



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

**Draft Estimates for 2024/25**

The purpose of this document is to advise Tenants of the draft 2024/25 budget estimates. It provides a brief breakdown of how the Council plans to spend the rental income collected from Tenants within 2024/25.

## **West Dunbartonshire Council**

### **Housing Revenue Account (HRA)**

**An explanation of how the Housing Revenue Account (HRA) is spent**

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## West Dunbartonshire Council

### Housing Revenue Account (HRA) - how the Housing Revenue Account (HRA) is spent

#### 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**
- **Owners in tenanted blocks are charged for HRA services**

### 3. Introduction continued

#### **HRA Business Model**

WDC use a 30 year HRA business model which ensures the long term position of the HRA is sustainable and that costs of investment are spread over the years rather than having to be paid by rent increases in the year the investments take place. This ensures that rent from future tenants who will benefit from these investments will contribute and also that tenants who leave WDC a few years after investments will not have over contributed.

The Business model is reviewed annually and data that is input includes :-

Current year expected costs and income

Future years estimated budgets

Stock numbers updated for new builds to calculate expected rent

Inflation/ pay rise predications

Cost of Borrowing predictions

Current outstanding debt

Assumptions on Bad debt provision required

The model is set up to show what rent rise is needed to maintain the HRA finances at the required level. The main driver of the business models to ensure that at no time in the 30 year model does the cost of borrowing exceed 50% of the rental income. This is to prevent debt spiralling out of control which could lead to substantial problems if interest rates were to rise whereby large rent rises would be needed.

## 4. Key Principles

### **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 (this document) 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.

**5. 2024/25 Estimates**  
**West Dunbartonshire Council**  
**Draft 2024/25 Estimates**

	2022/23 Actual	2023/24 Estimate	2023/24 Forecast year end position as reported at Period 5	2024/25 Draft Estimate	Mov't between 23/24 Estimate & 24/25 Estimate	Increase in cost/ Decrease in cost
<b>EMPLOYEE COSTS</b>						
Employee Costs	7,179,318	7,669,067	7,961,217	7,856,226	187,159	↑
<b>Employee cost total</b>	<b>7,179,318</b>	<b>7,669,067</b>	<b>7,961,217</b>	<b>7,856,226</b>	<b>187,159</b>	<b>↑</b>
<b>PROPERTY COSTS</b>						
Rates	114,773	110,337	114,773	123,808	13,470	↑
Rent	168,755	176,175	174,597	199,897	23,722	↑
Repairs to Offices	9,495	13,816	13,427	9,590	(4,226)	↓
Electricity & Gas	635,545	769,235	635,545	698,733	(70,501)	↓
Property Insurance	1,045,532	983,289	983,289	1,160,153	176,864	↑
Contract Cleaning	44,408	58,763	58,763	46,184	(12,579)	↓
Other Property Costs	103,589	265,733	103,589	107,733	(158,000)	↓
<b>Property cost total</b>	<b>2,122,097</b>	<b>2,377,348</b>	<b>2,083,983</b>	<b>2,346,098</b>	<b>(31,250)</b>	<b>↑</b>
<b>TRANSPORT COSTS</b>						
Car Allowances etc.	135,734	142,087	138,449	147,770	5,683	↑
<b>Transport cost total</b>	<b>135,734</b>	<b>142,087</b>	<b>138,449</b>	<b>147,770</b>	<b>5,683</b>	<b>↑</b>
<b>SUPPLIES &amp; SERVICES</b>						
Clothing & Uniforms	6,620	9,219	6,620	9,219	0	↔
Computer Software & Equipment	122,056	112,889	112,889	112,889	0	↔
Security Services (cash uplifts)	-	-	-	-	0	↔
Other Supplies & Services	68,510	69,831	69,831	69,831	0	↔
Postages	6,625	783	783	6,625	5,841	↑
Printing, stationery & photocopiers	22,820	33,306	22,820	22,820	(10,486)	↓
Telephones	68,034	46,931	68,034	68,034	21,102	↑
Tenant Participation Costs	130,140	115,728	115,728	115,834	106	↑
<b>Supplies &amp; Services cost total</b>	<b>424,805</b>	<b>388,688</b>	<b>396,706</b>	<b>405,252</b>	<b>16,563</b>	<b>↑</b>
<b>SUPPORT COSTS</b>						
Allocation of Central Support Costs	2,550,253	2,719,853	2,602,594	2,791,023	71,170	↑
<b>Support cost total</b>	<b>2,550,253</b>	<b>2,719,853</b>	<b>2,602,594</b>	<b>2,791,023</b>	<b>71,170</b>	<b>↑</b>
<b>OTHER EXPENDITURE</b>						
Other expenditure	800,288	533,947	484,645	303,916	(230,031)	↓
<b>Other Expenditure total</b>	<b>800,288</b>	<b>533,947</b>	<b>484,645</b>	<b>303,916</b>	<b>(230,031)</b>	<b>↓</b>
<b>NET SUPERVISION &amp; MANAGEMENT</b>	<b>13,212,494</b>	<b>13,830,991</b>	<b>13,667,594</b>	<b>13,850,285</b>	<b>19,294</b>	<b>↑</b>

**6. 2024/25 Estimates continued**  
**West Dunbartonshire Council**  
**Draft 2024/25 Estimates**

	2022/23 Actual £	2023/24 Estimate £	2023/24 Forecast year end position as reported at Period 5 £	2024/25 Draft Estimate £	Mov't between 23/24 Estimate & 24/25 Estimate £
<b>REPAIRS &amp; MAINTENANCE</b>					
Jobbing Repairs	11,641,080	10,413,424	15,212,223	9,912,704	(500,720)
Adaptations for Disabled Garden Tidy Scheme (Void, First Cuts & Homeless Properties)	106,650	250,000	250,000	100,000	(150,000)
	116,871	175,676	122,715	122,715	(52,962)
Other Maintenance - gas, lifts, CCTV etc.	1,288,050	3,885,144	2,699,400	3,670,590	(214,554)
Other Repairs - grants,decants,alarms,pest control etc	948,369	732,694	735,933	761,372	28,679
Open Space Maintenance (contribution towards maintenance across housing areas)	350,000	350,000	350,000	350,000	0
Tenancy Sustainment	327,648	365,000	365,000	0	(365,000)
High Rise Fire Safety	59,987	84,755	62,987	62,987	(21,768)
<b>Repairs cost total</b>	<b>14,838,657</b>	<b>16,256,693</b>	<b>19,798,258</b>	<b>14,980,367</b>	<b>(1,276,325)</b>
<b>MISCELLANEOUS</b>					
Bad Debt Provision	938,156	1,088,731	959,156	1,025,549	(63,181)
Rents - Unlet Period (houses)	1,739,598	1,002,170	1,161,965	837,614	(164,556)
Rents - Unlet Period (lockups)	77,551	72,507	75,904	77,365	4,858
Council tax on void houses	325,177	186,519	217,202	117,429	(69,090)
<b>Miscellaneous cost total</b>	<b>3,080,481</b>	<b>2,349,927</b>	<b>2,414,227</b>	<b>2,057,957</b>	<b>(291,970)</b>
<b>LOANS CHARGES</b>					
Principal	6,509,946	7,220,900	7,661,692	9,084,278	1,863,378
Interest	6,699,105	8,086,598	10,950,045	12,785,968	4,699,370
Expenses	293,806	168,542	217,285	222,020	53,478
Revenue contribution to Capital	2,911,000	1,729,144	0	500,000	(1,229,144)
<b>Loan Charges total</b>	<b>16,413,857</b>	<b>17,205,184</b>	<b>18,829,022</b>	<b>22,592,265</b>	<b>5,387,082</b>
<b>GROSS EXPENDITURE</b>	<b>47,545,489</b>	<b>49,642,795</b>	<b>54,709,101</b>	<b>53,480,875</b>	<b>3,838,080</b>
<b>INCOME</b>					
House Rents	45,396,265	47,728,705	47,670,511	51,045,003	3,316,298
Lock Up Rents	206,137	216,529	201,913	231,037	14,507
Other Rents - Shops, sites etc.	116,214	116,891	120,262	125,896	9,005
Factoring / Insurance Charge	1,301,811	1,433,840	1,495,223	1,552,577	118,737
Revenue Interest	116,623	30,000	145,779	145,779	115,779
Other Income (reallocated property costs,interest on home loans,etc.)	408,696	116,829	2,764,583	380,583	263,754
<b>TOTAL INCOME</b>	<b>47,545,747</b>	<b>49,642,795</b>	<b>52,398,272</b>	<b>53,480,875</b>	<b>3,838,080</b>
<b>NET EXPENDITURE</b>	<b>(258)</b>	<b>0</b>	<b>2,310,829</b>	<b>0</b>	<b>0</b>

This is the rental income required to meet all expenditure. Rental income based on current rent levels will only bring in £48,140,362 so a 6.7% increase needed to meet anticipated expenditure.

## 7. Explanation of main 2023/24 budget movements

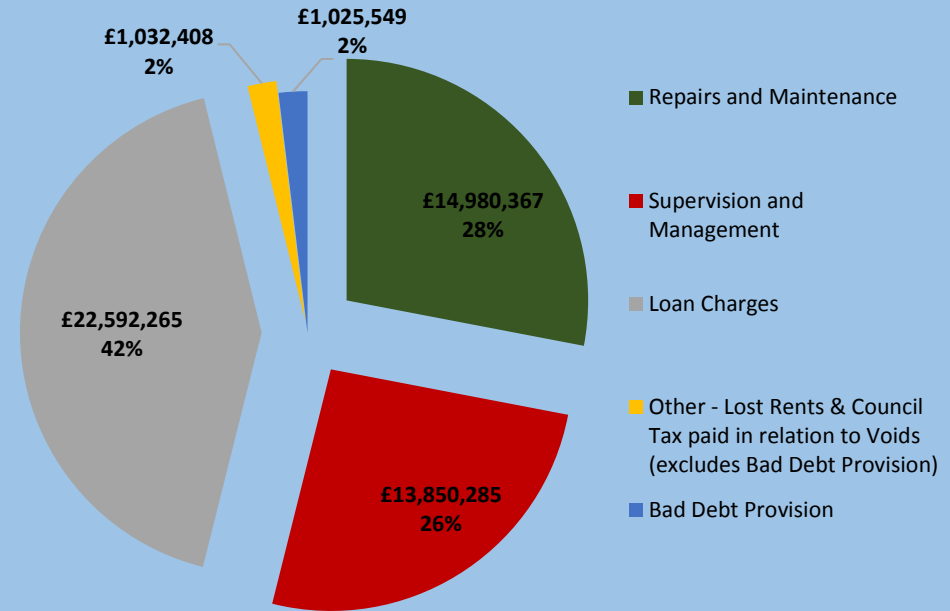
The following reconciliation shows the main reasons for the additional budget required for 24/25, when compared to the 23/24 estimate:

	£	£	
<b>Estimated 23/24 GROSS EXPENDITURE ( excl Loan charges)</b>		<b>32,437,611</b>	<i>This is the estimated expenditure before deducting any income</i>
<b>Adjustments</b>			
<b><u>EMPLOYEE COSTS</u></b>			
An increase in relation to payaward & increments	187,159		<i>Allowance for Annual Pay increase and incremental movements upwards on payscale</i>
		187,159	
<b><u>PROPERTY COSTS</u></b>			
Decrease in property costs	- 31,250		<i>The main reason for the decrease relates to reduction applied to electricity and gas, as costs expected to come down for 24/25</i>
		- 31,250	
<b><u>TRANSPORT COSTS</u></b>			
Hire of vehicles	5,683		<i>The increase relates to inflationary increase of cost of hired vehicles and increase in fuel costs</i>
		5,683	
<b><u>SUPPLIES &amp; SERVICES &amp; OTHER EXPENDITURE</u></b>			
Increase in supplies & services	16,563		<i>This is the increase on misc supplies and services</i>
		16,563	
<b><u>ALLOCATION IN CENTRAL SUPPORT COSTS (see further information on page 12)</u></b>			
Increase in central support allocation (CSA)	71,170		<i>Estimate assumes a similar outturn to 23/24 plus the payaward</i>
		71,170	
<b><u>OTHER EXPENDITURE</u></b>			
Decrease in Other Expenditure	- 230,031		<i>This decrease relates to the reduction of the abatement budget, removal of contribution to Women's Aid</i>
		- 230,031	
<b><u>TOTAL SUPERVISION &amp; MANAGEMENT COSTS</u></b>		<b>19,294</b>	<i>This is the total increase in supervision and management costs from the breakdown above.</i>
<b><u>REPAIRS &amp; MAINTENANCE</u></b>			
Repairs efficiency	- 458,355		<i>Estimated inflationary increase in the cost of repairs.</i>
Tenant Priority Budget	- 600,000		<i>Reduced by £600k to £200k for 24/25</i>
Tenant Sustainability	- 365,000		<i>Reduction of Tenant Sustainability Budget, to one combined assistance budget of £150k</i>
Void Repairs	297,029		<i>Budget increased in line with expected demand for 24/25</i>
Adaptions for disabled	- 150,000		<i>Budget reduced in line with actual spend achieved in previous years</i>
		- 1,276,325	
<b><u>MISCELLANEOUS</u></b>			
Reduction in required bad debt provision	- 63,181		
Increase in void council tax and void rent loss	- 228,789		<i>Reflects the anticipated decrease in the number of voids.</i>
		- 291,970	
<b>24/25 ESTIMATED GROSS EXPENDITURE (EXC LOAN CHARGES)</b>		<b>30,888,609</b>	



**8. Main summary of how the Council will spend the rent**

HRA Budgeted Expenditure	
Repairs and Maintenance	£14,980,367
Supervision and Management	£13,850,285
Loan Charges	£22,592,265
Other - Lost Rents & Council Tax paid in relation to Voids (excludes Bad Debt Provision)	£1,032,408
Bad Debt Provision	£1,025,549
<b>Total</b>	<b>£53,480,875</b>



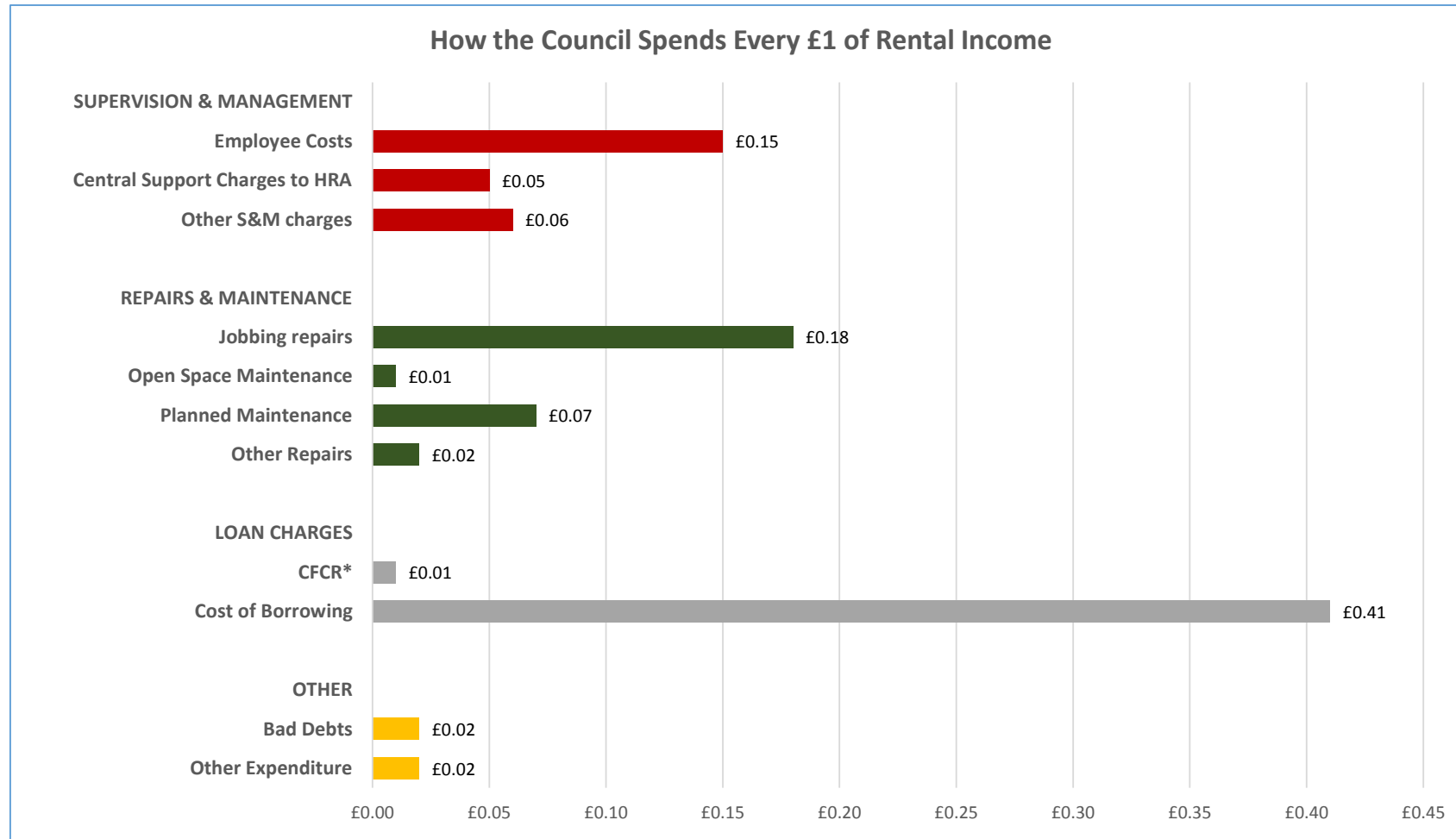
Another way of thinking about this is to say that, for every £1 that will be collected in rental income by the Council will be spent as follows:

Repairs and Maintenance	£0.28
Supervision and Management	£0.26
Loan Charges	£0.42
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.

## 9. Breakdown of how the Council will spend the rent

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



\*CFCR = Capital Funded from Current Reserves.

This, as the name suggests, is when an element of the revenue budget is used to fund capital expenditure.

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

## 10. Supervision and Management

Description	Charge to HRA	Explanation
Employee Costs	£7,856,226	<i>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.</i>
Property Costs	£1,185,945	<i>This includes the cost of energy costs for communal areas, the electricity &amp; 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 Church Street and 17 Mitchell Way by housing services.</i>
Property Insurance	£1,160,153	<i>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.</i>
Travel Expenses	£147,770	<i>Employee travel costs for business and study. It also includes the hire of vehicles and the associated costs such as fuel.</i>
Office Equipment, Print and Stationery	£92,651	<i>Expenses incurred for office equipment, printing and stationery and general office running costs.</i>
Postage and Telephone	£74,659	<i>Costs for postage and telephone charges, including mobile phones.</i>
IT Systems	£112,889	<i>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.</i>
Clothing & Uniforms	£9,219	<i>This includes the cost of clothing and uniforms</i>
Tenant Participation Costs	£115,834	<i>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.</i>
Total Central Support Charges to HRA	£2,791,023	<i>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 13 and 14 for full details.</i>
Other expenditure	£303,916	<i>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.</i>
	<b>£13,850,285</b>	

## 11. Repairs and Maintenance Expenditure

Description	Charge to HRA	Explanation
Jobbing repairs	£9,912,704	<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>
Garden Tidy Scheme & Open Space Maintenance	£472,715	<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>
Planned Maintenance	£3,670,590	<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>
High Rise Fire Safety	£62,987	<i>The introduction of a specific budget for high rise fire safety costs per recommendations following fire risk assessments</i>
Other repairs	£761,372	<i>This includes the cost of communal TV aerials, decants, pest control, community alarms, environmental hit squad etc.</i>
Adaptations for Disabled	£100,000	<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>£14,980,367</b>	

## 12. 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>	£22,092,265	<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>	£500,000	<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>£22,592,265</b>	

### **Bad Debt Provision**

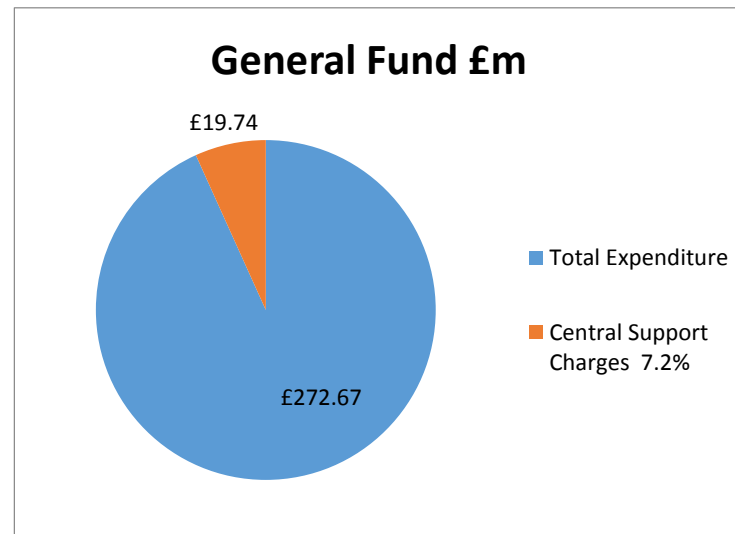
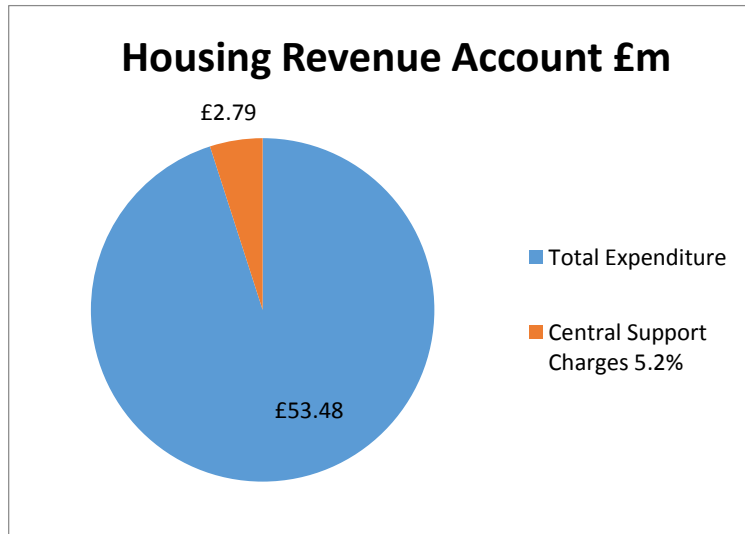
The bad debt provision is money set aside for rent arrears. The amount that is included within the budget each year is the additional amount required to ensure that there is enough provision to cover the anticipated arrears.

Description	Charge to HRA
<b>BAD DEBTS PROVISION</b>	£ 1,025,549
	<b>£ 1,025,549</b>

### 13. Central Support and Other Internal Charges

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

The central support charges met by the HRA should be similar in value to those met by the Council's overall General Fund. 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 14** (on page 14), 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.

#### 14. Breakdown of Internal Charges

a) Service Description	b) 22/23 HRA share of costs	c) 22/23 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>£2,550,252</b>	<b>£22,294,588</b>	<b>11.4%</b>	
<b>Other Central Support</b>	£369,199	£5,377,645	6.9%	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 elected members' activities and costs which allows services to be provided & information required for public accountability.
<b>Central Admin Support</b>	£529,795	£2,580,417	20.5%	Provision of clerical support for the day-to- day administrative tasks.
<b>Risk &amp; Insurance</b>	£35,573	£426,039	8.3%	Includes the processing of claims made by/against WDC, providing general advice & developing & implementing risk management practices
<b>IT Services</b>	£74,376	£4,388,210	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>	£1,166,507	£2,717,275	42.9%	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>	£202,264	£3,102,056	6.5%	Covers all financial management support to Housing Services, including payroll, payments, budgeting and investment services.
<b>Human Resources</b>	£118,657	£2,756,315	4.3%	Recruitment, development management and contract management services, both on a strategic and operational basis
<b>Legal Services</b>	£53,881	£946,631	5.7%	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.

## 15. HRA Income

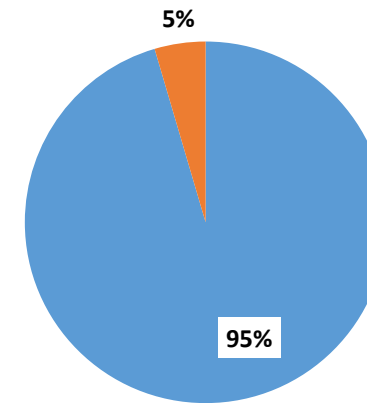
Almost all HRA income comes from rents charged to tenants of our flats and houses. Other income includes:

- 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	£51,045,003
Rent from Lock-ups	£231,037
Rent from Other Properties (Shops, Etc)	£125,896
Other HRA Income (eg. Revenue interest & reallocated property costs etc)	£526,361
Factoring/Insurance Charge	£1,552,577
<b>TOTAL</b>	<b>£53,480,875</b>

## HRA Income



■ Council House Rents    ■ Other HRA Income



## **16. Building Services Surplus Policy**

It is Council policy to retain any Building Services surplus/loss within the General Fund. There is no surplus / loss passed onto the HRA. The Building Services 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.

The Building Services budgeted surplus is re-calculated each year. This process requires the following to be reviewed :-

Income achievable based on work plan from HRA and agreed pricing structure

What will require contracted out to external providers and the cost of this

Staffing levels / shortages

Likely pay award for staff

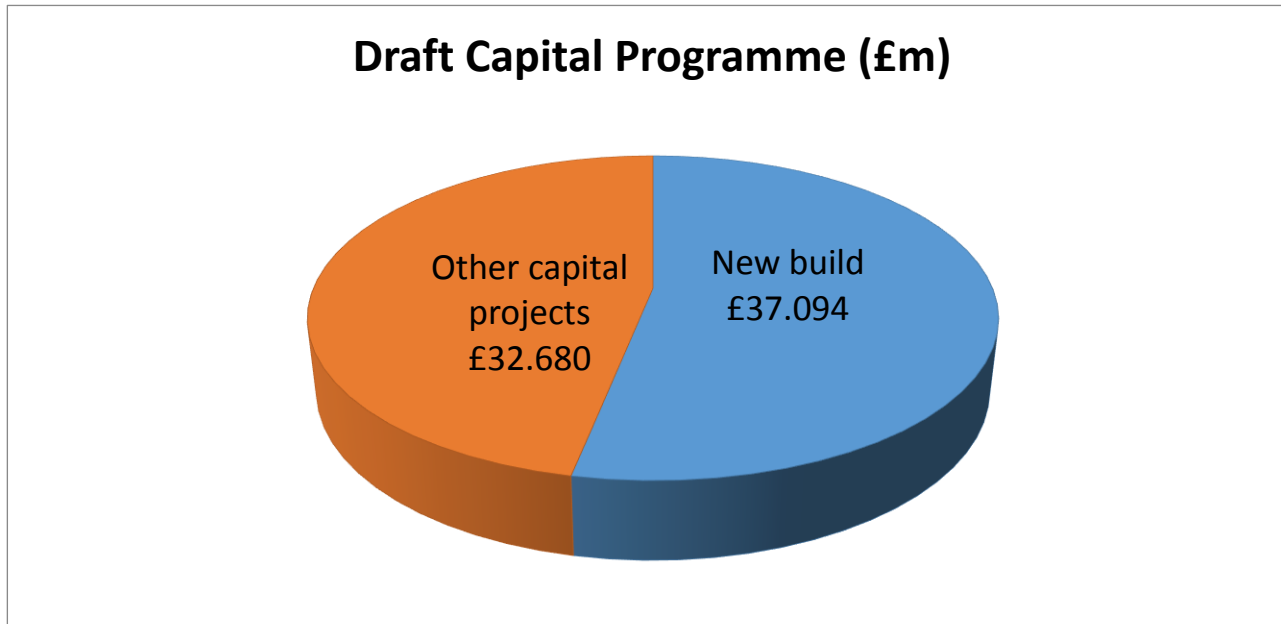
inflation on supplies lines

Consider cost efficiencies in e.g. procurement , productivity

The figures are calculated taking the above into account and this becomes the proposed budget for building services once reviewed by the Chief Officer of Finance. The Chief Officer will check that the surplus is at a reasonable level. Any significant change in the proposed budgeted surplus would prompt a review of staffing /pricing to ensure the price structure was reflective of the actual reasonable cost of providing the service. This could result in either reduction or increased in costs to HRA. This has not been required in recent years since the surplus has been reasonably stable at around 5% of turnover.

## 17. Draft Capital Programme

The HRA Capital Programme for 2024/25 is estimated to total £69.774m, split between other capital projects and new builds as follows:-



**18. Draft Capital Programme (Excluding Affordable Housing Supply)**

The HRA Capital Programme for 2024/25 (excluding the Affordable Housing Supply) is budgeted at £32.680m.

This is made up as follows:-

