

Housing Revenue Account Outturn 2021/22

	Final Budget £M	Outturn £M	Outturn Variance £M
Expenditure			
Responsive repairs	12.15	14.21	2.06 A
Housing investment	4.97	5.24	0.27 A
Rents payable	0.10	0.26	0.16 A
Debt management	0.09	0.09	0.00 F
Supervision & management	24.94	23.53	1.41 F
Interest & principal repayments	8.83	8.48	0.34 F
Depreciation	20.92	19.39	1.52 F
Direct revenue financing of capital	3.88	3.19	0.69 F
Total expenditure	75.87	74.39	1.48 F
Income			
Dwelling rents	(71.38)	(71.04)	0.34 A
Other rents	(1.20)	(1.24)	0.03 F
Service charge income	(2.34)	(2.34)	0.00 A
Leaseholder service charges	(0.95)	(0.70)	0.25 A
Interest received	(0.01)	0.00	0.01 A
Total income	(75.87)	(75.31)	0.56 A
(Surplus) / Deficit for the year	0.00	(0.92)	0.92 F

Numbers are rounded

There was a planned surplus of £0.92M for 2021/22 to be carried forward to offset a planned deficit in 2022/23, such that by the end of 2022/23 the HRA balance will return to £2M.

A summary of the Portfolio business as usual outturn variance and movement since the last quarter is shown in the table below:

Service Area	BAU Outturn Variance £M	BAU Forecast Variance Qtr 3 £M	BAU Movement from Qtr 3 £M
Responsive Repairs	2.06 A	0.00	2.06 A
Cyclical Maintenance	0.27 A	0.40 F	0.67 A
Supervision & Management	1.41 F	1.48 F	0.07 A
Interest & Principal Repayments	0.34 F	0.38 F	0.04 A
Depreciation	1.52 F	0.63 A	2.15 F

Direct Revenue Financing of Capital	0.69 F	0.49 A	1.18 F
Dwelling Rents	0.34 A	0.22 A	0.12 A
Leaseholder Service Charges	0.25 A	0.00	0.25 A
Other	0.12 A	0.00	0.12 A
Total	0.92 F	0.92 F	0.00

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

Service Area	Movement in BAU Variance between Qtr 3 and Outturn 2021/22 £M	Explanation:
Responsive Repairs	2.06 A	The adverse variance relates to increasing activity in the second half of 2021/22 as access to properties increased. It is also being driven by an increased level of voids and major repair work.
Cyclical Maintenance	0.67 A	The adverse variance relates mainly to an increase in the cost of servicing and repairs for gas boilers, as the existing stock ages. A replacement programme is built into the capital programme to address this issue. The remainder is due to an increase in asbestos removal, which has increased as redecoration work increased post pandemic.
Depreciation	2.15 F	A change to the methodology for calculating depreciation has resulted in a favourable variance of £2.15M.
Direct Revenue Financing of Capital	1.18 F	The amount of revenue budget applied to finance capital has been adjusted (reduced) to offset the adverse variance movements in other service areas. However, reducing the contribution from revenue for capital cost will mean more borrowing and more costs for the HRA over the long term.
Leaseholder Service Charges	0.25 A	Leaseholder service charges were lower in 2021/22 due to refunds paid in respect of a lower level of service provided during the pandemic year.

There were no variances on the COVID-19 budget and no movements since the last quarter.