

HOUSING REVENUE ACCOUNT MONTHLY BUDGET MONITORING - DECEMBER 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	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		
DIRECTLY CONTROLLED INCOME BUDGETS													
Dwelling & Non Dwelling Rents	Income	(61,747)	(61,747)	(46,310)	(44,173)	2,137	(61,776)	(62,024)	(277)	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 9 this (higher) level of voids is not reflected in the actuals. In addition, the annual rental income from commercial properties is forecast to be higher than budget due to the revision of various lease agreements, leading to the recovery of additional commercial rents.	0%
	Net Expenditure	(61,747)	(61,747)	(46,310)	(44,173)	2,137	(61,776)	(62,024)	(277)	0	0		
Tenant & Leaseholder Service Charges	Income	(16,069)	(16,069)	(14,444)	(14,579)	(135)	(16,162)	(16,254)	(185)	1	1	Actual income is based on annual estimates issued to tenants and leaseholders with leaseholder charges raised at the start of the year. The 2010/11 leasehold actualisation process has now been completed and is also incorporated into the projected outturn figure.	1%
	Net Expenditure	(16,069)	(16,069)	(14,444)	(14,579)	(135)	(16,162)	(16,254)	(185)	1	1		
INDIRECT INCOME BUDGETS													
Housing Revenue Account Subsidy	Income	(11,611)	(11,611)	(8,708)	0	8,708	(11,649)	(11,645)	(34)	0	(0)	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 and the current forecast is for a variance of £34k compared to the original budget. RISK: A major constituent of the grant relates to capital charges which are subject to fluctuation in relation to any changes in interest rates.	0%
	Net Expenditure	(11,611)	(11,611)	(8,708)	0	8,708	(11,649)	(11,645)	(34)	0	(0)		
Investment Income Received	Income	(200)	(200)	(150)	(11)	139	(191)	(191)	9	(5)		Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed:	-5%
	Net Expenditure	(200)	(200)	(150)	(11)	139	(191)	(191)	9	(5)			
General Fund Contributions	Income	(519)	(519)	(389)	0	389	(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)	(389)	0	389	(166)	(166)	353	(68)	0		
TOTAL INCOME	Total Income	(90,146)	(90,146)	(70,002)	(58,763)	11,239	(89,944)	(90,280)	(134)	0	0		0%
		(90,146)	(90,146)	(70,002)	(58,763)	11,239	(89,944)	(90,280)	(134)	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			
DIRECTLY CONTROLLED EXPENDITURE BUDGETS													
Repairs & Maintenance	Expenditure	20,511	20,761	15,571	13,884	(1,687)	20,932	20,934	174	1	0	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. Vote Budget Manager: Tower Hamlets Homes Budget Risk: High Date forecast last reviewed:	1%
	Net Expenditure	20,511	20,761	15,571	13,884	(1,687)	20,932	20,934	174	1	0		
Supervision & Management	Expenditure	24,504	24,254	19,265	15,928	(3,337)	24,123	24,321	66	0	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. Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed:	0%
	Net Expenditure	24,504	24,254	19,265	15,928	(3,337)	24,123	24,321	66	0	1		
Special Services, Rent Rates & Taxes	Expenditure	16,322	16,322	11,965	10,273	(1,692)	16,094	15,826	(496)	(3)	(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 lower than budgeted expenditure. 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. Vote Budget Manager: Tower Hamlets Homes Budget Risk: Medium Date forecast last reviewed:	-3%
	Net Expenditure	16,322	16,322	11,965	10,273	(1,692)	16,094	15,826	(496)	(3)	(2)		
INDIRECT EXPENDITURE BUDGETS													
Provision for Bad & Doubtful Debts	Expenditure	900	900	675	0	(675)	900	900	0	0	0	The year to date variance is due to the fact that actuals are processed at year-end. Forecast spend is projected to be in line with the budget. Vote Budget Manager: Chris Holme Budget Risk: Medium Date forecast last reviewed:	0%
	Net Expenditure	900	900	675	0	(675)	900	900	0	0	0		
Capital Financing Charges	Expenditure	28,244	28,244	21,183	14,513	(6,670)	28,232	29,792	1,548	5	6	The year to date variance is due to the fact that actuals are processed at year-end. The charge for non-dwellings depreciation is £1.1m higher than budgeted due to a revaluation of shops; however, this will be matched by a corresponding increase in the amount transferred from the Major Repairs Reserve (below). The remaining variance arises from the need to finance an element of the non grant element of the Decent Homes capital programme from HRA revenue resources as agreed by Cabinet in September 2011. Vote Budget Manager: Chris Holme Budget Risk: High Date forecast last reviewed:	5%
	Net Expenditure	28,244	28,244	21,183	14,513	(6,670)	28,232	29,792	1,548	5	6		
TOTAL EXPENDITURE	Expenditure	90,481	90,482	68,658	54,597	(14,061)	90,281	91,773	1,292	1	2		0%
		90,481	90,482	68,658	54,597	(14,061)	90,281	91,773	1,292	0	2		
		335	335	(1,344)	(4,166)	(2,822)	336	1,493	1,158	345	(546)		
Contributions from Reserves	Income	(335)	(335)	(251)	0	251	(335)	(1,493)	(1,158)	346	346	The transfer from the Major Repairs Reserve will increase due to a higher than budgeted non-dwellings depreciation charge (see Capital Financing Charges above). Vote Budget Manager: Chris Holme Budget Risk: Low Date forecast last reviewed:	346%
	Net Expenditure	(335)	(335)	(251)	0	251	(335)	(1,493)	(1,158)	346	346		
TOTAL FOR HOUSING REVENUE ACCOUNT		0	0	(1,595)	(4,166)	(2,571)	0	0	(0)	0	0		0%