



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 12
SEPTEMBER 2023**

**SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING –
30 JUNE 2023**

**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 June 2023.
- 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 June 2023.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2023/24 at a Moray Council meeting on 1 March 2023 (paragraph 7 of the Minute refers). Housing and Property budget monitoring reports are presented quarterly.

4. HOUSING REVENUE ACCOUNT TO 30 JUNE 2022

- 4.1 **APPENDIX I** details the HRA budget position to 30 June 2023.
- 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 £184k. This includes underspends in staffing (£140k) arising from vacancies and the budget provision for pay award, £35k for software due to invoice timing, £3k for voids and other minor cumulative underspends of £7k. This was partially offset by an overspend in relation to training (£1k).

- 4.2.2 **Sheltered Housing** – there was an underspend of £8k in the sheltered housing budget, which is mostly attributable to lower than budgeted energy costs (£7k) and other minor cumulative spend of £1k.
- 4.2.3 **Repairs and maintenance** – there was an underspend of £1.071m in the repairs and maintenance budget, which arises from reduced activity in planned/cyclical maintenance (£576k), fewer response repairs (£264k) and an underspend in voids (£231k). The planned/cyclical position included main variance underspends in electrical upgrades (£299k), roof and fabric repairs (£109k), external decoration (£112k), asbestos works (£37k) and roof moss clearing (£34k). These were partially offset by an overspend of £34k in miscellaneous other expenditure. Whilst some of the lower levels of activity are typical of Q1, a review of the planned/cyclical programme is being undertaken to ensure it remains realistic within current workforce resourcing.
- 4.2.4 **Bad and doubtful debts** – there was an overspend of £8k against provision for bad and doubtful debts arising from slightly higher than budgeted write-offs at this stage.
- 4.2.5 **Downsizing Incentive Scheme** – the level of spend matched budgeted provision for the reporting period, reflecting a welcome increase from the lower post-pandemic activity levels.
- 4.2.6 **Service Developments** – there is an underspend of £26k, with provision retained for tenant and service priorities over the winter months.
- 4.2.7 The income at 30 June 2023 was £17k lower than expected. This is due mainly to the delayed handover of some new build properties at Keith and the lead-in period for tenants moving into Pinegrove (£49k), offset against higher than anticipated tenant recharges (£32k).

5. **OTHER HOUSING BUDGET**

- 5.1 **APPENDIX II** provides details of the budget position to 30 June 2023.
- 5.2 **Planning and Development** - consists of Improvement Grants and Affordable Housing budgets, including disabled adaptations. The position at 30 June 2023 shows an underspend of £57k, arising from an underspend in discretionary grants (£8k) and higher than anticipated grant income (£49k). This budget is administered by Moray Integration Joint Board.
- 5.3 **Housing Management** - relates to the Gypsy/Traveller budget. The position at 30 June 2023 shows an underspend of £1k, arising from lower site clearance costs.
- 5.4 **Homelessness/Allocations** - comprises of Homelessness and Housing Support services. There was an underspend of £48k in this budget, comprised of an underspend in Temporary Accommodation (£70k), partially offset by overspends in Housing Support (£11k) and general Homelessness (£11k).

- 5.5 Miscellaneous General Services Housing – there was an underspend of £10k in relation to repairs and rent for a supported accommodation project (Urquhart Place, partially offset by a £4k overspend for open space maintenance at another facility (Pinefield).
- 5.6 **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.
- 5.7 **The Property Services Budget** - includes the budgets for the Design Team and Property Resources. There is an overall overspend of £63k to date. Within the Design Team there was an underspend of £10k in architectural consultancy, partially offset by an overspend in specialist software (£8k). Within Property Asset Management there were overspends in shared building costs (£21k), attributable to higher energy costs, maintenance (£3k) and schools repairs and maintenance (£87k), arising from the timing of works programmes in schools. These were partially offset by underspends in Industrial Estates (£22k), energy efficiency (£14k), fee income (£4k), admin (£3k) and other (£3k).
- 5.8 The service also holds a £6k underspend in relation to the Tenant Hardship Fund, which will be utilised in the course of the year.
- 5.9 As at 30 June 2023, the Other Housing budget shows a net underspend of £49k.

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 to 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

There are no staffing implications arising from this report.

(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 Lorraine Paisey (Chief Financial Officer), Georgina Anderson (Legal Services Senior Solicitor), Senior Managers within Housing and Property Services and Lindsey Robinson (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 30 June 2023 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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