

## ANNEX D TO AGENDA ITEM 5

### Directorate: Neighbourhood Services (HRA)

2006-07	Period 02 Expenditure £	Period 02 Income £	Period 02 Recharges £	Reserve B/forward £	Period 02 Total £
Original Budget	43,954,533	(46,764,484)	3,722,681	(4,063,600)	(3,150,870)
Budget Variations	0	0	0	0	0
Revised Budget	43,954,533	(46,764,484)	3,722,681	(4,063,600)	(3,150,870)
Projected Outturn	43,904,533	(46,744,484)	3,722,681	(5,373,817)	(4,491,087)
Variation	(50,000)	20,000	0	(1,310,217)	(1,340,217)
%age Variation	(0.11%)	0.04%	0.00%	(32.24%)	(42.53%)

#### 1. Explanation of movements from original to revised budget.

There have been no movements in total HRA budget from the original to revised budget.

#### 2. High level analysis of outturn including explanation of major subjective / objective variances indicating where impact of either price or volume change. Explanations will need to cover income and expenditure variations detailed in the above table as well as a summary of the overall variance.

The HRA outturn has a predicted reserve as at 31 March 2007 of (£4,491k). This is higher than the budgeted figure, by (£1,340k) the main component of which relates to the HRA reserve carried forward being (£1,310k) higher than estimated budget

### **SUBJECTIVE**

#### **Expenditure**

General Management - forecast to be under spent by £50k, which relates to a reduction in the usage of legal services by the Rent Team, due to improved pre court collection procedures.

#### **Income**

Dwelling Rents - Rents are projected to be £20k less than budget, This is due to the level of voids being higher than budgeted which has been partially offset by a higher level of opening stock and a lower sales projection than budget.

**OBJECTIVE**

**Income**

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**Expenditure**

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**3. Commentary on areas of significant risk, and actions to minimise the risk (note the areas do not need to be overspent to be included – these should link in with Annex B Risk Column).**

The high-risk areas for the HRA are rents, repairs and benefits.

Rents are currently forecast to be £20k less than budgeted - dependant on number of sales and voids.

In liaison with HBS Finance, the Rents team is closely monitoring the level of rental income charged and level of rent lost due to voids. The income loss due to voids is influenced by a greater amount of time taken on repairs by the new repairs partner, which in the coming months will reduce and be more efficient than previous years.

Repairs - Building Services/Finance have a set of operational management and financial reports used to enable control over the business.

Benefits – high risk due to materiality and reliance on another directorate for detailed information. The HRA and the Chief Executive Directorate are in co-operation to ensure that this figure is accurate.

**4. Percentage of Budget Managers met /SAP Forecasting updated (analysis to also be provided).**

<b>Risk</b>	<b>Managers Met (%)</b>
<b>High</b>	100
<b>Medium</b>	100
<b>Low</b>	92

**5. DMT date of approval for months monitoring.**

**15/06/2006.**