

ABERDEEN CITY COUNCIL

APPENDIX 1

HOUSING REVENUE ACCOUNT

Rental increase

The analysis below shows the original budget for 23/24, the forecast budget for 24/25 presented in the March 23/24 budget papers and the revised budget forecast for 24/25 starting from 22/23 actual and then taking into account known potential increases. As you can see from the revised forecast there is a uplift in costs of 8.8%, therefore to maintain current service standards rent would need to increase by this percentage.

HRA Summary	Budget 23/24 £'000	Forecast 24/25 £'000	Revised Forecast 24/25 £'000	Reasons for Uplift & Revision
Housing Staff Management & Operations	14,802	15,091	15,852	Pay assumption
Property Planned & Response Maintenance	33,008	34,659	41,040	Pay & Price inflation
Other Operational Costs (Grounds/Cleaning etc)	17,183	17,574	15,350	Pay assumption
Cost of Repaying Borrowing	16,663	20,980	20,767	
Loss of Rent – Voids and Bad Debt	9,131	9,401	13,063	No decrease in voids and bad debt
Total	90,787	97,705	106,072	8.8% uplift
This enables the following to be made -				
Contribution to Capital Investment (CFCR)	10,937	8,183	9,048	CFCR retained for capital investment
Surplus	500	500	500	Contribution to the working balance

Below is the main assumptions in the 2024/25 budget -

Assumptions	% uplift	Reason
Repairs and Maintenance	8	Pay and material increases
Maintenance of Grounds	3	Pay increase
Cleaning Services	3	Pay increase
Utilities	5	Anticipated increase
Admin and Management	3	Pay increase
Voids	8.8	Reflects rental increase

Below is summary details of the future 4 years of the HRA budget from 25/26 to 28/29, you will see that from 26/27 to 28/29 no CFRCR contribution is made and the HRA is in a deficit position. This assumes that the provision of services remains the same and a rent increase of 3% year on year.

HRA Summary	Budget 25/26 £'000	Budget 26/27 £'000	Budget 27/28 £'000	Budget 28/29 £'000
Housing Staff Management & Operations	16,161	16,476	16,798	17,126
Property Planned & Response Maintenance	43,092	45,247	47,509	49,884
Other Operational Costs (Grounds/Cleaning etc)	15,840	16,349	16,878	17,427
Cost of Repaying Borrowing	23,830	26,155	28,652	40,259
Loss of Rent – Voids and Bad Debt	13,445	13,839	14,244	13,063
Total	112,368	118,066	124,080	137,759
This enables the following to be made -				
Contribution to Capital Investment (CFRCR)	9,506	5,690	1,561	
Deficit				11,325

This further supports a rent increase of 8.8% in 24/25, with a push to reduce spending on repairs and maintenance and voids in future years to bring the HRA back to a balanced position.

Impact of the rent increase

Below is the proposed rent increases based on a 8.8% rental increase.

	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Existing 2023/24 rent levels					
	£	£	£	£	£
Multi/flat/maisonette	67.80	80.83	87.35	93.88	100.39
Four in a block	74.32	87.35	93.87	100.40	106.91
Cottage/house	80.85	93.88	100.40	106.93	113.44
Proposed 2024/25 rent levels with 8.8% increase					
	£	£	£	£	£
Multi/flat/maisonette	73.77	87.94	95.04	102.14	109.22
Four in a block	80.86	95.04	102.13	109.24	116.32
Cottage/house	87.96	102.14	109.24	116.34	123.42

Tiered trend analysis

In the 2023/24 Budget the recommendation was to Instruct the Chief Officer – Early Intervention and Community Empowerment, in consultation with the Chief Officer – Finance, to undertake a tiered trend analysis of the Housing Revenue Account Budget for inclusion in the 2024/25 budget process, ensuring an appropriate focus is placed on prevention and early intervention when investing tenant funds.

Below is a summary of HRA Budget for 2024/25 tiered trend analysis –

HRA Budget 2024/25	Tiers		
	1	2	3
	£'000	£'000	£'000
Housing Staff Management & Operations	4,610	9,546	1,696
Property Planned & Response Maintenance	8,208	32,832	-
Other Operational Costs (Grounds/Cleaning etc)	10,963	2,469	1,918
Cost of Repaying Borrowing	20,767	-	-
Loss of Rent – Voids and Bad Debt	-	65	13,192
Total	44,547	44,913	16,805

Summary of the tiers

1 – Prevention -Taking action to prevent the occurrence of harm through universal measures

2 - Early intervention - Interventions that ward off the initial onset of harm and create empowered resilient communities and staff (human demand) Intervening before further harm takes place in a way that avoids the later costs in both human and financial terms of handling the consequences of that harm (resource demand)

3 - Response "Significant harm has occurred or is assessed as being imminent, significant resource is required to provide specialist and / or intensive support to reduce harm and demand.

During 2024/25 the aim is to move spend in premises costs from tier 2 to 1, initial work has started through the Planned Maintenance pilot in Lang Stracht agreed at Communities Housing and Infrastructure Committee on 5 September 2023 which once rolled out should allow this to be achieved.

There is work currently being undertaken and future projects which will decrease the spend in tier 3 such as -

Additional external contractors assisting with the work to help clear the backlog of voids.

Introduction in 2023/24 of Choice Based Letting detailed in 3.36 in the covering report should reduce admin time on refusals and therefore allow staff to focus on tenant sustainability.

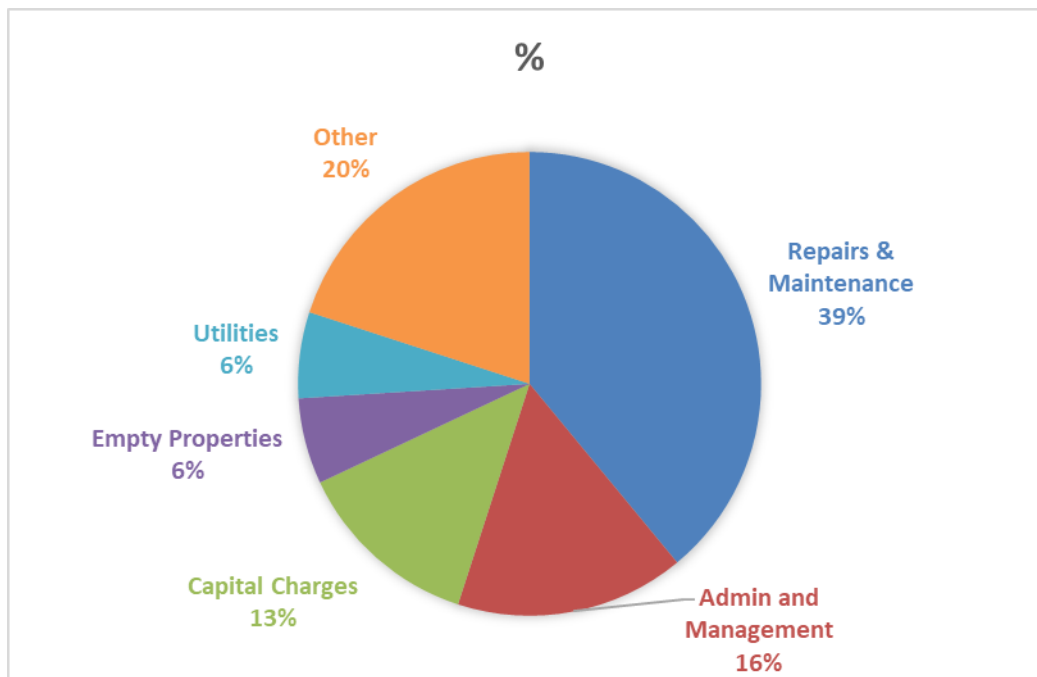
The potential pilot to reduce the rent of properties which have been void for 12 months which would also reduce the loss of rent on voids.

The introduction of the pilot Rent Assistance Fund at page 11 in this appendix, could reduce bad debt by the increased engagement with the Financial Inclusion Team who would ensure the most vulnerable tenants are claiming the benefits they are entitled to, therefore maximising their income.

Reduction in spend in tier 3 would reduce the overall cost of the HRA, which would ensure the financial sustainability in the future and avoid above inflation rent increases.

Where we spend the money

We keep all of the income and expenditure for our council houses in a separate account, called the Housing Revenue Account (HRA). In 2022/23 the HRA spent £92m, below you will see the main areas of spend – Repairs and Maintenance £36m 39%, Admin and Management £14m 16% and Capital Charges £12m 13%.



Repair & Maintenance	Ongoing maintenance costs of properties
Admin & Management	Staff costs including salary, national insurance and pension
Capital Charges	HRA borrowing costs for the spend on new build and capital programme.
Empty Properties	When a property is empty we can't charge rent this is the cost.
Utilities	The vast majority of this cost is covered by heat with rent charges, the balance is for the heating of communal areas.
Other	Includes grass cutting around your homes, pest control, cleaning.

Rent Policy

Current Rent Policy is 4% this ends in 31 March 24, only 2 years 20/21 & 23/24 has the 4% been applied, 0% in 21/22 & 22/23.

It is not recommend fixing the rent policy for 4 or 3 years due to the uncertainty with pay and supplies/services inflation. However, this could be reviewed next financial year if there is stability.

We must consult on a rent policy for 24/25 as per the Housing (Scotland) Act 2001 below:

- S.25(4) states:

Where the landlord under a Scottish secure tenancy proposes to increase the rents or any other charges payable by all, or any class of, its tenants it must, before giving notice under subsection (1)—

- (a) consult those of its tenants who would be affected by the proposal, and
- (b) have regard to the views expressed by those consulted.

In 2023/24 the majority of local authorities did not have a fixed rent policy. The main restriction on setting rent in 23/24 was the COSLA commitment to restrict rental increases to an average of less than £5 per week, this has not been extended into 24/25.

Programme for Government set out a Bill which will introduce a framework for delivering long term rent controls, the Minister for Housing has made it clear that this will apply to the private rented sector only. He also states “I am acutely aware of the fine balance between affordability and investment in the social sector, and the clear need to set rents at a level that ensures essential work can continue in relation to new build developments, improvement programmes and work towards energy efficiency and carbon neutral targets.”

This year we are looking at a cost of service approach to rent setting and not inflation plus in order to allow us to continue with essential work and continue to provide the current level of services.

Tenant Consultation

A full consultation process for rent setting for 2024/25 was agreed in September 2023. This process involved providing tenants with a rent consultation, response questionnaire reply paid envelope and information on the option to complete online via Citizen space on the Council’s website. The consultation was carried out in September with a closing date of 28 October for responses. Detailed results of the consultation are shown below.

Question -

What would you prefer to increase rent by?

6.3% or 8.8%

A rental increase of 6.3% would result in a reduced service that could impact on areas including grounds maintenance. For example, for a multi/flat/maisonette with 1 bedroom, this would be an increase from £80.33 to £85.92.

A rental increase of 8.8% would maintain services as they are now, which includes the work that is done, such as building new homes, fitting new kitchens and bathrooms, and ongoing repairs and maintenance. For example, for a multi/flat/maisonette with 1 bedroom, this would be an increase from £80.33 to £87.94.

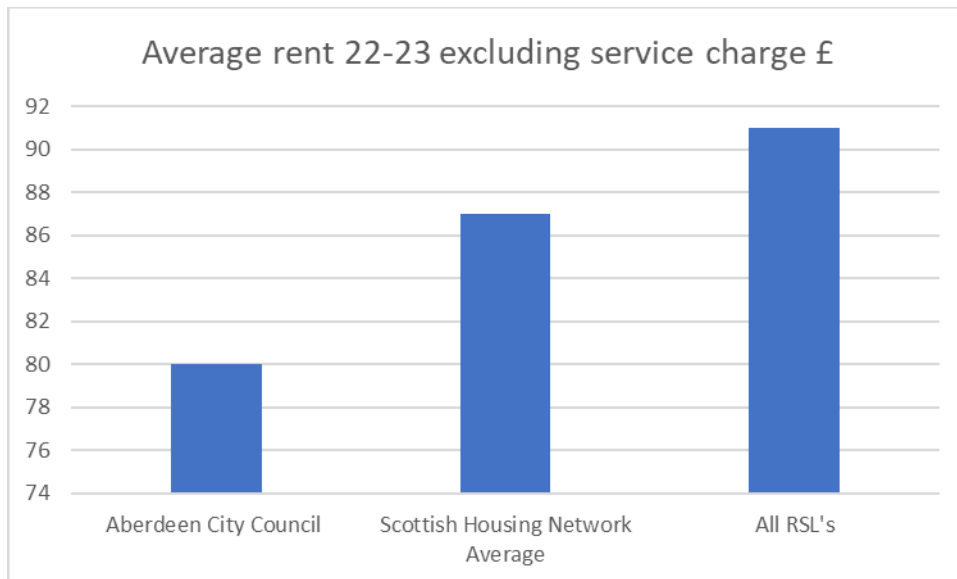
Results of Tenant Consultation			
	6.30%	8.80%	Total
Online	522	235	757
Postal	670	582	1,252
Total	1,192	817	2,009
%	59.33	40.67	100.00
Consultations sent out			19,968
% Response			10.06

Although 2,009 (10.06%) response rate is low this is not unusual. In 22/23 Edinburgh City Council reported 1,036 responses to their consultation and Fife Council 1,170 responses. Both Councils are in our peer group as they have a similar level of stock.

This response is not a definite no to increasing rent to 8.8% and maintaining the existing level of services.

Affordability

How does Aberdeen City Council compare with the RSLs



Although this information is taken from 2022-23, if the 4% rental increase for 2023/24 was added to the above figure this would give ACC an average rent of £83.20, if a further 8.8% was applied this would equate to an average of £90.52 which would equate to the average rent for a RSL in 2022-23. RSLs who operate in Grampian did increase their rents in 2023/24 ranging from a 4% to 6% increases.

Source Annual network indicators from the Scottish Housing Network

Comparison with other Local Authorities

The table below shows the % rental increase for each of the years for each local authority, last year none opted for a rent freeze and only three others had a rent freeze in 21/22 and 22/23 – City of Edinburgh, East Lothian and Mid Lothian Councils.

Year and change	21/22	22/23	23/24
Local Authority	%	%	%
Aberdeen City Council	0	0	4
Aberdeenshire Council	2.8	1.5	2.5
Angus Council	2	1	4.1
City of Edinburgh Council	0	0	3
Clackmannanshire Council	0	3.1	3
Dundee City Council	1.5	1.5	3
East Ayrshire Council	1.5	1.5	4
East Dunbartonshire Council	0.5	2.5	4.2
East Lothian Council	0	0	5
East Renfrewshire Council	1	1	5
Falkirk Council	2	2	2
Fife Council	1.5	2.5	5
Midlothian Council	0	0	4.8
North Ayrshire Council	1.9	2.5	6.42
North Lanarkshire Council	5	3	5
Orkney Islands Council	2	2	3
Perth & Kinross Council	1	3	2.2
Renfrewshire Council	1.5	2	5.5
Shetland Islands Council	1	0	4.5
South Ayrshire Council	1.5	1.5	1.5
South Lanarkshire Council	2.2	2.2	3.5
Stirling Council	1.3	1.1	2.9
The Highland Council	2	1	4
The Moray Council	3	1.5	3.5
West Dunbartonshire Council	1.5	2	5
West Lothian Council	3	3	3.5

Local Authorities- Average rent 22/23 excluding Service Charges					
	£	£			
	52 Week Basis	48 Week basis			
Aberdeenshire Council	90.48	98.02			
East Renfrewshire Council	88.15	95.50			
Orkney Islands Council	85.62	92.76			
Shetland Islands Council	82.61	89.49			
West Lothian Council	81.82	88.64			
Midlothian Council	81.47	88.26			
Aberdeen City Council	79.74	86.39			
South Ayrshire Council	79.31	85.92			
Fife Council	78.76	85.32			
North Ayrshire Council	77.79	84.27			
Clackmannanshire Council	77.45	83.90			
East Ayrshire Council	76.72	83.11			
South Lanarkshire Council	76.66	83.05			
Perth & Kinross Council	73.99	80.16			
The Highland Council	73.79	79.94			
North Lanarkshire Council	73.77	79.92			
Angus Council	73.48	79.60			
Moray Council	65.13	70.56			
The above rents are those detailed which do not include the Service Charges					
ACC's Average rent position as at 22/23 is not the highest, with all local authorities increasing their rent in 2023/24.					
Currently only 22/23 figures are available.					
This does not include all the LA's only those included on the Scottish Housing Network website					

Rent Assistance Fund

We would like to establish a £500k Rent Assistance Fund pilot to support tenants who are least able to afford the rent increase, to be funded from the existing Bad Debt provision budget.

This Fund would be aimed at providing support through critical debt relief to our current secure tenants in rent arrears who are currently experiencing financial hardship. The fund would be administered by a panel of Council officers, making decisions on applications for financial assistance based on a strict set of criteria and where all other avenues have been exhausted. The criteria and how such a fund would be managed would be presented to the Communities, Housing and Public Protection Committee on 28th March 2024.

Benefits to the tenants would be support to 'vulnerable' tenants to reduce debt levels & to better sustain their tenancies. Help tenants & families being financially "squeezed" by Welfare Reform and the cost of living crisis. SOLACE Housing Pressures report of June 2023 states that "The roll out of Universal Credit has been singled out as the reason for increased social sector rent arrears and figures from the Scottish Federation of Housing Associations (SFHA) show that the average level of rent arrears for tenants on UC is higher than for those tenants not on UC."

The fund could help build trust and better relationships with tenants in need. Bring more meaningful tenant engagement around arrears repayment. Reduce our need for legal actions, subsequent evictions & resulting homelessness, promote earlier intervention.

Many other Local Authorities already have established Rent Assistance Funds, North Lanarkshire, Fife, Edinburgh City, Perth & Kinross, Falkirk Councils to name a few. Not all Local Authorities state the level of funding available within such a fund however North Lanarkshire have a £1M, Edinburgh City £683K and Fife £1m in such Funds available for tenants.

North Lanarkshire have provided us with the following information regarding their Rent Assistance Fund, explaining the number of applicants and the benefits.

North Lanarkshire Council - Rent Assistance Fund

2022/23 - £497,990 - 515 applications approved, average award £967.

2023/24 - £1 million – 1085 applications approved to date, average award £922.

This funding is available for tenants that are in arrears who have experienced/are experiencing financial difficulties due to the increase in the cost of living. A maximum payment of £2,250 can be awarded. This funding is not re-payable, but if the tenant fails to maintain rent payments going forward, then the funding will be removed. This funding has encouraged tenants to engage with the Rents Team. Our Housing Advisors within the Rents Team have been proactively contacting tenants to establish if they qualify for this funding. The funding has also been advertised on social media and awareness raised also through word of mouth. We have found that tenants are very appreciative of the award of funding regardless of it being a smaller amount or full award, as the amount of the award

they are receiving is alleviating some of the financial pressure on them and relates to their own financial situation.

Benefits of this funding are as follows:-

- Ongoing engagement with tenants and payment arrangements being maintained. To date only 4 awards of funding have been removed from this year's allocation of funding due to rent accounts not being maintained, so YTD 99.63% engagement and compliance.
- From this year's allocation of funding just over 30 evictions have been prevented. We have worked with the tenant, and they have contributed towards reducing the balance outstanding on their rent account and the award of funding will reduce/clear the remaining balance to prevent the eviction from going ahead.
- Cases which have been enrolled at Court are being dismissed when the court date comes around. By working with the tenant and encouraging them to complete time to pay form and maintaining payment arrangement up to court date, by awarding funding this is clearing/reducing remaining balance giving tenant the opportunity to sustain tenancy.
- Sisted cases are being re-enrolled at court and action dismissed due to balances being cleared which is giving the tenant the opportunity to sustain their tenancy
- When an application form is completed, a full financial assessment is completed. This has allowed our Income Maximisers/Sustainability Officers to maximise tenants' income. Examples of this is many tenants with children who are in receipt of Universal Credit not yet claiming the Scottish Child Payment or tenants with medical conditions who are not claiming benefits such as Adult Disability Payment. The team of Income Maximisers/Sustainability Officers are based within the Rents Team and last year generated £15 million of additional income for tenants.

ABERDEEN CITY COUNCIL				
HOUSING REVENUE ACCOUNT				
Miscellaneous Rents				
2024/2025				
	Current	Proposed	Increase	Percentage
	Rental	Rental	Per Week	Increase
	£	£	£	%
Miscellaneous Increases - HRA				
Garages	12.65	13.75	1.10	8.70%
Denburn and West North Street Spaces	5.80	6.30	0.50	8.62%
Denburn and West North Street Spaces	21.00	22.75	1.75	8.33%
Garages Sites	4.95	5.35	0.40	8.08%
Car Ports	5.40	5.85	0.45	8.33%
Car Parking Spaces - Local	4.55	4.95	0.40	8.79%
Car Parking Spaces - Non Local	21.00	22.75	1.75	8.33%
Window Cleaning	0.95	1.00	0.05	5.26%
Meals at Denmore & Kingswood	43.00	46.50	3.50	8.14%
Guest Rooms	10&15	12&18	2 &3	20.00%
House Garden Scheme (annual)	83.00	90.00	7.00	8.43%
General Fund charges - Support Services				
Provision of temporary accommodation as per legislative duty	94	95	1	1.06%
Service Charge for Hostel - West North Street	773	810	37	4.79%
Service charge for supported flats	48	53	5	10.42%

The above proposed prices for 2024/25 have been increased broadly in line with the proposed 8.8% rent increase. The exception is the Guest Rooms these have not been increased for a number of years.

Included this year is the General Fund Charges for Support Services, although these are not HRA charges they are linked to the rent setting, by setting these charges in December it will allow the relevant systems to be updated and tenants to be updated prior to 1 April 23. These charges are based on actual costs and forecasts for pay awards.

Heat with Rent calculations for 2024/25

A review of consumption and costs is required each year. As Heat with Rent is not available to all tenants, therefore not rent pooled the cost must be recovered by the charge. The increased energy costs continue to result in a cost pressure in 2023/24.

This year the consumption has been taken for the last three years to even out any potential peaks and troughs. A reduction has been made for communal areas.

Heat with Rent provides a number of benefits to the tenants principally the charge is the same every week therefore no unexpected large bills in cold winters and the 5% VAT charge is not passed onto the tenants.

From 1 July 2023, households without a pre-payment meter no longer receive an Energy Price Guarantee discount on their gas and electricity bills. This is because the Ofgem price cap is lower than the Energy Price Guarantee level, meaning households will pay rates capped by the price cap.

For the period of October to December 2023, the Ofgem price cap has been set at £1,834 for a typical household per year. This represented a further fall in the cost of mains gas and electricity from the previous period, which stood at £2.074 for the period of July to September 2023.

The Energy Price Guarantee will remain in place as a safety net until the end of March 2024 should energy prices increase above £3,000 per year.

As you can see below the annual charge for heat with rent on all heat sources is well below these averages.

We are proposing a reduction in the Heat with Rent charges for 2024/25, based on the estimated costs for all energy sources, this will be subject to change and amendment to these charges will be reflected in the 2025/26 calculation.

Heat with Rent – 48 week basis			
	Previous	Proposed	Annual Charge
	£	£	£
Gas Heated Properties			
Bedsits	13.29	11.64	638
1 bed roomed flats	15.32	13.41	735
2 bed roomed flats	17.42	15.25	836
3 bed roomed flats	19.45	17.03	934
Electrically Heated Properties			
Bedsits	14.53	12.81	697
1 bed roomed flats	16.44	14.49	789
2 bed roomed flats	18.49	16.30	888
3 bed roomed flats	20.40	17.98	979
CHP Properties			
All 1 Bed roomed Properties	15.75	13.61	756
All 2 Bed roomed Properties	17.80	15.38	854

Housing Capital 24/25 onwards

Our investment plan is shaped by the following key factors:

- Council commitments, statutory compliance and government targets
- lifecycle and health and safety – maintenance and improvements to keep our homes safe and continue meeting the Scottish Housing Quality Standard (SHQS).

We are working towards a more robust programme of planned maintenance works to increase the overall quality of the estate. Also currently consulting with tenants on the future of the city centre multi-Storey blocks.

The level of spillage has been set at 27% to allow flexibility in the programme.

It is proposed a revised policy on the revised eligibility criteria for Buying Back former Council Houses will be presented to the Policy Group at the next appropriate opportunity, this will look at restricting the eligibility and therefore reduce the spend on this area of the capital programme.

Reinforced Autoclaved Aerated Concrete (RAAC)

In response to the prospect to RAAC being used in housing surveys have been ongoing across the housing estate with an initial focus on flat roof properties.. To date we have identified circa 360 properties, which are the responsibility of the HRA, within the Balnagask area, that have RAAC construction panels within the roofs. An action plan is being developed in relation to these properties, although the cost implications and options are still being developed.

Surveys across the remainder of the estate are well advanced and have not yet identified any other areas of concern. It is anticipated these will be concluded in early 2024. The Report recommendations give a delegation to officers to vire capital spend between projects should urgent spend be required on RAAC affected properties. (further information –

<https://www.aberdeencity.gov.uk/services/housing/raac-council-housing>)

Housing Capital Budget 2024/25 to 2028/29					
	2024/25	2025/26	2026/27	2027/28	2028/29
PROJECT	£'000	£'000	£'000	£'000	£'000
SCOTTISH HOUSING QUALITY STANDARDS					
1 Compliant with the tolerable standard					
1.1 Major Repairs-					
Pitch Roof Replacement (Flats, Houses and Cottages)	3,922	7,662	6,986	7,480	6,599
	3,922	7,662	6,986	7,480	6,599
2 Free from Serious Disrepair					
2.1 <u>Primary Building Elements</u>					
Structural Repairs Multi Storey	3,289	3,930	4,225	4542	976
City Centre Multi Storey Proposals	500	100	100	100	100
Structural Repairs General Housing	1,750	2,500	2,500	2,500	2,500
<u>Secondary Building Elements</u>					
2.2 Upgrading of Flat Roofs General	1,674	1,700	1,926	1,667	124
Upgrading of Flat Roofs General Cottages	1,884	168	626	34	38
2.3 Upgrade Flat Roofs Multi Storey	1,129	1,213	1,304	935	2,010
2.6 Window Replacement Houses	4,118	2,917	9,218	6,462	14,725
Window Replacement Flats	7,962	9,902	5,428	8,912	16,293
Window Replacement General – Communal	454	500	560	400	495
Window Replacement - Rosemount Square (flats and communals)	2,800	-	-	-	-
2.7 Window Replacement-Multi Storey (Communal)	-	75	81	60	129
Window Replacement-Multi Storey (Flats)	-	2,345	2,880	2,635	5,814
	25,560	25,350	28,848	28,247	43,204
3 Energy Efficient					
<u>Effective insulation</u>					
3.1 Cavity Wall Insulation	250	300	400	500	500
3.2 General Houses Loft Insulation	728	787	565	610	0
<u>Efficient Heating</u>					
3.3 Heating Systems Replacement	6,670	6,367	6,685	6,466	6,952
Heating option appraisal	0	0	0	0	0
Torry Heat Network	4,000	-	-	-	-
3.6 Energy Efficiency Sheltered	640	690	740	800	860
<u>Additional Energy Efficiency measures</u>					
3.7 SCARF	35	35	35	35	35
3.8 Solid Wall Insulation	3,280	3,000	3,240	3,340	3,340
	15,603	11,179	11,665	11,751	11,687

Housing Capital Budget 2024/25 to 2028/29					
	2024/25	2025/26	2026/27	2027/28	2028/29
PROJECT	£'000	£'000	£'000	£'000	£'000
Modern Facilities & Services					
<u>Bathroom and Kitchen Condition</u>					
4.1 Modernisation Programme – Bathroom	4,152	3,676	2,456	2,310	3,792
Modernisation Programme – Kitchen	12,060	17,340	14,172	15,967	18,559
	16,212	21,016	16,628	18,277	22,351
5 Healthy, Safe & Secure					
<u>Safe</u>					
5.3 Rewiring	1,130	1,171	262	2,474	7,651
5.4 Lift Replacement Multi Storey/Major Blocks	1,440	1,935	2,080	2,235	-
5.5 Smoke Detectors – Common Areas Major Blocks	255	274	295	316	397
5.6 Services					
Cyclical maintenance/replacement of the following services	812	50	50	50	50
<u>Secure</u>					
5.11 Door Entry Systems	109	45	48	42	17
5.12 Replace Door Entry Systems - Major Blocks	522	481	603	740	795
5.13 Other Initiatives FD 60 Doors	2,317	914	980	261	2,055
	6,585	4,870	4,318	6,118	10,965
NON SCOTTISH HOUSING QUALITY STANDARDS					
6 Community Plan & LOIP					
6.2 Community Initiatives	250	250	250	250	250
6.7 Adaptations Disabled	1,000	1,000	1,000	1,000	1,000
6.8 Special Initiatives/Barrier Free Housing	300	150	150	150	150
6.9 Housing For Varying Needs- Amenity/Adaptations	150	150	150	150	150
6.1 Housing For Varying Needs- Extra Care/Adaptations	200	200	200	150	150
6.11 Roads/Paths	200	200	150	150	150
6.17 New Build/Formal Council House Buy Back	64,666	61,495	41,538	13,771	2,000
6.18 Clinterty	0	0	0	0	0
6.19 206 Union Street	3,000	700	0	0	0
6.20 Defibrillators	125	0	0	0	0
	69,891	64,145	43,438	15,621	3,850

Housing Capital Budget 2024/25 to 2028/29					
	2024/25	2025/26	2026/27	2027/28	2028/29
PROJECT	£'000	£'000	£'000	£'000	£'000
8 Service Expenditure					
8.1 Other Departmental Fees	8,720	7,967	7,439	7,812	13,954
	8,720	7,967	7,439	7,812	13,954
Gross Programme	146,493	142,189	119,322	95,306	112,610
Less 27% Slippage	(23,443)	(22,597)	(21,542)	(22,554)	(38,505)
Net Programme	123,050	119,592	97,780	72,752	74,105
Financed by:-					
Borrowing	(96,423)	(96,959)	(91,590)	(70,691)	(73,605)
Other income eg Grants, Affordable Homes Reserve	(17,579)	(13,127)	(500)	(500)	(500)
CFCR	(9,048)	(9,506)	(5,690)	(1,561)	0
Total Funding	(123,050)	(119,592)	(97,780)	(72,752)	(74,105)

New Housing Investment Programme

The new build programme covers the development of new properties on Council owned land at Summerhill, Craighill, Kincorth, Tillydrone and Kaimhill in addition to contracting on developer led schemes at Auchmill Road, Cloverhill – Bridge of Don, Grandhome and Wellheads – Dyce. Longer terms projects have also been advanced on a number of sites in Aberdeen. This programme is further supplemented by an ambitious council house buy-back scheme.

Sites at Auchmill and Wellheads – Dyce are now complete.

Council Led new housing sites, works continue to progress at the Summerhill, Kaimhill and Tillydrone projects and works have been suspended at Craighill and Kincorth.

The two remaining projects at Craighill and Kincorth are at a stage where the enabling works for both projects are complete. There is an ongoing high level value engineering exercise being carried out by the design team to consider a number of options on both sites, to try and deliver a more cost effective capital cost for each project.

The design works include, but are not limited to, reviewing external finishes, reducing storey heights from four storeys to three storeys on the blocks of flats. Consideration will also be given to see what cost benefits can be derived by amending the Gold Standard, either as a whole, or in part, while still retaining the majority of the benefits of the Gold standard. However it should be noted this piece of work excludes any reduction in any environmental and heat in use standards as these are seen as critical strategically going forward.

Consideration is also being given to phasing the sites over a longer period to reduce the short term impact on the capital budget by spreading costs over a two or three year period, with budget costs for these different options being prepared. The proposed changes to the designs remain ongoing.

Design works are progressing with the intention of lodging revised planning applications Quarter 4 2023 with planning consent secured Quarter 2 and seeking new tender prices from contractors in Quarter 1 2024. A new PQQ notice has been lodged.

The outcome of this action will be reported to the next appropriate committee.

Summerhill New Build Housing

Five of the blocks at Summerhill have now been handed over with three remaining to follow. Block 6 was planned to be handed over in May 2023 however this was delayed until later in the summer but has been completed with Block 8 in Winter 2023 and the final block, Block 7, due to be handed over in Spring 2024.

Cloverhill New Build Housing

The project continues to progress well on site and the first phase of 36 No. units were handed over on 1 August 2023 with a number of other phases to be handed over between then and 2026. Three commercial units were also handed over and discussions are underway with potential Tenants.

The next phase of 31 units were handed over in September 2023. Further phases will be handed over in 2024.

Clinterty Travellers Site

Works commenced in October 2022 to upgrade the Gypsy Traveller site at Clinterty with a budget of £6.5m, which is circa 50% funded by the Scottish Government. The Contractor for the works is the Council's Building Services. The works are now nearing completion following delays with utilities.