

SAVINGS OPTIONS PROPOSED FOR 2012/13

	HOUSING REVENUE ACCOUNT £	SAVINGS PROFILE	BASIS FOR DECISION
SERVICE REENGINEERING:			
Reduction in number of leaseholder statements from quarterly to annually	5,000	on-going	The frequency of bulk invoicing can be reduced from 5 to 3 annually. Currently quarterly invoicing and an annual statement.
discontinue annual statements and replace with on line access	6,000	On-going	From January 2012, all tenants whose accounts are in credit or have a 0 balance will not be sent quarterly rent statements. One statement will be issued to all tenants in April 2013 which will confirm the rent increase and water charge increase. Those in arrears will continue to receive quarterly rent statements
Legionella testing and monitoring was brought "in-house"	5,000	on-going	Legionella testing and monitoring was brought "in-house" last year, and savings were made. Most remedial works, e.g. removing "dead legs" that can promote bacteria and thus cause Legionella have now been removed, so there is less expenditure envisaged in the future.
Reduction in gas servicing costs	25,000	on-going	New central heating installations are running at approximately 500-600 p.a. These installations will not require the first year's service as they are under warranty, showing a saving of approx £25,000
Reduction in gas servicing costs	20,000	on-going	This budget is for items that arise over and above the normal gas contract, e.g. variations covering additional radiators, new pumps, power flushes etc. There is now less demand for these items so some savings on the budget can be made
TOTAL SERVICE REENGINEERING	61,000		

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STAFF REDUCTIONS

Service Re-engineering Reduction in Vacant Posts/Vacancy Control:			
Resident Involvement Officer	29,500	on-going	The service will be managed with one less post. This post is currently vacant
Introduce Vacancy Control Target (2% of staff budget)	117,400	on-going	This savings option takes into consideration a vacancy factor between leavers and starters
TOTAL VACANT POST REDUCTIONS	146,900		

Transition Savings -Return of Housing function to Stevenage			
Directors' insurance no longer required	3,680	on-going	No impact following closure of Stevenage Homes Limited
External Audit Fees no longer required for limited company	22,930	on-going	Not required after merger
Consultancy	13,240	on-going	Not required after merger
Staff Advertising	17,000	on-going	Not required after merger. The budget has been reduced by this amount.
Consultancy	10,960	on-going	Not required for the final four months of 2011/12 and reduced budget provided for 2012/13 and beyond
General Expenses	25,300	on-going	Not required after merger
Senior Management	63,900	on-going	Restructure savings arising as part of the transfer of SHL staff to SBC.
Duplication	412,710	on-going	Restructure savings arising as part of the transfer of SHL staff to SBC.
Efficiencies	132,630	on-going	Restructure savings arising as part of the transfer of SHL staff to SBC.
TOTAL TRANSITION SAVINGS	702,350		

INCOME INCREASES			
Gas and electrical safety checks charge for mutual exchange properties	24,000	on-going	These checks cost £49 and £150 each respectively at current rates. It is estimated that approx 120 exchanges will take place next year and the cost could be recouped by imposing a recharge.
TOTAL INCOME INCREASES	24,000		

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EFFICIENCY SAVINGS			
	HOUSING REVENUE ACCOUNT SAVING	SAVINGS PROFILE	
Total base adjustments identified	205,530	ongoing	

SUMMARY	
Total Efficiencies	205,530
Total Staff Reductions	146,900
Total Service Reengineering	61,000
Total Transition Savings	702,350
Total Income Increases	24,000
Total Savings	1,139,780