

BUDGET MONITORING 2015/16 - FORECAST OUTTURN AS AT 31 MARCH 2016

	FULL YEAR - 2015/16			Comments	Variance
	Full Year Budget £000	Forecast Outturn			JAN 2016
		Actual £000	Variance £000		£000
<u>INCOME</u>					
Rental Income - Dwellings, Direct Access Units & Garages	-61,072	-60,992	80	There is a shortfall in the overall projected rent and service charge income, however, that shortfall is reducing steadily through the year. Main factors in overall position: Higher than anticipated levels of voids mainly due to delays in the North Tyneside Living project (£0.254m); Reduced garage rent (£0.029m); reduced Sheltered Housing Landlord Charge recovery (£0.033m). These reductions are offset by an over-achievement in dispersed unit income (£0.004m), and a significant increase in the levels of service charge income (£0.231m). Overall rent collection performance is down on the previous year, standing at 97.03% of collectable rent at the end of March, compared to 97.47% for the last financial year.	98
Other Rental Income - Shops & Offices etc.	-200	-258	-58	Additional Income mainly re Purley Close block leased to CYPL. This is offset initially by increased costs for refurbishment incurred as part of scheme start-up.	-54
Interest on Balances	-30	-47	-17		-10
PFI Credits	-7,693	-7,693	-0		0
	-68,995	-68,990	4		34
<u>EXPENDITURE</u>					
Capital Charges - Net Effect	12,682	12,187	-495	There is a saving of £0.479m in Interest charges due to the continuation of the policy to refinance maturing loans with temporary rather than long-term borrowing. £12.2m of loans maturing in November were re-financed for a further 3 months at rates between 0.42% and 0.48% compared to rates circa 3.5% for long-term debt. This decision was taken in the light of the Governor of the Bank of England's statement that interest rate rises are not anticipated now until next year. Plus £16k of DME savings and increased discounts on previous debt restructuring.	-457

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HRA Management Costs	10,221	9,692	-530	Increased Council Tax Void Costs against budget (£165k), offset by under spends across range of areas: Postage (£20k); Training (£52k); General Office Expenses (£50k); Pay Award contingency unallocated (£36k); Computer Maintenance Support (£22k); Additional Superannuation provision not required (£100k); Water Rates Suspense Income (£85k); Court Cost Income Recovery (£39k); Reduction in forecast energy costs across Sheltered Cost Centres (£127k); Various under spends across range of cost centres including vacancies pending restructure (£165k).	12
PFI Contract Costs	9,467	9,470	3		0
Repairs	11,567	11,576	9		0
Revenue Support to Capital Programme	8,236	7,799	-437	Reduction represents treatment of non-dwelling Depreciation charge below, which cannot be reversed from the revenue account under current accounting regulations. Hence this adjustment balances off part of the additional Depreciation charge below which relates to Non-Dwellings.	0
Contribution to Housebuilding Fund	1,071	1,071	0		0
Contribution to Major Repairs Reserve - Depreciation	14,649	15,144	495	Impact of rebasing MRA calculations in line with the original Self-Financing model, plus the current requirement to charge non-dwelling depreciation to the revenue account without the option to reverse out the charge from the account (£437k).	58
Contingencies, Bad debt Provision & Transitional Protection Payments	918	573	-345	Significant reduction in arrears write-offs, lead to reduction in Provision for Bad Debt in-year, coupled with delays in impact of welfare reform changes on arrears levels (£90k); Transitional Protection budget created to protect existing tenants from rent impact of North Tyneside Living scheme under spent due to delays (£85k); Contingency set aside for sheltered staffing cover and Discretionary Housing Payments not required (£170k).	-383
Pension Fund Deficit Funding	823	823	0		0
	69,634	68,334	-1,300		-770
	640	-656	-1,296		-736
BALANCES BROUGHT FORWARD	-3,310	-3,732	-422		-422
BALANCES TO CARRY FORWARD	-2,670	-4,388	-1,718		-1,158