

APPENDIX 2HOUSING REVENUE ACCOUNT (HRA) 2008-09 to 2010-11

|                                   | Revised Budget<br>2008-09<br>(Feb 08)          | Revised Budget<br>2009-10<br>(Feb 08)          | Original<br>Budget<br>2010-11<br>(Feb 08)           | Key areas of change<br>from the December<br>budget report  |
|-----------------------------------|--|--|---|--|
| <b>Expenditure</b>                |  |  |   |  |
| Employee Costs                    | 3,065,408                                      | 3,000,389                                      | 3,045,395   | Budgets from 2009-10 reflects savings from the new HARP project.   |
| Supplies & Services               | 2,065,771                                      | 2,265,771                                      | 2,292,771   |  |
| Central Recharges                 | 1,411,180                                      | 1,411,180                                      | 1,411,180   | Increase to energy costs to reflect recent industry indicative price increases. Budgets from 2009-10 reflects savings from the new HARP project.         |
| Employee Costs - Needs / Strategy | 427,425  | 438,111  | 449,063   |  |
| Recharge to other services        | -502,530                                       | -502,528                                       | -502,528  | Contribution to Housing General Fund reflects actual estimated costs uplifted for pay inflation at 2.5%.   |
| Home Ownership service            | 68,921   | 69,955   | 71,004  |  |
| Baseline expenditure              | 6,536,175                                      | 6,682,878                                      | 6,766,886   | Reflects increased admin and insurance costs to be recovered from leaseholders.  |
| Contingency                       | 200,000  | 200,000  | 200,000   |  |
| <b>Operating Expenditure</b>      | <b>6,736,175</b>                               | <b>6,882,878</b>                               | <b>6,966,886</b>                                    |  |
| Charges for Capital               | 5,520,644                                      | 5,866,672                                      | 6,020,207   | Borrowing costs reflects a reduced estimated consolidate rate of interest (CRI) at 4.5% (previously 5.08%) in line with the Council's restructured debt. |
| Contribution to Repairs Account   | 4,617,000                                      | 4,661,000                                      | 4,705,000   |  |
| Bad or Doubtful Debts             | 100,000  | 100,000  | 100,000   | Estimated service improvement costs to be contained within identified budget.  |
| <b>Total Expenditure</b>          | <b>16,973,819</b>                              | <b>17,510,549</b>                              | <b>17,792,093</b>                                   |  |
|                                   |  |  |   |  |
|                                   | <b>Revised Budget<br/>2008-09<br/>(Feb 08)</b> | <b>Revised Budget<br/>2009-10<br/>(Feb 08)</b> | <b>Original<br/>Budget<br/>2010-11<br/>(Feb 08)</b> | <b>Key areas of change<br/>from the December<br/>budget report</b>   |

|  |                    |                    |                    |   |
|--|--------------------|--------------------|--------------------|---|
| <b>Income</b>                          |                    |                    |                    |   |
| Rent Income – Dwellings                | -21,160,318        | -22,345,296        | -23,592,163        | Average rent to increase by 5.61% (previously 5.66%) in 08-09 in line with final determination.                         |
| Rent Income – Non Dwellings            | -990,810           | -1,013,599         | -1,036,911         |   |
| Service Charges - Tenants              | -1,079,423         | -1,126,162         | -1,175,375         | Average tenant service charges to increase by 4.26% (previously 3.50%) in 08-09 in line with final determination.       |
| Service Charges - Leaseholders         | -210,000           | -219,093           | -228,667           | Average leaseholder service charge to increase by 4.26% in line with charges to tenants.                                |
| Facility Charges                       | -469,980           | -616,980           | -643,980           | Heating charges to increase to ensure full recovery of costs and to reflect recent indicative industry price increases. |
| Interest                               | -19,000            | -19,000            | -19,000            |   |
| Other Income                           | -8,010             | -8,010             | -8,010             |   |
| Transfer from General Fund             | -83,000            | -83,000            | -83,000            |   |
| HRA Subsidy                            | 6,837,598          | 7,678,736          | 8,607,902          | Negative subsidy payable reflects the final determination and the revised CRI at 4.50%.                                 |
| <b>Total Income</b>                    | <b>-17,182,943</b> | <b>-17,752,404</b> | <b>-18,179,206</b> |   |
| <b>Net Operating Expenditure</b>       | <b>-209,124</b>    | <b>-241,854</b>    | <b>-387,113</b>    |   |
| <b>Revenue Contribution to Capital</b> | <b>1,000,000</b>   | <b>1,000,000</b>   | <b>1,000,000</b>   |   |
| <b>In Year Deficit / (Surplus)</b>     | <b>790,876</b>     | <b>758,146</b>     | <b>612,887</b>     |   |
| <b>BALANCE</b>                         | <b>-5,287,534</b>  | <b>-4,529,388</b>  | <b>-3,916,501</b>  |   |