

Derby Homes Limited
Operating Budget 2010/11 - Income Analysis

	Proposed Budget 2010/11	Final Budget 2009/10	Variance
Income:	£,000	£,000	£,000
HRA Management Fee	11,507	11,776	(269)
Capitalised Fee	867	800	67
Council Tax Collection	25	25	-
Fee re Asset rentals	12	10	2
SP – Sheltered Housing	745	731	14
SP – Tenancy Support Team	276	270	6
Grants – Family Intervention Project	465	280	185
Other Income	437	423	14
External Management Services	488	408	80
Consultancy	12	36	(24)
TOTAL	14,834	14,758	76

Income Variance Analysis 2009/10 v 2010/11

	£,000	£,000
Management Fee		
Inflation	163	
Leases Expiring	(47)	
Right to Buy Fee Adjustment	(6)	
Tenants Manual update	(20)	
Stock Options Appraisal	(45)	
Movement on Capex & Depreciation adjustment	(314)	(269)
Capitalised Fee – increase		
Introduction of fee for Estates Pride Surveyors	57	
Inflation on capitalised salaries	10	67
Supporting People		
Inflationary increases – Supported Living & Tenancy Support Team		20
Family Intervention Project		
Increase in grant funding		185
Other Income		
NRF funding reduction – Neighbourhood Wardens	(37)	
DCC Home release payments (Offsets expenditure)	52	
Other minor changes	(1)	14
External Management Income		
Rents, service charges & management fees re new management contracts (offset by expenditure)		80
Other Minor Changes		(21)
TOTAL MOVEMENT IN INCOME 2010/11		76

Appendix 2

Derby Homes Limited Operating Budget 2010/11 - Expenditure Analysis

	Proposed Budget 2010/11	Final Budget 2009/10	Variance
Expenditure:	£,000	£,000	£,000
Employees	8,455	8,153	(302)
Travel	306	293	(13)
Office	607	599	(8)
Supplies & Services	3,063	3,331	268
Landlord & Project	2,083	2,093	10
Management Services	311	257	(54)
Consultancy	9	32	23
TOTAL	14,834	14,758	(76)

Expenditure Variance Analysis 2009/10 v 2010/11

	£,000	£,000
Employee Costs		
Pay Award	(94)	
Increments	(99)	
Salary Savings & Efficiencies	257	
Posts relating to grant funding reductions	44	
New posts, re-grading and developments	(410)	(302)
Travel costs – increased costs across service		(13)
Office Costs		
Savings in Local Housing Offices due to co-locations	53	
Increased costs across service	(61)	(8)
Supplies and services		
Reduced DCC Support services and ICT Facilities Management	60	
IT Revenue and depreciation	54	
Reduced insurance costs	59	
Reduced lease costs	47	
Other efficiencies net of pressures	48	268
Landlord and Project Costs		
Savings on Furniture project	10	
Reduced utility costs	35	
Increased grounds maintenance costs	(23)	
Other miscellaneous	(12)	10
Management Services & Consultancy –		
Reduced consultancy activity	23	
Increased management services costs due to new contracts	(54)	(31)
TOTAL MOVEMENT IN EXPENDITURE 2010/11		(76)

Budget Scrutiny Group 2010/11
Budget Efficiencies

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Non-Cashable	
					Management Decisions	Re End of Grants or contract termination		
<u>PERSONNEL</u>								
S310200	Personnel	Christine Hill	Occupational Health	2,000	2,000			Following negotiations with Right Core Care Services from DCC will be managed to achieve this saving. £4K of this saving offsets the additional cost of appointing a senior administrator. The non-cashable savings for 2008/09 were £166K and the first half of 2009/10 was running at a similar level. However since then there has been a higher incidence of absence due to Swine Flu and this could have a negative effect on the 2009/10 performance. It is not possible at this stage to forecast a figure for 2010/11. Due to the use of AHP services there is a reduced administration cost
			DCC Personnel Support	8,000	8,000			
			Recruitment Advertising	2,000	2,000			
			Reduced sickness absence					
			Reduced administration costs				18,000	
			SUBTOTAL		12,000	12,000	-	
<u>INVESTMENT & REGENERATION</u>								
M210100	Investment & Regeneration	M Hands/ S Humenko/ A McNeil/	Salary savings	32,000	32,000			Miscellaneous saving from reduced pay awards and increments net of re-grades Revised banding and rates
			Effect of reduced NI costs	9,000	9,000			
			SUBTOTAL	41,000	41,000	-	-	
<u>FINANCE & IT</u>								
S310300	Finance & IT	Jo Clifford/ Mark Fairweather	Salary savings	6,000	6,000			Miscellaneous saving from reduced pay awards and increments net of re-grades Revised banding and rates
			Effect of reduced NI costs	4,000	4,000			
			Impact of cash office closure				4,000	Resource released to mainstream finance duties
			Impact of new IT FM contract				3,500	Saving from new ways of working with Serco
			SUBTOTAL	10,000	10,000	-	7,500	
<u>OTHER SUPPORT SERVICES</u>								
C410200	HRA Shops	Lorraine Watson	Saving on NNDR	1,000	1,000			

Budget Scrutiny Group 2010/11
Budget Efficiencies

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Non-Cashable	
					Management Decisions	Re End of Grants or contract termination		
S310100	Directorate & Support Services	Lorraine Watson	Saving on 2 trainees Salary Other salary changes Effect of reduced NI costs Insurance	15,000 7,000 7,000 2,000 16,000	15,000 7,000 7,000 2,000 16,000			Only 1 remaining Trainee for 6 months Deletion of vacant multi functional post Miscellaneous saving from reduced pay awards and increments net of re-grades Revised banding and rates Savings following re-tendering exercise
S310400	Cardinal Square	Lorraine Watson	ICT FM Rent & Service Charges NNDR Cleaning Non-recruitment advertising Insurance costs SLA chrges from DCC Miscellaneous	46,000 10,000 4,000 4,000 2,000 28,000 14,000 34,000	46,000 10,000 4,000 4,000 2,000 28,000 14,000 34,000			Following on from revised arrangements with Serco Reduced service costs over recent years Arising from credit on re-valuation Following revision of contract - offsets pressure in L/L General Budget now covered in other cost centres Savings following re-quotes obtained by brokers Savings on telecomms, Mktg, central services and insurance less additional costs on legal charges
H140100	Landlord services - General	Lorraine Watson	Energy costs Property Insurance costs Equipment lease costs	2,000 15,000 58,000	2,000 15,000 58,000	58,000		Reduction in costs from energy suppliers Savings following re-tendering and reduced DCC charges Arising from lease terminations
H150100	Performance	Julie Eyre	Salary Other salary changes Effect of reduced NI costs lump sum car allowance SUBTOTAL	26,000 3,000 1,000 2,000 297,000	26,000 3,000 1,000 2,000 239,000	58,000	-	Savings from re-grading two vacant posts. To be offered to cover an additional Income assistant in Housing Management Miscellaneous saving from reduced pay awards and increments net of re-grades Revised banding and rates Nobody receiving essential car users allowance
<u>CUSTOMER SERVICE</u>								
	Across service	Mary Holmes	Salary savings	6,000	6,000			Miscellaneous saving from reduced pay awards and increments
H150300	Enquiry Centre	Mary Holmes	Effect of reduced NI costs	2,000	2,000			Revised banding and rates
H150300	Tenant involvement	Mary Holmes	Effect of reduced NI costs	1,000	1,000			Revised banding and rates
H150400	Communications	Mary Holmes	Effect of reduced NI costs	1,000	1,000			Revised banding and rates

Budget Scrutiny Group 2010/11
Budget Efficiencies

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Non-Cashable	
					Management Decisions	Re End of Grants or contract termination		
			SUBTOTAL	10,000	10,000	-	-	
<u>HOUSING MANAGEMENT - OPERATIONS</u>								
	Across service	Maureen Davis	Salary savings Effect of reduced NI costs Miscellaneous	60,000 24,000 33,000	60,000 24,000 33,000			Miscellaneous saving from reduced pay awards and increments Revised banding and rates Minor savings in overheads across service
			Impact of electronic house files				37,000	Savings from new ways of working with electronic house files
H120100 to H120220	Local Housing Offices	Maureen Davis	Miscellaneous	12,000	12,000			Minor savings in overheads across LHOs
H110100	Area Management	Maureen Davis	Homefinder Fee	15,000	15,000			Based on current information
H110300	Housing Officers	Maureen Davis	Sinfin Library costs	14,000	14,000			No longer contributing to library employee costs
H110400	Cashiers	Maureen Davis	salary	20,000	20,000			Re-organisation of cashier services
H110500	Estate Response Team	Murray Chapman	Salaries	34,000	34,000			Deletion of 2 vacant posts to offset pressure in cleaning services
H110650	Estate Security	Julie Walker	Salaries	44,000	7,000	37,000		Deletion of 2 vacant posts due to reduced level of grant income
H120300	Alvaston Library	Maureen Davis	Estimated co-location savings	10,000	10,000			Other miscellaneous costs being absorbed in Allenton within Budget
H120500	Mackworth	Maureen Davis	Estimated co-location savings	17,000	17,000			Costs based on meeting with Libraries
H130200	Supported living service	Maureen Davis	Out of hours Telephone lines - telenet Miscellaneous	12,000 24,000 11,000	12,000 24,000 11,000			Out of hours nil spent 2008/09 De-commissioning of land lines Minor savings in overheads
H130400	Landlord Services - Wardens	Lorraine Watson	Energy costs Cleaning	35,000 30,000	35,000 30,000			Due to reduction in energy costs Revised contracts offsets pressure in Landlord Services - General
			SUBTOTAL	395,000	358,000	37,000	37,000	
			TOTAL	765,000	670,000	95,000	62,500	

Budget Scrutiny Group 2010/11

Budget Pressures

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Comments	
					Existing Operations	Offset by New Grants/Income		
<u>PERSONNEL</u>								
S310200	Personnel	Christine Hill	Salary inflation Salary Increments	4,000 2,000	4,000 2,000		From July 2010 anyone who works with children or vulnerable adults to Registrar with the Independant Safeguarding Authority. This includes existing employees. Individuals need to register once and the cost is expected to be £64. It is likely that we will want to meet this cost for existing employees. The total is estimated to be £16,000.	
			Independent Safeguarding Authority	16,000	16,000			
			SUBTOTAL	22,000	22,000	-		
<u>INVESTMENT & REGENERATION</u>								
M210100	Investment & Regeneration	M Hands S Humenko	Salary inflation Salary Increments	30,000 14,000	30,000 14,000		Estates Pride funding will cover this pressure - see efficiencies	
			Transfer of two surveyors from ESD to directly manage Estate Pride projects	57,000		57,000		
			SUBTOTAL	101,000	44,000	57,000		
<u>FINANCE & IT</u>								
S310300	Finance & IT	Jo Clifford/ Mark Fairweather	Salary inflation Salary Increments Increased depreciation	12,000 7,000 63,000	12,000 7,000	63,000	Offset by higher management fee	
			Agency costs	30,000	30,000		Professional support for Head of Finance and support in transitional period	
			Select agreement Software Assurance (3yrs) Other annual and maintenance costs	35,000 19,000	35,000 19,000			
			SUBTOTAL	166,000	103,000	63,000		
<u>OTHER SUPPORT SERVICES</u>								
C410100	Eaton Court	Lorraine Watson	Minor changes to overheads	1,000	1,000		Not previously budgeted Recurring expenditure in excess of prior budgets Recurring expenditure in excess of prior budgets Increased need to cover ongoing Procurement development Not previously budgeted Recurring expenditure in excess of prior budgets	
S310100	Directorate & Support Services	Lorraine Watson	Salary inflation Salary Increments	5,000 7,000	5,000 7,000			
S310400	Cardinal Square	Lorraine Watson	Property repairs Furniture and equipment Postages Professional charges Compensation scheme Staff social events Bank transaction costs Miscellaneous	1,000 1,000 10,000 20,000 1,000 2,000 18,000 3,000	1,000 1,000 10,000 20,000 1,000 2,000 18,000 3,000			
H140100	Landlord services - General	Lorraine Watson	Cleaning	54,000	54,000			Offset by a £30K saving in H130400 Landlord Services wardens and by a cut back in 2 vacant caretaker posts - saving £34K

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Budget Pressures

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Comments
					Existing Operations	Offset by New Grants/Income	
			Removal expenses	4,000	4,000		Increased costs
			Miscellaneous	1,000	1,000		Formerly no budget
			Permits and warning signs	1,000	1,000		Increased costs
			Grounds maintenance	16,000	16,000		Contractual increases for agreed scope of work
			Service charges	1,000	1,000		No previous budget
H150100	Performance Management	Julie Eyre	Salary inflation	5,000	5,000		
			Salary Increments	4,000	4,000		
			SUBTOTAL	155,000	155,000	-	
CUSTOMER SERVICE							
	Across service	Mary Holmes	Salary inflation	10,000	10,000		
			Salary Increments	11,000	11,000		
H150200	Enquiry Centre	Mary Holmes	Salary re-grades and miscellaneous changes	7,000	7,000		Due to ongoing re-organisation and offset by savings across housing management
H150400	Communications	Mary Holmes	Salary re-grades and miscellaneous changes	12,000	12,000		Re-grading to reflect current posts
			SUBTOTAL	40,000	40,000	-	
HOUSING MANAGEMENT - OPERATIONS							
	Across service	Maureen Davis	Salary inflation	68,000	68,000		
			Salary Increments	54,000	54,000		
C410300	Homeless Initiative	Maureen Davis	Increased premises costs	15,000		15,000	Offset by increased income
C410400	London Road	Maureen Davis	Increased premises costs	3,000		3,000	Offset by increased income
C410500	Milestone House	Maureen Davis	Introduction of budget	10,000		10,000	Initial expenditure offset by income
C420100	Spirita	Maureen Davis	Rents	5,000		5,000	Higher rents payments offset by income
C420400	Family Intervention Project	Lorraine Testro	Salaries	148,347		148,347	5 Youth Crime Officers & 1 unbudgeted post - offset by increase in income (see efficiencies)
			Increased overheads	32,000		32,000	Premises & running costs due to increased staff
C420500	Green Hill	Jo Clifford	Premises and supplies and services	8,000		8,000	Offset by new income
C420700	Leytonstone Drive	Jo Clifford	Introduction of budget	37,000		37,000	Initial expenditure offset by income
H110200	Arrears Officers	Jaz Sanghera	1 new Income Assistant post	19,000	19,000		Funded by savings in Performance
H110700	HRA Supported Living	Farooq Malik Farooq Malik	Salary Salary	22,000 12,000	22,000 12,000		transfer Mick Bayley's post from Supported Living was over budget 2 posts 60% to be charged here offset by a salary saving

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Budget Pressures

Cost Centre	Department	Budget Holder	Description	Value (£)	Cashable		Comments
					Existing Operations	Offset by New Grants/Income	
H120120	Brook Street	Maureen Davis	Premises and supplies and services	12,000	12,000		Increased cost of Re-opening office from 01.01.10. Will be offset by savings at Mackworth and Alvaston Library
H130200	Supported Living Service	Farooq Malik	Salary training	16,000 7,000	16,000 7,000		2 posts with 40% funding available New structure/new ways of working
H130400	Landlord Services - Wardens	Lorraine Watson	Removals & Disturbance payments	52,000		52,000	Exactly matched by new income
			SUBTOTAL	520,347	210,000	310,347	
			LATE ADJUSTMENT REDUCING PAY AWARD AND RELATED ONCOSTS	(40,500)	(40,500)		
			TOTAL	963,847	533,500	430,347	
			Salary inflation	93,500			
			Salary increments	99,000			
			Other pressures	771,347			

Budget Scrutiny Group 2010/11

Budget Developments

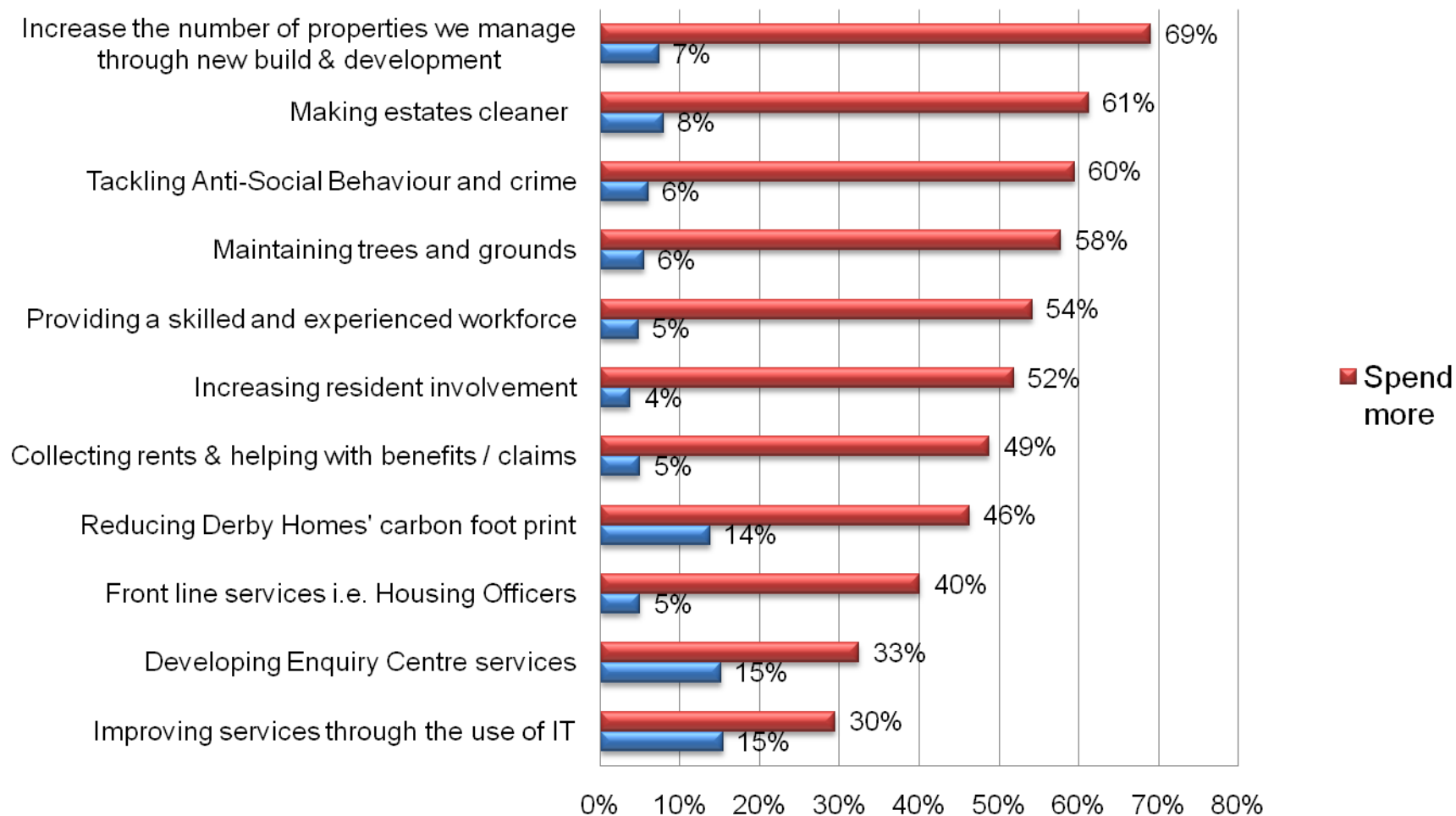
Appendix	Cost Centre	Department	Requested by	Description	Value (£)	Agreed	Not Agreed	Funded from incentive?	Comments
1	S310200	Personnel	Christine Hill	'Big Thankyou' reward schemes: - Staff party - Employee mini reward scheme - Employee lifestyle benefits scheme Apprentices	 3,500 4,500 3,000 36,000	 3,500 2,000 3,000 36,000	 2,500		 Add £2k to away day budget 2 Housing Management & 1 Finance
2	M210100	Investment and Regeneration	Andrew McNeil	Energy Initiatives officer Energy Initiatives support Professional fees and courses Lighting control and energy monitoring systems	 39,000 28,000 2,000 19,000	 39,000 28,000 500	 1,500	 19,000	 To support and promote energy initiatives. Cost includes all payroll oncosts and travel Existing post increased by 18.5 hours to support energy initiatives. First call if Incentive scheme is greater than £100K
3	S310300	Finance & IT	Mark Fairweather	Tenant Regulator Panel Facilities Mobile IT Keystone/Academy Interface EDRMS Phase 3 Supported Living database SQL Server Clustering Academy/Repairs interfaces	 25,000 50,000 40,000 20,000 55,000 35,000 20,000	 50,000 20,000 55,000 35,000	 25,000	 40,000 20,000	 Partnership project with Serco to improve consultation and reduce need for meetings To complete project, including hardware & software To develop an interface from the Keystone Asset Management system Further enhancement of EDRMS To include database software, installation, configuration and integration with document management system To provide resilience to Derby Homes live servers Consol-e to Academy for repairs information on stage history & completion of works - additional information available to enquiry centre & maintenance team
4	S310400	Cardinal Square	Phil Davies	External Team Funding Support	8,000	8,000			Chief exec pot

Budget Scrutiny Group 2010/11

Budget Developments

Appendix	Cost Centre	Department	Requested by	Description	Value (£)	Agreed	Not Agreed	Funded from incentive?	Comments
	S310500	Initiatives		Fire Service Community Post	10,000	10,000			Partnership contribution
		Housing Management							
5	H110600	Neighbourhood Safety	Maureen Davis	Victim & Witness Support Officer	28,000	28,000			Yes but find future way of establishing
6	H110650	Estate Security	Maureen Davis	Youth Engagement Officer	27,000	27,000			Yes but find future way of establishing
7	H110650	Estate Security	Maureen Davis	Junior Wardens	12,000	12,000			
8	H130100	Tenancy Support	Maureen Davis	Senior Support Officer - Mental Health	28,000	28,000			Fund but find way to establish permanently
	H150200	Enquiry Centre	Mary Holmes	Enquiry Centre post	18,000		14,000	4,000	Currently funded from reserves - may not need if apprentices approved
9	H150300	Resident Involvement	Maureen Davis	Credit Union secondment post	29,000			29,000	1 yr secondment to support and promote Derby West Indian Association Credit Union
10	H150300	Resident Involvement	Maureen Davis	Citizenship project in schools	7,000			7,000	Provides materials to 3 schools
11	H150300	Resident Involvement	Maureen Davis	TP Tenant Training	40,000	40,000			
				TOTAL	587,000	425,000	43,000	119,000	
				Revenue		285,000			
				Capital		140,000			
				Funding available		425,000			

Would you like Derby Homes to spend more or less on the following?



ANALYSIS OF PRIORITY AREAS AND PROPOSED DEVELOPMENTS AND INITIATIVES

Priority Areas	Proposed developments or initiatives in relation to these priorities	Spend 2010-11 £
Increase the number of properties we manage through new build & development	External Funding Support	8,000
Making estates cleaner	Review of caretaking & enhanced cleaning – costs being met by budget savings	
Tackling Anti-Social Behaviour and crime	Youth Engagement/Initiatives worker.	27,000
	Victim & Witness Support Officer	28,000
	Junior Wardens	12,000
Maintaining trees and grounds	Enhanced grounds maintenance service	
Providing a skilled and experienced workforce	Continuing to develop employee related schemes	9,000
	Appointment of Apprentice	12,000
	Contribution to Fire Service Community post	10,000
Increasing resident involvement	Tenant training for TSA co-regulation	40,000
Collecting rents & helping with benefits / claims	Appointment of Support Officer – Mental Health(2009/10 costs being met from reserves)	28,000
Reducing Derby Homes' carbon foot print	Energy Initiatives Officer post (2009/10 costs being met from reserves)	39,000
	Energy Initiatives Support officer (2009/10 costs being met from reserves)	28,000
Developing Enquiry Centre Services	Appointment of Apprentices	24,000
Improving services through the use of IT	Development of Mobile IT	50,000
	Electronic Document Management	20,000
	Supported Living Database	55,000
	Server Enhancement	35,000
		425,000