

Housing Revenue Account Outturn 2019/20

	Final Budget £M	Outturn £M	Outturn Variance £M	Forecast Variance Qtr 3 £M	Variance Movement from Qtr 3 £M
Expenditure					
Responsive repairs	11.33	12.64	1.32 A	0.20 F	1.52 A
Housing investment	5.19	4.52	0.67 F	0.38 F	0.29 F
Rents payable	0.10	0.14	0.04 A	0.00	0.04 A
Debt management	0.09	0.07	0.01 F	0.05 A	0.06 F
Supervision & management	23.08	22.89	0.19 F	0.24 F	0.05 A
Interest & principal repayments	6.56	5.19	1.37 F	0.97 F	0.40 F
Depreciation	19.97	19.60	0.37 F	0.00	0.37 F
Direct revenue financing of capital	7.94	8.96	1.02 A	0.00	1.02 A
Total expenditure	74.24	74.01	0.23 F	1.74 F	1.51 A
Income					
Dwelling rents	70.16	69.50	0.66 A	0.00	0.66 A
Other rents	1.16	1.25	0.09 F	0.00	0.09 F
Service charge income	2.28	2.23	0.05 A	0.05 A	0.00
Leaseholder service charges	0.64	1.01	0.37 F	0.20 F	0.17 F
Interest received	0.01	0.02	0.01 F	0.00	0.01 F
Total income	74.24	74.01	0.23 A	0.15 F	0.39 A
(Surplus) / Deficit for the year	0.00	0.00	0.00	1.89 F	1.89 A

NB Numbers are rounded

The SIGNIFICANT movements between Qtr 3 and Outturn for the Portfolio are:

Service Area	Movement in Variance between Qtr 3 and Outturn 2019/20 £M	Explanation
Responsive Repairs	1.52 A	Expenditure for 2019/20 has finished closer to the 2018/19 outturn than the budget (£12.64M in 2019/20 vs £12.95M in 2018/19) due to the ongoing demand for repairs work on housing stock within the HRA. This may be a reflection of major capital works expenditure being materially less than the 2019/20 budget as to offset this underspend works have been carried out on housing stock on a more reactive than planned basis.

Cyclical Maintenance (Housing Investment)	0.29 F	Delays in recruitment to the Capital Assets Team have resulted in a reduction in the cyclical maintenance carried out. None of the statutory landlord responsibilities have been affected by this reduction. The favourable movement since quarter 3 is due to the ongoing recruitment delay.
Interest & Principal Repayments	0.40 F	As a result of the HRA capital programme outturn being less than budgeted, the amount of borrowing required for capital financing has decreased, leading to a reduction in the interest and principal payable.
Depreciation	0.37 F	A combination of higher than anticipated Right To Buy sales (leading to lower stock numbers) and lower than projected inflation figures (leading to lower replacement costs) has resulted in a reduced depreciation cost.
Direct Revenue Financing of Capital	1.02 A	There is a larger than budgeted surplus on the HRA with this differential used for capital financing. This maintains HRA balances at £2M at the end of the financial year. This has a knock-on effect of reducing overall HRA debt by using direct revenue financing (revenue contributions) instead.
Dwelling Rents	0.66 A	There has been part of a week of rent carried forward over the next five years due to 2019/20 being a 53 week rent year. There is also an element of higher voids due to the estate regeneration project.