



Housing and Community Safety Committee

Tuesday, 22 March 2022

NOTICE IS HEREBY GIVEN that a Meeting of the **Housing and Community Safety Committee** is to be held at **Various Locations via Video-Conference**, on **Tuesday, 22 March 2022 at 14:00**.

BUSINESS

1 Sederunt

2 Declaration of Group Decisions and Members Interests *

3 Resolution

Consider, and if so decide, adopt the following resolution:
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Items 10, 11 and 12 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."

4 Minute of Meeting dated 8 February 2022

7 - 10

5 Written Questions **

6 Housing and Property Services Service Plan 2022-23

11 - 22

Report by Depute Chief Executive (Economy, Environment and Finance)

7 Housing Investment 2021-22 23 - 40
Report by Depute Chief Executive (Economy, Environment and Finance)

8 Housing and Property Services Budget Monitoring - 31 December 2021 41 - 52
Report by Depute Chief Executive (Economy, Environment and Finance)

9 Question Time ***
Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration.

Item(s) which the Committee may wish to consider with the Press and Public excluded

10 Council New Build - Report on Tender - South Glassgreen Fyvie Green, Elgin
• Information on proposed terms and/or expenditure to be incurred by the Authority;

11 Council New Build Tender - Bilbohall, Elgin Phase 1
• Information on proposed terms and/or expenditure to be incurred by the Authority;

12 Building Services Trading Operation Budget 2021-22 - Budget Monitoring
• Information on proposed terms and/or expenditure to be incurred by the Authority;

Summary of the Housing and Community Safety Committee functions:

To deal with matters relating to Housing/HMOs, Housing Regeneration, Homelessness, Social Inclusion, Equalities, Community Safety, Anti-Social Behaviour (including road accidents) and Community Liaison.

Moray Council Committee meetings are currently being held virtually due to Covid-19. If you wish to watch the webcast of the meeting please go to:
http://www.moray.gov.uk/moray_standard/page_43661.html
to watch the meeting live.

GUIDANCE NOTES

* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

** **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

*** **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

THE MORAY COUNCIL

Housing and Community Safety Committee

SEDERUNT

Councillor Louise Nicol (Chair)
Councillor Theresa Coull (Depute Chair)

Councillor George Alexander (Member)
Councillor James Allan (Member)
Councillor David Bremner (Member)
Councillor Lorna Creswell (Member)
Councillor John Divers (Member)
Councillor Ryan Edwards (Member)
Councillor Donald Gatt (Member)
Councillor Marc Macrae (Member)
Councillor Aaron McLean (Member)
Councillor Maria McLean (Member)
Councillor Laura Powell (Member)
Councillor Derek Ross (Member)

Ms Anna Bamforth (Non-Voting Member)
Ms Jane Bartecki (Non-Voting Member)
Mr Ronald Tolmie (Non-Voting Member)

Clerk Name:	Lindsey Robinson
Clerk Telephone:	07966 120593
Clerk Email:	committee.services@moray.gov.uk

Minute of Meeting of the Housing and Community Safety Committee

Tuesday, 08 February 2022

Various Locations via Video-Conference

PRESENT

Councillor George Alexander, Councillor David Bremner, Councillor Theresa Coull, Councillor Lorna Creswell, Councillor John Divers, Councillor Ryan Edwards, Councillor Donald Gatt, Councillor Marc Macrae, Councillor Aaron McLean, Councillor Louise Nicol, Councillor Laura Powell, Councillor Derek Ross

APOLOGIES

Councillor James Allan, Ms Anna Bamforth, Ms Jane Bartecki, Councillor Maria McLean, Mr Ronald Tolmie

IN ATTENDANCE

Depute Chief Executive (Economy, Environment and Finance), Head of Housing and Property Services, Legal Services Manager, Building Services Manager and Lissa Rowan, Committee Services Officer, as Clerk to the Committee.

1 Chair

Councillor Nicol, being Chair of the Housing and Community Safety Committee, chaired the meeting.

2 Declaration of Group Decisions and Members Interests

In terms of Standing Order 20 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

3 Resolution

The Meeting resolved that under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Item 13 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute Paragraph Number of Schedule 7a and Reason

11

9

4 Minute of Meeting dated 7 December 2021

The Minute of the meeting of the Housing and Community Safety Committee dated 7 December 2021 was submitted and approved.

5 Written Questions

The Committee noted that no written questions had been submitted.

6 Housing Investment 2021-22

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the budget position to 30 November 2021 and the actual outturn to 31 March 2021 for the Housing Investment Programme for 2020/21 and 2021/22.

Following consideration, the Committee agreed the:

- (i) position as at 30 November 2021 with regards to the Housing Investment Programme for 2021/22, as detailed in Section 3 and Appendices I to VI of the report;
- (ii) revised Housing Investment Programme projected outturn to 31 March 2022, as detailed in Section 3 and Appendices I to VI of the report; and
- (iii) Housing Investment Programme outturn to 31 March 2021, as detailed in Section 3 and Appendices VII to XII of the report.

7 Local Lettings Plan 2022-2027

Under reference to paragraph 6 of the Minute of the Meeting of the Housing and Community Safety Committee dated 19 October 2021, a report by the Depute Chief Executive (Economy, Environment and Finance) provided the Committee with the results of the consultation on the draft Local Lettings Plan 2022-2027 and presented the final Local Lettings Plan 2022-2027 for approval.

Following consideration, the Committee agreed:

- (i) to note the outcome of the public consultation on the draft Local Lettings Plan 2022 – 2027 as set out in Section 4 and Appendix I of the report;
- (ii) to approve the final Local Lettings Plan 2022 – 2027 as set out in Appendix II of the report;
- (iii) the implementation of the Local Lettings Plan 2022 – 2027 with immediate effect; and
- (iv) to note that the operation of the Local Lettings Plan 2022 – 2027 will be reported annually to this Committee as part of the Allocations Policy Annual Performance Report.

8 Tenant Survey 2021

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the main findings of the 2021 Tenant Survey.

Following consideration, the Committee agreed to note:

- (i) the main findings of the Tenant Survey 2021; and
- (ii) that the Tenant Survey Improvement Plan will be reviewed in the light of the findings of the 2021 survey and an updated plan presented to a future meeting of this Committee.

9 Housing and Property Services Budget Monitoring - 30 November 2021

A report by the Depute Chief Executive (Economy, Environment and Finance) presented the budget position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 30 November 2021.

Following consideration, the Committee agreed to note the budget monitoring report for the period to 30 November 2021.

10 Question Time

Under reference to paragraph 12 of the Minute of the meeting of the Housing and Community Safety Committee dated 7 December 2021, Councillor Gatt sought an update in relation to derelict properties in Moray.

In response, the Legal Adviser advised that a report was due to the meeting of the Planning and Regulatory Services Committee on 1 March 2022 on brownfield sites however this would not address ownership of properties.

The Head of Housing and Property Services advised that work is underway to bring vacant properties back into use and that he would provide Councillor Gatt with a list and status of Council owned properties.

With regard to the Council's Evictions Policy, Councillor A McLean sought clarification as to whether a criminal conviction would breach a tenant's tenancy agreement.

In response, the Head of Housing and Property advised that any criminal conviction could result in a tenant being evicted however the Council would need to demonstrate that appropriate measures had been taken to resolve the situation in the first instance.

11 Building Services Trading Operation Budget 2021-22 - Budget Monitoring

Under reference to paragraph 21 of the Minute of the meeting of the Economic Growth, Housing and Environmental Sustainability Committee dated 8 June 2021, a report by the Depute Chief Executive (Economy, Environment and Finance)

presented the budget monitoring information for the period to 30 November 2021 for the Building Services Trading Operation.

Following consideration, the Committee agreed to note the:

- (i) financial information for the period to 30 November 2021, as detailed in Section 5 and Appendix I of the report;
- (ii) Building Services operating performance for the period to 30 November 2021, as set out in Section 6 of the report; and
- (iii) revised projected outturn to 31 March 2022, as detailed in Section 7 and Appendix I of the report.



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 22
MARCH 2022**

SUBJECT: HOUSING AND PROPERTY SERVICES SERVICE PLAN 2022-23

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

1. REASON FOR REPORT

- 1.1 To invite the Committee to consider the Housing and Property Services Service Plan for 2022-23.
- 1.2 This report is submitted to Committee in terms of Section III (B) (40) to ensure suitable framework is in place for performance management across Council Services.

2. RECOMMENDATION

- 2.1 **It is recommended that Committee considers and approves the Service Plan for Housing and Property Services (Appendix 1).**

3. BACKGROUND

- 3.1 Service planning is a key aspect of the Council's Performance Management Framework and is undertaken annually to set out the strategic direction for services over the coming months.
- 3.2 The service planning process focuses on forward planning for medium-term activities supporting delivery of the Local Outcomes Improvement Plan (LOIP) and Corporate Plan. The Council planning process also includes team plans that focus on short term tactical and operational activities supporting delivery of the service plan and strategies and Employee Review and Development Plans (ERDP) provide individual planning for employees' activities and development.

- 3.3 As well as identifying service developments and improvements, the service plan framework requires an assessment of the output and outcome requirements for services based on the Council's priorities, statutory and regulatory requirements and other relevant factors and matching of resources to these priorities. Priority outcomes are those included in the Council's Corporate Plan that directly relate to the service or are influenced by the service and should be clearly identified.
- 3.4 Setting clear measurable outcomes and defining key indicators by which progress will be assessed is a recognised area for development within the Council and these Service Plans are part of the improvement journey to implement the Performance Management Framework. For some actions it can be difficult to identify a measurable outcome (e.g. a change in legislation that must be implemented, or updating a policy framework). It can also be challenging where there is currently no clear baseline or benchmarking from which informed targets and reasonable steps towards these can be developed. Therefore, as far as possible efforts have been made to set measurable outcomes for service plan actions but in some cases outputs have been used so that it is still possible to measure whether the action has been progressed as intended. In other areas, further work will be required to refine outcomes in future.
- 3.5 A summary of progress is given below based on the annual review carried out for this service area.
- 3.6 For this service plan, the impact of the Covid-19 pandemic is also a factor. The Emergency Cabinet on 24 June 2020 (paragraph 3 of the minute refers) agreed a Recovery and Renewal Framework setting out the vision and priorities for recovery of council services and how they can support wider recovery and renewal in Moray. This has been taken into account in preparing Service Plans, as far as the impact is currently known. An indicator has been added to the Service Plan format to show where there is a contribution to recovery from a previously planned action (that may have been adapted in light of Covid experience). There is also a separate section in Service Plans for specific new recovery and renewal actions and these will be imported into the Council's Recovery and Renewal Action Plan to provide a comprehensive corporate document.
- 3.7 Reference is also made to the report to the Council on 19 January on the preparations for the review and update of the Corporate Plan following the local government elections in May 2022. The report noted that in addition to the election, there were emerging issues from the Covid-19 pandemic that will influence future actions and service requirements and that the Scottish Government programme for government contains a number of commitments that will require action by Council services that needs to be considered in the context of the Corporate Plan and Service Plans. Taking this into account, the Council agreed that Service Plans be prepared taking account of the known national and service driven issues and that they be further reviewed in 12 months to take account of the direction from the new Council in the revised Corporate Plan which will incorporate recovery (para 14 of the minute refers). Therefore, these plans focus on the period from April 2022 to April 2023.

2020/22 Updates

3.8 Housing and Property Services

3.8.1 Progress on planned work (success)

- Continued work to deliver additional Affordable Housing via Council and RSL (Registered Social Landlord) partners.
- Successful adaptation of approach to addressing homelessness despite the impact of the pandemic and improved performance in a number of key metrics.
- Successfully delivered a new Tenant Survey and evidenced broad improvement in tenant satisfaction across key benchmarked measures.
- Rent collection performance remains within the top quartile of benchmarked authorities despite the impact of the pandemic.

3.8.2 Progress on planned work (areas for development/not delivered)

- A key development of affordable housing at Bilbohall was delayed due to market conditions, however is on track to be delivered to revised schedule.
- Void property performance has been further impacted by pandemic restrictions within the reporting year and anticipated improvements not realised.
- Elements of the Property Asset Management Appraisal (PAMA) were delayed pending progress with the Transformation agenda and Climate Change Strategy.

3.8.3 Planned focus in new plan (reflecting above and challenges to come)

- Void property performance improvements will be delivered in 2022/23, incorporating change management plan elements and an end to end process review to significantly reduce void duration and associated loss in rental income.
- Delivery of the Property Asset Management Appraisal (PAMA) actions will now be progressed to revised programme.

Service Plans for 2022/23

- 3.9 There has been a significant impact across services from the Covid-19 pandemic and continuing service pressures from covid have given limited capacity for the development of new Service Plans. Therefore, some service plan actions are being carried forward and there has been a focus on essential changes and new actions given the planned review of the Corporate Plan. However, there are some significant emerging areas of work, for example, linked to legislation or the programme for government that have had to be incorporated to ensure that the council delivers on new commitments, such as those relating to landfill, net zero, our Homelessness and Rapid Rehousing policies. Looking forward it is anticipated that a significant amount of time will be spent on Covid recovery and that that the financial planning process will create significant workload pressures, all whilst new members become familiar with Council processes. Account has also been taken of these in order to be realistic about what can be achieved over the next 12 months and to concentrate service efforts on goals which align with the Council's priorities or improve efficiency.

- 3.10 Given the pressures across all services and the need to prioritise resources to the Council's priorities, services are focussing almost entirely on essential service delivery and developments and taking account of the planned review of the Corporate Plan to take a relatively light touch to service planning.

4. SUMMARY OF IMPLICATIONS

a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Service Plan was informed by the LOIP and the Council's Corporate Plan.

(b) Policy and Legal

Statutory requirements and council policies are considered by managers when preparing service plans for the year ahead.

(c) Financial implications

No additional financial resources are required to support the service plan.

(d) Risk Implications

Up to date risk registers and maintained and considered as part of the service planning process.

(e) Staffing Implications

Service plans are integral to good management practice including workforce planning and assisting with communication about work plans for staff, identifying priorities and matching staff time to the Council's priorities.

(f) Property

There are no property implications arising from this report.

(g) Equalities

Managers consider equalities issues for staff and service users when assessing current service delivery arrangements and future requirements.

(h) Consultations

The Head of Service has worked with their management team to prepare the service plan attached as **Appendix 1** and have contributed to the updates in this report.

5. CONCLUSION

- 5.1 The Service Plan has been prepared identifying the improvements targeted for the period up to April 2023, with some horizon scanning going beyond that period. In preparing the plan managers have taken account of risk, performance data (including Best Value), the LOIP, the Corporate Plan and other relevant factors such as audit and inspection outcomes. Consideration has also been given to the impact of the Covid-19 pandemic and recovery that is required to respond to that. The service plan identifies the resources allocated to services and how these will be utilised to deliver core service requirements and improvements.**

Author of Report: Rhona Gunn
Background Papers: Report to Council on 19 January: Corporate Plan
Preparation
Ref: SPMAN-1108985784-748

1. Service Definition:	Management and maintenance of Council housing stock, local strategic housing function, statutory duties in relation to homelessness and fuel poverty, development and delivery of the Moray Affordable Housing Supply Programme (AHSP), maintenance of the Council’s corporate buildings, management of the Council’s corporate property portfolio and the industrial estate, Building Service DLO, Property Design, Asset Management and Estates function.
2. Service Resources:	335 FTE employees. Annual Budget 2022/23: £41.1m comprised of Housing Revenue Account (HRA) £21.7m, Building Services £9.74m, General Services Housing & Property £9.70m.

3. What have we identified for improvement in 2022/23?	Recovery & Renewal (tick if app)	What evidence did we use to identify this improvement? Please add benchmark information wherever available and relevant to the improvement.
Programme staged implementation of the recommendations of the Property Asset Management Appraisal (PAMA).	<input checked="" type="checkbox"/>	Property Asset Management Appraisal
Purchase land in Forres and Speyside for industrial development	<input checked="" type="checkbox"/>	Economic Recovery Plan.
Review and Further Enhance Tenant Participation	<input type="checkbox"/>	2021 Tenant Survey evidenced significant scope to further enhance Tenant Participation in a range of different ways. Post-pandemic engagement has been limited and new methods require to be developed. Resourcing is significantly below comparable authorities.
Rent Setting Policy review	<input type="checkbox"/>	Identified as part of the HRA Business Plan review 2021/22. Evidence that current structure is impeding the programme to improve stock to EESSH standards.
Future Actions Beyond 2022/23 Horizon:		
2023/24		
Allocations Policy review	<input type="checkbox"/>	Procurement of HNDA 2022 initiated, with outputs required by June 2023. Consultants to be requested to identify possible policy interventions to be implemented through next LHS Action Plan. Review is overdue but to date no significant policy issues have been identified and the current policy is operating successfully.
Industrial portfolio developments: Develop serviced sites and small business units in Forres and Speyside in 23/24.	<input checked="" type="checkbox"/>	Economic Recovery Plan.
2024/25		
Homelessness Policy	<input type="checkbox"/>	Implementation of legislative change
Stock disposal policy	<input type="checkbox"/>	Aberdeenshire already have in place. Analysis required based on low demand, cost of delivering service, cost of upgrades to EESSH2, open market sale price to assess if objective is appropriate for Moray.
Review the use of our Sheltered Housing stock		<p>We currently have 149 units of Sheltered accommodation within our housing stock. A full review of our use of these properties is required. The reasons for undertaking a review are :-</p> <ul style="list-style-type: none"> • Demographic projections of a significant increase in the older population • Local and national policies and priorities • We have to ensure our stock is fit for the future and meets the needs and aspirations of our tenants

		<ul style="list-style-type: none">• We also have to be satisfied that housing support services provided in our sheltered housing provides value for money and can be sustained in the future• Alignment with HSCP priorities and Housing Contribution Statement
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4. Strategic Outcome or Priority	Action	Planned Outcome	Recovery & Renewal	Outcome measures	Completion target	Lead	Priority Rating (1 high 3 low and 4 for ongoing, 5 for on hold?)
(CP) A Sustainable Council: that provides valued services to our communities	Programme staged implementation of the Property Asset Management Appraisal (PAMA)	Improving how the Council manages and maintains its property assets	The benefits of initiatives and developments created in the response phase are embedded in resilient service delivery in the “new normal”	<ul style="list-style-type: none"> Project Officer Recruited & detailed programme developed Depot Review revised to incorporate Climate Change Report revised programmes to committee 	30 June 2022 31 August 2022 31 October 2022	Property Asset Manager	1
(L) Developing a diverse, inclusive & sustainable economy. (CP) Our Future: Create a vibrant economy	Purchase land in Forres and Speyside for industrial development	Acquisition of sites	The economy, businesses, partners and infrastructure of Moray achieve stability and support to recover and grow	<ul style="list-style-type: none"> Designs and costs are prepared Negotiations with landowners Agree provisional purchase terms Prepare detailed business plan Report to Committee Complete conveyancing 	31 October 2022 31 March 2023	Design and Construction Manager/Property Asset Manager	1
(L) Empowering & connecting communities. (CP) Our Place: Empower and support communities to build capacity	Review and Further Enhance Tenant Participation following Best Value Audit	Tenants are more satisfied with the quality of their home and housing services and have adequate opportunity to participate in formation of relevant plans.	Choose an item.	<ul style="list-style-type: none"> Baseline Participation levels Service Review Development and commencement of PB approach Increased levels of participation 	30 June 2022 31 August 2022 31 October 2022 31 March 2023	Housing Strategy & Development Manager	1

5. Service Level Outcomes or Priorities	Action	Planned Outcome	Recovery & Renewal	Outcome Measures	Completion Target	Lead	Priority rating
Systemic Review of Voids Performance and implementation of improvement plan	Undertake systemic review of performance, adherence to processes and recording. Develop and implement improvement plan.	Reduction in overall timescales to relet void properties and associated void rent loss.	Choose an item.	Completion of Process Review & Improvement Plan Average time to let empty houses reduced to 32 days. Rent loss due to voids reduced to 0.63% of rent due	31 May 2022 31 March 2023 31 March 2023	Building Services Manager	1
Rent Setting Policy Review	Undertake review of rental structure to ensure it aligns with business plan priorities. Engage with tenants regarding review.	Assurance that the rent structure is fair and sustainable across the range of property sizes, types and condition and enables delivery of strategic and regulatory priorities.		Review of rental structure Tenant Engagement on proposals Approval of multi-year rent strategy/revised rental structure. Funding for SHQS and EESSH programmes.	30 September 2022 30 November 2022 31 March 2023 31 March 2023	Housing Strategy & Development Manager	1
Review of Rapid Rehousing Transition Plan (RRTP)	Review initial 2019-2024 plan to incorporate actual funding provision, interim impact and adjustment for Covid-19.	Submit updated plan to Scottish Government demonstrating sustainable basis for future delivery of service objectives.	Choose an item.	Revised Plan Temporary Accommodation unit numbers reduced by 5% Average Homeless journey reduced by 1 week	30 June 2022 31 March 2023 31 March 2023	Housing Needs Manager	1
Valuations for Financial Reporting (Asset Valuations) Develop and implement annual reviews to allow accountancy adjustments to be processed to reflect likely movements in asset values between valuations.	Annual reviews implemented and accepted by external auditor	Assurance that valuation regime meets various requirements		Consult with other local authorities and external consultants Draft proposals for annual reviews Agree proposals with Chief Financial Officer Agree proposals with external auditor	31 October 2022 31 December 2022 31 January 2023 31 January 2023	Design and Construction Manager/Property Asset Manager	4

				Carry out reviews of valuations	31 March 2023		
Improvements to ICT systems within Asset Team	Implementation of Asset Management and Asbestos modules	System Implemented		Module Developed Staff Trained & Data Migrated Processes Established and Implemented	31 October 2022 31 December 2022 31 March 2023	Property Asset Manager	1
Effective Delivery of Housing Management Service	Review of performance and resources within the Housing Management structure in line with the increasing stock levels through new build and challenging operating environment (i.e. Impact of Rapid Rehousing Transition Plan, Housing First, Coronavirus Pandemic, rising Inflation).	Comprehensive review of staffing levels and performance against benchmarked Councils, cognisant of exceptionally low housing management cost per unit and customer service limitations as evidenced by tenant survey and complaint levels.		Review of Current Structure & Performance Development of Revised Structure & Performance Framework Committee Approval Implementation	30 June 2022 31 August 2022 31 October 2022 31 December 2022	Housing Operations Manager	1
Workforce Training and Development - to meet demands and deliver priorities	The service improves the ERDP experience and holds accurate records, including continuous professional development (CPD) - from mandatory training through to service and job specific learning.	Staff are safe and competent in their roles as a result of taking part in regular and appropriate continuous professional development opportunities, including digital and customer skills		Evidence that all staff have undertaken mandatory training. Number of ERDPs completed 100% of ERDPs carried out within timescale	March 2023 (and reviewed annually) March 2023 (measured quarterly)	Head of Service	2



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 22 MARCH 2022

SUBJECT: HOUSING INVESTMENT 2021/22

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

1. REASON FOR REPORT

- 1.1 This report informs the Committee of the budget position to 31 December 2021 for the Housing Investment Programme for 2021/22.
- 1.2 This report is submitted to Committee in terms of Section III G (3) of the Council's Scheme of Administration relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

2.1 It is recommended that the Committee consider and notes:-

- (i) **the position as at 31 December 2021 with regards to the Housing Investment Programme for 2021/22, as detailed in Section 3 and Appendices I to VI; and**
- (ii) **the revised Housing Investment Programme projected outturn to 31 March 2022, as detailed in Section 3 and Appendices I to VI of the report.**

3. BACKGROUND

Investment Programme

- 3.1 **APPENDIX I** shows income and expenditure for 2021/22. The Appendix includes expenditure of £4,414k on the Council house new build programme as 'Other Capital Expenditure'. This is provided for information only as this is reported on separately along with an update having been provided at the February Committee. Spend of £8,059k was achieved on the Housing Investment Programme to 31 December 2021, which represents 43% of the agreed programme. The level of expenditure within the individual budget headings that make up the programme are shown in paragraphs 3.2 to 3.5 below. The expenditure figure represents all payments, which have progressed through the finance system to 31 December 2021. Expenditure has been severely impacted by COVID restraints, with a number of works

delayed even allowing for the easing of Coronavirus restrictions in late April 2021.

3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £2,643k to 31 December 2021 and represents 60% of the agreed programme. A full repairs service recommenced in late April 2021 and the annual repairs budget spend is now anticipated to overspend by £100k. Coronavirus restrictions also led to a reduction in void properties allocated to new tenants during quarter 1, as well as a number of delays that include utility and material supply issues throughout the year to date. Void numbers and relets have now increased and it is anticipated that annual voids budget will overspend by £27k.

3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £272k was achieved to 31 December 2021 and represents 49% of the agreed programme level. The projected outturn is £492k this being 88% of the original budget which has been affected by the continuing COVID-19 pandemic.

3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £422k was achieved to 31 December 2021 and represents 62% of the agreed programme level. The projected outturn is £504k this being 75% of the original budget which has been affected by the continuing COVID-19 pandemic.

3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £4,722k was achieved to 31 December 2021 and represents 36% of the agreed programme level. The spend to date is significantly less than initial budget projections, and the revised outturn now projects an overall spend of £8,674k, which is £4,378k less than the original budget.

- The Energy Efficiency Standard for Social Housing (EESH) programme expenditure figures are very low in relation to budget. The main reason for this was the delay in concluding a major contract for Warm Homes Round 4 grant funding with OVO Energy Limited (OVO). The COVID-19 lockdowns and COVID-19 measures have affected delivery of this programme earlier in the year. However, the global microchip shortage has also extended lead in periods for Air Source Heat Pumps and boilers. Further to this, one of OVO's subcontractors has withdrawn from the contract, and a replacement has only recently been put in place. Unfortunately, surveys undertaken by the previous contractor will need to be undertaken again. The technical surveys identify if properties are suitable for the installation of an Air Source Heat Pump and identify if secondary measures are required such as loft or cavity wall insulation, which will be installed as part of the contract if required. These factors have significantly delayed this programme, which has reduced the initial budgeted EESH spend by £1808k, and is a key contributor (42%) of the anticipated reduction in spend in the overall Planned Maintenance and Other Investment programme highlighted in 3.5 of the report.
- The Low Carbon Infrastructure Transformation Programme LCITP project received approval of grant funding of £1.3m to Moray Council at the end of

July 2021. The COVID-19 pandemic has impacted upon this project and caused delays, although procurement has now taken place and contractor appointed. We will shortly be writing to tenants of pre-selected properties to see if they wish to be included in this programme of works. There will be an online event to discuss the project and benefits of an air source heat pump with solar panels and battery storage. This will enable tenants to make an informed decision as to whether they wish to be included. It is anticipated the contractor will complete the installation of Air Source Heat Pumps, solar panels and batteries to 120 properties by November 2022 in line with the grant funding requirements.

General Programme Updates

- 3.6 A major stock condition survey was carried out in early 2021. This has provided essential information on prioritised investment programmes for the next 30 years and gives advice on requirements to meet standards for EESSH and SHQS compliance.
- 3.7 A programme to upgrade smoke alarms in all Council properties in accordance with new legislation in the aftermath of the Grenfell tragedy is underway. The appointed contractor completed 4,538 house upgrades to 31 December 2021. Building Services DLO is also carrying out upgrades to properties as part of void and planned maintenance works, with a further 586 properties upgraded to 31 December 2021. This means that 5,124 (83%) of properties were completed to the new standard at 31 December 2021.
- 3.8 The deadline for compliance was February 2022, however, the Scottish Government has recently confirmed that the legislation provides flexibility for people to fit the necessary alarms in due course if they are unable to do so by the February 2022 deadline, and that no one will be criminalised if they need more time and there are no penalties for non-compliance. As a result, Social Landlords have been asked to take a proportionate and measured approach to compliance considering individual circumstances as well as reflecting the evolving situation with the COVID-19 pandemic. We continue to progress with the installation of the last remaining properties and will use all powers available to the Council as necessary to ensure compliance. Our aim is to complete the programme by April 2022, however, as a last resort, measures such as forced entry to gain access to undertake the works where necessary, may have to be carried out to achieve this. If this is required, forced entry will be carried out in accordance with our agreed procedures.

Income and Expenditure for Private Sector Housing

- 3.9 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 31 December 2021. The budget in Category B is the responsibility of the Moray Integration Joint Board and the information is only for noting at this Committee. The legally committed figure of £410k represents 82% of the allocated budget. Spend to 31 December 2021 was £221k which represents 44.2% of the allocated budget. It is anticipated that although this budget will be fully committed, an underspend of £200k is now anticipated due to COVID-19 restrictions.
- 3.10 The legally committed figure in Category C of £99k represents 94.30% of the allocated budget. Spend to 31 December 2021 was £36k which represents 34.2% of the allocated budget. It is anticipated that although this budget will

be fully committed, an underspend of £30k is now anticipated due to COVID-19 restrictions.

Investment Programme - Projected Outturn to 31 March 2022

- 3.11 **APPENDICES I to VI** also include a revised outturn projection to 31 March 2022 for the Housing Investment Budget 2021/22. This projection now anticipates year-end expenditure to be £13,532k, which represents spend of 73% against the £18,655k annual budget. This is an increase of £4,787k in comparison to the previous year, however £5,123k less than the agreed budget. The anticipated shortfall in investment is once again attributable to COVID-19 restrictions during 2021/22, which has presented a number of issues that include supply chain delays and internal staff resourcing issues. Key underspends are highlighted throughout the report, particularly in Section 3.5 and **APPENDIX V**.

4. 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 is 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

Maintenance and improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) Financial implications

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.11 above, with details of the Council house new build programme now being the subject of a separate monitoring report.

(d) Risk implications

Failure to expend agreed budgets may affect the Council's ability to maintain stock at the SHQS, replace life expired elements and attain the EESSH. Budget Managers are aware of responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally.

(g) Equalities/Socio Economic Impact

There are no equalities issues associated with this report, as it is to inform the Committee on budget monitoring.

(h) Climate Change and Biodiversity Impacts

The continued investment in the Council Owned Housing Stock identified in this report will assist the Council to achieve its climate change targets by utilising a range of energy saving measures that incorporate zero or low carbon into design, construction materials and systems that support the Council in achieving The Energy Efficiency Standard for Social Housing (EESH).

(i) Consultations

Consultations have taken place with the Head of Housing and Property Services, Property Asset Manager, Building Services Manager, Legal Services Manager, Principal Accountant (Deborah O'Shea), Lissa Rowan (Committee Services Officer), and the Home Improvement Services Manager, who all agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

5.1 The report shows that the Councils progress in respect of Housing investment for both the Council's housing stock and the private sector has been adversely impacted because of delays during the Coronavirus pandemic. Financial information highlighted shows that housing investment has recovered following the easing of Coronavirus restrictions. However, a number of planned investment programmes have been delayed since restrictions eased, which are highlighted in the revised year-end projection provided. Recovery of programmes is essential to enable the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the ongoing investment in the Council's housing stock enables it to be maintained at the Scottish Housing Quality Standard, allows for replacement of life expired elements and makes progress towards the attainment of both the Moray Standard and the Energy Efficiency Standard for Social Housing.

Author of Report: Paul Kendrick, Housing Asset Manager
Background Papers: Held on file/sharepoint
Ref: SPMAN-1285234812-1057

APPENDIX I

INVESTMENT PROGRAMME INCOME AND EXPENDITURE 2021/22

31 December 2021
(all amounts in £'000)

HOUSING INVESTMENT PROGRAMME

	Annual Budget 2021/22	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance	Projected outturn
<u>Expenditure</u>							
Response, Gas & Void Repairs	4,370	2,643	60%	2,643	60%	1,727	4,497
Estate Works	557	272	49%	272	49%	285	492
Cyclic Maintenance	676	422	62%	422	62%	254	504
Planned Maintenance (Revenue)	2,062	1,026	50%	723	35%	1,339	1,073
Planned Maintenance (Capital)	10,620	5,999	56%	3,753	35%	6,867	6,654
Other Investment (Revenue)	10	3	30%	3	30%	7	3
Other Investment (Capital)	360	309	86%	243	68%	117	309
Sub Total	18,655	10,674	57%	8,059	43%	10,596	13,532
<u>Other Capital Expenditure</u>							
New Build - Capital Costs	16,305			4,414			
Total	34,960			12,473			
<u>Funded by</u>							
HRA Revenue	7,675			4,063	53%		
Government Grant	10,489			728	7%		
Use of Council Tax Discount	550			0	0%		
Prudential Borrowing	10,336			7,682	74%		
Other Grants	1,000			0	0%		
Capital Receipts	0			0	0%		
C.F.C.R	4,910			0	0%		
Total	34,960			12,473	36%		

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE 2021/22

31 December 2021
(all amounts in £'000)

RESPONSE AND VOIDS REPAIRS

	Annual Budget 2021/22	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance	Projected Outturn
West Area Office	1,386	1,055	76%	1,055	76%	331	1,406
East Area Office	1,074	535	50%	535	50%	539	1,079
Void House Repairs & Dec Vouchers	1,385	726	52%	726	52%	659	1,412
Gas Heating Repairs	525	327	62%	327	62%	198	600
	4,370	2,643	60%	2,643	60%	1,727	4,497

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE 2021/22

31 December 2021
(all amounts in £'000)

ESTATE WORKS

	Annual Budget 2021/22	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance	projected outturn
Garage Upgrades	25	1	4%	1	4%	24	1
Asbestos	260	75	29%	75	29%	185	260
Landscape Maintenance	42	22	52%	22	52%	20	42
Estates/Forum Upgrades	230	134	58%	134	58%	96	149
Miscellaneous	0	40	0%	40	0%	-40	40
	557	272	49%	272	49%	285	492

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE 2021/22

31 December 2021
(all amounts in £'000)

CYCLIC MAINTENANCE

	Projected Outturn						
	Annual Budget 2021/22	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance	Projected outturn
Gas Servicing	335	195	58%	195	58%	140	270
Solid Fuel Servicing	21	13	62%	13	62%	8	13
Air Source Heat Pump Servicing	25	16	64%	16	64%	9	28
Smoke Detector Servicing	35	3	9%	3	9%	32	3
PPR & External Painterwork	210	175	83%	175	83%	35	175
General Servicing	50	20	40%	20	40%	30	15
Inspections/House Surveys	0	0	0%	0	0%	0	0
	676	422	62%	422	62%	254	504

APPENDIX V

INVESTMENT PROGRAMME EXPENDITURE 2021/22

31 December 2021
(all amounts in £'000)

PLANNED MAINTENANCE & OTHER INVESTMENTS

	Projected Outturn					Budget balance	Projected outturn
	Annual Budget 2021/22	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date		
Kitchens and Bathrooms	1,470	595	40%	356	24%	1,114	660
Central Heating	2,000	1,276	64%	843	42%	1,157	1,415
Doors and Windows	950	425	45%	232	24%	718	470
Smoke Alarms/Co Upgrades	2,300	1,818	79%	1399	61%	901	2,017
EESSH	3,900	1,885	48%	923	24%	2,977	2,092
Sub Total (Capital)	10,620	5,999	56%	3,753	35%	6,867	6,654
Rainwatergoods	250	228	91%	148	59%	102	248
Roof and Fabric Repairs	400	96	24%	96	24%	304	107
Plumbing Upgrades	50	7	14%	7	14%	43	7
Electrical Upgrades	350	312	89%	149	43%	201	312
Safety & Security	20	1	5%	1	5%	19	1
Common Stairs	40	31	78%	0	0%	40	31
Insulation	800	262	33%	238	30%	562	262
Energy Performance Certs (EPC)	0	30	0%	25	0%	-25	30
Sheltered Housing	30	0	0%	0	0%	30	0
Decoration Vouchers	72	25	35%	25	35%	47	40
Shower Installations	50	34	68%	34	68%	16	35
Sub Total (Revenue)	2,062	1,026	50%	723	35%	1,339	1,073
Disabled Adaptations	360	309	86%	243	68%	117	309
Sub Total (Other Capital)	360	309	86%	243	68%	117	309
Enabling Projects	10	3	30%	3	30%	7	3
Sub Total (Other Revenue)	10	3	30%	3	30%	7	3
Total	13,052	7,337	56%	4,722	36%	8,330	8,674

APPENDIX VI

**PRIVATE SECTOR HOUSING GRANT
SCHEME OF ASSISTANCE - 2021/22**

31 December 2021
(all amounts in £'000)

CATEGORY	Budget Allocation 2021/22	Spend to date	Balance	Legally Committed	Completed Cases
Independent Living					
Category A (Revenue)	8	0	8	8	0
Category B	500	221	279	410	16
Category C	105	36	69	99	6
Overall Total	613	257	356	517	20

CATEGORY DESCRIPTIONS	
Category A	External agency running costs
Category B	Grant Assistance to aid Independent Living - Adaptations
Category C	Grant Assistance to aid Independent Living - House Condition Works



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 22
MARCH 2022**

**SUBJECT: HOUSING AND PROPERTY SERVICES BUDGET MONITORING –
31 DECEMBER 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 31 December 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:

- i) scrutinises and notes the budget monitoring report for the period to 31 December 2021.**
- ii) agrees the service developments of £47,799 detailed within paragraph 8.4.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2022/23 at the meeting on 22 February 2022 (paragraph 5 of the Minute refers). Housing and Property budget monitoring reports are presented quarterly.
- 3.2 The COVID-19 pandemic and subsequent lockdown period has impacted on the budget spend as the service has sought to recover from the impact of restrictions.

4. HOUSING REVENUE ACCOUNT TO 31 DECEMBER 2021

- 4.1 **APPENDIX I** details the HRA budget position to 31 December 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 £138k. This includes underspends in staffing (£173k), arising from vacancies and the budget provision for pay award which will be implemented in the final quarter, £20k for a commissioned service due to invoice timing and £17k for insurance. This was partially offset by an overspend in relation to voids (£71k) and other minor cumulative underspends (£1k).
- 4.2.2 **Repairs and maintenance** – there was an underspend of £770k 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 have arisen in planned/cyclical maintenance (£539k), voids (£197k) and response repairs (£34k).
- 4.2.3 **Bad and doubtful debts** – there was an underspend of £8k against provision for bad & doubtful debts.
- 4.2.4 **Downsizing Incentive Scheme** – there was an underspend of £28k, with fewer transfers taking place. Work has commenced on increasing the uptake following restrictions easing, which is expected to increase spend in the latter part of this year and into 2022/23.
- 4.2.5 **Service Developments** – there is an underspend of £36k, with £30k arising from a vacancy that has not yet been filled, £9k on consultancy allocated for the Housing Need and Demand Assessment/Tenant Satisfaction Survey, partially offset by a £3k overspend in business planning and software costs.
- 4.2.6 The income at 31 December 2021 was £62k 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.

Expenditure

- 5.2 **Supervision and management** - An underspend of £142k is projected. This variance results from projected underspends in staffing (£140k), shared accommodation costs (£78k) and other minor cumulative net underspends (£32k). This is reduced by a projected overspend in voids (£108k).
- 5.3 **Sheltered Housing** – There is a projected overspend of £4k anticipated due to excess energy costs.
- 5.4 **Repairs and Maintenance** - An underspend of £797k is projected. Planned/Cyclical works are projected to underspend by (£924k), which would be partially offset by an overspend in response repairs (£100k) and voids (£27k).

- 5.5 **Financing costs** - An underspend of £207k 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.
- 5.6 **Bad and Doubtful debts** - An underspend of £10k is projected due to lower write-offs, however the position remains uncertain following the impact of the pandemic on arrears.
- 5.7 **CFCR** - The level of Capital from Current Revenue (CFCR) is projected to be £1,125k overspent due to underspends elsewhere across the HRA budget.
- 5.8 **Downsizing Incentive Scheme** – An underspend of £32k is projected due to fewer transfers taking place.
- 5.9 **Service Developments** – An underspend of £48k is currently projected due to staffing vacancies and lower than anticipated expenditure on consultancy, with £17k being carried forward to 2022/23 for the Housing Need and Demand Assessment.
- 5.10 **Total expenditure on the HRA** - Projected to be £107k lower than budgeted.

Income

- 5.11 Minor variations (£1k) are projected for income on non-dwelling rents, house rents and other income during 2021/22.
- 5.12 Total income to the HRA is projected to be £107k lower than originally budgeted for 2021/22, with £36k lower rental income due to the delayed completion of new build properties in Keith, £2k lower interest on revenue balances and £68k less from other income, particularly rechargeable repairs.
- 5.13 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 31 December 2021.
- 6.2 **Planning and Development** - consists of Improvement Grants and Affordable Housing budgets, including disabled adaptations. The position at 31 December 2021 shows an overspend of £14k, attributable to a shortfall in grant income against budget of £77k, partially offset by underspends in discretionary grants (£47k), admin (£7k) and timing adjustments (£9k). This budget is administered by the Integration Joint Board.
- 6.3 **Housing Management** - relates to the Gypsy/Traveller budget. The position at 31 December 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 £147k in this budget, comprised of Housing Support (£20k), Temporary Accommodation (£95k) and general Homelessness (£32k).
- 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 £20k which is attributable to an underspend of £27k in repairs and maintenance and £1k for mortgage repayments, partially offset by an overspend in open space maintenance (£8k).
- 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 £339k to date. Within the Design Team there were underspends in Industrial Estates (£126k) and £2k in fee income, partially offset by a £16k overspend in Architects due to software costs. Property Resources underspent by £227k, of which £51k related to shared buildings, £1k for the maintenance section, £9k for admin/management and £166k for Central Repairs & Maintenance.
- 6.8 The service has also incurred £2k 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 31 December 2021, the Other Housing budget shows a net underspend of £217k.

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 overspend of £4k. An overspend in housing support (£22k) and temporary accommodation (£130k) is expected to be offset by an underspend of £148k 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 £254k. This is comprised of an underspend of £25k in Property design and £229k 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 £57k, 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 £246k on the agreed budget.

8. SERVICE DEVELOPMENTS

- 8.1 The HRA budget for 2022/23 approved by Council on 22 February 2022 included provision for service developments in line with emergent service needs and priorities.
- 8.2 Following a review of the funding apportionments for the Property Asset Management Team, an adjustment of £29,293 from the HRA to general services is proposed to reflect the management cost of work exclusively relating to the HRA. This amount would be transferred to Legal & Democratic Services in lieu of the Business Continuity remit previously undertaken by Housing & Property Services.
- 8.3 An emergent service need within Housing Management is for an additional 0.4 FTE Housing Officer at a cost of £18,506 to alleviate operational pressures, pending a wider review of staffing levels in the course of the year. It is noted that the complement of Housing Officers remains at 2015 levels, which is low compared to other Councils, and over 300 additional properties have since been added to the Council's stock.
- 8.4 Approval for these service developments of £47,799 is therefore sought, from the overall budget of £456k.

9. **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**

Approval of the service development detailed in paragraph 8.3 will result in a 0.4 FTE increase in the Housing Management service.

(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.

10. CONCLUSION

10.1 This report sets out the budget position for the HRA and General Services Housing budgets to 31 December 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
Ref: SPMAN-1285234812-1040

Budget Monitoring to 31 December 2021

Service Description	Annual Budget 2021-22	Budget to 31 Dec 2021	Actual to 31 Dec 2021	Variance to 31 Dec 2021	Projected Outturn to 31 Mar 2022	Projected Variance to 31 Mar 2022
Expenditure	£,000	£,000	£,000	£,000	£,000	£,000
Supervision & Management	4,297	2,463	2,325	138	4,155	142
Sheltered Housing	22	15	15	0	26	(4)
Repairs and Maintenance	7,678	5,185	4,415	770	6,881	797
Financing Costs	3,880	0	0	0	3,673	207
Bad & Doubtful Debts	225	56	48	8	215	10
CFCR	4,910	0	0	0	6,035	(1,125)
Downsizing Incentive Scheme	72	54	26	28	40	32
Service Development	119	95	59	36	71	48
Total Gross Expenditure	21,203	7,868	6,888	980	21,096	107
Income	£,000	£,000	£,000	£,000	£,000	£,000
Non-dwelling rents	229	177	179	2	228	(1)
House rents	20,880	15,620	15,611	(9)	20,844	(36)
IORB	4	0	0	0	2	(2)
Other income	90	66	10	(56)	22	(68)
Total Income	21,203	15,863	15,800	(63)	21,096	(107)
Surplus / (Deficit) for the year	0	7,995	8,912	917	0	0
Accumulated Surplus Balance brought forward			2,401		2,401	
Estimated Surplus Balance at 31 March			2,401		2,401	

Monitoring to 31 December 2021

Service Description	Annual Budget 2021-22	Budget to 31 Dec 2021	Actual & Committed to 31 Dec 2021	Variance at 31 Dec 2021	Projected Outturn 2021-22	Projected Variance 2021-22
	£'000	£'000	£'000	£'000	£'000	£'000
Planning & Development	247	187	201	(14)	297	(50)
Housing Management	17	26	5	21	9	8
Homelessness / Allocations	2120	1482	1629	(147)	2124	(4)
Miscellaneous General Services Housing	(20)	(15)	(36)	21	(35)	15
Building Services	-	(9)	(9)	0	(1)	1
Property Services	853	1352	1013	339	599	254
General Services Housing & Property Savings	57	0	0	0	0	57
General Services Housing & Property Allocations	(161)	0	0	0	(131)	(30)
COVID 19 - GS Housing & Property	87	9	12	(3)	92	(5)
General Services Housing & Property Total	3200	3032	2815	217	2954	246

