

| HOUSING REVENUE ACCOUNT (HRA)                       |                 |                |                 |                                         |
|-----------------------------------------------------|-----------------|----------------|-----------------|-----------------------------------------|
|                                                     | Original Budget | Revised Budget | Estimate Budget | % Variation Original & Estimate 2011/12 |
|                                                     | 2010/11         | 2010/11        | 2011/12         |                                         |
|                                                     | £'000           | £'000          | £'000           |                                         |
| TMO Management Fee                                  | 10,294          | 10,058         | 10,058          | -2%                                     |
| Lancaster West Management Fee Funded by Reserves    | 334             | 334            | 334             | 0%                                      |
| Lancaster West Management Fee Funded by Reserves    | 15              | 115            | 0               | -100%                                   |
| <b>Total TMO Management Fee</b>                     | <b>10,643</b>   | <b>10,507</b>  | <b>10,392</b>   | <b>-2%</b>                              |
| <b>TCC Managed Budgets</b>                          |                 |                |                 |                                         |
| Planned Maintenance                                 | 6,500           | 5,773          | 6,585           | 1%                                      |
| Responsive Maintenance                              | 4,988           | 4,655          | 4,548           | -9%                                     |
| Lancaster West Expenditure                          | 572             | 572            | 572             | 0%                                      |
| Planned Response Repairs                            | 273             | 273            | 273             | 0%                                      |
| Area Revenue Works                                  | 200             | 331            | 200             | 0%                                      |
| Electricity, Heating, & Hot Water                   | 2,500           | 2,335          | 2,831           | 13%                                     |
| Contract Cleaning                                   | 1,933           | 1,933          | 2,006           | 4%                                      |
| Refuse Collection                                   | 137             | 137            | 137             | 0%                                      |
| Pest Control                                        | 184             | 184            | 184             | 0%                                      |
| Provision for Bad Debts                             | 497             | -103           | 367             | -26%                                    |
| Rents, Rates, Taxes & Other Charges                 | 57              | 57             | 57              | 0%                                      |
| Car Park Management                                 | 45              | 45             | 45              | 0%                                      |
| Other Expenditure - Special Services                | 472             | 492            | 465             | -1%                                     |
| Digital TV                                          | 0               | 0              | 225             |                                         |
| Supporting people Expenditure                       | 0               | 236            | 236             |                                         |
| Legal Costs (LVT)                                   | 0               | 200            | 200             |                                         |
| <b>TCC Managed Budgets Expenditure</b>              | <b>18,357</b>   | <b>17,156</b>  | <b>18,931</b>   | <b>3%</b>                               |
| Dwelling Rents - Rent and Hostels                   | -32,650         | -32,650        | -35,341         | 8%                                      |
| Commercial Properties Rent Income                   | -2,963          | -2,935         | -2,980          | 1%                                      |
| Garages Rent Income                                 | -687            | -645           | -700            | 2%                                      |
| Tenants Service Charges                             | -3,424          | -3,404         | -3,472          | 1%                                      |
| Leaseholder Service Charges                         | -2,171          | -2,171         | -2,221          | 2%                                      |
| Major Works Service Charges - Leaseholders          | -946            | -732           | -983            | 4%                                      |
| Heating and Hot Water Charges                       | -1,794          | -1,767         | -2,108          | 18%                                     |
| Insurance Charges - Leaseholders                    | -396            | -506           | -506            | 28%                                     |
| Supporting People Contract Income                   | -236            | -236           | -236            | 0%                                      |
| Other Contributions Towards Expenditure             | -37             | -37            | -37             | 0%                                      |
| Other Charges for Services & Facilities             | -70             | -70            | -70             | 0%                                      |
| Transfer to (+) or from (-) Reserves                | 0               | -132           | 0               | 0%                                      |
| Area Revenue Works                                  | -15             | -115           | 0               | -100%                                   |
| Lancaster West Management Fee Funded by Reserves    | -45,390         | -45,400        | -48,654         | 7%                                      |
| <b>TCC Managed Budgets Income</b>                   | <b>-45,390</b>  | <b>-45,400</b> | <b>-48,654</b>  | <b>7%</b>                               |
| <b>Total TCC Managed Budgets</b>                    | <b>-27,033</b>  | <b>-28,244</b> | <b>-29,723</b>  | <b>10%</b>                              |
| <b>Council Managed Budgets</b>                      |                 |                |                 |                                         |
| Capital Charges                                     | 20,143          | 18,235         | 18,427          | -9%                                     |
| Insurance Costs                                     | 779             | 898            | 912             | 17%                                     |
| Premises Costs                                      | 476             | 476            | 399             | -16%                                    |
| Recharges from Housing and Social Services          | 568             | 568            | 620             | 9%                                      |
| Miscellaneous expenses                              | 106             | 124            | 115             | 8%                                      |
| Burgess Field (Supporting People)                   | 103             | 103            | 103             | 0%                                      |
| Consultancy budget                                  | 13              | 13             | 13              | 0%                                      |
| Rent and rates                                      | 22              | 22             | 22              | 3%                                      |
| Stock Options/Regeneration                          | 358             | 360            | 360             | 1%                                      |
| <b>Council Managed Budgets Expenditure</b>          | <b>22,567</b>   | <b>20,971</b>  | <b>20,971</b>   | <b>-7%</b>                              |
| Supporting People Grant                             | -195            | -195           | -195            | 0%                                      |
| Interest Income                                     | -85             | -90            | -76             | -11%                                    |
| Housing Subsidy                                     | -5,380          | -3,803         | -1,703          | -68%                                    |
| <b>Council Managed Budgets Income</b>               | <b>-5,661</b>   | <b>-4,088</b>  | <b>-1,976</b>   | <b>-65%</b>                             |
| <b>Total Council Managed Budgets</b>                | <b>16,906</b>   | <b>16,710</b>  | <b>18,995</b>   | <b>12%</b>                              |
| Contribution to (-) or from (+) HRA working balance | <b>516</b>      | <b>-1,027</b>  | <b>-336</b>     | <b>-165%</b>                            |
| HRA Balance b/fwd                                   | -10,595         | -10,595        | -11,622         | 10%                                     |
| Contribution to (-) or from (+) HRA working balance | 516             | -1,027         | -336            | -165%                                   |
| <b>TOTAL HRA</b>                                    | <b>-10,079</b>  | <b>-11,622</b> | <b>-11,958</b>  | <b>19%</b>                              |
| <b>Gross HRA Budget</b>                             | <b>51,567</b>   | <b>49,488</b>  | <b>50,630</b>   | <b>-1.8%</b>                            |

APPENDIX 2

| RBKC TMO MANAGEMENT FEE                                         |               | 2010/11       | 2011/12       |
|-----------------------------------------------------------------|---------------|---------------|---------------|
|                                                                 |               | £000          | £000          |
| Original Management Fee 2010-11                                 |               | 10,628        | 10,628        |
| Transfer to TCC Managed Budgets -Supporting People Grant        |               | (236)         | (236)         |
| Revised & Forward Management Fee before additional contribution |               | <u>10,392</u> | <u>10,392</u> |
| Lancaster West Management Fee Funded by Reserves                | 115           |               | 0             |
| <b>Revised &amp; Forward Management Fee</b>                     | <b>10,507</b> |               | <b>10,392</b> |

| MANAGEMENT FEE SUMMARY                           |               | 2010/11 | 2011/12       |
|--------------------------------------------------|---------------|---------|---------------|
|                                                  |               | £000    | £000          |
| RBKC TMO Management Fee                          |               | 10,058  | 10,058        |
| Lancaster West Management Fee                    |               | 334     | 334           |
| Lancaster West Management Fee Funded by Reserves |               | 115     | 0             |
| <b>Total Management Fee</b>                      | <b>10,507</b> |         | <b>10,392</b> |

APPENDIX 3

| TCC MANAGED BUDGETS                          |                 |                 |  |
|----------------------------------------------|-----------------|-----------------|--|
|                                              | 2010/11<br>£000 | 2011/12<br>£000 |  |
| <b>Original Budget</b>                       | <b>-27,033</b>  | <b>-27,033</b>  |  |
| <b>Expenditure Budgets (Change)</b>          |                 |                 |  |
| Planned Maintenance                          | -727            | 85              |  |
| Responsive Maintenance                       | -333            | -440            |  |
| Lancaster West Expenditure                   | 0               | 0               |  |
| Planned Response Repairs                     | 0               | 0               |  |
| Area Revenue Works                           | 132             | 0               |  |
| Electricity, Heating, & Hot Water            | -164            | 331             |  |
| Contract Cleaning                            | 37              | 73              |  |
| Refuse Collection                            | 0               | 0               |  |
| Pest Control                                 | 0               | 0               |  |
| Provision for Bad Debts                      | -600            | -130            |  |
| Rents, Rates, Taxes & Other Charges          | 0               | 0               |  |
| Car Park Management                          | 0               | 0               |  |
| Other Expenditure - Special Services         | 20              | -6              |  |
| Supporting people Expenditure                | 236             | 236             |  |
| Digital TV                                   | 0               | 225             |  |
| Legal Costs (LVT)                            | 200             | 200             |  |
| <b>Income Budgets (Change)</b>               |                 |                 |  |
| Dwelling Rents - Rent and Hostels            | 0               | -2,691          |  |
| Commercial Properties Rent Income            | 28              | -16             |  |
| Garages Rent Income                          | 42              | -13             |  |
| Tenants Service Charges                      | 20              | -48             |  |
| Leaseholder Service Charges                  | 0               | -50             |  |
| Major Works Service Charges - Leaseholders   | 214             | -36             |  |
| Heating and Hot Water Charges                | 27              | -314            |  |
| Insurance Charges - Leaseholders             | -110            | -110            |  |
| Supporting People Contract Income            | 0               | 0               |  |
| Other Contributions Towards Expenditure      | 0               | 0               |  |
| Other Charges for Services & Facilities      | 0               | 0               |  |
| Transfer to (+) or from (-) Reserves         |                 |                 |  |
| Area Revenue Works                           | -132            | 0               |  |
| Energy Efficiency                            | 0               | 0               |  |
| Lancaster West                               | -100            | 15              |  |
| <b>Revised Budget &amp; Forward Estimate</b> | <b>-28,244</b>  | <b>-29,723</b>  |  |

| <b>COUNCIL MANAGED HRA BUDGETS</b>                                                                                                             |                |                |  |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|--|
|                                                                                                                                                | <b>2010/11</b> | <b>2011/12</b> |  |
|                                                                                                                                                | <b>£000</b>    | <b>£000</b>    |  |
| <b>Original Budget 2010/11</b>                                                                                                                 | 16,906         | 16,906         |  |
| <b>HRA Subsidy</b>                                                                                                                             |                |                |  |
| Decrease in subsidy arising from change in guideline rent                                                                                      | 0              | 2,370          |  |
| Caps and Limits Allowance                                                                                                                      | 0              | -557           |  |
| Management and Maintenance allowances                                                                                                          | 0              | -344           |  |
| Major Repairs Allowance                                                                                                                        | 0              | -326           |  |
| Variation in other costs                                                                                                                       | 0              | -25            |  |
| <b>Subtotal</b>                                                                                                                                | <b>0</b>       | <b>1,119</b>   |  |
| <b>HRA Subsidy Capital financing</b>                                                                                                           |                |                |  |
| Decrease in subsidy allowance for capital debt charges from 7.09% to 5.99% based on £153.188 million in 2011/12                                | 1,578          | 1,685          |  |
| Removal of ALMO allowance (Decent homes) at 8% on £43.439 million                                                                              | 0              | 3,475          |  |
| Increase in subsidy allowance for capital debt charges based on £43.439 million (Decent homes) added to Capital debt charge allowance at 5.99% | 0              | -2,602         |  |
| <b>Subtotal</b>                                                                                                                                | <b>1,578</b>   | <b>2,558</b>   |  |
| <b>Total reduction in subsidy</b>                                                                                                              | <b>1,578</b>   | <b>3,677</b>   |  |
| <b>Actual Capital financing</b>                                                                                                                |                |                |  |
| Reduction in actual cost of capital debt charges                                                                                               | -1,908         | -2,041         |  |
| Major Repairs Allowance (proxy for depreciation)                                                                                               | 0              | 326            |  |
| <b>Subtotal</b>                                                                                                                                | <b>-1,908</b>  | <b>-1,716</b>  |  |
| <b>HRA Subsidy and Capital Financing</b>                                                                                                       | <b>-330</b>    | <b>1,961</b>   |  |
| <b>Central Support Services</b>                                                                                                                |                |                |  |
| Corporate Services Business Group                                                                                                              | 0              | -76            |  |
| Housing, Health and Adult Social Care Business Group                                                                                           | 0              | 52             |  |
| <b>Sub-Total</b>                                                                                                                               | <b>0</b>       | <b>-24</b>     |  |
| <b>Other</b>                                                                                                                                   |                |                |  |
| Change in interest on balances                                                                                                                 | -5             | 9              |  |
| Cost of property insurance                                                                                                                     | 119            | 132            |  |
| Stock Options/Regeneration                                                                                                                     | 2              | 2              |  |
| Miscellaneous Budgets                                                                                                                          | 18             | 9              |  |
| <b>Sub-Total</b>                                                                                                                               | <b>134</b>     | <b>153</b>     |  |
| <b>Revised Budget 2010/11 and Forward Budget 2011/12</b>                                                                                       | <b>16,710</b>  | <b>18,995</b>  |  |
| <b>Movement from Original Budget 2010/11</b>                                                                                                   | <b>-196</b>    | <b>2,089</b>   |  |