

DERBY HOMES BOARD
25 MARCH 2010

ITEM B9

DERBY HOMES OPERATING BUDGET 2010/11

Report of the Director and Company Secretary

1. SUMMARY OF REPORT

This report confirms to the Board late changes to the Derby Homes operating budget for 2010/11.

2. RECOMMENDATION

To note the late changes to the operating budget for 2010/11 and beyond.

3. MATTER FOR CONSIDERATION

- 3.1 The Director of Resources at Derby City Council has reduced the inflation element included in the bases 2010 management fee from 3% to 1.25% to match the pay award for 2010. This reduces the management fee by £190,000 each year from 2010.
- 3.2 The City Council has made a commitment to increase the Repairs Account budget by £190,000.
- 3.3 As reported to the Board on 7 January 2010, the effect of this is to reduce the funds available for 2010/11 development bids from £425,000 to £235,000. Details of the revised developments were given to the Board at that meeting and have now been incorporated in the final budget.
- 3.4 At the meeting of the Board on 7 January 2010 it was also reported that grant funding for the Family Intervention Project and the budgeted income for the Supporting People Services had not been confirmed.
- 3.5 The grant funding for the Family Intervention Project and the Supporting People income have now been confirmed at £136,000 and £10,000 respectively less than forecast but expenditure in each case has been adjusted to achieve a balanced budget.
- 3.6 In addition to the above changes, it was found that lease termination payments of £164,000 are payable in March 2010 rather than April 2010. To accommodate this timing change DCC have agreed to pay an additional management fee for 2009/10 but will reduce the management fee for 2010/11. The 2010/11 budget has been adjusted to reflect this reduced fee and the reduced lease expenditure.

- 3.7 On 1 March the new Tenancy Sustainment Service was approved by Council and this has now been incorporated in the 2010/11 budget. Expenditure in the first year is estimated at £176,000 and it has been calculated that this will be covered by service charge income in the same amount.
- 3.8 As previously reported, the 2010/11 budget shows a break even result and this is not affected by the above mentioned changes.
- 3.9 The consequences for subsequent years will be addressed through the annual budget setting process.

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

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

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Background Information: None

Supporting Information: None