



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 8
FEBRUARY 2022**

**SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING –
30 NOVEMBER 2021**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

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 30 November 2021.
- 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 the Committee scrutinises and notes the budget monitoring report for the period to 30 November 2021.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2021/22 at the meeting on 18 February 2021 (paragraph 7 of the Minute refers). Housing and Property budget monitoring reports are presented to each cycle of meetings.
- 3.2 The COVID-19 pandemic and subsequent lock down period has impacted on the budget spend as the service concentrated on responding to the immediate crisis.

4. HOUSING REVENUE ACCOUNT TO 30 NOVEMBER 2021

- 4.1 **APPENDIX I** details the HRA budget position to 30 November 2021.
- 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 £67k. This includes underspends in staffing (£132k), arising from vacancies and the budget provision for pay

award not being paid yet and other minor cumulative underspend (£13k). This was partially offset by an overspend in relation to voids (£78k).

- 4.2.2 **Repairs and maintenance** – there was an underspend of £811k in the repairs and maintenance budget, which is partly attributable to the restrictions in non-essential repairs at the start of the financial year. Underspends include planned/cyclical maintenance (£588k), voids (£152k) and response repairs (£71k).
- 4.2.3 **Bad and doubtful debts** – there was an underspend of £19k against provision for bad & doubtful debts.
- 4.2.4 **Downsizing Incentive Scheme** – there was an underspend of £32k, with fewer transfers taking place.
- 4.2.5 **Service Developments** – there is an underspend of £33k, with £27k arising from a vacancy that has not yet been filled, £10k on consultancy allocated for the Housing Need and Demand Assessment/Tenant Satisfaction Survey, partially offset by a £4k overspend in software costs.
- 4.2.6 The income at 30 November 2021 was £58k lower than expected. This is due mainly to fewer rechargeable repairs being invoiced.

5. **HRA PROJECTED OUTTURNS 2021/22**

5.1 **APPENDIX I** also details projected outturns for 2021/22.

5.2 **Expenditure**

- 5.2.1 **Supervision and management** - An underspend of £145k is projected. This variance results from projected underspends in staffing (£126k), shared accommodation costs (£78k) and other minor cumulative net underspends (£32k). This is reduced by a projected overspend in voids (£91k).
- 5.2.2 **Sheltered Housing** – There is a projected overspend of £4k anticipated due to excess energy costs.
- 5.2.3 **Repairs and Maintenance** - An underspend of £921k is projected. Planned/Cyclical works are projected to underspend by (£958k), which would be partially offset by an overspend in voids (£37k).
- 5.2.4 **Financing costs** - An underspend of £99k is projected due to lower than estimated interest rates and the continued level of Capital from Current Revenue (CFCR) used to keep borrowing to a minimum. There was also a change in the loans pool method, with the first repayment in following year as opposed to half repayment in current year for new borrowing.
- 5.2.5 **Bad and Doubtful debts** - An underspend of £20k is projected due to lower write-offs, however the position remains uncertain following the impact of the pandemic on arrears.

- 5.2.6 **CFCR** - The level of Capital from Current Revenue (CFCR) is projected to be £1,163k overspent due to underspends elsewhere across the HRA budget.
- 5.2.7 **Downsizing Incentive Scheme** – An underspend of £32k is projected due to fewer transfers taking place.
- 5.2.8 **Service Developments** – An underspend of £40k is currently projected due to staffing vacancies and lower than anticipated expenditure on consultancy, with £17k being carried forward to 22/23 for the Housing Need and Demand Assessment.
- 5.2.9 **Total expenditure on the HRA** - Projected to be £90k lower than budgeted.

5.3 Income

- 5.3.1 Minor variations are projected for income on non-dwelling rents, house rents and other income during 2021/22.
- 5.3.2 Total income to the HRA is projected to be £90k lower than originally budgeted for 2021/22.
- 5.4 Overall, a surplus balance of £2.401m is projected for the HRA budget in 2021/22.

6. OTHER HOUSING BUDGET

- 6.1 **APPENDIX II** provides details of the budget position to 30 November 2021.
- 6.2 **Planning and Development** - consists of Improvement Grants and Affordable Housing budgets, including disabled adaptations. The position at 30 November 2021 shows an overspend of £19k, attributable to a shortfall in grant income against budget of £84k, partially offset by underspends in discretionary grants (£48k), admin (£7k) and timing adjustments (£10k). This budget is administered by the Integrated Joint Board.
- 6.3 **Housing Management** - relates to the Gypsy/Traveller budget. The position at 30 November 2021 shows an underspend of £21k, mainly due to staffing.
- 6.4 **Homelessness/Allocations** - comprises of Homelessness and Housing Support services. There was an overspend of £99k in this budget, comprised of £18k for Housing Support, £72k for temporary accommodation and £9k in other homelessness services. This includes one-off legal costs and reflects the fluid nature of service demands.
- 6.5 **Miscellaneous General Services Housing** - comprises of House Loans, a maintenance bond from Grampian Housing Association and the complex needs development at Urquhart Place, Lhanbryde. The budget is showing an overall underspend of £17k which is attributable to an underspend of £24k in repairs & maintenance for the property and a £7k overspend due to the maintenance bond being exhausted.

- 6.6 **The Building Services Budget** - is reported in detail separately on this Committee's agenda and any surplus achieved or deficit will return to the HRA.
- 6.7 **The Property Services Budget** - includes the budgets for the Design Team and Property Resources. There is an overall underspend of £186k to date. Within the Design Team there were underspends in Industrial Estates £104k, £2k in fee income and £2k in energy efficiency, partially offset by a £16k overspend in Architects due to software costs. Property Resources underspent by £94k, of which £40k related to shared buildings, £6k for the maintenance section, £5k for admin/management and £43k for Central Repairs & Maintenance.
- 6.8 The service has also incurred £4k of expenditure to date directly relating to the response to the COVID-19 pandemic. This relates to building alterations/recommissioning works.
- 6.9 As at 30 November 2021, the Other Housing budget shows a net underspend of £97k.

7. **OTHER HOUSING PROJECTED OUTTURNS 2021/22**

- 7.1 **APPENDIX II** also indicates the projected outturns for 2021/22.
- 7.2 **Planning and Development** - Projected to overspend by £50k. This is based on an anticipated overspend in improvement grants £93k, due to less income received than anticipated due to COVID, which is being reduced by underspends in discretionary grants £43k .
- 7.3 **Housing Management** - Projected to underspend by £8k. The main reason for this is a vacancy and end of year recharges to the Housing Revenue Account.
- 7.4 **Homelessness/Allocations** - Projects an underspend of £47k. An overspend in housing support (£13k) and temporary accommodation (£99k) is expected to be offset by an underspend of £159k in the wider homelessness budget, arising due to vacancies within the service. £169k allocated for the Rapid Rehousing Transition Plan is included in this figure and will be carried forward.
- 7.5 **Miscellaneous General Services Housing** - Projects an underspend of £15k. The main reason for this is lower than anticipated repairs and maintenance costs relating to Urquhart Place.
- 7.6 **Building Services** - Projected outturn is considered in further detail in the separate report on the Committee's agenda.
- 7.7 **Property Services** - Projects an underspend of £256k. This is comprised of an underspend of £26k in Property and £230k in Property Resources, principally due to lower repairs and maintenance costs.

- 7.8 **Housing and Property Savings** – Staffing savings are anticipated to be exceeded by £10k, dependent on vacancy levels.
- 7.9 **Housing and Property Allocations** – Projected to overspend (£30k) due to lower than expected service recharges.
- 7.10 The service is expected to incur £5k of expenditure relating to the response to the COVID-19 pandemic, which relates to building alterations/recommissioning works.
- 7.11 Overall, it is now projected that the Other Housing Budget in General Services will underspend by £254k on the agreed budget.

8. 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 to 7 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) Climate Change and Biodiversity Impacts

There are no climate change/biodiversity impacts arising from this report.

(i) 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), the Legal Services Manager, Senior Managers within Housing and Property Services and Lissa Rowan (Committee

Services Officer) who all agree the content of the report where it relates to their area of responsibility.

9. CONCLUSION

9.1 This report sets out the budget position for the HRA and General Services Housing budgets to 30 November 2021 and also comments on the variances on these budgets.

Author of Report: Edward Thomas, Head of Housing and Property
Background Papers: Held by author
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