

# Public Document Pack

## ADDITIONAL CIRCULATION - VOTES



To: All Members of the Council

Town House,  
ABERDEEN, 13 December 2024

## **RECONVENED COUNCIL**

ALAN THOMSON  
INTERIM CHIEF OFFICER - GOVERNANCE

### **BUSINESS**

#### **GENERAL BUSINESS**

9.4 Housing Revenue Account Budget 2025/26 - CORS/24/356 (Pages 3 - 8)

**This circulation contains details of votes at the meeting**

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Councillor Radley moved, seconded by Councillor Henrickson:-

That the Council:

1. Notes that, to date, £34m has been invested during 2024/2025 delivering upgrades to Council homes - 165 kitchen upgrades, 102 bathrooms, 219 windows, 372 fire doors (FD60);
2. Commits £76m in 2025/26 to continue capital upgrades within Council housing stock to ensure these homes meets current and future standards;
3. Welcomes the 206 Union Street project which is due to be completed in 2025, delivering 28 high quality, affordable social homes on Union Street, which will lead to more people living in the city centre;
4. Welcomes that £28m has been spent this year delivering the Cloverhill housing project, Craighill housing project and the Council's other new build projects;
5. Approves the budget as attached in Appendix 1, page 2, of the report, subject to the following amendments:
  - (a) No contribution towards capital expenditure will be made from revenue in 2025/26;
  - (b) No contribution towards restoring HRA Reserves will be made in 2025/26;
  - (c) There will be a contribution of £792,000 from HRA Reserves during 2025/26, leaving the projected value of HRA Reserves as at 31 March 2026 approximately £7.6m or 6.5% of HRA operating costs - below the 10% HRA Reserves target;
  - (d) Grounds maintenance on HRA land will be reduced during 2025/26 by 20%, saving £600,000; and
  - (e) Introduce an additional new build premium of 15% for those properties that are first let, or thereafter have a change in tenancy, having been handed over to the Council after 18 March 2021, with effect from 7<sup>th</sup> April 2025; resulting in:
    - (f) Approval of the setting of the weekly unrebated rents at an increase of 7.5%, for municipal homes, to take effect from Monday 7th April 2025;
6. Agree to work towards restoring the working balances to 10% in future years to meet future operational requirements and risks, noting that if the Housing Revenue Account records a deficit and has no reserves then the Council's General Fund must make a contribution to balance the Account;
7. Approve the level of miscellaneous rents and service charges, including Heat with Rent and the General Fund Support Services Charges as detailed in Appendix 1, pages 18 to 19, to take effect from Monday 7th April 2025;
8. Approve, based on a rental increase of 7.5% the Base Capital Programme for the financial year 2025/26 Appendix 1, pages 22 to 24;
9. Approve an expansion of the Rent Assistance Fund in 2025/26 to a maximum value of £1m, the intention being to reduce bad debt, and noting that an evaluation of the initial pilot will be reported to Communities, Housing and Public Protection Committee in 2025, after 1 full year of operation;
10. Instruct the Chief Officer - Housing in consultation with the Chief Officer - Finance and Chief Officer - Digital and Technology to explore the resource and technical implications of moving from a 48 week to a 52 week rent structure with effect from April 2026, and to consult with tenants on moving to this rent structure and how they could be supported through the transition, reporting back to the Communities, Housing and Public Protection

Committee, and where necessary Finance and Resources Committee, by Autumn 2025;

11. Delegate authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers and the Convener of Communities, Housing and Public Protection and the Convener of Finance and Resources Committees, to vire monies from the Housing Capital Plan to support any works that may be required for RAAC interventions across the estate, retrospectively reporting any actions to the next available meeting of the Communities, Housing and Public Protection Committee;
12. Delegate authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers and the Convener of Communities, Housing and Public Protection and Convener of Finance and Resources Committees, to approve a business case and thereafter procure external contractor support to manage backlog voids over a three-year period, financed from the repair and maintenance budget (with capital allocation as required) for a value not exceeding £15 million; and
13. Instruct the Chief Officer - Housing to promote the flexibility outlined within the Allocations Policy to allocate two-bedroomed properties, where no suitable applications are identified, to applicants requiring one-bedroom properties.

Councillor Malik moved as an amendment, seconded by Councillor Grant:-

That the Council -

1. Approve the budget as attached in Appendix 1;
2. Approve the setting of the weekly unrebated rents at an increase of 5.12% for municipal homes, to take effect from Monday 7 April 2025, making the following adjustments to the proposed budget in the report at Appendix 1:
  - (a) Use of HRA reserves of £5,000,000, resulting in the projected balance, subject to in-year performance, as at 31 March 2026 being only £3.420m or 2.9% of HRA operating costs;
  - (b) Take Void Costs down by £2,166,000;
3. Approve the level of revenue contribution to the Housing Capital budget for 2025/26 as detailed in Appendix 1;
4. Agree to work towards restoring the working balances to 10% to meet future operational requirements and risks, noting that if the Housing Revenue Account records a deficit and has no reserves then the Council's General Fund must make a contribution to balance the Account;
5. Approve the level of miscellaneous rents and service charges, including Heat with Rent and the General Fund Support Services Charges as detailed in Appendix 1, to take effect from Monday 7 April 2025;
6. Approve, based on a rental increase of 5.12% the Base Capital Programme for the financial year 2025/26 Appendix 1;
7. Agree the UK Labour budget has put Housing at the top of the agenda and instruct the Chief Officer - Housing to write to the Scottish Government's Finance Secretary seeking an uplift in our Housing budget to build additional new homes;
8. Approve the continuation of the £500,000 Rent Assistance Fund pilot in 2025/26;
9. Instruct the Chief Officer - Housing in consultation with the Chief Officer - Finance and Chief Officer - Digital and Technology to explore the resource

- and technical implications for moving from a 48 week to a 52 week rent structure, and to consult with tenants thereafter, reporting back to Communities, Housing and Public Protection Committee;
10. Delegate authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to vire monies from the Housing Capital Plan to support any works that may be required for RAAC interventions across the estate, retrospectively reporting any actions to the next available meeting of the Communities, Housing and Public Protection Committee;
  11. Instruct the Chief Officer - Housing to write to the Scottish Government's Finance Secretary asking for money to help towards RAAC, following the Scottish Government receiving the biggest uplift in its block grant since the inception of the devolved Scottish Government;
  12. Instruct the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to bring forward a business case to reduce and manage backlog voids by 15% over a three-year period, financed from the proposed repair and maintenance budget (with capital allocation as required) for a value not exceeding £15 million and report to Communities, Housing and Public Protection Committee;
  13. Note that Ivan Mckee, MSP Minister for Public Finance has previously stated in the Scottish Parliament that he is willing to consider fiscal flexibilities to allow Aberdeen City Council to reach a just and equitable settlement with homeowners whose properties are impacted by RAAC;
  14. Note the decision made in August 2024 to:
    - "Take forward negotiations with private owners to acquire their properties voluntarily at Market Value, noting that this will be a valuation of the property at the current date and be on the same basis as the CPO process. In addition to Market Value the council will be willing to meet reasonable legal and professional costs along with home loss and disturbance payments."; and
  15. Instruct the Chief Officer - Corporate Landlord in consultation with the Chief Officer - Finance to take forward negotiations with private owners on the acquisition of their properties voluntarily at pre-RAAC valuations, pausing negotiations which are currently underway, and to report the outcome of any discussions to the General Fund budget process in March 2025. Noting that the Council would continue to be willing to meet reasonable legal and professional costs along with home loss and disturbance payments.

Councillor Massey moved as a second amendment, seconded by Councillor Brooks:-  
That the Council -

1. Recognises the commitment of the previous administration towards Council tenants;
2. Approves:
  - a. recommendations 2.3, 2.4, 2.5, 2.7, 2.8, 2.9;
  - b. the setting of the weekly unrebated rents, an increase of 9.69% for municipal homes to take effect from Monday 7th April 2025;
  - c. the introduction of the 15% new build premium set out in the report for homes handed over to the Council after 1 April 2025;
  - d. the introduction of the rent differentials as set out in the report, impacting on 2, 3 and 4 bedroom properties with effect from Monday 7 April 2025;

- e. based on the above rental increases, the Base Capital Programme for the financial year 2025/26 Appendix 1, pages 22 to 24 of this report;
3. Instructs the Chief Officer - Housing to bring forward a report to the Communities, Housing and Public Protection, within the next two cycles, on options for delivering 5% administrative and staffing efficiencies over the next 5 financial years;
4. Instructs the Chief Officer - Corporate Landlord to prepare a business case and submit it to the Communities, Housing and Public Protection Committee; and authorises that Committee to review and approve that business case and thereafter to instruct that Chief Officer to procure external contractor support, such business case and procurement to relate to managing backlog voids over a three-year period, financed from the proposed repair and maintenance budget (with capital allocation as required) for a value not exceeding £15 million;
5. Notes that Ivan Mckee, MSP Minister for Public Finance has previously stated in the Scottish Parliament that he is willing to consider fiscal flexibilities to allow Aberdeen City Council to reach a just and equitable settlement with homeowners whose properties are impacted by RAAC;
6. Notes the decision made in August 2024 to:  
"Take forward negotiations with private owners to acquire their properties voluntarily at Market Value, noting that this will be a valuation of the property at the current date and be on the same basis as the CPO process. In addition to Market Value the council will be willing to meet reasonable legal and professional costs along with home loss and disturbance payments."; and
7. Instructs the Chief Officer - Corporate Landlord in consultation with the Chief Officer - Finance to take forward negotiations with private owners on the acquisition of their properties voluntarily at pre-RAAC valuations, pausing negotiations which are currently underway, and to report the outcome of any discussions to the General Fund budget process in March 2025. Noting that the Council would continue to be willing to meet reasonable legal and professional costs along with home loss and disturbance payments.

Councillor Boulton moved as a third amendment, seconded by Councillor Nicoll:-  
That the Council -

1. Approve the budget as attached in Appendix 1, page 2, of the report, subject to the following amendments:
  - (a) No contribution towards capital expenditure will be made from revenue in 2025/26; resulting in:
  - (b) Approval of the weekly unrebated rents, an increase of 9.64%, for municipal homes to take effect from Monday 7 April 2025;
2. Agree to work towards restoring the working balances to 10% in future years to meet future operational requirements and risks, noting that if the Housing Revenue Account records a deficit and has no reserves then the Council's General Fund must make a contribution to balance the Account;
3. Approve the level of miscellaneous rents and service charges, including Heat with Rent and the General Fund Support Services Charges as detailed in Appendix 1, pages 18 to 19, to take effect from Monday 7 April 2025;
4. Approve, based on a rental increase of 9.64% the Base Capital Programme for the financial year 2025/26 Appendix 1, pages 22 to 24;

5. Approve the continuation of the £500,000 Rent Assistance Fund pilot in 2025/26;
6. Instruct the Chief Officer - Housing in consultation with the Chief Officer - Finance and Chief Officer - Digital and Technology to explore the resource and technical implications for moving from a 48 week to a 52 week rent structure, and to consult with tenants thereafter;
7. Delegate authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to vire monies from the Housing Capital Plan to support any works that may be required for RAAC interventions across the estate, retrospectively reporting any actions to the next available meeting of the Communities, Housing and Public Protection Committee;
8. Delegate Authority to the Chief Officer - Corporate Landlord, following consultation with appropriate Chief Officers, to approve a business case and thereafter procure external contractor support to manage backlog voids over a three-year period, financed from the proposed repair and maintenance budget (with capital allocation as required) for a value not exceeding £15 million;
9. Note that Ivan Mckee, MSP Minister for Public Finance has previously stated in the Scottish Parliament that he is willing to consider fiscal flexibilities to allow Aberdeen City Council to reach a just and equitable settlement with homeowners whose properties are impacted by RAAC;
10. Note the decision made in August 2024 to:  
"Take forward negotiations with private owners to acquire their properties voluntarily at Market Value, noting that this will be a valuation of the property at the current date and be on the same basis as the CPO process. In addition to Market Value the council will be willing to meet reasonable legal and professional costs along with home loss and disturbance payments.";  
and
11. Instruct the Chief Officer - Corporate Landlord in consultation with the Chief Officer - Finance to take forward negotiations with private owners on the acquisition of their properties voluntarily at pre-RAAC valuations, pausing negotiations which are currently underway, and to report the outcome of any discussions to the General Fund budget process in March 2025. Noting that the Council would continue to be willing to meet reasonable legal and professional costs along with home loss and disturbance payments.

There being a motion and three amendments, the Council first voted between the amendment by Councillor Massey and the amendment by Councillor Boulton.

On a division, there voted:-

For the amendment by Councillor Massey (4) - Councillors Brooks, Farquhar, McLeod and Massey.

For the amendment by Councillor Boulton (2) - Councillors Boulton and Nicoll.

Declined to vote (34) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Ali, Allard, Alphonse, Blake, Bonsell, Bouse, Hazel Cameron, Clark, Cooke, Copland,

Cormie, Crockett, Davidson, Fairfull, Grant, Greig, Henrickson, Hutchison, Lawrence, Macdonald, MacGregor, McLellan, McRae, Malik, Mennie, Radley, van Sweeden, Thomson, Tissera, Watson and Yuill.

Absent from the division (2) - Councillors Cross and Graham.

The Council then voted between the amendment by Councillor Malik and the amendment by Councillor Massey.

On a division, there voted:-

For the amendment by Councillor Malik (11) - Councillors Ali, Blake, Bonsell, Grant, Lawrence, Macdonald, Malik, Nicoll, Thomson, Tissera and Watson.

For the amendment by Councillor Massey (5) - Councillors Boulton, Brooks, Farquhar, McLeod and Massey.

Declined to vote (24) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Crockett, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

Absent from the division (2) - Councillors Cross and Graham.

The Council then voted between the motion and the amendment by Councillor Malik.

On a division, there voted:-

For the motion (23) - Lord Provost; Depute Provost; and Councillors Al-Samarai, Allard, Alphonse, Bouse, Hazel Cameron, Clark, Cooke, Copland, Cormie, Davidson, Fairfull, Greig, Henrickson, Hutchison, MacGregor, McLellan, McRae, Mennie, Radley, van Sweeden and Yuill.

For the amendment by Councillor Malik (12) - Councillors Ali, Blake, Bonsell, Crockett, Grant, Lawrence, Macdonald, Malik, Nicoll, Thomson, Tissera and Watson.

Declined to vote (5) - Councillors Boulton, Brooks, Farquhar, McLeod and Massey.

Absent from the division (2) - Councillors Cross and Graham.

**The Council resolved:-**  
to adopt the motion.