

**RESOURCES, REMUNERATION & REGENERATION  
COMMITTEE  
12 JULY 2012**

# ITEM B8

## 2011-12 VOIDS OVERSPEND

Report of the Director of Investment & Regeneration

### 1. SUMMARY

This report updates the Committee on the factors surrounding the 2011-12 over spend on Voids of £170,000 against a base budget of £2,443,257.

### 2. RECOMMENDATION

2.1 To note and comment on the content of the report.

### 3. MATTER FOR CONSIDERATION

3.1 The Committee was notified of the year end overspend in this area at the last meeting and requested a report to further explain the reasons for this.

3.2 Primarily the reasons for the overspend were:

- An unprecedented amount of voids in May (50 extra), which required extra external support to ensure they were completed within the required relet time.
- Additional resources to cover the absence of three direct employees.
- Incorrectly set budget for transport.

3.3 The number of void properties worked in the year was 1,268 with an average cost of £2,101.

3.4 Detailed below are the major areas of overspend and underspend

Area	(Over) / Under spend against budget £'000
Staffing	(96)
Transport	(32)
Subcontractors	(140)
Depot charges	26
Other costs	8
External fees	64
	<b>(170)</b>

3.5 Staffing £96,000 overspend – key reasons include:

- £24,000 pension adjustment
- £33,000 - 15 months of lost productivity owing to long term sickness of two operatives which had to be covered by agency staff
- £28,000 the transfer of a joiner into the Open Contractor Team; this post was covered by a combination of agency and external subcontractors
- £11,000 – impact of additional voids in May 2011.

3.6 Transport £32,000 overspend – Incorrect base budget split of the vehicle budget between Voids and Day to Day Repairs. Costs overall were in line with expectations. The 2012/13 budgets have been adjusted as necessary.

3.7 Subcontractors, net overspend of £140,000 - Additional voids cover for staff absence and the additional voids completed in the year meant that subcontractor costs were £313,000 over the original budget of £728,389. There was also an over reliance on subcontractors to ensure that Derby Homes achieved the required relet time for the year. However, as a result of the greater use of subcontractors there was a saving of £173,000 in the materials budget.

3.8 London Road Depot £26,000 underspend - due to lower support service charges from Derby City Council.

3.9 Other costs £8,000 underspend – minor savings in uniforms and IT etc.

3.10 External fees £64,000 underspend - during 2011-12 we also received recharge income from repairs carried out on externally managed properties and also rechargeable repairs to tenants; this amount was not budgeted and shows as an underspend.

3.11 This year we have been working on balancing cost with time. Early indications show an average void cost of £1,800.

#### **4. CONSULTATION**

4.1 The areas listed below have no implications directly arising from this report:

The areas listed below have no implications directly arising from this report:

Financial and Business Plan  
Legal and Confidentiality  
Council  
Personnel  
Environmental  
Equalities Impact Assessment  
Health & Safety  
Risk  
Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, [phil.davies@derbyhomes.org](mailto:phil.davies@derbyhomes.org) – Phone: 01332 888528

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Background Information: None

Supporting Information: None