

Appendix 2, Table 1

HRA Probable Budget 2006-07 and Draft Budget 2007-08			
	(1)	(2)	(3)
	Original	Probable	Draft
	Budget	Budget	Budget
	2006-07	2006-07	2007-08
Description	£000's	£000's	£000's
Surplus B/Fwd	-777	-777	-893
Provision For Bad Debts	200	200	200
Rent & Rates	4,668	4,625	3,708
Services	2,216	2,259	2,253
Capital Financing	22,931	22,416	22,537
Depreciation (Major Repairs Allowance (MRA))	7,145	7,145	7,267
HRA Subsidy (incl MRA)	-23,737	-23,593	-20,351
Rent Income	-41,339	-41,724	-41,426
Other Income	-578	-578	-571
General Management	12,174	12,288	12,568
Special Management	4,447	4,530	4,556
Housing Repairs	12,250	12,316	12,528
Surplus C/Fwd	400	893	400
Net Expenditure	0	0	2,776

HRA Budget Summary - Original Budget Vs Probable Budget 2006-07 Variance					
Description	(1)	(2)	(3)	(4)	Virements Explanation
	Original Budget 2006-07 £000's	Contra Virements £000's	Other Virements £000's	Probable Budget 2006-07 £000's	
Surplus B/Fwd	-777	0	0	-777	
Provision For Bad Debts	200	0	0	200	
Rent & Rates	4,668	-43	0	4,625	Reduction in Lease Property Rental Expenditure (contra Services)
Services	2,216	43	0	2,259	Increase in Bad Debt provision for Lease Property Rents (contra Rent and Rates)
Capital Financing	22,931	-345	-170	22,416	<i>Contra Virements</i> - Interest on additional capital allocation 06-07 £67k, reduction in interest rate £-668k and increase in Premia £256k (all contra Housing Subsidy). <i>Other Virements</i> - Interest (impact of 05-06 capital underspend) £-108k, and interest rate movement £-62k
Depreciation (MRA)	7,145	0	0	7,145	
HRA Subsidy (incl MRA)	-23,737	344	-200	-23,593	<i>Contra Virements</i> - see Capital Financing £344k <i>Other Virements</i> - New Rent Constraint Allowance £-200k
Rent Income	-41,339	1	-386	-41,724	Right to Buy Sales lower than originally forecast, and effective voids management.
Other Income	-578	0	0	-578	
General Management	12,174	-149	263	12,288	<i>Contra Virements:</i> - Budget Re-classification <i>Other Virements:-</i> Increase in Insurance (Property subsidence claims and disrepair claims settlement £413k) and a forecast underspend on Council HRA Operational Budgets £150k.
Special Management	4,447	83	0	4,530	Budget Re-classification
Housing Repairs	12,250	66	0	12,316	Budget Re-classification
Surplus C/Fwd	400	0	493	893	Net increase in balances arising from adjustments set out above.
Net Expenditure	0	0	0	0	

HRA Budget Summary - Probable Budget 2006-07 Vs Original Budget 2007-08 Variance					
	(1)	(2)	(3)	(4)	
	Draft			Draft	
	Probable	Contra	Other	Original	
	Budget	Variance	Variance	Budget	
	2006-07			2007-08	
Description	£000's	£000's	£000's	£000's	Variance Explanation
Surplus B/Fwd	-777	0	-116	-893	Additional surplus (underspend) b/fwd from 2006-07
Provision For Bad Debts	200	0	0	200	
Rent & Rates	4,625	-920	3	3,708	<i>Contra Variance</i> - Decreased lease rental payments £-920K (contra Housing Subsidy) <i>Other Variance</i> - Inflation £13k, and stock loss/efficiency savings £-10k.
Services	2,259	0	-6	2,253	Inflation £45k and stock loss/efficiency savings £-51k
Capital Financing	22,416	20	101	22,537	<i>Contra Variance</i> - Amortised premium £74k, interest £446k (incl increase for Supported HRA borrowing 2007-08), reduction in interest rate £-502k and increase in debt management expenses £2k (contra Housing Subsidy). <i>Other Variance</i> - Reverse one off income in 2006-07 £103k, and Decrease in Interest Rate £30k.
Depreciation (Major Repairs Allowance (MRA))	7,145	122	0	7,267	Increase in Major Repairs Allowance for 2007-08 per subsidy determinations (contra Housing Subsidy).
HRA Subsidy	-23,593	771	2,471	-20,351	<i>Contra Variance</i> - see capital financing, depreciation, rent and rates, and other income. <i>Other Variance</i> - Management allowance £-70k, maintenance allowance £-109k, notional income £2,513k, stock loss £-117k, admissible allowance £222k and net impact of interest rate reduction £32k
Rent Income	-41,724	0	298	-41,426	Stock reduction through right to buy sales and lease ends (£298k).
Other Income	-578	7	0	-571	Reduction in mortgage interest (contra Housing Subsidy).
General Management	12,288	0	280	12,568	Add back one-off operational saving from 2006-07 £150k, Inflation £444k and stock reduction/efficiency savings £-314k.
Special Management	4,530	0	26	4,556	Inflation £131k, and stock loss/efficiency savings £-105k.
Housing Repairs	12,316	0	212	12,528	Inflation £481k, and stock loss/efficiency savings £-269k.
Surplus C/Fwd	893	0	-493	400	Use of balances arising from above adjustments and virements.
Net Expenditure	0	0	2,776	2,776	

The Impact, by Banding, of Various Percentage Rent Increases

Average Rise in Weekly Rents				1%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
Below -4.50%	18	(4.60)	(4,308)	
-4.5% to -3.50%	9	(3.51)	(1,644)	
-3.5% to -2.50%	84	(2.82)	(12,318)	
-2.5% to -1.50%	232	(1.79)	(21,543)	
-1.5% to 0%	1214	(0.70)	(44,359)	
0% to 1%	2202	0.40	45,877	
1% to 2%	3408	0.93	164,179	
2% to 2.5%	1061	1.58	87,189	
2.5% to 3%	893	1.68	77,906	
3% to 4%	128	1.72	11,426	
4% to 5%	18	1.79	1,675	
5% to 6%	28	1.86	2,704	
Total	9,295	0.63	306,784	

Average Rise in Weekly Rents				2%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
Below -4.50%	1	(4.48)	(233)	
-4.5% to -3.50%	17	(3.69)	(3,264)	
-3.5% to -2.50%	14	(2.56)	(1,865)	
-2.5% to -1.50%	81	(1.93)	(8,149)	
-1.5% to 0%	598	(0.58)	(17,939)	
0% to 1%	872	0.42	19,143	
1% to 2%	2,474	1.26	161,998	
2% to 2.5%	2,123	1.61	177,886	
2.5% to 3%	1,014	1.93	101,613	
3% to 4%	1,996	2.32	240,825	
4% to 5%	68	2.22	7,863	
5% to 6%	27	2.15	3,012	
6% to 7%	9	2.21	1,035	
7% to 8%	1	2.13	111	
Total	9,295	1.41	682,035	

Average Rise in Weekly Rents				3%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
-4.5% to -3.50%	1	(3.47)	(181)	
-3.5% to -2.50%	17	(2.69)	(2,378)	
-2.5% to -1.50%	9	(1.65)	(774)	
-1.5% to 0%	187	(0.53)	(5,199)	
0% to 1%	428	0.47	10,545	
1% to 2%	824	1.34	57,269	
2% to 2.5%	799	2.10	87,064	
2.5% to 3%	1,299	2.27	153,132	
3% to 4%	3,505	2.51	456,702	
4% to 5%	2,096	3.13	340,649	
5% to 6%	93	2.80	13,553	
6% to 7%	9	2.70	1,264	
7% to 8%	27	2.48	3,482	
8% to 9%	1	2.44	127	
Total	9,295	2.31	1,115,256	

Average Rise in Weekly Rents				4%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
-3.5% to -2.50%	1	(2.58)	(134)	
-2.5% to -1.50%	17	(1.80)	(1,595)	
-1.5% to 0%	57	(0.35)	(1,043)	
0% to 1%	140	0.54	3,954	
1% to 2%	447	1.37	31,815	
2% to 2.5%	318	2.01	33,272	
2.5% to 3%	483	2.40	60,390	
3% to 4%	2,407	3.04	380,496	
4% to 5%	3,280	3.32	566,698	
5% to 6%	2,040	3.83	406,591	
6% to 7%	76	3.22	12,711	
7% to 8%	1	3.05	159	
8% to 9%	27	2.78	3,896	
9% to 10%	1	2.71	141	
Total	9,295	3.10	1,497,352	

Average Rise in Weekly Rents				5%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
-2.5% to -1.50%	1	(1.69)	(88)	
-1.5% to 0%	19	(0.83)	(819)	
0% to 1%	68	0.56	1,966	
1% to 2%	129	1.51	10,105	
2% to 2.5%	156	1.87	15,208	
2.5% to 3%	309	2.45	39,377	
3% to 4%	797	3.19	132,070	
4% to 5%	2,551	3.90	517,629	
5% to 6%	3,312	4.14	712,331	
6% to 7%	1,848	4.53	434,839	
7% to 8%	76	3.70	14,606	
8% to 9%	1	3.46	180	
9% to 10%	27	3.07	4,315	
10% to 12%	1	2.99	155	
Total	9,295	3.89	1,881,875	

Average Rise in Weekly Rents				5.29%
Band	No of Properties	Ave increase/ (decrease) in £ per property	Rental increase/ (decrease) over previous yr	
-1.5% to 0%	18	(0.60)	(563)	
0% to 1%	15	0.61	474	
1% to 2%	82	1.14	4,872	
2% to 2.5%	112	1.95	11,359	
2.5% to 3%	181	2.31	21,738	
3% to 4%	772	3.13	125,633	
4% to 5%	1459	4.30	325,894	
5% to 6%	3899	4.22	855,907	
6% to 7%	2513	4.86	635,258	
7% to 8%	192	4.34	43,369	
8% to 9%	24	3.76	4,695	
10% to 12%	28	3.19	4,641	
Total	9,295	4.20	2,028,636	