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REPORT TO: COMMUNITIES COMMITTEE ON 16 FEBRUARY 2010

SUBJECT: HOUSING BUDGET MONITORING – 2009/10

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report presents budget monitoring for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period to 31 December 2009.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the management of housing budgets.

2. RECOMMENDATION

- 2.1 **It is recommended that the Communities Committee considers the budget monitoring report for the period to 31 December 2009.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2009/10 at its meeting on 12 February 2009 (paragraph 7 of the Minute refers). Housing budget monitoring reports are presented to each cycle of meetings during the course of 2009/10.
- 3.2 On 1 December 2009, the Committee considered projected outturns for Housing budgets in 2009/10 (paragraph 11 of the Minute refers).

4. HOUSING REVENUE ACCOUNT TO 31 DECEMBER 2009

- 4.1 **APPENDIX I** details the HRA budget position to 31 December 2009 and provides the projected outturn position for 2009/10.
- 4.2 The main expenditure variances to note as at 31 December 2009 relate to –

Supervision and management – there are various underspends totalling £0.320m to date on a range of budgets within this heading, including vacancies

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and IT development budgets. This budget is projected to outturn at £0.233m below the agreed budget level.

Hostels – as at 31 December 2009, an overspend of £0.021m had been incurred as a result of staffing costs, gas heating and repairs expenditure. The projected outturn for this budget is £0.036m in excess of the budgetary provision, but the impact of this is mitigated by the higher than projected level of Hostel Support Grant received for 2009/10.

Repairs and maintenance – the budget monitoring report continues to indicate an underspend at this stage of the year. A separate report on the Housing Investment Programme on the Committee's agenda provides details of commitments and expenditure to date. In December 2009, the repairs budget was projected to outturn slightly in excess of the budget provision. The recent bad weather has exacerbated pressures on this budget and spend is being closely monitored by Officers. The spend to date figure reported includes spend of £0.350m on flood damage remedial works to houses. This will be offset at the year end by a transfer from the Reserve Fund, to which the HRA has contributed over a number of years for such an eventuality.

- 4.3 Discussion took place at the last Communities Committee and at the Housing Sub Committee on the issue of recharging tenants when burst pipes occurred. The Committee will be pleased to hear that the incidence of burst pipes thus far this winter has been minimal.
- 4.4 Income to date currently exceeds the budget projection, primarily due to the higher than expected level of Hostel Support Grant but also due to slightly higher levels of rental income for houses and hostels.
- 4.5 Overall, the HRA is projected to outturn with a surplus of £0.064m in the current year. This compares to the original budget position which projected a small overspend of £0.029m, to be met from balances on the HRA.

5. OTHER HOUSING BUDGET

- 5.1 **APPENDIX II** details the budget position to 31 December 2009 and provides a revised projected outturn for 2009/10.
- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. This budget shows a current underspend of £0.207m, relating to the use of Private Sector Housing Improvement Grants, details of which are included in a separate report on Housing Investment on the Committee's agenda.
- 5.3 **Housing Management** relates to the Gypsy/Traveller Budget. This budget currently has an overspend of £0.009m. As previously reported, the variance on

this budget relates to cleaning/waste disposal, barrier works at Kingston and the provision of chemical toilets.

- 5.4 **Homelessness/Allocations** comprises homelessness, NASSO (National Accommodation Strategy for Sex Offenders), Landlord Registration, housing support services and private sector leasing budgets. A net overspend of £0.171m existed at 31 December 2009. This budget has consistently been under pressure due to the costs of bed and breakfast and temporary accommodation which reflect homelessness pressures on the Council. The Communities Committee may wish to note that at its meeting on 16 December 2009, the Audit and Performance Review Committee asked for a report to be presented to that Committee on 3 March 2010 on homelessness and budget overspends.
- 5.5 **Miscellaneous General Services** include house loans and the Grampian Housing Association Maintenance Bond for open space maintenance. There is a minor overspend on this budget resulting from a reduction in mortgage interest repayments.
- 5.6 **The Building Services Budget** is reported in detail separately on the Committee's agenda.
- 5.7 The projected outturn for 2009/10 is £4.016m which equates to an overspend of £0.287m. This is predominantly due to the homelessness budget as a result of bed and breakfast and temporary accommodations costs, but also reflects the issues detailed above.

6. **SUMMARY OF IMPLICATIONS**

(a) Single Outcome Agreement/Service Improvement Plan

The Single Outcome Agreement and Service Improvement Plan identify that the quality of housing and housing service provision are Council priorities.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Resources (Financial, Risks, Staffing and Property)

The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDIX I** and **II**.

(d) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with the Director of Community Services, Senior Managers within Housing and Deborah Bosworth, Principal Accountant, who all agree the content of the report.

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7. CONCLUSION

7.1 This report sets out the budget monitoring position for the HRA and General Services Housing to 31 December 2009.

7.2 Within the General Services Housing budgets, the main area of budgetary pressure continues to be the homelessness budget.

Author of Report: Jill Stewart, Chief Housing Officer
Background Papers: held by CHO
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