates to a reduction in the minimum revenue payment (MRP). This is calculated based on the total HRA borrowing at 31st March 2017 which was slightly lower than assumed in the budget. £0.075m relates to the anticipated support services charge relating to Corporate Management and Democratic Representation.	
Estate Management	1.633	1.577	(0.056)	(0.045)	£0.066m relates to vacancy savings for posts which have been deleted in the 2018/19 Business Plan. £0.010m relates to minor variances.	
Landlord Service Costs	1.386	1.413	0.026	0.019	Minor variance	
Repairs & Maintenance	8.559	7.764	(0.794)	(0.542)	A saving of £0.794m is anticipated on Repairs and Maintenance. £0.222m relates to staffing costs. £0.616m relates to subcontractor spend. This expenditure is reflected in the capital budget. £0.035m relates to increased costs for Fleet damage to vehicles. The remaining £0.009m relates to minor variances.	
Management & Support Services	2.273	2.210	(0.063)	(0.068)	£0.015m relates to an increase in the central support service recharge. £0.033m relates to salary savings in Housing Programmes and Finance. £0.025m relates to savings on the software allocation. £0.005m relates to an expected underspend on the conference budget. £0.007m relates to an underspend on the subscriptions budget. The remaining £0.008m relates to minor variances.	
Capital Expenditure From Revenue (CERA)	10.863	11.537	0.675	0.430	The variance of £0.675m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	
HRA Projects	0.046	0.384	0.338	0.338	£0.333m relates to SHARP pre-development costs which were approved by Cabinet in March 2017. If these schemes are approved before 31st March 2018, then costs will be capitalised. The remaining £0.005m relates to minor variances.	In March 2017 Cabinet approved progression of site investigation works on several possible sites for SHARP. If, for any reason, schemes are not approved by 31st March 2018, these costs will be charged to the HRA.
Contribution To / (From) Reserves	(0.035)	0.000	0.035	0.035	HRA reserves will be kept at existing levels to meet Business Planning requirements in future years.	
Total Housing Revenue Account	(0.000)	0.000	0.000	(0.000)		