**Appendix 1 to support Management Accounts for Period 6 in the 2016-2017 financial year.**

1. At the end of P6 (September 2016) performance for the General Needs day to day repairs element of the Maintenance budget was showing a cumulative negative variance of £94,732 against year to date budget. Whilst this overspend is still of great concern, there has been a small reduction (£5,062) on the P5 overspend figure, and is a further reduction from the P4 figure.
2. This downward trend is, cautiously, welcomed, but there is a backlog of P&R orders which are currently ‘stuck’ in the system (around 1,700 orders) and work is currently underway to release them. The accruals currently allow for an average 25% variation value on each order. The exact final value of these orders is unknown and is dependent upon the number and value of orders varied upwards. There is no way of predicting the numbers of variations or the final amount, however the interface will have prevented individual orders being varied by more than £50 unless pre-authorised. This does not mean that that the possibility of a sharp increase is lessened, however the expectation is that not every order will have been self-varied.
3. The account analysis shows that there is a negative variance in the number of orders raised. The projected cumulative figure was 5,150 and the number raised was 4,840. There was also a smaller negative variance in the previous period.
4. However the average negative cost variance for these orders has increased slightly from £25.88 in August to £28.85 in September. This means that all orders raised are costing £28.85 more than budgeted. Analysis of KNK orders for this quarter shows that 77% of all orders are being varied and of these 65% are varied over 100%. Further analysis will be undertaken to establish whether this is due to very low value orders being raised in the first instance. It will also be interesting to see these figures in comparison to P&R once their data is available and will be used as a monitoring and checking tool going forward.
5. The average cost of high value HV (over £500) orders have dropped slightly in September, although these orders remain the focus of control measures and are kept at a high profile in order to ensure that the numbers are kept to a minimum.

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|  | Cumulative No. of HV orders | Av. Cost of HV order | Total cost |
| June | 165 | £1,175 | £194,000 |
| July | 233 | £1,139 | £265,000 |
| August | 299 | £1,260 | £376,000 |
| September | 346 | £1,238 | £428,000 |

1. The weekly Works in Progress report supplied by Finance is proving to be a really useful tool in providing further insight into the types of orders being raised by the team.
2. There is a current underspend on the void budget of £60,199. This is the second period of underspend on GN voids. There have been very low void number in both August and September (6 and 4 respectively) and this is the most likely explanation for the budget surplus. Conversely there is an overspend on PIV voids of £91,148 which reflects the higher number of voids properties being returned in very poor condition and requiring significant work. The underspend on General Needs voids can be used to offset this overspend. It is not possible to predict either the number of or condition of properties being returned, however this trend in higher spend on PIV has been reflected in the re-forecasted figures submitted this month.
3. There is a small (£3k) negative variance on Supported Housing Voids which is a reduction on the August figure of £5k. Of greater concern is the underspend on Agency works of £13k. This will be investigated to establish the cause.
4. There is also an overspend on the Day to Day Administration code of £39k which relates to the Head Office repairs to the roof.