

APPENDIX F

SUBJECT: HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2019-20

Report of: Director of Customer & commercial Services
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LEAD EXECUTIVE MEMBERS: COUNCILLOR SHAW

REPORT

Revenue Budget Overview for the Year

1. The 2019/20 Housing Revenue Account budget was set with an original contribution to balances of £0.645 million, in line with HRA financing regulations that require contributions from revenue balances to support capital improvements and additions to the housing stock.

The final position for the year is an underspend of £0.997 million compared to the original budget, giving a final contribution to balances of £1.624 million for the year.

Forecast Movements Reported in the 2019/20 Monitoring

2. The Quarter 3 monitoring predicted a net operational underspend of £0.602 million for the year, primarily due to staff vacancy savings and additional rental income from shops, with an indicative overall surplus and contribution of £1.246 million available for the HRA capital programme.
3. The main variations reported in the monitoring include:

Overspends & Income pressures

- £85k increased expenditure on communal lighting arising from the receipt of invoices, which went back to 2015. The amount of the invoices exceeded the accruals provided as at 31/03/2019

Underspends, Savings or Additional Income:

- £168k Additional leaseholder income due to settlement of 2018/19 final account balances
- £245k Increased income from shop rents arising from the renegotiation of leases at higher annual rents together with additional income from garages
- £45k Increased income from tenants service charges due to the expansion of the concierge service
- £229k Savings arising from vacant posts within the service

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Final 2019/20 Position and Changes from the Forecast

4. The department's final spend compared to the approved budget and to the monitoring forecast is attached at Appendix A(i), summarised by service level for each Service Director. This shows an increase of around £0.395 million in the final underspend for the year compared to the forecast, providing a year end surplus of £1.642 million. This is primarily due to:
 - £64k increased spend on communal lighting
 - £126k additional spend on responsive repairs
 - £178k reduction in provision for bad debt
 - £117k increase in investment interest
 - £296k increase in dwelling rent

Departmental Outlook from the 2019/20 Outturn

5. Due to the Covid 19 outbreak the 2020/21 rent collection could be affected