

DISCUSSION PAPER INTRODUCING HRA BUDGET 2001/2

Report of the Finance Manager

SUMMARY OF REPORT

1. This report tables the following papers for initial discussion
 1. Latest approved HRA budget submitted to Housing Co-ordination meeting in October 2001.
 2. Draft layout for Operating Statements.

RECOMMENDATIONS

2. For the Board to consider and discuss the reports tabled.

MATTER FOR CONSIDERATION

- 3.1 In October 2001 Housing Co-ordination meeting considered a revised forecast of the Housing Revenue Account (HRA) budget for 2001/2.
- 3.2 This report identified a total of supervision and management expenses of £10,290,000.
- 3.3 This budget will constitute a significant element of the management fee Derby Homes Limited will receive to manage the housing stock of the City Council.
- 3.4 There will be other elements of income that will be generated by the services of Derby Homes Ltd, but they are not tabled for discussion at this meeting.
- 3.5 The City Council's general ledger system does not currently have a reporting facility that enables summarisation of the 80 individual cost centres that are shown in the supervision and management lines of the report.
- 3.6 There are in excess of 3,000 individual cost centre and expense code combinations feeding into the current Housing Revenue Account and it is necessary to examine these individually to decide the correct definition from 1 April 2002. This task is in process.

- 3.7 The draft operating statements tabled are a proposal for submitting finance information to the Board in future. A working group will meet within the next month to examine this in detail.

CONSULTATION IMPLICATIONS

- 4 The draft reports are submitted for discussion purposes.

FINANCIAL IMPLICATIONS

- 5.1 The level of financial reporting and management required to support Derby Homes Ltd generates significantly more reporting than was required previously.
- 5.2 To cope with the additional workload increased resources will be required. This will be subject to a further report in due course.

LEGAL IMPLICATIONS

6. Derby Homes Ltd is required to prepare accounts in a format prescribed by the Companies Act 1985.

PERSONNEL IMPLICATIONS

7. There will be personnel implications arising from the additional resources required to prepare financial reports.

ENVIRONMENTAL IMPLICATIONS

8. None arising from this report.

EQUALITIES IMPLICATIONS

9. Any posts arising from this report will be subject to the equalities policy of Derby Homes Ltd and will be detailed in a subsequent report.