

CORPORATE MONTHLY BUDGET MONITORING - DECEMBER 2012

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

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	RAG Status
		Original Budget	Latest Budget	Budget to Date	Actual to Date	Variance to Date	Previous Forecast	Latest Forecast	Variance (Latest Budget to Latest Forecast)	Variance (Previous & Latest Forecast)			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	%		
DIRECTLY CONTROLLED INCOME BUDGETS													
Dwelling & Non Dwelling Rents	Income	(66,696)	(66,696)	(50,022)	(50,464)	(442)	(66,398)	(66,635)	61	0	0	Over 700 Right to Buy applications have been received in the first 9 months of 2012/13, and five sales have taken place. Further sales are anticipated in the last quarter of the year, and THH is forecasting that rental income will be lower than budgeted. RISK: 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.	0%
	Net Income	(66,696)	(66,696)	(50,022)	(50,464)	(442)	(66,398)	(66,635)	61	0	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: Low	
Tenant & Leaseholder Service Charges	Income	(16,861)	(16,861)	(15,170)	(15,844)	(674)	(17,271)	(17,430)	(569)	(0)	0	The 2011/12 actualisation process has been finalised, and leasehold service charge income is higher than originally anticipated when the budget was set.	0%
	Net Income	(16,861)	(16,861)	(15,170)	(15,844)	(674)	(17,271)	(17,430)	(569)	(0)	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High	
INDIRECT INCOME BUDGETS													
Investment Income Received	Income	(190)	(190)	0	0	0	(190)	(156)	34	0	0		0%
	Net Income	(190)	(190)	0	0	0	(190)	(156)	34	0	0	Vote Budget Manager: Chris Holme Budget Risk: Low	
General Fund Contributions	Income	(166)	(166)	0	0	0	(115)	(115)	51	(31)	0		-31%
	Net Income	(166)	(166)	0	0	0	(115)	(115)	51	(31)	0	Vote Budget Manager: Chris Holme Budget Risk: Low	
TOTAL INCOME	Total Income	(83,913)	(83,913)	(65,192)	(66,308)	(1,116)	(83,974)	(84,336)	(423)	(31)	0		0%
	Net Income	(83,913)	(83,913)	(65,192)	(66,308)	(1,116)	(83,974)	(84,336)	(423)	(31)	0		
DIRECTLY CONTROLLED EXPENDITURE BUDGETS													
Repairs & Maintenance	Expenditure	21,410	21,410	16,014	16,893	879	21,567	21,771	361	0	0	It is forecast that there will be some small overspends on the Repairs budget, due to higher than anticipated expenditure on shops and the housing stock.	0%
	Net Expenditure	21,410	21,410	16,014	16,893	879	21,567	21,771	361	0	0	Vote Budget Manager: Tower Hamlets Homes Budget Risk: High	
Supervision & Management	Expenditure	25,215	25,215	16,145	17,260	1,115	23,922	22,735	(2,480)	(4)	0	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 underspends 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. In addition, it is anticipated that during the current financial year the Authority will receive 'one-off' payments totalling approximately £0.5m in respect of the recovery of costs incurred as part of various stock transfers carried out a few years ago.	-4%
	Net Expenditure	25,215	25,215	16,145	17,260	1,115	23,922	22,735	(2,480)	(4)	0	Vote Budget Manager: Chris Holme Budget Risk: Low	

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	RAG Status	
		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 %		Variance (Previous & Latest Forecast Outturn) %			
Special Services, Rent Rates & Taxes	Expenditure	17,109	17,109	10,700	9,061	(1,639)	16,690	16,878	(231)	(2)		0	It is forecast that the energy budget will underspend by £0.4m 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. This budget will continue to be closely monitored.	
	Net Expenditure	17,109	17,109	10,700	9,061	(1,639)	16,690	16,878	(231)	(2)		0	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		0	RISK: The first tranche of the Government's Welfare Reforms is already in effect, in relation to changes to non-dependant deductions and Working Tax Credits. Therefore there is a risk that rent collection arrears will increase as a result of these changes, leading to potential pressures on this budget at year-end.	0%
	Net Expenditure	900	900	0	0	0	900	900	0	0		0	Vote Budget Manager: Chris Holme Budget Risk: Medium	
Capital Financing Charges	Expenditure	20,771	20,771	0	15,776	15,776	22,195	22,668	1,897	6		0	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.	8%
	Net Expenditure	20,771	20,771	0	15,776	15,776	22,195	22,668	1,897	6		0	Vote Budget Manager: Chris Holme Budget Risk: High	
TOTAL EXPENDITURE	Expenditure	85,405	85,405	42,859	58,990	16,131	85,274	84,952	(453)	0		0		0%
	Net Expenditure	85,405	85,405	42,859	58,990	16,131	85,274	84,952	(453)	0		0		
TOTAL NET														
	Total Net Expenditure	1,492	1,492	(22,333)	(7,318)	15,015	1,300	616	(876)	(31)		0		
Contributions from Reserves	Income	(1,492)	(1,492)	0	0	0	(1,758)	(1,758)	(266)	18		0	The transfer from the Major Repairs Reserve will increase due to a higher than budgeted non-dwellings depreciation charge (see Capital Financing Charges above).	18%
	Net Expenditure	(1,492)	(1,492)	0	0	0	(1,758)	(1,758)	(266)	18		0		
TOTAL FOR HOUSING REVENUE ACCOUNT	Total Net Expenditure	(0)	(0)	(22,333)	(7,318)	15,015	(458)	(1,142)	(1,142)	(13)		0	Director: Aman Dalvi	