

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead – Housing and Employability

Council: 5 March 2018

Subject: Housing Revenue Account (HRA) Estimates 2018/2019

1. Purpose

- 1.1** The purpose of this report is to seek Council approval in respect to setting the housing revenue budget for 2018/19 and the level of weekly rent increase for 2018/19 which is sufficient to fund the revenue budget for 2018/19 and the associated capital investment programme.
- 1.2** The report also provides Council with information in relation to the Housing capital programme and its relationship with the revenue budget, seeking approval of an update to the Programme.

2. Recommendations

- 2.1** It is recommended that Council:
- i) Note the outcome of the tenant consultation process, detailed in Appendix 1;
 - ii) Note the progress made, per Appendix 2, in the HRA Housing capital programme for the period 2017/18 as approved by Members at the Council meeting of 22 February 2017;
 - iii) Agree the five year capital programme of work set out in Appendix 3 to this report inclusive of the Council's new house building programme and the overall resources to fund;
 - iv) Agree to update the 2017/18 HRA Capital spend programme as detailed in 4.1.5;
 - v) Agree the revenue budget for 2018/19 as detailed in Appendix 4;
 - vi) Agree the weekly rent increase for 2018/19 at an average £1.53 on a 52 week basis (£1.69 on a 47 week basis), equating to 2% to meet the planned net revenue HRA budget as detailed in Appendix 4;
 - vii) Agree to increase rents at the Gypsy Travellers site by the same percentage;

- viii) Agree to maintain the existing level of lock up rent levels at £5.55 per week on a 52 week basis (£6.02 on a 47 week basis) at the same levels as for 2017/18; and
- ix) Note the increase in the prudential reserve target for 2018/19 (from £0.830m to £0.846m).

3. Background

3.1 In June 2012 the Council took the decision to halt the partial stock transfer process and retain the housing stock and to address the challenges of improving homes and meeting housing need by:

- Investing approximately £85 million to improve homes;
- Embarking on a programme of demolition and regeneration of sites; and
- Progress on a council house building programme.

3.2 In considering the structure of the budget consideration has been given to:

- Increasing revenues and reducing costs by:
 - improving void performance;
 - improving estate management generally; and
 - improved asset management.
- Financial Impact – ongoing implementation of various welfare reform changes;
- Financing the investment required to maintain Scottish Housing Quality Standard (SHQS), the Energy Efficiency Standard for Social Housing (EESH); and
- Managing the interface with owners/sold property.

3.3 In preparing these estimates the following factors have been taken into account:

- Nil inflation has been assumed on all non-protected budget lines;
- Provision has been made for a pay increase in line with Scottish Government's commitments on public sector pay to ensure all public sector employees earning up to £36,500 receive a minimum 3% pay, with those above receiving 2%; and
- A 4% turnover expectation has been applied to employee costs.

3.4 For financial year 2017/18 West Dunbartonshire's average weekly rent of £74.87 was fourth highest of Scotland's 26 housing authorities. This equates to £4.47

(6%) above the national average for local authorities of £70.40. In comparison with the overall Scottish average including Registered Social Landlords of £74.43, West Dunbartonshire's average weekly rent was £0.44 above average.

4. Main Issues

4.1 HRA Capital Investment

- 4.1.1** At Council on 22 February 2017 a 5 year programme of HRA capital work for 2016/21 was reported and approved. Progress on 2017/18 work is shown in Appendix 2, information on variances is provided in the HRA Budgetary Control report which is included in the papers for this Council meeting. The overall slippage in 2017/18 is projected to be £11.326m (37%).
- 4.1.2** The HRA capital programme is derived from data from the current stock condition survey and, where appropriate, technical assessment of staff. The main drivers for the programme are for the Council to meet the requirements of the Scottish Housing Quality Standard (SHQS), the Energy Efficiency Standard for Social Housing (EESH) and meet its landlord obligations and health and safety responsibilities. In addition to the core stock, the programme includes the Council's new house build programme.
- 4.1.3** The Council's new house build and housing supply programme 'More Homes West Dunbartonshire' will see significant resources invested in the creation and acquisition of new homes, with budgeted resources of £89.872m factored into the investment programme inclusive of a projected minimum £37.727m of Scottish Government Grant Funding through Affordable Housing Supply Programme. Therefore a net capital cost to the HRA of £52.145m.
- 4.1.4** The new build programme will include the continuation of the current new build programme approved by the Housing and Communities Committee in November 2017. It reflects the delivery of over 470 new Council homes in West Dunbartonshire under the 'More Homes West Dunbartonshire' strategic approach.
- 4.1.5** Members will note within Appendix 3 there is an expectation that some spend on new build housing sites may occur in 2017/18. As a result of this, the 2017/18 HRA capital spend programme requires to be amended by £1.478m. It is anticipated that the council would have access to Scottish Government funding to offset this cost in 2017/18 so there should be a net nil effect on the HRA budget. It is anticipated that a report will come to the Housing and Communities Committee in March 2018 to seek approval of such spend. Any further additions to the Council's new house building programme will be subject to approval by the Housing and Communities Committee.

4.1.6 The Council's commitment to increasing the housing supply evidenced within the Local Housing Strategy is further reinforced through a planned 50 open market acquisitions to be completed by March 2021 and incorporated into the future programme. The Council will continue to support applications under the Scottish Government Mortgage to Rent Scheme

4.1.7 The 5 year plan has now been rolled forward a year to 2022/23 and recognises progress made and any re-phrasings of projects and anticipated funding that have been necessary. The result of this review is shown as Appendix 3 and result in changes to the expected level of loan charges to the following from 2018/19 to 2022/23:

- 2018/19 £11.276m;
- 2019/20 £11.785m;
- 2020/21 £12.840m;
- 2021/22 £13.786m; and
- 2022/23 £14.974m.

4.1.8 It should be noted that the 30 year HRA business model has been prepared on the basis that there will be fluctuations in inflation over the period of the plan. These assumptions would need to be revised in the event of long-term inflation forecasts being above target (the planning assumption for long-term inflation in the business model is 2.5%, in line with UK Treasury target) or additional pressures on the revenue account becoming apparent. The other key variable within the business model is the capital expenditure requirements which can alter depending on circumstances and priorities. The HRA business model is updated annually to recognise the most up-to-date information.

4.1.9 In considering affordability, a key output from the HRA business model is the percentage of rental stream that is required to fund debt charges. This is an indicator for the amount of prudential borrowing that can be undertaken without putting undue stress on the remainder of the revenue budget. When the decision was taken to retain all the housing stock in WDC the investment requirements needed to achieve the Scottish Housing Quality Standard coupled with the historic debt structure of HRA debt suggested that the "debt affordability" percentage in West Dunbartonshire should not exceed 50%. The most recent update for 2018/19 has an average percentage of 43% with a peak of 46% in 2024/25.

4.1.10 The Council's external auditors have raised concerns around the level of borrowing which the Council currently holds in general and analysis (which indicates that the Council is amongst the highest levels of borrowing in Scotland) includes the significant HRA investment in achieving SHQS. The annual debt affordability percentages under the most recent HRA business model update as outlined in 4.1.8 above continues to be within acceptable range and the model therefore remains robust and viable in terms of debt affordability.

4.2 HRA Revenue Estimates 2018/19

The revenue estimates for 2018/19 are attached as Appendix 4 shows an increase in net expenditure, since 2017/18, of £0.804m. This is the amount which needs to be recovered via the proposed rent increase and equates to 2% based on expected housing stock and occupancy levels. Appendix 4 provides information on the breakdown of the budget and provides explanations for the main year on year variances

4.3 Reserves

4.3.1 At March 2017, the HRA reserve was £6.963m, consisting of:

	£m
Regeneration of housing stock	5.617
Welfare Reform Reserve	0.500
2017/18 prudential reserve	0.846
	6.963

4.3.2 Council policy is that an HRA Prudential Reserve of 2% of gross expenditure should be maintained. Based upon the recommended budget for 2018/19, this equates to £0.850m for 2018/19 (previously £0.846m). The increase in the prudential reserve of £0.004m for 2018/19 is anticipated to come from the forecast annual surplus for 2017/18. It is prudent to recommend that the budget for 2018/19 retains reserves at this level.

4.3.3 It is currently forecast (per the probable outturn identified in the Budgetary Control report for Period 10 which is subject of another report to this meeting) that there will be an in-year surplus on the HRA revenue account at the end of 2017/18 of £0.263m which, adjusting for the increase in the prudential target noted above, results in a net surplus of £0.259m.

4.3.4 It is anticipated that £5.117m of the £5.617m held at March 2017 in respect of regeneration of stock and all of the current welfare reform reserves will be utilised during 2017/18. Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock. Therefore by 31 March 2018 the above would result in the reserves being as follows:

	£m
Regeneration of Housing Stock (from in-year projected surplus within the revenue account)	0.259

Funds retained from previous earmarked reserves to fund Welfare Reform Reserve	0.500
Projected Earmarked Reserves at 31/03/2017	0.759
Prudential reserve 2018/19	0.850
Total Projected Reserves	<u>1.609</u>

4.3.5 In terms of the adequacy of reserves – the prudential level of reserves is viewed as being an adequate level to deal with any financial shocks to the budget, based on previous experience and future expectations specifically in relation to income streams. As can be seen the level of reserve remains planned to meet the prudential level and is therefore judged as being adequate.

4.4 Rent Increase

4.4.1 The Council is required to consider the level of weekly rent increase for the financial year 2018/19 and agree an appropriate rent rate which meets the estimated costs of providing the Housing Service in 2018/19 as identified in the Appendix 4.

4.4.2 In determining the level of weekly rent increase due cognisance must be taken of changing service demands as well as the requirements for investment as detailed in the Standard Delivery Plan and the need for robust financial planning and management to ensure that the Council delivers on its investment commitments. In addition the decision of the Council in June 2012 regarding its policy on stock retention, which set out clearly the rent increase requirements to support the Council's investment needs, must be recognised.

4.4.3 The required weekly percentage rent increase contained within the attached HRA estimate is an average £1.53 on a 52 week basis (£1.69 on a 47 week basis) which equates to 2%.

4.4.4 The attached budget as recommended sets a rent level that satisfies best practice in maintaining a prudential balance, ensuring that all reasonable contingencies are taken into account and is sufficient to support the Council's HRA investment programme.

4.4.5 At the rent consultation meetings held in November 2017 the draft Housing Revenue Account Estimates for 2018/19 and the department's plans to expand the Council's new build programme and achieve and exceed the Scottish Housing Quality Standard were discussed.

4.4.6 A survey of tenants was undertaken regarding options for setting the rent and tenants were asked to select from 3 options:

Option 1

2% increase to maintain current level of service and capital investment.

Option 2

2.5% increase which would maintain current level of service and capital investment and also provide additional electrical testing and safety work.

Option 3

3% increase which would maintain current level of service and capital investment and also provide additional electrical testing and safety work plus enhanced planned maintenance programme.

There were 303 respondents to the survey with the majority opting for option 1, as follows:

- Option 1 54.1%
- Option 2 21.1%
- Option 3 24.8%

Further information from the survey is provided in Appendix 1.

4.4.7 It is recommended that Council increase rents at the Gypsy Travellers site by the same percentage as the housing rents at 2%.

5. People Implications

5.1 There are no personnel issues.

6. Financial and Procurement Implications

6.1 The financial implications are as detailed within the report and Appendices. There are no direct procurement implications from this report.

Procurement

6.2 All procurement activity carried out by the Council in excess of £50,000 is subject to a contract strategy. The contract strategy for the HRA Capital Programme will be developed by the Corporate Procurement Unit on behalf of Housing. The contract strategy will include, but is not limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and on-going contract management.

- 6.3** The Council's HRA Capital Programme will contribute to delivery of the Council strategic priorities through the development of a robust contract strategy which will explore the inclusion of possible community benefits which improve economic growth and employability or life chances for children and young people.
- 6.4** Further opportunities to maximise the positive social, economic and environmental impact for the Council through the contract will also be explored.

7. Risk Analysis

- 7.1** The key driver for determining rents for Council properties is the HRA investment plan. Failure to set rents consistent with the delivery of this plan will potentially result in insufficient funding being available to meet the aspirations highlighted above.
- 7.2** In producing the budget a number of assumptions have been made in relation to performance around rent recovery, voids and the impact of welfare reform. These issues will be closely monitored during 2018/19 and members advised of any significant variations that will impact materially on the sufficiency of the budget as proposed.
- 7.3** The Council's new house build programme is supported by Scottish Government's Affordable Housing Supply Programme (AHSP) funding, which resource allocations are only known up to end of March 2021. There is therefore a risk that if any Council projects are not completed by March 2021 the full level of grant funding may not be able to be drawn down. To mitigate this risk the Council has programmed accordingly and is developing a procurement approach which aims to ensure delivery by this key date.
- 7.4** In terms of the capital programme the main financial risks relate to:
- i) whether inflation increases costs resulting in plans requiring to be reviewed upwards;
 - ii) site investigations results potentially impacting on the realisation of anticipated capital receipts and
 - iii) Longer-term affordability requires to be considered in determining appropriate levels of capital funding.

Ongoing budgetary control processes will monitor the above issues and any problems will be reported to a future Council meeting for consideration.

8. Equalities Impact Assessment (EIA)

8.1 An EIA screening has been undertaken by officers and no issues were identified.

9. Consultation

9.1 The Council has a statutory requirement to carry out a rent consultation exercise. Details of the consultation can be seen in Appendix 1.

9.2 A HRA budget scrutiny group (Joint Rent Group) is now well established involving tenant representatives. This group meet with Officers and Convenor monthly and examines the HRA to ensure increased transparency and demonstrate Value for Money to tenants.

10. Strategic Assessment

10.1 The proposals contained in this report directly address four of the Council's five strategic priorities as agreed at 26 September 2012, Members agreed five strategic priorities, namely Life Chances for Children and Young People, Care and Promotion of Independence with Older People, Local Housing and Environmentally Sustainable Infrastructure and Wellbeing of Communities and Protection of Welfare of Vulnerable People. The investment in, and provision of attractive affordable housing will also indirectly support the objective of economic growth and employability through supporting employment and improving place attractiveness.

10.2 Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

Peter Barry
Strategic Lead – Housing and Employability
Date: 9 February 2018

Person to Contact: Janice Rainey - Business Unit Finance Partner,
Council Offices, Garshake Road, Dumbarton, G82
3PU, telephone: 01389 737707, e-mail:
janice.rainey@west-dunbarton.gov.uk

Alan Young - Housing Asset and Investment Manager,
Overburn Avenue, Dumbarton, telephone: 01389 608950,
email: alan.young@west-dunbarton.gov.uk

Appendices:

- Appendix 1: Consultation information
- Appendix 2: HRA Capital Projects Forecast
Outturn and Slippage 2017/18
- Appendix 3: HRA Capital programme Financial
Year 2018/23
- Appendix 4: 2018/19 Housing Revenue Account
Estimate

Background Papers:

- EIA screening
- Consultation Planning Sheet

Wards Affected:

All

APPENDIX 1

Housing Services



Consultation Recording Sheet

Housing Service ...Housing Development & Homelessness

Person responsible: Janice Rainey and Jane Mack

Consultation Start date: 16/11/17 End Date 22/1/18

1.	The name of consultation / participation exercise?	Rent setting consultation 2018/19
2.	Its aims and objectives?	Discuss and get agreement from tenants on HRA Budget estimates and vote on subsequent rent increase options for 2018/19.
3.	Who did you invite/include? (e.g. all tenants, tenant from the interested tenants register, RTOs, staff)	<p>Public meeting arranged for 30/11/17 and advertised through the WDC website.</p> <p>Specific invites also sent to,</p> <ul style="list-style-type: none">• TRA members• Register of Interested tenants• Scrutiny Panel members• Sheltered Housing Forum <p>Aim of public meeting was to agree Options for wider consultation. All tenants then had the opportunity to vote through the Housing News which is delivered to all WDC tenants.</p>
4.	What methods did you use to promote/invite stakeholders to get involved? (e.g. letters, posters, website)	<p>The consultation process included a public meeting(30/11) and a public survey. Specific invites to all members of the above groups inviting them to the public meeting were sent. The Council's website and social media was also used to advertise the public meeting.</p> <p>The winter edition of the Housing News was used to advise tenants of the outcome of the public meeting and the rent increase options they could vote on – the edition included a front page article on the public meeting, an A3 insert which outlined details of the rent increase options and a freepost voting card.</p>

	<p>The survey was also promoted through The Council's webpages and social media as well as on our Tenant Participation Facebook account.</p> <p>The survey could be completed online or by returning the postage pre-paid voting card .</p> <p>Housing officers, Finance and One Stop Shop staff were also utilised to promote the survey and encourage the tenants they engaged with to use their vote.</p> <p>Tenant Participation also set up a stall in the Clydebank shopping centre on 11/1/18 to encourage and remind tenants to vote.</p> <p>Reminders about the survey were also given out to staff in January 2018 to remind them to promote the survey via flyers and voting cards being delivered to both housing offices and One Stop Shops. Posters were also put up in the foyers of all Multi-storey flats.</p>
<p>5. Who actually took part? (Number of individuals and or number of tenant organisations represented)</p>	<p>14 tenants attended the public meeting on 30/11/17 which included representatives from 6 TRA's as well as 2 individual tenants.</p> <p>303 tenants voted for their preferred option in the survey – 225 using the pre-paid voting card and 78 online votes.</p>
<p>6. What method(s) did you use to obtain their views? (e.g. focus/working group, newsletter, survey) Why did you choose this method(s)?</p>	<p>A presentation was given at the public meeting which outlined performance of Housing Services and a breakdown of proposed spending for 2018/19. The HRA estimates were presented using the good practice model developed by the Scottish Housing Network and our own Joint Rent Group.</p> <p>A survey was developed to collect views on the 3 proposed options that the Council's Business Plan could afford and from the discussion at the public meeting.</p> <p>These methods were chosen to gather the views of as many tenants as possible in a clear and most accessible way as possible. The survey also ensured that tenant's views are taken into account as part of the Council committee decision -making process.</p> <p>The information provided was presented in as clear and understandable way as possible and made available online for any tenant to refer to.</p> <p>Using staff to promote the survey also allowed for dialogue</p>

	with tenants about wider issues or to explain more the options being considered.
7.	<p>What good practice or minimum standards can you evidence as part of your consultation?</p> <p>An 8 week consultation period was used to collect views. Paper voting cards were made available to all tenants through the Housing News as well as the on line option.</p> <p>The Public meetings was arranged for 5.30pm to accommodate as many people as possible. Meeting room had loop system and in an accessible building. Transport was also arranged for any tenant that required it to assist them getting to the meeting.</p> <p>All financial information (meeting notes and HRA budget estimates) were made as clear and understandable as possible as well as being available on line for public scrutiny.</p>
8.	<p>What was the outcome of the consultation?</p> <p>The tenant views expressed at the public meeting were used to finalise the rent options that all tenant could vote on. The survey results were put forward as the proposed rent increase going for Council approval.</p>
9.	<p>How did you feedback to participants the outcome?</p> <p>Survey report to be sent to all respondents, results made available on Council webpages and in the Spring Housing News.</p> <p>All rent increases must be notified to tenants in writing with 28 days notice so all tenants will be advised of the rent increase and how much the increase means for their own weekly and annual rent charge.</p>
10.	<p>How did tenant involvement influence your consultation?</p> <p>We have continued to increase tenants understanding and opportunity to scrutinise the the HRA through our Joint Rent Group which has tenant volunteer members. Our Joint Rent Group also reviewed the financial information being presented to try to make it as clear and understandable as possible.</p> <p>This is only the second year that tenants have been given options to vote on and the survey was promoted as widely as possible so that views from as many tenants could be collected.</p>

11.	Are you able to demonstrate this?	YES
12.	How have you demonstrated to tenants that involvement made a difference?	The preferred option for a 2% rent increase is being put forward as the rent proposal to be considered by Councillors.
13.	Did you check with participants that they were happy with the opportunities given to make their views known and that they felt that we listened and acted upon them?	The WDTRO and tenant volunteers on the Joint Rent Group have stated that they were happy with the improvements made in the rent setting process. Tenant understanding of the HRA has continued to increase through the Joint Rent Group and the discussion at the public meeting was very informed and constructive.

What worked well, what didn't work well – or any other comments you have.

Comments: The same number of attendees came to the public meeting as previous year but the survey responses increased by 352% to 303 . It is hoped that numbers will continue to increase year on year as tenants see that they can voice their views and influence the outcome.

We still need to increase tenant involvement earlier in the process when resourcing and priorities are being discussed so that tenants can be involved in those discussions and make rent setting more meaningful. The timing of the rent setting process also needs to be prioritised earlier in the year so that we can fully utilise the Housing News to reach all tenants and to avoid consulting over the holiday period which can be a busy and stressful time for many people.

**WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
CAPITAL PROJECTS FORECAST OUTTURN AND SLIPPAGE 2017/18**

RESOURCES	Budget	Forecast		Over / (Under)
	£000's	Outturn	Slippage	Recovery
	£000's	£000's	£000's	£000's
New Build Grant	2,996	2,516	395	(85)
Other Grants/Contributions	940	940	0	0
Loan Repayments	14	42	0	28
Anticipated Capital Receipts	0	2,302	0	2,302
Prudential Borrowing / CFCR	26,627	13,593	10,931	(2,103)
	30,578	19,394	11,326	142
CAPITAL EXPENDITURE	Budget	Forecast		Over / (Under)
	£000's	Outturn	Slippage	Spend
	£000's	£000's	£000's	£000's
OTHER CAPITAL EXPENDITURE				
Special Needs Adaptations	300	300	0	0
CCTV Projects	129	125	0	(4)
Priority Projects as advised by housing management	102	105	0	2
Community Safety Projects	136	38	98	0
Projects to Deliver Housing Policies/Strategies	709	470	239	(0)
Capitalised Minor Works	800	500	0	(300)
Housing Asset Management	50	50	0	0
Integrated Housing Management System	765	427	257	(81)
MAJOR COMPONENT REPLACEMENTS				
Targeted SHQS compliance works	792	207	592	7
Targeted EESSH compliance works	4,062	600	3,462	0
Building External Component Renewals	3,076	2,000	1,076	0
Doors/Window Component Renewals	1,500	1,500	0	0
External Stores/Garages/Bin Stores/Drainage Component Renewals	104	104	0	0
Secure Entry Component Renewals	70	0	70	0
Statutory/Regulatory compliance Works (Lifts/Electrical/Legionella/Fire Etc)	100	100	0	0
Non Traditional and Traditional Improvement Works (Risk St)	2,459	200	2,259	0
Heating Improvement Works	600	640	0	40
Energy Improvements/Energy Efficiency Works	142	142	0	0
Modern Facilities and Services	590	300	290	0
VOID CAPITAL				
Void House Strategy Programme	2,500	2,800	0	300
DEMOLITIONS				
Regeneration/Demolition of Surplus Stock	1,550	216	1,334	0
Clydebank East Demolition/Homeloss Disturbai	128	128	0	0
CONTINGENCIES				
Contingencies	100	0	0	(100)
STRUCTURAL & ENVIRONMENTAL				
Multi-Storey Renewal Works				
Defective Structures / Component Renewals	735	300	435	(0)
Environmental Improvement Works	1,280	1,280	0	0
Asbestos Management Works	300	300	0	0
SUPPORT COSTS				
Salaries/Central Support/Offices	1,800	1,800	0	0
NEW BUILD				
New Build Housing	5,699	4,762	1,214	277
TOTAL	30,578	19,394	11,326	142

APPENDIX 3

**WEST DUNBARTONSHIRE COUNCIL
HRA CAPITAL PROGRAMME
FINANCIAL YEAR 2018-23 DRAFT**

	2018-19	2019-20	2020-21	2021-22	2022-23
	Anticipated Resources				
ANTICIPATED RESOURCES					
Carry Forward	11,326	0	0	0	
Prudential Borrowing	7,475	31,002	35,478	14,767	15,838
Other Grants/Contributions	600	600	600	600	600
Loan Repayments	14	14	2	0	0
CFCR	7,429	5,447	4,224	3,963	2,892
New Build Grants :-					
St Andrews School Site	3,587	8,410	0	0	0
Creveul Court Site	0	500	680	0	0
Clydebank East	0	1,632	1,318	0	0
Haldane Acquisition	895	3,884	0	0	0
Aitkenbar Ps Site	500	3,040	0	0	0
Dumbarton Harbour Ph3	0	1,677	0	0	0
Bonhill Quarry	0	0	2,450	0	0
Future Development Site	0	0	2,950	2,950	2,950
TOTAL ANTICIPATED RESOURCES	31,826	56,205	47,702	22,280	22,280

Annual Budget Annual Budget Annual Budget Annual Budget Annual Budget

CAPITAL EXPENDITURE

OTHER CAPITAL EXPENDITURE	1,050	1,050	850	850	850
Other Capital Expenditure	400	400	400	400	400
Special Needs Adaptations	0	0	0	0	0
Community Safety Projects	600	600	400	400	400
Capitalised Minor Works	50	50	50	50	50
MAJOR COMPONENT REPLACEMENTS	9,640	9,640	8,780	8,580	8,580
Targeted SHQS compliance works	200	200	200	200	200
Targeted EESSH compliance works	4,150	4,150	3,450	3,450	3,450
Building External Component Renewals,	2,600	2,600	2,600	2,400	2,400
Doors/Window Component Renewals	1,500	1,500	1,500	1,500	1,500
External Stores/Garages/Bin Stores/Drainage Comp	70	70	40	40	40
Secure Entry Component Renewals	70	70	40	40	40
Statutory/Regulatory compliance Works (Lifts/Electrical/Legionella/Fire Etc)	100	100	100	100	100
Heating Improvement Works	600	600	500	500	500
Energy Improvements/Energy Efficiency Works	50	50	50	50	50
Modern Facilities And Services	300	300	300	300	300
VOID CAPITAL	2,500	2,000	1,500	1,500	1,500
Void House Strategy Programme	2,500	2,000	1,500	1,500	1,500
DEMOLITIONS	40	2,017	3,000	300	300
Clydebank East demolition/homeloss & disturbance	40	2,017	3,000	300	300
CONTINGENCIES	100	100	100	100	100
Contingencies	100	100	100	100	100
STRUCTURAL & ENVIRONMENTAL	1,780	1,780	1,400	1,400	1,400
Defective Structures/Component Renewals	300	300	300	300	300
Environmental Renewal Works, Paths/Fences/Walls	1,280	1,280	900	900	900
Asbestos Management Works	200	200	200	200	200

AFFORDABLE SUPPLY PROGRAMME	9,173	33,797	28,710	7,750	7,750
Projects To Deliver Housing Policies/Strategies	750	1,000	1,000	0	0
Fees And Enabling Costs	250	250	250	250	250
St Andrews School Site	4,435	13,177	375	0	0
Creveul Court Site	0	500	2,500	0	0
Haldane Acquisition	895	5,670	5,585	0	0
Clydebank East	0	2,500	5,000	0	0
Aitkenbar Ps Site	500	8,500	0	0	0
Dumbarton Harbour Ph3	3,257	2,000	0	0	0
Bonhill Quarry	0	500	6,500	0	0
Future Development Sites	0	0	7,500	7,500	7,500
Less Amounts to be Funded from Slippage Shown Below	(914)	(300)	0	0	0
SUPPORT COSTS	1,800	1,800	1,800	1,800	1,800
Salaries/Central Support/Offices	1,800	1,800	1,800	1,800	1,800
SUB TOTAL	26,083	52,184	46,140	22,280	22,280
COMMITTED EXPENDITURE RE-PROFILED TO 2018-19					
Community Safety Projects	98	0	0	0	0
Projects to Deliver Housing Policies/Strategies	239	0	0	0	0
Integrated Housing Management System	257	0	0	0	0
Targeted SHQS Compliance Works	592	0	0	0	0
Targeted EESH Compliance Works	1,000	1,000	1,462	0	0
Building External Component Renewals, Roofs Etc.	500	576	0	0	0
Secure Entry Component Renewals	70	0	0	0	0
Modern Facilities and Services (Kitchens/Bathrooms)	90	100	100	0	0
Non Traditional and Traditional Improvement Works (Risk St)	1,500	759	0	0	0
Regeneration/Demolition of Surplus Stock	183	1,151	0	0	0
Defective Structures / Component Renewals	300	135	0	0	0
New Build Housing (Singer St/Second Ave)	914	300	0	0	0
RE-PHASED COMMITTED EXPENDITURE	5,742	4,021	1,562	0	0
ANNUAL TOTAL	31,826	56,205	47,702	22,280	22,280

DRAFT HRA ESTIMATES 2018/19

2016/17 Outturn £000	EXPENDITURE	2017/18 Estimate £000	Probable Outturn £000	2018/2019 Estimate £000	Movement year on year £000	Comments on Movements > £50,000
4,072	Employee Costs	4,493	4,434	4,895	402	Provision for anticipated employee pay award and cost of new staffing model
1,801	Property Costs	1,819	1,777	1,813	(6)	
102	Transport Costs	105	101	101	(5)	
440	Supplies, Services And Admin	380	395	399	18	
2,148	Support Services	2,141	2,148	2,148	6	
257	Other Expenditure	157	290	291	134	The Tenancy Sustainment element of the payment to Women's Aid (£82k) is now being met from the HRA rather than the general fund following a review of where it was appropriate to pay this from. Other reasons increases in costs of legal expenses in relation to summons costs/ monthly court fees and an increase in rent abatements due to void initiatives.
11,542	Repairs & Maintenance	11,716	11,118	11,694	(23)	
999	Bad Debt Provision	1,060	1,060	1,060	0	
1,273	Void Loss (Council Tax/Lost Rents)	1,227	1,189	1,084	(143)	There has been an improvement in lost rental due to management action to improve processes around voids to achieve faster turnaround and improve the appeal of harder to let properties. Further improvement target has been built into the 1819 budget
17,942	Loan Charges	18,800	18,800	19,023	224	The principal determinants of loan charges are the average pool interest rate and the level of borrowing. Net capital expenditure planned to support the department's investment priorities will continue at a high level (£19m projected for 2017/18). The loan charges on the 2017/18 expenditure will start to become repayable in 2018/19. All borrowing will be accommodated within the authorised prudential limits that will be presented to Council for approval within the Annual Treasury Strategy and is consistent with the projections contained within the HRA 30 year business plan.
40,576	Total Expenditure	41,900	41,310	42,508	608	
39,642	House Rents	40,205	39,892	40,025	180	Updated for information around expected demolitions & other changes to stock numbers including new build housing in Clydebanks
229	Lockup Rents	227	225	225	2	
124	Factoring/Insurance Charges	143	129	132	11	
1,119	Other rents	1,136	1,114	1,114	22	
70	Interest on Revenue Balance	46	70	70	(24)	
137	Miscellaneous income	143	143	143	(0)	
41,321	Total Income	41,900	41,573	41,708	192	
746	Net Expenditure	0	(263)	800	800	

Rent % Increase required (Net expenditure/1819 estimated Rental Income at current rent level)	2.00%
Required rent increase (52 wks)	£1.53
Average rent 2017/18 (52 weeks)	£76.53
Revised average rent (52 weeks)	£78.06
Prudential reserve	850