

Board

27 January 2009

YHN and HRA Revenue Budgets and Medium Term Plan Update

Report by: Finance Manager - Revenue

For Information and Approval	Area Implications	All
<p>Executive Summary</p>	<p>This report sets out to Board the latest position on the projected Outturn for 2008-09, the Base budgets for 2009-10 and the Medium Term Plan to 2012-13, for Your Homes Newcastle [YHN] and the Housing Revenue Account [HRA].</p> <p>The Key issues are:</p> <ul style="list-style-type: none"> • The Revised Estimate for the 2008-09 YHN Management Fee is £30,524,530. • The Base Estimate for the 2009-10 YHN Management Fee is £31,489,080; • The HRA is now forecast to have a net in year Surplus of £68,070cr in 2008-09 and an in year surplus for 2009-10 of £1,374,850cr. • The YHN/HRA Medium Term Plan, taking account of other potential pressures is forecasting a reduced in year surplus of £1.006m in 2009-10 and an in year deficit of £1.945m in 2010-11 	
<p>Recommendations</p>	<p>Board is asked to consider and approve:</p> <ul style="list-style-type: none"> • The amended YHN 2008-09 Revised Budgets and 2009-10 Base Budgets as detailed in Appendix 1; • The amended HRA 2008-09 Revised Budgets and 2009-10 Base Budgets as detailed in Appendix 2; • Consider the YHN / HRA Medium Term Plan position up to 2012-13 set out in Appendix 3. • Receive for information the latest summary of Procurement Efficiency Savings set out in Appendix 4. 	

Business Implications	
YHN Mission and Strategic Objectives	A healthy HRA and YHN financial position supports the achievement of all YHN's strategic objectives.
Value for Money / Efficiencies	Detailed, timely and accurate financial information allows YHN to identify areas of concern with regards to Value for Money, the need to generate efficiency savings and the ability to monitor progress in achieving those savings.
Resources (financial, property, technological or human)	<ul style="list-style-type: none"> The YHN Management Fee for 2008-09 has increased by £2,446,260 [net £462,490 after external funding shown in the HRA] from the original estimate and by £3,410,810 [net £1,474,160 after external funding shown in the HRA] for 2009-10. The HRA is now forecast to have a net in year surplus of £68,070cr in 2008-09 and an in year surplus for 2009-10 of £1,374,850cr.
Impact on Services / performance	A healthy financial position enables YHN to invest in services as appropriate to support the achievement of strategic goals and improve performance
Outcomes for tenants / leaseholders	A healthy financial position enables YHN to invest in services as appropriate to support the achievement of strategic goals and the impact of services on tenants and leaseholders.
Risk (reputation, relationship)	Not holding prudent levels of reserves for known and potential future liabilities and maintaining an up to date Medium Term Plan, would leave the HRA in the position of having to make unplanned changes in spending priorities in the face of unexpected financial events. For example unforeseen pressures on spending from pay claims, legal rulings, pensions, repair costs. Holding substantial reserves may draw criticism from some parties including NCC
Environmental	Financial resources are required to implement actions to reduce YHN's/HRA's environmental impact. Understanding the Budget and Medium Term Plan helps understand some of the environmental impacts of YHN/HRA.
Legal Implications	The legally required statutory financial statements relating to the HRA and YHN outturn will be published separately at the year end.
Equality and Diversity	A healthy financial position may help to fund initiatives
Stakeholder Involvement/Consultation	None
Background papers	2008-09-10 Budget working papers YHN Management Agreement YHN Delegations – Report to Board 1st April 2004
Contact officers	Ross Atkinson (Director of Finance and Resources) 2788708 Keith Embleton (Finance Manager – Revenue) 2788635 Andrew Lister (Finance Manager – Technical) 2788630

YHN and HRA Revenue Budget Monitor and effect on the Medium Term Plan to 2012-13

1. Introduction

- 1.1 This report sets out to Board the latest position on the projected Outturn for 2008-09, the Base budgets for 2009-10 and the Medium Term Plan to 2012-13, for Your Homes Newcastle [YHN] and the Housing Revenue Account [HRA].

2. Background

- 2.1 This report sets out Major variations on the 2008-09 Revised Budgets and the 2009-10 Base Budgets as at December 2008.

The Key issues are:

- **The Revised Estimate for the 2008-09 YHN Management Fee is £30,524,530.**
- **The Base Estimate for the 2009-10 YHN Management Fee is £31,489,080;**
- **The HRA is now forecast to have a net in year surplus of £68,070cr in 2008-09 and an in year surplus for 2009-10 of £1,374,850cr.**

3. Detailed information

- 3.1 **2008-09 YHN Revised Budget** (for details see Appendix 1)

- 3.1.1 Summary of Latest Budget Position.

<u>Table 1</u> YHN 2008-09 BUDGET POSITION			
Base Budget	Probable Estimate	Variation from Base Budget	
£	£	£	%
28,078,270	30,524,530	2,446,260	+8.7

The net expenditure shown in Table 1 is funded by a HRA Management Fee.

Table 2 below details external funding and factors effecting the Management Fee.

<u>Table 2</u> Management Fee: External Factors	
Increase in 2008-09 YHN Management Fee [see Table 1]	<u>£2,446,260</u>
Supporting People Grant [shown in HRA]	£958,760
Increased Single Status Provision	£500,000
Superannuation – Increased Contribution Rate	£525,010
Adjusted Management Fee Increase [+1.6%]	£462,490

- 3.1.2 Other than staffing costs other issues effecting the Management Fee are:
- o £280,060 IT Development [online Rent Statements, interfacing etc]
 - o £155,500 Consultancy Fees [Charitable Subsidiary, service reviews etc]
 - o £160,440 Reduced Interest on Cash Flow

A detailed breakdown of the variations effecting the 2008-09 Revised YHN Management Fee is attached in Appendix 1.

- 3.1.3 Board should be aware of an issue that has yet to be provided for in the Budget.

Under International Accounting Standards for 2008-09 accounts companies such as YHN should have a provision for Holiday Pay. A provision needs to be set up to cover the value of leave employees have yet to take and are owed in future years.

The methodology for calculating the provision has yet to be agreed with our auditors so an accurate estimate of the necessary provision cannot be made. The figure could be substantial, if for example the average carry forward of leave was 5 days per employee a £500,000 provision would be required.

3.2 HRA Probable Estimate 2008-09 (for details see Appendix 2)

3.2.1 Summary of Latest Budget Position.

<u>Table 3</u> HRA 2008-09 BUDGET POSITION				
Budget	Base Budget	Probable Estimate	Variation from Base Budget	
	£	£	£	%
Expenditure	121,909,160	127,137,770	+5,228,610	+4.3
Income	124,383,860cr	127,205,840cr	+2,821,980cr	+2.3
Deficit/Surplus(cr)	2,474,700cr	68,070cr	2,406,630	n/a

3.2.2 2008-09 HRA net major variations of £2,406,630

- o £816,740cr Net Increased Rent income
- o £339,270cr Net Increased Charges/ Contributions income
- o £1,523,170cr Increased Capitalisation of Repairs & Maintenance Costs
- o £580,000 Increased Repairs & Maintenance Costs
- o £2,446,260 Increased YHN Management Fee [see para 3.1.1 above]

- o £330,000 NCC Policy change on Council Tax Voids
- o £1,918,160cr Net Interest / Investment Income
- o £1,012,000 Revenue Contribution to Capital
- o £1,200,000 Increased Contribution to Investment Fund
- o £928,890 Transfer from Major Repairs Reserve

3.3 YHN Base Budget 2009-10 (for details see Appendix 1)

3.3.1 The YHN Base Budget for 2009-10 is summarised in the table below.

<u>Table 4</u> YHN 2009-10 BUDGET			
Base Budget		Variation Base to Base Budget	
2008-09	2009-10		
£	£	£	%
28,078,270	31,489,080	3,410,810	+12.15

The net expenditure shown in Table 4 is funded by a HRA Management Fee

Table 5 below details external funding and factors effecting the Management Fee.

<u>Table 5</u> Management Fee: External Factors	
Increase in 2009-10 YHN Management Fee [see Table 4]	<u>£3,410,810</u>
Supporting People Grant [shown in HRA]	£932,540
Increased Single Status Provision	£500,000
Superannuation – Increased Contribution Rate	£504,110
Adjusted Management Fee Increase [+5.25%]	£1,474,160

3.3.2 Other issues effecting the Management Fee are:

- o £849,900 Pay awards and annual increments
- o £73,730 Inflation
- o £79,920 Reduced Interest on Cash Flow

A detailed breakdown of the major variations effecting the 2009-10 Estimated YHN Management Fee is attached in Appendix 1

3.4 HRA Base Budget 2009-10 (for details see Appendix 2)

3.4.1 The HRA Base Budget for 2009-10 is summarised in the table below.

HRA 2009-10 BUDGET				
Budget	Base Budget		Variation Base to Base Budget	
	2008-09	2009-10		
	£	£	£	%
Expenditure	121,909,160	130,067,450	+8,158,290	+6.7
Income	124,383,860cr	131,442,300cr	+7,058,440cr	+5.7
Deficit/Surplus(cr)	2,474,700Ccr	1,374,850cr	1,099,850	n/a

3.4.2 2009-10 HRA Base net Major Variations of £1,099,850

- £5,355,860cr Net Increased Rent income
- £1,761,230cr Net Increased Charges/ Contributions income
- £2,218,940 Reduction in HRA Subsidy
- £994,380 Inflation
- £521,300 Increased costs re Gas Contract
- £3,410,810 Increased YHN Management Fee [see para 3.3.1 above]
- £330,000 NCC Policy change on Council Tax Voids
- £471,120 Net Interest charges / Investment income
- £292,000 Revenue Contribution to Capital
- £2,564,490cr Transfer from Major Repairs Reserve
- £1,837,900 Depreciation and Impairment of Fixed Assets
- £727,990 Debt Repayment

4. Medium Term Plan 2009-10 to 2012-13

- 4.1 The latest position on the Medium Term Plan for 2008-09 to 2012-13 is shown in Appendix 3.
- 4.2 The latest estimated forecast position shows a credit HRA balance above the agreed minimum medium term target of £5m up to 31 March 2012.
- 4.3 The Medium Term Plan does however highlight the deterioration of the annual position on the HRA from a Surplus of £1.006m in 2009-10, to deficits of £1.945m in 2010-11 and £3.889m in 2011-12.

The estimated level of the HRA Balance provides sufficient resource to fund these deficits in 2010-11 and 2011-12 but this level of deficit is not a sustainable position.

5. Implications and next steps

5.1 Actions to be considered / taken.

The latest Medium Term Plan position is reported monthly to Finance Committee and quarterly to Board.

The revised reported level of YHN Management fee is discussed with the City Treasurer at the monthly Section 151 meetings and is approved on a Quarterly basis.

Proposals will be presented to Finance Committee & Board to address the forecast deficit for 2010-11 if projections continue to estimate it at an unsustainable level.

The Provision for Holiday Pay mentioned in para 3.1.3 will be reported to Finance Committee and Board once agreement to the level of provision has been agreed with the YHN Auditors.

6. Consultation

- 6.1 Newcastle City Council Executive have received and approved the Board's recommended increases in rents and charges for 2009-10.

7. Recommendations

- 7.1 Board is asked to approve:
- The amended YHN 2008-09 Revised Budgets and 2009-10 Base Budgets as detailed in Appendix 1.
 - The amended HRA 2008-09 Revised Budgets and 2009-10 Base Budgets as detailed in Appendix 2.
 - Consider the YHN / HRA Medium Term Plan position up to 2012-13 set out in Appendix 3.
 - Receive for information the latest summary of Procurement Efficiency Savings set out in Appendix 4.

Contact Officers:

Ross Atkinson	(Director of Finance and Resources)	0191 2788708
Keith Embleton	(Finance Manager – Revenue)	0191 2788635
Andrew Lister	(Finance Manager – Technical)	0191 2788630

Background Papers:

2008-09 and 2009-10 Budget working papers;
YHN Management Agreement;
YHN Delegations – report to YHN Board 1 April 2004.

**YOUR HOMES NEWCASTLE
MANAGEMENT REVENUE ESTIMATES**

2008-09 & 2009-10

YOUR HOMES NEWCASTLE LIMITED

1 Your Homes Newcastle Objective Summary as at December 2008

OBJECTIVE ANALYSIS		2008-2009 Actual Expenditure	2008-2009 Base Estimate	2008-2009 Probable Estimate	Base to Probable Variance	2009-2010 Base Estimate	Base to Base Variance
Item No.	Description	£	£	£	£	£	£
1	Business Development & Strategy	672,660	-	-	-	-	-
2	Finance & Resources	1,777,696	-	-	-	-	-
3	Office of the Chief Exec etc	676,851	-	-	-	-	-
4	Finance & Resources (Non-Dept Admin)	675,051	1,539,200	1,732,790	193,590	1,612,960	73,760
5	Tenancy Services	97,762	-	287,870	287,870	495,500	495,500
6	Housing Management	4,132,262	9,043,490	9,382,240	338,750	9,548,830	505,340
7	Assets & Programming	506,722	1,011,550	1,205,540	193,990	1,267,500	255,950
8	Investment Delivery	1,010,459	1,562,190	1,800,610	238,420	1,654,890	92,700
9	Technical & Maintenance	1,223,749	2,018,240	2,168,560	150,320	1,654,100	(364,140)
10	General Management Provisions	-	300,000	600,000	300,000	600,000	300,000
General Management total		10,773,212	15,474,670	17,177,610	1,702,940	16,833,780	1,359,110
11	Asylum Seekers	389,125	618,920	706,980	88,060	702,000	83,080
12	Sheltered Housing	922,887	1,407,240	1,426,670	19,430	1,450,390	43,150
13	Mobile Warden Service	824,896	1,248,930	1,374,320	125,390	1,338,510	89,580
14	Concierge Services	3,428,144	5,845,050	6,021,330	176,280	6,168,710	323,660
15	Furnished Accommodation	960,497	1,763,990	2,284,170	520,180	2,413,790	649,800
16	Advisory Service	567,940	988,460	1,166,250	177,790	1,145,670	157,210
17	Inline Service	358,371	586,740	659,300	72,560	699,530	112,790
18	Stepping Stones	443,458	407,080	757,670	350,590	702,800	295,720
19	Family Intervention Project	84,844	-	179,930	179,930	177,790	177,790
20	Special Management Provisions	-	200,000	400,000	200,000	400,000	200,000
Special Management total		7,980,162	13,066,410	14,976,620	1,910,210	15,199,190	2,132,780
21	YHN General Provisions	-	(462,810)	(1,629,700)	(1,166,890)	(543,890)	(81,080)
NET MANAGEMENT FEE		18,753,374	28,078,270	30,524,530	2,446,260	31,489,080	3,410,810

NOTES

Major Budget variations -
(see detailed pages)

YOUR HOMES NEWCASTLE LIMITED

1 Your Homes Newcastle Subjective Summary as at December 2008

EMPLOYEES		Budget as at April 2008		2008-2009 Budget as at December 2008		Variance
		No. of Posts	Full Time Equivalent	No. of Posts	Full Time Equivalent	Full Time Equivalent
Item No.	Description					
	Employees	842.00	815.20	875.00	848.80	33.60

Item No.	Description	2008-2009 Actual Expenditure	2008-2009 Base Estimate	2008-2009 Probable Estimate	Base to Probable Variance	2009-2010 Base Estimate	Base to Base Variance
		£	£	£	£	£	£
1	Administrative Staff	14,849,287	23,474,130	25,970,590	2,496,460	26,394,850	2,920,720
2	Turnover Allowance	-	(820,000)	(2,386,260)	(1,566,260)	(1,079,600)	(259,600)
		14,849,287	22,654,130	23,584,330	930,200	25,315,250	2,661,120
3	Other Employee Expenses	583,457	1,099,280	1,098,950	(330)	1,147,770	48,490
		15,432,744	23,753,410	24,683,280	929,870	26,463,020	2,709,610

SUBJECTIVE ANALYSIS		2008-2009 Actual Expenditure	2008-2009 Base Estimate	2008-2009 Probable Estimate	Base to Probable Variance	2009-2010 Base Estimate	Base to Base Variance
Item No.	Description	£	£	£	£	£	£
EXPENDITURE							
4	Employees	15,432,744	23,753,410	24,683,280	929,870	26,463,020	2,709,610
5	Premises	1,166,458	1,367,020	1,351,170	(15,850)	1,391,250	24,230
6	Transport	303,477	424,330	545,510	121,180	568,650	144,320
7	Supplies and Services	1,817,002	2,264,890	3,504,750	1,239,860	2,685,780	420,890
8	Third Party Payments	32,541	30,000	74,850	44,850	76,830	46,830
9	SLA's / Support Services	9,128	1,519,270	1,563,680	44,410	1,607,700	88,430
10	Finance & Resources Recharge	-	3,401,800	4,157,800	756,000	4,446,310	1,044,510
11	Business Recharge	-	1,404,200	1,260,130	(144,070)	1,253,550	(150,650)
	TOTAL EXPENDITURE	18,761,350	34,164,920	37,141,170	2,976,250	38,493,090	4,328,170
INCOME							
12	Management Fee	-	(28,078,270)	(30,524,530)	(2,446,260)	(31,489,080)	(3,410,810)
13	Fin. & Res/Bus. Recharges	-	(4,806,000)	(5,417,930)	(611,930)	(5,699,860)	(893,860)
14	Other Income/Charges	(5,375)	(162,810)	(14,170)	148,640	(92,690)	70,120
15	Recharges	(2,601)	(1,117,840)	(1,184,540)	(66,700)	(1,211,460)	(93,620)
	TOTAL INCOME	(7,976)	(34,164,920)	(37,141,170)	(2,976,250)	(38,493,090)	(4,328,170)
	NET (INCOME)/EXPENDITURE	18,753,374	-	-	-	-	-

NOTES

Major Budget variations -
(see detailed pages)

YOUR HOMES NEWCASTLE LIMITED

1.1 Summary of Budget Variations for YHN 2008-09		as at December 2008		<u>Variations reported to</u>
<u>Accumulative Variations</u>		<u>2008-09</u>	<u>Projected</u>	<u>Nov.. cttee</u>
		<u>Base</u>	<u>Outturn</u>	<u>as at Oct.</u>
		<u>£</u>	<u>£</u>	<u>£</u>
<u>YHN</u>		<u>28,078,270</u>	<u>30,524,530</u>	
<u>Variation</u>			<u>2,446,260</u>	
<u>YHN Detail</u>				
<u>fte's</u>	<u>Staffing reviews and associated costs</u>			
4.0	Corporate Admin Asst's	97,500		97,500
2.0	HR Advisor/Assistant	47,200		47,200
0.5	Procurement & Payments Clerk to Full Time	7,610		7,610
- 1.0	Investment Planning review	- 28,150		- 28,150
1.0	Admin. Modern Apprentice	9,570		9,570
- 1.0	Housing Management Review	- 33,240		- 46,650
1.0	Customer Service Manager	64,480		64,480
1.0	Fire Safety Officer	29,090		29,090
-11.0	Technical Function Review	- 185,810		- 185,810
1.0	Equalities and Diversity officer	27,620		27,620
1.0	Regeneration and Property Project manager	64,480		64,480
- 1.0	Project assistant	- 8,990		- 8,990
1.0	Chair of the Board	12,930		12,930
0.7	Concierge Shift Supervisors Review	16,880		16,880
2.0	Finance Review	68,570		19,800
1.0	Senior Northgate Support Specialist	15,920		
	Minimum wage increases re Trainee grades	11,800		11,800
	First Aid Allowance payments	14,420		
	CCAS out of hours Standby payments/ Overtime	- 20,150		10,000
	Directors Increment Increase	14,720		14,720
	YHN Customer Profile - Data Collection exercise	24,000		
	Misc adjustments re staff turnover etc.	3,740		540
2.2		<u>254,190</u>		
<u>Staffing Reviews Funded from HRA - Supporting People etc.</u>				
1.0	Asylum Seekers Admin Asst./ Standby payments	34,530		34,530
3.5	Furniture Warehouse assistants	62,980		62,980
3.0	Debt Recovery Asst's, Admin asst's	51,630		51,630
9.9	Review of Young Peoples Services (Inline/Stepping Stones)	308,230		308,230
4.0	Family Intervention Project	129,950		129,950
2.0	Furniture Service Business Support officers	47,690		47,690
8.0	2 Gardening Supervisors, 6 Asst. Gardeners	144,250		144,250
	Anti-Social Behaviour team(NRF Funded)	27,290		27,290
	Telephony Pilot Scheme	22,450		
		<u>829,000</u>		
<u>33.6</u>	<u>Total Staffing Reviews</u>		<u>1,083,190</u>	
	Increased Superannuation costs	488,010		488,010
	Superannuation Fund Past Service Deficiency Additional payments	37,000		
	Single Status PH 2 Provision	<u>500,000</u>	<u>1,025,010</u>	<u>500,000</u>

YOUR HOMES NEWCASTLE LIMITED

1.1 Summary of Budget Variations for YHN 2008-09	as at December 2008		<u>Variations reported to</u>
<u>Accumulative Variations</u>	<u>2008-09</u>	<u>Projected</u>	<u>Nov.. cttee</u>
	<u>Base</u>	<u>Outturn</u>	<u>as at Oct.</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Temporary Staffing:</u>			
Asylum Seekers Support officers	27,510		27,510
Advice & Support workers	81,270		72,270
Area Income asst's	15,430		15,430
Finance officers (Pending Tribal Review)	53,290		53,290
Housing Services Asst.	9,900		9,900
Single Status Support	21,410		21,410
Anti-Social Behaviour team(Secondments - Turnover saving)	19,020		19,020
Equalities & Diversity officer (Secondment)	24,980		24,980
Communications asst.	27,400		27,400
Stepping Stones admin maternity cover	21,850		21,850
Inv Delivery Project Manager maternity cover	29,350		29,350
YES - Involvement officer	17,100		17,100
Concierge Service Co-ordinator - cover for secondment	11,810		11,810
Performance officer Quality Assurance - Maternity cover	27,370		27,370
Procurement Finance assistant	7,500		
CCAS Telecare Response Co-ordinator	14,330		
Maternity cover Provision increase re 12 months absence	19,600	429,120	19,600
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Less staff turnover savings re temps etc.	- 566,260		- 552,760
Less Increased estimated staff turnover savings provision	- 1,000,000	- 1,566,260	- 800,000
	<hr/>		
<u>Net staffing costs</u>		971,060	1,004,710
<u>Other Employee expenses</u>			
Recruitment costs/Other Employee expenses	- 6,060		- 6,060
Post Entry Training commitments b/fwd from 2007-8	8,000		8,000
Post Entry Training transferred to Conferences Provision	- 43,130	- 41,190	- 38,790
	<hr/>		
<u>Employee costs sub-total</u>		929,870	
Temporary Agency staffing		407,150	427,150
<u>Consultants;</u>			
Balance c/fwd. re Northgate Technical support 'Call-off'	44,500		44,500
Misc balances c/fwd	40,500		40,500
ITIL Assessment, Process Design & Implementation	45,660		45,660
Repairs & Maintenance - Change Facilitation	53,000		53,000
IT Infrastructure	25,100		25,100
Building Cleaning Procurement	22,000		22,000
Review of Aids & Adaptations	20,000		
Legal Advice on Charitable Subsidy	20,000	270,760	
	<hr/>		
Underspend on Family Intervention Project - b/fwd from 2007-08	17,000		17,000
Underspend on 'Events' budget - b/fwd from 2007-08	20,000		20,000
Underspend on Single Status Recharge - b/fwd from 2007-08	20,000	57,000	20,000
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YOUR HOMES NEWCASTLE LIMITED

1.1 Summary of Budget Variations for YHN 2008-09	as at December 2008		Variations reported to Nov.. cttee as at Oct.
<u>Accumulative Variations</u>	<u>2008-09</u> <u>Base</u> <u>£</u>	<u>Projected</u> <u>Outturn</u> <u>£</u>	<u>£</u>
Conferences transferred from Post Entry Training	43,130		38,790
Online Rent statements - Software costs	53,700		53,700
Chairman of the Board advertising	10,000		10,000
Upgrade of Sheltered Housing Community Facilities	49,500		49,500
Shlt'd Hsg. - Transfer of Refurbishment Provision to HRA re DHS	- 100,000		
CSV & Quality of Life Partnership Comm. Living Ind. Project	20,000		20,000
Upgrade of Service Desk Telephony requirements (HRA Funded)	9,600		9,600
Furniture Service Record Management System/Transport etc.(HRA Funde	17,350		17,350
Pendower Gardening Project/Gardening Service Equipment etc.(HRA Fun	70,000		59,000
Increased Fuel costs/Car allowances(HRA Funded)	32,810		32,810
HASBET Mediation service costs	40,000		40,000
DHS System/Maintenance charge	13,000		13,000
Housemark / Customer Service Excellance addit. Clubs	6,500		6,500
Northgate R&M leaflet	34,900		34,900
CCAS Publicity	10,000		10,000
Investment Delivery Parking Permits	10,000		10,000
Miscellaneous Neighbourhood Management running costs	12,000		12,000
Housing Management Review costs b/fwd from 2009-10	5,000		5,000
ITIL Implementation / YHN Servers Warranty extension	6,200		6,200
Northgate PCOL Interface & Support Service Module	65,000		65,000
Access to Sport and Culture	72,900		72,900
Energy Performance Certificates, Accreditation, Training etc.	40,000		40,000
Topographical Surveys re Development Sites	20,000		20,000
Family Intervention Project running costs/ Evaluation Review	15,000		15,000
Mobile Wardens Publicity	5,000		
Y C H - Social Services secondment re Mental Health & Welfare	24,850		
Your Choice Homes Mutual Exchange Scheme Software	5,000		
Concierge '24hr' Chairs	11,000		
Leaseholders Section - Increased costs	15,800		
Health and Safety Footwear	5,000		
Increased Photocopying costs	20,000		
YHN Customer Profile - Data Collection excersise	11,000	654,240	
<u>SLA Reviews/NCC Review</u>			
Employee Admin. / Payroll	- 118,650		- 118,650
Exchq. Svs. - Payments /Bank charges	- 28,530		- 28,530
Exchq. Svs. - Income Controls & Bank reconciliation	113,840		113,840
Strategic Housing recharge	- 114,610		- 114,610
Property Services	- 15,850		- 15,850
Welfare Rights SLA	- 18,830		
CityBuy SLA (Increase to be netted off by Rebates on contracts)	29,670		29,670
IT SLA / Transformation costs	111,290	- 41,670	
Interest on Cashflow re Cash profiling and Interest rates		160,440	
Various miscellaneous variations		8,470	5,940
Total YHN variations		2,446,260	2,195,830
			250,430

YOUR HOMES NEWCASTLE LIMITED

1.2 Summary of Budget Variations for YHN 2009-10		as at December 2008		<u>Variations reported to</u>
<u>Accumulative Variations</u>		<u>2008-09</u>	<u>2009-10</u>	<u>Nov.. cttee</u>
		<u>Base</u>	<u>Base</u>	<u>as at Oct.</u>
		<u>£</u>	<u>£</u>	<u>£</u>
<u>YHN Detail</u>		<u>YHN</u>		
		<u>Variation</u>	<u>3,410,810</u>	
<u>fte's Staffing reviews and associated costs</u>				
4.0	Corporate Admin Asst's	97,500		97,500
2.0	HR Advisor/Assistant	47,200		47,200
0.5	Procurement & Payments Clerk to Full Time	7,610		7,610
- 1.0	Investment Planning - review	- 28,150		- 28,150
1.0	Admin. Modern Apprentice	9,570		9,570
- 1.0	Housing Management Review	6,910		- 46,650
1.0	Customer Service Manager	64,480		64,480
1.0	Fire Safety Officer	29,090		29,090
-11.0	Technical Function Review	- 371,610		- 371,610
1.0	Equalities and Diversity officer	27,620		27,620
1.0	Regeneration and Property Project manager	64,480		64,480
- 1.0	Project assistant	- 17,980		- 17,980
1.0	Chair of the Board	12,930		12,930
0.7	Concierge Shift Supervisors Review	16,880		16,880
2.0	Finance Review	123,720		134,890
1.0	Senior Northgate Support Specialist	41,630		
	Minimum wage increases re Trainee grades	11,800		11,800
	First Aid Allowance payments	4,710		
	Directors Increment Increase	14,720		14,720
	Misc adjustments re staff turnover etc.	- 10,890		- 7,220
2.2		<u>152,220</u>		
<u>Staffing Reviews Funded from HRA - Supporting People etc.</u>				
1.0	Asylum Seekers Admin Asst./ Standby payments	34,530		34,530
3.5	Furniture Warehouse assistants	62,980		62,980
3.0	Debt Recovery Asst's, Admin asst's	51,630		51,630
9.9	Review of Young Peoples Services (Inline/Stepping Stones)	308,230		308,230
4.0	Family Intervention Project	129,950		129,950
2.0	Furniture Service Business Support officers	47,690		47,690
8.0	2 Gardening Supervisors, 6 Asst. Gardeners	144,250		144,250
		<u>779,260</u>		
<u>33.6</u>	<u>Total Staffing Reviews</u>		<u>931,480</u>	
	Pay Award April 2009	685,700		685,700
	Increments	<u>163,200</u>	848,900	163,200
	Increased Superannuation costs	465,110		465,110
	Superannuation Fund Past Service Deficiency Additional payments	39,000		
	Single Status PH 2 Provision	<u>500,000</u>	1,004,110	500,000

YOUR HOMES NEWCASTLE LIMITED

1.2 Summary of Budget Variations for YHN 2009-10	as at December 2008		Variations reported to Nov.. cttee as at Oct. £
<u>Accumulative Variations</u>	<u>2008-09</u> <u>Base</u> £	<u>2009-10</u> <u>Base</u> £	
<u>Temporary Staffing:</u>			
Advice & Support workers	51,290		48,670
Anti-Social Behaviour team(NRF Funded)	15,120		15,120
Anti-Social Behaviour team (turnover funded)	40,820		40,820
Asylum Seekers Support officer	30,100		29,050
Concierge Service Co-ordinator - cover for secondment	25,300		25,300
Maternity cover provision increase re 12 months absence	19,600	182,230	19,600
Less staff turnover savings re ASB team above	- 40,000		- 40,000
Less staff turnover savings re temps etc.	- 19,600		- 19,600
Less staff turnover savings	- 200,000	- 259,600	- 200,000
<u>Net staffing costs</u>		2,707,120	2,579,390
<u>Other Employee expenses</u>			
Recruitment costs/Other Employee expenses Including Inflation		2,490	- 2,810
<u>Employee costs sub-total</u>		2,709,610	2,576,580
Consultants/Service Reviews Increased Provision	64,500		64,500
CSV & Quality of Life Partnership Comm. Living Ind. Project	20,000		20,000
Furniture Service Record Management System/Transport etc.(HRA F	18,350		18,350
Pendower Gardening Project/Gardening Service Equipment etc.(HRA	87,000		76,000
Increased Fuel costs (HRA Funded)	32,810		32,810
HASBET Mediation service costs	20,000		20,000
DHS Maintenance charge	13,000		13,000
Housemark / Customer Service Excellence addit. Clubs	6,500		6,500
Northgate R&M leaflet	34,900		34,900
Northgate PCOL Interface Annual Maintenance	8,000		8,000
Miscellaneous Neighbourhood Management running costs	12,000		12,000
ITIL Implementation / YHN Servers Warranty extension	6,300		6,300
Housing Management Review costs b/fwd to 2008-09	- 5,000		- 5,000
Access to Sport and Culture	90,000		90,000
Energy Performance Certificates, Accreditation, Training etc.	10,000		10,000
Family Intervention Project running costs	21,000		15,000
Departmental recharge re-allocation to HRA	29,990		29,990
Increased Maternity cover Provision re 6 to 12 months absence	50,000		50,000
Shlt'd Hsg. - Transfer of Refurbishment Provision to HRA re DHS	- 50,000		
Mobile Wardens Publicity	5,000		
Advice & Support accommodation cleaning re office move	7,900		
Y C H - Social Services secondment re Mental Health & Welfare	24,850		
Leaseholders Section - Increased costs	15,800		
Health and Safety Footwear	15,000		
IT Licences re YHN Website / ITIL	22,250	560,150	

YOUR HOMES NEWCASTLE LIMITED

1.2 Summary of Budget Variations for YHN 2009-10	as at December 2008		Variations reported to Nov.. cttee as at Oct. £
<u>Accumulative Variations</u>	<u>2008-09</u> <u>Base</u> £	<u>2009-10</u> <u>Base</u> £	£
<u>SLA Reviews/NCC Review</u>			
Employee Admin. / Payroll	- 118,650		- 118,650
Exchq. Svs. - Payments /Bank charges	- 28,530		- 28,530
Exchq. Svs. - Income Controls & Bank reconciliation	113,840		113,840
Strategic Housing recharge	- 133,740		- 133,740
Property Services	- 15,850		- 15,850
CityBuy SLA (Increase to be netted off by Rebates on contracts)	29,670		29,670
IT SLA / Transformation costs	<u>125,530</u>	- 27,730	
General Inflation	20,590		19,610
Supplies and Services inflation 'Cash limited'	65,000		65,000
SLA / Recharges Inflation	<u>53,140</u>		53,140
	138,730		
Efficiency saving - Cash Limiting Supplies & Services Inflation	<u>- 65,000</u>	73,730	(65,000)
Interest on Cashflow re Cash profiling and Interest rates		79,920	
Various miscellaneous variations		15,130	19,430
<u>Total YHN variations</u>		3,410,810	3,017,850
			392,960

Staffing Establishment - Reconciliation Summary							
Ref.	YHN - Detail Division/Section	2008-09 Base		2008-09 Revised		Base	
		As at Apr. 2008		& 2009-10 Base		Variation	
		No.	Fte	No.	Fte	Fte	
2.1.1	Business Dev. & Strategy	30.0	28.9	29.0	27.9	-1.0	-1.0 Business Support Officer 1.0 Regeneration and Property Project manager -1.0 Project assistant
2.1.2	Finance & Resources	56.0	55.0	68.0	67.5	12.5	1.0 Corporate Admin supervisor 4.0 Corporate Admin Asst's 1.0 Modern Apprentice 2.0 HR Advisor/Assistant 0.5 Procurement & Payments Clerk to Full Time 1.0 Fire Safety Officer 1.0 Head of Finance 2.0 Business Analyst -2.0 Snr Finance officer 1.0 Finance officer 1.0 Snr Northgate Support officer
2.1.3	Fin & Res (Non Deptl Admin)	39.0	36.0	41.0	39.0	3.0	2.0 Debt Recovery Assts 1.0 Admin Asst -3.0 Area Income Officer 2.0 Income Asst 1.0 Senior Income Officer 1.0 Northgate Business Support -1.0 Rent Assessment officer
2.1.4	Office of the Chief Exec etc	9.0	9.0	11.0	11.0	2.0	1.0 Equalities and Diversity officer 1.0 Chair of the Board
2.1.5	Tenancy Services General	0.0	0.0	7.0	7.0	7.0	1.0 Director of Tenancy Services(see 2.1.6.2) 1.0 Customer Services & Improvement Mgr 1.0 Head of Support & Care (see 2.1.6.2) 1.0 Head of Housing Mgmt (see 2.1.6.2) 1.0 Citywide Service Mgr (see 2.1.6.2) 1.0 Senior Project Officer(see 2.1.6.1) 1.0 Principal Hsg Mgr
2.1.6.1	Central Support - Citywide teams	37.0	34.0	35.0	31.0	-3.0	-1.0 Senior Project Officer (see 2.1.5) -1.0 Principal Hsg Mgr -1.0 Project Officer
2.1.6.2.1,2,3,4	Neighbourhood Hsg Management	191.0	183.0	187.0	179.0	-4.0	-1.0 Director of Tenancy Services (see 2.1.5) -3.0 Area Hsg Directors (see 2.1.5)
2.1.7.1	Assets & Programming	27.0	25.5	28.0	26.5	1.0	-1.0 Admin Asst. -1.0 Qty Surveyor -1.0 Technical Asst 1.0 Snr Qty Surveyor 5.0 Technical Surveyors 1.0 Risk Assessment & Safety Mgr -3.0 Trainees
2.1.7.2	Investment Delivery	38.0	37.0	38.0	37.0	0.0	
2.1.7.3	Technical & Maintenance	46.0	46.0	33.0	33.0	-13.0	-1.0 Contract Mgr -1.0 Tech Development Mgr -8.0 Tech Surveyors -1.0 Principal Tech Surveyor -1.0 Asst Risk Assessment & Safety Mgr -1.0 Principal Servicing & Plant Off
2.2.1	Asylum Seekers	15.0	15.0	16.0	16.0	1.0	1.0 Admin Asst.
2.2.2	Sheltered Housing	34.0	34.0	34.0	34.0	0.0	
2.2.3	Mobile Warden Service	36.0	34.0	35.0	34.0	0.0	
2.2.4	Concierge Services	167.0	167.0	168.0	167.7	0.7	0.7 Admin asst.

Staffing Establishment - Reconciliation Summary							
Ref.	YHN - Detail <u>Division/Section</u>	2008-09 Base		2008-09 Revised		Base	
		As at Apr. 2008		& 2009-10 Base		Variation	
		No.	Fte	No.	Fte	Fte	
2.2.5	Furnished Accommodation	63.0	59.5	76.0	73.0	13.5	3.5 Warehouse Assts. 2.0 Furniture Service Business Support officer 1.0 Senior Business Support officer -1.0 Warehouse Delivery assistant 2.0 Gardening Supervisors 6.0 Asst. Gardeners
2.2.6	Advisory Services	27.0	26.0	27.0	26.0	0.0	
2.2.7	IN-LINE Service	16.0	14.8	29.0	26.6	11.80	8.8 Project Worker 1.0 Snr Practitioner 2.0 Waking Night Staff
2.2.8	Stepping Stones	11.0	10.5	9.0	8.6	-1.90	1.0 Peer Education Worker -2.9 Project Worker
2.2.9	Family Intervention Project	0.0	0.0	4.0	4.0	4.00	4.00 Project officers
YHN TOTAL FTE's		842.00	815.20	875.00	848.80	33.60	33.60

Housing Revenue Account

Management Estimates 2008-9 & 2009-10

HOUSING REVENUE ACCOUNT

SUMMARY OF RESOURCES USED

INCOME AND EXPENDITURE

as at December 2008

Item No.	Description	2008-2009 Actual Expenditure	2008-2009 Original Estimate	2008-2009 Probable Estimate	Original to Probable Variance	2009-2010 Base Estimate	2008-9 to 2009-10 Variance
		£	£	£	£	£	£
	Income						
	Rents						
1	Dwelling Rents [gross]	(56,047,097)	(83,693,120)	(83,341,460)	351,660	(87,971,790)	(4,278,670)
2	Less: Voids/Allowances/Write-Offs	1,545,062	3,076,350	2,282,820	(793,530)	2,369,300	(707,050)
		(54,502,035)	(80,616,770)	(81,058,640)	(441,870)	(85,602,490)	(4,985,720)
3	Other Rents [gross]	(872,895)	(1,646,070)	(1,757,870)	(111,800)	(1,753,070)	(107,000)
4	Less: Voids/Allowances/Write-Offs	65,429	422,410	159,340	(263,070)	159,270	(263,140)
		(807,465)	(1,223,660)	(1,598,530)	(374,870)	(1,593,800)	(370,140)
	Charges						
5	Heating Charges	(1,705,775)	(2,555,510)	(2,614,820)	(59,310)	(3,199,740)	(644,230)
6	Leaseholder Charges for Services & Facilities	(407,487)	(457,510)	(423,160)	34,350	(520,790)	(63,280)
7	Other Charges for Services and Facilities	(6,321,731)	(8,441,190)	(8,820,450)	(379,260)	(9,224,310)	(783,120)
8	Contributions Towards Expenditure	(3,950,976)	(6,989,830)	(8,647,940)	(1,658,110)	(9,027,060)	(2,037,230)
	HRA Subsidy Receivable						
9	Deficit Element	-	170,320	599,730	429,410	1,663,170	1,492,850
10	Major Repairs Allowance	(12,342,475)	(20,297,860)	(20,297,870)	(10)	(19,571,770)	726,090
11	Supporting People Subsidy	(1,583,678)	(3,247,850)	(3,620,160)	(372,310)	(3,620,510)	(372,660)
12	General Fund transfer re items shared by the whole community	-	(724,000)	(724,000)	-	(745,000)	(21,000)
		(81,621,622)	(124,383,860)	(127,205,840)	(2,821,980)	(131,442,300)	(7,058,440)
	Expenditure						
	Running Costs						
13	Contribution to Housing Repairs Account	14,705,287	27,323,000	26,379,830	(943,170)	27,323,000	-
14	General Management	17,357,702	15,219,050	16,407,490	1,188,440	16,735,030	1,515,980
15	Special Services	456,204	24,760,340	28,156,280	3,395,940	30,121,480	5,361,140
16	Rents, Rates & Other Charges	2,374,613	2,779,120	3,286,850	507,730	3,414,240	635,120
17	Increase in Provision for Bad or Doubtful Debts	-	1,000,000	1,000,000	-	1,000,000	-
18	Depreciation and Impairment of Fixed Assets	-	25,027,910	24,098,530	(929,380)	26,865,810	1,837,900
19	Deferred Charges	-	4,635,000	-	(4,635,000)	-	(4,635,000)
20	Debt Management Costs	-	158,650	170,820	12,170	181,980	23,330
		34,893,806	100,903,070	99,499,800	(1,403,270)	105,641,540	4,738,470
		(46,727,816)	(23,480,790)	(27,706,040)	(4,225,250)	(25,800,760)	(2,319,970)
21	HRA Services share of Corporate and Democratic Core	759	103,730	98,190	(5,540)	100,150	(3,580)
22	Net Cost of HRA Services	(46,727,057)	(23,377,060)	(27,607,850)	(4,230,790)	(25,700,610)	(2,323,550)

	Interest and disposals						
23	Interest payable and similar charges	-	30,372,720	29,053,730	(1,318,990)	29,945,930	(426,790)
24	Amortised Premiums and Discounts	-	904,290	1,774,470	870,180	1,069,560	165,270
25	Interest and investment income	(3,163)	(2,446,170)	(3,045,340)	(599,170)	(1,566,260)	879,910
		(3,163)	28,830,840	27,782,860	(1,047,980)	29,449,230	618,390
26	Net Operating Expenditure	(46,730,222)	5,453,780	175,010	(5,278,770)	3,748,620	(1,705,160)

HOUSING REVENUE ACCOUNT

SUMMARY OF RESOURCES USED

STATEMENT OF MOVEMENT ON THE HRA BALANCE

Item No.	Description	2008-2009 Actual Expenditure	2008-2009 Original Estimate	2008-2009 Probable Estimate	Original to Probable Variance	2009-2010 Base Estimate	2008-9 to 2009-10 Variance
		£	£	£	£	£	£
	(Increase)/ decrease in the Housing Revenue Account Balance comprising:						
27	Deficit for the year on the HRA Income and Expenditure Account	(46,730,222)	5,453,780	175,010	(5,278,770)	3,748,620	(1,705,160)
	Additional items required by statute and non-statutory proper practices to be taken into account in determining the movement in the Housing Revenue Account Balance						
28	Difference between interest payable and similar charges determined in accordance with the SORP and those determined in accordance with statute	-	(4,635,500)	-	4,635,500	-	4,635,500
29	Appropriations to reserves	-	299,260	13,270	(285,990)	13,270	(285,990)
30	Set aside for debt repayment	-	1,137,310	1,332,310	195,000	1,865,300	727,990
31	Transfer from Major Repairs Reserve	-	(4,729,550)	(3,800,660)	928,890	(7,294,040)	(2,564,490)
32	Capital expenditure funded by the HRA	-	-	2,212,000	2,212,000	292,000	292,000
33	Sub-total: (Increase)/ decrease in HRA Balance for the year	(46,730,222)	(2,474,700)	(68,070)	2,406,630	(1,374,850)	1,099,850
34	Housing Revenue Account surplus brought forward	(7,982,939)	(7,982,940)	(7,982,940)		(8,051,010)	
35	Housing Revenue Account surplus carried forward	(54,713,161)	(10,457,640)	(8,051,010)	2,406,630	(9,425,860)	1,099,850

HOUSING REVENUE ACCOUNT

4 SUMMARY OF RESOURCES USED

* Net Subjective Expenditure as at December 2008

Item No.	Description	2008-2009 Actual Expenditure	2008-2009 Original Estimate	2008-2009 Probable Estimate	Original to Probable Variance	2009-2010 Base Estimate	2008-9 to 2009-10 Variance
		£	£	£	£	£	£
a	Employees	567,720	1,773,080	1,852,440	79,360	1,936,710	163,630
	RUNNING COSTS						
b	Premises	18,661,181	38,408,740	38,881,500	472,760	40,899,220	2,490,480
c	Transport	28,398	66,780	69,270	2,490	70,770	3,990
d	Supplies and Services	(2,686,405)	3,789,620	4,467,060	677,440	4,464,580	674,960
e	YHN Management Fee	16,695,579	28,078,270	30,524,530	2,446,260	31,489,080	3,410,810
f	Third Party Payments	597,052	595,000	1,050,500	455,500	1,055,500	460,500
g	Transfer Payments	719,204	635,300	1,101,600	466,300	1,118,100	482,800
h	Support Services	315,107	5,828,290	5,670,310	(157,980)	5,760,450	(67,840)
i	Capital Financing Costs	16,379	2,668,150	3,754,890	1,086,740	3,319,380	651,230
j	Capital Charges	-	50,670,580	51,563,600	893,020	49,809,700	(860,880)
GROSS HOUSING REVENUE ACCOUNT EXPENDITURE		34,914,215	132,513,810	138,935,700	6,421,890	139,923,490	7,409,680
INCOME							
k	Sales, Fees and Charges	(8,434,993)	(11,454,210)	(11,858,430)	(404,220)	(12,944,840)	(1,490,630)
l	Other Income	(3,950,976)	(7,713,830)	(9,371,940)	(1,658,110)	(9,772,060)	(2,058,230)
m	Rents	(55,309,500)	(81,840,430)	(82,657,170)	(816,740)	(87,196,290)	(5,355,860)
n	Interest	(3,163)	(2,446,170)	(3,045,340)	(599,170)	(1,566,260)	879,910
o	Specific Government Grants	(13,926,153)	(23,375,390)	(23,318,300)	57,090	(21,529,110)	1,846,280
p	Internal Recharges	(19,652)	(8,158,480)	(8,752,590)	(594,110)	(8,289,780)	(131,300)
GROSS HOUSING REVENUE ACCOUNT INCOME		(81,644,437)	(134,988,510)	(139,003,770)	(4,015,260)	(141,298,340)	(6,309,830)
NET HOUSING REVENUE ACCOUNT EXPENDITURE		(46,730,222)	(2,474,700)	(68,070)	2,406,630	(1,374,850)	1,099,850

HOUSING REVENUE ACCOUNT

4.1 Summary of Budget Variations for HRA 2008-09		as at December 2008		Variations reported to
HRA Summary		2008-09	Projected	Nov. cttee
Ref. No.	Accumulative Variations	Base	Outturn	as at Oct.
		£	£	£
		HRA		
		Variation	2,406,630	
	<u>HRA Detail</u>			
	<u>Income</u>			
1-4	<u>Rents</u>			
	Increased rents from reduced voids loss and opening Stock adj.		(816,740)	
5-7	<u>Charges</u>			
	Increase in Service charge income	(422,570)		
	Reduction in Leasehold Service Charges	34,350		
	Asylum Seekers - Leave to Remain	(16,000)		(10,000)
		(404,220)	(404,220)	
8	<u>Contributions Towards Expenditure</u>			
	Furniture Service increased sales - Cyrenians etc.	(12,000)		(8,600)
	Furniture Service - Wakefield Project	(62,000)		
	Furniture Service - Child Safety Equipment Income	(13,500)		
	Furniture Service - External Contracts	144,000		
	Increased Tenants Contents Insurance premiums	(19,000)		(19,000)
	Stepping Stones Arkansas Trip	(15,000)		(15,000)
	Stepping Stone Misc. Income	(5,800)		
	Family Intervention Project Grant	(105,000)		(103,500)
	Asylum Seekers Increased in Social Services Client Cases	(223,820)		
	Asylum Seekers Management Fee increase re Singles Section 4 cases	(314,040)		(320,000)
	Asylum Seekers increase re Contract income	(1,080,200)		
	Reduction in 'Events' donations income	44,250		
	Reduced donations to Advice & Support	4,000		2,800
		(1,658,110)	(1,658,110)	
9-10	<u>HRA Subsidy</u>			
	Capital Charges re ALMO borrowing		429,400	(220,520)
11	<u>Supporting People Subsidy</u>			
	Young Peoples Support - Inline & Stepping Stones	(235,290)		(229,550)
	Advice & Support Outreach and Pathways	(54,970)		(54,970)
	Advice & Support Refugee Move On service	(9,640)		(9,640)
	Disabled Adaptations	(46,190)		(46,190)
	Homeless Accommodation	(26,220)		(26,220)
		(372,310)	(372,310)	
12	<u>General Fund Contribution to Shared Amenities</u>			
13	<u>Contribution to Housing Repairs Account</u>			
	Capitalisation of R&M expenditure	(1,523,170)		
	Increased R&M costs - Brickwork / Fencing Backlog	580,000		
		(943,170)	(943,170)	
14-15	<u>Running Costs</u>			
	<u>- Supervision and Management</u>			
	YHN Management Fee	2,446,260		2,195,830
	Recharge to Repairs & Maintenance from S&M	8,480		(134,760)
	Recharge to Capital Investment	(557,610)		(49,950)
	Asylum Seekers Section 4 - Support Vouchers	385,500		320,000
	Asylum Seekers Section 4 - Reduction of contract with M&Q	(40,650)		(57,760)
	Grounds Maintenance SLA adjustment	90,830		102,820
	Abortive Feasibility Studies Provision	40,000		40,000

HOUSING REVENUE ACCOUNT

4.1 Summary of Budget Variations for HRA 2008-09		as at December 2008		Variations reported to Nov. cttee as at Oct.
HRA Summary Ref. No.	2008-09 Base	Projected Outturn		
	£	£		£
Accumulative Variations				
	Homeless Accommodation increase re Supporting People Grant	78,450		66,220
	Homeless Accommodation increase in Overtime costs /NI and Super adjustments	52,470		
	Stepping Stones Arkansas Trip	15,000		15,000
	Cashiering SLA	(79,530)		(79,530)
	Customer Service Centre Recharge	90,260		90,260
	Legal Services SLA	(61,680)		(61,680)
	Exchequer Payments PAYG SLA charges	16,110		16,110
	GL/PL/POP SLA	16,130		
	Corporate Business Management SLA	8,600		
	Increased Nhd Svs Staff & Training Costs - Dist / Grp Heating	47,420		
	Tenant Start-up Packs	13,500		
	Housing Benefit Office Accom reduction in recharge	40,220		
	Cashier Staff Office Accom Reduction in recharge	24,890		
	Strategic Housing recharge (see YHN)	114,610		114,610
	IT SLA / Transformation costs	(66,950)		
	Gas contract / Inflation adjustment	516,690		
	Electricity charges adjustment	(54,420)		
	Alarm lines / modems	58,160		
	Asylum Seekers Increased in Social Services Client Cases	140,660		
	Asylum Seekers increase re Increased Contract income & Section 4 cases	885,490		
	Rights Project Grant re Welfare Rights	10,000		
	Sheltered Hsg. - Transfer of Refurbishment Provision from YHN re DHS	100,000		
	Reduction of CCAS Income Recharge from GF re Private Sector clients	48,300		
	Furniture Service costs of sales - Cyrenians etc.	10,000		
	Furniture Service - Equipment re Service Growth	5,000		
	CRP charges re Furniture Service	328,820		
	IT Renewal Fund Adjustment	(33,440)		
	INLINE recharge to Social Services	(26,100)		
	CCAS - Increased Private Sector Income	(100,000)		
	Misc. Net adjustments	12,910		(190)
		4,584,380	4,584,380	
16	Rents, Rates & Other Charges			
	Asylum Seekers	143,000		
	NCC Policy change on Council Tax on Voids	330,000		
	Prospect House	23,650		23,650
	Your Choice Homes	10,000		
	Other	1,080		21,560
		507,730	507,730	
18	Depreciation and impairment of Fixed Assets		(929,380)	
19	Deferred Charges		(4,635,000)	
24	Amortised Premiums & Discounts		870,180	
	Interest adjustments			
23	Interest payable & similar charges		(1,318,990)	
25	Interest & Investment Income		(599,170)	
20	Debt Management Costs		12,170	
17	Increase in Provision for Bad or Doubtful Debts		-	
21	Share of Corporate & Democratic Core		(5,540)	19,170
30	Set aside for Debt Repayment		195,000	
29	Appropriations to reserves		(285,990)	
28	Difference Between Interest Payable & Similar Charges		4,635,500	
31	Transfer from Major Repairs Reserve		928,890	
32	Capital expenditure funded by the HRA		2,212,000	
	Total HRA variations		2,406,630	1,580,970
				825,660

HOUSING REVENUE ACCOUNT

4.2 Summary of Budget Variations for HRA 2009-10		as at December 2008		Variations reported to
<u>HRA Summary</u>		<u>2008-09</u>	<u>2009-10</u>	<u>Nov. cttee</u>
<u>Ref. No.</u>		<u>Base</u>	<u>Base</u>	<u>as at Oct.</u>
	<u>Accumulative Variations</u>	<u>£</u>	<u>£</u>	<u>£</u>
		<u>HRA</u>		
		<u>Variation</u>	<u>1,099,850</u>	
	<u>HRA Detail</u>			
	<u>Income</u>			
1-4	<u>Rents</u>			
	Rent Increase of 6.3% following Government guidelines	(4,969,340)		
	Increased rents from reduced voids loss and opening Stock adj.	(366,520)		
		(5,335,860)	(5,355,860)	
5-7	<u>Charges</u>			
	Increase in Service charge income of 5.5%	(787,660)		
	Increase in District & Group Heating charges	(623,690)		
	Increase in Leasehold Service Charges	(63,280)		
	Asylum Seekers - Leave to Remain	(16,000)		(10,000)
		(1,490,630)	(1,490,630)	
8	<u>Contributions Towards Expenditure</u>			
	Furniture Service increased sales - Cyrenians etc.	(12,000)		(8,600)
	Furniture Service - Wakefield Project	(62,000)		
	Furniture Service - Child Safety Equipment Income	(13,500)		
	Furniture Service - External Contracts	(228,000)		
	ASB - Safe Newcastle funding	10,950		10,950
	Family Intervention Project Grant	(105,000)		(85,750)
	Asylum Seekers Increased in Social Services Client Cases	(251,390)		
	Asylum Seekers Management Fee increase re Singles Section 4 cases	(712,620)		
	Asylum Seekers increase re Contract income	(681,620)		(320,000)
	Reduction in Inline Service income	9,500		
	Reduction in Donations to Move on Service	4,000		
	Misc. Net adjustments	4,450		
		(2,037,230)	(2,037,230)	
9-10	<u>HRA Subsidy</u>		2,218,940	
11	<u>Supporting People Subsidy</u>			
	Young Peoples Support - Inline & Stepping Stones	(235,820)		(229,620)
	Advice & Support Outreach and Pathways	(54,970)		(54,970)
	Advice & Support Refugee Move On service	(9,640)		(9,640)
	Disabled Adaptations	(46,190)		(46,190)
	Homeless Accommodation	(26,220)		(26,220)
		(372,840)	(372,660)	
12	<u>General Fund Contribution to Shared Amenities</u>		(21,000)	(21,000)
13	<u>Contribution to Housing Repairs Account</u>			
14-15	<u>Running Costs</u>			
	<u>- Supervision and Management</u>			
	General Inflation	108,520		54,850
	Gas inflation	496,050		
	Electricity inflation	182,450		
	Supplies and Services inflation 'Cash limited'	50,000		50,000
	SLA / Recharges Inflation	207,360		207,360
		1,044,380		
	Effeciency saving - Cash Limiting Supplies & Services Inflation	(50,000)		(50,000)
	Total Inflation	994,380		
	YHN Management Fee	3,410,810		3,017,850

HOUSING REVENUE ACCOUNT

4.2 Summary of Budget Variations for HRA 2009-10		as at December 2008		Variations reported to
HRA Summary		2008-09	2009-10	Nov. cttee
Ref. No.		Base	Base	as at Oct.
	Accumulative Variations	£	£	£
	Recharge to Repairs & Maintenance	373,020		186,730
	Recharge to Capital Investment	(492,650)		(13,040)
	Asylum Seekers Section 4 - Support Vouchers	385,500		320,000
	Asylum Seekers Section 4 - Reduction of contract with M&Q	(40,650)		(57,760)
	Grounds Maintenance SLA adjustment	170,130		102,820
	Abortive Feasibility Studies Provision	40,000		40,000
	Homeless Accommodation increase re Supporting People Grant	59,780		26,220
	Homeless Accommodation increase in Overtime costs /NI and Super adjustment	54,150		
	Strategic Housing recharge (see YHN)	133,740		133,740
	Cashiering SLA	(79,530)		(79,530)
	Customer Service Centre Recharge	90,260		90,260
	Legal Services SLA	(51,810)		(61,680)
	Exchequer Payments PAYG SLA charges	16,600		16,110
	GL/PL/POP SLA	16,930		
	Corporate Business Management SLA	8,860		
	Increased Nhd Svs Staff & Training Costs - Dist / Grp Heating	47,420		
	Tenant Start-up Packs	13,500		
	Housing Benefit Office Accom Reduction	40,220		
	Cashier Staff Office Accom Reduction	24,890		
	IT SLA / Transformation costs	(78,090)		
	Gas contract / Inflation adjustment	521,300		
	Electricity charges adjustment	(24,720)		
	Tenants Involvement Fund	90,000		
	Alarm lines / modems	64,760		
	Asylum Seekers Increased in Social Services Client Cases	140,660		
	Asylum Seekers increase re Increased Contract income & Section 4 cases	897,580		
	Sheltered Hsg. - Transfer of Refurbishment Provision from YHN re DHS	50,000		
	Reduction of CCAS Income Recharge from GF re Private Sector clients	48,300		
	CRP charges re Furniture Service	82,500		
	IT Renewal Fund Adjustment	(33,440)		
	CCAS - Increased Private Sector Income	(100,000)		
	Misc. Net adjustments	2,720		510
		<u>6,877,120</u>	6,877,120	
16	Rents, Rates & Other Charges			
	Asylum Seekers	163,000		
	NCC Policy change on Council Tax on Voids	330,000		
	Prospect House	23,650		23,650
	Your Choice Homes	40,000		
	Other / Inflation	78,470		26,310
		<u>635,120</u>	635,120	
	Cost of Capital Charge			
18	Depreciation and impairment of Fixed Assets		1,837,900	
19	Deferred Charges		(4,635,000)	
24	Amortised Premiums & Discounts		165,270	
	Interest adjustments			
23	Interest payable & similar charges		(426,790)	
25	Interest & Investment Income		879,910	
20	Debt Management Costs		23,330	
17	Increase in Provision for Bad or Doubtful Debts		-	
21	Share of Corporate & Democratic Core		(3,580)	21,880
30	Set aside for Debt Repayment		727,990	
29	Appropriations to reserves		(285,990)	
28	Difference Between Interest Payable & Similar Charges		4,635,500	
31	Transfer from Major Repairs Reserve		(2,564,490)	
32	Capital expenditure funded by the HRA		292,000	
	Total HRA variations		1,099,850	3,255,240
				(2,155,390)

Latest position as at January 2009						
HRA / YHN Medium Term Plan to 2012-13						
	Description	2008-09	2009-10	2010-11	2011-12	2012-13
		£000's	£000's	£000's	£000's	£000's
	Current Projected Surplus as at January 2009	(68)	(1,375)	(1,375)	(1,375)	(1,375)
	YHN Expenditure					
1	Running Costs Inflation - YHN (£3m net @3.3%)			99	201	307
2	Pay awards (£24.6m @3.5%)			861	1,752	2,674
3	Increments - net			200	400	600
4	Single Status - Protection / Backdating/ Saving			(500)	(1,000)	(1,500)
5	Superannuation Fund Past Service Deficiency Additional payments			2	4	6
6	Increased Employers Superannuation Contribution @1%				200	200
7	Increased Employers NI Contribution @0.5%				100	100
8	Worklessness - Tenants Training		100	100	100	100
9	IT Projects Delivery Plan		80	124	124	124
10		-	180	886	1,881	2,611
	HRA Expenditure					
11	Gas Inflation @ 20%			1,022	1,926	3,012
12	Electricity Inflation @ 20%			237	522	864
13	General / Running Costs Inflation - HRA (£12m net @3.3%)			396	805	1,228
14	R & M Increased demand etc/Contribution to Responsive Repairs Fund		600	1,000	1,500	2,000
15	Upgrade IT Links to Offices		70	70	70	70
16	Community Buildings R&M		52	52	52	52
17	Increased Superannuation/Backfunded costs [NCC Estimate]			150	150	150
18	Furniture Prudential borrowing costs			630	1,260	1,130
19		0	722	3,557	6,286	8,505
20	Procurement Savings (see app 3a-Efficiency savings)	0	(394)	(394)	(394)	(394)
21	Other Efficiency Savings (see app 3a - Efficiency savings)	0	(139)	(139)	(139)	(139)
	HRA Income Changes					
22	Loss of rent income from future RTB sales / Demolitions / Voids			760	2,010	3,510
23	Service Charge Income [Increase RPI + ½%]			(270)	(540)	(810)
24	Heating Income @ 40% then 20%			(700)	(1,960)	(3,390)
25	Furniture Income			(350)	(680)	(930)
26	Loss of Supporting People Subsidy			90	180	270
27		0	0	(470)	(990)	(1,350)
28	Total Cost Pressures	-	369	3,440	6,644	9,234
	Government Guidelines					
29	HRA Subsidy M&M			550	1,040	1,210
30	HRA Subsidy Notional Rent			4,440	8,870	13,060
31	Rent increases re Formula rent increase			(5,300)	(10,830)	(16,620)
32	Compensation for individual limits to rent increases			190	(460)	170
33	Net Impact of Government Guidelines	-	-	(120)	(1,380)	(2,180)
34	Net Projected HRA (Surplus)/Deficit	(68)	(1,006)	1,945	3,889	5,679
	Housing Revenue Account Working Balance					
35	Projected Net HRA (Surplus)/Deficit	(68)	(1,006)	1,945	3,889	5,679
36	Opening Balance at 1st April - (Surplus)	(9,765)	(9,833)	(10,839)	(8,894)	(5,004)
37	CLOSING BALANCE at 31st MARCH - (Surplus)/Deficit	(9,833)	(10,839)	(8,894)	(5,004)	674

		Latest position as at		Dec-08	
		Efficiency savings Target	Efficiency savings Target	Efficiency savings Target	Efficiency savings Target
Efficiency Savings		2009-10	2010-11	2011-12	2012-13
Description		£000's	£000's	£000's	£000's
REVENUE Procurement Savings					
(Not yet included within budgets)					
(To be reported at October Finance Committee)					
1	- Stationery Contract	(9)	(9)	(9)	(9)
2	- Printer Cartridges	(2)	(2)	(2)	(2)
3	- Utilities - Electricity	(97)	(97)	(97)	(97)
4	- Utilities - Telephones	(2)	(2)	(2)	(2)
5	- Warden Call System (Maintenance)	(50)	(50)	(50)	(50)
6	- Legal Fees	(50)	(50)	(50)	(50)
7	- Taxi	(3)	(3)	(3)	(3)
8	- Cleaning Materials	(4)	(4)	(4)	(4)
9	- Gardening / Horticultural Hand Tool Framework	(2)	(2)	(2)	(2)
10	- Specialist Bathing Maintenance	(43)	(43)	(43)	(43)
11	- Stairlift & Hoist Specialist Maintenance (Repairs & Servicing)	(11)	(11)	(11)	(11)
12	- Printing Framework	(80)	(80)	(80)	(80)
13	- Translation	(5)	(5)	(5)	(5)
14	- Water Sampling / Legionella	(10)	(10)	(10)	(10)
15	- Generator Services / Laundry Equipment / Air Conditioning Unit (Repairs & Servicing)	(26)	(26)	(26)	(26)
16	Total Procurement Savings included in MTP - Appendix 3 Line 23	(394)	(394)	(394)	(394)
REVENUE SLA Reviews Efficiency Savings					
(Not yet included within budgets)					
(To be reported at October Finance Committee)					
17	- City Buy (carried out in-house)	(48)	(48)	(48)	(48)
18	- Legal (Rent recovery taken in-house)	(3)	(3)	(3)	(3)
19	- Tenancy Enforcement (carried out in-house)	(63)	(63)	(63)	(63)
20	- Pest Control SLA	(15)	(15)	(15)	(15)
21	- Research (carried out in-house)	(10)	(10)	(10)	(10)
22	Total Revenue SLA Reviews Efficiency Savings included in MTP- Appendix 3 Line 24	(139)	(139)	(139)	(139)
CAPITAL Procurement Savings					
Decent Homes					
23	- Windows and Doors	(758)	(758)	(758)	(758)
24	- Asbestos Surveys	(336)	(336)	(336)	(336)
25	- Planning Supervision	(125)	(125)	(125)	(125)
26	- Inflation	(2,680)	(2,680)	(2,680)	(2,680)
27	- Benchmarking	(2,926)	(2,926)	(2,926)	(2,926)
28		(6,825)	(6,825)	(6,825)	(6,825)
Non Decency					
29	- Furniture Procurements	(241)	(249)	(256)	(264)
30	- Bathroom Adaptations				
31	- Alterations & Ramps	(210)	(210)	(210)	(210)
32	- Stairlift Installations				
33	- Lift Refurbishment	(131)	(70)	(75)	(75)
34		(582)	(529)	(541)	(549)
35	Total Capital Savings	(7,407)	(7,354)	(7,366)	(7,374)
REVENUE Procurement Savings					
(Included within budgets)					
36	- Lift Maintenance	(292)	(292)	(292)	(292)
37	- Decoration Allowances/Vouchers	(47)	(47)	(47)	(47)
38	- Skip Hire	(22)	(22)	(22)	(22)
39	Total Procurement Savings included in MTP	(361)	(361)	(361)	(361)
REVENUE Other Efficiency Savings (More for the same)					
(Included within budgets)					
40	- Changes to Procurement Practices (Atain 3 Quotes instead of R&M schedule of rates)	(142)	(142)	(142)	(142)
41	- Electrical & Smoke Alarm Testing (New Service within existing budgets)	(159)	(159)	(159)	(159)
42	- New CCAS Service (New Service within existing staffing)	(100)	(100)	(100)	(100)
43	- HR Admin. Personality tests carried out in-house	(4)	(4)	(4)	(4)
44	- Reduction on Prudential Borrowing Charges (included within MTP line 20)	(94)	(182)	(274)	(281)
45	- Grounds Maintenance (Reduction in SLA cost)	(100)	(100)	(100)	(100)
46	- Staff Training - Coaching Framework (New Service within existing budgets)	0	0	0	0
47	- Agency Temporary Staffing (Neutral Vendor - within existing budgets)	0	0	0	0
48	Total Revenue Other Efficiency Savings included in MTP	(599)	(687)	(779)	(786)
49	TOTAL REVENUE SAVINGS	(1,493)	(1,581)	(1,673)	(1,680)
50	TOTAL CAPITAL SAVINGS	(7,407)	(7,354)	(7,366)	(7,374)
51	GRAND TOTAL	(8,900)	(8,935)	(9,039)	(9,054)