

Appendix 2, Table 1

HRA Probable Budget 2005-06 and Draft Budget 2006-07			
	(1)	(2)	(3)
	Original	Probable	Draft
	Budget	Budget	Budget
	2005-06	2005-06	2006-07
Description	£000's	£000's	£000's
Surplus B/Fwd	-398	-400	-777
Contingency Provision	50	50	50
Provision For Bad Debts	250	250	250
Rent & Rates	4,335	4,357	4,668
Services	2,222	2,190	2,216
Sums Directed by Sec of State	300	300	0
Capital Financing	21,858	21,770	22,931
Depreciation (Major Repairs Allowance (MRA))	7,365	7,365	7,145
HRA Subsidy (incl MRA)	-24,995	-24,907	-23,737
Rent Income	-39,535	-39,952	-39,625
Other Income	-600	-600	-578
General Management	12,495	12,196	12,474
Special Management	4,142	4,246	4,447
Housing Repairs	12,111	12,358	12,653
Surplus C/Fwd	400	777	400
Net Expenditure	0	0	2,517

HRA Budget Summary - Original Budget Vs Probable Budget 2005-06 Variance					
Description	(1) Original Budget 2005-06 £000's	(2) Contra Virements £000's	(3) Other Virements £000's	(4) Probable Budget 2005-06 £000's	Virements Explanation
Surplus B/Fwd	-398	0	-2	-400	Updated to reflect outturn for 2005-06
Contingency Provision	50	0	0	50	
Provision For Bad Debts	250	0	0	250	
Rent & Rates	4,335	22	0	4,357	Reclassification of budgets by BHP
Services	2,222	-32	0	2,190	Reduction in bad debt provision for leasing schemes (Contra rent income)
Sums Directed by SoS	300	0	0	300	
Capital Financing	21,858	-88	0	21,770	<i>Contra Virements</i> - Impact of ALMO Round 4 allocation on opening and mid year Capital Financing Requirement (£551k), and reduction in interest rate (£-639k) (all contra Housing Subsidy).
Depreciation (MRA)	7,365	0	0	7,365	
HRA Subsidy (incl MRA)	-24,995	88	0	-24,907	<i>Contra Virements</i> - see Capital Financing
Rent Income	-39,535	32	-449	-39,952	<i>Contra Virement</i> - Reduced income on HRA lease rent schemes (rent convergence) <i>Contra Services</i> <i>Other Virement</i> - Right to Buy Sales lower than originally forecast, and improved voids management.
Other Income	-600	0	0	-600	
General Management	12,495	-313	13	12,195	<i>Contra Virements</i> - Reclassification of budgets (contra repairs, special management and services) <i>Virements</i> - Reduction in business rental income
Special Management	4,142	44	61	4,247	<i>Contra Virements</i> - reclassification of budgets by BHP <i>Virements</i> - Reduction in central heating income.
Housing Repairs	12,111	247	0	12,358	Reclassification of budgets (contra general management)
Surplus C/Fwd	400	0	377	777	Net increase in balances arising from adjustments set out above.
Net Expenditure	0	0	0	0	

HRA Budget Summary - Probable Budget 2005-06 Vs Original Budget 2006-07 Variance					
	(1)	(2)	(3)	(4)	
	Draft			Draft	
	Probable	Contra	Other	Original	
	Budget	Variance	Variance	Budget	
	2005-06	£000's	£000's	2006-07	
Description	£000's	£000's	£000's	£000's	Variance Explanation
Surplus B/Fwd	-400	0	-377	-777	Additional surplus (underspend) b/fwd from 2005-06
Contingency Provision	50	0	0	50	
Provision For Bad Debts	250	0	0	250	
Rent & Rates	4,357	261	50	4,668	<i>Contra Variance</i> - Increased lease rental payments (contra Housing Subsidy) <i>Other Variance</i> - Inflation £82k, and stock loss adjustment £-32k.
Services	2,190	0	26	2,216	Inflation £44k and stock loss adjustment £-18k
Sums Directed by S of S	300	0	-300	0	End of Transitional measures for the transfer of Rent Rebates from the HRA to the General Fund.
Capital Financing	21,770	455	706	22,931	<i>Contra Variance</i> - Amortised premium £-72k, interest £520k (incl increase for Supported HRA borrowing 2006-07, ALMO borrowing, and a reduction in interest rate), and increase in debt management expenses £7k (contra Housing Subsidy). <i>Other Variance</i> - One off income in 2005-06 £633k, and Interest Rate£73k.
Depreciation (Major Repairs Allowance (MRA))	7,365	-220	0	7,145	Decrease in Major Repairs Allowance for 2006-07 per subsidy determinations (contra Housing Subsidy).
HRA Subsidy	-24,907	-518	1,688	-23,737	<i>Contra Variance</i> - see capital financing, depreciation, rent and rates, and other income. <i>Other Variance</i> - Management allowance £-430k, maintenance allowance £-666k, notional income £2,905k, stock loss £-343k, and admissible allowance £222k.
Rent Income	-39,952	0	327	-39,625	Increase on HRA lease schemes (£-35k) and stock reduction through right to buy sales (£362k).
Other Income	-600	22	0	-578	Reduction in Mortgage interest (contra Housing Subsidy).
General Management	12,196	0	278	12,474	Inflation £370k and stock reduction £-92k.
Special Management	4,246	0	201	4,447	Inflation £189k, and stock loss £12k.
Housing Repairs	12,358	0	295	12,653	Inflation £270k, and stock loss £-102k.
Surplus C/Fwd	777	0	-377	400	Use of balances arising from above adjustments and virements.
Net Expenditure	0	0	2,517	2,517	

The Impact, by Banding, of Various Percentage Rent Increases

Average Rise in Weekly Rents				1%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-5.5% to -4.5	6	(3.99)	(1,246)	
-4.5% to -3.5	7	(3.78)	(1,377)	
-3.5% to -2.5	65	(2.62)	(8,849)	
-2.5% to -1.5	242	(1.61)	(20,307)	
-1.5% to 0%	1,093	(0.56)	(31,806)	
0% to 1%	2,611	0.53	71,495	
1% to 2%	3,189	1.06	176,263	
2% to 2.5%	1,414	1.74	127,945	
2.5% to 3%	558	1.78	51,595	
3% to 4%	86	1.84	8,219	
4% to 5%	23	1.88	2,248.98	
Total	9,294	0.93	374,183	

Average Rise in Weekly Rents				2%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-4.5% to -3.5%	7	(3.28)	(1,704)	
-3.5% to -2.5%	6	(2.56)	(400)	
-2.5% to -1.5%	66	(1.79)	(7,179)	
-1.5% to 0%	551	(0.50)	(14,348)	
0% to 1%	772	0.53	27,112	
1% to 2%	2593	1.31	190,765	
2% to 2.5%	2312	1.62	181,417	
2.5% to 3%	893	2.13	78,296	
3% to 4%	1985	2.36	233,288	
4% to 5%	86	2.27	11,212	
5% to 6%	23	2.24	931	
Total	9,294	1.45	699,387	

Average Rise in Weekly Rents				3%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-3.5% to -2.5	7	(2.41)	(876)	
-2.5% to -1.5	6	(1.91)	(595)	
-1.5% to 0%	175	(0.42)	(3,821)	
0% to 1%	442	0.54	12,455	
1% to 2%	772	1.40	56,019	
2% to 2.5%	818	2.10	89,166	
2.5% to 3%	1738	2.14	193,514	
3% to 4%	3249	2.48	419,271	
4% to 5%	1978	3.07	315,261	
5% to 6%	86	2.82	12,615	
6% to 7%	23	2.68	3,202	
Total	9,294	2.27	1,096,210	

Average Rise in Weekly Rents				4%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-2.5% to -1.5%	10	(1.54)	(562)	
-1.5% to 0%	56	(0.34)	(571)	
0% to 1%	130	0.54	4,272	
1% to 2%	453	1.41	32,197	
2% to 2.5%	467	2.01	34,535	
2.5% to 3%	530	2.58	69,785	
3% to 4%	2,734	2.94	385,603	
4% to 5%	2,898	3.16	514,459	
5% to 6%	1,913	3.72	397,824	
6% to 7%	95	3.31	14,812	
7% to 8%	8	3.08	3,679	
Total	9,294	3.01	1,456,035	

Average Rise in Weekly Rents				4.54%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-1.5% to 0%	13	(0.90)	(607)	
0% to 1%	70	0.36	1,326	
1% to 2%	240	1.35	16,839	
2% to 2.5%	310	1.98	31,931	
2.5% to 3%	319	2.43	40,256	
3% to 4%	1317	3.29	225,275	
4% to 5%	3925	3.32	677,851	
5% to 6%	2405	4.05	506,322	
6% to 7%	622	3.83	123,851	
7% to 8%	73	3.40	12,904	
Total	9,294	3.39	1,635,946	

Average Rise in Weekly Rents				5%
Band	No of Properties	Ave increase in £ per property	Rental Increase over Previous Yr	
-1.5% to 0%	11	(0.59)	(335)	
0% to 1%	41	0.65	1,375	
1% to 2%	141	1.45	10,617	
2% to 2.5%	131	1.92	13,091	
2.5% to 3%	308	2.41	38,641	
3% to 4%	889	3.28	151,466	
4% to 5%	2468	3.76	483,016	
5% to 6%	3124	3.84	624,151	
6% to 7%	2072	4.38	472,438	
7% to 8%	86	3.80	17,010	
8% to 9%	23	3.47	4,156	
Total	9,294	3.76	1,815,626	