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**REPORT TO: COMMUNITIES COMMITTEE ON 9 OCTOBER 2019**

**SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING –  
31 AUGUST 2019**

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

**1. REASON FOR REPORT**

- 1.1 This report presents the budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 31 August 2019.
- 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 2019.**

**3. BACKGROUND**

- 3.1 The Council agreed the HRA Budget for 2019/20 at a special meeting on 27 February 2019 (paragraph 6 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.

**4. HOUSING REVENUE ACCOUNT TO 31 August 2019**

- 4.1 **APPENDIX I** details the HRA budget position to 31 August 2019.
- 4.2 The main expenditure variances relate to:–
  - 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net underspend of £207k. There were underspends in staffing (£75k), training (£4k), ICT (£3k), tenant participation (£6k) and reduced insurance premiums (£184k) due to a new council insurance contract. These underspends are reduced by overspends in void rent loss (£54k), council tax (£7k), and other minor overspends (£4k).

- 4.2.2 **Sheltered Housing** – there was an underspend of £3k due to lower than expected energy costs. This position is likely to change over the winter period.
- 4.2.3 **Repairs and maintenance** – there was an underspend of £23k in the repairs and maintenance budgets. The main underspend was in void works (£52k) which is reduced by overspends in planned works (£15k) and response repairs (£14k).
- 4.2.4 **Bad and doubtful debts** – there was an underspend of £36k to date due to fewer write offs than expected being approved in the period.
- 4.2.5 **Downsizing Incentive Scheme** – there was an underspend of £5k with fewer transfers completed than expected to 31 August 2019.
- 4.2.6 **Service Developments** – the budget of £39k included provision for ICT improvements (£5k), a review of the Housing Business Plan (£12k) and funding for the Research and Information Officer within the Community Safety Team (£22k). The budget is showing a minor underspend of £5k to date.
- 4.2.7 The income at 31 August 2019 was £3k lower than projected.

## 5. OTHER HOUSING BUDGET

- 5.1 **APPENDIX II** provides details of the budget position to 31 August 2019.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There were underspends of £9k to date. Underspends in discretionary grants (£17k) and Admin costs (£1k) was reduced by an overspend in disabled adaptations (£9k).
- 5.3 **Housing Management** relates to the Gypsy/Traveller budget. This budget is currently on target with £14k committed to date.
- 5.4 **Homelessness/Allocations** comprises of Homelessness and Housing Support services. There was an underspend of £3k in this budget with the main underspend in temporary accommodation (£16k). This was due to the homeless furniture store at Unit 8, Mosstodloch being vacated earlier than predicted. The underspend was reduced by overspends in housing support (£2k) and the provision of temporary accommodation (£11k). Homelessness is a “high risk” budget as pressures can quickly arise in the event of an increase in homelessness presentations. Service Managers will therefore continue to monitor this budget for the remainder of the year.
- 5.5 **Miscellaneous General Services Housing** comprises of House Loans, a maintenance bond from Grampian Housing Association and the new complex needs development at Urquhart Place, Lhanbryde. There was an underspend of £13k across the three budgets. An underspend in Urquhart Place (£18k) was reduced by an overspend in the maintenance bond (£5k) which is now exhausted.

- 5.6 **The Building Services Budget** is reported in detail separately on this Committee's agenda and any surplus achieved will return to the HRA.
- 5.7 **The Property Services Budget** includes the budgets for the Design Team and Property Resources. There was an underspend of £134k to date with Design showing an underspend of £53k across a range of budgets and Property Resources likewise (£81k).
- 5.8 As at 31 August 2019, 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, the Council's Local Housing Strategy, the 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 **APPENDICES 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, 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 2019 and also comments on the variances on these budgets.**

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