

Housing Revenue Account (HRA) - 2019/20 year-end position (as at 31/03/2020)

	2019/20 Budget	2019/20 Actuals	2019/20 Variance
INCOME			
Dwelling Rent	(21,384,755)	(21,878,849)	(494,094)
Garages	(165,520)	(152,018)	13,502
Shops	(32,130)	(31,630)	500
Sub-Total: Gross Rental Income	(21,582,405)	(22,062,497)	(480,092)
Charges for Services and Facilities	(959,299)	(1,028,495)	(69,196)
Contributions towards Expenditure	(1,960,522)	(1,342,427)	618,095
TOTAL INCOME	(24,502,226)	(24,433,419)	68,807
EXPENDITURE			
Services	12,204,442	10,872,256	(1,332,186)
Revenue Expenditure Funded by Capital	38,500	38,500	0
Depreciation on dwellings	4,003,825	4,003,825	0
Depreciation on other HRA assets	448,023	448,023	0
Revaluation on dwellings	18,367,369	18,533,662	166,293
Revaluation on other HRA assets	258,184	91,891	(166,293)
Debt Management Expenses	76,658	81,613	4,955
Pension-related one-off costs	3,993,335	4,252,934	259,598
TOTAL EXPENDITURE	39,390,336	38,322,704	(1,067,633)
NET COST OF HRA SERVICES	14,888,110	13,889,285	(998,825)
Other Adjustments			
(Profit)/Loss on sale of HRA fixed assets	296,550	507,545	210,995
Interest Paid and similar charges	4,164,286	4,324,444	160,158
(Interest receivable)/charges payable	(3,000)	(9,659)	(6,659)
Provision for bad debt	555,740	374,830	(180,910)
Capital Grants/Contributions	(2,061,512)	(2,272,512)	(211,000)
OTHER COMPREHENSIVE SERVICES	2,952,065	2,924,648	(27,416)
NET OPERATING EXPENDITURE	17,840,175	16,813,934	(1,026,241)
APPROPRIATIONS			
Transfers to Usable Reserve			
Transfer of Sale Proceeds from CIES	2,113,100	2,113,105	5
Transfer of Admin Cost of Sales	(39,000)	(39,000)	0
Transfer to HRA Future Rents Bad Debt	0	325,878	325,878
Transfer to Earmarked Reserve	32,133	32,133	0
	2,106,233	2,432,116	325,883
Transfers to Major Repairs Reserve (MRR)			
Revenue Contribution to MRR	2,866,373	4,113,586	1,247,213
Depreciation Charged to MRR	4,998,210	4,451,849	(546,361)
	7,864,583	8,565,434	700,851
Transfers to Unusable Reserves			
Employers Contribution to Pension	(4,385,951)	(4,385,951)	0
Depreciation on dwellings	(4,003,825)	(4,003,825)	0
Depreciation on other HRA assets	(448,023)	(448,023)	0
Revaluation Movement on PPE Charged To CIES	(18,625,553)	(18,625,553)	0
Capital Grant & Contribution Applied	2,272,512	2,272,512	0
Financial Instrument Account (FIA) Adjustment	0	(493)	(493)
REFCUS Expenditure To CAA	(38,500)	(38,500)	0
Assets Written Off Disposal	(2,581,650)	(2,581,650)	0
	(27,810,991)	(27,811,484)	(493)
(SURPLUS)/DEFICIT	0	0	0
HRA BALANCE AT 31 MARCH			
(SURPLUS)/DEFICIT AT BEGINNING OF YEAR		(6,397,911)	(6,397,911)
(SURPLUS)/DEFICIT DURING YEAR		(358,011)	(358,011)
(SURPLUS)/DEFICIT AT END OF YEAR		(6,755,923)	(6,755,923)

Notes on major variances on HRA

Dwelling Rent: various factors, such as income from Gladstone House not budgeted for and loss of income from Right to Buy (RTB) sales and voids over-budgeted for.

Contributions towards expenditure: mainly Feed-In Tariff (FIT) income over-budgeted for, relating to the HRA incorporating the former Newark and Sherwood Homes Ltd (NSH) budgets in 2019-20.

Services: various factors, such as significant salary underspends and over-budgeting of spend on FIT and Gladstone House.

Pension-related one-off costs: associated with departure costs of former NSH Chief Executive

(Profit)/Loss on sale of HRA fixed assets: associated with value of properties sold under RTB in 2019-20

Interest Paid and similar charges: interest costs relating to employee benefits (IAS 19) and external loans to fund capital development costs (such as new-builds).

Provision for bad debt: over-budgeted for relative to tenant arrears at 2019-20 year-end, and reduction in FIT income bad debt.

Capital Grants/Contributions: income from insurers relating to fire-damaged properties at Forster Avenue.