

Revenue Variances

Repairs

Repairs spending covers responsive and programme repairs. There was an under spend on responsive repairs of £773,000 (7.3%), and an under spend on programme repairs of £478,600 (9.4%).

The favourable variance on responsive repairs is due to a 5% reduction in the number of repairs undertaken. Average costs were also approximately 3% lower. There was also a small saving in total cost of void repairs (3%) because of a reduction in the number of voids.

The main variations in the programme repairs budgets were as follows:

- External Painting - £187,200 underspend. There has been no procurement available for approximately 2 years, but upon the completion of Decent Homes tenders (Drew Smith and Connaught) it has been possible to utilise the schedule of rates for limited works. These contracts were not sealed until October/November so there was only 4 months available to identify, arrange and complete works. A new 4 year contract has been tendered which will allow works to be carried out in future.
- Gas Servicing - £113,100 overspend. There has been additional expenditure incurred on replacement of heating systems.
- Lift Maintenance - £135,200 underspend. Maintenance costs were lower than anticipated as costs relating to new lifts were met within warranties.
- Structural Works Surveys - £126,100 underspend. Repair work following surveys decreased in year, and there was also a reduction in the level of fees incurred.

There were a number of other savings on other programmes which together totalled £143,200.

Supervision and Management

This heading covers the costs of all services provided to tenants other than repairs. The overspend of £426,300 was due to an additional provision for the non-collection of debts offset by a number of smaller savings on surveys, IT development and repairs management. The additional provision for non-collection of debts relates to Maintenance Recovery Charges (£150,000) and Former Tenants Arrears (£400,000). This follows on from an assessment of the level of debt and the amount of cash collected in 2007/08. It is considered prudent that the provision for non-collection of debts needs to reflect the debt outstanding less cash collected in the year. This does not mean that these

debts have been cancelled, but it means that if this needs to be done there is provision in the accounts to meet this cost.