

**DERBY HOMES MANAGEMENT ACCOUNTS PERIOD 6 2010/11
(REPAIRS TEAM)**

Report of the Director & Company Secretary

1. SUMMARY

The report tables the Management Accounts for Repairs Team for the four months to September 2010.

2. RECOMMENDATION

To note the report and appendices.

3. MATTER FOR CONSIDERATION

- 3.1 On 2 June 2010 the Repairs Team and Public Building Repairs and Maintenance Team transferred to Derby Homes from Derby City Council.
- 3.2 These management accounts reflect the business activity of the new trading units. Initial funding for the trading units is received from:

	10 months 2010/11 £'000
Derby City Council's HRA Repairs Account	11,186
Derby City Council HRA Capital Programme	<u>2,468</u>
TOTAL	13,654

This funding is a provisional allocation and is subject to final negotiation with the Council.

Appendix 1 shows the trading accounts for the Repairs team from June to September 2010. A summarised trading position is shown below:

	£'000	Year-to- Date £'000
Day to Day Repairs/Welfare Adaptations	8	
Voids	(50)	
Housing Projects & Misc	27	
Capital	<u>(148)</u>	
Deficit as at September 2010		(163)

3.3 When considering these accounts a number of points should be noted:

- Through negotiation with the Council the income received could increase for 2010/11
- The cost centre for the London Road depot includes initial set-up costs incurred on a one-off basis and amounting to £200,000. Most of this (£140,000) has been funded from Derby Homes reserves but the balance has been allocated to the trading divisions together with the depot running costs and site-based admin staff
- A management charge from the management fee funded service has been made amounting to £300,000 for the 2010/11 year and £120,000 to September 2010 has been made. This is to cover the cost of Repair Team support services based at Cardinal Square and funded through the management fee.

3.4 PUBLIC BUILDINGS

Appendix 2 shows the trading account for Public Buildings. Derby Homes manages this service on behalf of Derby City Council on a fully funded cost recovery basis.

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

- Consultation
- Financial and Business Plan
- 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,
phil.davies@derbyhomes.org - Tel 01332 711010

Author: Lorraine Watson, Director and Company Secretary, Telephone 01332 711014, Email
Lorraine.watson@derbyhomes.org

Background Information: None.

Supporting Information: None.

DERBY HOMES HOUSING TRADING ACCOUNTS 2010/11

	10 months			4 months to September 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 (4 mths)
Summary - Housing Derby Homes Repairs Trading									
Income	11,186,000	1,118,600	1,118,600	4,265,595	4,280,207	14,612	11,186,000	13,954,263	5,581,705
Direct Costs	10,143,089	1,014,309	929,909	3,848,431	3,932,328	(83,897)	10,389,944	12,825,703	5,130,281
Gross Profit	1,042,911	104,291	188,691	417,164	347,879	(69,285)	796,056	1,128,560	451,424
Overheads	255,340	18,102	9,108	102,136	88,605	13,531	221,512	1,125,014	450,006
London Road Recharges	787,571	78,757	(10,610)	315,028	316,450	(1,422)	730,605	0	0
DH management charge	0	0	32,401	0	105,949	(105,949)	264,874	0	0
Total Overheads	1,042,911	96,859	30,899	417,164	511,004	(93,840)	1,216,990	1,125,014	450,006
Net surplus/deficit	0	7,432	157,792	0	(163,125)	(163,125)	(420,934)	3,546	1,418

Day to day & welfare adaptations	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 (4 mths)
Income	3,666,000	366,600	366,600	1,466,400	1,481,012	14,612	3,666,000	4,010,692	1,604,277
Staff costs	1,238,437	123,844	164,168	495,375	593,814	(98,439)	1,484,535	1,516,116	606,446
Subcontractor	920,000	92,000	152,515	368,000	329,681	38,319	824,203	777,829	311,132
Materials	663,018	66,302	83,032	265,207	253,352	11,855	633,380	842,647	337,059
Vehicle costs	250,413	25,041	28,189	100,165	92,553	7,612	231,383	162,602	65,041
Total Direct Costs	3,071,868	307,187	427,904	1,228,747	1,269,400	(40,653)	3,173,500	3,299,194	1,319,678
Gross Profit	594,132	59,413	(61,304)	237,653	211,612	(26,041)	492,500	711,498	284,599
Overheads	77,545	7,755	1,182	31,018	24,912	6,106	62,279	519,733	207,893
London Road Recharges	516,587	51,659	(6,290)	206,635	143,248	63,387	330,608		
DH management charge			(2,239)		35,475	(35,475)	88,686		
Total Overheads	594,132	59,413	(7,348)	237,653	203,634	34,019	481,573	519,733	207,893
Net surplus/deficit	0	0	(53,956)	0	7,978	7,978	10,927	191,765	76,706

Voids (incl contingency)	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 (4 mths)
Income	1,570,000	157,000	157,000	628,000	628,000	0	1,570,000	1,638,170	655,268
Staff costs	507,052	50,705	52,376	202,821	231,103	(28,282)	577,758	619,258	247,703
Subcontractor	603,000	60,300	103,815	241,200	216,840	24,360	542,100	414,102	165,641
Materials	179,305	17,931	28,948	71,722	88,170	(16,448)	220,425	247,783	99,113
Vehicle costs	61,584	6,158	8,044	24,634	27,677	(3,043)	69,193	66,416	26,566
Total Direct Costs	1,350,941	135,094	193,183	540,376	563,790	(23,414)	1,409,475	1,347,559	539,024
Gross Profit	219,059	21,906	(36,183)	87,624	64,210	(23,414)	160,525	290,611	116,244
Overheads	103,470	10,347	836	41,388	35,358	6,030	88,395	233,504	93,402
London Road Recharges	115,589	11,559	(7,082)	46,236	65,950	(19,714)	149,759		
DH management charge			(2,542)		12,899	(12,899)	32,247		
Total Overheads	219,059	21,906	(8,788)	87,624	114,207	(26,583)	270,401	233,504	93,402
Net surplus/deficit	0	0	(27,395)	0	(49,997)	(49,997)	(109,876)	57,107	22,843

Equipment, Servicing and Maintenance Income	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 (4 mths)
Income	2,291,000	229,100	229,100	766,049	766,049	0	2,291,000	1,981,110	792,444
Subcontractor	2,291,000	229,100	56,580	766,049	743,880	22,169	2,235,577	1,981,110	792,444
Total Direct Costs	2,291,000	229,100	56,580	766,049	743,880	22,169	2,235,577	1,981,110	792,444
Gross Profit	0	0	172,520	0	22,169	22,169	55,423	0	0
Overheads					0	0			
DH management charge			22,169		22,169	(22,169)	55,423		
Total Overheads	0	0	22,169	0	22,169	(22,169)	55,423	0	0
Net surplus/deficit	0	0	150,351	0	(0)	(0)	0	0	0

Cyclical Maintenance Income	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 (4 mths)
Income	833,000	83,300	83,300	274,746	274,746	0	833,000	503,234	201,294
Subcontractor	833,000	83,300	37,585	274,746	266,685	8,061	812,847	503,234	201,294
Total Direct Costs	833,000	83,300	37,585	274,746	266,685	8,061	812,847	503,234	201,294
Gross Profit	0	0	45,715	0	8,061	8,061	20,153	0	0
Overheads					0	0			
DH management charge			8,061	0	8,061	(8,061)	20,153		
Total Overheads	0	0	37,654	0	8,061	(8,061)	20,153	0	0
Net surplus/deficit	0	0	37,654	0	0	0	1	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 (4 mths)
Housing Projects & Miscellaneous Income	358,000	35,800	35,800	143,200	143,200	0	358,000	477,594	191,038
Subcontractor	358,000	35,800	5,285	143,200	112,685	30,515	318,825	477,594	191,038
Total Direct Costs	358,000	35,800	5,285	143,200	112,685	30,515	318,825	477,594	191,038
Gross Profit	0	0	30,515	0	30,515	30,515	39,175	0	0
Overheads						0			
DH management charge			3,464		3,464	(3,464)	8,660		
Total Overheads	0	0	3,464	0	3,464	(3,464)	8,660	0	0
Net surplus/deficit	0	0	27,051	0	27,051	27,051	30,515	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 (4 mths)
Capital Income	2,468,000	246,800	246,800	987,200	987,200	0	2,468,000	5,343,463	2,137,385
		0							
Staff costs	1,036,950	103,695	58,656	414,780	447,232	(32,452)	1,118,080	1,234,288	493,715
Subcontractor	300,000	30,000	22,544	120,000	115,055	4,945	287,638	922,748	369,099
Materials	768,000	76,800	116,399	307,200	361,587	(54,387)	903,968	2,922,034	1,168,814
Vehicle costs	133,330	13,333	11,773	53,332	52,014	1,318	130,035	137,942	55,177
Total Direct Costs	2,238,280	223,828	209,372	895,312	975,888	(80,576)	2,439,720	5,217,012	2,086,805
Gross Profit	229,720	22,972	37,428	91,888	11,312	(80,576)	28,280	126,451	50,580
Overheads	74,325	7,433	7,090	29,730	28,335	1,395	70,838	371,777	148,711
London Road Recharges	155,395	15,540	2,762	62,158	107,252	(45,094)	250,238		
DH management charge			3,489		23,882	(23,882)	59,705		
Total Overheads	229,720	22,972	13,341	91,888	159,469	(67,581)	380,781	371,777	148,711
Net surplus/deficit	0	0	24,087	0	(148,157)	(148,157)	(352,501)	(245,326)	(98,130)

London Road	10 months			4 months to September 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 (4 mths)
Income - London Road Recharge	1,029,266	102,927	(28,937)	517,442	377,442	(140,000)	1,029,266	200,334	60,100
Staff costs	269,553	26,955	28,304	114,372	114,372	0	269,553	0	
Buildings Maintenance	20,010	2,001	13,319	16,079	16,079	0	20,010	37,377	11,213
Direct Costs	289,563	28,956	41,623	130,451	130,451	0	289,563	37,377	11,213
	739,703	73,970	(70,560)	386,991	246,991	(140,000)	739,703	162,957	48,887
Overheads-									
Professional Charges	120,000	12,000	2,713	99,137	99,137	0	120,000		
Legal Fees	100,000	10,000	21,733	82,413	82,413	0	100,000		
Security Services	44,930	4,493	731	14,210	14,210	0	44,930	44,935	13,481
Cleaning	16,160	1,616	0	4,848	4,848	0	16,160	16,163	4,849
Insurance	79,850	7,985	7,985	31,940	31,940	0	79,850		
Other	285,184	28,518	26,102	117,011	117,011	0	285,184	101,859	30,558
Support Services	93,579	9,358	10,176	37,432	37,432	0	93,579		
Net surplus/deficit	(0)	(0)	(140,000)	0	(140,000)	(140,000)	(0)	0	0

DERBY HOMES PUBLIC BUILDINGS TRADING ACCOUNT 2010/11

Public Buildings	10 months			4 months to September 2010			2010/11 Forecast
	Budget 2010/11	Period Budget	Period Actual	Budget YTD	Actual YTD	Under/(Over) Spend	
Income	1,595,935	159,594		654,603	494,836	(159,768)	1,595,935
Staff costs	712,670	71,267	78,507	285,068	285,068	0	712,670
Subcontractor	183,113	18,311	50,339	73,245	73,245	0	183,113
Materials	258,258	25,826	33,667	103,303	103,303	0	258,258
Vehicle costs	128,278	12,828	23,411	51,311	51,311	0	128,278
Direct Costs	1,282,318	128,232	185,924	512,927	512,927	0	1,282,318
Gross Profit	313,618	31,362	(185,924)	141,676	(18,091)	(159,768)	313,618
Overheads	31,515	3,152	(22,752)	12,606	12,606	0	31,515
Support Services	78,340	7,834	7,834	31,336	31,336	0	78,340
London Road Recharges	168,636	16,864	(11,341)	83,684	83,684	0	168,636
DH management charge	35,126	3,513	(2,401)	14,050	14,050	0	35,126
Net surplus/deficit	0	0	(157,264)	(0)	(159,768)	(159,768)	0

Total Income due to 30 September 2010	654,604
Income already invoiced to 31 August 2010	452,654
Income due from non-Property Service jobs	42,182
Income due from Property Services for September 2010	159,768