

DEVELOPMENT & RENEWAL (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
		Original Budget £'000	Latest Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Previous Forecast Outturn £'000	Latest Forecast Outturn £'000	Variance (Latest Budget to Latest Forecast Outturn) £'000 %		
DIRECTLY CONTROLLED INCOME BUDGETS											
Dwelling & Non Dwelling Rents	Income	(66,696)	(66,696)	(16,674)	(17,214)	(540)	(66,696)	(66,696)	0	0	At this stage in the year Tower Hamlets Homes is projecting dwelling rent income to be equal to the budget. RISK: Right to Buy applications received in Q1 of 2012/13 are much higher than this time last year. If a large number of Right to Buy applications proceed to the sale stage over the remainder of the year there will be pressures on this budget.
	Net Income	(66,696)	(66,696)	(16,674)	(17,214)	(540)	(66,696)	(66,696)	0	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: Low
Tenant & Leaseholder Service Charges	Income	(16,861)	(16,861)	(11,790)	(12,015)	(225)	(16,860)	(16,820)	41	(0)	The year to variance is due to charges for Major Works invoices currently being included in the actuals to date. It is forecast that year-end income will be equal to the budget although the forecast is subject to an element of uncertainty as the 2011-12 actualisation process is still to be finalised.
	Net Income	(16,861)	(16,861)	(11,790)	(12,015)	(225)	(16,860)	(16,820)	41	(0)	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High
INDIRECT INCOME BUDGETS											
Investment Income Received	Income	(190)	(190)	0	0	0	(190)	(190)	0	0	
	Net Income	(190)	(190)	0	0	0	(190)	(190)	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low
General Fund Contributions	Income	(166)	(166)	0	0	0	(115)	(115)	51	(31)	
	Net Income	(166)	(166)	0	0	0	(115)	(115)	51	(31)	Vote Budget Manager: Chris Holme Budget Risk: Low
TOTAL INCOME	Total Income	(83,913)	(83,913)	(28,464)	(29,229)	(765)	(83,861)	(83,821)	92	(0)	
	Net Income	(83,913)	(83,913)	(28,464)	(29,229)	(765)	(83,861)	(83,821)	92	(0)	

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		Original Budget	Latest Budget	Budget to Date	Actual to Date	Variance to Date	Previous Forecast	Latest Forecast	Variance (Latest Budget to Latest Forecast)			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%		
DIRECTLY CONTROLLED EXPENDITURE BUDGETS												
Repairs & Maintenance	Expenditure	21,410	21,410	5,221	4,724	(497)	21,410	21,417	7	0	The year to date variance is due to timing differences on the specialist contracts which cover planned maintenance and servicing.	
	Net Expenditure	21,410	21,410	5,221	4,724	(497)	21,410	21,417	7	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High	
Supervision & Management	Expenditure	25,215	25,215	4,219	4,724	506	24,235	24,203	(1,012)	(4)	The year-end projected underspend arises as it is forecast that capital fee income recharged at year-end from capital to revenue will be higher than budgeted. Any underspend within this budget heading will enable revenue resources to be set aside to finance part of the non grant element of the Decent Homes capital programme, as agreed by Cabinet in September 2011 - this is reflected in the increased revenue contribution to capital outlay below.	
	Net Expenditure	25,215	25,215	4,219	4,724	506	24,235	24,203	(1,012)	(4)	Vote Budget Manager: Chris Holme Budget Risk: Low	
Special Services, Rent Rates & Taxes	Expenditure	17,109	17,109	3,567	3,102	(465)	16,803	16,773	(336)	(2)	It is forecast that the energy budget will underspend by £0.3m due to the fact that when this budget was set it was anticipated that 2012/13 gas & electricity prices would increase by between 20% and 40%, whereas in fact bulk gas prices in 2012/13 will be only 13% higher than in 2011/12, and bulk electricity will be 2% lower. However, this underspend may be partly offset by expenditure incurred due to the (relatively) cold weather experienced for the first few months of 2012/13, which has led to communal heating being kept on. This budget will continue to be closely monitored.	
	Net Expenditure	17,109	17,109	3,567	3,102	(465)	16,803	16,773	(336)	(2)	Vote Budget Manager: Tower Hamlets Homes Budget Risk: Medium	
INDIRECT EXPENDITURE BUDGETS												
Provision for Bad & Doubtful Debts	Expenditure	900	900	0	0	0	900	900	0	0		
	Net Expenditure	900	900	0	0	0	900	900	0	0	Vote Budget Manager: Chris Holme Budget Risk: Medium	
Capital Financing Charges	Expenditure	20,771	20,771	0	0	0	21,983	21,983	1,212	6	The projected overspend is due to the projection that 2012/13 non-dwellings depreciation will be higher than originally anticipated when the budget was set in February. This however, will be matched by a corresponding increase in the amount transferred from the Major Repairs Reserve (below). In addition, it is anticipated that a higher than budgeted revenue contribution to capital outlay will be made, as outlined in 'Supervision & Management' above.	
	Net Expenditure	20,771	20,771	0	0	0	21,983	21,983	1,212	6	Vote Budget Manager: Chris Holme Budget Risk: High	
TOTAL EXPENDITURE	Expenditure	85,405	85,405	13,006	12,551	(456)	85,331	85,276	(129)	(0)		
	Net Expenditure	85,405	85,405	13,006	12,551	(456)	85,331	85,276	(129)	(0)		
TOTAL NET	Total Net Expenditure	1,492	1,492	(15,458)	(16,678)	(1,221)	1,470	1,455	(37)	(0)		
Contributions from Reserves	Income	(1,492)	(1,492)	0	0	0	(1,758)	(1,758)	(266)	18	The transfer from the Major Repairs Reserve will increase due to a higher than budgeted non-dwellings depreciation charge (see Capital Financing Charges above).	
	Net Expenditure	(1,492)	(1,492)	0	0	0	(1,758)	(1,758)	(266)	18		
TOTAL FOR HOUSING REVENUE ACCOUNT	Total Net Expenditure	(0)	(0)	(15,458)	(16,678)	(1,221)	(288)	(303)	(303)	18	Director: Aman Dalvi	