

NOTTINGHAM CITY HOMES

HOUSING MANAGEMENT SERVICES COMMITTEE

REPORT OF THE HEAD OF FINANCE (COMPANY)

17 AUGUST 2010

THIRD QUARTER (PERIOD 1) FINANCIAL REPORT

1 SUMMARY

- 1.1 This report is to present to the Housing Services Committee the first quarter financial report for the financial year 2010/11.

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 June (Period 3) is attached as Appendix 1.

4 LATEST FORECAST FOR 2009/10

- 4.1 Appendix 1 shows a projected Company wide revenue surplus of £8k for the financial year. This includes a projection that the Housing Directorate budget will achieve a surplus of £35k against the latest full year budget of £12.556 million.

- 4.2 Appendix 1 also includes a budget analysis, split across all Housing Directorate service areas. The main variations between the period 3 forecast and the profiled latest budget are highlighted and explained below.

4.2.1 Housing Directorate £1k

- Minor underspend.

4.2.2 Housing Services AD (£19k)

- Underspend due to the Assistant Director of Housing Services post being vacant for 3 months.

4.2.3 Housing TEM AD (£23k)

Underspend due to Dwelling utility costs (mainly communal lighting) being less than anticipated in budget (£14k); and

- Timing differences between the period in which costs are incurred and

the profiling of Supplies and Services (£8k) and Income (£1k) budgets.

4.2.4 Rents & Leaseholder Mgt (£48k)

- Underspend within Employee costs due to a vacant management post and other vacancies (£26k);
- Timing differences between the period in which costs are incurred and the profiling Supplies and Services (£10k) and Income (£8k) budgets; and
- Cumulative effect of other minor variances (£4k).

4.2.5 Voids, Allocations & Lettings (£52k)

- Underspend within Employee costs due to a vacant management post and other vacancies (£18k);
- Timing differences between the period in which costs are incurred and the profiling of Supplies and Services (£30k) and Income (£3k) budgets; and
- Cumulative effect of other minor variances (£1k).

4.2.6 Sheltered Housing (£80k)

- Underspend within Employee costs due to staff vacancies in Mobile Support (£9k), Sheltered Schemes (£20k), and NoC (£17k);
- Possible savings against Premises budgets as utility costs (as per latest information from NCC) are currently lower than budget for Sheltered Schemes (£29k) and Highwood House (£3k); and
- Cumulative effect of other minor variances (£2k).

4.2.7 Area Housing Offices (£44k)

- Underspend within Employee costs due to vacant management posts and other vacancies (£22k);
- Savings against Premises budgets due to closed Bilborough and Lenton offices (£11k); and
- Timing differences between period in which costs are incurred and the profiling of Supplies and Services (£9k) and Transport (£2k) budgets.

4.2.8 Caretaking & Estates Services (£63k)

- Underspend primarily caused by retirements/vacancies within the caretaking team and reduced overtime costs (£55k); and
- Cumulative effect of other minor variances (£8k).

5 KEY REVENUE ASSUMPTIONS

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

- There is unlikely to be a pay award for employees in 2010/11; and
- The vacancy savings target of 3% of salary budgets, assumed within the 2010/11 budget, will be achieved across the Housing Directorate.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

6.1 One of the objectives within the 2010/11 Delivery Plan is;

- To be an excellent organisation.

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

7 VALUE FOR MONEY & EFFICIENCY ISSUES

7.1 The 2010/11 budget included value for money savings identified as part of the budget setting process.

8 EQUALITY & DIVERSITY IMPLICATIONS

8.1 None.

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

9.1 NCH 2010/11 Budget

9.2 Housing Directorate Financial Position at Period 3 – Appendix 1

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