

Appendix 1

Aberdeen City Council Draft Housing Revenue Account 2015/16 – 2019/20 Budget

Our vision is
for Aberdeen
to be an **ambitious**,
achieving, **smart** city.



Steven Whyte
Head of Finance

Pete Leonard
Director of Communities, Housing and Infrastructure

DRAFT HOUSING REVENUE ACCOUNT

Index

Page 2	.	.	.	.	.	Index
Page 3	.	.	.	.	.	Revenue Assumptions
Page 4	.	.	.	.	.	Housing Capital Expend Prog

Section 1 – HRA Budget 2015/16

Page 5	.	.	.	.	.	HRA Draft 2015/16 Budget
Page 7	.	.	.	.	.	HRA Variance Notes
Page 12	.	.	.	.	.	HRA Draft Repairs Budget
Page 14	.	.	.	.	.	Management & Admin Budget
Page 17	.	.	.	.	.	Miscellaneous Rents
Page 19	.	.	.	.	.	Tenants Consultation

Section 2 – HRA Budget 2016/17 – 2019/20

Page 20	.	.	.	.	.	5 Year HRA Budget
Page 22	.	.	.	.	.	5 Year HRA Assumptions
Page 23	.	.	.	.	.	5 Year Repairs Budget
Page 24	.	.	.	.	.	5 Year Capital Budget

Revenue Assumptions

In preparing the information for the draft Housing Revenue Account budget for the financial year 2015/16, a number of assumptions have been made and these are given below.

Should you require an electronic version of the budget contained within this documentation, please contact Helen Sherrit, Finance Partner (Housing & Environment) on (34)6353 or e-mail hsherrit@aberdeencity.gov.uk. The budget information is available as a set of Excel spreadsheets.

Inflation

In preparing the budget no general inflationary uplift has been added which is in line with the base assumptions used in preparing the General Fund Budget for 2014/15, (there are some exceptions to this rule such as utility costs and contractual uplifts etc. and these are stated in the variance notes). Inflation is currently running at approximately 2.3% (RPIX at September 2014). (Source: Office of National Statistics)

Housing Stock

The number of Council houses owned by the Council, as at 31 October 2014, is 22,378. It has been assumed that there will be a further 98 sales during the financial year 2014/15, bringing total sales for the year to 200. The average selling price for the period 1 April 2014 to 31 October 2014 is approximately £56,400.

Set Aside Rules

For the financial year 2014/15 the Council budgeted for 100% of all Council house sales to be utilised to repay debt. The Council is free to decide on how the proceeds from the disposal of Council houses are used. **The Head of Finance recommends that all capital receipts continue to be used to repay debt for the financial year 2015/16 and future years.**

Council House Sales

It has been assumed that the level of house sales will be 140 in 2015/16. The average selling price for 2014/15 is currently estimated at £56,400. The average number of houses for the financial year 2014/15 is therefore estimated to be 22,206 properties.

Rental Income

The income available in 2014/15 to fund the proposed budgeted level of expenditure has been calculated by taking the projected income under the revised rent structure plus 3.3% (RPIX at September 2014 + 1% which is the Council's current rent strategy/policy).

Heat with Rent

A detailed analysis has been carried out on the utility bills for Heat with Rent to ensure that the charging policy introduced in the 2006/07 budget setting process can be continued into 2015/16. No increase of income has been built into the proposed budget.

Working Balances

In developing a rent setting strategy it is important to ensure that there are adequate working balances. The Head of Finance must be confident that the level of working balances is adequate to meet any unforeseen contingencies particularly as regards the uncertainty surrounding welfare reform and the impact this could have on viability of the business plan of the Housing Revenue Account. Given this inherent uncertainty it is **proposed that the working balances continues to be increased to 10% over the 3 year period.**

Housing Capital Expenditure Programme

Housing Investment Programme

2014/15 will see continued major investment in tenants' homes to make sure that they meet their needs and expectations as well as the requirements of the Scottish Housing Quality Standard (SHQS). Aberdeen City continues to make steady progress towards SHQS compliance with 97.2% of our stock now meeting the standard (as at 5 November 2014).

As at 31 March 2014 Aberdeen City Council compared favourably with other cities for SHQS completion –Aberdeen 89%, Local authority average 84% and Large Local authorities 86%.

It is unclear as to any future obligations beyond the SHQS completion date of 2015 it is anticipated this may relate to energy efficiency.

The Council will continue to provide funding for the provision of combined heat and power in our multi storey stock with the completion of the 7 Tillydrone multi's in 2015/16. These actions will improve the energy performance of the council housing stock and prevent potentially hundreds of tenants from falling into or remaining in fuel poverty.

The Council is continuing work on a major over-cladding scheme for High Rise buildings with blocks in Cornhill being completed in 2015/16 with work commencing on further blocks in Linksfield, Regent and Promenade Courts. In addition work will be undertaken on the following during 2015/16, major repair to 770 -852 Great Northern Road, structural repairs and re-rendering of Stewart Park and Hilton Courts and structural repairs at 2-138 Wales Street.

To ensure that the Council can meet its priorities in terms of its housing stock the capital programme for the next five years (inclusive of slippage) is proposed as follow:

2015/16 - £35.385 Million
2016/17 - £34.197 Million
2017/18 - £28.966 Million
2018/19 - £25.686 Million
2019/20 - £28.239 Million

The above figures make no allowance for the potential new build at Smithfield and Manor Walk or Regeneration.

Housing Revenue Account					
Draft 2015/16 Budget					
		Budget	Out-turn	Budget	Notes
		2014/15	2014/15	2015/16	
		£000's	£000's	£000's	
	Premises Costs				
1	Rates	19	23	28	
2	Rent – Other	141	215	215	1
3	Repairs and Maintenance	22,407	21,713	22,462	2
4	Maintenance of Grounds	3,075	3,260	3,293	3
5	Gas	1,014	1,014	765	4
6	Electricity	2,512	2,512	3,405	5
7	Cleaning Service	495	495	435	6
8	Security Service	376	376	380	7
9	Window Cleaning	24	24	25	
10	Refuse Collection	328	328	345	8
11	Cleaning – Sheltered Housing	499	499	504	9
12	Premises Insurance	57	57	57	10
13	Other Property Costs - Council Tax	201	201	201	11
		31,148	30,717	32,115	
	Administration Costs				
14	Downsizing Grants/Direct Debit Incentives	52	52	52	12
15	Legal Expenses	201	201	201	
16	Office Tel / Rent	88	88	90	
17	Former Tenants Arrears	2,000	1,300	2,000	13
18	Charges - Services Admin & Management.	8,657	8,059	8,963	14
19	General Consultancy	85	85	55	15
20	Training for Front Line Staff	100	100	100	15
21	Benefits Staff	141	141	142	15
22	Charges - Tenants Participation	208	208	210	16
23	Charges for Environmental Health	227	201	229	
		11,759	10,435	12,042	
	Supplies & Services				
24	Provision of Meals	194	232	234	17
25	Equipment Purchase	0	0	0	
26	Television Licence	5	5	5	
27	Integrated Housing System	295	295	302	18
		494	532	541	
	Agencies				
28	Mediation Service	99	99	100	19
29	Energy Advice	82	82	83	20
30	Citizens Advice Bureau	14	14	14	15
31	Disabled Persons Housing Service	39	39	39	15
32	Ethnic Minority Worker	0	12	12	15
		234	246	248	

	Housing Revenue Account	Budget	Out-turn	Budget	
	Draft 2014/15 Budget	2014/15	2014/15	2015/16	
		£'000	£'000	£'000	
	Transfer Payments				
33	Aberdeen Families Project	418	418	465	21
34	Loss of Rent - Council Houses	900	1,602	1,274	22
35	Loss of Rent - Garages, Parking etc	218	352	226	
36	Loss of Rent - Modernisation Works	100	100	104	
37	Haudagain Home Loss & Disturbance Payment		0	184	23
38	Supporting People Contribution	406	406	406	24
39	CFCR	22,362	23,841	20,681	
		24,404	26,719	23,340	
	Capital Financing Costs				
40	Loans Fund Instalment	5,228	4,967	5,860	
41	Loans Fund Interest	9,026	8,501	9,124	
42	Heating Leasing Payment	0	0	0	
		14,254	13,468	14,984	25
	Expense Total	82,293	82,117	83,276	
	Income				
43	Ground Rentals	(27)	(27)	(27)	
44	Dwelling Houses Rent Income	(79,017)	(78,719)	(80,000)	26
45	Housing - Heat with Rent Income	(2,047)	(2,134)	(2,047)	27
46	Housing - Garages Rent Income	(1,176)	(1,177)	(1,176)	28
47	Housing - Parking Spaces Rent	(180)	(214)	(180)	28
48	Housing - Insurance Income	(2)	(2)	(2)	
49	Housing - Other Service Charge	(489)	(489)	(489)	28
50	Legal Expenses	(225)	(225)	(225)	
51	Revenue Balance Interest	(130)	(130)	(130)	29
	Income Total	(83,293)	(83,117)	(84,276)	
	Net Expenditure	(1,000)	(1,000)	(1,000)	
	Projected Working Balance at 1 April 2015			7,261	

HOUSING REVENUE ACCOUNT 2014/15 BUDGET

Variance Notes Comparing Draft Budget 2015/16 to Estimated Out-turn 2014/15

Expenditure Movements

1. Rent

This budget is for the rent of Accommodation for Community Groups and Housing Offices.

2. Repairs and Maintenance

An analysis is contained at page 12.

3. Maintenance of Grounds

Maintenance of Grounds budget has two elements: Ground Maintenance and cleansing/weed control. The budget for 2015/16 has been calculated by using the anticipated out-turn for 2014/15 uplifted by 1% (the budgeted salary uplift).

4. Gas

The Council moved on to the Scottish Government National Procurement for Gas Supply on 1 April 2010 with the contract price reviewed on an annual basis. The budget has been calculated using the actual consumption from 2014/15 and an anticipated rates increase in the contract price as advised by the Council's energy unit.

5. Electricity

This will be the first year of the new contract (previously a four year contract was in place). The budget has been calculated by using an assumed uplift of 29.6% as advised by the Council's energy unit and the actual consumption from 2013/14.

6. Cleaning Service

This budget is for communal cleaning. The cleaning contract commenced on 5 July 2010 and ran for three years, with an extension. To date the contract has not been agreed therefore the annual contract of £428K has been increased by 1.6% (CP July 2014).

7. Security Service

This budget is for the Security Service which started in 2012/13 and runs for three years. The cost of the security included in the budget for 2015/16 is £380,000, and includes the control room team.

8. Refuse Collection

The budget for 2015/16 has been calculated by using the actual for 2013/14 uplifted for salary increases.

9. Cleaning – Sheltered Housing

This is the budget for the cleaning of Sheltered Housing and has been calculated by using the anticipated out-turn for 2014/15 uplifted by 1%.

10. Premises Insurance

The budget for 2015/16 has been maintained at the 2014/15 level.

11. Other Property Costs – Council Tax on void properties

This budget is for the cost of Council Tax due on void properties. The budget for 2015/16 has been maintained at the 2014/15 level and is based on the assumption that there will be no increase in Council Tax for 2015/16 based on the terms and conditions of the award of the General Revenue Grant.

12. Downsizing Grants/Direct Debit Incentives

There are currently two schemes within this budget line which are Downsizing grants (£50,000) and Direct Debit Incentives (£2,000). Budgets have been maintained at the 2014/15 level.

The Downsizing scheme provides assistance and a financial incentive to Council tenants occupying 3+ bedroom family properties in high demand areas to move to smaller more suitable housing in order to increase the supply of large family housing. This budget is being maintained at the current level as there could be a potential rise in requests to downsize.

The Direct Debit Incentive scheme was introduced on 5 April 2010. Each month there is a draw for all new and existing direct debit payers for a chance to win a week free rent period, to encourage more people to switch to paying by direct debit.

13. Former Tenants Arrears

The budget has been maintained at £2M to reflect the increasing rent arrears being experienced (Current arrears have increased from £3.236M at the end of April 2014 to £3.945M at the end of October 2014). The budget for former tenant arrears is for the write off of uncollectable arrears and any increase in the debt provision.

14. Management & Administration

The staffing budget is based on the current structure of the Housing Revenue Account and includes central support recharges. A pay award of 1% has been allowed for which is in line with the assumptions contained within the Council's General Fund.

15. General Consultancy, Training for Front Line Staff, Benefits staff, Citizens Advice Bureau, Disabled persons Housing Service and Ethnic minority worker

All of the above budgets have assumed no uplifts.

General Consultancy allows the Housing Revenue Account to fund one off projects. An example of this type of expenditure would include work on the Housing Business Plan. In 2014/15 an addition £30,000 was required for a tenant

satisfaction survey requested by the Scottish Housing Regulator, this is carried out every three years therefore will not be required in 2015/16.

Training for Front line Staff allows, for example, Housing Assistants to participate in professional staff development programmes with the opportunity of gaining membership of the Chartered Institute of Housing.

The costs of the Benefits staff are recharged from the Benefits team for the time spent with Council House Tenants on maximising income and tackling financial exclusion, it is anticipated that the recharge will increase.

The contribution to the Citizens Advice Bureau (CAB) provides funding to the service at ARI/Woodend Hospitals.

Disabled Persons Housing Service (Aberdeen) (DPHS) is a charitable organisation that provides specialist information, advice and advocacy on housing matters to disabled people, their families and carers and professionals working in housing, social work, health and the voluntary sector.

The funding covers the funding of the Development Officer's post, plus an allowance for running costs. This will enable the DPHS to continue to develop and expand the range of services that it offers to people of Aberdeen in line with the objectives set out within the Disability Action Group (DAG), DAG Homes Sub-Group Action Plan, the Local Housing Strategy and the Community Care Housing Strategy.

Ethnic minority housing outreach worker funding was agreed at 14 January 2014 Housing & Environment Committee.

16. Tenants Participation

This is the budget allocated for the provision of Tenants Participation and includes the employment costs of two Tenant Participation Officers, Newsbite and training for tenant representatives.

17. Provision of Meals

The out-turn for 2014/15 plus 1% is the basis for the 2015/16 budget. This budget is for the provision of meals at Denmore and Kingswood extra care housing. The income for this service is contained in line 49 of the budget statement above which is shown as "Housing Other Service Charge". No increase to this charge is being recommended (this is contained in miscellaneous rents page 17) as this is an outstanding action of the Housing for varying needs review. A pay as you go system is being considered as part of this review.

18. Integrated Housing System

This budget is based on the IT requirements for 2015/16 which includes all the support and maintenance costs.

19. Mediation Service

For 2015/16 budget has been uplifted by 1%.

20. Energy Advice

The Energy Advice budget is currently a payment to SCARF (Save Cash and Reduce Fuel). SCARF encourage the sustainable use of energy, achieving affordable warmth, eradicating fuel poverty and extending the life of natural energy resources across the North East of Scotland.

21. Aberdeen Families Project

This budget is used to fund the Aberdeen Families Project. The Families project is based in the Torry area and provides intensive support and supervision to families (mainly council tenants) who are involved in serious antisocial behaviour which could result in their eviction and subsequent homelessness. The service aims to reintegrate tenants or former tenants who are homeless and have a history of not sustaining a satisfactory tenancy, back into a tenancy without requiring intensive housing management. The budget is based on the anticipated cost increase of the service.

22. Loss of Rent Council Houses

The budget has been calculated using void targets and known movement of tenants between sheltered and main stream tenancies.

23. Haudagain Home loss and disturbance payments

This budget is for home loss and disturbance payments for those tenants effected by the Haudagain road improvements, this was approved at Housing & Environment Committee on 26 August 2014. The payments have been allocated over three years as no further information is known at this time.

24. Supporting People Contribution

This budget is a contribution to cover the costs of providing the former Wardens salaries for people who were not in receipt of Housing Benefit as at 31 March 2003. The contribution in 2015/16 is based on the actual expenditure for 2014/15.

This does not reflect the costs associated with the former warden's salaries as this forms part of the General Fund.

The contribution is being considered as part of the review for Housing for Varying Needs and therefore will be subject to change.

25. Capital Financing Costs

The budget for Capital Financing Costs is based on the likely level of capital spend in 2014/15 as at the end of September 2014 and a possible future programme for 2015/16 of £35.3 million as well as the level of historic debt that has to be financed. It also assumes that the consolidated loans pool rate (the rate used to calculate debt charges) is 4.22%.

Income

26. Dwelling Houses Rent Income

The budgeted income from Dwelling House Rent has increased by the potential rent increase of 3.3% (RPIX at September 2014 +1%) which is in line with current

Council policy on rent setting. This budget also takes into consideration movements in rent capping.

27. Housing – Heat with Rent Income

A review was undertaken of the income and expenditure of Heat with Rent.

- Gas
The projected energy consumption and contract rates were provided by the Council's Energy Management Unit for each sheltered complex. As from 1 April 2011 the Gas Supply is through Scottish Government National Procurement and is reviewed on an annual basis. The revised consumption has been multiplied by the agreed rate to be paid on the gas contract.
- Electricity
The projected energy consumption and rates were provided by the Council's Energy Management Unit for each sheltered complex. The new electricity contract will start on 1 April 2015. The consumption has been multiplied by the agreed rate on the electricity contract.
- Combined Heat & Power (CHP)
Aberdeen Heat and Power are to advise the Council of the rate increase in November, indications are that there will be no increase.

28. Housing – Garages Rent Income, Housing Parking Spaces Rent, Housing – Other Service Charges

This line will move depending on the level that miscellaneous rents are set at, as covered on page 17. The current budget therefore assumes that there will be no increase at present.

29. Interest on Revenue Balances

This is akin to bank interest received on the HRA's cash flow during the year. Budget is based on the income received in 2013/14 and current economic conditions.

HOUSING REPAIRS DRAFT BUDGET		Approved Budget 2014/15 £'000	Projected Spend 2014/15 £'000	Base Budget 2015/16 £'000
PLANNED AND CYCLICAL MAINTENANCE				
1	External Joiner work Repairs including external painter work etc.	1,500	1,244	1,275
2	Boiler Maintenance – Sheltered Housing	310	350	359
3	Controlled Entry Systems – Maintenance	240	397	407
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	400	187	192
5	Flat Roofs/Dormers – Renewal & Insulation	55	9	10
6	Common Rooms – Replacement of Furniture	25	40	41
7	Gas Servicing, Maintenance and Repair	2,940	4,443	4,554
8	Laundry Equipment Replacement & Maintenance	90	122	125
9	Legionella Testing incl. Repair/Renewal of Tanks	100	32	33
10	Lift Maintenance	370	184	189
11	Mutual Repairs outwith Housing Action Areas	30	25	26
12	Pumps & Fans - Maintenance & Renewal	75	50	51
13	Sheltered Housing - Replacement of Carpets, furnishings etc	40	40	41
14	Standby Generators – Maintenance	80	44	45
15	Warden call systems- maintenance and Repair	90	90	92
16	Provision of Community Alarm	230	230	236
17	Environmental Improvements (including internal communal areas)	1,200	820	840
18	Void Properties	3,600	3,911	4,009
19	Asbestos	200	16	16
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities			235
Planned/Cyclical Maintenance Sub Total		11,575	12,234	12,775
DAY TO DAY RESPONSE MAINTENANCE				
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	230	154	158
22	Car Park Repairs	25	9	9
23	Chimney heads - Repointing and Rebuilding	5	0	0
24	Condensation - Treatment of Walls	50	59	60
25	Electrical Work - General Repairs	1,150	1,138	1,166
26	Emergency Work - Out of Hours Service	550	367	376
27	External/Internal Response Paintwork	210	163	168
28	Fire Damage Repairs	200	71	72
29	Garage Repairs	30	9	10
30	Glazier work	170	163	167
31	Joiner work - General Repairs	2,750	2,267	2,324
32	Mason work and Water Penetration Repairs	500	490	502
33	Minor Environmental Services	550	363	372
34	Plasterwork – General	275	230	236
35	Plumber work – General	1,180	1,066	1,093
36	Slater work	800	824	845
37	Snow Clearance	52	52	53
38	TV Aerial	60	55	56
39	Rubbish Removal	50	13	13
40	Vandalism	65	57	58
41	Water Services Charges	10	10	10
Day to Day Response Maintenance Total		8,912	7,559	7,748
42	Fees	1,920	1,920	1,939
TOTAL REPAIRS AND MAINTENANCE BUDGET		22,407	21,713	22,462

REPAIRS AND MAINTENANCE BUDGET 2015/16

General

The projected spend figures have been taken from invoicing up to the end of July 2014 and a projection to year end.

Projections are based on the average monthly spend, updates from Surveyors and in the case of the general trades historical information has been taken from previous spend patterns.

Projected spend in 2014/15 is currently anticipated to be approximately below budget however this can be subject to change as this budget is demand led.

Specific Items

Planned and Cyclical Maintenance

Item 7 Gas Servicing , Maintenance and Repairs

An increase in the budget is anticipated in order for the Council to ensure it achieves the required gas safety record renewed by the anniversary date. As at 31 March 2014 Aberdeen City Council had achieved 67% renewal date by the anniversary date compared to 94.2% for comparable large local authorities.

Item 17 Environmental Improvements

This line includes crime prevention measures, bird proofing including the removal of nests, area fencing, security doors, sound insulation, security lighting and other estate management improvements identified by Housing Officers.

Item 18 Void Properties (Relets)

It is anticipated that there will be an increase in the voids budget due to an increase in the level of work required to be undertaken in order to bring the properties back to a standard which can be let to tenants.

Day to Day Response Maintenance

The items listed under Day to Day response are more susceptible to weather /climate/fluctuations in costs from year to year. The projected and budget costs are in part based on historical data taken from previous years.

Fees

The fees include the recharge for the call centre who receive the repairs calls. Also uplifted by 1% for wage inflation.

Management & Admin		Budget	Proposed	
		2014/15	2015/16	Notes
		£000's	£000's	
Staff Costs				1
1	Salaries	4,974	5,471	
2	Overtime	91	46	
3	Superannuation	947	1,018	
4	N.I	388	393	
5	Other Staff Costs	376	237	
		6,776	7,165	
Premises Costs				2
6	Rates	29	29	
7	Rent	26	26	
8	Insurance	2	0	
9	Electricity/Gas	23	23	
10	Rubbish Removal	3	3	
11	Cleaning	24	25	
12	Repairs and Maintenance	3	3	
		110	109	
Administration Costs				2
15	Printing	90	77	
16	Photocopying	16	14	
17	Stationery	25	18	
18	Subscriptions	23	23	
19	Postages	79	87	
20	Telephones	39	40	
21	Bank Charges(inc Cash in transit	85	76	
22	Advertising	44	45	
23	Course Expenses	14	14	
26	Tenants Participation Expenses	17	11	
		432	405	
Transport Costs				
	Travel Costs	99	97	
		99	97	

			Proposed	
		Budget	Budget	
		2014/15	2015/16	
		£'000	£'000	Notes
	Supplies & Services			2
28	Equipment Purchases	15	15	
29	Computer Software Support	226	302	
30	Sundry Outlays	159	155	
		400	472	
	Corporate/Directorate Recharge			
31	Corporate/Directorate Recharges	2,143	2,184	3
	Expense Total	9,960	10,432	
	Income			
	Recharges:-			
34	Management & Admin – HRA	(8,657)	(8,863)	
35	Tenants Participation – HRA	(208)	(210)	
36	Other Housing	(219)	(220)	
37	Homeless Persons	(143)	(53)	
38	Housing Capital	(733)	(784)	
	Integrated Housing	0	(302)	
		(9,960)	(10,432)	
	Income Total	(9,960)	(10,432)	
	Net Expenditure	0	0	

MANAGEMENT AND ADMINISTRATION BUDGET

Variances and Notes

The 2015/16 budget for management and administration is based on the current structure of Housing.

1. Staff Costs

The staff costs have been increased to reflect annual salary increments and the pay award.

2. Premises Costs, Fees & Charges, Administration Costs, Transport Costs, Supplies and Services

All the above budgets have been reviewed with certain costs being adjusted based on current service provision.

3. Corporate/Directorate Charges

This budget is based on the current services being provided to Housing and may be subject to change. It covers services such as Legal, Finance, Office Accommodation, IT, Corporate Director and Heads of Service etc.

Miscellaneous Rents

ABERDEEN CITY COUNCIL HOUSING REVENUE ACCOUNT					
Proposed Increase to be included in the HRA budget – Miscellaneous Rents					
		2015/16			
		Current	Proposed	Increase	Percentage
		Rental	Rental	Per Week	Increase
Note	Miscellaneous Increases	£	£	£	%
	Garages	10.40	10.80	0.40	3.85
	Denburn and West North Street Spaces	4.70	4.90	0.20	4.26
1	Denburn and West North Street Spaces – Non Resident	35.00	35.00	0.00	0.00
	Garages Sites	4.00	4.20	0.20	5.00
	Car Ports	4.40	4.60	0.20	4.55
	Car Parking Spaces – Local Residents	3.60	3.80	0.20	5.56
1	Parking Spaces Non Local Residents	35.00	35.00	0.00	0.00
2	Window Cleaning	0.85	0.85	0.85	0.00
2	Meals at Denmore & Kingswood	35.00	35.00	0.00	0.00
	Mortgage Reference Fees	64.50	64.50	0.00	0.00
3	Guest Rooms	10 &15	10 &15	0.00	0.00
4	Factoring Charge	62	62	0.00	0.00

The above proposed prices for 2015/16 have been increased broadly in line with the proposed rental increase subject to:

Note 1 These charges will be subject to an overall review of car parking charges during 2015/16.

Note 2 These charges are being considered as part of the overall review of Housing for Varying Needs.

Note 3 No increase is being recommended in 2015/16.

Note 4 This is an annual charge per owner as a result of the Property Factors Act which was introduced on 1st October 2012 no increase is being recommended in 2015/16 .

Heat with Rent calculations for 2015/16

It was agreed in the 2014/15 budget process to apply an **increase of £1.50 per week for bedsits, £2.00 per week for 1 bed roomed dwellings, £2.50 per week for 2 bed roomed dwelling and £3.00 per week for 3 bed roomed dwellings** across all the Council's Heat with Rent properties.

A review of consumption and costs is required each year and especially as only the electric contract is fixed for a number of years (a new contract is to negotiated for 3 years). There is also potential revised costs for CHP and Gas each year.

In addition as the charge is the same every week, tenants on Heat with Rent are not faced with the problem of having to pay large gas or electric bills during the colder winter months which extended into the spring months in 2013.

It is proposed not to apply an increase to Heat with Rent as although it is anticipated that electric costs will increase by 29.6% and gas by 3% consumption reduced in 2014/15 negating these cost pressures.

In addition it is proposed that officers form a group to review the heat with rent charges to avoid in future large increases. This group would investigate potentially the following consumption and the potential for using an average, the price differential for property sizes, the impact of pricing on the take up of Combined Heat and Power and common areas.

Heat with Rent – 48 week basis		
	Previous	Proposed
Gas Heated Properties	£	£
Bedsits	10.55	10.55
1 bed roomed flats	11.85	11.85
2 bed roomed flats	13.15	13.15
3 bed roomed flats	14.45	14.45
Electrically Heated Properties		
Bedsits	11.55	11.55
1 bed roomed flats	12.85	12.85
2 bed roomed flats	14.15	14.15
3 bed roomed flats	15.45	15.45
CHP Properties		
All 1 Bed roomed Properties	11.60	11.60
All 2 Bed roomed Properties	12.90	12.90

ABERDEEN CITY COUNCIL Tenants Consultation

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. As part of the review on the future of the Council housing stock, a tenant referendum was held to determine what the views of tenants were.

The tenants voted overwhelmingly to retain the Council as their landlord in 2002, provided that continued improvements were made to the housing stock. In 2004, the Council adopted a Housing Business Plan approach. This has allowed us to plan for the future.

Furthermore, a questionnaire was sent out to tenants in September 2014 to ascertain views on the possible rent increase of inflation plus 1%. The table below shows the results of the questionnaire

ANNUAL RENT CONSULTATION – Feedback

Do you agree that the rent policy, inflation + 1%, should be continued to maintain investment in our housing stock and improve services?

	Returns	Percent
Yes	285	80
No	73	20
Total	358	100

Housing Revenue Account		Budget	Budget	Budget	Budget	Budget	Notes
		2015/16	2016/17	2017/18	2018/19	2019/20	
		£000's	£000's	£000's	£000's	£000's	
Premises Costs							
1	Rates	28	28	29	29	29	
2	Rent	215	223	230	238	247	
3	Repairs and Maintenance	22,462	23,024	23,599	24,189	24,794	1
4	Maintenance of Grounds	3,293	3,359	3,392	3,426	3,461	2
5	Gas	765	842	926	1,019	1,120	4
6	Electricity	3,405	3,575	3,754	3,942	4,139	4
7	Cleaning Service	435	446	457	468	480	3
8	Security Service	380	388	391	395	399	2
9	Window Cleaning	25	25	26	26	27	3
10	Refuse Collection	345	353	362	371	381	2
11	Cleaning – Sheltered Housing	504	514	519	524	530	2
12	Premises Insurance	57	25	26	26	27	3
13	Other Property Costs - Council Tax	201	201	201	201	201	
		32,115	33,002	33,912	34,856	35,834	
Administration Costs							
14	Down sizing Grants/Direct Debit Incentives	52	52	52	52	52	
15	Legal Expenses	201	201	201	201	201	
16	Office Tel / Rent	90	92	95	97	99	3
17	Former Tenants Arrears	2,000	2,000	2,000	2,000	2,000	
18	Charges - Services Admin & Management	8,963	9,142	9,234	9,326	9,419	2
19	General Consultancy	55	55	55	55	55	
20	Training for Front Line Staff	100	100	100	100	100	
21	Benefits Staff	142	145	146	148	149	2
22	Charges - Tenants Participation	210	214	216	219	221	2
23	Charges for Environmental Health	229	234	236	238	241	2
		12,042	12,235	12,335	12,436	12,537	
Supplies & Services							
24	Provision of Meals	234	239	241	244	246	
25	Equipment Purchase	0	0	0	0	0	
26	Television Licence	5	5	5	5	5	
27	Integrated Housing System	302	310	317	325	333	3
		541	554	564	574	585	

	Housing Revenue Account	Budget	Budget	Budget	Budget	Budget	
		2015/16	2016/17	2017/18	2018/19	2019/20	
		£'000	£'000	£'000	£'000	£'000	
	Agencies						
28	Mediation Service	100	102	103	104	105	2
29	Energy Advice	83	85	86	86	87	2
30	Citizens Advice Bureau	14	14	14	15	15	2
31	Disabled Persons Housing Service	39	40	40	41	41	2
32	Ethnic Minority Worker	12	12	12	12	12	
		248	253	255	258	260	
	Transfer Payments						
33	Aberdeen Families Project	465	474	479	484	489	2
34	Loss of Rent - Council Houses	1,274	1,319	1,365	1,413	1,462	5
35	Loss of Rent - Garages, Parking etc	226	226	226	226	226	
36	Loss of Rent - Modernisation Works	104	104	104	104	104	
37	Haudagain Home Loss & Disturbance Payments	184	184	184	0	0	
38	Supporting People Contribution	406	406	406	406	406	
39	CFCR	20,681	21,331	22,928	24,588	26,419	
		23,340	24,044	25,692	27,220	29,106	
	Capital Financing Costs						
40	Loans Fund Instalment	5,860	6,681	7,454	8,038	8,510	
41	Loans Fund Interest	9,130	9,608	9,762	9,592	9,246	
		14,990	16,289	17,216	17,630	17,756	
	Expense Total	83,276	86,376	89,974	92,973	96,078	
	Income						
42	Ground Rentals	(27)	(27)	(27)	(27)	(27)	
43	Dwelling Houses Rent Income	(80,000)	(82,800)	(85,698)	(88,697)	(91,802)	5
44	Housing - Heat with Rent Income	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	
45	Housing - Garages Rent Income	(1,176)	(1,176)	(1,176)	(1,176)	(1,176)	
46	Housing - Parking Spaces Rent	(180)	(180)	(180)	(180)	(180)	
47	Housing - Insurance Income	(2)	(2)	(2)	(2)	(2)	
48	Housing - Other Service Charge	(489)	(489)	(489)	(489)	(489)	
49	Legal Expenses	(225)	(225)	(225)	(225)	(225)	
50	Revenue Balance Interest	(130)	(130)	(130)	(130)	(130)	
	Income Total	(84,276)	(87,076)	(89,974)	(92,973)	(96,078)	
	Net Expenditure	(1,000)	(700)	0	0	0	
	Actual Working Balance	8,261	8,761	8,761	8,761	8,761	

HOUSING REVENUE ACCOUNT FIVE YEAR BUDGET ASSUMPTIONS

1. Repairs and Maintenance

The analysis of the five year budget is to follow. The budget has been uplifted by 2.5% in 2016/17 to 2018/19. The fee element has been uplifted by 1% to reflect the salary uplift.

2. Maintenance of Grounds, Security Service, Refuse Collection, Cleaning – Sheltered Housing, Charges – Services Admin & Management, Benefits staff, Charges – Tenants participation, Charges for Environmental Health, Mediation Service, Energy Advice, Citizens Advice Bureau, Disabled Persons Housing Service, Aberdeen Families Project

As these budgets are principally for staffing within the Council an uplift of 2% in 2016/17 and 1% for all other years has been applied to reflect the anticipated public sector pay awards.

3. Cleaning Service, Window Cleaning, Premises Insurance, Office Telephone, Integrated Housing

These budgets have been uplifted by the inflationary increase in the HRA Business Plan.

4. Gas & Electricity

Gas has been uplifted 10% each year, Electricity 30% in 2015/16 when the contract is renegotiated and 5% thereafter & Combined Heat & Power 5% each year.

5. Dwelling Houses Rent Income and Transfer Payments

The budgeted income from Dwelling House Rent is calculated by using the anticipated income from the new rent structure uplifted by the potential rent increase of 3.3% for 2015/16 and then uplifting each year by 3.5% (RPIX of 2.5% used in the business plan, this is the standard inflationary increase plus 1%).

HOUSING REPAIRS DRAFT BUDGET		Base Budget 2014/15 £'000	Base Budget 2015/16 £'000	Base Budget 2016/17 £'000	Base Budget 2017/18 £'000	Base Budget 2018/19 £'000
PLANNED AND CYCLICAL MAINTENANCE						
1	External Joiner work Repairs including external paintwork etc.	1,275	1,306	1,339	1,373	1,407
2	Boiler Maintenance - Extra Care Housing	359	368	377	386	396
3	Controlled Entry Systems – Maintenance	407	417	428	438	449
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	192	197	202	207	212
5	Flat Roofs/Dormers – Renewal & Insulation	10	10	10	10	11
6	Common Rooms - Replacement of Furniture	41	42	43	44	45
7	Gas Servicing, Maintenance and Repair	4,554	4,668	4,785	4,904	5,027
8	Laundry Equipment Replacement & Maintenance	125	129	132	135	138
9	Legionella Testing incl. Repair/Renewal of Tanks	33	34	34	35	36
10	Lift Maintenance	189	193	198	203	208
11	Mutual Repairs outwith Housing Action Areas	26	26	27	28	28
12	Pumps & Fans - Maintenance & Renewal	51	52	53	55	56
13	Extra Care Housing - Replacement of Carpets, furnishings etc	41	42	43	44	45
14	Standby Generators – Maintenance	45	46	47	48	50
15	Warden call systems- Maintenance and Repair	92	95	97	99	102
16	Provision of Community Alarm	236	242	248	254	260
17	Environmental Improvements	840	861	883	905	928
18	Relets	4,009	4,109	4,212	4,317	4,425
19	Asbestos	16	17	17	18	18
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	235	241	247	253	259
Planned/Cyclical Maintenance Sub Total		12,775	13,095	13,422	13,757	14,101
DAY TO DAY RESPONSE MAINTENANCE						
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	158	162	166	170	175
22	Car Park Repairs	9	9	10	10	10
23	Chimney heads - Repointing and Rebuilding	0	0	0	0	0
24	Condensation - Treatment of Walls	60	62	63	65	66
25	Electrical Work - General Repairs	1,166	1,195	1,225	1,256	1,287
26	Emergency Work - Out of Hours Service	376	386	395	405	415
27	External/Internal Response Paintwork	168	172	176	180	185
28	Fire Damage Repairs	72	74	76	78	80
29	Garage Repairs	10	10	10	10	11
30	Glazier work	167	171	175	179	184
31	Joiner work – General Repairs	2,324	2,382	2,442	2,503	2,565
32	Mason work and Water Penetration Repairs	502	515	528	541	554
33	Minor Environmental Services	372	382	391	401	411
34	Plasterwork – General	236	241	247	254	260
35	Plumber work – General	1,093	1,120	1,148	1,177	1,206
36	Slater work	845	866	887	910	932
37	Snow Clearance	53	55	56	57	59
38	TV Aerial	56	57	59	60	62
39	Rubbish Removal	13	14	14	14	15
40	Vandalism	58	59	61	62	64
41	Water Services Charges	10	11	11	11	11
Day to Day Response Maintenance Total		7,748	7,942	8,140	8,344	8,552
Fees		1,939	1,978	1,998	2,018	2,038
TOTAL REPAIRS AND MAINTENANCE BUDGET		22,462	23,014	23,560	24,119	24,692

Draft Housing Capital Budget 2015/16 to 2019/20

Project	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
SCOTTISH HOUSING QUALITY STANDARDS					
1 Compliant with the tolerable standard					
1.1 Major Repairs- Roofs Renewal/Gutters/RWP/Roughcast Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast	1,000	1,000	1,000	1,000	1,000
	1,000	1,000	1,000	1,000	1,000
2 Free from Serious Disrepair					
2.1 Primary Building Elements					
Structural Repairs Multi Storey Multi Storey blocks are surveyed on a 5-7 year cycle to identify any works required to the structure of the buildings in order to keep the buildings safe and prolong their life.	9,259	9,424	4,489	1,100	1,115
Structural Repairs General Housing Structural works carried out in order to keep the building stable and structurally sound.	1,500	1,000	1,000	1,000	1,000
Secondary Building Elements					
2.2 Upgrading Of Flat Roofs General Replacement of existing roof covering and upgrading of insulation to meet current building regulations.	350	100	50	50	350
2.3 Upgrade Flat Roofs Multi Storey Full replacement of the flat roofs and also checking the replacement of roof ventilation as required	957	1,507	791	1,662	1,745
2.5 Mono Pitched Types Replacement of the external render of the building, replacement of gutters and downpipes, environmental works	750	750	650	650	650
2.6 Window Replace General A rolling programme of double glazing where previously single glazing, or replacing existing double glazing to meet current standards. This is based on a cyclical programme.	290	2,637	2,720	1,249	2,302
2.8 Balcony Storm Doors	154	0	0	0	0
	13,260	15,418	9,700	5,711	7,162
3 Energy Efficient					
Effective insulation					
3.2 General Houses Loft Insulation Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.	72	77	77	82	87
Efficient Heating					
3.3 Heating Systems Replacement Replacement of boiler/whole system as deemed necessary.	7,232	6,598	7,703	9,597	9,794
3.5 Energy Efficiency Major Blocks Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants	1,500	1,575	1,654	1,736	1,823
3.6 Energy Efficiency Sheltered Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.	270	250	200	200	350
Additional Energy Efficiency measures					
3.8 Solid Wall Insulation	500	500	500	500	500

	9,574	9,000	10,134	12,115	12,554
	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000

Modern Facilities & Services

Bathroom and Kitchen Condition

4.1 Modernisation Programme

Replacement of bathrooms and kitchens.

	2,957	1,489	1,479	927	1,096
	2,957	1,489	1,479	927	1,096

5 Healthy, Safe & Secure

Healthy

5.1 Condensation Measures

Installation of heating systems and ventilation measures to combat condensation.

	20	21	22	23	24
--	----	----	----	----	----

Safe

5.3 Rewiring

Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis

	2,512	2,411	2,226	1,812	2,365
--	-------	-------	-------	-------	-------

5.4 Lift Replacement Multi Storey/Major Blocks

Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.

	815	254	266	280	292
--	-----	-----	-----	-----	-----

5.5 Smoke Detectors – Common Areas Major Blocks

	170	159	125	109	92
--	-----	-----	-----	-----	----

5.6 Services

Cyclical maintenance/replacement of the following services
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators

	50	50	50	50	50
--	----	----	----	----	----

Secure

5.11 Door Entry Systems

Installation of door entry and replacement of existing doors where required

	10	10	11	12	12
--	----	----	----	----	----

5.12 Replace Door Entry Systems - Major Blocks

Installation of door entry and replacement of existing doors where required

	25	26	56	88	153
--	----	----	----	----	-----

5.13 Other Initiatives

Upgrading of stairs and installation of security doors and door entry systems

	281	163	120	120	120
--	-----	-----	-----	-----	-----

	3,883	3,094	2,876	2,494	3,108
--	-------	-------	-------	-------	-------

NON SCOTTISH HOUSING QUALITY STANDARDS

6 Community Plan & Single Outcome Agreement

6.1 Housing For Varying Needs

New build including extra care housing.

	600	250	50	50	50
--	-----	-----	----	----	----

6.2 Community Initiatives

Refurbishment of properties or environmental improvements in designated areas.

	600	1,000	1,000	1,000	1,000
--	-----	-------	-------	-------	-------

6.5 Regeneration/Acquisition of Land or Houses

Early Action projects linked to Regeneration and Master planning Briefs for Regeneration.
Acquisition of Land/Houses for the new build programme.

	0	0	0	0	0
--	---	---	---	---	---

6.6 CCTV – Multi Storey

Provision of CCTV for the Multi Storey Service

	147	154	162	170	179
--	-----	-----	-----	-----	-----

6.7 Adaptations Disabled

Installation of level access showers, ramps, stair lifts and kitchen adaptations

	1,250	1,000	1,000	1,000	1,000
--	-------	-------	-------	-------	-------

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
6.8 Special Initiatives/Barrier Free Housing	1,000	200	150	150	150
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions					
6.9 Housing For Varying Needs- Amenity/Adaptations	75	75	75	75	75
Conversion of properties to Amenity Level standard					
6.10 Housing For Varying Needs- Extra Care/Adaptations	25	25	25	25	25
Adaptations required to ensure existing sheltered housing stock meets current standards					
6.11 Roads	100	100	100	100	100
Upgrade of Roads to an adoptable standard					
6.12 Paths	100	100	100	100	100
Formation or upgrading of paths					
6.14 New Affordable Housing	0	0	0	0	0
	3,897	2,904	2,662	2,670	2,679
9 Service Expenditure					
Corporate Fees	5,187	5,519	4,694	3,943	4,130
	5,187	5,519	4,694	3,943	4,130
Gross Programme	39,758	38,424	32,545	28,860	31,729
Less Slippage					
	4,373	4,226	3,579	3,175	3,490
Net Programme	35,385	34,197	28,966	25,685	28,239
Financed by :-					
Borrowing	14,744	12,867	6,038	1,098	1,820
CFRCR	20,641	21,331	22,928	24,588	26,419
Total Funding	35,385	34,197	28,966	25,686	28,239