

NOTTINGHAM CITY HOMES

HOUSING MANAGEMENT SERVICES COMMITTEE

17 FEBRUARY 2010

REPORT OF DIRECTOR OF FINANCE, ICT & GOVERNANCE

THIRD QUARTER (PERIOD 9) FINANCIAL REPORT

1 SUMMARY

- 1.1 This report is to present to the Housing Services Committee the third quarter financial report for the financial year 2009/10.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Housing Management Services Committee note the report.

3 REPORT

- 3.1 A summary of the financial position at the end of December (Period 9) is attached as Appendix 1.

4 LATEST FORECAST FOR 2009/10

- 4.1 Appendix 1 shows a projected Company wide revenue surplus of £501k for the financial year. This includes a projection that the Housing Directorate budget will achieve a surplus of £473k against the latest full year budget of £12.950 million.
- 4.2 Appendix 1 includes a budget analysis, split across all Housing Directorate service areas. The main variations between the period 9 forecast and the profiled latest budget are highlighted and explained below.
- 4.2.1 Housing Directorate £1k – minor overspend.
- 4.2.2 Housing Services AD (£35k) – underspend on Tenant and Leaseholder Involvement employee costs prior to transfer to S&P Directorate i.e. underspend up to and including period 9 retained with Housing Directorate.
- 4.2.3 Housing TEM AD £1k – minor overspend.
- 4.2.4 Rents & Leaseholder Mgt £12k – overspends of £50k on employee costs as follows:
- Increased cost of Rents Manager post being covered by consultancy;
 - Increased rents operational overtime; and
 - Failure to achieve vacancy factor target within service area.

Overspends of £50k have been offset by forecast underspends of (£37k) on:

- Income – increased recovery of legal costs; and
- Supplies & Services – unused contingency in budget provided for possible removal/cessation of NCC staffing resource providing St Anns debt advice i.e. continued support would have had to be funded by NCH.

4.2.5 Voids, Allocations & Lettings £49k – overspend caused by additional Council Tax and security costs for voids i.e. level of voids during the year has been higher than targeted and hence originally budgeted for.

4.2.6 Sheltered Housing (£290k) – over-recovery of income of (£102k) due to increased activity on resident and supporting people funded care alarms.

Underspends of (£263k) have also been forecast in relation to:

- Employee costs – a number of posts have remained vacant during the year and in other areas vacancy savings have been greater than the cost of temporary staff/agency cover; and
- Supplies & Services – lower than budgeted costs for Nottingham On-Call line installations, rentals and general minor repairs.

Underspends and increased income of (£365k) have been offset by a forecast overspend of £75k on sheltered scheme building repairs net of reduction in lower than budgeted utility costs.

4.2.7 Area Housing Offices (£57k) – underspends of (£92k) on:

- Employee costs - vacancy savings greater than cost of temporary staff/agency cover; and
- Supplies & Services – lower than expected LIFT charge for occupancy of Mary Potter Centre in comparison to initial budget estimate.

Underspends of (£92k) have been offset by a forecast overspend of £35k on property costs as original budget included assumption that some area housing offices would be closed during the year.

4.2.8 Caretaking & Estates Services (£31k) – underspend primarily caused by retirements/vacancies within the caretaking team and reduced overtime costs.

4.2.9 Dwellings (£124k) – underspend primarily caused by over-prudent NCC guidance provided to inform the budgeted cost of street lighting i.e. 2009/10 budget set well in excess of actual costs incurred/expected.

5 KEY REVENUE ASSUMPTIONS

5.1 The key assumptions and movements underlying the Housing Directorate forecast are as follows -

- The pay award has been agreed for APT&C staff at 1%
- Senior staff will not receive a pay increase.
- The budget for the Tenant and Leaseholder Involvement service

area (£257k) has been transferred to the Strategy and Partnerships Directorate.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

6.1 One of the objectives within the 2009/10 Delivery Plan is

- To be an excellent organisation.

A robust financial budget incorporating the impact of VFM & E initiatives is essential to support this objective.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

7.1 The 2009/10 budget included value for money savings identified in 2008/09.

8 EQUALITY & DIVERSITY IMPLICATIONS

8.1 One of the key themes as identified in the 2009/10 delivery plan is a major push on equality and diversity. Consideration is to be given to budget implications of delivering the equality strategy including single status and this has been flagged within the areas identified for the spend to save initiatives budget (see above). Officers within the company are working together to ensure that there are sufficient budget resources to deliver the equality and diversity strategy.

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 NCH Budget 2009/10

9.2 Appendix 1 – Summary of Financial Position at Period 9

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