

HOUSING REVENUE ACCOUNT MONTHLY BUDGET MONITORING - JUNE 2011

2% to 5%  
Amber  
>5% Red

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

HOUSING REVENUE ACCOUNT		FULL YEAR										Explanation of any variance that is considered to be significant and all variances greater than £100k  Proposed mitigating action and dates	FAG Status
		Original Budget	Latest Budget	Budget to Date	Actual to Date	Variance to Date	Previous Forecast Outturn	Latest Forecast Outturn	Variance (Latest Budget to Latest Forecast Outturn)	Variance (Previous & Latest Forecast Outturn)			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000		
<b>DIRECTLY CONTROLLED INCOME BUDGETS</b>													
Dwelling & Non Dwelling Rents	Income	(61,747)	(61,747)	(15,437)	(16,801)	(1,364)	(61,731)	(61,727)	20	(0)	(0)	When this budget was set, an assumption was made as to the percentage of voids that would arise from the decant of the Ocean & Blackwall estates, and as at the end of Q1 this higher level of voids is not reflected in the actual spend. The annual rental income from commercial properties is forecast to be £30k higher than budget due to the revision of various lease agreements, leading to an overall forecast virtual break even position for the year-end.	0%
	Net Expenditure	(61,747)	(61,747)	(15,437)	(16,801)	(1,364)	(61,731)	(61,727)	20	(0)	(0)		
Tenant & Leaseholder Service Charges	Income	(16,069)	(16,069)	(4,017)	(12,251)	(8,234)	(16,202)	(16,155)	(86)	1	(0)	The actual income is based on annual estimates issued to leaseholders and is shown on the ledger from the start of the year. This budget will be re-profiled to better reflect the anticipated spend pattern. The year-end forecast is a favourable variance of £86k. <b>RISK:</b> The 2010-11 actualisation process is still to be finalised and there may be issues around energy costs and in particular, the climate charge levy.	1%
	Net Expenditure	(16,069)	(16,069)	(4,017)	(12,251)	(8,234)	(16,202)	(16,155)	(86)	1	(0)		
<b>INDIRECT INCOME BUDGETS</b>													
Housing Revenue Account Subsidy	Income	(11,611)	(11,611)	(2,903)	0	2,903	(12,114)	(12,114)	(503)	4	0	The year to date variance is due to the fact that actuals are processed at year-end, and this budget will be re-profiled to better reflect the anticipated spend pattern. The forecast variance is due to additional Subsidy arising from the recent Decent Homes announcement. (This variance is offset by the forecast variance in 'Capital Financing Charges' budget line shown below.) <b>RISK:</b> A major constituent of the grant relates to capital charges which are subject to fluctuation in relation to any changes in interest rates.	4%
	Net Expenditure	(11,611)	(11,611)	(2,903)	0	2,903	(12,114)	(12,114)	(503)	4	0		
Investment Income Received	Income	(200)	(200)	(50)	0	50	(200)	(197)	3	(2)	(2)		2%
	Net Expenditure	(200)	(200)	(50)	0	50	(200)	(197)	3	(2)	(2)		
General Fund Contributions	Income	(519)	(519)	(130)	0	130	(166)	(166)	353	(68)	0	The year to date variance is due to the fact that actuals are processed at year-end, and this budget will be re-profiled to better reflect the anticipated spend pattern. A year-end shortfall of £353k Supporting People income is forecast, however, this will be matched by a corresponding reduction in Support Service recharges within the 'Supervision & Management' budget heading.	68%
	Net Expenditure	(519)	(519)	(130)	0	130	(166)	(166)	353	(68)	0		
TOTAL INCOME	Total Income	(90,146)	(90,146)	(22,537)	(29,052)	(6,516)	(90,413)	(90,359)	(213)	0	(0)		0%
	Net Expenditure	(90,146)	(90,146)	(22,537)	(29,052)	(6,516)	(90,413)	(90,359)	(213)	0	(0)		

HOUSING REVENUE ACCOUNT	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	
	Original Budget	Latest Budget	Budget to Date	Actual to Date	Variance to Date	Previous Forecast Outturn	Latest Forecast Outturn	Variance (Latest Budget to Latest Forecast Outturn)	Variance (Previous & Latest Forecast Outturn)					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	£'000				
<b>DIRECTLY CONTROLLED EXPENDITURE BUDGETS</b>														
Repairs & Maintenance	Expenditure	20,511	20,511	5,128	4,132	(995)	20,516	20,498	(13)	(0)	(0)	The year to date variance is due to a lower than budgeted spend to date on planned and responsive repairs. The year-end position forecast is a slight underspend.	0%	
	Net Expenditure	20,511	20,511	5,128	4,132	(995)	20,516	20,498	(13)	(0)	(0)			Vote Budget Manager: Tower Hamlets Homes Budget Risk: High Date forecast last reviewed:
Supervision & Management	Expenditure	24,504	24,504	6,126	3,952	(2,174)	25,016	24,784	280	1	(1)	The year to date variance is due to the fact that part of this budget area (support service recharges) are processed at year-end. In addition, payments relating to water bills are made primarily in the latter part of the year. These budgets will be re-profiled to better reflect these anticipated spend patterns. The projected year-end overspend relates primarily to costs incurred by the current Housing Options Appraisal project.	1%	
	Net Expenditure	24,504	24,504	6,126	3,952	(2,174)	25,016	24,784	280	1	(1)			Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed:
Special Services, Rent Rates & Taxes	Expenditure	16,322	16,322	4,081	2,441	(1,640)	15,516	15,763	(559)	(3)	2	Spend to date is below the budget to date due to timing differences in energy costs. The year-end projected underspend is primarily due to a review of the Estate Parking arrangements which is projected to result in c. £500k higher than budgeted income. <b>RISK:</b> 2011/12 energy contract prices will increase by an average of 10% compared to 2010/11, and therefore the year-end spend is subject to uncertainty, particularly if the 2011 winter is severe.	3%	
	Net Expenditure	16,322	16,322	4,081	2,441	(1,640)	15,516	15,763	(559)	(3)	2			Vote Budget Manager: Tower Hamlets Homes Budget Risk: Medium Date forecast last reviewed:
<b>INDIRECT EXPENDITURE BUDGETS</b>														
Provision for Bad & Doubtful Debts	Expenditure	900	900	225	0	(225)	900	900	0	0	0	The year to date variance is due to the fact that actuals are processed at year-end, and this budget will be re-profiled to better reflect the anticipated spend pattern. Forecast spend is projected to be in line with the budget.	0%	
	Net Expenditure	900	900	225	0	(225)	900	900	0	0	0			Vote Budget Manager: Chris Holme Budget Risk: Medium Date forecast last reviewed:
Capital Financing Charges	Expenditure	28,244	28,244	7,061	0	(7,061)	28,788	28,748	504	2	(0)	The year to date variance is due to the fact that actuals are processed at year-end, and this budget will be re-profiled to better reflect the anticipated spend pattern. The forecast is higher than the current budget due to additional capital charges arising from the recent Decent Homes announcement. (This variance is offset by the forecast variance in 'Housing Revenue Account Subsidy' budget line shown above.)	2%	
	Net Expenditure	28,244	28,244	7,061	0	(7,061)	28,788	28,748	504	2	(0)			Vote Budget Manager: Chris Holme Budget Risk: High Date forecast last reviewed:
TOTAL EXPENDITURE	Expenditure	90,481	90,481	22,620	10,526	(12,095)	90,736	90,694	213	0	(0)		0%	
	Net Expenditure	90,481	90,481	22,620	10,526	(12,095)	90,736	90,694	213	0	(0)	Service Head: Chris Holme	0%	
	Total Net Expenditure	335	335	84	(18,527)	(18,610)	323	335	(0)	(0)	(200)	Service Head: Chris Holme	0%	
Contributions from Reserves	Income	(335)	(335)	(84)	0	84	(335)	(335)	0	0	0		0%	
	Net Expenditure	(335)	(335)	(84)	0	84	(335)	(335)	0	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed:	0%	
TOTAL FOR HOUSING REVENUE ACCOUNT	Total Net Expenditure	0	0	(0)	(18,527)	(18,526)	(12)	(0)	(0)	0	0	Director: Aman Dalvi	0%	