

Budget Monitoring Report
Housing Revenue Account Variances

MONTH 8 - 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)	(32.264)	0.005	0.099	£0.079m reflects the decision to delay implementation of Service Charges to 1st April 2018 (from January 2018) to allow more time for full consultation. £0.034m relates to the loss of income on garages following refurbishments and demolition. £0.150m relates to a reduction in the contribution towards the provision for bad debts. This is a permanent reduction which is reflected in the budget for 2018/19. £0.010m relates to changes in the anticipated handover dates for new properties. The remaining £0.032m relates to minor variances.	Continue to monitor and review.
Capital Financing - Loan Charges	7.545	7.411	(0.134)	(0.134)	£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.	Continue to monitor and review.
Estate Management	1.633	1.590	(0.043)	(0.019)	Minor Variance	Continue to monitor and review.
Landlord Service Costs	1.311	1.302	(0.009)	0.021	Minor variance	Continue to monitor and review.
Repairs & Maintenance	8.606	8.110	(0.496)	(0.284)	A saving of £0.496m is anticipated on Repairs and Maintenance. £0.177m relates to staffing costs. £0.327m relates to subcontractor spend. This expenditure is reflected in the capital budget. The remaining £0.008m relates to minor variances.	Continue to monitor and review.
Management & Support Services	2.273	2.205	(0.068)	(0.069)	£0.035m relates to vacancy savings. £0.010m relates to a reduction in the projected Apprentice Levy. £0.025m relates to software. The remaining £0.002m relates to minor variances.	Continue to monitor and review.
Capital Expenditure From Revenue (CERA)	10.890	11.484	0.594	0.385	The variance of £0.594m 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.	Continue to monitor and review.
HRA Projects	0.046	0.197	0.151	(0.000)	£0.146m 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.	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)	(0.035)	0.000	0.000	No variance	
Total Housing Revenue Account	(0.000)	(0.000)	(0.000)	(0.000)		