

HRA Outturn 2012/13 - Revenue Variances

Housing Investment - £391,800 under spend (9.0%)

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

External Decorations – under spend of £238,200 (48.3%)

Some of the planned work was not carried out in the year, due to delays in negotiations to appoint a replacement contractor. This under spend is the subject of a **carry-forward recommendation** to allow the new contractor to address the backlog of work.

Asbestos Works – under spend of £72,600 (13.0%)

For the revised estimate, a “worst-case” scenario was allowed for when forecasting the cost of asbestos clearance at International Way. The final cost was substantially lower than forecast.

Gas Servicing – under spend of £72,900 (5.2%)

Gas Servicing – A £25,000 under spend was due to actual gas labour hours being lower than estimated. This was mainly due to staff sickness and access issues.

Gas Breakdowns – The budget included costs identified for betterment and major repairs. The planned replacement programme has reduced the need for such repairs. This resulted in an under spend of £43,000.

The remaining under spend was due to some survey work being carried out later than planned.

Supervision and Management - £1,193,100 under spend (6.4%)

This heading covers the costs of all services provided to tenants other than repairs. The main variations were as follows:

Housing Operations Transformation Project – under spend of £238,600

The implementation of Mobile Working has been delayed to enable the output from the Lean project to inform the decision on the most suitable solution. The budget of £180,000 for the purchase of the mobile devices required will not now be required until 2013/14. This under spend is the subject of a **carry-forward recommendation**.

Development of new Housing Initiatives – under spend of £409,800

As part of self-financing a provision was set aside within the Business Plan for the development of new services and initiatives as part of Housing’s expanding role in the city. These include participation in a Council wide change programme and the development of new energy partnerships. Due to challenges in recruitment and implementing restructures, not all the funding allocated has been spent in the year.

Policy Team – under spend of £58,000

An under spend within the Policy Team is mainly due to delays in implementing the Scanning Project and the creation of the Tenants Handbook. **Carry-forward recommendations** have been included for scanning (£25,000) and the handbook (£10,000).

Replacement of stock condition database – under spend of £120,000

A budget of £120,000 had been set aside for the replacement of the Council's current stock database system. Whilst procurement is underway the purchase of the new software did not complete in 2012-13 and is expected in early 2013-14. This under spend is the subject of a **carry-forward recommendation**.

Staffing budgets

- There are budget savings of £85,700, due to a delay in implementing the Warden Review, as budgets had been held to cover any implementation costs.
- Recruitment delays in Sheltered Wardens, together with lower than budgeted supplies and services costs, has resulted in an under spend of £57,000.
- There are a large number of smaller favourable variances within the Supervision & Management budgets, including savings due to recruitment delays and an under spend on general services and fees.

Other budget variances**Interest Repayments – £248,700 under spend (4.2%)**

The consolidated rate of interest used to calculate the capital financing for the year was lower than the figure used in the estimate resulting in lower financing costs for the year.

Total Income – £85,000 favourable variance (0.1%)

An increase in total income has resulted in a small overall favourable variance in year. The major contributors are a reduction in voids in the last quarter of the year and a higher average cash balance, resulting in higher interest received.

Depreciation/Direct Revenue Financing of Capital - £979,300 addition (5.2%)

This combined revenue contribution to the funding of capital expenditure has been increased by £979,300. This will allow other capital resources to be carried forward and reduce the borrowing requirement to support the ambitious HRA Capital Programme for 2013/14