

REPORT TO: COMMUNITIES COMMITTEE ON 13 APRIL 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 28 February 2010.
- 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 28 February 2010.**

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 28 FEBRUARY 2010

- 4.1 **APPENDIX I** details the HRA budget position to 28 February 2010 and provides the projected outturn position for 2009/10.
- 4.2 The main expenditure variances to note as at 28 February 2010 relate to –

Supervision and management – there are various underspends totalling £252k to date on a range of budgets within this heading, including vacancies and IT development budgets. This budget is projected to outturn at £141k below the agreed budget level.

Hostels – as at 28 February 2010, an overspend of £28k had been incurred as a result of staffing costs, gas heating and repairs expenditure. The projected outturn for this budget is £45k 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 indicates a underspend of £249k at this stage of the year. The recent bad weather has exacerbated pressures on this budget and spend has been closely monitored by Officers. The spend to date figure and the projected outturn includes spend on flood damage remedial works to houses. This is being offset at the year end by a transfer from the Reserve Fund. However, as can be seen from the Housing Investment report elsewhere on the Committee's agenda, it is anticipated that an overspend in response repairs is projected for the current year. This will be offset by projected underspends elsewhere within the repairs and maintenance budgets.

- 4.3 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. The year end projection for income is slightly less (£160k) than that budgeted, primarily due to a reduction in the anticipated Building Services DLO surplus returned to the HRA.
- 4.5 Overall, the HRA is projected to outturn with a surplus of £224k in the current year. This compares to the original budget position which projected a small overspend of £29k, to be met from balances on the HRA.

5. OTHER HOUSING BUDGET

- 5.1 **APPENDIX II** details the budget position to 28 February 2010 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 £479k, 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 £10k. 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 £152k existed at 28 February 2010. 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.
- 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 £4.018m which equates to an overspend of £320k. 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.

7. **CONCLUSION**

- 7.1 **This report sets out the budget monitoring position for the HRA and General Services Housing to 28 February 2010.**
- 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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