

DERBY HOMES MANAGEMENT ACCOUNTS EIGHT MONTHS TO 30 NOVEMBER 2002 AND FORECAST OUT-TURN AS AT 31 MARCH 2003

Report of the Director of Derby Homes

SUMMARY OF REPORT

- 1.1 This report tables the management accounts for Derby Homes for the period April – November 2002. It compares actual expenditure for November against a profiled budget for the month, and extracts a difference. It also compares cumulative expenditure for eight months against a cumulative budget for eight months and extracts a difference.
- 1.2 This report also tables a forecast to 31 March 2003.

RECOMMENDATIONS

2. To note the report and appendices.

MATTER FOR CONSIDERATION

- 3.1 The attached appendices to the report show management accounts for the month of November and the year to date.
- 3.2 Fee income in the report matches that approved by Derby City Council Cabinet in October 2002.
- 3.3 The adjustment to the fee income has a nil effect on the original budget since there is a corresponding increase to the employee cost budget.
- 3.4 The report shows a rounded overspend for the month of £46,000 and a cumulative overspend of £73,000 for the year to 30 November 2002.
- 3.5 The main reason for the overspend is as follows:

	£000s
High level of recruitment advertising costs	30
Replacement chairs for receptions in local housing offices	10
Other differences	6
Overspend for November 2002	<u>46</u>
- 3.6 The forecast continues to reflect a significant level of estimated costs (£835,000).
- 3.7 At its meeting on 28 November 2002, the Resources Committee requested a calculation of an out-turn forecast for the year to 31 March 2003. This is shown in Appendix 2.

- 3.8 The forecast out-turn shows a surplus on the base management fee of £41,000.
- 3.9 Appendix 3 provides an explanation of the movement of the current deficit to the forecast surplus.
- 3.10 The forecast also shows the current expenditure committed from the additional fees awarded to Derby Homes in July 2002.
- 3.11 From the additional management fee, £20,000 has been spent on implementing the Best Value Review Improvement Action Plan. This has been spent on replacing reception chairs, implementing new payment methods and other customer care initiatives.
- 3.12 Increased staffing costs of £89,000, recruitment advertising costs of £24,000 and IT developments of £25,000 have been committed from £156,000 additional capital fee.
- 3.13 The staffing and advertising costs are a consequence of implementing the new structure for the maintenance team. The IT development costs are associated with the costs of project plans for the implementation of Academy Maintenance Planner and the consolidation of stand alone databases. This will support the management of the Homes Pride Investment programme.

CONSULTATION IMPLICATIONS

4. None.

FINANCIAL IMPLICATIONS

5. Those reflected in the body of the report.

LEGAL IMPLICATIONS

6. None.

PERSONNEL IMPLICATIONS

7. None.

ENVIRONMENTAL IMPLICATIONS

8. None.

EQUALITIES IMPLICATIONS

9. None.

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