

ITEM NO: 9(vi)Appendix 2

Revenue Variances

Repairs

Repairs spending covers responsive and programme repairs. There was an under spend on responsive repairs of £166,600 (1.6%), and an under spend on programme repairs of £765,400 (13.8%).

The savings on responsive repairs arose mainly due to the savings on the Waste Transfer Station at Shirley Depot and a reduced spend on Decoration Vouchers.

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

1. **Decorations**
Underspend of £218,100

Explanation: Contracts for external decorations were only established halfway through the financial year. 70% of schemes were completed in year, however there were a number of orders issued to the consultant but not completed by the contractor in Townhill Park and Thornhill. All Special Decorations were completed.

Status: A carry forward of £128,100 is required to allow the completion of works commenced in 2008/09.

2. **Asbestos Works**
Overspend £50,100

Explanation: Due to the major refurbishment programme taking place we are finding more asbestos which requires removal. This has increased year on year partially due to the greater amount of capital projects being carried out.

Status: A thorough review of actual requirements is to be carried out by all parties, principally Asset Management, Day to Day Repairs, and Voids teams within the Decent Homes division.

3. **Structural Works**
Underspend £226,300

Explanation: Following recent discussions it has become apparent that a large amount of works previously carried out as part of this programme have either ceased or now form part of the yearly Capital Programmes. Surveys and works are carried out at the same time to reduce cost.

Status: A more accurate estimated cost is being formulated and will be reflected in 2009/10 budgets.

4. **Health and Safety**
Underspend £135,900

Explanation: Due to major contracts being fully researched and managed, the number of unforeseen issues has reduced. Also day to day issues have reduced due to good planning, cross working and ensuring VFM.

Status: Ongoing

5. **Various Servicing
Lifts – Underspend £63,400**

Explanation: Repairs to HRA lifts have reduced over the years as a high number have been totally refurbished and therefore become more reliable.

Status: It is expected that this low level will continue due to the ongoing Capital programmes.

6. **Energy Performance Certificates
Underspend £134,900**

Explanation: The main part of this funding was originally for use of obtaining the Energy Performance Certificates (EPC) for individual dwellings.

The EPC were subsequently funded from the Capital Energy Saving budget and due to delays encountered from our consultants there are outstanding commitments.

Status: Fee charges are currently being assessed and true figures being defined.

Supervision and Management

This heading covers the costs of all services provided to tenants other than repairs. There is an under spend of £247,400 (1.59%). The main items were:

- £85,000 saving on IT development for Housing Systems.
- £82,000 additional income from leaseholders as there was a greater level of revenue works chargeable.
- £25,000 additional income for the admin charge to leaseholders relating the increased level of capital and revenue works.
- £113K saving on communal energy costs in Supported Housing and walk up blocks.
- £40,000 saving to Programme Repairs management resulting from the under spend on staffing in the Asset Management Team in Decent Homes Division.

These were partially offset by additional provision for the non-collection of debts amounting to £247,200. This additional provision relates to Maintenance Recovery Charges (£186,800) and Former Tenant Arrears (£60,400). This follows on from an assessment of the level of debt and the

amount of cash collected in 2008/09. This does not mean that these debts have been cancelled, but it means that if this needs to be done there is a provision in the accounts to meet this cost.

Dwelling Rents

There is an increase in dwelling rents of £56,300 (0.10%). This is the result of Right to Buy sales falling even further than was anticipated during the latter stages of the year.

Interest Received

There is a reduction in interest received of £93,500 (12.02%). Interest rates fell even further than anticipated to an all time low of 0.5%.