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ADDITIONAL CIRCULATION - BUDGETS



To: All Members of the Council

Town House,
ABERDEEN, 2 December 2025

COUNCIL

The undernoted items are circulated in connection with the meeting of the **COUNCIL** to be held here in the Town House on **WEDNESDAY, 3 DECEMBER 2025 at 10.30am.**

JENNI LAWSON
CHIEF OFFICER - GOVERNANCE

B U S I N E S S

GENERAL BUSINESS

4.1 Housing Revenue Account Budget 2026/27 - CORS/25/278 (Pages 3 - 16)

- Partnership budget
- Labour budget
- Conservative budget

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HRA Budget 2026/27

Motion by Cllr Radley

That Council:

1. RAAC Investment

- 1.1 Recognises the hard work being undertaken by Housing Officers to deal with the challenge of the Reinforced Autoclaved Aerated Concrete (RAAC) crisis, who helped to rehome over 350 tenants and are still working with RAAC-impacted homeowners to help them with their housing options.
- 1.2 Notes that the Council has secured an additional £10 million Affordable Housing Supply Programme money, provided by the Scottish Government, to support the Council to meet costs associated with addressing Reinforced Autoclaved Aerated Concrete (RAAC) affected properties in Balnagask.

2. Capital Investment

- 2.1 Welcomes the significant work being carried out by Building Services, who have turned around 2,536 void properties in 2024/2025, the highest ever turnover of properties achieved by the service.
- 2.2 Notes that property turnover continues to be exceptionally high with around 11% of over 23,000 properties being handed back each year.
- 2.3 Notes the work that has been undertaken to create the Local Housing Strategy, Housing Asset Plan and the Housing Emergency Action Plan, all of which acknowledges the years of underinvestment in our housing stock, and sets aims and objectives around bringing the Council's empty properties back into use and reduce homelessness in the city.
- 2.4 Notes the 24/25 Capital Programme delivered £58 million of investment in our existing properties and agrees to increase this to £63 million of capital spend for 26/27.

3. General

- 3.1 Supports CoSLA and the Scottish Government's Housing Minister's calls for the UK Government to write-off the historic Housing Revenue Account debt to provide capacity for supply of new housing.
- 3.2 Approves the budget as attached in Appendix 1, page 2 (Revenue) and pages 27 to 29 (Capital), of the report, subject to the following amendments:
 - the setting of the weekly unrebated rents at an increase of 9.5%, for municipal homes, to take effect from Monday 6th April 2026;
 - add budget provision of £584k to the Repairs & Maintenance line for cyclical and environmental improvements to be undertaken at Summerhill and a plan developed for Tillydrone;
 - the reduction in the capital borrowing requirement of £25.655m by including the Additional Capital Grant, slippage in the Capital Programme of 27% and, recognising the pause in the scheme, a reduction to the Buy-backs budget of £1.46m.
- 3.3 Approves 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 22 to 23, to take effect from Monday 6 April 2026;
- 3.4 Approves the permanent inclusion of a £1,000,000 Rent Assistance Fund from financial year 2026/27;

- 3.5 Approves the move from a 48 week to a 52 week rent structure for all rents with effect from 6 April 2026, which includes miscellaneous rents;
- 3.6 Delegates authority to the Chief Officer – Corporate Landlord following consultation with the Chief Officer – Finance, Chief Officer – Capital, the Chief Officer – Housing and Conveners of the Communities, Housing and Public Protection and Finance & Resources Committees to vire monies within the Housing Capital Plan to support any works that may be required to review the non-traditional housing stock and city centre multi storeys, retrospectively reporting any virement to the next available meeting of the Finance & Resources Committee as part of the Quarterly Financial Performance reports.
- 3.7 Instruct Chief Officer - Capital, in consultation with Chief Officer - Corporate Landlord, to carry out previously identified planned cyclical and environmental improvements to properties adjacent to the new Summerhill housing development, in consultation with the Conveners of Communities, Housing and Public Protection Committee and Finance and Resources Committee, as a pilot;
- 3.8 Instruct Chief Officer - Capital, in consultation with Chief Officer - Corporate Landlord, to develop an improvement plan of cyclical and environmental works in Tillydrone for properties adjacent to the new Tillydrone housing development and report to Communities, Housing and Public Protection Committee on the options and implications, by the end of September 2026.

PARTNERSHIP HRA BUDGET 2026/27

HRA Summary	Budget 2025/26 £'000	Budget 2026/27 £'000	Motion Adjustments £'000	Revised Budget 2026/27 £'000	Description of Adjustments
Housing Staff Management & Operations	18,408	16,418	0	16,418	<u>Add</u> Cyclical & Environmental Improvements at Summerhill; Development of a similar improvement plan for Tillydrone. <u>Capital Programme:</u> Include £10m additional capital funding included; Increase slippage to 27%; and Reduce 'Buy-back' budget as a result of scheme pause. 3% of rent reduction reduces Bad Debt budget
Property Planned & Response Maintenance	43,462	50,957	584	51,541	
Other Operational Costs (Grounds/Cleaning etc)	17,651	19,685	0	19,685	
Cost of Repaying Borrowing	24,621	27,963	(1,539)	26,424	
Loss of Rent – Voids and Bad Debt	14,505	15,114	(84)	15,030	
Total Expenditure	118,645	130,136	(1,039)	129,097	
Council House Rents	(112,214)	(125,679)	2,804	(122,875)	
Misc Rental (Including Heat with Rent, Garages etc)	(5,639)	(6,222)	0	(6,222)	
Total Income	(117,854)	(131,901)	2,804	(129,096)	
Net Expenditure/(Income)	792	(1,765)	1,765	0	
This enables the following to be made:					
Contribution to Capital Investment (CFCR)	0	0	0	0	
Contribution to/(from) HRA Reserve	(792)	1,765	(1,765)	(0)	

Voids:	£'000		£'000	
Revenue Budget Investment		1,800		1,800
Capital Budget Investment		3,200		3,200
Target for (reducing) Voids		(400)		(400)
				Number of Properties

Reserves:	£'000	£'000	£'000	£'000	
Actual HRA Reserve at 31/3/25	8,205	8,205		8,205	
Estimated HRA Reserve at 31/3/26	7,413	7,413		7,413	
Estimated HRA Reserve at 31/3/27		9,178	(1,765)	7,413	

Borrowing (Capital Financing Requirement):	£'000	£'000	£'000	£'000	
Actual HRA CFR at 31/3/25	554,378	554,378		554,378	Per Audited Account 2024/25
Estimated HRA CFR at 31/3/26	674,020	674,020		674,020	Per Prudential Indicators Q2 2025/26
Estimated HRA CFR at 31/3/27		730,491	(25,655)	704,836	Per Prudential Indicators Q2 2025/26, adjusted

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HRA Budget 2026/27

Amendment by Cllr Malik

That the Council –

1. Agree the UK Labour budget has given the Scottish Government an extra £820m therefore the SNP must put Housing at the top of the agenda and therefore 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 given the record settlement received by the Scottish Government from the UK Labour chancellor.
2. Welcomes the 2,000 Council homes procured and built by the previous administration which has resulted in many people and young families having a Council house of their own to call home.
3. Note point 11 of the Housing budget proposed by Labour last year at the budget which the SNP voted down which said "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" Noting Labour's success in campaigning in the community forcing the SNP Scottish Government to provide assistance for RAAC.
4. Agree loss of Rent on Council houses under the SNP is a staggering £17,085,334 or 56% higher than under a Labour administration as noted below

2020/21 (as of March 21) £2,306,569 (2.53% of total due)

2021/22 (as of March 22) £3,355,121 (3.66% of total due)

2022/23 (as of March 23) £5,271,632 (5.7% if total due)

2023/24 (as of March 24) £7,805,225 (7.91% of total due)

2024/25 (as of March 25) £8,441,870 (8.04% of total due)

As of 31st October 25 sitting at £4,838,239 (7.38% of total due)
5. Agree the table below reflects voids since 2013/14 noting that the total voids under Labour 2013 to 2022 was 3,898 noting under the 3.5 years of the SNP total

voids were 6,967. In other words SNP voids over a 3.5-year period are higher than all the total Voids under Labour in a nine-year period.

6. Believe Councillor Radley must resign as Convener of the Communities, Housing and Public Protection Committee over this disgraceful position.

Append Remove Add After Add Before							
Time Period	Value	Forecast	Activ...	Note	Short...	Long ...	Status
2025/26	1.634		✓		↓	↑	⚙
2024/25	1.783		✓		↓	↑	⚙
2023/24	2.019		✓		↓	↑	⚙
2022/23	1.531		✓		↓	↑	⚙
2021/22	1.108		✓		↓	↑	⚙
2020/21	584		✓		↓	↑	⚙
2019/20	418		✓		↓	↑	⚙
2018/19	334		✓		↓	↑	⚙
2017/18	265		✓		↓	↑	⚙
2016/17	169		✓		↓	↑	⚙
2015/16	214		✓		↓	↑	⚙
2014/15	369		✓		↓	↑	⚙
2013/14	435		✓				⚙

7. Approve the setting of the weekly unrebated rents, an increase of 5%, for municipal homes in Appendix 1, to take effect from Monday 6th April 2026; making the following adjustments to the HRA Budget:
 - a. use of HRA reserves of £4,463,000, noting there is a minimum of £12m reserves currently sitting in the General Revenue Account.
 - b. Take voids costs down by £1,390,000
8. 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 22 to 23 of the report, to take effect from Monday 6th April 2026;
9. Approve, based on a rental increase of 5%, the Base Capital Programme for financial year 2026/27 only, as detailed in Appendix 1.
10. Note the results of the tenant consultation in respect of the move from a 48 week to a 52 week rent structure, and agree to maintain the status quo;
11. Approve the inclusion of a £1,000,000 Rent Assistance Fund for 2026/27;

12. Delegates Authority to the Chief Officer – Corporate Landlord in consultation with the Chief Officer – Finance, Chief Officer – Capital and the Chief Officer – Housing to vire monies within the Housing Capital Plan to support any works that may be required to review the non-traditional housing stock and city centre multi storeys, retrospectively reporting any virement to the next available meeting of the Finance & Resources Committee as part of the Quarterly Financial Performance reports.

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LABOUR HRA BUDGET 2026/27

HRA Summary	Budget 2025/26 £'000	Budget 2026/27 £'000	Amendment Adjustments £'000	Revised Budget 2026/27 £'000	Description of Adjustments
Housing Staff Management & Operations	18,408	16,418	0	16,418	
Property Planned & Response Maintenance	43,462	50,957	(1,390)	49,567	Reduction in void expenditure
Other Operational Costs (Grounds/Cleaning etc)	17,651	19,685	0	19,685	
Cost of Repaying Borrowing	24,621	27,963	0	27,963	
Loss of Rent – Voids and Bad Debt	14,505	15,114	(236)	14,878	3% of rent reduction reduces Bad Debt budget
Total Expenditure	118,645	130,136	(1,626)	128,510	
Council House Rents	(112,214)	(125,679)	7,854	(117,825)	Rent increase adjusted to 5%
Misc Rental (Including Heat with Rent, Garages etc)	(5,639)	(6,222)	0	(6,222)	
Total Income	(117,854)	(131,901)	7,854	(124,047)	
Net Expenditure/(Income)	792	(1,765)	6,228	4,463	
This enables the following to be made:					
Contribution to Capital Investment (CFCR)	0	0	0	0	
Contribution to/(from) HRA Reserve	(792)	1,765	(6,228)	(4,463)	

Voids:		£'000	£'000	£'000	
Revenue Budget Investment		1,800	(1,390)	410	
Capital Budget Investment		3,200		3,200	
Target for (reducing) Voids		(400)	316	(84)	

Reserves:		£'000	£'000	£'000	
Actual HRA Reserve at 31/3/25		8,205	8,205	8,205	
Estimated HRA Reserve at 31/3/26		7,413	7,413	7,413	
Estimated HRA Reserve at 31/3/27			9,178	(6,228)	2,950

Borrowing (Capital Financing Requirement):		£'000	£'000	£'000	
Actual HRA CFR at 31/3/25		554,378	554,378	554,378	Per Audited Account 2024/25
Estimated HRA CFR at 31/3/26		674,020	674,020	674,020	Per Prudential Indicators Q2 2025/26
Estimated HRA CFR at 31/3/27			730,491	0	730,491 Per Prudential Indicators Q2 2025/26

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Conservative amendment

HRA Budget 2026/27

Amendment by Councillor Houghton

That the Council:

(i) approve the budget as attached in Appendix 1, page 2, of the report, subject to the following amendments:

(a) approval of the setting of the weekly unrebated rents at an increase of 9.8%, for municipal homes, to take effect from Monday 6th April 2026;

(b) the reduction in the capital borrowing requirement of £10m by including the Additional Capital Grant in the Capital Programme;

(c) notes the Council's investment in void reduction and the stated target of reducing the void total by 400 during 2026/27, and instructs the Chief Officer – Housing to report the financial gains arising from this work through quarterly service updates so that they can be transparently incorporated into future-year HRA modelling.

(ii) 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;

(iii) 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 22 to 23, to take effect from Monday 6 April 2026;

(iv) approve, based on a rental increase of 9.8% the Base Capital Programme for the financial years 2026/27, 2027/28, 2028/29, 2029/2030 and 2030/31 Appendix 1, pages 27 to 29;

(v) approve the permanent inclusion of a £1,000,000 Rent Assistance Fund from, 2026/27;

(vi) approve the move from a 48 week to a 52 week rent structure for all rents with effect from 6 April 2026, including miscellaneous rents;

(vii) delegate authority to the Chief Officer – Corporate Landlord in consultation with the Chief Officer – Finance, Chief Officer – Capital and the Chief Officer – Housing to vire monies within the Housing Capital Plan to support any works that may be required to review the non-traditional housing stock and city centre multi storeys, retrospectively reporting any virement to the next available meeting of the Finance & Resources Committee as part of the Quarterly Financial Performance reports.

(viii) recognises that the Housing Revenue Account now represents a significant corporate risk due to its exposure to interest rate movements, borrowing costs, inflation, repairs volatility and reserve fragility, and that its stabilisation requires coordinated work across Housing, Capital, Asset Management and Finance;

(ix) requests that, for a period of 12 months, the Chief Executive provides corporate oversight of this cross-service work and issues quarterly service updates to all councillors on progress with HRA stabilisation, including reserve trajectory, void performance, borrowing exposure and any emerging risks.

CONSERVATIVE HRA BUDGET 2026/27

HRA Summary	Budget 2025/26 £'000	Budget 2026/27 £'000	Amendment Adjustments £'000	Revised Budget 2026/27 £'000	Description of Adjustments
Housing Staff Management & Operations	18,408	16,418	0	16,418	
Property Planned & Response Maintenance	43,462	50,957	0	50,957	
Other Operational Costs (Grounds/Cleaning etc)	17,651	19,685	0	19,685	
Cost of Repaying Borrowing	24,621	27,963	(600)	27,363	Capital Programme: £10m additional capital funding included
Loss of Rent – Voids and Bad Debt	14,505	15,114	(73)	15,041	3% of rent reduction reduces Bad Debt budget
Total Expenditure	118,645	130,136	(673)	129,463	
Council House Rents	(112,214)	(125,679)	2,438	(123,241)	Rent increase adjusted to 9.8%
Misc Rental (Including Heat with Rent, Garages etc)	(5,639)	(6,222)	0	(6,222)	
Total Income	(117,854)	(131,901)	2,438	(129,463)	
Net Expenditure/(Income)	792	(1,765)	1,765	0	
This enables the following to be made:					
Contribution to Capital Investment (CFCR)	0	0	0	0	
Contribution to/(from) HRA Reserve	(792)	1,765	(1,765)	0	

Voids:		£'000		£'000	
Revenue Budget Investment		1,800		1,800	
Capital Budget Investment		3,200		3,200	
Target for (reducing) Voids		(400)		(400)	Number of Properties

Reserves:	£'000	£'000	£'000	£'000	
Actual HRA Reserve at 31/3/25	8,205	8,205		8,205	
Estimated HRA Reserve at 31/3/26	7,413	7,413		7,413	
Estimated HRA Reserve at 31/3/27		9,178	(1,765)	7,413	

Borrowing (Capital Financing Requirement):	£'000	£'000	£'000	£'000	
Actual HRA CFR at 31/3/25	554,378	554,378		554,378	Per Audited Account 2024/25
Estimated HRA CFR at 31/3/26	674,020	674,020		674,020	Per Prudential Indicators Q2 2025/26
Estimated HRA CFR at 31/3/27		730,491	(10,000)	720,491	Per Prudential Indicators Q2 2025/26, adjusted

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