

HOUSING REVENUE ACCOUNT

KEY ISSUES – MONTH 3

The Housing Revenue Account (HRA) is currently forecast to over spend by **£154,200** at year-end, which represents a percentage over spend against budget of **0.26%**.

The Key variances within the HRA are:

HRA 1 – Supervision & Management - Housing Management (forecast adverse variance £40,000)

As a result of payments for tenants that have been displaced by the balcony collapse at Weston there are additional costs of £19,500.

Due to the lead time in implementing the payment card system, expected savings have been reduced by £70,000. This has been partly offset by salary savings of £45,500 within the Receptionists Team.

HRA 2 – Supervision & Management - Directors Office (forecast adverse variance £22,100)

The costs of the annual maintenance contracts for the Housing systems have been reassessed now that the costs of the annual maintenance contracts are known. Additionally, a review of the Asset Management Database (which is essential for assessing future major works costs) is being undertaken and this is now included in the annual maintenance contract. The forecast for 2010/11 has been revised to reflect these changes.

HRA 3 – Dwelling Rents (forecast adverse variance £154,200)

Earlier than budgeted decanting of tenants within the Estate Regeneration project has led to a reduction in the dwellings rents to be received this year.

In addition, there has been rent loss as a result of tenants being required to vacate a number of properties within Shirley Towers.

HRA 4 – Tenants Service Charges (forecast favourable variance £61,300)

The operation of the Community Alarm Monitoring charge to certain tenants in sheltered housing schemes has now been finalised and this will increase the income received this year.