



Board

23rd June 2009

YHN and HRA Financial Outturn 2008-09

Report by Director of Finance and Resources

Approval	Area Implications	All
<p>Executive Summary</p>	<p>This report sets out for Board the 2008-09 financial outturn for the Housing Revenue Account [HRA] and Your Homes Newcastle [YHN] accounts.</p> <p>The year end YHN accounts show a spend of £28.8m; this is a reduction of £1.7m on the revised budget. The main components of this underspend are the single status provision which is now carried forward to 2009-10 (£1.0m); a lower than anticipated charge from the pension fund for redundancy and early retirements (£0.1m) and savings arising from increased staff turnover (£0.1m).</p> <p>This underspend represents a reduction in the management fee payable to YHN and hence a saving for the HRA.</p> <p>The year end position for the HRA shows a net surplus on the account of £0.1m. This is in line with the revised budget. The major variances being transfer to reserves (£4.3m: £1m Workforce Planning, £2.7m Investment Fund, £0.6m Furniture Reserve), reduced YHN Management Fee (-£1.7m); funding of capital expenditure direct from the Furniture Reserve and Investment Fund (-£2.2m) and a reduction in new bad debt provision (estimated £1m, only £0.3m required) reflecting the overall reduction</p>	

	<p>in rent arrears.</p> <p>The overall HRA closing balance is £9.9m.</p> <p>The latest HRA Medium Term Plan [MTP] position shows the minimum £5m balance being maintained for the next 3 financial years.</p> <p>The net in year position deteriorates from a surplus of £0.5m in 2009-10 to a deficit of £0.8m in 2010-11 with further deteriorations throughout the 5 year period. This position reflects the initial indications of the impact of inflationary cost pressures.</p> <p>The HRA balance is forecast to exceed the minimum £5m to the end of 2011-12. However in that year the HRA shows an in year deficit of £3.3m.</p> <p>Board will receive an updated/revised MTP position next month which will take account of the 2008-09 financial outturn and reflect a comprehensive review of future year financial pressures with particular focus on key issues including projections for the Retail Price Index.</p>
<p>Recommendations</p>	<p>Board is asked to note and approve :</p> <ul style="list-style-type: none"> • The provisional 2008-09 financial outturn for the YHN accounts; • The provisional 2008-09 financial outturn for the HRA accounts and the levels of Reserves; • Note the latest MTP position and that it will receive a fully updated MTP position at the July meeting.

<p>Business Implications</p>	
<p>YHN Mission and Strategic Objectives</p>	<p>A healthy HRA and YHN financial position supports the achievement of all YHN's strategic objectives.</p>
<p>Value for Money/Efficiencies</p>	<p>Detailed, timely and accurate financial information allows YHN to identify areas of concern with regards to Value for Money, the need to generate efficiency savings and the ability to monitor progress in achieving those</p>

	savings.
Resources	<ul style="list-style-type: none"> • The YHN outturn is a nil balance as stipulated in the management agreement; • The HRA balance increased to £9.9m; • Total HRA reserves have increased from £43.2m to £45.3m.
Impact on Services/Performance	A healthy financial position enables YHN to invest in services as appropriate to support the achievement of strategic goals and improve performance.
Outcomes for tenants/leaseholders	A healthy financial position enables YHN to invest in services as appropriate to support the achievement of strategic goals and the impact of services on tenants and leaseholders.
Risk (reputation, relationship)	<ul style="list-style-type: none"> • Not holding reserves would leave the HRA in the position of having to make unplanned changes in spending priorities in the face of unexpected financial events. For example unforeseen pressures on spending from pay claims, legal rulings, pensions, repair costs. • Holding substantial reserves may draw criticism from some parties including NCC.
Environmental	<ul style="list-style-type: none"> • Financial resources are required to implement actions to reduce YHN's/HRA's environmental impact. • Understanding the outturn helps understand some of the environmental impacts of YHN/HRA.
Legal Implications	<ul style="list-style-type: none"> • The legally required statutory financial statements relating to the HRA and YHN outturn will be published separately.
Equality and Diversity	<ul style="list-style-type: none"> • Understanding the financial outturn may help understanding of our financial commitment to equality and diversity.
Stakeholder Involvement/Consultation (planned or already carried out)	<ul style="list-style-type: none"> • None

Background papers	
	2008-09 Budget working papers
	2008-09 Closedown working papers
	YHN Management Agreement

Contact officers	Ross Atkinson: Director of Finance and Resources - 0191 2788708 Lisa Forrest: Head of Finance - 0191 2788616
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	Andrew Lister: Financial Manager [Financial Business Support] - 0191 2788630
	Keith Embleton: Financial Manager [Revenue] - 0191 2788635

YHN and HRA Financial Outturn 2008-09

1. Introduction

- 1.1 This report sets out for Board the 2008-09 provisional financial outturn for the YHN and HRA accounts.

2. Background

- 2.1 Finance Committee will receive the detailed provisional 2008-09 financial outturn figures for YHN and the HRA at its meeting on the 18th June. Any matters of concern raised by Committee will be reported verbally to the Board meeting.
- 2.2 With Finance Committee undertaking its scrutiny role on the detailed financial information this report provides to Board summary information for YHN and the HRA outturn and graphical representations regarding finance of what services were provided, how they were provided and how they were funded.
- 2.3 The information provided is described as provisional because late changes to the accounts may still take place and the accounts are subject to external audit which may also change the figures.

3. 2008-09 Provisional Financial Outturn

3.1 2008-09 YHN Provisional Financial Outturn

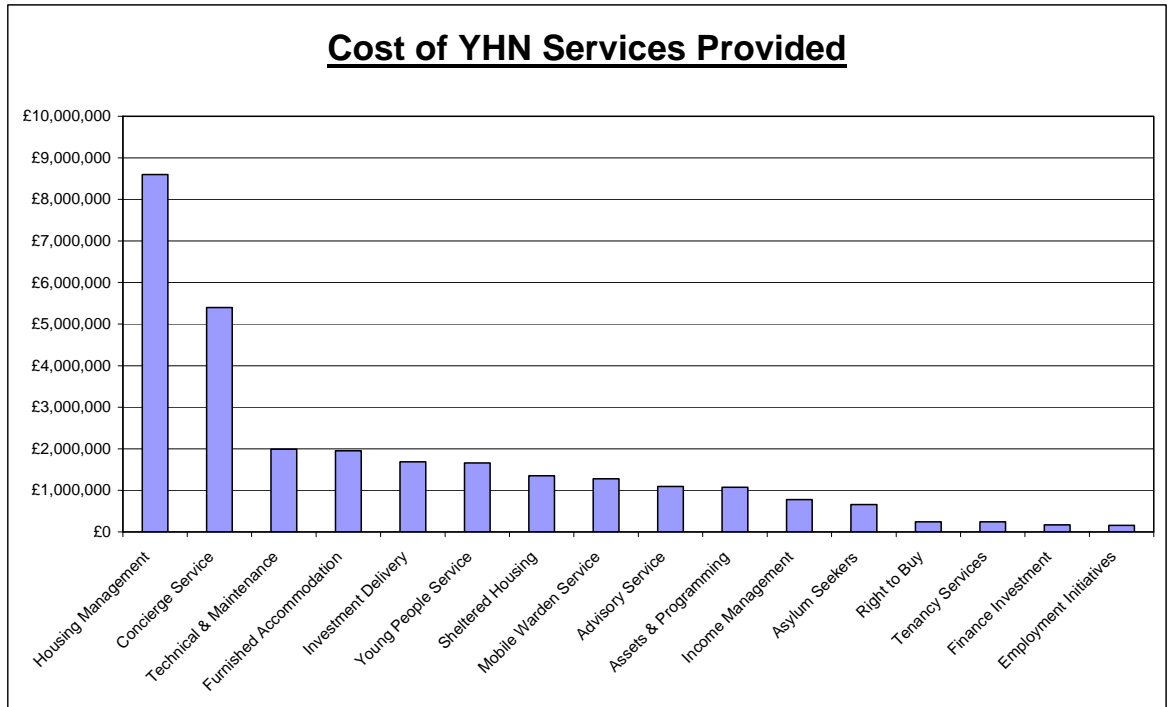
- 3.1.1 The YHN Summary is attached in Appendix 1 and shows a financial outturn of £28.8m, this is £1.7m [5.6%] less than the Projected Outturn reported to Board in January.
- 3.1.2 The £1.7m underspend on the Projected Outturn resulted mainly from:

	£'000's
Provision for Single Status Phase 2 – carried forward to 2009-10	(1,000)
Increased Staff Turnover saving	(52)
Reduced Redundancy/ Strain on the Fund payments	(136)

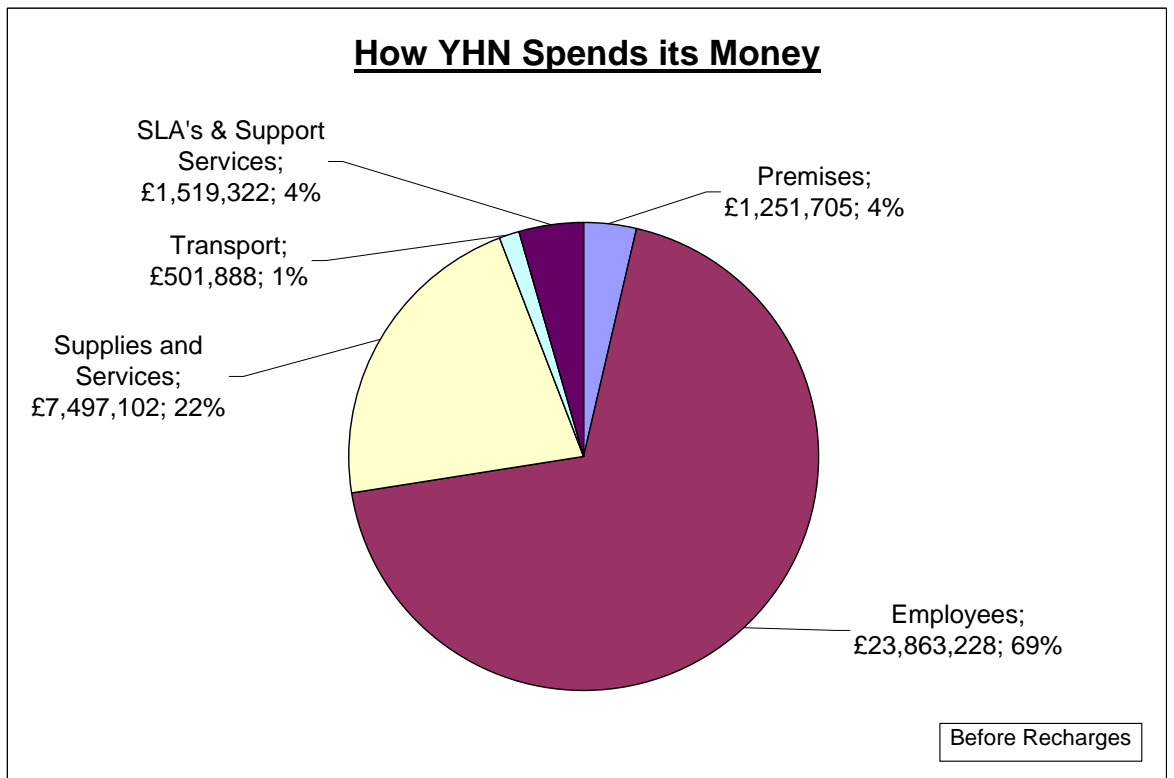
Underspent Budgets carried forward (83)

Consultants fees underspend carried forward (81)

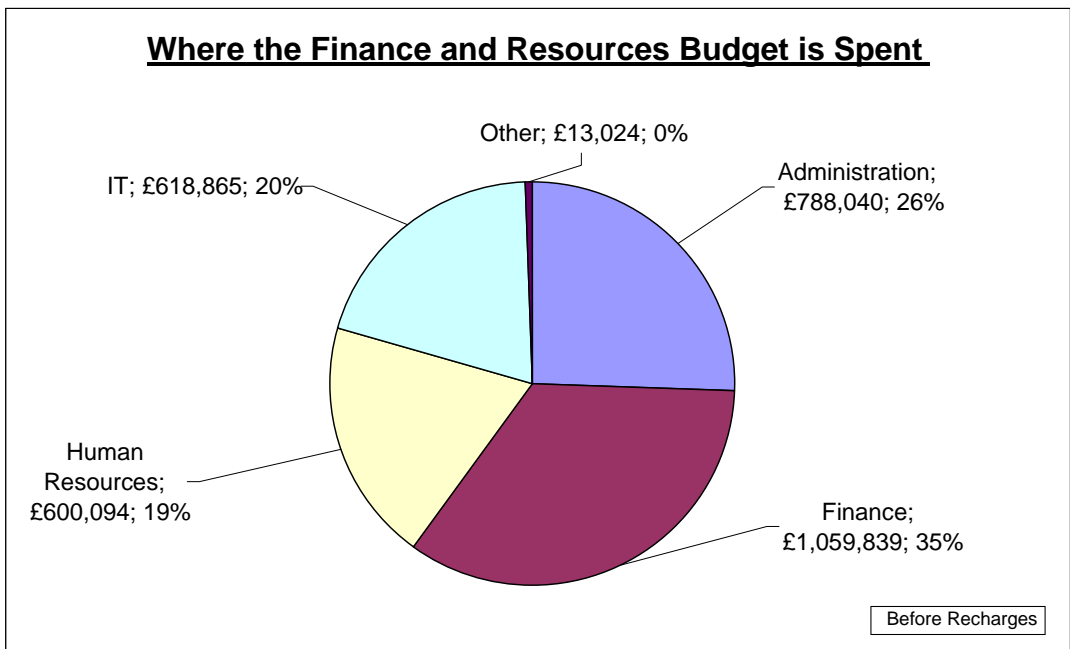
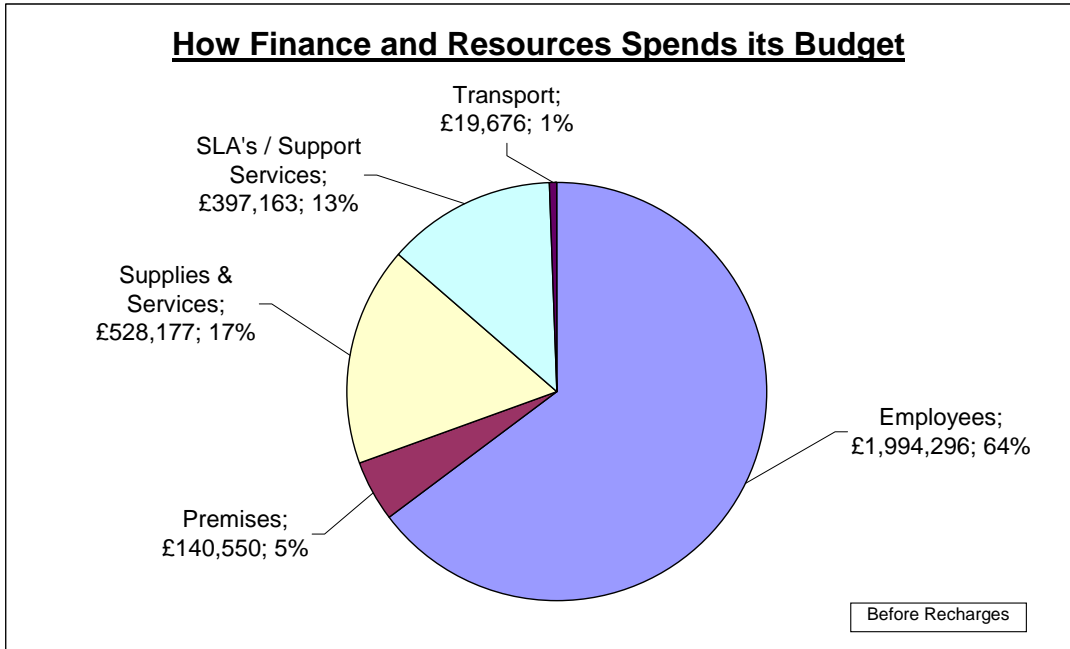
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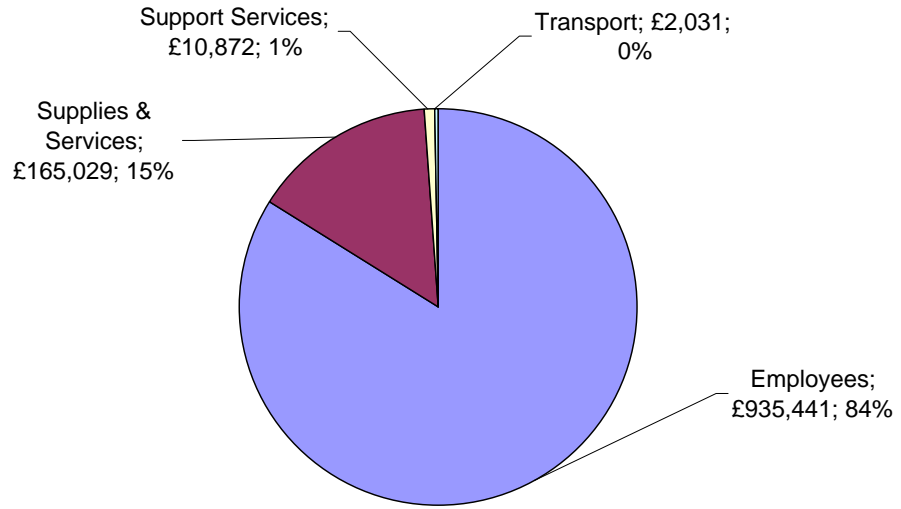
3.1.4



3.1.5 YHN Support Services

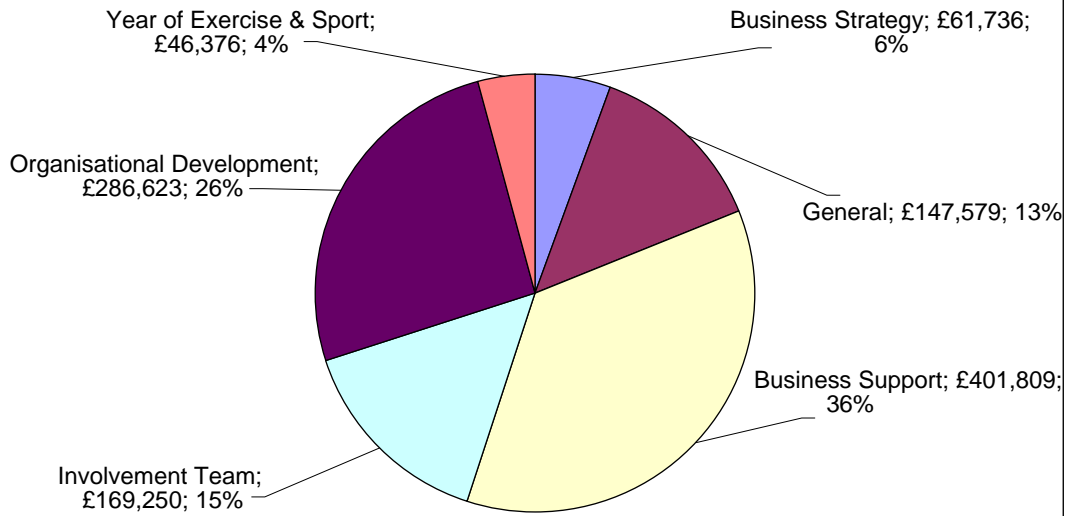


How Business Development Spends its Budget



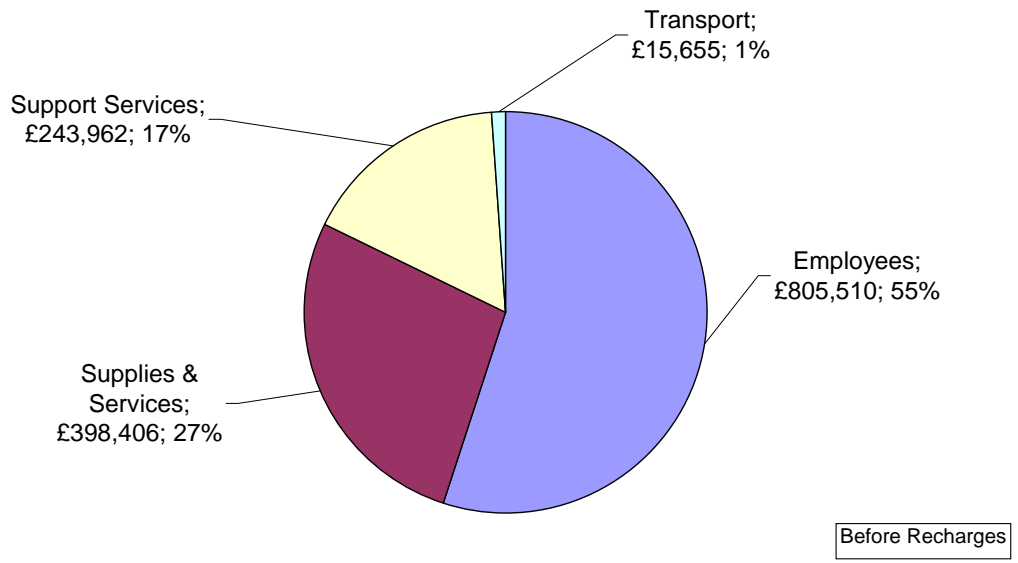
Before Recharges

Where Business Development Budget is Spent

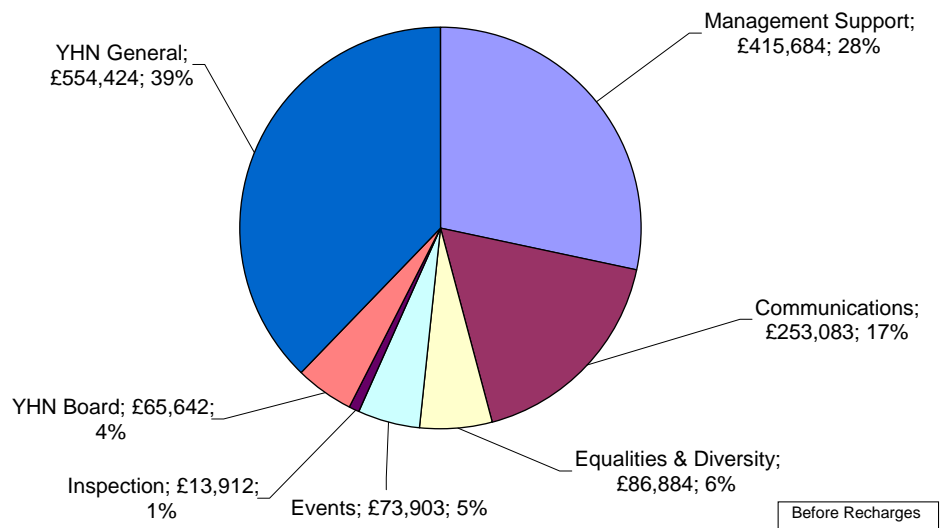


Before Recharges

How the Office of the Chief Executive Spends its Budget



Where the Office of the Chief Executives Budget is Spent



- 3.1.6 In accordance with the Service Agreement with Newcastle City Council [NCC] YHN has no retained surplus at 31 March 2009.

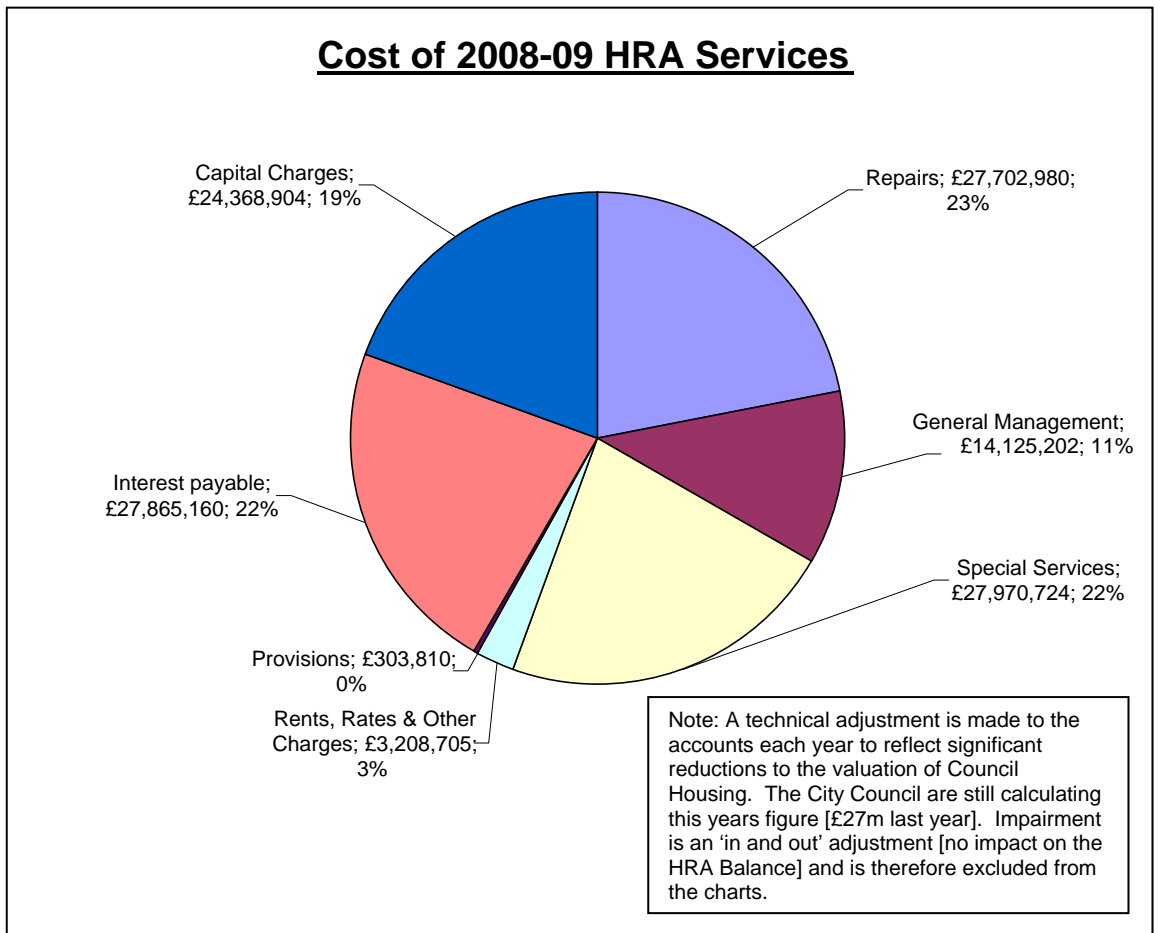
In each financial year any Management Fee income in excess of YHN expenditure is repaid to the NCC Housing Revenue Account.

3.2 HRA Provisional 2008-09 Financial Outturn

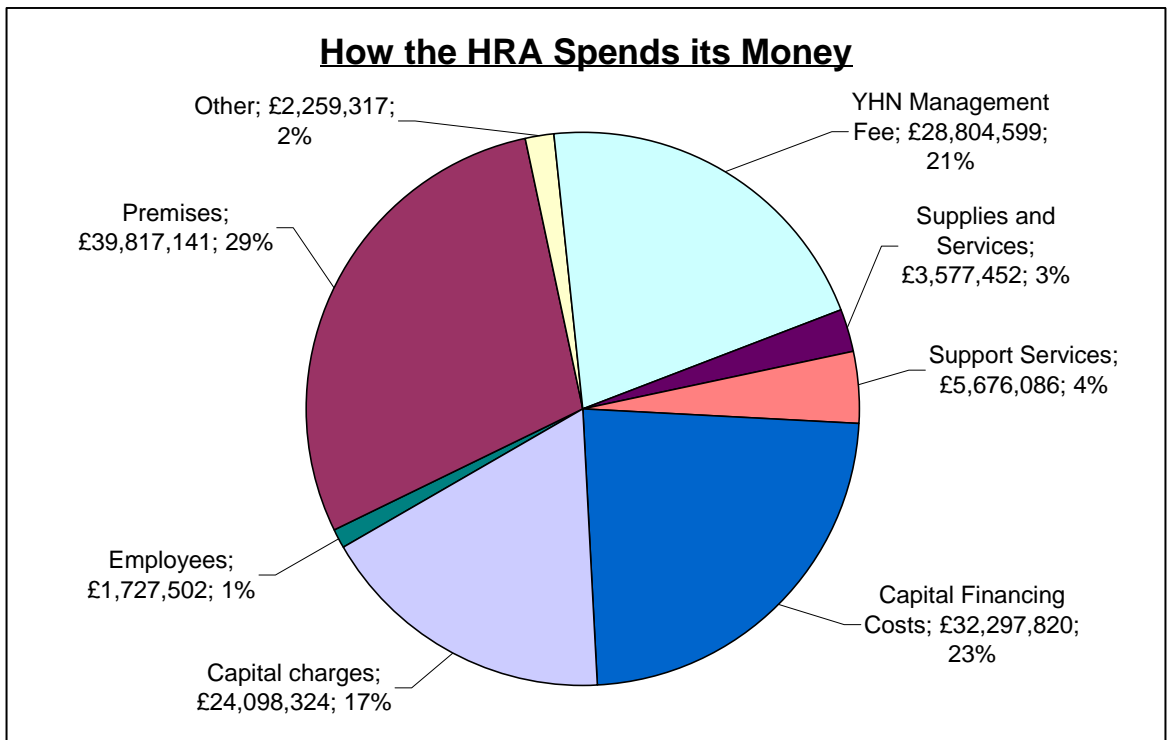
- 3.2.1 The HRA Summary for 2008-09 is attached in Appendix 2 and shows a net surplus for the year of £0.1m, this is in line with the Projected Outturn [£0.1m surplus] reported to Board in January.
- 3.2.2 Reserves have been adjusted to reflect anticipated requirements: an additional £1.0m has been added to the Workforce Planning Reserve; £2.7m to the Investment Fund and £0.6m to the Furniture Reserve.
- 3.2.3 The £0.1m HRA surplus is in line with the £0.1m projected surplus reported to Board in January resulting mainly from:

	£'000's
Reduced YHN Management Fee	(1,720)
Contribution towards expenditure(Asylum Seekers support grants £287k, Furniture service external contracts £179k, recovery of utility charges £141k)	(585)
HRA Subsidy	1,359
Net interest adjustments	(1,411)
Repairs and Maintenance	1,323
Capital Expenditure funded by Revenue	(2,212)
Reduction in new provisions for bad debts	(696)
Transfer to Reserves [see para 3.2.2]	4,300

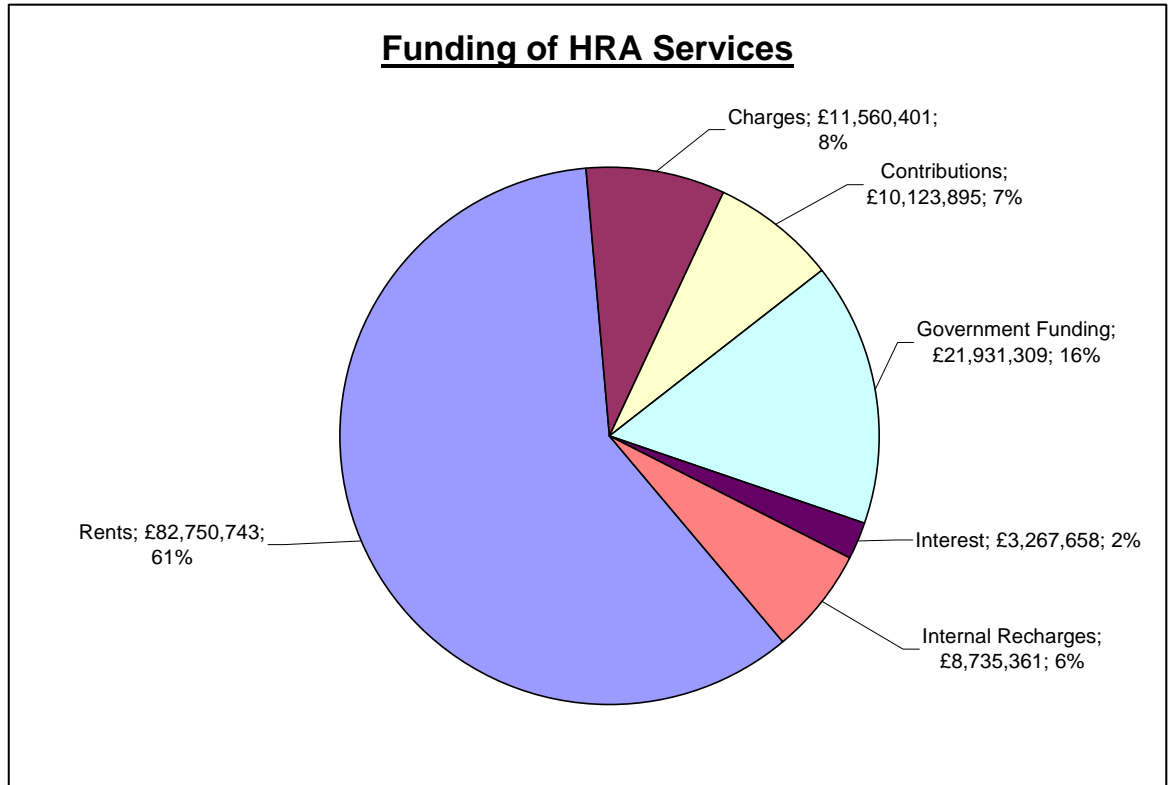
3.2.4



3.2.5



3.2.6



3.2.7 The HRA Balance at 31 March 2009 was £9.9m; this represents an increase of £0.1m over the Probable Estimate for the year.

3.2.8 The level of the HRA Balance is considerably higher than the minimum £5m that Board has agreed previously.

However given the recent economic downturn and well documented likely public spending cuts, maintaining this level of balance allows time to take a planned approach to new financial pressures.

3.2.9 In addition to the HRA Balance other balances on the HRA at 31 March 2009 were:

- HRA Repairs Fund - £3,000,000 (3.1% of turnover)
- Reserve for Future Pension Liabilities - £1,000,000 (1.0% of turnover)
- Investment Reserve - £6,537,000 (6.7% of turnover)
- Furniture Investment Reserve - £1,000,000 (1.0% of turnover)
- Workforce Planning Reserve - £3,000,000 (3.1% of turnover)
- Renewals Fund [IT Equipment] - £554,824 (0.6% of turnover)

- Major Repairs Reserve - £20,308,326

HRA balances total £45.3m [£43.2m in 2007-08].

4. Implications

- 4.1 Board should understand that there are arguments for and against holding high levels of reserves in the HRA. The main benefit is the flexibility that holding reserves gives. In the face of uncertain funding or unexpected expenditure possessing reserves allows the financial planning process to be managed rather than financial plans being driven by external events.
- 4.2 Reserves also allow the HRA to take advantage of investment opportunities as they become apparent.
- 4.3 The cost of having reserves is the loss in value of resources as a result of inflation. There are also pressures for public bodies not to hold substantial reserves and spend the resources they are given on the client group for which the resources were allocated.

5. Recommendations

- 5.1 Board is recommended to:

Board is asked to note and approve :

- The provisional 2008-09 financial outturn for the YHN accounts;
- The provisional 2008-09 financial outturn for the HRA accounts and the levels of reserves, and
- Note the latest MTP position and that it will receive a fully updated MTP position at the July meeting

6. Next Steps

- 6.1 The YHN Final Accounts will be audited by the YHN External Auditors. The HRA Final Accounts will be audited by the Audit Commission.

Finance Committee has received a detailed report on the YHN and HRA 2008-09 Final Accounts at its June meeting and will if necessary report back any matters of concern to the Board.

Audit Committee will receive audit reports for the YHN and HRA Final Accounts and will if necessary report back any matters of concern to the Board.

YOUR HOMES NEWCASTLE

YHN Actual Outturn 2008-09 to Probable Estimate 2008-09

YHN Actual 2007-08 to 2008-09 Actual

YOUR HOMES NEWCASTLE LIMITED

1 Your Homes Newcastle Objective Summary

as at May 2009

OBJECTIVE ANALYSIS		2007-2008	2008-2009	2008-2009	Actual to
Item		Actual	Actual	Probable	Probable
No.	Description	Expenditure	Expenditure	Estimate	Variance
		£	£	£	£
1	Business Development & Strategy	-	-	-	-
2	Finance & Resources	-	-	-	-
3	Office of the Chief Exec etc	-	-	-	-
4	Finance & Resources (Non-Dept Admin)	1,499,326	1,348,711	1,734,950	(386,239)
5	Tenancy Services	-	244,853	289,300	(44,447)
6	Housing Management	8,964,627	8,600,530	9,342,360	(741,830)
7	Assets & Programming	790,072	1,077,016	1,205,540	(128,524)
8	Investment Delivery	1,778,509	1,685,637	1,800,610	(114,973)
9	Technical & Maintenance	1,989,703	1,992,158	2,168,560	(176,402)
10	General Management Provisions	-	-	600,000	(600,000)
General Management total		15,022,237	14,948,905	17,141,320	(2,192,415)
11	Asylum Seekers	623,048	656,506	706,980	(50,474)
12	Sheltered Housing	1,346,594	1,351,676	1,427,000	(75,324)
13	Mobile Warden Service	1,188,201	1,275,792	1,378,520	(102,728)
14	Concierge Services	5,290,681	5,400,497	6,034,440	(633,943)
15	Furnished Accommodation	1,638,751	1,951,077	2,293,690	(342,613)
16	Advisory Service	934,665	1,091,919	1,166,400	(74,481)
17	Inline Service	534,352	662,318	661,280	1,038
18	Stepping Stones	419,641	834,755	764,410	70,345
19	Family Intervention Project	129,975	164,084	180,190	(16,106)
20	Special Management Provisions	-	-	400,000	(400,000)
Special Management total		12,105,908	13,388,624	15,012,910	(1,624,286)
21	YHN General Provisions	31,017	467,070	(1,629,700)	2,096,770
NET MANAGEMENT FEE		27,159,162	28,804,599	30,524,530	(1,719,931)

NOTES

Major Budget variations -
(see detailed pages)

YOUR HOMES NEWCASTLE LIMITED

1 Your Homes Newcastle Subjective Summary as at May 2009

Item No.	Description	2007-2008 Actual Expenditure	2008-2009 Actual Expenditure	2008-2009 Probable Estimate	Actual to Probable Variance
		£	£	£	£
1	Administrative Staff	20,949,606	22,566,718	25,970,590	(3,403,872)
2	Turnover Allowance	-	-	(2,386,260)	2,386,260
		20,949,606	22,566,718	23,584,330	(1,017,612)
3	Other Employee Expenses	1,046,464	1,296,511	1,084,540	211,971
		21,996,070	23,863,229	24,668,870	(805,641)

SUBJECTIVE ANALYSIS		2007-2008 Actual Expenditure	2008-2009 Actual Expenditure	2008-2009 Probable Estimate	Actual to Probable Variance
		£	£	£	£
	EXPENDITURE				
4	Employees	21,996,070	23,863,229	24,668,870	(805,641)
5	Premises	1,241,343	1,251,705	1,351,170	(99,465)
6	Transport	421,555	501,887	545,510	(43,623)
7	Supplies and Services	3,025,054	2,855,246	3,519,160	(663,914)
8	Third Party Payments	30,205	66,291	74,850	(8,559)
9	SLA's / Support Services	1,603,576	1,509,322	1,563,680	(54,358)
10	Finance & Resources Recharge	3,530,041	3,674,227	4,154,770	(480,543)
11	Business Recharge	1,066,053	911,344	1,202,000	(290,656)
	TOTAL EXPENDITURE	32,913,897	34,633,251	37,080,010	(2,446,759)
	INCOME				
12	Management Fee	(27,159,162)	(28,804,599)	(30,524,530)	1,719,931
13	Fin. & Res/Bus. Recharges	(4,596,092)	(4,585,571)	(5,356,770)	771,199
14	Other Income/Charges	9,992	(20,413)	(14,170)	(6,243)
15	Recharges	(1,168,635)	(1,222,668)	(1,184,540)	(38,128)
	TOTAL INCOME	(32,913,897)	(34,633,251)	(37,080,010)	2,446,759
	NET (INCOME)/EXPENDITURE	-	-	-	-

NOTES

Major Budget variations -
(see detailed pages)

YOUR HOMES NEWCASTLE LIMITED

1.1 Summary of Actual Variations for YHN 2008-09		as at May 2009	
<u>Accumulative Variations</u>	<u>YHN</u>	<u>2008-09 Actual</u>	<u>Projected Outturn</u>
		£	£
	<u>Variation</u>	28,804,599	30,524,530
			<u>(1,719,931)</u>
<u>YHN Detail</u>			<u>£000's</u>
Provision for SS PH2 - c/fwd to 2009-10			(1,000)
Redundancy/Strain on the Fund payments provision			(136)
Underspend on PET budget - c/fwd to 2009-10			(42)
Staff Advertising / Recruitment			46
Increased Staff Turnover			(52)
			(1,184)
Adaptations/ R&M of offices			(32)
Savings on Concierge cleaning contracts			(30)
Gardening/Furn Svs Transport costs			(39)
Uniforms			(30)
Printing & Stationery			(44)
Specialist Stationery			(52)
Underspend on Telephone / Mobile costs			(57)
Consultants fees underspend / c/fwd. To 2009-10			(81)
Concierge Review misc. Exps c/fwd to 2009-10			(20)
Year of Activity & Sport			(44)
Underspend on 'Events' budget			(70)
Underspend on Single Status Recharge - c/fwd to 2009-10			(21)
Underspend on Property SLA			(61)
Other Misc net underspends/overspends			(4)
Interest on Revenue Balances			49
<u>Total YHN variations - 2008-09 Actual to Outturn</u>			<u>(1,720)</u>

1.2 Summary of Actual Variations for YHN 2006-07 to 2007-08 as at May 2009

<u>Accumulative Variations</u>	<u>2007-08</u> <u>Actual</u> <u>£</u>	<u>2008-09</u> <u>Actual</u> <u>£</u>
<u>YHN</u>	27,159,162	28,804,599
<u>Variation</u>		<u>1,645,437</u>
<u>YHN Detail</u>	<u>£000's</u>	<u>£000's</u>
Staffing Reviews	1,083	
Increased Superrannuation costs	525	
Staffing Inflation / Increments	705	
Redundancies	- 56	
Staff Turnover saving	- 338	
Post Entry Training	- 53	1,866
Adaptations/ R&M of offices		- 13
Increased staff travel costs		20
Sheltered Housing equipment		- 97
Printing & Stationery / Photocopying etc.		- 78
Inspection fees		- 65
E & P SLA		- 49
Interest on Revenue Balances		- 21
Other Misc variations including Inflation		82
Total YHN variations - 2007-08 Actual to 2008-09 Actual		1,645

HOUSING REVENUE ACCOUNT

1 INTRODUCTION

The City Council has delegated responsibility for the formulation of an overall housing strategy to the Regeneration Directorate, Strategic Housing Section, which carries out the following functions in pursuance of that strategy in respect of which income and expenditure is recorded within the Housing Revenue Account.

- * The provision of housing accommodation by construction and purchase, and the improvement of housing accommodation by the conversion, improvement and alteration of City Council owned properties.
- * The management of City Council owned dwellings including collection of revenues and the allocation, letting and repair and maintenance of properties.
- * Administration of the Right to Buy.
- * Provision of temporary accommodation for homeless families

HOUSING REVENUE ACCOUNT

SUMMARY OF RESOURCES USED

INCOME AND EXPENDITURE

as at May 2009

Item No.	Description	2007-2008 Actual Expenditure	2008-2009 Actual Expenditure	2008-2009 Probable Estimate	Actual to Probable Variance
		£	£	£	£
Income					
Rents					
1	Dwelling Rents [gross]	(80,233,699)	(83,261,036)	(83,341,460)	80,424
2	Less: Voids/Allowances/Write-Offs	2,294,449	2,279,294	2,282,820	(3,526)
		(77,939,250)	(80,981,742)	(81,058,640)	76,898
3	Other Rents [gross]	(1,933,710)	(1,935,596)	(1,757,870)	(177,726)
4	Less: Voids/Allowances/Write-Offs	411,074	166,594	159,340	7,254
		(1,522,635)	(1,769,002)	(1,598,530)	(170,472)
Charges					
5	Heating Charges	(2,533,594)	(2,705,073)	(2,614,820)	(90,253)
6	Leaseholder Charges for Services & Facilities	(470,940)	(73,774)	(423,160)	349,386
7	Other Charges for Services and Facilities	(7,989,223)	(8,781,554)	(8,622,600)	(158,954)
8	Contributions Towards Expenditure	(9,603,110)	(9,399,895)	(8,845,790)	(554,105)
HRA Subsidy Receivable					
9	Deficit Element	1,362,118	1,958,704	599,730	1,358,974
10	Major Repairs Allowance	(18,408,630)	(20,297,871)	(20,297,870)	(1)
11	Supporting People Subsidy	(3,536,868)	(3,592,142)	(3,620,160)	28,018
12	General Fund transfer re items shared by the whole community	(707,500)	(724,000)	(724,000)	-
		(121,349,632)	(126,366,349)	(127,205,840)	839,491
Expenditure					
Running Costs					
13	Contribution to Housing Repairs Account	26,676,375	27,542,733	26,379,830	1,162,903
14	General Management	14,690,210	14,148,854	16,264,160	(2,115,306)
15	Special Services	25,324,510	27,964,528	27,932,890	31,638
16	Rents, Rates & Other Charges	3,195,249	3,208,705	3,217,710	(9,005)
17	Increase in Provision for Bad or Doubtful Debts	1,000,000	303,810	1,000,000	(696,190)
18	Depreciation and Impairment of Fixed Assets	45,991,111	24,119,467	24,098,530	20,937
19	Deferred Charges	-	-	-	-
20	Debt Management Costs	144,150	249,437	170,820	78,617
		117,021,605	97,537,534	99,063,940	(1,526,406)
		(4,328,027)	(28,828,815)	(28,141,900)	(686,915)
21	HRA Services share of Corporate and Democratic Core	53,895	98,138	205,230	(107,092)
22	Net Cost of HRA Services	(4,274,132)	(28,730,677)	(27,936,670)	(794,007)
Interest and disposals					
23	Gain or loss on sale of fixed assets	128,529	176,077	-	176,077
24	Interest payable and similar charges	27,341,986	27,865,160	29,053,730	(1,188,570)
25	Amortised Premiums and Discounts	1,100,108	-	1,774,470	(1,774,470)
26	Interest and investment income	(2,536,047)	(3,267,658)	(3,045,340)	(222,318)
		26,034,576	24,773,579	27,782,860	(3,009,281)
27	Net Operating Expenditure	21,760,442	(3,957,098)	(153,810)	(3,803,288)

HOUSING REVENUE ACCOUNT

SUMMARY OF RESOURCES USED

STATEMENT OF MOVEMENT ON THE HRA BALANCE

Item No.	Description	2007-2008 Actual Expenditure £	2008-2009 Actual Expenditure £	2008-2009 Probable Estimate £	Actual to Probable Variance £
	(Increase)/ decrease in the Housing Revenue Account Balance comprising:				
28	Deficit for the year on the HRA Income and Expenditure Account	21,760,442	(3,957,098)	(153,810)	(3,803,288)
	Additional items required by statute and non-statutory proper practices to be taken into account in determining the movement in the Housing Revenue Account Balance				
29	Difference between interest payable and similar charges determined in accordance with the SORP and those determined in accordance with statute	(23,163,267)	1,827,980	-	1,827,980
30	Gain or loss on sale of HRA fixed assets	(128,529)	(176,077)	-	(176,077)
31	HRA share of contributions to or from the Pension Reserve	(22,969)	6,196	-	6,196
32	Appropriations to reserves	1,023,610	4,335,759	13,270	4,322,489
33	Set aside for debt repayment	1,296,742	1,652,479	1,661,130	(8,651)
34	Transfer from Major Repairs Reserve	(4,419,214)	(3,800,364)	(3,800,660)	296
35	Transfer to/from Housing Repairs Reserve	1,868,784	-	-	-
36	Capital expenditure funded by the HRA	2,337	-	2,212,000	(2,212,000)
37	Sub-total: (Increase)/ decrease in HRA Balance for the year	(1,782,064)	(111,125)	(68,070)	(43,055)
38	Housing Revenue Account surplus brought forward	(7,982,939)	(9,765,003)	(9,765,003)	-
39	Housing Revenue Account surplus carried forward	(9,765,003)	(9,876,128)	(9,833,073)	(43,055)

NOTES

- 6 Repayment of Leaseholder Painting Fund as a result of LVT decision.
- 9 Reduced HRA Subsidy required due to reduction in interest rate charged on debt.
- 14,15 see detailed pages
- 17 Less Bad Debts Provision required as a result of better performance on debt recovery.
- 18 Impairment of fixed assets is still to be determined
- 24 Interest rate reduction on debt.
- 26 Interest on higher than anticipated MRA reserve
- 29 Impairment of fixed assets is still to be determined
- 36 Capital Expenditure was funded directly from Reserves

HOUSING REVENUE ACCOUNT

4 SUMMARY OF RESOURCES USED

* **Net Subjective Expenditure** **as at May 2009**

Item No.	Description	2007-2008 Actual Expenditure £	2008-2009 Actual Expenditure £	2008-2009 Probable Estimate £	Actual to Probable Variance £
a	Employees	1,740,737	1,727,502	1,852,440	(124,938)
	RUNNING COSTS				
b	Premises	39,587,213	39,817,141	38,881,500	935,641
c	Transport	61,398	52,004	69,270	(17,266)
d	Supplies and Services	5,589,407	3,577,452	4,467,060	(889,608)
e	YHN Management Fee	27,159,162	28,804,599	30,524,530	(1,719,931)
f	Third Party Payments	523,940	981,127	1,050,500	(69,373)
g	Transfer Payments	731,298	1,226,186	1,101,600	124,586
h	Support Services	5,540,012	5,676,086	5,670,310	5,776
i	Capital Financing Costs	26,096,668	24,098,324	24,098,530	(206)
j	Capital Charges	22,827,844	32,297,820	31,219,960	1,077,860
GROSS HOUSING REVENUE ACCOUNT EXPENDITURE		129,857,679	138,258,241	138,935,700	(677,459)
INCOME					
k	Sales, Fees and Charges	(10,993,757)	(11,560,401)	(11,660,580)	100,179
l	Other Income	(10,311,067)	(10,123,895)	(9,569,790)	(554,105)
m	Rents	(79,461,885)	(82,750,743)	(82,657,170)	(93,573)
n	Interest	(2,536,047)	(3,267,658)	(3,045,340)	(222,318)
o	Specific Government Grants	(20,583,380)	(21,931,309)	(23,318,300)	1,386,991
p	Internal Recharges	(7,753,608)	(8,735,361)	(8,752,590)	17,229
GROSS HOUSING REVENUE ACCOUNT INCOME		(131,639,744)	(138,369,367)	(139,003,770)	634,403
NET HOUSING REVENUE ACCOUNT EXPENDITURE		(1,782,064)	(111,125)	(68,070)	(43,055)

HOUSING REVENUE ACCOUNT

4.1 <u>Summary of Actual Variations for HRA 2008-09</u>		as at May 2009	
<u>HRA Summary</u>		<u>2008-09</u>	<u>Projected</u>
<u>Ref. No.</u>		<u>Actual</u>	<u>Outturn</u>
	<u>Accumulative Variations</u>	£	£
		<u>HRA</u>	
		(111,125)	(68,070)
		<u>Variation</u>	<u>(43,055)</u>
	<u>HRA Detail</u>		
	<u>Income</u>		
1-4	<u>Rents</u>		
	Increased Garage Rent income		(93,574)
5-7	<u>Charges</u>		
	Increased Heating charges	(90,252)	
	Closure & repayment of Leaseholder Painting Fund	349,386	
	Stepping Stones HB charges	(141,120)	
	Increased Service charges	<u>(17,835)</u>	
		100,179	100,179
8	<u>Contributions Towards Expenditure</u>		
	Increased Asylum Seekers grant re Special Needs cases	(143,156)	
	Increased Asylum Seekers grant re Home office contract	(143,621)	
	Recovery of Electricity charges from National Grid	(141,883)	
	Furniture Service growth in external contracts	(179,394)	
	Misc. variations	<u>53,949</u>	
		(554,105)	(554,105)
9-10	<u>HRA Subsidy</u>		
	Subsidy reflects reduced interest payments and changes in interest rate.		1,358,973
11	<u>Supporting People Subsidy</u>		
	Reduced CCAS income		28,018
13	<u>Contribution to Housing Repairs Account</u>		
	Increased expenditure on Responsive Repairs	1,129,494	
	Increased expenditure on Painting Programme	475,403	
	Reduced Planned Repairs & Incentive payments	(305,400)	
	Misc. variations	<u>(136,594)</u>	
		1,162,903	1,162,903

14-15	Running Costs		
	- Supervision and Management / Rents, Rates and other Charges		
	YHN Management Fee	(1,719,930)	
	R&M - Recharge to Revenue	171,149	
	Recharge to Capital	68,077	
	Homelessness staffing turnover- o/t	(103,992)	
	Backdated Superrann / POOR recharge	(31,160)	
	Grounds Maintenance	(146,554)	
	Legal fees re HASBET review	(62,541)	
	Misc equip, Tools & light plant	(26,422)	
	NFS Adaptations / equip	(50,624)	
	Consultants fees etc re New Build	(39,828)	
	NCC Consultancy support re New Build	103,085	
	Girobank	(50,288)	
	A/S Support payments	(18,735)	
	A/S rent payments	159,194	
	Furniture packs	(34,772)	
	Property Svs SLA re RTB etc.	(72,689)	
	Legal SLA	(27,801)	
	Recharge re Palatine	(200,000)	
	Misc. Net underspends	(8,842)	
		<u>(2,092,673)</u>	(2,092,673)
18	Depreciation and impairment of Fixed Assets		20,937
19	Deferred Charges		-
23	Gain or loss on sale of fixed assets (income & Expenditure)		176,077
25	Amortised Premiums & Discounts		(1,774,470)
	Interest adjustments		
24	Interest payable & similar charges		(1,188,570)
26	Interest & Investment Income		(222,318)
20	Debt Management Costs		78,617
17	Required level of provision for Bad Debts lower than budget		(696,190)
21	Share of Corporate & Democratic Core		(107,092)
33	Set aside for Debt Repayment		(8,651)
30	Gain or loss on sale of fixed assets (Statement of movement on HRA)		(176,077)
31	HRA share of contributions to or from the Pension Reserve		6,196
32	Appropriations to reserves		4,322,489
29	Difference Between Interest Payable & Similar Charges		1,827,980
34	Transfer from Major Repairs Reserve		296
36	Capital expenditure funded by HRA		(2,212,000)
	Total HRA variations		(43,055)