

## Appendix Three : HRA Business Plan 2017/18 Variance Summary

Year	Forecast 16-		Variance	Key drivers of variations
	17 BP	17-18 BP		
	2017/18	2017/18		
	£'000	£'000	£'000	
<b>Projected Net Revenue Expenditure</b>				
Rental Income	-25,363	-25,413	-50	Sayer Court let at Warwick Affordable Rent rather than target rent offset by reduced rental income due to increased RTB's.
Void Losses	177	178	1	
Service Charges	-413	-413	0	
Non-Dwelling Income	-866	-938	-72	Garage charges - 5% increase forecast in 16/17. 17/18 BP average £4 increase per month.
Grants & Other Income	-43	-42	1	
<b>Total Income</b>	<b>-26,507</b>	<b>-26,628</b>	<b>-121</b>	
Supervision & Management	5,852	5,780	-72	Review of staffing and management teams.
Bad Debt Provision	467	399	-68	BDP reduced from 1.84% to 1.5% following delays in introduction of Universal Credit and review of existing arrears.
Responsive & Cyclical Repairs	5,758	5,267	-491	Change from Open Book Contracts to Schedule of rates and increased budgetary control of scheduled works.
<b>Total Revenue Expenditure</b>	<b>12,076</b>	<b>11,447</b>	<b>-629</b>	
Interest Paid	4,766	4,766	0	
Interest Received	-152	-253	-101	Increased reserves balance.
Depreciation	5,366	6,354	988	Revised based on most recent Carter Jonas Asset Valuation Report.
Reserve Adjustments	-86	-93	-7	
Revenue Contribution to Capital	4,500	4,483	-17	
<b>Net Revenue Exp/(Income)</b>	<b>-38</b>	<b>75</b>	<b>113</b>	
<b>HRA Balance &amp; Reserves</b>				
Opening HRA Balance	-21,159	-20,725	434	Increased HRA reserves used in 16/17 driven by Revenue Repairs and Supervisory and Management expenditure.
Closing HRA Balance	-25,587	-26,575	-988	Driven by the changes in income and expenditure outlined above.
<b>Projected Capital Expenditure</b>				
Construction/Acquisition of Homes	2,355	825	-1,530	Cloister Way only acquisition currently due to take place during 2017/18.
Capital Maintenance & Improvement	3,121	5,193	2,072	Capital budget reviewed to reflect ongoing requirements.
<b>Total Capital Expenditure</b>	<b>5,476</b>	<b>6,018</b>	<b>542</b>	
<b>Projected Borrowing</b>				
Borrowing b/f	136,200	136,200	0	
New Borrowing	0	0	0	
Loans Repaid	0	0	0	
<b>Borrowing c/f</b>	<b>136,200</b>	<b>136,200</b>	<b>0</b>	