

APPENDIX 6

<2% Green
2% - 5% Amber
>5% Red

HOUSING REVENUE ACCOUNT MONTHLY BUDGET MONITORING - SEPTEMBER 2010

2% to 5%
Amber
>5% Red

FULL YEAR						Explanation of any variance that is considered to be significant and all variances greater than £100k Proposed mitigating action and dates	RAG Status
HOUSING REVENUE ACCOUNT	Original Budget	Latest Budget	Forecast Outturn	Variance (Latest Budget to Forecast Outturn)			
	£'000	£'000	£'000	£'000	%		

DIRECTLY CONTROLLED INCOME BUDGETS

Dwelling & Non Dwelling Rents	Income	(59,427)	(59,082)	(59,138)	(56)	0	Tower Hamlets Homes' projections are currently higher than originally budgeted. This is due to better than expected performance in relation to the re-letting of void properties.	0%
	Net Expenditure	(59,427)	(59,082)	(59,138)	(56)	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High Date forecast last reviewed: 01/07/2010	
Tenant & Leaseholder Service Charges	Income	(16,705)	(17,050)	(16,136)	914	(5)	Tower Hamlets Homes estimates that estate parking income will further deteriorate by approximately £200,000 in the current year. This is partly offset by a similar reduction in the contract price (see Special Services, Rents, Rates and Taxes below). Income from leaseholder service charges is also predicted to be lower than anticipated. The 2009/10 actual leaseholder service charge invoices will be finalised in October and Members will be updated of the impact of this when available.	5%
	Net Expenditure	(16,705)	(17,050)	(16,136)	914	(5)	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High Date forecast last reviewed: 01/07/2010	

INDIRECT INCOME BUDGETS

Housing Revenue Account Subsidy	Income	(13,625)	(13,625)	(13,625)	0	0	Many of the elements of the Authority's HRA subsidy entitlement are pre-set for the financial year. However a major constituent of the grant relates to capital charges. These are subject to fluctuation in relation to any changes in interest rates.	0%
	Net Expenditure	(13,625)	(13,625)	(13,625)	0	0	Vote Budget Manager: Chris Holme Budget Risk: High Date forecast last reviewed: 01/07/2010	
Investment Income Received	Income	(200)	(200)	(200)	0			0%
	Net Expenditure	(200)	(200)	(200)	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed: 01/07/2010	
General Fund Contributions	Income	(520)	(520)	(520)	0			0%
	Net Expenditure	(520)	(520)	(520)	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed: 01/07/2010	
TOTAL INCOME	Total Income	(90,477)	(90,477)	(89,619)	858	(1)		1%
	Net Expenditure	(90,477)	(90,477)	(89,619)	858	(1)	Service Head: Chris Holme	

FULL YEAR							Explanation of any variance that is considered to be significant and all variances greater than £100k Proposed mitigating action and dates	RAG Status
HOUSING REVENUE ACCOUNT	Original Budget	Latest Budget	Forecast Outturn	Variance (Latest Budget to Forecast Outturn)				
	£'000	£'000	£'000	£'000	%			
<u>DIRECTLY CONTROLLED EXPENDITURE BUDGETS</u>								
Repairs & Maintenance	Expenditure	21,705	21,705	21,705	0	0	Tower Hamlets Homes is projecting that expenditure on Repairs and Maintenance will be in line with the budget, although it should be noted that this budget significantly overspent in the 2009-10 financial year. Various control mechanisms have been put in place by THH to control expenditure levels, and this budget is subject to on-going regular scrutiny by the THH Senior Management Team.	0%
	Net Expenditure	21,705	21,705	21,705	0	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High Date forecast last reviewed: 01/07/2010	
Supervision & Management	Expenditure	25,652	25,652	25,667	15	0	The major element of this budget is fixed within the management fee payable to THH.	0%
	Net Expenditure	25,652	25,652	25,667	15	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed: 01/07/2010	
Special Services, Rent Rates & Taxes	Expenditure	13,911	13,911	13,548	(363)	(3)	The reduced expenditure is partly due to the reduction in prices in respect of the Estate Parking contract (see Tenant and Leaseholder Service Charges - above).	3%
	Net Expenditure	13,911	13,911	13,548	(363)	(3)	Vote Budget Manager: Tower Hamlets Homes Budget Risk: Medium Date forecast last reviewed: 01/07/2010	
<u>INDIRECT EXPENDITURE BUDGETS</u>								
Provision for Bad & Doubtful Debts	Expenditure	900	900	900	0	0		0%
	Net Expenditure	900	900	900	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed: 01/07/2010	
Capital Financing Charges	Expenditure	32,605	32,605	32,605	0	0		0%
	Net Expenditure	32,605	32,605	32,605	0	0	Vote Budget Manager: Chris Holme Budget Risk: High Date forecast last reviewed: 01/07/2010	
TOTAL EXPENDITURE	Expenditure	94,773	94,773	94,425	(348)	(3)		3%
	Net Expenditure	94,773	94,773	94,425	(348)	(3)	Service Head: Chris Holme	
Total Net Expenditure		4,296	4,296	4,806	510	(3)	Service Head: Chris Holme	3%
Contributions from Reserves	Income	(3,000)	(3,000)	(3,000)				0%
	Net Expenditure	(3,000)	(3,000)	(3,000)	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed: 01/07/2010	
TOTAL FOR HOUSING REVENUE ACCOUNT		1,296	1,296	1,806	510	(3)	Director: Aman Dalvi	3%