REPORT TO: COMMUNITIES COMMITTEE ON 20 NOVEMBER 2018

SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING – 31 AUGUST 2018

BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE)

1. REASON FOR REPORT

1.1 This report presents the budget monitoring for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period to 31 August 2018.

1.2 This report is submitted to Committee in terms of section III G (1) of the Council's Scheme of Administration relating to the management of budgets.

2. RECOMMENDATION

2.1 It is recommended that Communities Committee considers and notes the budget monitoring report for the period to 31 August 2018.

3. BACKGROUND

3.1 The Council agreed the HRA Budget for 2018/19 at its meeting on 14 February 2018 (paragraph 13 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.

4. HOUSING REVENUE ACCOUNT TO 31 AUGUST 2018

4.1 **APPENDIX I** details the HRA budget position to 31 August 2018.

4.2 The main expenditure variances relate to:–

4.2.1 **Supervision and management** – there is a range of variations within this budget resulting in a net underspend of £7k. There are underspends in Staffing (£71k), Training (£5k) and ICT (£1k) which is reduced by overspends on voids (£47k), the Bilbohall Masterplan (£10k), insurance (£11k) and other minor overspends (£2k).

4.2.2 **Sheltered Housing** – there is an underspend of £7k due mainly to lower energy costs. This position is likely to change over the winter months.

4.2.3 **Repairs and maintenance** – there is an overspend of £216k in the repairs and maintenance budget. The main overspend is in planned works (£249k)

which is reduced by underspends in response repairs (£25k) and voids (£8k). Officers are currently identifying works which can be classed as capital expenditure and an adjustment will be made to significantly reduce the current overspend on revenue planned works.

4.2.4 **Bad and doubtful debts –** there has been an underspend of £9k to date due to fewer write offs than expected being approved. This position will change as the year progresses.

4.2.5 **Downsizing Incentive Scheme** – there is a £2k overspend to date. A report on the resources required to manage and promote the downsizing scheme is included on this Committee Agenda.

4.2.6 **Service Developments** – this budget includes provision for ongoing ICT improvements (£5k) and a full Tenants Survey (£18k). No spend has been committed from this budget to date.

4.3 The income at 31 August 2018 is £39k lower than projected. Housing rents (£25k) and lower than expected tenant rechargeable repairs (£14k) are the main reasons for the reduced income. The income from house rents will increase over the remainder of the year as new build properties come on stream.

5.   OTHER HOUSING BUDGET

5.1 **APPENDIX II** provides details of the budget position to 31 August 2018.

5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There is an underspend of £1k as a result of fewer improvement grants being processed in the period.

5.3 **Housing Management** relates to the Gypsy/Traveller Budget. This shows a £2k underspend due to minor underspends mainly in staffing and the provision of chemical toilets.

5.4 **Homelessness/Allocations** comprises homelessness, Landlord Registration and housing support services. An underspend to date of £30k is due to variances across a range of budgets. Underspends in Landlord Registration (£3k), Homeless Persons (£28k) and Homelessness (£2k) is reduced by an overspend in housing support (£3k).

5.5 **The Building Services Budget** is reported in detail separately on this Committee's agenda and any surplus achieved will return to the HRA.

5.6 **The Property Services Budget** covers the cost of the Design and Property Resources sections of the service. An underspend of £112k has occurred due to variances across a range of budgets. The major variances relate to underspends in Shared Building energy costs (£21k) and Central Repairs & Maintenance (£65k), along with other minor underspends (£26k).

5.7 As at 31 August 2018, the Other Housing Budget shows a net underspend of £165k.

6.   **SUMMARY OF IMPLICATIONS**

(a)   **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**
The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan and 10 Year Plan, the Council's Local Housing Strategy and Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b)   **Policy and Legal**
There are no policy or legal implications arising from this report.

(c)   **Financial Implications**
The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDIX I** and **II**.

(d)   **Risk Implications**
Budget managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from the Committee in line with Financial Regulations.

(e)   **Staffing implications**
None.

(f)   **Property**
None.

(g)   **Equalities/Socio Economic Impact**
There are no equalities/socio economic impacts arising from this report.

(h)   **Consultations**
This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with Deborah O'Shea (Principal Accountant), Legal Services Manager (Property and Contracts), Senior Managers within Housing and Property Services, and Caroline Howie (Committee Services Officer) who all agree the content of the report where it relates to their area of responsibility.

7.   **CONCLUSION**

7.1   **This report sets out the budget position for the HRA and General Services Housing budgets to 31 August 2018 and also comments on the variances on these budgets.**

Author of Report: Richard Anderson, Head of Housing and Property
Background Papers: Held by author
Ref: CC/JS/LS – Housing Budgets –