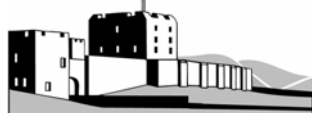


# REPORT TO EXECUTIVE

**CARLISLE  
CITY COUNCIL**



[www.carlisle.gov.uk](http://www.carlisle.gov.uk)

## PORTFOLIO AREA: POLICY, PERFORMANCE MANAGEMENT, FINANCE AND RESOURCES

Date of  
Meeting:

7 JULY 2003

Public

Key  
Decision:

Yes

Recorded in Forward  
Plan:

Yes

Inside Policy Framework

**Title: HOUSING REVENUE ACCOUNT PROVISIONAL  
OUTTURN 2002/03**

**Report of: The Head of Finance**

**Report  
reference: FS20/03**

### Summary:

The attached report summarises the 2002/03 provisional out-turn for the Housing Revenue Account. The out-turn shows that there has been a net overspend of £132,569 compared with the 2002/03 revised budget to produce a balance in hand at 31 March 2003 of £2,744,931.

### Recommendations:

The Executive is asked to receive the report and note that the figures are provisional and subject to audit.

The Executive is asked to recommend to Council that the unused RCCO of £286,000 be carried forward into 2003/04 to fund commitments on the Raffles Area Strategy brought forward from 2002/03.

Contact Officer: David Steele

Ext: 7288

CITY OF CARLISLETo: The Executive FS20/037 July 2003**HOUSING REVENUE ACCOUNT****PROVISIONAL OUTTURN 2002/03****1. BACKGROUND INFORMATION AND OPTIONS**

1.1 This report sets out the summarised provisional out-turn for the Housing Revenue Account (HRA) as follows:

Appendix 1 – Summarises the out-turn at a Cost Centre Level.

Appendix 2 – Explains the main variances between the revised budget and actual spend.

1.2 Please note that throughout this report a minus (-) figure represents a favourable position i.e. either an underspend or additional income received.

**2. SUMMARY FINANCIAL OUTTURN 2002/03**

- As set out in **Appendix 1** the HRA shows a provisional net reduction in the balance carried forward compared to the revised budget approved by the Council in February 2003. The totals provided in Appendix 1 are summarised in the table below:

|                 | <b><u>2002/03</u></b><br><b><u>Revised Budget</u></b><br><b><u>£</u></b> | <b><u>2002/03</u></b><br><b><u>Actual</u></b><br><b><u>£</u></b> | <b><u>Provisional</u></b><br><b><u>Variance</u></b><br><b><u>£</u></b> |
|-----------------|--|--|--|
| Expenditure     | 19,248,460   | 19,593,865   | 345,405  |
| Income          | <u>17,728,580</u>  | <u>17,941,416</u>  | <u>-212,836</u>  |
| Net Expenditure | 1,519,880  | 1,652,449  | 132,569  |
| Balance c/f     | 2,877,500  | 2,744,931  | -132,569   |

2. As can be seen, the balance in hand has reduced by £132,569 to produce a provisional figure in hand of £2,744,931 compared with that forecast at revised estimate stage.

### 3. EXPLANATION OF MAJOR VARIANCES

1. Details of the net major variances in spending estimate are provided in **Appendix 2**.
2. The largest variations relate to the expenditure incurred on jobbing maintenance (£483,000) and planned maintenance (£260,000). These areas of expenditure are currently being reviewed to confirm that all the expenditure is a proper charge to the City Council and that none relates to work carried out after the date of transfer to CHA in December 2002.
3. To some extent, the additional expenditure on repairs, particularly that relating to jobbing items, is offset by an increased level of profit earned by the DSO. At revised estimate stage the sum of £200,000 was included. The provisional outturn now shows an additional £223,000 to be credited back to the HRA. The performance of the DSO is discussed more fully in the General Fund outturn report elsewhere on the agenda.
4. No revenue contribution to capital has been made in 2002/03. A total of £286,000 was forecast to be made to fund part of the Raffles Area Strategy. However due to this scheme being underspent in the last financial year, this commitment needs to be carried forward into 2003/04 and there is a recommendation to that effect. A report on the whole of the HIP is included elsewhere on the agenda.

### 4. PROJECTED HRA BALANCE AT 31 MARCH 2004

1. The projected HRA balance as at 31 March 2004 now stands as follows:

Provisional Balance at 31 March 2003 2,744,931

Revenue Contribution c/f from 2002/03 286,000-

Revenue Contribution 2003/04 (Agreed April 2003) 407,100-

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Provisional Balance at 31 March 2004 £2,051,831

4.2 This compares with the forecast requirement of £1.6m needed to cover additional Housing Benefit costs in the three year period post LSVT.

### **3. CONSULTATION**

#### **5.1 Consultation to Date.**

CMT and the Strategic Financial Planning Group considered the report on 23 June 2003 and their comments have been incorporated into the report.

#### **5.2 Consultation proposed.**

Not applicable

### **4. RECOMMENDATIONS**

1. The Executive is asked to receive the report and note that the figures are provisional and subject to audit.
2. The Executive is asked to recommend to Council that the unused RCCO of £286,000 be carried forward into 2003/04 to fund commitments on the Raffles Area Strategy brought forward from 2002/03.

### **3. REASONS FOR RECOMMENDATIONS**

#### **7.1 As stated above.**

### **4. IMPLICATIONS**

- Staffing/Resources – Not applicable.
- Financial – Contained within the main body of the report.
- Legal – Not applicable.
- Corporate – CMT and the Strategic Financial Planning Group considered the report on 23 June 2003 and their comments have been incorporated.
- Risk Management – Not applicable.
- Equality Issues – Not applicable.
- Environmental – Not applicable.
- Crime and Disorder – Not applicable.

ANGELA BROWN

Head of Finance

Contact Officer: David Steele Ext: 7288

Financial Services

Carlisle City Council

27 June 2003

DKS/CH/FS20-03 HRA outturn Exec 7.7

## APPENDIX 1

HOUSING REVENUE ACCOUNT 2002/03

| <b>Revised<br/>Estimate<br/>2002/03<br/>£</b> |  | <b>Provisional<br/>Actual<br/>2002/03<br/>£</b> |
|---|--|---|
|   | <b>EXPENDITURE</b>                     |   |
|   | <b>ESTABLISHMENT COSTS</b>             |   |
| 1,324,410                                     | Management & Support Services          | 1,231,337                                       |
| 1,552,640                                     | Housing Provision                      | 1,529,327                                       |
| 4,847,510                                     | Tenancy Services                       | 5,623,131                                       |
| <b>7,724,560</b>                              |  | <b>8,383,795</b>                                |
|   | <b>RENT REBATES</b>                    |   |
| 6,977,470                                     | Statutory Payments                     | 7,051,426                                       |
| <b>6,977,470</b>                              |  | <b>7,051,426</b>                                |
|   | <b>CAPITAL FINANCING COSTS</b>         |   |
| 19,800  | Leasing Charges                        | 19,800  |
| 408,170                                       | Principal Repayment                    | 408,167   |
| 1,078,930                                     | Interest Paid                          | 1,054,923                                       |
| 29,350  | Management Costs                       | 30,342  |
| 2,679,810                                     | Depreciation                           | 2,581,077                                       |
| 44,370  | Premia Costs                           | 64,335  |
| <b>4,260,430</b>                              |  | <b>4,158,644</b>                                |
| 286,000                                       | REVENUE CONTRIBUTION TO CAPITAL OUTLAY | 0   |

|                   |                           |                   |
|-------------------|---------------------------|-------------------|
| <b>19,248,460</b> | <b>TOTAL EXPENDITURE</b>  | <b>19,593,865</b> |
| 2,877,500         | BALANCE C/F 31 MARCH 2003 | 2,744,931         |
| <b>22,125,960</b> |                           | <b>22,338,796</b> |

| <b>Revised<br/>Estimate<br/>2002/03<br/>£</b> |                         | <b>Provisional<br/>Actual<br/>2002/03<br/>£</b> |
|---|-------------------------|---|
|   | <b>INCOME</b>           |   |
|   | <b>DWELLING RENTS</b>   |   |
| -<br>11,418,690                               | Gross Rents             | -11,459,885                                     |
| 160,000                                       | Provision for Bad Debts | 160,000   |
| -<br><b>11,258,690</b>                        |                         | <b>-11,299,885</b>                              |
|   | <b>OTHER RENTS</b>      |   |
| -50,340                                       | Shops                   | -57,506   |
| -103,060                                      | Garages                 | -105,337  |
| -3,500  | Allotments              | -3,306  |
| -7,320  | Miscellaneous           | -9,656  |
| <b>-164,220</b>                               |                         | <b>-175,805</b>                                 |
|   |                         |   |

|                 |                                |                 |
|-----------------|--------------------------------|-----------------|
|                 | <b>FEES &amp; CHARGES</b>      |                 |
| -53,970         | PDU Surcharges                 | -55,278         |
| -490            | Service Charges                | -6,079          |
| -174,620        | Careline (Private)             | -166,617        |
| -74,170         | Supporting People Charges      | -74,170         |
| <b>-303,250</b> |                                | <b>-302,144</b> |
|                 | <b>INTEREST</b>                |                 |
| -1,520          | RTB Mortgages                  | -1,078          |
| -131,200        | Investment Interest            | -131,200        |
| <b>-132,720</b> |                                | <b>-132,278</b> |
|                 | <b>MISCELLANEOUS</b>           |                 |
| -155,820        | Recharge of Staff Time GF, RTB | -155,820        |
| -9,490          | Leasehold Flat Service Charges | -10,651         |
| -200,000        | Other – DSO Contribution       | -423,000        |
| <b>-365,310</b> |                                | <b>-589,471</b> |
|                 |                                |                 |
| -<br>12,224,190 | INCOME C/F TO NEXT PAGE        | -12,499,583     |

| <b>Revised<br/>Estimate<br/>2002/03<br/>£</b> |                               | <b>Provisional<br/>Actual<br/>2002/03<br/>£</b> |
|---|-------------------------------|---|
|   |                               |   |
| -<br>12,224,190                               | INCOME B/F FROM PREVIOUS PAGE | -12,499,583                                     |
|   |                               |   |



|                         |                          |                    |
|-------------------------|--------------------------|--------------------|
|                         | <b>CONTRIBUTIONS</b>     |                    |
| -5,420,000              | Government Subsidy       | -5,351,577         |
| -84,390                 | General Fund             | -90,256            |
| <b>-5,504,390</b>       |                          | <b>-5,441,833</b>  |
|                         |                          |                    |
| <b>-<br/>17,728,580</b> | <b>TOTAL INCOME</b>      | <b>-17,941,416</b> |
|                         |                          |                    |
| -4,397,380              | BALANCE B/F 1 APRIL 2002 | -4,397,380         |
|                         |                          |                    |
| <b>-<br/>22,125,960</b> |                          | <b>-22,338,796</b> |

## APPENDIX 2

## HRA OUTTURN 2002/03

## ANALYSIS OF PRINCIPAL VARIATIONS

|                                 | £000's | £000's | Notes   |
|---------------------------------|--------|--------|---|
| <b>Net Overspends:</b>          |        |        |   |
| Jobbing Maintenance             | 483    |        | Discussed in the main report p                                      |
| Planned Maintenance             | 260    |        | The largest item related to the                                     |
| Specialist Support Services     | 40     |        | Represents the net effect of se<br>the various specialist support s |
| HRA Subsidy                     | 42     |        |   |
|                                 |        | 825    |   |
| <b>Offset by Savings on:</b>    |        |        |   |
| Revenue Contribution to Capital | -286   |        | Not required due to a capital u<br>be carried forward into 2003/0.  |
| DSO Contribution                | -223   |        | This is an additional amount to<br>estimate stage.                  |
|                                 |        |        |   |

|                        |            |            |  |
|------------------------|------------|------------|--|
| Management and Support | -93        |            | Some expenditure has been re<br>process. |
| Rents                  | -53        |            | Includes both dwelling and oth           |
| Tenancy Services       | <u>-32</u> |            | Represents the net effect of se          |
|                        |            | -687       |  |
| Other Savings (net)    |            | <u>-6</u>  |  |
| Net Overspend          |            | <u>132</u> |  |

FS20-03 HRA outturn Exec 7.7