

HOUSING REVENUE ACCOUNT MONTHLY BUDGET MONITORING - SEPTEMBER 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	PA&G 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	%	%		
DIRECTLY CONTROLLED INCOME BUDGETS													
Dwelling & Non Dwelling Rents	Income	(61,747)	(61,747)	(30,874)	(31,669)	(796)	(61,789)	(61,769)	(22)	0	(0)	In setting this budget, 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 period 6 this (higher) level of voids is not reflected in the actuals. The annual rental income from commercial properties is forecast to be slightly higher than budget due to the revision of various lease agreements, leading to a small underspend forecast for the year-end.	0%
	Net Expenditure	(61,747)	(61,747)	(30,874)	(31,669)	(796)	(61,789)	(61,769)	(22)	0	(0)		
Tenant & Leaseholder Service Charges	Income	(16,069)	(16,069)	(12,820)	(13,620)	(800)	(16,167)	(16,162)	(93)	1	(0)	Actual income is based on annual estimates issued to leaseholders and is shown on the ledger from the start of the year. This budget has been re-profiled to better reflect the anticipated spend pattern. The year-end forecast is a favourable variance of £93k.	1%
	Net Expenditure	(16,069)	(16,069)	(12,820)	(13,620)	(800)	(16,167)	(16,162)	(93)	1	(0)		
INDIRECT INCOME BUDGETS													
Housing Revenue Account Subsidy	Income	(11,611)	(11,611)	(5,806)	0	5,806	(12,114)	(11,649)	(38)	0	(4)	The year to date variance is due to the fact that actuals are processed at year-end. More accurate calculations for the amount of Housing Subsidy that the Council will receive have now been carried out, (following the preparation of the Housing Subsidy Second Advance Claim), and the current forecast is for a small variance of £38k. RISK: 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)	(5,806)	0	5,806	(12,114)	(11,649)	(38)	0	(4)		
Investment Income Received	Income	(200)	(200)	(100)	(7)	93	(191)	(191)	9	(5)		Vote Budget Manager: Budget Risk: Date forecast last reviewed:	2%
	Net Expenditure	(200)	(200)	(100)	(7)	93	(191)	(191)	9	(5)			
General Fund Contributions	Income	(519)	(519)	(260)	0	260	(166)	(166)	353	(68)	0	The year to date variance is due to the fact that actuals are processed at year-end. 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)	(260)	0	260	(166)	(166)	353	(68)	0		
TOTAL INCOME	Total Income	(90,146)	(90,146)	(49,859)	(45,296)	4,562	(90,427)	(89,937)	209	(0)	(1)		0%
		(90,146)	(90,145)	(49,859)	(45,296)	4,562	(90,427)	(89,937)	209	(0)	(1)		

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	PAQ 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	%	%		
DIRECTLY CONTROLLED EXPENDITURE BUDGETS													
Repairs & Maintenance	Expenditure	20,511	20,761	10,380	8,190	(2,190)	20,600	20,935	174	1	2	The year to date variance is due to expenditure on external decorations and neighbourhood action plans being planned for the second half of the year.	0%
	Net Expenditure	20,511	20,761	10,380	8,190	(2,190)	20,600	20,935	174	1	2		
Supervision & Management	Expenditure	24,504	24,254	12,767	10,253	(2,514)	24,712	24,117	(137)	(1)	(2)	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. The projected year-end underspend is a reflection of the in-year savings offered by Tower Hamlets Homes as part of the Options Appraisal process.	1%
	Net Expenditure	24,504	24,254	12,767	10,253	(2,514)	24,712	24,117	(137)	(1)	(2)		
Special Services, Rent Rates & Taxes	Expenditure	16,322	16,322	8,110	6,725	(1,385)	15,803	16,088	(234)	(1)	2	Spend to date is below the budget to date due to timing differences in energy costs. The year-end projected underspend is due to a number of variances, the main one relating to Estate Parking, where a review of the arrangements is projected to result in c. £200k higher than budgeted income. There are also projected underspends on cleaning and concierge services. RISK: 2011/12 energy contract prices have increased 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	8,110	6,725	(1,385)	15,803	16,088	(234)	(1)	2		
INDIRECT EXPENDITURE BUDGETS													
Provision for Bad & Doubtful Debts	Expenditure	900	900	450	0	(450)	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	450	0	(450)	900	900	0	0	0		
Capital Financing Charges	Expenditure	28,244	28,244	14,122	0	(14,122)	28,748	28,232	(12)	(0)	(2)	The year to date variance is due to the fact that actuals are processed at year-end. More accurate calculations for the amount of Housing Subsidy that the Council will receive have now been carried out, (following the preparation of the Housing Subsidy Second Advance Claim), and the current forecast in relation to capital charges is for a small variance of £12k.	2%
	Net Expenditure	28,244	28,244	14,122	0	(14,122)	28,748	28,232	(12)	(0)	(2)		
TOTAL EXPENDITURE	Expenditure	90,481	90,481	45,829	25,168	(20,661)	90,763	90,272	(209)	(0)	(1)		0%
		90,481	90,481	45,829	25,168	(20,661)	90,763	90,272	(209)	0	(1)		
													5%
Contributions from Reserves	Income	(335)	(335)	(168)	0	168	(335)	(335)	0	0	0		0%
	Net Expenditure	(335)	(335)	(168)	0	168	(335)	(335)	0	0	0		
TOTAL FOR HOUSING REVENUE ACCOUNT		0	0	(4,197)	(20,128)	(15,931)	0	(0)	(0)	0	0		0%