

DERBY HOMES MANAGEMENT ACCOUNTS PERIOD 8 - 2010/11

Report of the Director and Company Secretary

1. SUMMARY

The report tables the management accounts for Derby Homes. The accounts cover a trading period of eight months to November 2010 for the continuing operations and six months to November 2010 for the operations of the Repairs and Investment Team. It compares actual expenditure for November and for the year to date against budget and extracts a difference.

2. RECOMMENDATION

To note the report and appendices.

3. MATTER FOR CONSIDERATION

3.1 On 2 June 2010 the Repairs Team and the Public Buildings Repairs and Maintenance Team transferred to Derby Homes from the Environmental Services Department of Derby City Council.

3.2 Appendix 1 shows a summary of the operating results for the period ended November 2010.

Ongoing Operations Funded From Management Fee

3.3 Appendix 2 shows the Operating Statement for April 2010 to November 2010. This shows a cumulative operating surplus of £114,000. An explanation of significant variances is given in Appendix 3.

3.4 The most significant income variance arising in the month is due to a recalculation of the management fee. This gave rise to additional income in the month of £79,000 and resulted in a positive variance over the budget for the year to date of £40,000. This was mainly due to the Capex/depreciation technical adjustment no longer being a charge on Derby Homes following the transfer of the depreciation reserve from Derby City Council (DCC) in June 2010.

3.5 The expenditure variances include a positive variance in respect of the recharge of employee costs to the Repairs and Investment Team in an amount of £30,000 for the month and £180,000 for the year to date. Another significant variance that arose in the month was in respect of an additional accrual for depreciation in an amount of £50,000 which offset the additional management fee referred to above.

External Management & Consultancy Services

- 3.6 The surplus achieved through external management contracts and consultancy services is as follows:

	Year to Date	Variance to Date
	£'000	£'000
Direct:		
Income	260	21
Expenditure	237	(17)
Surplus/(Deficit) before overheads	23	4

Further analysis of income and expenditure on non-core management fee business activity is attached at Appendix 4.

Repairs and Investment Team Operations

- 3.7 Appendix 5 shows the trading accounts for the Housing Repairs Team from June 2010 to November 2010. Initial funding for these operations is being received from DCC's HRA Repairs Account in an amount of £8,718,000 for the 10 months June 2010 to March 2011. This is a provisional allocation and is subject to final negotiation with the Council. An additional contribution of £180,000 has also been received from the HRA to cover one-off initial start up costs. The summarised trading position is as follows:

	Operating Result 6 months £'000
Day to Day	14
Voids	(59)
Equipment servicing and maintenance	(33)
Cyclical maintenance	88
Housing projects and miscellaneous	6
Total	16

- 3.8 It should be noted that as current systems do not allow for any commitment accounting month end accruals are based on post balance sheet transactions and estimations. This could lead to an understatement of costs and a variability of results when viewed on a month by month basis. Accruals in respect of sub-contract work in relation to gas servicing work are particularly difficult to assess at this time given the extreme weather conditions currently being experienced.

Capital

- 3.9 Appendix 6 shows the operating statement for Capital from June 2010 to November 2010. This covers Kitchens, Bathrooms and Exeter House and management in respect of DCC capital. Initial funding for these operations is being received from DCC's HRA Capital Programme in an amount of £2,468,000. An additional contribution of £70,000 has also been received from the HRA to cover one-off initial start up costs.

- 3.10 The trading result indicates a deficit in the year to date of £228,000. A part of the current deficit may arise as a consequence of income and expenditure not being correctly aligned in the budget. Further work on profiling is ongoing.
- 3.11 The income referred to above is a provisional allocation and is subject to final negotiation with the Council. It is anticipated that any overspend at the close of the financial year will be met by the Council.

Public Buildings

- 3.12 Appendix 7 shows the operating statement for Public Buildings from June 2010 to November 2010. Derby Homes manages this service on behalf of Derby City Council on a fully funded cost recovery basis.
- 3.13 Settlement has been made for the invoiced costs of June and July 2010 amounting to £326,000 but £440,000 is outstanding for August, September and October.

Forecast Out-Turn 2010/11

- 3.14 Appendix 8 shows the forecast out-turn for 2010/11 as follows:

	Number of months trading	Forecast out-turn 2010/11 £'000	Total £'000
Ongoing operations	12	175	
Repair, Investment & Public Buildings			
Housing repairs team	10	(186)	
Capital	10	0	
Public Buildings	10	0	
			(11)
Funded from Derby Homes reserves:			
Tenancy Sustainment Service		30	
Systems co-ordinator post		32	
Development officer post		45	
Family Intervention salaries		48	
Market development officer		24	
Business transformation salaries		70	
Other costs		8	
Funding to cover initial Repairs losses		140	
			397
Underlying results of trading			386

- 3.15 It is anticipated that any overspend on Capital will be met by the Council and it has been agreed that up to £140,000 of any deficit arising in the Repairs and Investment Team accounts will be met from Derby Homes reserves as approved by the Board on 29 July 10.
- 3.16 Forecasting for the Repairs, Investment and Public Buildings Team is particularly difficult as the current systems do not allow for any commitment accounting. The budgets are not quantified in terms of volume of work and forecasting relies on estimation and experience and on sub-contractors submitting invoiced costs on a timely basis. As mentioned in paragraphs 3.7 and 3.8 work in relation to gas

servicing is particularly difficult to assess and to forecast, given the current extreme weather conditions and the increased work and costs that may arise as a result during the remainder of the Winter months.

- 3.17 As the operations of these teams were only transferred to Derby Homes on 1 June 2010 experience is limited, particularly in respect of the high proportion of work that may have to be handled in the Winter months.
- 3.18 Work on forecasting is continuing but in the meantime the draft figures above and on Appendix 8 must be treated as provisional and based on information obtained to date.

Balance Sheet

- 3.19 Appendix 9 shows the consolidated balance sheet for Derby Homes at 30 November 2010. Included in the balance sheet is cash at bank of £3,600,000 compared with a cash balance of £3,400,000 at 31 October 2010.

4. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

Those reflected in the body of the report

The areas listed below have no implications directly arising from this report

- Consultation
- Legal and Confidentiality
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or the Chief Executive,
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Background Information: None

Supporting Information: Item B4 29 July 2010

Summary of results for period 8 - November 2010

	Ongoing Operations	Housing Repairs Team	Capital	Public Buildings	Total Repairs, Investment and Public Buildings	Company Total
Months of operation	8 £'000	6 £'000	6 £'000	6 £'000	6 £'000	£'000
Operating Result: Surplus/(deficit)	114	16	(165)	0	(149)	(35)
Funded from reserves as approved by Board 29.07.10:						
Tenancy Sustainment Service	30					30
Systems Co-ordinator post	19					19
Development Officer post	30					30
Family Intervention Project	33					33
Market development Officer	16					16
Business Transformation	25					25
Other	8					8
	161					
Underlying result	275	16	(165)	0	(149)	126
Additional funding:						
HRA Capital Programme			165		165	165
	275	16	0	0	16	291

Management Fee Operating Statement: November 2010

Period: 8 2010/2011



	<i>Period Budget</i>	<i>Period Actual</i>	<i>Period Variance</i>	<i>Variance %</i>	<i>Budget Year to Date</i>	<i>Actual Year to Date</i>	<i>Variance Year to Date</i>	<i>Variance %</i>	<i>Budget Full Year</i>
	£	£	£		£	£	£		£
Fee Income	937,646	1,017,184	79,538	8	7,501,168	7,549,097	47,929	1	11,251,754
Misc Income:									
Council Tax Collection	2,083	2,083	0	0	16,664	16,667	3	0	25,000
Capital Programme/Estates Pride	70,609	70,609	0	0	564,872	564,872	0	0	847,308
Supporting People Grant - Tenancy Support	22,747	22,747	0	0	181,976	181,982	6	0	272,975
Supporting People Grant - Sheltered Housing	61,493	61,493	0	0	491,944	491,949	5	0	737,925
A External Management - Rents	24,090	26,314	2,224	9	192,720	201,890	9,170	5	289,092
B External Management & Consultancy fees	5,761	5,556	(205)	(4)	46,088	58,196	12,108	26	69,161
D Other Council Services	11,879	11,500	(379)	(3)	95,032	120,631	25,599	27	142,564
Other Income	80,037	72,067	(7,970)	(10)	640,296	571,912	(68,384)	(11)	960,539
Total Income	<u>1,216,345</u>	<u>1,289,553</u>	<u>73,208</u>	<u>6</u>	<u>9,730,760</u>	<u>9,757,196</u>	<u>26,436</u>	<u>0</u>	<u>14,596,318</u>
C Employee Costs	704,262	675,409	28,853	4	5,634,096	5,480,142	153,954	3	8,451,683
Travel Expenses	25,961	26,339	(378)	(1)	207,688	196,130	11,558	6	311,710
Office Costs	94,252	106,701	(12,449)	(13)	754,016	762,668	(8,652)	(1)	1,131,508
Supplies & Services	242,274	289,750	(47,476)	(20)	1,938,192	2,008,651	(70,459)	(4)	2,908,014
Support Services	149,428	149,427	1	0	1,195,424	1,195,423	1	0	1,793,227
Total Expenses	<u>1,216,177</u>	<u>1,247,626</u>	<u>(31,449)</u>	<u>(3)</u>	<u>9,729,416</u>	<u>9,643,014</u>	<u>86,402</u>	<u>1</u>	<u>14,596,142</u>
Net Operating Surplus / (Deficit)	<u>168</u>	<u>41,927</u>	<u>41,759</u>	<u>24,857</u>	<u>1,344</u>	<u>114,182</u>	<u>112,838</u>	<u>8,396</u>	<u>176</u>

PLEASE NOTE: Our convention for presenting financial information is:

- Income will be shown without brackets
- Under achieved income variances will be shown with brackets
- Expenditure will be shown without brackets

- Overspent expenditure variances will be shown with brackets
- Surpluses will be shown without brackets
- Deficits will be shown with brackets

DERBY HOMES LIMITED		Appendix 3	
Management Fee Accounts - Period 8 2010//11			
Analysis of Income and Expenditure Variances			
	Actual		Full year forecast
	Over/(Under) Current Period £'000	Over/(Under) Year to Date £'000	Impact on Full Year £'000
Income Variances			Income not offset by Expenditure £'000
· Income variances made up of :			
· Management fee variance	79	40	114
· Tenancy Sustainment	(3)	(64)	0
· Estate Security - restructure of team	(3)	(18)	(25)
· Other minor variances under £20,000		68	101
Total Income Variances	73	26	190
	Actual		Full year forecast
	(Over)/Under Current Period £'000	(Over)/Under Year to Date £'000	Impact on Full Year £'000
Expenditure Variances			Expenditure not offset by income £'000
· Employee variances made up of :			
Managment charge to DLO	30	180	300
Other employee variances	(1)	(26)	(149)
	29	154	151
· Non Pay variances made up of :			
· Leases termination Costs	0	0	(40)
· Depreciation	(50)	(50)	(75)
· Furniture project overspend on furniture	(11)	(86)	(100)
· Reduced Homefinder fee	2	17	22
· Spirita Repairs	0	(13)	(25)
· Other minor variances	(1)	65	52
Total Expenditure Variances	(31)	87	(15)
Total Operating Summary Variance per Appendix 1	42	113	175
Add back overspends being funded from reserves :			
Tenancy Sustainment Service - net deficit	0	30	30
Systems Co-ordinator post	2	19	32
Development officer Post	3	30	45
Family Intervention Project Salaries	4	33	48
Market Development Officer	2	16	24
Other	10	33	78
Underlying variance	63	274	432

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Derby Homes Ltd

Operating Statement: November 2010

External Management & Consultancy Services

		PERIOD			YEAR TO DATE		
		Budget	Actual	Variance	Budget	Actual	Variance
		£	£	£	£	£	£
Note	<u>Contract 1 : Spirita</u>						
1	Rents	19,683	19,736	53	157,465	165,355	7,890
	Fee income	2,607	2,382	(225)	20,852	33,655	12,803
	Less:						
	Employee Costs	1,151	1,138	13	9,207	9,400	(193)
2	Other Expenditure	19,908	19,736	172	159,265	179,960	(20,695)
	Surplus/(Deficit)	<u>1,231</u>	<u>1,244</u>	<u>13</u>	<u>9,845</u>	<u>9,650</u>	<u>(195)</u>
	<u>Contract 2 : NCHA Bedford Street</u>						
	Income	509	509	0	4,072	4,072	0
	Less:						
	Employee Costs	0	0	0	0	0	0
	Other Expenditure	0	0	0	0	0	0
	Surplus/(Deficit)	<u>509</u>	<u>509</u>	<u>0</u>	<u>4,072</u>	<u>4,072</u>	<u>0</u>
	<u>Green Hill Apartments</u>						
	Rents	1,539	774	(765)	12,313	10,444	(1,869)
	Fee income & Service charges	1,148	892	(256)	9,183	8,855	(328)
	Less:						
	Employee Costs	0	0	0	0	0	0
	Other Expenditure	2,439	607	1,832	19,513	14,134	5,379
	Surplus/(Deficit)	<u>248</u>	<u>1,059</u>	<u>811</u>	<u>1,983</u>	<u>5,165</u>	<u>3,182</u>
	<u>Leytonstone Drive</u>						
	Rents	2,869	3,311	442	22,950	23,598	648
	Fee income & Service charges	417	411	(6)	3,333	3,278	(55)
	Less:						
	Employee Costs	0	0	0	0	0	0
	Other Expenditure	3,119	3,311	(192)	24,950	23,598	1,352
	Surplus/(Deficit)	<u>167</u>	<u>411</u>	<u>244</u>	<u>1,333</u>	<u>3,278</u>	<u>1,945</u>
	<u>New Build</u>						
	Rents	0	2,493	2,493	0	2,493	2,493
	Income	0	0	0	0	0	0
	Less:						
	Employee Costs	0	0	0	0	0	0
	Other Expenditure	0	2,166	(2,166)	0	5,366	(5,366)
	Surplus/(Deficit)	<u>0</u>	<u>327</u>	<u>327</u>	<u>0</u>	<u>(2,873)</u>	<u>(2,873)</u>
	<u>Consultancy & Secondment</u>						
	Income	1,083	1,362	279	8,667	8,338	(329)
	Less:						
	Employee Costs	629	9	620	5,033	2,312	2,721
	Other Expenditure	233	144	89	1,867	1,816	51
	Surplus/(Deficit)	<u>221</u>	<u>1,209</u>	<u>988</u>	<u>1,767</u>	<u>4,210</u>	<u>2,443</u>

Total External Management & Consultancy

Rents (agreed to Operating Statement A)	24,091	26,314	2,223	192,728	201,890	9,162
Income (agreed to Operating Statement B)	5,764	5,556	(208)	46,108	58,198	12,090
Less:						
Employee Costs (included in Operating Statement C)	1,780	1,147	633	14,241	11,712	2,529
Expenses (included in operating statement)	25,698	25,964	(266)	205,593	224,874	(19,281)
Surplus/(Deficit)	<u>2,378</u>	<u>4,759</u>	<u>2,382</u>	<u>19,003</u>	<u>23,502</u>	<u>4,499</u>

Notes

- 1) Income includes rents collected for managed properties and management fees
- 2) Other expenditure includes payments of rents collected and other management costs
- 3) Only direct costs are included in the above summary and the surplus shown does not represent a taxable profit. At the year end an appropriate level of overheads will be allocated to calculate a final surplus/deficit on which taxation will be based.

Other Council Services

	PERIOD			YEAR TO DATE		
	Budget £	Actual £	Variance £	Budget £	Actual £	Variance £
<u>Housing Options Homeless Initiative</u>						
Income	8,278	8,520	242	66,227	97,315	31,088
Less:						
Employee Costs	2,721	3,363	(642)	21,767	25,688	(3,921)
Other Expenditure	5,333	4,937	396	42,667	68,822	(26,155)
Surplus/(Deficit)	<u>224</u>	<u>220</u>	<u>(4)</u>	<u>1,793</u>	<u>2,805</u>	<u>1,012</u>
<u>London Road Homeless Accommodation</u>						
Income	2,596	2,596	(0)	20,768	20,768	0
Less:						
Employee Costs	1,159	1,144	15	9,275	9,151	124
Other Expenditure	1,257	768	489	10,053	14,431	(4,378)
Surplus/(Deficit)	<u>180</u>	<u>684</u>	<u>504</u>	<u>1,440</u>	<u>(2,814)</u>	<u>(4,254)</u>
<u>Milestone House</u>						
Income	1,006	384	(622)	8,045	2,548	(5,497)
Less:						
Employee Costs	561	0	561	4,485	0	4,485
Other Expenditure	278	320	(43)	2,220	2,123	97
Surplus/(Deficit)	<u>168</u>	<u>64</u>	<u>(104)</u>	<u>1,341</u>	<u>425</u>	<u>(916)</u>

Total Other Council Services

Income (agreed to Operating Statement D)	11,880	11,500	(380)	95,040	120,631	25,591
Less:						
Employee Costs (included in Operating Statement C)	4,441	4,507	(66)	35,526	34,839	687
Expenses (included in Operating Statement)	6,868	6,025	843	54,940	85,376	(30,436)
Surplus/(Deficit)	<u>572</u>	<u>968</u>	<u>396</u>	<u>4,574</u>	<u>416</u>	<u>(4,158)</u>

Notes

1) Operations in respect of the above properties are not viewed as taxable in view of their social benefit nature.

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Appendix 5

DERBY HOMES HOUSING TRADING ACCOUNTS 2010/11

	10 months			6 months to November 2010			2010/11 Forecast £	2009/10 Actual Costs	
	Budget 2010/11 £	Period Budget	Period Actual	Budget YTD £	Actual YTD £	Under/(Over) Spend £		2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Summary - Housing Derby Homes Repairs Trading									
Income	8,718,000	871,800	871,800	5,230,800	5,230,800	0	8,718,000	8,610,800	5,068,397
Direct Costs	7,904,809	790,481	699,317	4,742,885	4,760,093	(17,208)	8,079,411	7,608,691	4,467,132
Gross Profit	813,191	81,319	172,483	487,915	470,707	(17,208)	638,589	1,002,109	601,265
Overheads	181,015	18,102	14,949	108,609	92,360	16,249	151,079	753,237	451,942
London Road Recharges	632,176	63,218	67,687	379,306	419,517	(40,212)	622,245	0	0
DH management charge	0	0	20,517	0	123,101	(123,101)	231,088	0	0
Total Overheads	813,191	81,319	103,154	487,915	634,979	(147,064)	1,004,412	753,237	451,942
Use of HRA funds to fund 'One-Off' costs					180,000	180,000	180,000		
Net surplus/deficit	0	0	69,330	0	15,728	15,728	(185,823)	248,872	149,323

Appendix 5

	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(Over) Spend	2010/11 Forecast	2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Day to day & welfare adaptations									
Income	3,666,000	366,600	366,600	2,199,600	2,199,600	0	3,666,000	4,010,692	2,406,415
Staff costs	1,238,437	123,844	131,181	743,062	864,875	(121,813)	1,390,000	1,516,116	909,670
Subcontractor	920,000	92,000	99,079	552,000	528,268	23,732	930,000	777,829	466,697
Materials	663,018	66,302	94,137	397,811	417,868	(20,057)	800,000	842,647	505,588
Vehicle costs	250,413	25,041	15,470	150,248	123,514	26,734	220,000	162,602	97,561
Total Direct Costs	3,071,868	307,187	339,867	1,843,121	1,934,525	(91,404)	3,340,000	3,299,194	1,979,516
Gross Profit	594,132	59,413	26,734	356,479	265,076	(91,404)	326,000	711,498	426,899
Overheads	77,545	7,755	6,166	46,527	39,622	6,905	62,684	519,733	311,840
London Road Recharges	516,587	51,659	45,591	309,952	285,093	24,859	422,862		
DH management charge			8,869		53,212	(53,212)	106,424		
Total Overheads	594,132	59,413	60,626	356,479	377,927	(21,448)	591,970	519,733	311,840
Use of HRA funds to fund 'One-Off' costs					127,500	127,500	127,500		
Net surplus/deficit	0	0	(33,893)	0	14,648	14,648	(138,470)	191,765	115,059

	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(Over) Spend	2010/11 Forecast	2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Voids (incl contingency)									
Income	1,570,000	157,000	157,000	942,000	942,000	0	1,570,000	1,638,170	982,902
Staff costs	507,052	50,705	54,126	304,231	310,369	(6,138)	520,000	619,258	371,555
Subcontractor	603,000	60,300	17,490	361,800	363,726	(1,926)	660,000	414,102	248,461
Materials	179,305	17,931	26,172	107,583	134,943	(27,360)	240,000	247,783	148,670
Vehicle costs	61,584	6,158	8,797	36,950	38,293	(1,343)	76,586	66,416	39,850
Total Direct Costs	1,350,941	135,094	106,585	810,565	847,331	(36,766)	1,496,586	1,347,559	808,535
Gross Profit	219,059	21,906	50,415	131,435	94,669	(36,766)	73,414	290,611	174,367
Overheads	103,470	10,347	8,783	62,082	52,738	9,344	88,395	233,504	140,102
London Road Recharges	115,589	11,559	22,096	69,353	134,424	(65,071)	199,383		
DH management charge			3,224		19,348	(19,348)	38,697		
Total Overheads	219,059	21,906	34,103	131,435	206,510	(75,075)	326,475	233,504	140,102
Use of HRA funds to fund 'One-Off' costs					52,500	52,500	52,500		
Net surplus/deficit	0	0	16,312	0	(59,341)	(59,341)	(200,561)	57,107	34,264

Appendix 5

	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(Over) Spend	2010/11 Forecast	2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Equipment, Servicing and Maintenance Income	2,291,000	229,100	229,100	1,374,600	1,374,600	0	2,291,000	1,981,110	1,188,666
Staff costs					116,556	(116,556)	194,260		
Subcontractor	2,291,000	229,100	228,763	1,374,600	1,248,689	125,911	2,081,148	1,981,110	1,188,666
Vehicle costs			1,559		9,355	(9,355)	15,592		
Total Direct Costs	2,291,000	229,100	230,322	1,374,600	1,374,601	(1)	2,291,001	1,981,110	1,188,666
Gross Profit	0	0	(1,222)	0	(1)	(1)	(1)	0	0
Overheads					0	0			
DH management charge			5,543		33,254	(33,254)	55,423		
Total Overheads	0	0	5,543	0	33,254	(33,254)	55,423	0	0
Net surplus/deficit	0	0	(6,765)	0	(33,254)	(33,254)	(55,424)	0	0

	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(Over) Spend	2010/11 Forecast	2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Cyclical Maintenance Income	833,000	83,300	83,300	499,800	499,800	0	833,000	503,234	251,617
Subcontractor	833,000	83,300	(6,624)	499,800	399,800	100,000	632,999	503,234	251,617
Total Direct Costs	833,000	83,300	(6,624)	499,800	399,800	100,000	632,999	503,234	251,617
Gross Profit	0	0	89,924	0	100,000	100,000	200,001	0	0
Overheads					0	0			
DH management charge			2,015	0	12,091	(12,091)	20,152		
Total Overheads	0	0	2,015	0	12,091	(12,091)	20,152	0	0
Net surplus/deficit	0	0	87,909	0	87,909	87,909	179,849	0	0

Appendix 5

[illegible]

DERBY HOMES LONDON ROAD 2010/11

Appendix 5

London Road	10 months Budget 2010/11	Period Budget	Period Actual	6 months to November 2010			2010/11 Forecast	2009/10 Actual	
				Budget YTD	Actual YTD	ver) Spend		(pro rata'd 10	2009/10 (6 mths)
Income - London Road Recharge	1,080,944	124,216	124,216	761,014	761,014	0	1,128,115	200,334	100,167
Staff costs	269,553	57,154	57,154	210,389	210,389	0	320,000	0	
Buildings Maintenance	30,000	4,356	4,356	20,633	20,633	0	30,000	37,377	18,689
Direct Costs	299,553	61,510	61,510	231,022	231,022	0	350,000	37,377	18,689
	781,391	62,706	62,706	529,992	529,992	0	778,115	162,957	81,479
Overheads-									
Professional Charges	170,000	5,492	5,492	140,726	140,726	0	170,000		
Legal Fees	130,000	576	576	101,989	101,989	0	130,000		
Security Services	54,000	4,500	4,500	27,000	27,000	0	50,000	44,935	22,468
Cleaning	20,000	1,667	1,667	10,000	10,000	0	20,000	16,163	8,082
Insurance	95,820	7,985	7,985	47,910	47,910	0	95,820		
Other	199,276	33,128	33,128	146,220	146,220	0	200,000	101,859	50,930
Support Services	112,295	9,358	9,358	56,148	56,148	0	112,295		
Net surplus/deficit	(0)	1	1	0	0	0	0	0	0

DERBY HOMES CAPITAL 2010/11

Appendix 6

Capital	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(O ver) Spend	2010/11 Forecast	2009/10 (pro rata'd 10 mths)	2009/10 (6 mths)
Income	2,468,000	246,800	246,800	1,544,400	1,544,400	0	2,468,000	5,343,463	3,206,078
Staff costs	1,036,950	103,695	81,990	622,170	612,451	9,719	970,000	1,234,288	740,573
Subcontractor	300,000	30,000	70,336	180,000	239,286	(59,286)	400,000	922,748	553,649
Materials	768,000	76,800	84,744	524,400	557,035	(32,635)	900,000	2,922,034	1,753,220
Vehicle costs	133,330	13,333	11,298	79,998	73,191	6,808	130,000	137,942	82,765
Total Direct Costs	2,238,280	223,828	248,368	1,406,568	1,481,963	(75,395)	2,400,000	5,217,012	3,130,207
Gross Profit	229,720	22,972	(1,568)	137,832	62,438	(75,395)	68,000	126,451	75,871
Overheads	74,325	7,433	6,889	44,595	42,486	2,109	69,085	371,777	223,066
London Road Recharges	155,395	15,540	36,760	93,237	218,768	(125,531)	324,486		
DH management charge			5,971		35,823	(35,823)	71,646		
Total Overheads	229,720	22,972	49,620	137,832	297,077	(159,245)	465,217	371,777	223,066
Use of HRA funds to fund 'One-Off' costs					70,000	70,000	70,000		
Net surplus/deficit	0	0	(51,187)	0	(164,639)	(164,639)	(327,217)	(245,326)	(147,196)

Additional income from DCC to cover additional works

327,217
0

Appendix 7

DERBY HOMES PUBLIC BUILDINGS TRADING ACCOUNT 2010/11

Public Buildings	10 months Budget 2010/11	Period Budget	Period Actual	6 months to November 2010			2010/11 Forecast
				Budget YTD	Actual YTD	Under/(Over) Spend	
Income	1,656,217	174,141	174,141	993,730	993,730	1	1,656,217
Staff costs	683,390	61,810	61,810	410,034	410,034	0	683,390
Subcontractor	194,848	15,522	15,522	116,909	116,909	0	194,848
Materials	305,618	46,756	46,756	183,371	183,371	0	305,618
Vehicle costs	120,596	14,075	14,075	72,358	72,358	0	120,596
Direct Costs	1,304,453	138,163	138,163	782,672	782,672	0	1,304,453
Gross Profit	351,764	35,979	35,979	211,059	211,059	(1)	351,764
Overheads	34,483	5,303	5,303	20,690	20,690	0	34,483
Support Services	78,340	7,834	7,834	47,004	47,004	0	78,340
London Road Recharges	203,815	19,329	19,329	122,289	122,289	0	203,815
DH management charge	35,126	3,513	3,513	21,076	21,076	0	35,126
Net surplus/deficit	0	0	0	0	0	(1)	0
Total Income due to 30 November 2010				993,730			
Income already invoiced to 31 October 2010				765,741			
Income due from non-Property Service jobs				53,847			
Income due from Property Services for November 2010				174,142			

	Operating statement November 2010	Forecast Operating statement March 2011	Budget Full Year 2010/11	Variance
	£'000	£'000	£'000	£'000
CONSOLIDATED				
INCOME				
Management Fee and miscellaneous income	9,757	14,708	14,596	112
Repairs, Investment & Public Buildings income	7,769	12,842	12,842	0
Use of HRA to fund 'One-Off' costs	250	250		250
Additional income from DCC to fund capital overspend	0	327		327
	17,776	28,127	27,438	689
EXPENDITURE				
Ongoing management fee operations:				
Employee Costs	5,660	8,575	8,451	(124)
Recharge of employee costs to Repairs, Investments & Public Buildings	(180)	(300)	0	300
Vehicle and Travel Expenses	196	312	312	0
Office Costs	763	1,122	1,132	10
Supplies & Services	2,009	3,031	2,908	(123)
Support Services	1,195	1,793	1,793	0
	9,643	14,533	14,596	63
Repairs, Investment & Public Buildings:				
Employee Costs	2,315	3,757	3,466	(291)
Sub-contractor costs	3,100	5,217	5,499	282
Materials	1,293	2,246	1,916	(330)
Vehicle and Travel Expenses	316	564	566	2
Indirect Repairs overheads	202	332	367	35
Allocation of central Repairs and Investment overheads	761	1,150	992	(158)
Allocation of overhead charge from ongoing operations	181	339	36	(303)
	8,168	13,605	12,842	(763)
TOTAL EXPENDITURE	17,811	28,138	27,438	(700)
OPERATING SURPLUS/(DEFICIT)	(35)	(11)	0	(11)

Derby Homes Limited

Balance Sheet as at 30th November 2010



	Period Month End 30.11.10 £'000	Last Month End 31.10.10 £'000	Last Year End 31.03.10 £'000
Fixed Assets	1,124	1,172	401
Debtors falling due after 1 year			
Current Assets			
Debtors falling due within 1 year:			
Derby City Council intercompany debtors	1,272	2,237	1,818
Other external debtors	803	807	565
Cash & Bank	3,636	3,395	1,561
	<u>5,710</u>	<u>6,438</u>	<u>3,944</u>
Creditors falling due within 1 year:			
Derby City Council intercompany creditors	(926)	(1,392)	(988)
Other external creditors	(3,014)	(3,148)	(1,004)
Payroll creditors	(382)	(819)	(1)
Taxation	(507)	(917)	(339)
	<u>(4,829)</u>	<u>(6,275)</u>	<u>(2,332)</u>
Net Current Assets/(Liabilities)	882	162	1,612
Net Assets excluding pensions liability	<u>2,006</u>	<u>1,335</u>	<u>2,013</u>
Pension liability	<u>(11,351)</u>	<u>(11,351)</u>	<u>(11,351)</u>
Total net liability including pensions	<u>(9,345)</u>	<u>(10,016)</u>	<u>(9,338)</u>
Profit and Loss account - opening reserves	(8,659)	(8,659)	(9,338)
Profit & Loss account - current year	<u>(686)</u>	<u>(1,357)</u>	<u>0</u>
Total Funds	<u>(9,345)</u>	<u>(10,016)</u>	<u>(9,338)</u>