

Housing Revenue Account Summary 2021/22

Description	2021/22 Current Budget £'000	2021/22 Current Budget (less proposed Budget C/F) £'000	2021/22 Provisional Outturn £'000	2021/22 Variance £'000
Income				
Dwelling Rents	(24,627)	(24,627)	(24,244)	383
Non-Dwelling Rents	(341)	(341)	(289)	52
Charges for Services and Facilities	(700)	(700)	(690)	10
Other Income	(66)	(66)	(39)	27
Total Income	(25,734)	(25,734)	(25,262)	472
Expenditure				
Repairs and Maintenance	8,936	8,736	9,242	506
Supervision and Management - General	2,059	2,059	2,376	317
Supervision and Management - Special	1,525	1,525	1,452	(73)
Depreciation and Impairment of Fixed Assets	3,717	3,717	3,664	(53)
Debt Management Expenses	35	35	35	0
Provision for bad debts	383	383	67	(316)
Other Expenditure (Pension Deficit)**	324	324	0	(324)
Support recharge from General Fund	2,759	2,759	2,759	0
Total Expenditure	19,738	19,538	19,595	57
Net Cost of HRA Services	(5,996)	(6,196)	(5,667)	529
Interest Payable and Similar Charges	2,433	2,433	2,432	(1)
Interest and Investment Income	(152)	(152)	(147)	5
Investment Property Inc & Exp*	0	0	(27)	(27)
Return on Pension Assets *	0	0	267	267
Net (Gain)/loss on sale of HRA Assets *	0	0	(729)	(729)
Capital receipts pooling *	0	0	844	844
IAS19*	0	0	(684)	(684)
HRA (Surplus)/Deficit	(3,715)	(3,915)	(3,711)	204

*Accounting adjustment reversed out on the HRA balance

** Costs in relation to pension deficit are charged at service level

Explanation of significant variances	£'000
Dwelling rents: Reduction in income of £140k as a reduced number of new build properties are expected to be completed this year. Dwelling rent income of £73k has not been raised in 2021/22 against the budgeted level. Increase in write offs due to non-collection of rent of £120k. The write off level is in line with the current bad debt provision level that is set in the HRA financial business plan. Void rates are higher than budgeted due to restrictions during lockdown. 1.7% as at the end of March (budgeted at 1.5%) resulting in a shortfall of £50k in rents.	383
Non- Dwelling rents: Income for garages has been reduced by £24k as a result of higher than budgeted voids. Rental income from HRA shops of £20k are removed within the movement on the HRA balance.	24 20
Other Income: Reduced income received in year following a reduction in court costs.	34
Repairs & Maintenance: A reduction in capital scheme delivery, in part due to staff vacancies, has resulted in a reduction in capitalised salaries rechargeable of £218k. In year variances within the service area has resulted in an underspend of (£125k). Pension costs of £670k for accounting entry IAS19 (employee pension) are included. These costs are removed within the movement on the HRA balance. In year grant award income of (£56k) has been received from the Homes and Communities agency. An overspend on major voids £80k, Electrical Testing £20k, Fire alarms and testing £106k which is offset by an underspend on specified works of (£360k) due to flat roofing works being capitalised and actively managing other budget lines. Compensation payments of £68k have been paid to tenants during the year. Increased cost of materials, additional expenditure on equipment for the Earlesfield Decant properties and other specialist materials has resulted in an overspend of £127k. Stock Condition Surveys have been completed on 70% of the current stock with the remainder being completed in 2022/23. (£170k)	506
Supervision & Management – General: Pension costs of £248k for accounting entry IAS19 (employee pension) are	317

<p>included. These costs are removed within the movement on the HRA balance.</p> <p>Agency costs of £155k have been incurred during the year whilst permanent recruitment has been undertaken for a number of roles. These costs have been funded by in year vacancies across the directorate.</p> <p>Utility and Council Tax costs on void properties has resulted in additional costs of £104k..</p> <p>Reduced court costs in year of (£35k).</p> <p>Right to buy legal charges have reduced by (£35k) as the service is now provided in-house and accounted for within the HRA support recharge.</p>	
<p>Supervision & Management – Special:</p> <p>Pension costs of £55k for accounting entry IAS19 (employee pension) are included. These costs are removed within the movement on the HRA balance.</p> <p>Increased grounds maintenance costs of £40k through additional requests for reactive works.</p> <p>Increased utility costs of £30k has been offset by reduced premises costs of (£140k).</p> <p>Due to the closure of the communal rooms within the sheltered accommodation properties during lockdown, heating costs have been reduced by (£42k).</p>	(73)
<p>Bad Debts:</p> <p>Whilst recovery action has resumed, the level of provision for bad debts has not increased at the budgeted level.</p>	(316)