

APPENDIX C

SOUTH BEDFORDSHIRE DISTRICT COUNCIL HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2008/09

1. Housing Revenue Account Outturn 2008/09

1.1 This report deals with a) the Housing Revenue Account; b) the impact on the medium term HRA business plan.

1.2 The 2008/09 financial outturn for the Housing Revenue Account is set out below:

Housing Revenue Account Outturn Statement 2008/09

	Revised Estimate £000	Outturn £000	Variance £000
Housing Management General	2,070.9	2,005.8	(65.1)
Housing Management Special	1,088.3	1,169.0	80.7
Major Repairs Allowance	3,561.6	3,553.3	(8.3)
Housing Maintenance	5,190.7	4,863.7	(327.0)
Capital Financing	(385.8)	(568.2)	(182.4)
Bad Debt Provision	118.9	238.1	119.2
Housing Subsidy Income	8,710.0	8,779.9	69.9
	(20,337.6)	(20,576.7)	(239.1)
Sub Total – Service Costs	17.0	(535.1)	(552.1)
Contribution (from)/to balances	(17.0)	535.1	552.1
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HRA totals	0.0	0.0	0.0

HRA Balances

Balances as at 1 April 2008	3,509.0	3,509.0	0.0
Contribution to/(from) balances for 2008/09	(17.0)	535.1	552.1
Balance 31 March 2009	3,492.0	4,044.1	552.1

1.3 There was an increase in the surplus for the year 2008/09 of £552k compared to the revised budget. In percentage terms the expenditure outturn represents a difference of 1.5% to the revised estimate and income levels represent a difference of only 1.2% over the revised estimate. A number of assumptions in the revised budget were not realised in the outturn. In particular, the reduction in investment interest anticipated in the revised budget was not as great as expected.

1.4 Principle variances relate to housing maintenance, capital financing, and rent income. Within housing maintenance there was less expenditure on Day to Day and Voids repairs as a result of savings in the electrical budget and minor contractor budgets. The variation within Capital Financing relates to investment income on the HRA proportion of the Council's investments, as referred to above. More information on investment income is contained in the Treasury Management Review report attached to the main financial outturn report.

1.5 An analysis of the key variations is shown below:

Variance	£000
Additional expenditure re premises insurances	44.3
Lower than anticipated Supporting People Grant income	37.2
Reduced expenditure re salaries at the Homeless Hostel	(25.5)
Reduced rental income at the Homeless Hostel	38.0
Additional expenditure re agency staff	34.7
Reduced expenditure re Choice Based Lettings	(47.6)
Places for People (South Beds Women's Aid) – part year cost only	(24.8)
Additional expenditure re Community Alarm Console	66.2
Increased expenditure re redecorations	47.6
Reduced expenditure re void properties	(268.1)
Increased insurance recoveries	(57.0)
Additional interest income	(174.4)
Increase in required bad debt provision following annual review of sums outstanding	119.2
Increased payment to DCLG re Housing Subsidy	69.9
Variation to dwelling rents	(407.5)
Variation to shop and other rents	(22.7)
Variation in void dwellings	152.0
Other minor variations	(133.6)
 Total variation Housing Revenue Account 2008/09	 (552.1)

1.6 As a consequence of these variations, the HRA balance as at 31 March 2009 has increased by £552.1k to £4,044.1k. Whilst balances are at a relatively high level, this provides a level of resilience in the light of the volatility of the housing subsidy system and a degree of capacity regarding potential funding of the capital programme.

2. HRA Business Planning

2.1 The HRA Business Plan has been recently reviewed and the work has shown that the HRA continues to be sustainable into the longer term. The current asset management programme continues to ensure that properties are maintained to the decent homes standard.

2.2 The Business Plan has noted that Right To Buy (RTB) capital receipts are likely to continue to be at a virtually negligible level for some time, emphasising the potential need for increased revenue funding of the programme as referred to above. The Business Plan will be further reviewed in the light of the outturn position and the outlook for the subsidy system over the coming months.