

Housing Revenue Account Major Operating Variances Q1 2025/26
Appendix B(ii)

| Category | Line Item | Cost Centre | Reason for Variance | Over/(under)spend £'000 |
|-------------|------------------------------------|--------------------------------|--|-------------------------|
| Income | Rental income (dwellings) | | Gross rents are forecast to be £150,000 less than budget owing to a higher level of voids and rent arrears, which in turn is expected to increase bad debts. Work to target rent arrears will be prioritised to mitigate this income risk. This risk is partly offset by the unallocated (contingency) budget of £114k which is not currently expected to be used. | 150 |
| Expenditure | Supervision & management - General | Home Ownership | Overspend primarily caused by current management fee levels not covering costs. These will need to be reviewed and amended | 72 |
| | | City Homes Expenditure | Current salary budgets are not fully and properly aligned with actual staffing, therefore, indicating an overspend and will have been reviewed and corrected for Q2. | 140 |
| | | Departmental Overheads-Client | As the housing finance team is not fully staffed, there has been a need to use agency staffing, resulting in a forecast overspend. Recruitment is underway and the team is expected to be back to full strength in the autumn. | 78 |
| | Supervision & management - Special | Sheltered Scheme Cleaning | Salary costs and budgets in this cost centre need to be reviewed following transformation. These are in the process of being reviewed for Q2 and no variance is expected going forward. | (56) |
| | Repairs & maintenance | Asset Management | There are some additional costs of agency staff, although some of this may be capitalised at year end. The large part of the overspend is on building security for fire safety works waking watch that will be completed in September. | 562 |
| | | Client and Third Party Repairs | Overspend is due to insurance works being paid out. It is expected that some of this can be recovered from insurers. | 291 |
| | | Repairs Day to Day | Continuing this year with a large amount of damp and mould works which is causing the current overspend. However, part of this work will be transferred to the capital programme as more major works are now commencing. | 555 |
| | | Voids | Overspend in voids caused by the number of voids being completed and the poor condition properties are being returned in. Additionally there is an increase in the amount of temporary property voids being worked on. | 193 |
| | | Heat and Hot Water Servicing | Currently additional repairs to mechanical ventilation with heat recovery systems and boilers are resulting in the forecasted overspend. This will slow in the summer months and pick up again in the winter making it difficult to predict this early in the financial year. | 56 |
| | | Risk and Compliance | The current forecast underspend is due to the reduced amount of fire door surveys being undertaken. This is because of the increase in the capital programme spend on replacement fire doors for the coming year, resulting in less surveys needed. | (155) |
| | | Compliance Team | The overspend is due to the need for agency staff to cover current vacancies. | 99 |
| | | | Other Minor variances | (109) |
| | | | Total | 1,876 |