

Revenue Variations

1. **Supervision & Management:** A £112k saving to staff costs is forecast to arise from the deferral of recruitment implemented by the Head of Housing Contracts, with a further £15k Action Plan saving on the Tenant Involvement budget.
2. **Sheltered Housing:** Adjustments to some scheme charges are raising a small amount whilst voids are expected to reduce the income from the sheltered management charge.
3. **Repairs & maintenance:** Two factors make up the expected variance:
 - a. Planned maintenance expenditure will be reduced by £250k. A slow start to the new contract has resulted in reduction to the budgeted £500k of (weather sensitive) painting which can realistically be achieved this year.
 - b. Additional costs of £57k are expected for the gas service. (Tenant services advise that the budget was low as the initial year only involved 10 months work.)
4. **Other income & expenditure:** A small reduction of £60k is projected to the £3,520k self financing debt budget due to reduced interest rates. (The impact is limited as most loans are on long-term fixed rates.)
5. **Rent & charge income:** As outlined in the risk section above, rental income may fall below budget, particularly if voids increase in sheltered schemes and there are delays to completion of new units and further review will be needed as the year proceeds. At this point a small shortfall of £72k is projected. A reduction of £13k to investment income is also expected following interest rate reductions.
6. **Funding:** Whilst the overall figure is little changed, there are some significant underlying variances:
 - a. Appropriations from the HRA are now expected to be £1.2m rather than £1.05m as included in the adjusted figures reported in June. However, expenditure of £476k and £200k on Sheltered Housing Modernisation and Queens Court will need to be funded from the reserves at the end of the year.
 - b. Shared ownership and other receipts are projected to rise from the budgeted £2,003k to £2,385k. This involves receipts of £1,685k for shared ownership sales and £180k for the former Ambulance site at Cam.
 - c. After grant deferral agreed with the HCA HCA grant received has been reduced from £991k to £839k. This will improve the application of pooled right to buy receipts ("1-4-1 funds") which would otherwise have to be returned to the Government.
 - d. The right to buy receipts budget of £373k is for the application of 1-4-1 funds against eligible expenditure. In view of the constraints on

qualifying expenditure now quantified, this budget was optimistic and even after the adjustments following deferral of HCA grant only £335k can be expected (less if there are delays to expenditure).

7. **Sheltered Housing Modernisation:** The main variance is planned expenditure of £300k for the cost of moving tenants and closing the Dryleaze Court and Ringfield Close sheltered schemes, as agreed for the Sheltered Housing Modernisation Programme. Capital spend of £176k is forecast on further detailed scheme-by-scheme feasibility studies and remodeling costs.
8. Whilst no separate budget has been set for this work, it is to be covered from designated Sheltered Housing reserves to be set aside in the year.
9. **Queens Court:** Expenditure of £200k is expected prior to sale of Queen's Court. These are to be funded from earmarked reserves.