

# ITEM NO: 13 Appendix 2

## HRA outturn 2009/10 - Revenue Variances

### Repairs

Repairs spending covers responsive and programme repairs. There was an under spend on responsive repairs of £286,400 (2.8%), and an under spend on programme repairs of £24,900 (0.5%).

The savings on responsive repairs arose solely from the surplus generated by Property Management Services.

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

**1. External Decorations - Underspend of £248,500**

Due to the poor weather in January and February it was not possible to commence planned works. Following this, delays in the ordering processes further delayed the work until 2010/11

**2. Asbestos Works - Overspend £96,500**

Although a budget is set based on historical costs, it is impossible to predict when asbestos removal work will be required. In 2009/10, £78,500 of unexpected work was required at French St. and Bugle St.

**3. Structural Works - Underspend £65,400**

Less than expected day-to-day structural work was required

**4. Health and Safety - Overspend £41,900**

Urgent H&S work was unexpectedly required during February and March.

**5. Various Servicing - £101,500 Overspend**

**Lifts – Underspend £83,200**

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

**Emergency Lighting - Overspend £116,200**

During the year it became apparent that emergency lighting inspections had not been carried out correctly, and it was necessary to re-test every property

**Electronic Concierge - Overspend £68,500**

The original 2009/10 maintenance budget was originally set up to maintain the Weston concierge systems however with the new city wide systems online and reaching the end of their warranty period any maintenance issues had to be coded to this budget (Earlier than anticipated). It was also agreed that £37k of costs originally charged to the Concierge capital scheme should be revenue costs.

## **Supervision and Management**

This heading covers the costs of all services provided to tenants other than repairs. There is an over spend of £4,100 (0.02%) with the main two variances being:

- £85,700 underspend on the funding allocated for Mobile Working which has only incurred planning costs as at the end of March 2010.
- This was offset by additional provision for the non-collection of debts amounting to £93,100. This additional provision relates to Former Tenant Arrears. This follows on from an assessment of the level of debt and the amount of cash collected in 2009/010. 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 a small shortfall in dwelling rents of £8,200 (0.01%). This is a result of higher voids in year due to an increased take-up of decanting within Estate Regeneration for the year.

## **Other Rents**

An increase in the final quarter of 2009/10 in shop rents has resulted in additional income of £59,200 (4.55%) against our revised 2009/10 estimate.

## **Leaseholder Service Charge Income**

Due to an increase in our revenue and capital major works, charges to leaseholders have increased to cover their element of these works. This increase is £39,700 (6.68%)

## **Interest Received & Debt Management**

There is a reduction in interest received of £9,400 (10.35%). This is due to interest rates remaining consistently lower than our already low estimate. However, due to receiving debt repayment discounts as part of the Council's debt re-structuring, additional income of £110,000 was realised.

This increase in income has been partially offset by an increase in our Debt Management costs. As part of the Council's debt re-structuring, premiums are payable when some debts are repaid early. This increase in Debt Management costs amounts to £25,700.

## **Housing subsidy paid to CLG**

The debt restructuring premiums and discounts are fully offset by adjustments to HRA subsidy, which is largely why the subsidy payments to CLG have increased.