

Significant Items of Variance from Working Budget

Housing Revenue Account 2017/18 - Major Variances from Budget

Service Grouping	Reason for Outturn Variance	Cross reference to Performance report	Cross reference to Strategic Risk Register (4Risk)	Actual (Favourable) / Adverse Variance £	Proposed Roll Over £
Housing Repairs - Revenue					
Cyclical Revenue Maintenance	Favourable outturn is due to savings resulting from re-tendering the cyclical maintenance contracts, where prices are lower than previously budgetd..			(215,860)	0
Response Revenue Repairs	Savings have been made in response repairs as a direct result of moving to a Price-Per-Property contract with Mears (from April 2017).	AH204 - % tenants satisfied with responsive repairs		(435,175)	0
Specialist Investigations	This budget is reactive, and activity in any one year is impossible to predict. Fewer investigations were required in 2017/18 than allowed for in the budgets.			(62,641)	0
Asbestos Surveys and Removals	This removal element of this budget is reactive, and activity in any one year is difficult to predict. Fewer surveys resulted in action being required in 2017/18 than allowed for in the budgets.			(36,847)	0
Garden Works	The favourable variance in the repairs budget for reactive garden works is partially offset by overspending in the outdoor maintenance budgets for the year.			(34,505)	0
Other net variances				(40,069)	0
Total Variance for Service				(825,097)	0
Sheltered Housing					
Sheltered Housing	Over-achievement in service charge income following review of sheltered housing service delivery and identification of staff as being landlord or service charge related in their activiteis.			(171,162)	0
Visiting Support	This variance relates to an unbudgeted pension accounting adjustment which should be disregarded for the purposes of evaluating service expenditure.			13,258	0
Other net variances				0	0
Total Variance for Service				(157,904)	0
Administration					
Administration	No major variances			0	0
Other net variances				(1,966)	0
Total Variance for Service				(1,966)	0
Other Alarm Systems					
Alarms	This variance relates to an unbudgeted pension accounting adjustment which should be disregarded for the purposes of evaluating service expenditure.			6,918	0
Other net variances				0	0
Total Variance for Service				6,918	0
Flats - Communal Areas					
Flats	Costs associated with communal areas of flats were lower than anticipated in 2017/18, with specific savings made in the cost of insurance for these premises.			(28,016)	0
Other net variances				0	0
Total Variance for Service				(28,016)	0
Outdoor Maintenance					
Grounds Maintenance	The adverse variance in responsive grounds maintenance works is more thn offset by underspending in the garden works budget managed within the Repairs Service.			19,596	0
Other net variances				0	0
Total Variance for Service				19,596	0
Sewage					
Sewage	No major variances				
Other net variances				(4,041)	
Total Variance for Service				(4,041)	0
Tenant Participation					
Tenant Participation	Staff costs were lower than budgeted due to a reduction in the hours worked across the team and spending on tenant related activity was also lower than anticipated.			(24,558)	0
Other net variances				0	0
Total Variance for Service				(24,558)	0

Reprovision & New Homes Programme					
Re-provision and New Homes	This variance includes £15,768 in unbudgeted pension accounting adjustment which should be disregarded for the purposes of evaluating service expenditure.			9,366	0
Total Variance for Service				9,366	0
Central Recharges					
Central Recharges - Pension Adjustment	This variance includes £212,937 in unbudgeted pension accounting adjustment which should be disregarded for the purposes of evaluating service expenditure.			212,937	0
Central Recharges - Corporate Management	Corporate Management costs were lower than anticipated, in part due to the ability to recover salary costs for senior officers seconded to projects outside of the Council.			(51,905)	
Central Recharges - Unallocated Vacancy Saving	An allowance is made for natural savings across the HRA due to natural staff turnover. The saving is not allocated to each service, but is held centrally and would expect to be offset by small underspending across all service areas.			50,000	
Other net variances				(6,131)	0
Total Variance for Service				204,901	0
Other					
Interest on Self Financing Debt	Interest paid was in line with that anticipated for the self-financing debt. The budget had been reduced marginally to reflect interets due to the HRA for internal lending, whilst the actual income for this was recorded against interets received.		STR9 - HRA Business Plan	14,518	0
Depreciation	Depreciation charged to the HRA in 2017/18 was significantly lower than anticipated due to a reduction in asset values, coupled with extension of asset lives, recognising the impact of decent homes investment.			(2,326,731)	0
Direct Revenue Financing of Capital Expenditure	An increased use of revenue funding to meet capital expenditure is reported in 2017/18 as a direct result of the reduction in depreciation, to ensure that the capital programme could still be fully funded.			1,943,892	382,839
Other net variances				(3,848)	
Total Variance for Service				(372,169)	0
	Not blank				
Reversal of statutory accounting adjustment					
Pension Adjustments	Reversal of statutory pension adjustments shown above			(458,696)	
Total Variance for Service				(458,696)	0
	Not blank				
Reserves funding					
Withdrawals from / transfers to Earmarked Reserves	Transfer of funds to Earmarked Reserves net of Withdrawals to fund expenditure as per Earmarked definition of the relevant reserves			(522,305)	
Total Variance for Service				(522,305)	0
	Not blank				
Central depreciation charges					
Additional central depreciation charges	Depreciation charges on Central Accounts calculated late and therefore not included in the Service recharges			19,455	
Total Variance for Service				19,455	0
	Not blank				
Income					
Rent and Other Income	Rent ilcome was over-achieved due to fewer than anticipated right to buy sales, coupled with additonal income in respect of de-minimus receipts for small parcels of land or access rights.			(74,919)	
HRA Interest	The positive variance is forecast based on the increased interest due to the high level of cash balances and additional lending to Ermine Street Housing	FS102 - % Housing Rent collected		84,676	0
Other net variances				0	
Total Variance for Service				9,757	0
Total for Housing Revenue Account				(2,124,759)	0