

HRA Probable Budget 2008-09 and Draft Budget 2009-10			
	(1)	(2)	(3)
	Original	Probable	Draft
	Budget	Budget	Budget
	2008-09	2008-09	2009-10
Description	£000's	£000's	£000's
Provision For Bad Debts	200	200	200
Rent & Rates	2,918	2,923	2,374
Services	2,168	2,168	1,112
Capital Financing	21,283	21,138	21,030
Depreciation (Major Repairs Allowance (MRA))	7,216	7,216	7,556
HRA Subsidy (incl MRA)	-15,979	-15,842	-13,536
Rent Income	-45,288	-45,457	-44,488
Other Income	-568	-583	-607
General Management	11,300	11,321	11,267
Special Management	4,848	4,777	5,072
Housing Repairs	12,086	12,003	12,113
Net Expenditure	184	-136	2,093
Surplus B/Fwd	-584	-2,509	-2,645
Surplus C/Fwd	400	2,645	400
Total	0	0	-152

HRA Budget Summary - Original Budget Vs Probable Budget 2008-09 Variance					
Description	(1)	(2)	(3)	(4)	Virements Explanation
	Original Budget 2008-09 £000's	Contra Virements £000's	Other Virements £000's	Probable Budget 2008-09 £000's	
Provision For Bad Debts	200	0	0	200	
Rent & Rates	2,918	5	0	2,923	Budget re-classification (contra Special Management)
Services	2,168	0	0	2,168	
Capital Financing	21,283	-115	-30	21,138	<i>Contra Variance</i> - Interest Rate Reduction £-130k (contra Housing Subsidy), and debt charges associated with Council Tenant DFG's £15k being funded by BHP (contra Other Income). <i>Other Variance</i> - Interest (re 2007-08 capital underspend)
Depreciation (MRA)	7,216	0	0	7,216	
HRA Subsidy (incl MRA)	-15,979	130	7	-15,842	<i>Contra Virements</i> - see Capital Financing <i>Other Virements</i> - Interest Rate Reduction
Rent Income	-45,288	0	-169	-45,457	Forecast additional rent income arising from reduction in void rent loss £-169k
Other Income	-568	-15	0	-583	Contra Virements - see Capital Financing
General Management	11,300	-270	291	11,321	<i>Contra Virements</i> : - Budget Re-classification (contra Housing Repairs) <i>Other Virements</i> :- Forecast underspend on compensation payments £-36k, and forecast overspend on RTB Capitalisation £163k, Legal Fees £104k, Misc £10k and RTB Capital Receipt Pooling £50k.
Special Management	4,848	-5	-66	4,777	<i>Contra Virements</i> - see Rent and Rates <i>Other Virements</i> - Forecast underspend on Warden Services (-£47k) and other miscellaneous Underspend £-£16k)
Housing Repairs	12,086	270	-353	12,003	<i>Contra Virements</i> : - Budget re-classification (contra General Management) <i>Other Virements</i> :- Forecast underspend on repairs budget
Net Expenditure	184	0	-320	-136	
Surplus B/Fwd	-584	0	-1,925	-2,509	Audited additional surplus from 2007-08
Surplus C/Fwd	400	0	2,245	2,645	Net increase in balances arising from adjustments set out above.
Total	0	0	0	0	

HRA Budget Summary - Probable Budget 2008-09 Vs Original Budget 2009-10 Variance					
	(1)	(2)	(3)	(4)	
	Draft Probable Budget 2008-09	Contra Variance	Other Variance	Draft Original Budget 2009-10	
Description	£000's	£000's	£000's	£000's	Variance Explanation
Provision For Bad Debts	200	0	0	200	
Rent & Rates	2,923	-545	-4	2,374	<i>Contra Variance</i> - Decreased lease rental payments £-545K (contra Housing Subsidy). <i>Other Variance</i> - Inflation £13k, Efficiency/Stock Loss £-17k
Services	2,168	0	-1,056	1,112	HRA Lease Expiry (Management and Maintenance etc) £-1,078k, and Inflation £22k.
Capital Financing	21,138	-138	30	21,030	<i>Contra Variance</i> - Amortised premium £-139k, Debt Management Expenses £4k, and reduction in interest rate £-33k (contra Housing Subsidy). Interest on Prudential Bowwowing £30k (contra Other income) <i>Other Variance</i> - Reverse one off income in 2008-09
Depreciation (Major Repairs Allowance (MRA))	7,216	340	0	7,556	Increase in Major Repairs Allowance for 2009-10 per subsidy determinations (contra Housing Subsidy).
HRA Subsidy	-15,842	367	1,939	-13,536	<i>Contra Variance</i> - see capital financing, depreciation, rent and rates, and other income. <i>Other Variance</i> - Management allowance £-38k, notional income £2,276k, stock loss £-302k, and net impact of interest rate reduction £3k
Rent Income	-45,457	0	969	-44,488	Stock reduction through right to buy sales £62k and lease ends (£1,000k), and additional Commercial portfolio rent income £-93k.
Other Income	-583	-24	0	-607	Reduction in mortgage interest £6k (contra Housing Subsidy) and contribution to Interest for BHP re DFG's £-30k (contra Capital Financing).
General Management	11,321	0	-54	11,267	Inflation £222k and stock reduction/efficiency savings £-276k.
Special Management	4,777	0	295	5,072	Add back one-off underspend from 2008-09 £85k, Inflation £359k, and stock loss/efficiency savings £-149k.
Housing Repairs	12,003	0	110	12,113	Add back one-off underspend from 2008-09 £100k, Inflation £363k, and stock loss/efficiency savings £-353k.
Net Expenditure	-136	0	2,229	2,093	
Surplus B/Fwd	-2,509	0	-136	-2,645	Contribution to balances in 2008-09
Surplus C/Fwd	2,645	0	-2,245	400	Use of balances arising from above adjustments and virements.
Total	0	0	-152	-152	

The Impact, by Banding, of Various Percentage Rent Increases

Average Rise in Weekly Rents			1%
Band	No of Properties	Average Increase (Decrease) £	Total Increase (Decrease) £
Below -4.50%	18	(10.04)	(9,398)
-4.5% to -3.50%	10	(4.04)	(2,101)
-3.5% to -2.50%	29	(3.06)	(4,610)
-2.5% to -1.50%	45	(2.09)	(4,895)
-1.5% to 0%	1673	(0.42)	(36,152)
0% to 1%	1992	0.35	36,735
1% to 2%	3301	0.96	164,343
2% to 2.5%	505	1.64	43,111
2.5% to 3%	1093	1.75	99,747
3% to 4%	574	1.99	59,336
4% to 5%	30	2.00	3,128
5% to 6%	28	2.00	2,917
6% to 7%	1	2.00	104
7% to 8%	2	2.00	208
8% to 9%	3	2.00	312
Total	9,304	0.73	352,786

Average Rise in Weekly Rents			2%
Band	No of Properties	Average Increase (decrease) £	Total Increase (Decrease) £
Below -4.50%	13	(11.03)	(7,453)
-4.5% to -3.50%	5	(4.35)	(1,130)
-3.5% to -2.50%	12	(2.99)	(1,867)
-2.5% to -1.50%	35	(2.00)	(3,647)
-1.5% to 0%	59	(0.83)	(2,558)
0% to 1%	1,741	0.63	57,227
1% to 2%	2,211	1.30	149,906
2% to 2.5%	1,981	1.69	173,688
2.5% to 3%	1,120	1.91	111,312
3% to 4%	1,824	2.54	240,905
4% to 5%	237	2.67	32,924
5% to 6%	32	2.52	4,186
6% to 7%	28	2.37	3,450
7% to 8%	1	2.31	120
8% to 9%	2	2.26	236
9% to 10%	3	2.26	352
Total	9,304	1.57	757,650

Average Rise in Weekly Rents			3%
Band	No of Properties	Average Increase (Decrease) £	Total Increase (Decrease) £
Below -4.50%	11	(11.31)	(6,469)
-4.5% to -3.50%	2	(3.64)	(378)
-3.5% to -2.50%	6	(3.25)	(1,014)
-2.5% to -1.50%	11	(1.87)	(1,070)
-1.5% to 0%	53	(0.82)	(2,249)
0% to 1%	41	0.34	720
1% to 2%	1,725	1.74	155,888
2% to 2.5%	943	2.12	104,151
2.5% to 3%	1,348	2.35	165,024
3% to 4%	3,061	2.59	412,770
4% to 5%	1,799	3.36	314,432
5% to 6%	254	3.37	44,491
6% to 7%	16	3.05	2,537
7% to 8%	28	2.76	4,023
8% to 9%	1	2.64	137
9% to 10%	2	2.55	265
10% to 12%	3	2.53	395
Total	9,304	2.36	1,141,805

Average Rise in Weekly Rents			4%
Band	No of Properties	Average Increase (decrease) £	Total Increase (Decrease) £
Below -4.50%	10	(10.98)	(5,711)
-4.5% to -3.50%	1	(4.32)	(224)
-3.5% to -2.50%	2	(2.76)	(287)
-2.5% to -1.50%	5	(2.21)	(576)
-1.5% to 0%	27	(0.59)	(835)
0% to 1%	37	0.39	744
1% to 2%	40	1.26	2,628
2% to 2.5%	299	2.71	42,088
2.5% to 3%	1,297	2.90	195,695
3% to 4%	2,470	3.23	415,390
4% to 5%	3011	3.45	540,188
5% to 6%	1820	4.19	397,003
6% to 7%	226	4.11	48,284
7% to 8%	25	3.63	4,718
8% to 9%	28	3.17	4,616
9% to 10%	1	2.98	155
10% to 12%	5	2.82	734
Total	9,304	3.40	1,644,610

Average Rise in Weekly Rents			5%
Band	No of Properties	Average Increase (Decrease) £	Total Increase (Decrease) £
Below -4.50%	9	(10.65)	4,983
-4.5% to -3.50%	1	(4.89)	255
-3.5% to -2.50%	1	(3.36)	175
-2.5% to -1.50%	2	(1.89)	197
-1.5% to 0%	7	(0.96)	350
0% to 1%	24	0.46	578
1% to 2%	45	1.36	3,191
2% to 2.5%	14	2.01	1,461
2.5% to 3%	17	2.65	2,341
3% to 4%	1549	3.98	320,379
4% to 5%	2482	4.20	541,830
5% to 6%	3080	4.29	686,501
6% to 7%	1772	5.03	463,039
7% to 8%	242	4.86	61,114
8% to 9%	23	4.21	5,035
9% to 10%	30	3.59	5,602
10% to 12%	1	3.32	172
12% to 14%	5	3.10	807
Total	9,304	4.31	2,086,091

Average Rise in Weekly Rents			6.01%
Band	No of Properties	Average Increase (decrease) £	Total Increase (Decrease) £
Below -4.50%	8	(10.46)	(4,353)
-4.5% to -3.50%	2	(4.15)	(432)
-2.5% to -1.50%	1	(2.44)	(127)
-1.5% to 0%	6	(0.51)	(159)
0% to 1%	3	0.44	69
1% to 2%	25	1.45	1,886
2% to 2.5%	21	2.08	2,272
2.5% to 3%	25	2.49	3,235
3% to 4%	31	3.31	5,337
4% to 5%	1472	5.05	386,184
5% to 6%	2823	5.13	752,533
6% to 7%	3125	5.09	826,423
7% to 8%	1452	5.95	449,477
8% to 9%	260	5.56	75,144
9% to 10%	14	4.73	3,443
10% to 12%	30	3.98	6,205
12% to 14%	6	3.41	1,065
Total	9,304	5.18	2,508,204