HRA Forecast Outturn 2009/10 and Budget 2010/11

	2009/10 Adjusted Budget £'000	2009/10 Forecast Outturn £'000	2010/11 Original Budget £'000
EXPENDITURE			
Employees	9,265	8,867	9,220
Premises - Repairs Response & Voids	7,341	7,738	8,048
Premises - Cyclical Maintenance & Servicing	3,271	3, 061	3,207
Premises - Grounds Maintenance	505	505	512
Premises Other	3,014	3,069	2,560
Transport	187	187	179
Contribution to Bad Debt Provision	308	261	263
Supplies & Services	1,598	1,692	1,526
Third Party Payments – Launderette contract	0	0	54
Support Services - From Other Departments	2,251	2,182	2,202
Revenue Contributions to Capital Schemes	4,690	4,830	3,543
Capital Financing Costs	4,356	3,614	3,829
Housing Subsidy Payable	11,083	12,184	12,827
Total Expenditure	**47,869**	**48,190**	**47,970**
INCOME			
Rents Dwellings	(41,627)	(42,041)	(41,922)
Empty Properties	459	862	591
Rents Car Parking / Garages	(728)	(722)	(823)
Commercial Rents	(494)	(495)	(495)
Service Charges	(3,861)	(3,767)	(4,035)
Other Recharges and Interest	(1,618)	(1,691)	(1,286)
Total Income	(47,869)	(47,854)	(47,970)
DEFICIT / (SURPLUS)	**0**	**336**	**0**

Targeted Budget Management (TBM) 2009/10 as at Month 9

The forecast outturn as at month 9 is an overspend of £0.336 million which will be funded from the HRA revenue reserves.

Employee's costs are projected to underspend by £0.398 million due to vacancies. These are being managed against service requirements pending the implementation of the findings of the Housing Management improvement programme.

The Responsive Repairs budget is forecast to overspend by £0.397 million mainly due to high levels of expenditure during the early part of the year relating to additional works not in the base contract, such as damp proofing, being undertaken. Any repairs that are not considered a priority will now be programmed into the planned maintenance programme which is more cost effective.

The responsive repairs overspend has been partly mitigated by an underspend of £0.210 million in the Cyclical Maintenance and Servicing. Savings include the delay in implementing new service contracts (£0.101 million, now programmed to be implemented in the new financial year), and efficiencies realised in the decorations contract (£0.103 million).

The contribution to the Bad Debt Provision is forecast to underspend by £0.047 million as a result of a lower level of rent arrears.

Revenue Contributions to Capital is projected at £0.140 million overspend in respect of refurbishing 6 major voids, as approved at TMT cabinet on 29 June 2009.

The current economic situation has led to a change in the corporate strategy for Treasury management within the current policy. In order to substantially reduce its exposure to risk, the council has prematurely repaid some £57 million of debt. This early repayment has also benefited the council by reducing capital financing costs of which the HRA has seen a reduction of £0.764 million, (i.e. £0.742 million capital financing costs underspend net of £0.022 million interest reduction shown under Income). However, for the HRA, due to the complexities of the subsidy system, there is also an increase of £1.101 million Housing Subsidy payable to central government resulting in a net overspend of £0.337 million. The council is monitoring the financial markets and when there are signs that the markets are returning to a more stable and secure outlook, these interim measures will be withdrawn and new borrowing will be raised. If and when this happens, the negative impact on the HRA will be revised.

There is an under achievement of service charge income of £0.094 million, which is mainly due to an underachievement of leaseholder charges following lower than anticipated charges being levied.