

HOUSING REVENUE ACCOUNT BUDGET REVIEW 2009-10: Estimated Variations to Budget (Based on position at the end of July 2009)				2010-11 Effect	
	Estimated Variation		Notes	<i>2010-11 Projected</i>	
	To Date	Full year			
	£	£		£	
Additional Expenditure					
Pay Award January 2009	18,000	18,000	Reflects arbitration award being 1% above budgeted figure. Included in base when budget re-set for rent reduction		
Negative subsidy	33,000	100,000	Increase in rent rebate subsidy limitation (RRSL) could be as much as this due to increase in total rebates payable	100,000	<i>Could be reduced if gap between actual/guideline rent is further reduced.</i>
Council tax payable on long-term empty properties	28,000	28,000	Charges exceeding budget of 100K	(52,000)	<i>Assuming Rowland House site and Marshalls sold by 31 March 2010</i>
Revenue Repairs		51,290	Following review of capital/revenue work split		
Overspends	79,000	197,290		48,000	<i>Projected 2010/11 extra expenditure.</i>
Change to Income					
Interest receivable	6,500	19,000	Lower interest rates and less interest earned on the Council's investments will lead to less interest on internal balances	19,000	<i>Based on current rates - no prospect of substantially increased rates</i>
Garage rents	3,920	12,000	Shortfall projected on basis of 17 weeks debit	12,000	<i>Assume no improvement in occupancy</i>
Dwelling rents	(27,800)	(85,000)	After reduction of rents and on basis of 17 weeks debit. Performance on void turnaround means that a higher amount of rent is collectable	(85,000)	<i>Need to budget for less than standard 2% voids but it will then be essential that void turnaround performance remains high</i>
Heating Income	(9,800)	(30,000)	Projected on basis of 17 weeks. Income following April increase in service charges is exceeding expectations	(30,000)	
Increased Income	(27,180)	(84,000)		(84,000)	<i>Projected 2010/11 increased income.</i>

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Savings					
Savings	0	0		(120,000)	One-off provision for AC recommendations in 2009-
Supplementary Estimates					
Negative Housing Subsidy Campaign	5,000	20,000	To support work of consultants on campaign	0	
Supplementary Estimates	5,000	20,000		0	<i>Ongoing Supplementary Estimates (gross)</i>
SUMMARY					
Overspends	79,000	197,290		48,000	<i>Projected 2010/11 extra expenditure</i>
Increased Income	(27,180)	(84,000)		(84,000)	<i>Projected 2010/11 increased income</i>
Savings	0	0		(120,000)	<i>Projected 2010/11 savings</i>
Supplementary Estimates	5,000	20,000		0	<i>Ongoing Supplementary Estimates</i>
Sub-Total	56,820	133,290		(156,000)	
Inflation			The 2009/10 provision is likely to be required.	85,000	<i>The 2010/11 figure is based on 1% RPI and 2% building cost inflation (excluding any allowance for Pay Increase).</i>
Use of Balances	(5,000)	(20,000)	Supplementary Estimates covered by use of balances		
Use of repairs fund balance		(51,290)	To fund work transferred to revenue		
Funded from rent income	(18,000)	(18,000)	Included in base budget when budget re-set for rent reduction		
Net Increased Expenditure	£33,820	£44,000	Potential overspend / (savings).	(£71,000)	<i>Projected 2010/11 Budget Surplus before Rent increase (1% currently £119k to Waverley)</i>