



REPORT TO: COMMUNITIES COMMITTEE ON 28 MAY 2019

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

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

1. REASON FOR REPORT

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

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 MARCH 2019

- 4.1 **APPENDIX I** details the provisional and unaudited HRA budget position to 31 March 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 overpend of £26k. There were overspends in void rent loss (£82k), the Bilbohall Masterplan (£26k), new software for the Common Housing Register (£8k), council tax for Cluny Annexe, Buckie (£11k) and insurance (£17k). This was reduced by underspends in Staffing (£22k), Training (£6k), ICT (£24k), Shared Accommodation costs (£48k), Printing and stationery (£4k), Sherriff Officer fees (£5k), tenant participation (£5k) and other minor underspends (£4k).

- 4.2.2 **Sheltered Housing** – there was an overspend of £1k due mainly to higher than expected energy costs.
- 4.2.3 **Repairs and maintenance** – there was an overspend of £574k in the repairs and maintenance budget. The overspends included planned works (£53k), response repairs (£36k) and void repairs (£241k). The financial performance of Building Services (DLO) at year end (£244k) has also impacted on the level of overspend within this budget area. This has been explained in more detail within the DLO budget monitoring report also to be considered as part of this Committee Agenda.
- 4.2.4 **Financing Costs** – there was an overspend of £119k due to increases in interest rates throughout the year.
- 4.2.5 **Bad and doubtful debts** – there was an underspend of £136k due to fewer write offs than expected being approved throughout the year.
- 4.2.6 **Current Revenue from Capital (CFCR)** – there was less CF CR (£577k) than forecast due to overspends elsewhere within the HRA budget.
- 4.2.7 **Downsizing Incentive Scheme** – there was an underspend of £13k at year end. This was due to fewer transfers being completed in the final quarter than was projected. On 13 May 2019, the Housing Options Advisor (Downsizing) commenced in their dedicated role to oversee the incentive scheme.
- 4.2.8 **Service Developments** – this budget included provision for a full Tenants' Survey (£18k) and ongoing ICT improvements (£5k). There was an underspend of £14k at year end due to the survey costing less than anticipated (£9k) and the ICT improvement budget not being required in this financial year (£5k).
- 4.3 The income at 31 March 2019 was £20k higher than projected. New build completions generated a higher income than expected (£18k); interest rates were higher than projected (£26k). This was reduced by lower than expected rechargeable repairs (£24k).

4.4 The estimated HRA surplus at 31 March 2019 is £1.175m.

5. **OTHER HOUSING BUDGET**

- 5.1 **APPENDIX II** provides details of the provisional and unaudited budget position to 31 March 2019.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There was an underspend of £44k as a result of an underspend in discretionary grants (£16k) and Capital Grant funding being £28k more than budgeted.
- 5.3 **Housing Management** relates to the Gypsy/Traveller Budget. This shows a £7k 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. There was an underspend of £119k due to variances across a range of budgets. This includes underspends in Landlord Registration (£11k), Homeless Persons (£108k) and Homelessness (£3k). This is reduced with an overspend in Housing Support (£3k).
- 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 £36k across these three budgets. An underspend in Urquhart Place (£39k) was reduced by overspend in the maintenance bond (£3k) which has 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. There was an underspend of £351k at year end due to variances across a range of budgets within these services. The Design Team had underspends in relation to rental income for the industrial estates (£61k), Estates (£2k) and energy efficiency (£24k). This was reduced by an overspend in ICT software (£11k). Property Services had underspends in energy costs (shared buildings) (£11k), asbestos consultancy (£4k) and the central repairs and maintenance budget (£422k) due to postponed planned works. These underspends were reduced by overspends in staffing (£2k) and reduced fee income (£160k).
- 5.8 As at 31 March 2019, the Other Housing Budget shows an unaudited net underspend of £572k.

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 **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, Senior Managers within Housing and Property Services, and Tracey Sutherland (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 provisional and unaudited budget position for the HRA and General Services Housing budgets to 31 March 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 –