



# **How the Housing Revenue Account (HRA) is spent**

Draft Estimates for 2020/21

The purpose of this document is to advise Tenants of the draft 2020/21 budget estimates. It provides a brief breakdown of how the Council plans to spend the rental income collected from tenants within 2020/2021.

**West Dunbartonshire Council**  
**Housing Revenue Account (HRA) Methodology**

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# West Dunbartonshire Council

## Housing Revenue Account (HRA) Methodology

### 2. Introduction

#### What does the HRA pay for?

The Housing Revenue Account (HRA) is the name of the Council account where all the income and expenditure related to the Council's housing is accounted for. At its core, the HRA pays for the management and maintenance of council-owned housing. The HRA can also fund the provision of new council housing. In consultation with its tenants, a Council may also decide to fund services other than these core services.

#### What doesn't it pay for?

Other housing services provided by the Council that meets the needs of customers other than tenants of the Council are **not** funded through the HRA. These are funded from the Council's main operational budget, the General Fund. These non-HRA services would include:

- homelessness;
- the provision of wider housing advice;
- housing support;
- housing benefit administration, and
- work related to private sector housing

In 2014, the Scottish Government published its Guidance on the Operation of Local Authority HRAs in Scotland. The purpose of this Guidance was to bring together information on the use of the HRA; how it must operate; who the resources contained within it are meant to benefit; and what outcomes can be expected of those resources. The guidance specified key principles under which the HRA must operate.

#### **HRA OPERATING PRINCIPLES:**

- **Compliant with legislation and guidance in relation to accounting practice**
- **Benefits present or prospective tenants**
- **A robust, written methodology is in place**
- **Consultation on financial transparency is carried out**
- **Mixed tenure residents are charged for HRA services**

**Key Principle 1 - The HRA must comply with legislation, statutory guidance and accounting codes of practice**

Must comply with the Housing (Scotland) Act 1987. Must comply with proper accounting practices. Must correctly assign HRA assets and liabilities. Assets must provide, or be likely to provide a positive return to the HRA. Decisions to retain or dispose of assets must be explained to tenants. Scottish Ministers' consent is required if assets are sold for less than the market value (see March 2016 Scottish Government Guidance, *Disposal of assets from HRA's* ). Reserves can be retained to the extent that is prudent. There is a duty to secure Best Value. Ministers have the power to add or remove costs.

**Key Principle 2 - HRA assets must benefit present or prospective tenants**

The Council must maintain a register of land and buildings. Assets must benefit tenants directly or as an investment. HRA assets must be reviewed regularly. Assets not benefitting tenants must be considered for disposal, transfer or change of use. There is no requirement to dispose of assets immediately. If the asset is significant, then there must be consultation with tenants on its future use.

**Key Principle 3 - There is a robust, written methodology for calculating and allocating HRA costs**

The methodology must be in sufficient detail for tenants to follow. It will include explanation of recharges from other council areas. The methodology must be reviewed and updated. It must explain recharges to the HRA and housing activity accounted for in the Council's General Fund. Transparency around the calculation of costs to the HRA must be supported by a systematic recording mechanism. Chargeable costs and the methodology itself should be agreed with tenants.

**Key Principle 4 - There are clear and published mechanisms and procedures for discussing financial transparency matters with tenants**

The Council should build this activity on existing good practice in broader tenant participation. There should be regular and meaningful discussion with tenants about the HRA. There are relevant legislative responsibilities that must be met: to consult on issues significantly affecting tenants, to develop a tenant participation strategy and to issue notices of increases in rents and service charges, for example. The HRA should clearly meet the outcomes of the Scottish Social Housing Charter, especially outcomes 13, 14 and 15. Tenants must be involved in decisions about significant HRA assets. The council's decision-making must be transparent, whether tenants are in agreement or, especially, if not.

**Key Principle 5 - Where legally entitled, non-council tenants living in mixed tenure estates are charged for goods and services**

The HRA should seek to charge for services to non-council tenants, for example, the maintenance of common areas and facilities in flatted accommodation, grass cutting in common external areas, maintenance of paths and drying areas in mixed tenure areas. Title deeds specify owners' duties and responsibilities, but there are wide variations. If the deeds are silent, the Tenement (Scotland) Act 2004 allows councils to obtain contributions. Landlords must comply with the Property Factor Code. Charging owners their share of costs protects the HRA, and should be fully explored whenever relevant.

**West Dunbartonshire Council**  
**Draft 2020/21 Estimates**

|   | 2018/19<br>Actual<br>£ | 2019/20 Forecast<br>year end position<br>as reported at<br>period 5<br>£ | 2020/21 Draft<br>Estimate<br>£ | Mov't between<br>19/20 forecast year<br>end position & 20/21<br>Estimate<br>£ |
|---|------------------------|--|--------------------------------|---|
| <b>EMPLOYEE COSTS</b>                     |                        |  |                                |   |
| Employee Costs                            | 4,489,283              | 5,242,407  | 5,692,468                      | 450,061   |
| <b>Employee cost total</b>                | <b>4,489,283</b>       | <b>5,242,407</b>   | <b>5,692,468</b>               | <b>450,061</b>  |
| <b>PROPERTY COSTS</b>                     |                        |  |                                |   |
| Rates                                     | 87,238                 | 100,025  | 100,414                        | 389   |
| Rent                                      | 124,303                | 127,335  | 129,610                        | 2,275   |
| Repairs to Offices                        | 525                    | 501  | 501                            | 0   |
| Electricity & Gas                         | 249,697                | 431,023  | 471,578                        | 40,555  |
| Property Insurance                        | 966,091                | 966,092  | 966,092                        | 0   |
| Contract Cleaning                         | 48,359                 | 48,981   | 48,960                         | (21)  |
| Other Property Costs                      | 163,175                | 163,175  | 163,175                        | 0   |
| <b>Property cost total</b>                | <b>1,639,388</b>       | <b>1,837,132</b>   | <b>1,880,330</b>               | <b>43,198</b>   |
| <b>TRANSPORT COSTS</b>                    |                        |  |                                |   |
| Car Allowances etc.                       | 81,488                 | 82,618   | 84,156                         | 1,537   |
| <b>Transport cost total</b>               | <b>81,488</b>          | <b>82,618</b>  | <b>84,156</b>                  | <b>1,537</b>  |
| <b>SUPPLIES &amp; SERVICES</b>            |                        |  |                                |   |
| Clothing & Uniforms                       | 6,792                  | 7,448  | 7,448                          | 0   |
| Computer Software & Equipment             | 177,152                | 141,124  | 142,060                        | 936   |
| Security Services (cash uplifts)          | 899                    | 0  | 0                              | 0   |
| Other Supplies & Services                 | 34,008                 | 32,056   | 32,056                         | 0   |
| Postages                                  | 1,251                  | 1,251  | 1,251                          | 0   |
| Printing, stationery & photocopiers       | 32,394                 | 82,460   | 32,394                         | (50,066)  |
| Telephones                                | 30,577                 | 30,652   | 30,570                         | (82)  |
| Tenant Participation Costs                | 64,285                 | 69,687   | 75,407                         | 5,720   |
| <b>Supplies &amp; Services cost total</b> | <b>347,356</b>         | <b>364,678</b>   | <b>321,186</b>                 | <b>(43,492)</b>   |
| <b>SUPPORT COSTS</b>                      |                        |  |                                |   |
| Allocation of Central Support Costs       | 2,561,502              | 2,584,884  | 2,656,674                      | 71,790  |
| <b>Support cost total</b>                 | <b>2,561,502</b>       | <b>2,584,884</b>   | <b>2,656,674</b>               | <b>71,790</b>   |
| <b>OTHER EXPENDITURE</b>                  |                        |  |                                |   |
| Other expenditure                         | 434,399                | 434,153  | 434,192                        | 39  |
| <b>Other Expenditure total</b>            | <b>434,399</b>         | <b>434,153</b>   | <b>434,192</b>                 | <b>39</b>   |
| <b>NET SUPERVISION &amp; MANAGEMENT</b>   | <b>9,553,415</b>       | <b>10,545,873</b>  | <b>11,069,006</b>              | <b>523,133</b>  |

**West Dunbartonshire Council**  
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|--|------------------------|---|--------------------------------|---|
| <b>REPAIRS &amp; MAINTENANCE</b>   |                        |   |                                |   |
| Jobbing Repairs  | 8,297,835              | 8,454,435   | 8,760,209                      | 305,774   |
| Adaptations for Disabled   | 260,514                | 250,000   | 250,000                        | 0   |
| Garden Tidy Scheme (Void, First Cuts & Homeless Properties)                    | 142,133                | 142,133   | 142,133                        | 0   |
| Other Maintenance - gas, lifts, CCTV etc.                                      | 1,694,738              | 1,775,566   | 1,790,480                      | 14,915  |
| Other Repairs - grants,decants,alarms,pest control etc                         | 778,539                | 673,062   | 669,202                        | (3,860)   |
| Open Space Maintenance (contribution towards maintenance across housing areas) | 350,000                | 350,000   | 350,000                        | 0   |
| Tenant Sustainability  | 361,734                | 319,493   | 260,000                        | (59,493)  |
| High Rise Fire Safety  | 0                      | 75,000  | 75,000                         | 0   |
| <b>Repairs cost total</b>  | <b>11,885,493</b>      | <b>12,039,688</b>   | <b>12,297,024</b>              | <b>257,336</b>  |
| <b>MISCELLANEOUS</b>   |                        |   |                                |   |
| Bad Debt Provision   | 763,079                | 1,060,185   | 1,060,185                      | 0   |
| Rents - Unlet Period (houses)  | 559,613                | 504,467   | 504,467                        | 0   |
| Rents - Unlet Period (lockups)   | 79,309                 | 81,247  | 81,247                         | 0   |
| Council tax on void houses   | 227,231                | 183,119   | 188,614                        | 5,495   |
| <b>Miscellaneous cost total</b>  | <b>1,629,231</b>       | <b>1,829,019</b>  | <b>1,834,513</b>               | <b>5,495</b>  |
| <b>LOANS CHARGES</b>   |                        |   |                                |   |
| Principal  | 6,287,933              | 6,568,642   | 6,568,642                      | 0   |
| Interest   | 5,293,356              | 5,550,354   | 5,550,354                      | 0   |
| Expenses   | 170,342                | 317,221   | 317,221                        | 0   |
| Revenue contribution to Capital  | 13,348,896             | 6,390,016   | 6,572,697                      | 182,681   |
| <b>Loan Charges total</b>  | <b>25,100,526</b>      | <b>18,826,233</b>   | <b>19,008,914</b>              | <b>182,681</b>  |
| <b>GROSS EXPENDITURE</b>   | <b>48,168,665</b>      | <b>43,240,813</b>   | <b>44,209,457</b>              | <b>968,645</b>  |
| <b>INCOME</b>  |                        |   |                                |   |
| House Rents  | 40,677,847             | 41,527,405  | 41,639,619                     | 112,214   |
| Lock Up Rents  | 228,402                | 228,283   | 228,283                        | 0   |
| Other Rents - Shops, sites etc.  | 114,659                | 112,259   | 112,259                        | 0   |
| Factoring / Insurance Charge   | 1,159,358              | 1,191,206   | 1,203,805                      | 12,599  |
| Revenue Interest   | 92,631                 | 92,631  | 92,631                         | 0   |
| Additional Revenue contribution to Capital                                     | 6,072,096              | 0   | 0                              | 0   |
| Income from Scottish Government  |                        | 0   | 0                              | 0   |
| Other Income (reallocated property costs,interest on home loans,etc.)          | 79,713                 | 100,067   | 100,067                        | 0   |
| <b>TOTAL INCOME</b>  | <b>48,424,705</b>      | <b>43,251,851</b>   | <b>43,376,664</b>              | <b>124,813</b>  |
| <b>NET EXPENDITURE</b>   | <b>(256,040)</b>       | <b>(11,038)</b>   | <b>832,793</b>                 | <b>843,832</b>  |

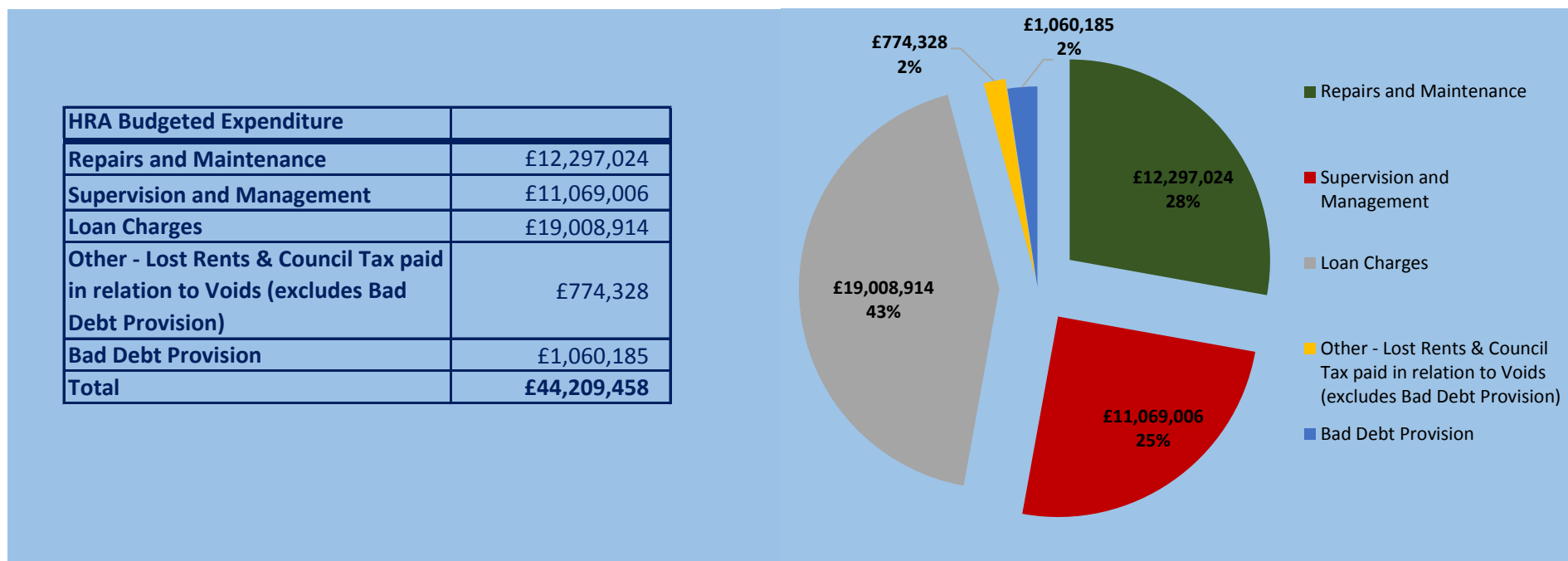
|  |   |       |
|--|---|-------|
| Deficit as % of House Rents (£0.833m/£41.640m) |   | 2.0%  |
| Current Average Rent (52 weeks)                | £ | 79.72 |
| Revised Average Rent                           | £ | 81.31 |
| Increase in weekly rent                        | £ | 1.59  |

## 6. Explanation of main 20/21 budget movements

The following reconciliation shows the main reasons for the additional budget required for 20/21, when compared to the 19/20 outturn:

|  | £        | £  |
|--|----------|--|
| Forecast 19/20 GROSS EXPENDITURE ( excl Loan charges)          |          | 24,414,580   |
| <b>Adjustments</b>   |          |  |
| <b><u>EMPLOYEE COSTS</u></b>                                   |          |  |
| Payaward & Increments  | 266,578  | <i>Allowance for Annual Pay increase and incremental movements upwards on payscale</i>   |
| Increase in recharges from General Fund                        | 34,059   | <i>Increased staffing allocation regarding Tenancy Sustainability</i>  |
| Reduction in staff costs recharged to Capital                  | 149,424  | 450,061 <i>IHMS team costs now funded 100% revenue</i>   |
|  | <hr/>    |  |
| <b><u>PROPERTY COSTS</u></b>                                   |          |  |
| Utilities Inflation  | 40,923   | <i>Estimated inflationary increase in the cost of Gas &amp; Electricity</i>  |
| Rent   | 2,275    | 43,198 <i>Estimated increase in rents</i>  |
|  | <hr/>    |  |
| <b><u>TRANSPORT COSTS</u></b>                                  |          |  |
| Additional employee related travel                             | 1,537    | 1,537  |
|  | <hr/>    |  |
| <b><u>SUPPLIES &amp; SERVICES &amp; OTHER EXPENDITURE</u></b>  |          |  |
| Reduction in Printing & Stationery, Telephones and admin costs | (49,174) | <i>Relates mainly to one off costs relating to the scanning costs involved in the digitization of operational files.</i>                     |
| Increase in Tenant Participation Expenditure                   | 5,720    | (43,454) <i>Assumed full utilisation of budget within 20/21</i>  |
|  | <hr/>    |  |
| <b><u>ALLOCATION IN CENTRAL SUPPORT COSTS</u></b>              |          |  |
| Increase in central support allocation                         | 71,790   | 71,790 <i>Allowance for Annual Pay increase</i>  |
|  | <hr/>    |  |
| <b><u>REPAIRS &amp; MAINTENANCE</u></b>                        |          |  |
| Repairs Inflation  | 316,829  | <i>Estimated inflationary increase in the cost of repairs.</i>   |
| Reduction in Tenancy Sustainability                            | (59,493) | 257,336 <i>Higher costs incurred during the initial phase of introducing this. Budget now reflects ongoing expected budget requirements.</i> |
|  | <hr/>    |  |
| <b><u>MISCELLANEOUS</u></b>                                    |          |  |
| Void council Tax   | 5,495    | 5,495 <i>Anticipated council tax increase</i>  |
|  | <hr/>    |  |
| <b>20/21 ESTIMATED GROSS EXPENDITURE (EXC LOAN CHARGES)</b>    |          | <u><u>25,200,543</u></u>   |

## 7. Main summary of how the Council will spend the rent



Another way of thinking about this is to say that, for every £1 that will be collected in rental income by the Council will be spent as follows:

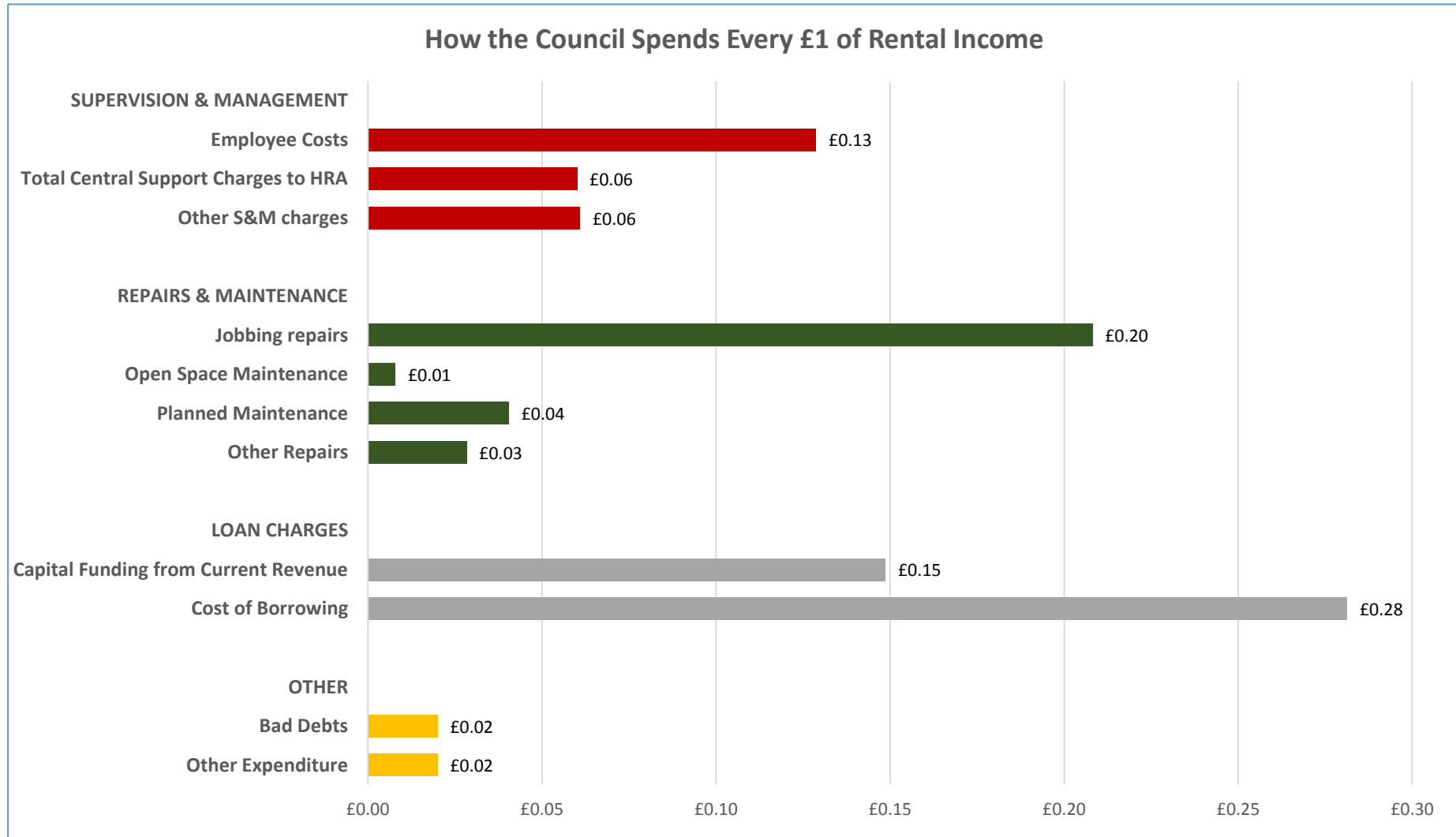
|                                 |              |
|---------------------------------|--------------|
| <b>HRA Budgeted Expenditure</b> |              |
| Repairs and Maintenance         | £0.28        |
| Supervision and Management      | £0.25        |
| Loan Charges                    | £0.43        |
| Other                           | £0.02        |
| Bad Debt provision              | £0.02        |
| <b>Rental Income</b>            | <b>£1.00</b> |

These headings of expenditure are further broken down on the next page.



## 8 Breakdown of how the Council will spend the rent

Every £1 that the Council will receive in rent money will be spent as follows:



Each of the above categories of spend is looked at in more detail on the following pages.

## 9. Supervision and Management

| Description                            | Charge to HRA      | Explanation   |
|--|--------------------|---|
| Employee Costs                         | £5,692,468         | Employee costs including wages, pensions, national insurance etc. Work patterns are maximised to avoid overtime payments but some overtime can be incurred when covering for vacancies and / or urgent out of hour duties.  |
| Property Costs                         | £914,238           | This includes the cost of energy costs for communal areas, the electricity & gas associated with close lighting, lighting in and around the Multi Storey Flats and Standing Charges on void properties. It also includes the use of Aurora House and Church Street by housing services. |
| Property Insurance                     | £966,092           | This includes the cost of insurance premiums for the block insurance policy for mixed tenure blocks, housing properties insurances, public and employers liability insurance and engineering inspection charge.   |
| Travel Expenses                        | £84,156            | Employee travel costs for business and study. It also includes the hire of vehicles and the associated costs such as fuel.  |
| Office Equipment, Print and Stationery | £64,450            | Expenses incurred for office equipment, printing and stationery and general office running costs.   |
| Postage and Telephone                  | £31,821            | Costs for postage and telephone charges, including mobile phones.   |
| IT Systems                             | £142,060           | Purchase of IT related software and hardware for all IT functions within Housing Services. Includes software licences and annual maintenance costs to 3rd party software suppliers.   |
| Clothing & Uniforms                    | £7,448             | This includes the cost of clothing and uniforms   |
| Tenant Participation Costs             | £75,407            | This includes the cost of free lets which are the lets associated with providing premises for tenants and resident's associations. It also includes the running costs for TRAs and any publicity and communication costs ie satisfaction surveys and the production of housing news.    |
| Total Central Support Charges to HRA   | £2,656,674         | This is the HRA's share of the costs for using the council's internal services such as IT, Human Resources and Finance etc. See section 12 and 13 for full details.   |
| Other expenditure                      | £434,192           | This includes the costs of membership and conference fees, legal expenses in relation to court actions and bank charges and also includes the cost of rent abatements due to void initiatives.  |
|  | <b>£11,069,006</b> |   |

## 10. Repairs and Maintenance Expenditure

| <b>Description</b>                                     | <b>Charge to HRA</b> | <b>Explanation</b>   |
|--|----------------------|--|
| <b>Jobbing repairs</b>                                 | £8,760,209           | <i>The Council is responsible for keeping their homes in a good state of repair. The majority of repairs are carried out by the Council's Building Services; external contractors are used for specialist works, for example woodworm or dampness. Repair categories include routine and emergency. Current and future tenants benefit in keeping homes in a good state of repair. This also includes the costs associated with turning vacant properties into a suitable state to be relet.</i> |
| <b>Garden Tidy Scheme &amp; Open Space Maintenance</b> | £492,133             | <i>The Garden Tidy Scheme includes the costs associated with the upkeep of grounds in relation to void properties, first cuts and temporary accommodation properties. It also includes a contribution towards the cost of open space maintenance across our housing areas.</i>   |
| <b>Planned Maintenance</b>                             | £1,790,480           | <i>Cyclical works that are carried out to Council homes on a planned basis ie Lift, Gas and CCTV Maintenance, Refuse Chute Cleaning and the maintenance of ventilation systems etc</i>   |
| <b>High Rise Fire Safety</b>                           | £75,000              | <i>The introduction of a specific budget for high rise fire safety costs per recommendations following fire risk assessments</i>   |
| <b>Other repairs</b>                                   | £669,202             | <i>This includes the cost of communal TV aerials, decants, pest control, community alarms, environmental hit squad etc.</i>  |
| <b>Adaptations for Disabled</b>                        | £250,000             | <i>This is the costs associated by making structural changes to properties for example replacing a bath with a walk in shower, an external ramp, widening of a door frame to allow access or fitting lower work surfaces</i>   |
| <b>Tenancy Sustainability Costs</b>                    | £260,000             | <i>The tenancy sustainment budget is used to assist tenants to set up their tenancies and become settled. It is also used to enable our tenants to overcome difficult situations that are impacting on their tenancy and their ability to remain. This avoids abandonment and terminations which are costly to the council and more importantly detrimental to the tenants and their families and also unsettles communities when we see high turnover of properties</i>                         |
|  | <b>£12,297,024</b>   |  |

## 11. Funding Investment

There are primarily two categories of spending under Funding Investment: the Cost of Borrowing and CFCR (Capital Funded from Current Reserves).

| Description  | Charge to HRA      | Explanation   |
|--|--------------------|---|
| <b>COST OF BORROWING</b>                           | £12,436,217        | <i>To build and upgrade council homes over the years, the Council has borrowed money and just like a homeowner with a mortgage, that debt has to be repaid with interest. The Cost of Borrowing is effectively the Council's interest payments on the money it has borrowed to build council homes. The HRA also pays a fee for Treasury Management to brokers ( Loan Charges Expenses)</i> |
| <b>CAPITAL FUNDED FROM CURRENT RESERVES (CFCR)</b> | £6,572,697         | <i>CFCR is funding from the HRA towards building new council homes, and other capitalised programmes such as some repairs and IT investment</i>   |
|  | <b>£19,008,914</b> |   |

## **Bad Debt Provision**

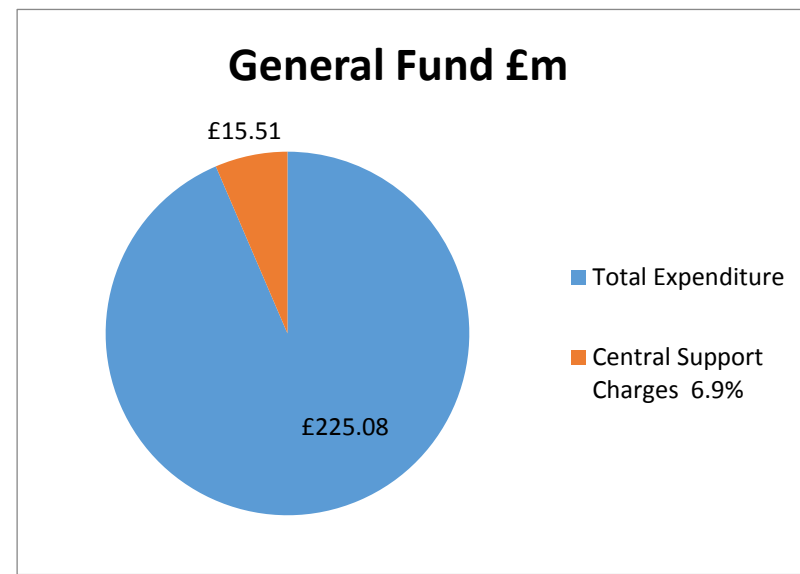
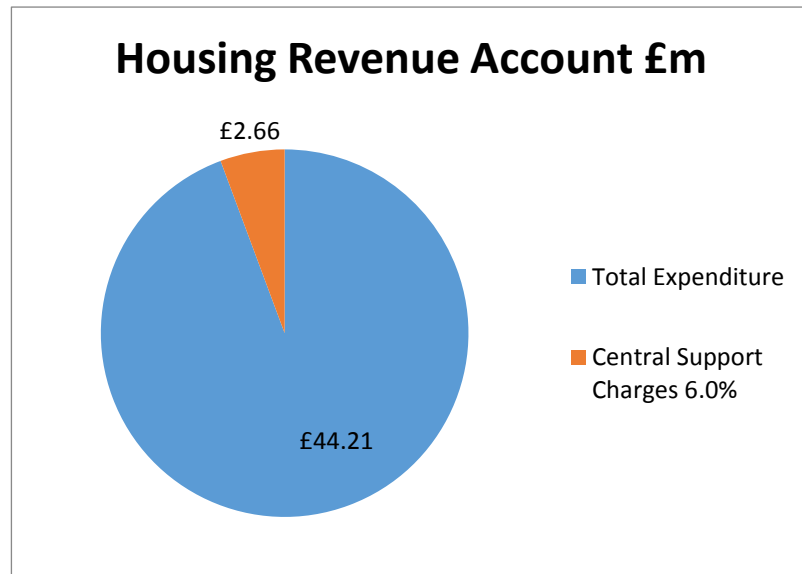
The bad debt provision is money set aside for rent arrears. The amount that is included within the budget each year is the additional amount required to ensure that there is enough provision to cover the anticipated arrears.

| Description                | Charge to HRA      |
|----------------------------|--------------------|
| <b>BAD DEBTS PROVISION</b> | £ 1,060,185        |
|                            | <b>£ 1,060,185</b> |

## 12. Central Support and Other Internal Charges

The HRA is charged annually for support services that Housing Services receives from other departments of the Council.

As a rule of thumb, the central support charges met by the HRA should be broadly equivalent to the proportion of the Council's overall General Fund which is spent on central support. The chart below indicates the proportion of expenditure spent on Central Support within both the General Fund and the Housing Revenue Account.



The table shown in **section 13** (on page 13), indicates the proportion of total spend on Central Support Services that is recharged to the HRA. Broadly speaking the same proportion of all individual Central Support Recharges should be charged to the Housing Revenue Account. In column d), you can see what proportion of each budget head is recharged to Housing Services. There will be legitimate reasons why more of a certain cost centre would be charged to Housing Services. For example, the HRA is charged more Revenues & Exchequer Services than other council departments, but other cost centres might be expected to be more in line with the overall allocation of spend across the Council as a whole.

### 13. Breakdown of Internal Charges

| a) Service Description               | b) 18/19 HRA share of costs | c) 18/19 Total cost of service provided | d) % paid by HRA of the council's total central support costs | e) What is this?  |
|--------------------------------------|-----------------------------|---|---|---|
| <b>TOTAL SPEND</b>                   | <b>£2,561,502</b>           | <b>£18,075,689</b>                      | <b>14.2%</b>  |   |
| <b>Other Central Support</b>         | £348,831                    | 2,767,078                               | 12.6%   | Share of communications, internal audit, change support and contact centre. It also includes the Corporate & Democratic Costs which are costs relating to all aspects of members' activities and costs which allows services to be provided & information required for public accountability. |
| <b>Central Admin Support</b>         | £564,600                    | £2,749,938                              | 20.5%   | Provision of clerical support for the day-to-day administrative tasks.  |
| <b>Risk &amp; Insurance</b>          | £49,130                     | £334,190                                | 14.7%   | Includes the processing of claims made by/against WDC, providing general advice & developing & implementing risk management practices   |
| <b>IT Services</b>                   | £61,351                     | £3,619,712                              | 1.7%  | Service and application management, internal customer support, data centre support, IT improvements, technical design and information and policy standards.   |
| <b>Revenue and Exchequer Charges</b> | £1,189,404                  | £2,676,159                              | 44.4%   | The Council's Finance Team is responsible for the recovery of all monies owed to Housing Services. This charge represents the cost of that income recovery activity.  |
| <b>Financial Services</b>            | £224,277                    | £3,694,846                              | 6.1%  | Covers all financial management support to Housing Services, including payroll, payments, budgeting and investment services.  |
| <b>Human Resources</b>               | £58,807                     | £1,455,031                              | 4.0%  | Recruitment, development management and contract management services, both on a strategic and operational basis   |
| <b>Legal Services</b>                | £65,102                     | £778,735                                | 8.4%  | Outwith spending on legal charges in pursuit of rent arrears which is accounted for elsewhere in the HRA, Housing Service receives general legal support on a day-to-day basis.   |

## 14. HRA Income

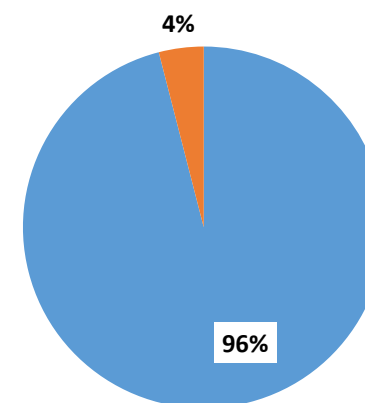
Almost all HRA income comes from rents charged to tenants of our flats and houses. Other income includes:

- rent from other types of properties owned by the Council: garages and lock-ups, shops;
- laundrette and electricity charges, and
- charges paid by owners for factoring services.

The table below indicates some of the main sources of HRA income.

| Description  | Income to HRA      |
|--|--------------------|
| Council House Rents  | £41,639,619        |
| Rent from Lock-ups   | £228,283           |
| Rent from Other Properties (Shops, Etc)                                  | £112,259           |
| Other HRA Income (eg. Revenue interest & reallocated property costs etc) | £192,698           |
| Factoring/Insurance Charge   | £1,203,805         |
| <b>TOTAL</b>   | <b>£43,376,664</b> |

## HRA Income



■ Council House Rents    ■ Other HRA Income

## **15. DLO Surplus Policy**

It is council policy to retain any DLO surplus/loss within the General Fund. There is no surplus / loss passed onto the HRA. The DLO surplus derives from a number of sources and is not just housing related. This includes other building services work for the Council and wider commercial activity.

This is agreed annually by the Council as part of the Council's Financial Strategy and wider budget setting process.



## 16. HRA 5 Year Capital Programme

The Council's capital programme includes the improvement works for the existing Council Housing Stock. It also includes the spending plans for the council New Builds Affordable Housing Supply programme.

|  | 2020-21<br>Budget<br>£000 | 2021-22<br>Budget<br>£000 | 2022-23<br>Budget<br>£000 | 2023-24<br>Budget<br>£000 | 2024-25<br>Budget<br>£000 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>OTHER CAPITAL EXPENDITURE</b>   | <b>1,177</b>              | <b>1,044</b>              | <b>1,066</b>              | <b>1,089</b>              | <b>1,113</b>              |
| Special Needs Adaptations  | 462                       | 473                       | 485                       | 498                       | 511                       |
| Minor capital repairs  | 615                       | 420                       | 431                       | 442                       | 453                       |
| Priority projects as advised by Housing Management   | 100                       | 150                       | 150                       | 150                       | 150                       |
| <b>MAJOR COMPONENT REPLACEMENTS</b>  | <b>13,077</b>             | <b>9,960</b>              | <b>9,950</b>              | <b>10,199</b>             | <b>10,454</b>             |
| Targeted Energy Efficiency Standard for Social Housing (EESH) compliance works                                   | 5,228                     | 3,625                     | 3,715                     | 3,808                     | 3,903                     |
| Building external component renewals, roofs/chimneys/flashings/fascias/gutters etc                               | 3,075                     | 3,152                     | 2,972                     | 3,047                     | 3,123                     |
| Doors/window component renewals  | 1,538                     | 1,576                     | 1,615                     | 1,656                     | 1,697                     |
| External stores/garages/bin stores/drainage component renewals   | 72                        | 42                        | 43                        | 44                        | 45                        |
| Secure door entry component renewals   | 72                        | 42                        | 43                        | 44                        | 45                        |
| Statutory/regulatory compliance works (lifts/electrical/legionella/fire etc)                                     | 1,538                     | 105                       | 108                       | 110                       | 113                       |
| Heating improvement works (Boiler replacement programme)   | 718                       | 735                       | 754                       | 773                       | 792                       |
| Energy improvements/ efficiency works (eg loft insulation, pipe/tank insulation, draught exclusion)              | 51                        | 53                        | 54                        | 55                        | 57                        |
| Kitchen and Bathroom replacement programme   | 707                       | 630                       | 646                       | 662                       | 679                       |
| Risk St Over cladding works  | 80                        | -                         | -                         | -                         | -                         |
| <b>VOID CAPITAL</b>  | <b>2,050</b>              | <b>1,576</b>              | <b>1,615</b>              | <b>1,656</b>              | <b>1,697</b>              |
| Works to empty properties in order to allow them back into the letting pool                                      | 2,050                     | 1,576                     | 1,615                     | 1,656                     | 1,697                     |
| <b>CONTINGENCIES</b>   | <b>100</b>                | <b>100</b>                | <b>100</b>                | <b>100</b>                | <b>100</b>                |
| Budget provision for unforeseen expenditure  | 100                       | 100                       | 100                       | 100                       | 100                       |
| <b>STRUCTURAL &amp; ENVIRONMENTAL</b>  | <b>2,243</b>              | <b>1,786</b>              | <b>1,831</b>              | <b>1,876</b>              | <b>1,923</b>              |
| Defective structures - programme of works to address specific structural faults in tenement properties in Drumry | 615                       | 630                       | 646                       | 662                       | 679                       |
| Environmental renewal works, paths/fences/walls/parking areas  | 923                       | 946                       | 969                       | 993                       | 1,018                     |
| Asbestos management works  | 205                       | 210                       | 215                       | 221                       | 226                       |
| MultiStorey Flats Fire Risk Assessment Works   | 500                       | -                         | -                         | -                         | -                         |
| <b>SUPPORT COSTS</b>   | <b>2,386</b>              | <b>2,451</b>              | <b>2,518</b>              | <b>2,587</b>              | <b>2,658</b>              |
| Salaries/central support/offices   | 2,386                     | 2,451                     | 2,518                     | 2,587                     | 2,658                     |
| <b>TOTAL CAPITAL PLAN (excluding the Affordable Housing Supply Programme)</b>                                    | <b>21,032</b>             | <b>16,916</b>             | <b>17,081</b>             | <b>17,508</b>             | <b>17,946</b>             |
| <b>Affordable Housing Supply Programme including Buy Backs</b>   | <b>34,072</b>             | <b>11,700</b>             | <b>9,200</b>              | <b>8,708</b>              | <b>8,600</b>              |
| <b>TOTAL CAPITAL PLAN (including the Affordable Housing Supply Programme)</b>                                    | <b>55,104</b>             | <b>28,616</b>             | <b>26,281</b>             | <b>26,216</b>             | <b>26,546</b>             |