

**ANNEX 1.6**  
**HOUSING REVENUE ACCOUNT FORECAST OUTTURN POSITION FOR 2020/21**

The Housing Revenue Account (HRA) is currently forecast to have a surplus of **£0.18M** at year-end on business as usual activities, which represents a percentage surplus against budget of **0.2%**. The HRA business as usual forecast variance has moved favourably by **£0.45M** from the position reported at Quarter 2.

In addition, **£1.29M** of pressures arising from the COVID-19 pandemic are forecast for the year.

	<b>Budget Dec 2020 £M</b>	<b>BAU* Annual Forecast Dec 2020 £M</b>	<b>BAU* Forecast Variance Sept 2020 £M</b>	<b>BAU* Forecast Variance Sept 2020 £M</b>	<b>BAU* Variance Movement from Sept 2020 £M</b>
<b>Expenditure</b>					
Responsive repairs	13.26	14.16	0.90 A	1.32 A	0.42 F
Housing investment	5.19	4.19	1.00 F	0.80 F	0.20 F
Rents payable	0.10	0.10	0.00	0.00	0.00
Debt management	0.09	0.09	0.00	0.00	0.00
Supervision & management	22.52	22.32	0.20 F	0.20 F	0.00
Interest & principal repayments	5.09	4.70	0.39 F	0.00	0.39 F
Depreciation	20.47	20.47	0.00	0.00	0.00
Direct revenue financing of capital	8.89	8.89	0.00	0.00	0.00
<b>Total Expenditure</b>	<b>75.60</b>	<b>74.92</b>	<b>0.69 F</b>	<b>0.32 A</b>	<b>1.01 F</b>
<b>Income</b>					
Dwelling rents	(70.24)	(70.29)	0.05 F	0.05 F	0.00
Other rents	(1.22)	(1.22)	0.00	0.00	0.00
Service charge income	(3.25)	(2.47)	0.78 A	0.00	0.78 A
Leaseholder service charges	(0.88)	(1.10)	0.22 F	0.00	0.22 F
Interest received	(0.01)	(0.01)	0.00	0.00	0.00
<b>Total Income</b>	<b>(75.60)</b>	<b>(75.09)</b>	<b>0.51 A</b>	<b>0.05 F</b>	<b>0.56 A</b>
<b>(SURPLUS)/DEFICIT</b>	<b>0.00</b>	<b>(0.18)</b>	<b>0.18 F</b>	<b>0.27 A</b>	<b>0.45 F</b>

NB Numbers are rounded

\*Business as usual

**The SIGNIFICANT business as usual movements between Quarter 2 and Quarter 3 for the Portfolio are:**

<b>Service Area</b>	<b>Movement in BAU Forecast Variance Between Quarter 2 and Quarter 3 £M</b>	<b>Explanation</b>
Responsive Repairs	0.42 F	There has been a £0.42M favourable movement since Quarter 2 which reflects a further analysis of recent data and spend patterns which shows an improved position due to relaxing of restrictions over the summer and autumn. Recent tightening of COVID-19 related restrictions mean that this area remains under close review.
Cyclical Maintenance	0.20 F	There has been a £0.2M favourable movement since Quarter 2 which reflects the ongoing review in relation to current spend patterns and property access and variations in working practices due to COVID-19.
Interest & Principal Repayments	0.39 F	Since Quarter 2 a review of the HRA capital programme delivery has resulted in a reduced borrowing figure to reflect current spend forecasts, which has a resultant lower interest liability.
Service Charge Income	0.78 A	A review of all property types affected by service charge increases has shown an overestimation in expected in year service charge income in relation to wardens in walk-up blocks which is now reflected in the Quarter 3 forecast.
Leaseholder Service Charges	0.22 F	Following a review of current in year activity so far, Quarter 3 monitoring has found that income from repairs and maintenance work carried out on leaseholder properties is now expected to exceed budgeted income

A summary of the Portfolio COVID-19 pressures and movement since Quarter 2 is shown in the table below:

<b>Service Area</b>	<b>COVID-19 Pressures Qtr 3</b>	<b>COVID-19 Pressures Qtr 2</b>	<b>COVID-19 Pressures Movement from Qtr 2</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>
Supervision & Management	1.25 A	1.25 A	0.00
Dwelling Rents	0.04 A	0.04 A	0.00
<b>Total</b>	<b>1.29 A</b>	<b>1.29 A</b>	<b>0.00</b>

There were no SIGNIFICANT COVID-19 pressures movements between Quarter 2 and Quarter 3.