

**ABERDEEN CITY COUNCIL**  
**HOUSING REVENUE ACCOUNT**  
**2010/11 – 2012/13 BUDGET PAPERS**



**ABERDEEN**  
**CITY COUNCIL**

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**APPENDIX 1**

**ABERDEEN CITY COUNCIL**  
**DRAFT HOUSING REVENUE ACCOUNT**

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## **Assumptions**

In preparing the information for the draft Housing Revenue Account budget for the financial year 2010/11, 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, Senior Accountant on (52)3566 or email [hsherrit@aberdeencity.gov.uk](mailto:hsherrit@aberdeencity.gov.uk). The budget information is available as a set of Excel spreadsheets.

### **Inflation**

In preparing the budget inflation has been added in where appropriate at the relevant rate. Where there is no indicative increment, a rate of approximately 1.2% has been used. Inflation is currently running at approximately 1.3% (RPIX at September 2009).

### **Housing Stock**

The number of Council houses owned by the Council, as at 30 September 2009, is 22,643. It has been assumed that there will be a further 144 sales during the financial year 2009/10, bringing total sales for the year to 200, this is a reduction of 100 from the budgeted amount of 300. The average selling price for the period 1 April 2009 to 30 September 2009 is approximately just above £30,027.

### **Set Aside Rules**

For the financial year 2009/10 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 City Chamberlain recommends that all capital receipts continue to be used to repay debt for the financial year 2010/11 and future years.**

### **Council House Sales**

It has been assumed that the level of house sales will be 200 in 2010/11. The average selling price for 2010/11 is currently estimated at just over £30,027. The average number of houses for the financial year 2010/11 is therefore estimated to be 22,232 properties.

### **Average Rent Prices**

The average rent used for the financial year 2010/11 is £62.38, and this has been used to calculate the income available in 2010/11 to fund the proposed budgeted level of expenditure. The average rent is calculated by taking the average rent for 2009/10 plus 2.3% (RPIX at September 2009 + 1%).

## **Housing Capital Expenditure Programme**

### **Background**

Fiscal year 2009/10 saw the introduction of the realigned Housing Capital Expenditure Budget. The realignment has ensured that the Housing Asset Management Service is well placed to deliver on the relative local housing outcomes detailed in the Single Outcome Agreement 2008-11.

In turn the Housing Capital Expenditure Budget therefore supports the delivery of the following National Outcomes to the citizens of Aberdeen:

- **National Outcome 10:** “We live in well designed sustainable places where we are able to access the amenities we need”; and
- **National Outcome 14:** “We reduce the local and global impact of our consumption and production”

This is in addition to contributing towards the achievement of the following strategic priorities laid out in the Community Plan Update 2008:

- **Affordable Housing** – Increasing the levels of affordable housing in new housing developments; and
- **Regeneration** – Improving the quality of life in our most deprived areas.

The 2009/10 Budget funded the site acquisition and subsequent demolition of Marchburn Nursery, Northfield as well as the demolition of Byron Park in Northfield and site remediation works at Hayton Road, Tillydrone. These are the first steps in providing much needed new affordable housing – the majority of which will be family housing with a front and back door – to some of the most deprived areas of our city.

All of this has been achieved within the existing financial projections contained within the Housing Revenue Account Business Plan.

### **Fiscal Year 2010/11 Onwards**

2010/11 will see the creation of two distinct components within the overall Housing Capital Expenditure Budget, namely the:

- Housing Investment Programme; and
- Housing New Build Programme.

The Housing Investment Programme will primarily focus on:

- The investment in our existing asset base; as well as
- Providing a funding source for taking advantage of opportunities to add to our housing stock through the acquisition of land or buildings; and
- Supporting the new build programme through funding enabling works such as demolition or site remediation.

The Housing New Build Programme will fund the direct construction costs incurred in the Phases 1 and 2 of the new build programme over the next two fiscal years.

### **Housing Investment Programme**

2010/11 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). We continue to make steady progress towards SHQS compliance with 39% of our stock now meeting the standard (as at April 2009). Our compliance position is slightly above the Scottish average of 36%.

2010/11 will also see the commencement of a five year investment programme in providing high efficiency – low carbon emission - gas fired Combined Heat and Power and District Heating schemes to over 20 High Rise Buildings across the City. A number of these buildings are located in the most deprived areas of the city and will provide much welcomed affordable warmth to our customers in a time of ever increasing energy prices.

This is in addition to restarting our normal heating replacement work following the protracted delays caused by the legal challenge to the award of the heating framework tender. 2010/11 will therefore see another step change in the average National Home Energy Rating (NHER) of the council housing stock. The current average is 7.18 (as at 2008/09), which is well above the current SHQS energy efficiency minimum of 5.0.

We plan to start work on a major over cladding scheme to four High Rise buildings in 2010. This will not only protect the structure of these buildings for many years to come but will also introduce much needed insulation into the walls, thereby driving down energy use and fuel costs to the occupiers.

This is an ambitious capital programme that will see a far greater focus on contractor performance and a drive to secure short and longer term programme and procurement efficiencies. This will provide better Value for Money to the Housing Revenue Account as well as increased satisfaction to the end user, our council house tenants.

With this in mind, a 10% efficiency saving has been built into the proposed Housing Investment Budgets for each of the next three years. The Budgets (inclusive of slippage) can be summarised as follows:

2010/11 - £44.732 Million  
2011/12 - £42.738 Million  
2012/13 - £39.464 Million

### **Housing New Build Programme**

Fiscal year 2010/11 will see the Council commence on the construction of the first council housing in a generation. These are to be located at the following sites:

Location	Houses	Flats	Total
Phase 1			
Byron Park, Northfield	16	12	28
Hayton Road, Tillydrone	18	12	30
Rorie Hall, Cults		27	27
Phase 2			
Marchburn, Northfield	19	16	35

85 units are projected to be completed during 2010/11 with a further 35 to be completed in 2011/12.

The Council was successfully in obtaining grant assistance from the Scottish Government for the construction of 85 units in Phase 1 amounting to £25,000 per unit. This will reduce our borrowing requirements by a total of £2.125 Million.

Aberdeen City Council has been awarded £0.875 million by the Scottish Government to help build 35 new council homes in phase 2. The money will be used to build 35 new homes in a family-friendly "Homezone" on the site of the former Marchburn School in Northfield, comprising 19 three-bedroom houses and 16 two-bedroom flats. The Homezone concept ensures that residential streets are designed for people, not traffic, to improve the quality of life.

The contracts for Phase 1 at the time of writing are in the process of being accepted.

The required capital budgets to fund the new build programme over the next three years are as follows:

2010/11 - £10.115 Million

2011/12 - £ 7.540 Million

2012/13 - £ 0.100 Million

### Housing Capital Budget Expenditure Proposal

Taking the above points into consideration, the total Housing Capital Expenditure Budget requirements (inclusive of slippage) for each of the next three fiscal years are as follows:

Fiscal Year	Housing Investment	Housing New Build	Total
2010/11	£44.732 Million	£10.115 Million	£54.847 Million
2011/12	£42.738 Million	£ 7.540 Million	£50.278 Million
2012/13	£39.464 Million	£ 0.100 Million	£39.564 Million

These budgets are currently being updated in the Housing Revenue Account 30 year Business Plan and will be reported back to Committee in May 2010.

### **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 2010/11. 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 adequate working balances. The City Chamberlain recommends that this be set at 5% of final gross expenditure (i.e. it should include capital from current revenue).

### **Rent Setting Strategy**

In setting a rent strategy a number of factors must be considered. These include the following:

- Level of capital investment;
- Scottish Housing Quality Standard;
- Level of additional borrowing;
- Prudential Code;
- Level of capital from current revenue;
- Heat with Rent increases;
- Average rent increases;
- Level of voids;
- Level of working balances; and
- New Build



Housing Revenue Account		Budget	Out-turn	Budget	Notes
		2009/10	2009/10	2010/11	
		£000's	£000's	£000's	
<b>Staff Costs</b>					
1	Salaries	844	844	211	
2	Superannuation	117	117	41	
3	National Insurance	70	70	13	
4	Other Staff Costs	284	284	0	
		<b>1,315</b>	<b>1,315</b>	<b>265</b>	1
<b>Premises Costs</b>					
5	Rates	4	4	2	
6	Rent	87	87	105	2
7	Repairs and Maintenance	24,282	24,282	22,751	3
8	Maintenance of Grounds	2,675	2,675	2,695	4
9	Gas	647	563	705	5
10	Electricity	1,785	1,663	1,663	6
11	Cleaning & Security Service	0	0	1,107	7
12	Window Cleaning	19	19	18	
13	Refuse Collection	63	63	135	8
14	Fly tipping	103	103	0	8
15	Cleaning - Payments to Contractor	442	475	475	9
16	Cleaning Materials	33	33	0	
17	Premises Insurance	100	100	71	10
18	Other Property Costs - Council Tax	332	279	279	11
		<b>30,572</b>	<b>30,346</b>	<b>30,006</b>	
<b>Administration Costs</b>					
19	Downsizing Grants/Direct Debit Incentives	182	182	182	12
20	Legal Expenses	247	294	294	
21	Office Tel / Rent	64	64	73	
22	Former Tenants Arrears	1,379	1,379	1,379	13
23	Charges - Services Admin & Management.	8,156	8,156	8,204	14
24	General Consultancy	50	50	55	15
25	Training for Front Line Staff	200	200	200	15
26	Benefits Staff	98	98	98	15
27	Charges - Tenants Participation	398	398	401	16
28	Charges for Property/Technical	158	158	158	
29	Charges for Environmental Health	148	148	148	
		<b>11,080</b>	<b>11,127</b>	<b>11,192</b>	
<b>Supplies &amp; Services</b>					
30	Provision of Meals	141	141	118	17
31	Equipment Purchase	22	22	55	
32	Television Licence	5	5	5	
33	Integrated Housing System	252	252	265	18
		<b>421</b>	<b>420</b>	<b>443</b>	

		Budget	Out-turn	Budget	
	Housing Revenue Account	2009/10	2009/10	2010/11	
		£'000	£'000	£'000	
	<b>Agencies</b>				
34	Mediation Service	106	106	98	19
35	Provision of Furniture	174	174	174	19
36	Energy Advice	87	87	81	20
37	Citizens Advice Bureau	14	14	14	15
38	Disabled persons Housing Service	38	38	38	15
		<b>419</b>	<b>419</b>	<b>405</b>	
	<b>Transfer Payments</b>				
39	Aberdeen Families Project	410	410	400	21
38	Loss of Rent - Council Houses	629	634	649	22
39	Loss of Rent - Garages, Parking etc	128	142	145	
40	Loss of Rent - Modernisation Works	70	70	48	
41	Supporting People Contribution	477	477	417	23
42	CFCR	12,500	15,262	12,753	
		<b>14,214</b>	<b>16,995</b>	<b>14,412</b>	
	<b>Capital Financing Costs</b>				
43	Loans Fund Instalment	1,098	1,469	2,577	
44	Loans Fund Interest	9,364	7,253	10,664	
45	Heating Leasing Payment	194	151	131	
		<b>10,656</b>	<b>8,873</b>	<b>13,372</b>	24
	<b>Expense Total</b>	<b>68,677</b>	<b>69,495</b>	<b>70,095</b>	
	<b>Income</b>				
46	Government Grant - General	(481)	(481)	(313)	25
47	Ground Rentals	(33)	(33)	(25)	
48	Dwelling Houses Rent Income	(65,178)	(65,870)	(66,571)	26
49	Housing - Heat with Rent Income	(1,067)	(1,056)	(1,056)	27
50	Housing - Garages Rent Income	(976)	(950)	(950)	28
51	Housing - Parking Spaces Rent	(170)	(154)	(154)	28
52	Housing - Insurance Income	(19)	(36)	(36)	28
53	Housing - Other Service Charge	(398)	(494)	(494)	28
54	Legal Expenses	(280)	(346)	(346)	
55	Revenue Balance Interest	(75)	(75)	(150)	29
	<b>Income Total</b>	<b>(68,677)</b>	<b>(69,495)</b>	<b>(70,095)</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Projected Working Balance at 1 April 2010</b>			<b>5,135</b>	
	<b>Less Provision for Pay Award</b>			<b>(33)</b>	
	<b>Projected Working Balance at 31 March 2011</b>			<b>5,102</b>	

## HOUSING REVENUE ACCOUNT 2010/11 BUDGET

### Variance Notes

#### Comparing Draft Budget 2010/11 to Estimated Out-turn 2009/10

#### Expenditure Movements

##### **1. Staff Costs**

This budget covers Estate Caretakers and is based on the existing provision of service (Total £136,668) previously the Caretakers and Concierge costs were shown in this budget line, these budgets have been combined in the line Cleaning & Security Services.

In addition the staff costs for maintaining the Integrated Housing System are included here, similar to the 2009/10 budget. (Total £105,454)

##### **2. Rent**

This budget is for the rent of Police Houses, Accommodation for Community Groups and Housing Offices these have been uplifted by 2.3% the anticipated rent increase.

##### **3. Repairs and Maintenance**

An analysis of the proposed budget is included within this booklet (pages 17 to 18). This budget will be subject to change throughout the year as this budget is needs led but as part of the overall business plan strategy a reduction of spend is being made on this area.

##### **4. Maintenance of Grounds**

Maintenance of Grounds budget has two elements: Ground Maintenance cleansing/Weed control, the budget for 2010/11 is based on the actual expenditure for 2008/09 uplifted by 2.5% reflecting the pay award for 2009/10.

An element of the Housing Grounds Maintenance contract has been subject to market testing during 2009/10, the results of which are not known at present but it is unlikely the contract value will be above the amount contained in the budget.

##### **5. Gas**

A new gas contract commenced on 1 April 2009. The budget has been calculated using the actual usage for 2008/09 and uplifting the various unit charges agreed in the new contract.

##### **6. Electricity**

This is the third year of a three year electricity contract, therefore the budget has been calculated by using the 2008/09 expenditure.

**7. Cleaning & Security Service**

This budget was previously for the cleaning of communal areas which was suspended during 2007/08. A review of the cleaning and security service has been carried out and it is anticipated that a contract for Communal Cleaning and Security will be in place by the end of 2009/10. The budget of £1,107,000 is an estimated amount for what could be required for a revised service and is subject to change.

**8. Refuse Collection**

This budget is very difficult to predict. For 2010/11 the budget for 2009/10 has been calculated by uplifting the refuse collection actual for 2008/09 by 2.5%, in addition the former budget for fly tipping has also been included in this line.

**9. Cleaning – Payments to Contractor**

This is the budget for the cleaning of Extra Care Housing (Formerly known as Sheltered Housing) and has been calculated by using the anticipated out-turn for 2009/10.

**10. Premises Insurance**

The budget for 2010/11 is based on previous years expenditure uplifted by 1.2%.

**11. Other Property Costs – Council Tax on void properties**

This budget is for the cost of Council Tax due on void properties. The out turn for 2008/09 has been used and the assumption is that there will be no increase in Council Tax.

**12. Downsizing Grants/Direct Debit Incentives**

It is currently planned to fund two new schemes from the former tenants incentive scheme these are Downsizing grants and Direct Debit Incentives and these will be contained within the budget of £182,000.

A report is to go to the Housing and Environment Committee for approval of the policy for Downsizing grants. The scheme would provide 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. A potential scheme may pay qualifying tenants a one off payment of £1000 for one spare bedroom, £2000 for two and £3000 for three, to cover removals, carpets and curtains etc and in addition a Like for Like payment.

The Direct Debit incentive scheme will commence on 5 April 2010 and letters will be sent to all tenants along with their rent letters. Each month there will be a monthly draw for all new and existing direct debit payers for a months free rent and in addition an annual draw for a holiday voucher.

**13. Former Tenants Arrears**

The budget has been maintained at the current budgeted level for 2009/10 this allows for potential savings in the level of arrears.

**14. Management & Administration**

The staffing budget is based on the current structure of the Housing Revenue Account no pay award allowance has been built into these calculation, however a provision of £33,000 should be made within the working balance for a possible 0.5% pay award. The other management and administration costs have been calculated principally by uplifting the actual costs in 2008/09 by 2.5%.

**15. General Consultancy, Training for Front Line Staff, Benefits staff, Citizens Advice Bureau, Disabled persons Housing Service**

All of the above budgets were previously contained in the line contingency, no uplifts have been assumed.

General Consultancy allows the Housing Revenue Account to fund one off consultancy expenditure, this could be for example work on the Housing Business Plan.

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 within Social Care and Wellbeing for the time spent with Council House Tenants on maximising income and tackling financial exclusion.

The contribution to the Citizens Advice Bureau provides funding to the service at ARI/Woodend Hospitals for benefits, initially it was believed most of the patients using this service were Council House Tenants, this is being reviewed.

Disabled Persons Housing Service (Aberdeen) (DPHS). The 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.

Grant funding has previously been provided to DPHS and it is proposed that funding would run for a three year period and would cover core funding for the Development Officer's post, plus a portion of 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.

**16. Tenants Participation**

This is the budget allocated for the provision of the Tenants Participation, this includes the teams in each of the Neighbourhoods also such items as Newsbite and training for tenant representatives.

**17. Provision of meals**

The actual expenditure for 2008/09 has been uplifted by 2.5% for the salary increases in 2009/10, this is for the provision of meals at Denmore and Kingswood extra care housing. The income for this service is contained in line 53 of the budget Housing Other Service Charge. The potential increase to this charge is contained in miscellaneous rents page 19. In addition the budget for 2010/11 includes £20,000 for the provision of meals in sheltered housing during the process of modernisation.

**18. Integrated Housing System**

This budget is based on the IT requirements for 2010/11 which includes all the support and maintenance costs. The staff costs for maintaining the system are shown in staff costs as detailed in Note 1.

**19. Mediation Service & Provision of Furniture**

For 2010/11 budgets these have been maintained at the 2009/10 levels.

**20. Energy Advice**

This 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. The 2010/11 budget is as per agreed at Resources Management Committee of 5 February 2009.

**21. Aberdeen Families Project**

This budget is used to fund the Aberdeen Families Project. The Families project is based in the area of Torry, 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.

**22. Loss of Rent Council Houses**

The budget is based on the estimated out-turn for 2009/10 as at the end of September 2009, uplifted by the assumed rent increase of 2.3%. The void trend in 2009/10 is still showing a decrease however it is prudent to assume that further reductions will be difficult to achieve.

**23. 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 2010/11 is based on the actual for 2008/09.

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

#### **24. Capital Financing Costs**

This budget for the Capital Financing Costs has been provided by the Office of City Chamberlain in Corporate Governance based on the likely capital spend in 2009/10 as at the end of September 2009 and a possible future programme for 2010/11 of £54,847 million. It also assumes that the consolidated loans pool rate (the rate used to calculate debt charges) is 6%.

### **Income**

#### **25. Government Grant – General**

This budget is grant income from the Scottish Government for the Hostel deficit funding and is the estimated level of funding for 2010/11 taking into account income from Housing Benefit.

#### **26. Dwelling Houses Rent Income**

The budgeted income from Dwelling House Rent is calculated by using a stock level of 22,232. This is estimated by taking the closing stock on 31 March 2009 of 22,699 (less projected sales of 200 in 2009/10, 100 in 2010/11 and 167 potential properties being removed as a result of the Haudagain development at an average rental of £62.38 (average £60.98 for 2009/10 +1.3% RPIX at September 2009 +1%) for 48 weeks.

#### **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 the new contract rates were provided by the Council's Energy Management Unit for each extra care complex. A new contract for the provision of gas started on 1 April 2009. The energy used in the common rooms and guest rooms have been removed from the calculation as these costs are funded by rent pooling. The revised consumption has been multiplied by the agreed rate to be paid on the gas contract. This gives an estimated cost in 2010/11 for gas heated properties on heat with rent of £470,396.
- Electricity  
The projected energy consumption and rates were provided by the Council's Energy Management Unit for each sheltered complex. The three year electricity contract started on 1 April 2008 at an increased rate of 25%. Reductions in the consumption were made for the common rooms and guest rooms as these costs are funded by rent pooling. The consumption has been multiplied by the agreed rate on the electricity contract. This gives an estimated cost in 2010/11 for electrically heated properties on heat with rent of £294,874.

- Combined Heat & Power (CHP)  
Aberdeen Heat and Power have advised that there rate charged to Aberdeen City Council will be maintained at £8.30 per week for each property on CHP. This equates to an annual cost of £351,754.

**29. Housing – Other Service Charges**

This line will move depending on the level that miscellaneous rents are set at, as covered on page 19. The current budget therefore assumes that there will be no increase at present.

**30. Interest on Revenue Balances**

This is akin to bank interest received on the HRA's cash flow during the year. Budget is based on anticipated rate of interest.



<b>HOUSING REPAIRS DRAFT BUDGET</b>		<b>Approved Budget 2009/10 £'000</b>	<b>Base Budget 2010/11 £'000</b>
<b>PLANNED AND CYCLICAL MAINTENANCE</b>			
1	External Joinerwork Repairs including external painterwork etc.	2,050	1,250
2	Boiler Maintenance – Sheltered Housing	220	200
3	Controlled Entry Systems – Maintenance	62	200
4	Fire Precautions - Servicing & Renewal of Equipment incl Smoke Detectors & Dry Risers	123	145
5	Flat Roofs/Dormers – Renewal & Insulation	0	15
6	Common Rooms – Replacement of Furniture	120	90
7	Gas Servicing, Maintenance and Repair	2,755	2,800
8	Laundry Equipment Replacement & Maintenance	62	45
9	Legionella Testing incl. Repair/Renewal of Tanks	513	150
10	Lift Maintenance	292	170
11	Mutual Repairs outwith Housing Action Areas	62	30
12	Pumps & Fans - Maintenance & Renewal	108	70
13	Sheltered Housing - Replacement of Carpets, furnishings etc	120	70
14	Standby Generators – Maintenance	77	55
15	Warden call systems- maintenance and Repair	171	90
16	Provision of Community Alarm	170	130
17	Environmental Improvements	1,660	1,250
18	Contracting Services Prelim payments	472	0
19	Relets	4,100	3,817
<b>DAY TO DAY RESPONSE MAINTENANCE</b>			
20	Asbestos	200	300
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	255	280
22	Car Park Repairs	9	8
23	Chimneyheads - Repointing and Rebuilding	7	5
24	Condensation - Treatment of Walls	107	65
25	Electrical Work - General Repairs	975	1,510
26	Emergency Work - Out of Hours Service	725	620
27	External/Internal Response Paintwork	294	350
28	Fire Damage Repairs	95	50
29	Garage Repairs	10	25
30	Glazierwork	168	190
31	Joinerwork - General Repairs	2,314	2,850
32	Masonwork and Water Penetration Repairs	1,118	800
33	Minor Environmental Services	82	150
34	Plasterwork – General	304	300
35	Plumberwork – General	1,134	1,450
36	Slaterwork	940	900
37	Snow Clearance	51	51
38	TV Aerial	123	110
39	Rubbish Removal	118	100
40	Vandalism	308	250
41	Water Services Charges	10	10
<b>HOUSING REPAIRS TOTAL</b>		<b>22,482</b>	<b>20,951</b>
41	Fees	1,800	1,800
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>24,282</b>	<b>22,751</b>

## **REPAIRS AND MAINTENANCE BUDGET 2010/11**

The review has been undertaken of the Repairs and Maintenance budget for 2010/11 reducing the budget from £24.282 million in 2009/10 to £22.751 in 2010/11. All items of a capital nature will be charged to directly to capital for example the modernisation of kitchens and bathrooms on void properties and not revenue.

Although main response trades are currently showing increases on budget figure it should be noted that plumberwork both in terms of number of jobs and total cost has fallen significantly since the introduction of Dynamic Scheduling within Building Services. This in turn when fully implemented across all response repairs, together with the introduction of mobile working during 2010, will provide significant savings, higher productivity and an overall improved service to customers linked to best value. However, it should be noted with the increase in apprentices there is a cost pressure although this can be contained within the budget.

Reductions to 2010/11 budget have also been made in areas where work is not demand led but based on a planned maintenance format i.e. Item 1 external Paintwork, Item 17 Environmental Improvements and Item 19 Relets.

The base budget has been proposed taking into cognisance areas of expenditure that were previously set against capital including smoke detector installations; crime prevention works and environmental improvements. The budget also identifies variations in outturn from budget provision to inform future year's spend.

<b>Management &amp; Admin</b>			<b>Proposed</b>	
		<b>Budget</b>	<b>Budget</b>	
		<b>2009/10</b>	<b>2010/11</b>	
		<b>£000's</b>	<b>£000's</b>	
	<b>Staff Costs</b>			1
1	APT&C C.O – Salaries	5,737	6,674	
2	APT&C C.O – Overtime	122	110	
3	APT&C C.O – Superannuation	982	1,213	
4	APT&C C.O - N.I	387	465	
5	General Manual – Salaries	343	437	
6	General Manual – Overtime	300	7	2
7	General Manual - Superannuation	110	83	
8	General Manual - N.I	42	24	
9	Other Staff Costs	355	290	
		<b>8,378</b>	<b>9,303</b>	
	<b>Premises Costs</b>			
10	Rates	91	327	3
11	Rent	516	582	
12	Insurance	1	3	
13	Electricity/Gas	75	218	3
14	Void Properties	127	230	3
15	Rubbish Removal	60	64	
16	Cleaning	87	56	
17	Repairs and Maintenance	137	105	
		<b>1,094</b>	<b>1,585</b>	
	<b>Administration Costs</b>			
19	Printing	195	106	5
20	Photocopying	20	20	
21	Stationery	31	29	
22	Subscriptions	12	16	
23	Postages	86	80	
24	Telephones	36	32	
25	Bank Charges	37	36	
26	Advertising	56	63	
27	Course Expenses	106	99	
28	Legal Expenses	16	9	
29	Former Tenants Arrears	20	193	6
30	Insurances	1	1	
		<b>616</b>	<b>684</b>	

		<b>Budget</b>	<b>Proposed</b>	
		<b>2009/10</b>	<b>Budget</b>	
		<b>£'000</b>	<b>2010/11</b>	
		<b>£'000</b>	<b>£'000</b>	
	<b>Transport Costs</b>			
31	Travel & Subsistence	102	88	
32	Car Parking Spaces	12	11	
33	Other Travel Costs	46	3	
		<b>160</b>	<b>102</b>	
	<b>Supplies &amp; Services</b>			
34	Equipment Purchases	44	51	
35	Computer Software Support	3	18	
36	Office Equipment	12	7	
37	Books & Newspapers	1	1	
38	Bed & Breakfast	952	1,039	7
39	Sundry Outlays	100	105	
		<b>1,112</b>	<b>1,221</b>	
	<b>Central Admin</b>			
40	Central Admin	2,460	1,938	8
		<b>2,460</b>	<b>1,938</b>	
	<b>Expense Total</b>	<b>13,820</b>	<b>14,833</b>	
	<b>Income</b>			
	Recharges:-			
41	Management & Admin – HRA	(8,156)	(8,204)	
42	Tenants Participation - HRA	(398)	(401)	
44	Supporting People	(314)	(220)	
45	Other Housing	(262)	(273)	
46	Homeless Persons	(1,432)	(2,298)	
47	Housing Capital	(1,438)	(1,496)	
48	Social Work	(71)	(73)	
		(12,071)	(12,965)	
49	Fees & Charges	(1,749)	(1,868)	
	<b>Income Total</b>	<b>(13,820)</b>	<b>(14,833)</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	

## **MANAGEMENT AND ADMINISTRATION BUDGET**

### **Variances and Notes**

The 2010/11 budget for management and administration on the existing structure of Housing which will be subject to change.

**1. Staff Costs**

Staff costs have been increased to reflect annual salary increments and increases in employers' Superannuation and National Insurance costs. Included now within this budget are an element of the Corporate Director and Heads of Service for Housing and Environment.

**2. General Manual – Overtime**

This was the budget for the Hostel for overtime and shift allowance, which has now changed as a result of the pay and conditions in the equal pay and modernisation.

**3. Rent**

The increase in rental reflects the anticipated increase in Homeless flats.

**4. Void Properties**

This is the budget for the void Homeless, Young Single Homeless properties and Clinterty Travelling Peoples Site. The budget provision for 2010/11 reflects the target level of voids of 10% and not the current trends.

**5. Printing**

This budget is based on the actual spend in 2008/09 uplifted by an annual inflationary rate of 1.2%.

**6. Former Tenants Arrears**

This is principally the budget for the Homeless Flats former tenants arrears it is based on 10% of the rental income.

**7. Bed & Breakfast**

Bed & Breakfast costs still remain high and this is reflected in the 2010/11 budget. Primarily these costs are high due to the number of people presenting themselves as homeless and having to be housed with Bed and Breakfast accommodation.

**8. Central Support**

This budget is based on the current services being provided to Housing and may be subject to change.

<b>ABERDEEN CITY COUNCIL HOUSING REVENUE ACCOUNT</b>					
<b>Proposed Increase to be included in the HRA budget - Miscellaneous Rents</b>					
	<b>2 0 1 0 / 2 0 1 1</b>				
	<b>Current</b>	<b>Proposed</b>	<b>Increase</b>	<b>Percentage</b>	<b>Additional</b>
	<b>Rental</b>	<b>Rental</b>	<b>Per Week</b>	<b>Increase</b>	<b>Income</b>
<b>Miscellaneous Increases</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>	<b>£</b>
Garages	7.90	8.10	0.20	2.53	20,429
Denburn and West North Street Spaces	4.10	4.20	0.10	2.44	3,010
Garages Sites	3.10	3.20	0.10	3.23	5,084
Car Ports	3.50	3.60	0.10	2.86	691
Car Parking Spaces	3.10	3.20	0.10	3.23	4,128
Parking Spaces Outside the Zone	7.90	8.10	0.20	2.53	394
Window Cleaning	0.75	0.80	0.05	6.67	396
Meals at Denmore & Kingswood	32.80	32.80	0	0	0
Mortgage Reference Fees	54.40	55.00	0.60	1.10	17
Guest Rooms	14.20	14.50	0.30	2.11	770
Owners Administration fees	10.05	10.05	0	0	0
					<b>34,918</b>
<b>TOTAL ADDITIONAL INCOME NOT INCLUDED IN THE BASE BUDGET</b>					
<b>General Services</b>					
<b>Housing - Homeless Account</b>					
Homeless Flats – Service Charge	152.00	152.00	0	0	0
Single Homeless	74.00	76.00	2.00	2.70	576
Clinterty Caravan Site	64.00	70.00	6.00	9.38	6,048
Furniture Service Charge (See Page 26)	0	0	0	0	0
					<b>6,624</b>
<b>Housing Revenue Account</b>					
<b>Accommodation Units (Grant Funded)</b>					
Adult (first2)	47.00	48.00	1.00	2.13	13,750
Child	31.00	32.00	1.00	3.23	6,875
					<b>20,625</b>

<b>Heat with Rent – 48 week basis</b>		
	<b>Previous</b>	<b>Proposed</b>
<b>Gas Heated Properties</b>	<b>£</b>	<b>£</b>
Bedsits	7.10	7.35
1 bedroomed flats	7.60	7.85
2 bedroomed flats	8.10	8.35
3 bedroomed flats	8.60	8.85
<b>Electrically Heated Properties</b>		
Bedsits	8.10	8.35
1 bedroomed flats	8.60	8.85
2 bedroomed flats	9.10	9.35
3 bedroomed flats	9.60	9.85
<b>CHP Properties</b>		
All 1 Bedroomed Properties	7.35	7.60
All 2 Bedroomed Properties	7.85	8.10
All 3 Bedroomed Properties	8.35	8.60

### Heat with Rent calculations for 2010/11

It is proposed to apply an overall **increase of £0.25 per week** across all the Council's Heat with Rent properties. This is an **increase of between 2.60% and 3.52%**.

This would generate sufficient income to just about break even between the costs to the Council of providing the electricity, gas and Combined Heat with Power charges for the heating in these dwellings.

Type of heating	Estimated cost to Council	Estimated income to cover costs
Electric or oil	£294,874	£328,186
Gas	£470,396	£482,545
CHP	£351,754	£308,707
<b>Total</b>	<b>£1,117,024</b>	<b>£1,119,438</b>

This would equate to the following weekly Heat with Rent charges for 2010/11:

#### for electrically and oil heated properties:

Bedsits	£8.35	Increase of 3.09%
1 bedroomed dwellings	£8.85	Increase of 2.91%
2 bedroomed dwellings	£9.35	Increase of 2.75%
3 bedroomed dwellings	£9.85	Increase of 2.60%

#### for gas heated properties:

Bedsits	£7.35	Increase of 3.52%
1 bedroomed dwellings	£7.85	Increase of 3.29%
2 bedroomed dwellings	£8.35	Increase of 3.09%
3 bedroomed dwellings	£8.85	Increase of 2.91%

#### for CHP heated properties:

1 bedroomed dwellings	£7.60	Increase of 3.40%
2 bedroomed dwellings	£8.10	Increase of 3.18%
3 bedroomed dwellings	£8.60	Increase of 2.99%

Aberdeen City Council's contracts for both Electric and Gas are fixed for 2010/11 therefore will not be subject to change, CHP has agreed on a to maintain the charge at 2009/10 level.

Heat with Rent applies to all Council owned extra care housing schemes, and to all flatted blocks with communal heating systems. At the proposed rates none of the Council's Heat with Rent tenants will be in fuel poverty.





## **Introduction of a Furnishing Service Charge**

Resources Management Committee on 5 May 2009 approved the recommendation to allow officers to explore the possible introduction of a service charge for furnished tenancies.

Furnishing were provided for new tenants through two different funding streams. The Homeless Strategy Budget provides funding for tenants who have been housed following a homeless presentation. The HRA provides funding for tenants who are identified as having a need for assistance by a Housing Assistant.

The introduction of a service charge will lead to significant additional work and costs being incurred in maintaining the furnishings and administering the furnishing service. However the introduction of a service charge should lead to a reduction in the overall spend for both General Services Housing and the Housing Revenue Account with the aim of ultimately reducing the costs to zero. Initially furnishing will need to be purchased with the service charge income building up slowly as new tenants receive the service. The provision of furnishing will require a continuing budget commitment but one which will reduce over time.

The furnishing service will need to be designed in such a way to ensure that the service charge is eligible for Housing Benefit. Any tenant not in receipt of housing benefit will need to decide if paying a service charges agreed offer a cost effective solution for tenants.

Firstly a decision will need to be made on the type of scheme to be taken forward. There are four options available to Aberdeen City Council for the provision of furnishing-

Option 1 – To continue with the Status Quo this is to provide furnishings to tenants at no charge and the Council will continue to fund the full cost of supplying and administering the service. This allows the tenants to move into the property at the start of the tenancy.

Option 2 – To Discontinue the Furnishing Service this will provide a saving to the Council in both monetary and staff time. This would be a significant reduction in the service to tenants, which could mean that a number are unable to delay a move into permanent accommodation which could lead to further pressure on temporary accommodation and increase void rent.

Option 3 – Introduce a service charge to the scheme. The scheme would eventually become self financing but an additional member of staff would be required to administer the scheme, the costs would be covered by the scheme. Housing Benefit would cover the service charge for those eligible for Housing Benefit and would allow the tenant to move into the property at the start of the tenancy.

Option 4 – Introduce a service charge to the scheme but no electrical goods to be provided. Such a scheme would be at a reduced cost and administration. Housing Benefit would cover the service and it would allow the tenant to oved into property at the start of the tenancy.

A detailed report along with potential costs will be going to the Housing and Environment 13 April 2010 to approve one of the options above.

**Other Local Authorities**  
**Average Rent Levels 2009/10**

	2009/10
	£
Aberdeen	60.98
Aberdeenshire	54.77
Angus	47.73
Argyll & Bute (*)	0
Clackmannanshire	53.86
Comhairle Nan Eilean Siar (*)	0
Dumfries & Galloway (*)	0
Dundee	60.04
East Ayrshire	55.10
East Dunbartonshire	61.18
East Lothian	46.02
East Renfrewshire	54.32
Edinburgh	70.94
Falkirk	53.92
Fife	54.56
Glasgow (*)	0
Highland	63.93
Inverclyde	0
Midlothian	60.98
Moray	44.17
North Ayrshire	58.65
North Lanarkshire	54.81
Orkney	53.5
Perth & Kinross	54.34
Renfrewshire	62.48
Scottish Borders (*)	0
Shetland	61.73
South Ayrshire	56.82
South Lanarkshire	56.23
Stirling	58.39
West Dunbartonshire	53.97
West Lothian	60.09

\* Denotes Housing Stock has been transferred

Based on 48 weeks

## **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 was.

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. This has meant large rent increases over the last four years has allowed the Council to speed up the Capital Programme and build a foundation for future investment in Council homes.

Further, a questionnaire was sent out to tenants in October 2009 to ascertain views on the possible rent increase inflation plus 1%. Below shows the result 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?

	<b>Frequency</b>	<b>Percent</b>
<b>Yes</b>	1,798	78
<b>No</b>	482	21
<b>Don't know</b>	21	1
<b>Total</b>	2,301	100

Housing Revenue Account		Budget	Budget	Budget	Notes
		2010/11	2011/12	2012/13	
		£000's	£000's	£000's	
<b>Staff Costs</b>					
1	Salaries	211	212	213	
2	Superannuation	41	41	41	
3	National Insurance	13	13	13	
4	Other Staff Costs	0	0	0	
		<b>265</b>	<b>266</b>	<b>268</b>	1
<b>Premises Costs</b>					
5	Rates	2	2	2	
6	Rent	105	107	108	
7	Repairs and Maintenance	22,751	21,751	20,751	2
8	Maintenance of Grounds	2,695	2,708	2,722	3
9	Gas	705	705	740	4
10	Electricity	1,663	1,663	1,746	5
11	Cleaning & Security Service	1,107	1,113	1,168	
12	Window Cleaning	18	18	18	
13	Refuse Collection	135	136	136	
14	Fly tipping	0	0	0	
15	Cleaning - Payments to Contractor	475	477	480	
16	Cleaning Materials	0	0	0	
17	Premises Insurance	71	71	71	
18	Other Property Costs - Council Tax	279	283	287	
		<b>30,006</b>	<b>29,034</b>	<b>28,230</b>	
<b>Administration Costs</b>					
19	Down sizing Grants/Direct Debit Incentives	182	182	182	
20	Legal Expenses	294	295	297	
21	Office Tel / Rent	73	73	74	
22	Former Tenants Arrears	1,379	1,379	1,379	
23	Charges - Services Admin & Management	8,204	8,245	8,286	6
24	General Consultancy	55	55	55	
25	Training for Front Line Staff	200	200	200	
26	Benefits Staff	98	98	99	
27	Charges - Tenants Participation	401	403	405	
28	Charges for Property/Technical	158	159	160	
29	Charges for Environmental Health	148	149	149	
		<b>11,192</b>	<b>11,238</b>	<b>11,285</b>	
<b>Supplies &amp; Services</b>					
30	Provision of Meals	118	119	119	
31	Equipment Purchase	55	55	56	
32	Television Licence	5	5	5	
33	Integrated Housing System	265	266	268	
		<b>443</b>	<b>445</b>	<b>447</b>	

		Budget	Budget	Budget	
	Housing Revenue Account	20010/11	2011/12	2012/13	
		£'000	£'000	£'000	
	<b>Agencies</b>				
34	Mediation Service	98	98	99	
35	Provision of Furniture	174	175	176	
36	Energy Advice	81	81	82	
37	Citizens Advice Bureau	14	14	14	
38	Disabled Persons Housing Service	38	38	38	
		<b>405</b>	<b>407</b>	<b>409</b>	
	<b>Transfer Payments</b>				
39	Aberdeen Families Project	400	402	404	
40	Loss of Rent - Council Houses	649	659	667	
41	Loss of Rent - Garages, Parking etc	145	145	145	
42	Loss of Rent - Modernisation Works	48	49	49	
43	Supporting People Contribution	417	417	417	
44	CFCR	12,753	10,446	8,558	
		<b>14,412</b>	<b>12,117</b>	<b>10,241</b>	
	<b>Capital Financing Costs</b>				
42	Loans Fund Instalment	2,577	4,353	5,619	
43	Loans Fund Interest	10,664	12,492	14,115	
44	Heating Leasing Payment	131	131	131	
		13,372	16,976	19,865	
	<b>Expense Total</b>	<b>70,095</b>	<b>70,485</b>	<b>70,745</b>	
	<b>Income</b>				
45	Government Grant – General	(313)	(315)	(316)	
46	Ground Rentals	(25)	(25)	(25)	
47	Dwelling Houses Rent Income	(66,571)	(66,959)	(67,218)	7
48	Housing - Heat with Rent Income	(1,056)	(1,056)	((1,056)	
49	Housing - Garages Rent Income	(950)	(950)	(950)	
50	Housing - Parking Spaces Rent	(154)	(154)	(154)	
51	Housing - Insurance Income	(36)	(36)	(36)	
52	Housing - Other Service Charge	(494)	(494)	(494)	
53	Legal Expenses	(346)	(346)	(346)	
54	Revenue Balance Interest	(150)	(150)	(150)	
	<b>Income Total</b>	<b>(70,095)</b>	<b>(70,485)</b>	<b>(70,745)</b>	
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	Minimum Working Balances	(3,505)	(3,524)	(3,537)	

## **HOUSING REVENUE ACCOUNT THREE YEAR BUDGET ASSUMPTIONS**

### **1. Staff Costs**

This budget has been uplifted by 0.5% in 2011/12 and 2012/13.

### **2. Repairs and Maintenance**

The analysis of the three year budget is included within this booklet (page xx). It is assumed that there will be a reduction in expenditure of £1 million in 2011/12 and 2012/13, due to the impact of the modernisation programme. Also the budget has been based on a 50:50 split on planned and cyclical maintenance and day to day response maintenance.

### **3. Maintenance of Grounds**

An uplift of 0.5% has been used for 2011/12 and 2012/13.

### **4. Gas, Electricity**

Due to the volatility of the energy market future energy prices are very difficult to predict therefore in 2011/12 they have been maintained at 2010/11 prices and in 2012/13 a 5% uplift.

### **5. Management & Administration**

As this budget is principally for staffing an annual increase of 0.5% has been assumed.

### **6. Dwelling Houses Rent Inc**

The budgeted income from Dwelling House Rent is calculated by using the following stock levels 2011/12 22,032 and 2012/13 21,832. Built into these stock levels are projected sales and properties removed off the charge. The average rental has been increased by 1.5% in 2011/12 and 1.3% in 2012/13. The RPIX figures used are estimates these have been taken from Sector Weedon Grant Interest Rate Outlook 2009/10 issued in October 2009.

<b>HOUSING REPAIRS DRAFT BUDGET</b>		<b>Base Budget 2010/11 £'000</b>	<b>Base Budget 2011/12 £'000</b>	<b>Base Budget 2012/13 £'000</b>
<b><u>PLANNED AND CYCLICAL MAINTENANCE</u></b>				
1	External Joinerwork Repairs including external paintwork etc.	1,250	1,250	1,250
2	Boiler Maintenance - Extra Care Housing	200	200	200
3	Controlled Entry Systems – Maintenance	200	200	200
4	Fire Precautions - Servicing & Renewal of Equipment incl Smoke Detectors & Dry Risers	145	145	145
5	Flat Roofs/Dormers – Renewal & Insulation	15	15	15
6	Common Rooms - Replacement of Furniture	90	90	90
7	Gas Servicing, Maintenance and Repair	2,800	2,800	2,800
8	Laundry Equipment Replacement & Maintenance	45	45	45
9	Legionella Testing incl. Repair/Renewal of Tanks	150	150	150
10	Lift Maintenance	170	170	170
11	Mutual Repairs outwith Housing Action Areas	30	30	30
12	Pumps & Fans - Maintenance & Renewal	70	70	70
13	Extra Care Housing - Replacement of Carpets, furnishings etc	70	70	70
14	Standby Generators – Maintenance	55	55	55
15	Warden call systems- maintenance and Repair	90	90	90
16	Provision of Community Alarm	130	130	130
17	Environmental Improvements	1,250	1,250	1,250
18	Relets	3,817	2,817	1,817
19	Asbestos	300	300	300
<b><u>DAY TO DAY RESPONSE MAINTENANCE</u></b>				
20	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	280	280	280
21	Car Park Repairs	8	8	8
22	Chimneyheads - Repointing and Rebuilding	5	5	5
23	Condensation - Treatment of Walls	65	65	65
24	Electrical Work - General Repairs	1,510	1,510	1,510
25	Emergency Work - Out of Hours Service	620	620	620
26	External/Internal Response Paintwork	350	350	350
27	Fire Damage Repairs	50	50	50
28	Garage Repairs	25	25	25
29	Glazierwork	190	190	190
30	Joinerwork - General Repairs	2,850	2,850	2,850
31	Masonwork and Water Penetration Repairs	800	800	800
32	Minor Environmental Services	150	150	150
33	Plasterwork – General	300	300	300
34	Plumberwork – General	1,450	1,450	1,450
35	Slaterwork	900	900	900
36	Snow Clearance	51	51	51
37	TV Aerial	110	110	110
38	Rubbish Removal	100	100	100
39	Vandalism	250	250	250
40	Water Services Charges	10	10	10
<b>HOUSING REPAIRS TOTAL</b>		<b>20,951</b>	<b>19,951</b>	<b>18,951</b>
	Fees	1,800	1,800	1,800
<b>TOTAL REPAIRS AND MAINTENANCE BUDGET</b>		<b>22,751</b>	<b>21,751</b>	<b>20,751</b>



<b>Management &amp; Admin</b>				
		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
		<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Staff Costs</b>				
1	APT&C C.O – Salaries	6,674	6,707	6,741
2	APT&C C.O – Overtime	110	111	111
3	APT&C C.O – Superannuation	1,213	1,219	1,225
4	APT&C C.O - N.I	465	467	470
5	General Manual – Salaries	437	439	441
6	General Manual – Overtime	7	7	7
7	General Manual – Superannuation	83	83	84
8	General Manual - N.I	24	24	24
9	Other Staff Costs	290	291	293
		<b>9,303</b>	<b>9,350</b>	<b>9,396</b>
<b>Premises Costs</b>				
10	Rates	327	329	330
11	Rent	582	585	588
12	Insurance	3	3	3
13	Electricity/Gas	218	219	220
14	Void Properties	230	231	232
15	Rubbish Removal	64	64	65
16	Cleaning	56	56	57
17	Repairs and Maintenance	105	106	106
		<b>1,585</b>	<b>1,593</b>	<b>1,601</b>
<b>Administration Costs</b>				
19	Printing	106	107	107
20	Photocopying	20	20	20
21	Stationery	29	29	29
22	Subscriptions	16	16	16
23	Postages	80	80	81
24	Telephones	32	32	32
25	Bank Charges	36	36	36
26	Advertising	63	63	64
27	Course Expenses	99	99	100
28	Legal Expenses	9	9	9
29	Former Tenants Arrears	193	194	195
30	Insurances	1	1	1
		<b>684</b>	<b>687</b>	<b>691</b>

		<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
		<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Transport Costs</b>			
31	Travel & Subsistence	88	88	89
32	Car Parking Spaces	11	11	11
33	Other Travel Costs	3	3	3
		<b>103</b>	<b>103</b>	<b>103</b>
	<b>Supplies &amp; Services</b>			
34	Equipment Purchases	51	51	52
35	Computer Software Support	18	18	18
36	Office Equipment	7	7	7
37	Books & Newspapers	1	1	1
38	Bed & Breakfast	1,039	1,044	1,049
39	Sundry Outlays	105	106	106
		<b>1,221</b>	<b>1,227</b>	<b>1,233</b>
	<b>Central Admin</b>			
40	Central Support	1,938	1,948	1,957
		<b>1,938</b>	<b>1,948</b>	<b>1,957</b>
	<b>Expense Total</b>	<b>14,833</b>	<b>14,907</b>	<b>14,982</b>
	<b>Income</b>			
	Recharges:-			
41	Management & Admin – HRA	(8,204)	(8,245)	(8,286)
42	Tenants Participation – HRA	(401)	(403)	(405)
42	Supporting People	(220)	(221)	(222)
43	Other Housing	(273)	(274)	(276)
44	Homeless Persons	(2,298)	(2,309)	(2,321)
45	Housing Capital	(1,496)	(1,503)	(1,511)
46	Social Work	(73)	(73)	(74)
		(12,965)	(13,028)	(13,095)
47	Fees & Charges	(1,868)	(1,879)	(1,887)
	<b>Income Total</b>	<b>(14,833)</b>	<b>(14,907)</b>	<b>(14,982)</b>
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Draft Housing Capital Budget 2010/11 to 2012/13**

Project	2010/11	2011/12	2012/13
	£'000	£'000	£'000
<b>SCOTTISH HOUSING QUALITY STANDARDS</b>			
<b>1 Compliant with the tolerable standard</b>			
1.1 B.T.S Houses For the refurbishment works to below tolerable standard properties	50	50	50
1.2 H.A.A. Council Flats For the refurbishment works to properties in the Housing Action Area	50	50	50
	100	100	100
<b>2 Free from Serious Disrepair</b>			
<b>2.1 Primary Building Elements</b>			
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.	2,700	3,603	2,995
Structural Repairs General Housing Structural works carried out in order to keep the building stable and structurally sound.	1,440	1,440	1,200
<b>Secondary Building Elements</b>			
2.2 Upgrading Of Flat Roofs General Replacement of existing roof covering and upgrading of insulation to meet current building regulations.	150	150	150
2.3 Upgrade Flat Roofs Multi Storey Full replacement of the flat roofs and also checking the replacement of roof ventilation as required	700	700	510
2.4 Major Repairs- Roofs Renewal/Gutters/RWP/Roughcast Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast	500	500	500
2.5 Mono Pitched Types Replacement of the external render of the building, replacement of gutters and downpipes, environmental works	500	500	250
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.	830	800	600
2.7 Window Replace Multi Storey A rolling programme to replace existing double glazing to meet current standards. This is based on a cyclical programme.	300	400	400
2.8 Balcony Storm Doors Replacement of existing doors with more secure, solid doors	60	60	60
2.9 Balcony Glass Renewal - Multi Storey Replacement of existing balcony glazing on a cyclical basis	0	90	90
	7,180	8,243	6,755

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
<b>3 Energy Efficient</b>			
<u>Effective insulation</u>			
3.1 General Houses Loft Insulation	0	0	220
Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.	50	50	50
<u>Efficient Heating</u>			
3.3 Heating Systems Replacement	4,300	5,300	4,950
Replacement of boiler/whole system as deemed necessary.			
3.4 Medical Need Heating	10	10	10
Installation of gas/electric heating depending on the medical assessment. This can be installing a completely new system, modifying or extending an existing system.			
3.5 Energy Efficiency Multi Blocks	2,220	2,220	2,220
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants			
3.6 Energy Efficiency Sheltered	200	200	200
Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.			
<u>Additional Energy Efficiency measures</u>			
3.7 S.C.A.R.F	35	35	35
Payment to SCARF for work carried out by them under the Energy Efficiency programme to individual council properties. The work carried out includes the installation of loft insulation, Draughtproofing and compact fluorescent bulbs. Also, providing tenants with energy efficiency advice and information.			
3.8 Solid Wall Insulation	50	50	50
Installation of solid wall insulation where there was none previously.			
3.9 Vestibule Doors	15	15	15
Installation of new doors where there were none before.			
	<b>6,880</b>	<b>7,880</b>	<b>7,750</b>
<b>4 Modern Facilities &amp; Services</b>			
<u>Bathroom and Kitchen Condition</u>			
4.1 Modernisation Programme	21,952	18,070	16,401
Replacement of bathrooms and kitchens.			
	<b>21,952</b>	<b>18,070</b>	<b>16,401</b>
<b>5 Healthy, Safe &amp; Secure</b>			
<u>Healthy</u>			
5.1 Condensation Measures	50	50	50
Installation of heating systems and ventilation measures to combat condensation.			
<u>Safe</u>			
5.3 Rewiring	1,100	1,100	1,000
Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis			
5.4 Lift Replacement Multi Storey/Major Blocks	600	600	600
Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.			
5.6 Services	36	50	50
Cyclical maintenance/replacement of the following services Ventilation Systems, water tanks/pipework, refuse chutes/chamber, Dry risers systems, Standby Generators			

	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Healthy, Safe &amp; Secure (continued)</b>			
5.7 Entrance Halls/Concierge Provision of security service - under discussion	50	50	50
5.8 Laundry Facilities Replacement of laundry equipment	25	75	50
5.9 Lighting Of Common Stairs Installation of lighting controlled by photo cell ie switches on and off automatically depending on the level of natural light.	10	10	10
5.10 Provision Of External Lighting Installation of lighting in areas where there was none before.	30	26	26
<u>Secure</u>			
5.1 Door Entry Systems Installation of door entry and replacement of existing doors where required	40	40	40
5.1 Replace Door Entry Systems - Major Blocks Installation of door entry and replacement of existing doors where required	218	240	220
5.1 Other Initiatives Upgrading of stairs and installation of security doors and door entry systems	900	900	400
	<b>3,059</b>	<b>3,141</b>	<b>2,496</b>
<b>NON SCOTTISH HOUSING QUALITY STANDARDS</b>			
<b>6 Community Plan &amp; Single Outcome Agreement</b>			
6.1 Housing For Varying Needs New build including extra care housing.	100	0	0
6.2 S.U.R.E. Refurbishment of properties or environmental improvements in designated areas.	350	200	200
6.3 Masionette blocks - Regeneration/Affordable Housing Early Action projects linked to Regeneration and Masterplanning Briefs for Regeneration	450	400	400
6.4 Regeneration Strategy Provision of consultation events required for promoting Regeneration in Priority Areas	200	200	200
6.5 Acquisition of Land/Houses Acquisition of Land/Houses for the new build programme	1,000	1,000	1,000
6.6 CCTV – Concierge Provision of CCTV for the new Concierge service	400	150	150
6.7 Adaptations Disabled Installation of level access showers, ramps, stair lifts and kitchen adaptations	1,450	1,450	1,250
6.8 Special Initiatives/Barrier Free Housing Provision of specialist facilities or housing for tenants with particular needs ie extensions	300	250	250
6.9 Housing For Varying Needs- Amenity/Adaptations Conversion of properties to Amenity Level standard	350	350	200
6.10 Housing For Varying Needs- Extra Care/Adaptations Adaptations required to ensure existing sheltered housing stock meets current standards	170	170	170
6.11 Roads Upgrade of Roads to an adoptable standard	200	150	150
6.12 Paths Formation or upgrading of paths	150	150	150
6.13 Garages Upgrade of Garages	150	50	50
6.14 New Affordable Housing	10,115	7,540	89
	<b>15,385</b>	<b>12,060</b>	<b>4,258</b>

	2010/11	2011/12	2012/13
	£'000	£'000	£'000
<b>7 Service Development</b>			
7.1 Conditions Surveys	50	50	50
Surveying of Council houses to identify failures against Scottish Housing Quality Standard			
7.2 Property Database	150	200	100
Various items of IT equipment including hardware and software			
7.3 Integrated Housing System	80	100	80
Various purchase of PC's and software packages			
7.4 Corporate IT			
	280	350	230
<b>9 Service Expenditure</b>			
Corporate Fees	8,207	6,970	6,717
	8,207	7,070	6,717
<b>Gross Programme</b>	<b>63,043</b>	<b>56,814</b>	<b>44,707</b>
Less Slippage	(8,196)	(6,536)	(5,143)
<b>Net Programme</b>	54,847	50,278	39,564
Financed by :-			
Borrowing	39,969	38,957	31,006
Scottish Government Grant Funding – New Build	2,125	875	0
CFCR (Capital Financed From Current Revenue)	12,753	10,446	8,558
Total Funding	54,847	50,278	39,564

**Housing Revenue Account**

**Controllable Costs - Budget 2010/11**

<b>Item</b>	<b>£'000's</b>
1 Salaries	211
2 Superannuation	41
3 National Insurance	13
8 Maintenance of Grounds	2,695
11 Cleaning & Security Service	1,107
12 Window Cleaning	18
13 Refuse Collection	135
15 Cleaning - Payments to Contractor	462
19 Tenants Incentive Scheme	182
23 Charges - Services Admin & Management	8,204
24 General Consultancy	55
25 Training for Front Line Staff	200
26 Benefits Staff	98
27 Charges - Tenants Participation	401
33 Integrated Housing System	265
34 Mediation Service	98
35 Provision of Furniture	174
36 Energy Advice	81
37 Citizens Advice Bureau	14
38 Disabled Persons Housing Service	38
39 Aberdeen Families Project	400
	<hr/>
Total	14,892

## SERVICE RE-DESIGN

Service: Housing and Environment  
Director: Pete Leonard

Ref No.	Title of Service Change	Budget line in HRA	Head of Service	Financial Impact (£000)				Personnel Impact							
				2009/10	2010/11	2011/12	2012/13	2009/10		2010/11		2011/12		2012/13	
				£'000	£'000	£'000	£'000	FTE	Head Count	FTE	Head Count	FTE	Head Count	FTE	Head Count
HRA1	Contribution to ASBIT	23	Craig Stirrat	0	(25)	(25)	(25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HRA2	Contribution to Welfare Rights	26	Craig Stirrat	0	(5)	(5)	(5)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HRA3	Tenant Participation	27	Craig Stirrat	0	(149)	(149)	(149)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HRA4	Deletion of 3rd Tier Post	23	Craig Stirrat	0	(60)	(60)	(60)	0.00	0.00	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
HRA5	Withdrawal of Tenants Incentive Scheme	19	Craig Stirrat	0	(14)	(14)	(14)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HRA6	Recharge of Directorate	23	Craig Stirrat	0	(138)	(138)	(138)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HRA7	Grounds Maintenance Housing Amenity Areas	8	Norrie Steed	0	(135)	(135)	(135)	0.00	0.00	TBD	TBD	TBD	TBD	TBD	TBD
HRA8	Rent Collection	23	Craig Stirrat	0	(85)	(85)	(85)	0.00	0.00	(4.50)	(5.00)	(4.50)	(5.00)	(4.50)	(5.00)
HRA9	Reduction to training	25	Craig Stirrat	0	(100)	(100)	(100)	0	0	0	0	0	0	0	0
	<b>TOTAL</b>			<b>0</b>	<b>(711)</b>	<b>(711)</b>	<b>(711)</b>	<b>0.00</b>	<b>0.00</b>	<b>(5.5)</b>	<b>(6.00)</b>	<b>(5.50)</b>	<b>(6.00)</b>	<b>(5.50)</b>	<b>(6.00)</b>



**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing & Environment

**SAVING NAME:** Contribution to ASBIT

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA1

**CATEGORY:** Service Redesign

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(25)	(25)	(25)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	?	?	?	?
<b>Head Count</b>				

**Brief Description of Budget Saving**

The modernisation and redesign of front line housing staff will see these officers have smaller patches but have wider , more generic roles. One of these roles will be the support and delivery of effectively managing neighbour problems and tackling antisocial behaviour. This will necessitate an escalation of service requirement to support services such as the ASBIT. This is expected to deliver efficiencies in the ASBIT team which is wholly funded by the HRA. One way of taking all of these points into account, and saving money/creating efficiencies, would be to do the following:

- (i) integrate the ASBIT day shift team into the Environmental Health Noise/Pollution Control team, doing away with a separate ASBIT day shift team; and
- (ii) introduce night working on a rota basis -say 5pm to 2 am or 4 am.

**Deliverability Issues and Risks**

The HRA contribution is approximately £1M (2009/10) is on a recharge basis - requiring the service to find efficiencies.

**Legislative Background**

Housing Scotland Act 2001 - The duties on local authorities to prevent homelessness: Anti social Behaviour Act

**Consultation Required/Partner Engagement**

Tenants, Unions, Staff

**Have Cost Centre(s) been Identified?** Yes

**Is this saving related to the General Fund?** No

**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing & Environment

**SAVING NAME:** Contribution to Welfare Rights

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA2

**CATEGORY:** Service Redesign

	<b>Financial Impact:</b>			
	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Costs/(Saving)</b>		(5)	(5)	(5)

	<b>Personnel Impact:</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>FTE</b>				
<b>Head Count</b>				

**Brief Description of Budget Saving**

The modernisation and redesign of front line housing staff will see these officers have smaller patches but have wider , more generic roles. One of these roles will be the support and delivery of tenancy support. This will necessitate an escalation of service requirement to support services such as welfare rights - but there needs to be a one stop integrated benefits advocacy role instead of the myriad of services currently provided inhouse and outside of council services. Until this is rationalised the only saving taken at this time is approx 5%

**Deliverability Issues and Risks**

The HRA contribution of £98K (2009/10) is on a recharge basis - requiring the service to find efficiencies.

**Legislative Background**

Housing Scotland Act 2001 - The duties on local authorities to prevent homelessness

**Consultation Required/Partner Engagement**

Tenants, Unions, Staff

**Have Cost Centre(s) been Identified?** Yes

**Is this saving related to the General Fund?** No

**DETAILED BUDGET PROPOSALS**

<b>SERVICE:</b>	Housing and Environment
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<b>SAVING NAME:</b>	Tenant Participation - Review
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<b>HEAD OF SERVICE:</b>	Craig Stirrat
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<b>REFERENCE No:</b>	HRA3
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<b>CATEGORY:</b>	Service Redesign
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	<b>Financial Impact:</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Costs/(Saving)</b>	0	(149)	(149)	(149)

	<b>Personnel Impact:</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>FTE</b>	0	(3)	(3)	(3)
<b>Head Count</b>	0	(3)	(3)	(3)

**Brief Description of Budget Saving**

The modernisation and redesign of front line housing staff will see these officers have smaller patches but have wider, more generic roles. One of these roles will be the support and delivery of tenant participation. It is therefore proposed to reduce the number of FTE of Tenant participation officers (TPO's) from 6 to 3 - one for each current Area Housing Team - the title TPO will be deleted and the job redesigned to provide a policy development service and assist with new policy implementation. Budget proposed for 2010/11 was £400,620. It is proposed that this be cut as follows: H70272 = £25,000; H70318 = £38,099; H70368 = £36,041; H70338 = £49,470. The main areas of cuts after posts, is on courses and conferences - and the travel associated with same.

**Deliverability Issues and Risks**

This is deliverable as we have infrequently had the full compliment of staff in at any one time. Current Housing Assistants already are involved in Tenant Participation - and are often doubling up at tenants meetings with the TPO. The risk is that tenants may see this as an attack on TP. Redeployment or redundancy required for the TPO's. No major delivery problems but there is the risk that information and consultation with tenants may be curtailed as a result of cuts in budgets. Tenants will naturally object to any apparent cut in this budget.

**Legislative Background**

2001 Housing (Scot) Act - The duties on landlords to register tenants groups, prepare tenant participation strategies and consult on service levels.

**Consultation Required/Partner Engagement**

Staff , Unions, Tenant Groups and representatives

<b>Have Cost Centre(s) been Identified?</b>	Yes
<b>Is this saving related to the General Fund?</b>	No

**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing and Environment

**SAVING NAME:** Deletion of 3rd tier Post

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA4

**CATEGORY:** Service Redesign

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(60)	(60)	(60)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	0	(1)	(1)	(1)
<b>Head Count</b>	0	(1)	(1)	(1)

**Brief Description of Budget Saving**

In accordance with the Housing Service Plan the Housing Service will be redesigned and a new staff structure proposed for Council approval and implementation in 2010/11. This will require a redesign of the Housing service and posts - the functions of all third tier managers posts on the HRA will be reviewed on the basis that there will only be a requirement for 4 third tier managers as opposed to the current complement of 5 third tier HRA managers.

**Deliverability Issues and Risks**

Requires approval of new service structure and job descriptions - requires staff and union consultation. This will either be a redundancy issue or an early retirement - both of which have on-costs.

**Legislative Background**

2001 & 2003 Housing (Scot) Acts (Regulation) and Local Gov (Scotland) Act 2003.

**Consultation Required/Partner Engagement**

Union & Staff

**Have Cost Centre(s) been Identified?** Yes

**Is this saving related to the General Fund?** No

**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing and Environment

**SAVING NAME:** Withdrawal of Tenants Incentive Scheme

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA5

**CATEGORY:** Service Redesign

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(14)	(14)	(14)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	0	0	0	0
<b>Head Count</b>	0	0	0	0

**Brief Description of Budget Saving**

Consultation results on the withdrawal from the Tenants incentive scheme are currently being analysed for the budgetary process/rent setting. It is proposed to use this budget more proactively to support tenancies (preventing rent arrears and eviction) than to reward those tenants who have in the main been good tenants from the outset. Main expenditure - £168K has been on bonus bonds - the rest on Promotion and Marketing - it is proposed to cut the latter element of the former Incentive scheme budget = £14K.

**Deliverability Issues and Risks**

No major delivery problems anticipated

**Legislative Background**

No legislative requirements other than requirement to consult tenants on service change and this has been undertaken

**Consultation Required/Partner Engagement**

Consultation with tenants has been undertaken

**Have Cost Centre(s) been Identified?** Yes

**Is this saving related to the General Fund?** No

**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing and Environment

**SAVING NAME:** Recharge of Directorate

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA6

**CATEGORY:** Service Redesign

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(138)	(138)	(138)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	0	0	0	0
<b>Head Count</b>	0	0	0	0

**Brief Description of Budget Saving**  
 Double counting of Salary costs of Director, and two Head of Service in General Fund and Housing Revenue Account. The appropriate amounts have been calculated based on the level of work on the Housing Revenue Account.

**Deliverability Issues and Risks**  
 No major delivery problems anticipated

**Legislative Background**  
 Not applicable

**Consultation Required/Partner Engagement**  
 None required

**Have Cost Centre(s) been Identified?** Yes

**Is this saving related to the General Fund?** No

**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing and Environment

**SAVING NAME:** Grounds Maintenance: Housing Amenity Areas

**HEAD OF SERVICE:** Norrie Steed

**REFERENCE No:** HRA7

**CATEGORY:** Service Efficiencies

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(135)	(135)	(135)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	0	TBD	TBD	TBD
<b>Head Count</b>	0	TBD	TBD	TBD

**TBD =To be determined**

**Brief Description of Budget Saving**

A further service review of all aspects of the whole of Environmental Services, excluding: Street Sweeping; Grounds Maintenance of Sports Grounds & Playing Fields ; Parks & Gardens and the Housing Amenity Areas included in the 2009 grounds maintenance tendering process, has commenced and the first savings will take effect in December 2010. This review will include Grounds Maintenance of all Housing Amenity Areas , other than those included in the aforesaid tendering process, and so will reduce the costs to the Housing Revenue Account. The proposal listed here represents a 5% saving, but this may be increased if the review process identifies further savings.

**Deliverability Issues and Risks**

The details regarding Housing Amenity Areas within the 2009 tendering process have been worked out and therefore only require to be applied to all other Housing Amenity Areas, whereas the other aspects of Grounds Maintenance will require to be derived from the work done on sports grounds and playing fields, which are only a part of the overall grounds maintenance set of processes. In short, this means that it should be possible to have the savings commence from the start of the financial year 2010/11 as regards the remainder of Housing Amenity Areas in the City.

There is no specific legislation, other than Health and Safety law.

**Consultation Required/Partner Engagement**

This would require consultation with Trades Unions , Local Members and Tenants.

**Have Cost Centre(s) been Identified?** YES

**Is this saving related to the General Fund?** NO : HRA

**DETAILED BUDGET PROPOSALS**

<b>SERVICE:</b>	Housing and Environment
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<b>SAVING NAME:</b>	Rent Collection
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<b>HEAD OF SERVICE:</b>	Craig Stirrat
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<b>REFERENCE No:</b>	HRA8
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<b>CATEGORY:</b>	Service Efficiencies
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	<b>Financial Impact:</b>			
	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Costs/(Saving)</b>		(85)	(85)	(85)

	<b>Personnel Impact:</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>FTE</b>	0	(4.5)	(4.5)	(4.5)
<b>Head Count</b>	0	(5)	(5)	(5)

**Brief Description of Budget Saving**

The cessation of the Mobile Van and Outdoor Collectors as payment facilities.

**Deliverability Issues and Risks**

Tenants have a wide range of payment options with Direct Debit being the preferred method and there will be incentives introduced in early course. There are also over 100 locations where payments can be made at Post Offices and Paypoint outlets at more flexible opening hours. The latter costs 50p per transaction compared to £2.11 for the Mobile Van. There is a Health and Safety issue about staff carrying large sums of money and this is the principal reason for stopping outdoor collections. No other Council in Scotland provides this service. Alternative methods of collecting Laundry Card income is being investigated.

**Legislative Background****Consultation Required/Partner Engagement**

There was consultation with tenants via Tenant Participation Officers and staff will discuss with each tenant, if necessary, the best alternative for them. Staff have been kept aware throughout the process and further engagement with staff, HR and Unions will be timetabled. The facilities may cease just prior to 31 March 2010 for operational reasons but the public will be kept informed. Staff will be offered redeployment within CRM in the first instance.

<b>Have Cost Centre(s) been Identified?</b>	Yes
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<b>Is this saving related to the General Fund?</b>	No
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**DETAILED BUDGET PROPOSALS**

**SERVICE:** Housing and Environment

**SAVING NAME:** Reduction in training

**HEAD OF SERVICE:** Craig Stirrat

**REFERENCE No:** HRA9

**CATEGORY:** Service Efficiencies

	Financial Impact:			
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Costs/(Saving)</b>	0	(100)	(100)	(100)

	Personnel Impact:			
	2009/10	2010/11	2011/12	2012/13
<b>FTE</b>	0	0	0	0
<b>Head Count</b>	0	0	0	0

**Brief Description of Budget Saving**

It is anticipated that in 2010/11 training will be provided in house therefore the full budget of £200,000 will not be required.

**Deliverability Issues and Risks**

No major delivery problems anticipated.

**Legislative Background**

No specific legislation.

**Consultation Required/Partner Engagement**

**Have Cost Centre(s) been Identified?** Yes

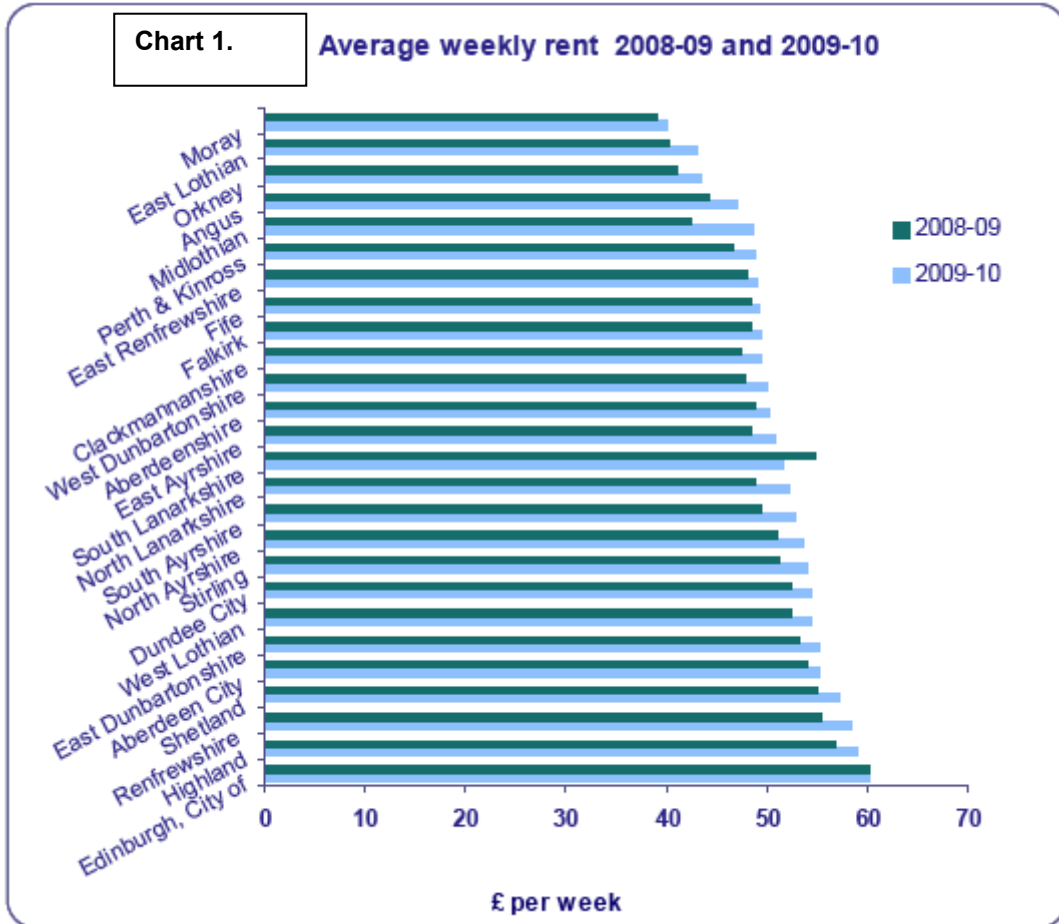
**Is this saving related to the General Fund?** No

**Benchmarking Tables**

Detailed below are the Benchmarking tables provided by the Scottish Government.

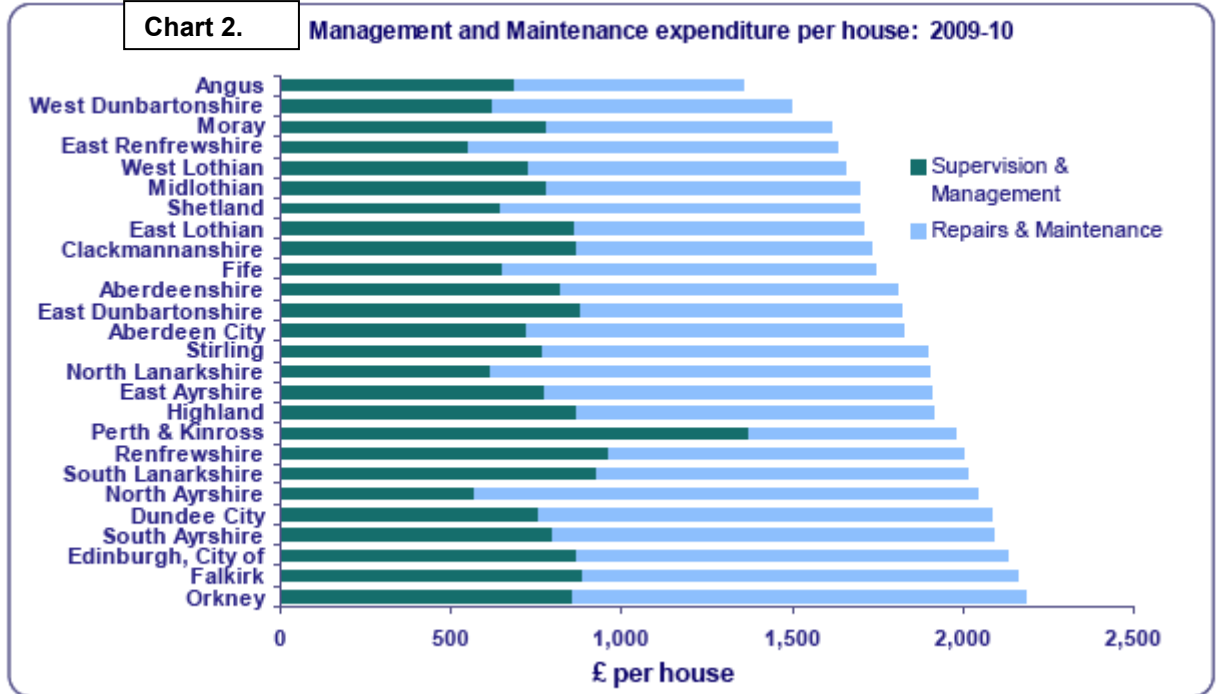
**Chart 1 - Average weekly rent 2008-09 and 2009-10**

Aberdeen City Council had the fifth highest average weekly rent out of the twenty six authorities. Aberdeen City Council has a high rent due to allow the high level of capital investment which is shown in Chart 7.



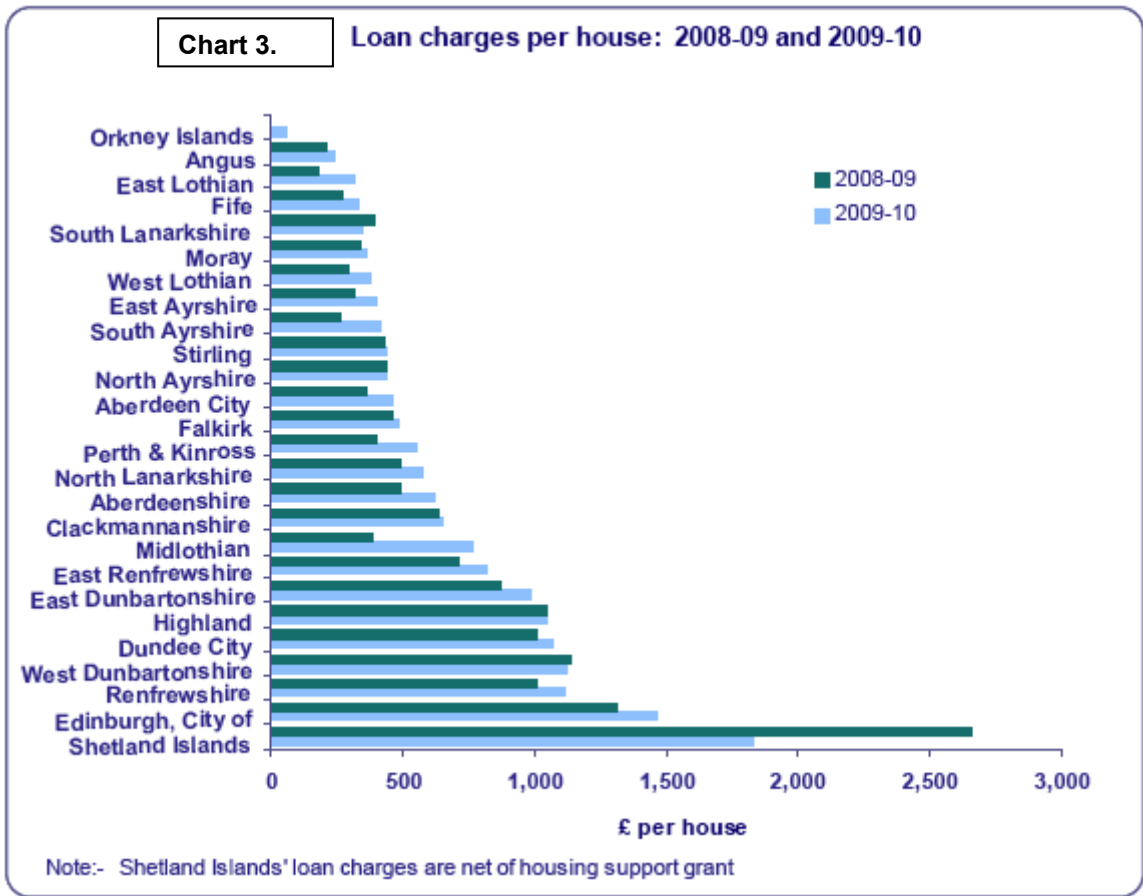
**Chart 2 - Management and Maintenance expenditure per house:2009-10**

Aberdeen City Council have the thirteenth lowest management and maintenance costs out of the twenty six authorities. This is considerably lower than the closest comparable local(city) authority – Edinburgh.



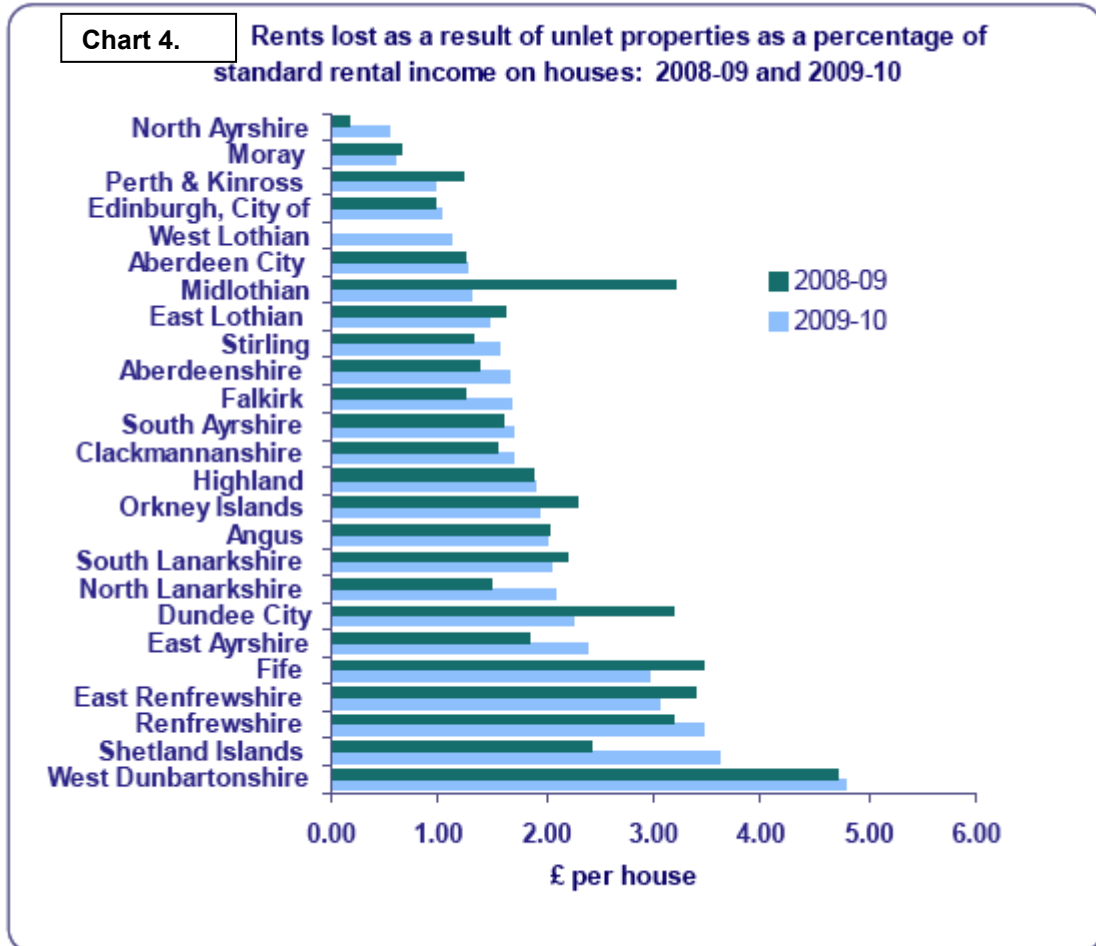
**Chart 3 - Loan Charges per house; 2008-09 and 2009-10**

Aberdeen City Council are twelfth lowest authority out of the twenty six authorities, the increase from 2008-09 to 2009-10 reflects the increased level of capital expenditure.



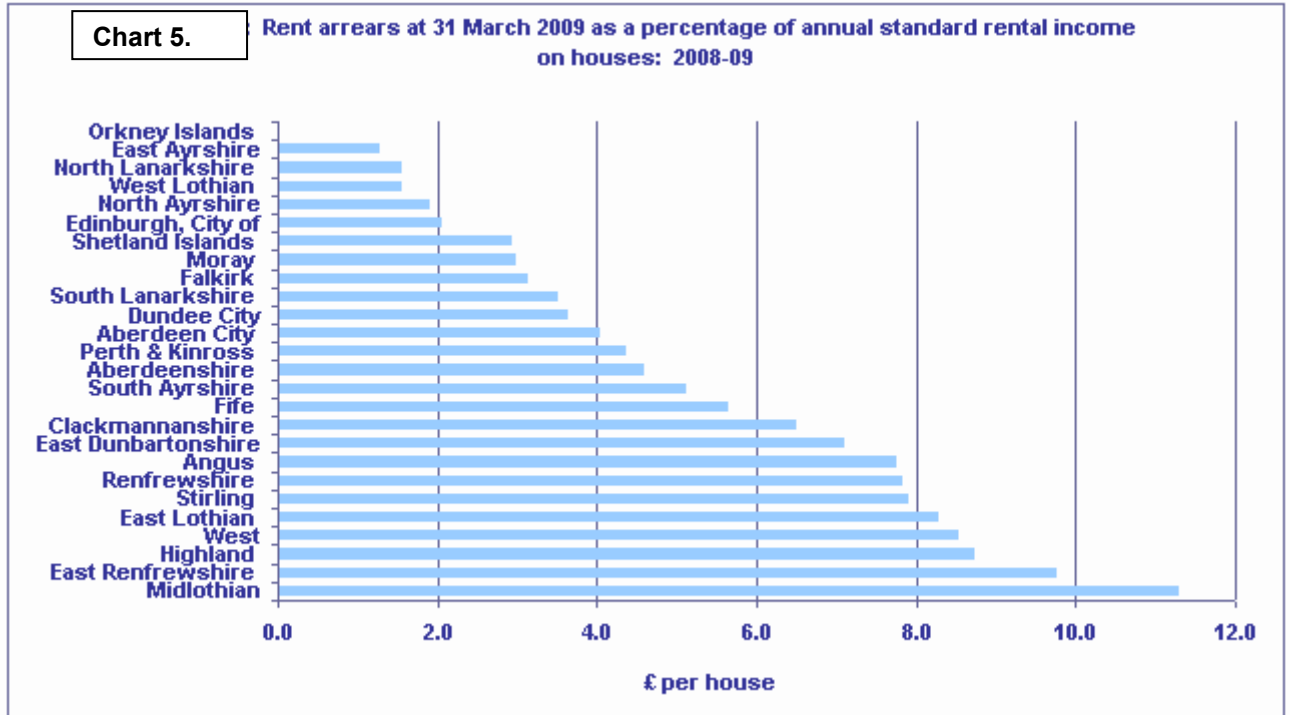
**Chart 4 - Rents lost as a result of unlet properties as a percentage of standard rental income on houses: 2008-09 and 2009-10**

Aberdeen City Council have the sixth lowest void rent loss out of the twenty six authorities, this reflects the result of various initiatives and improved working practices ie the introduction of workflow and the reorganisation of the property team.



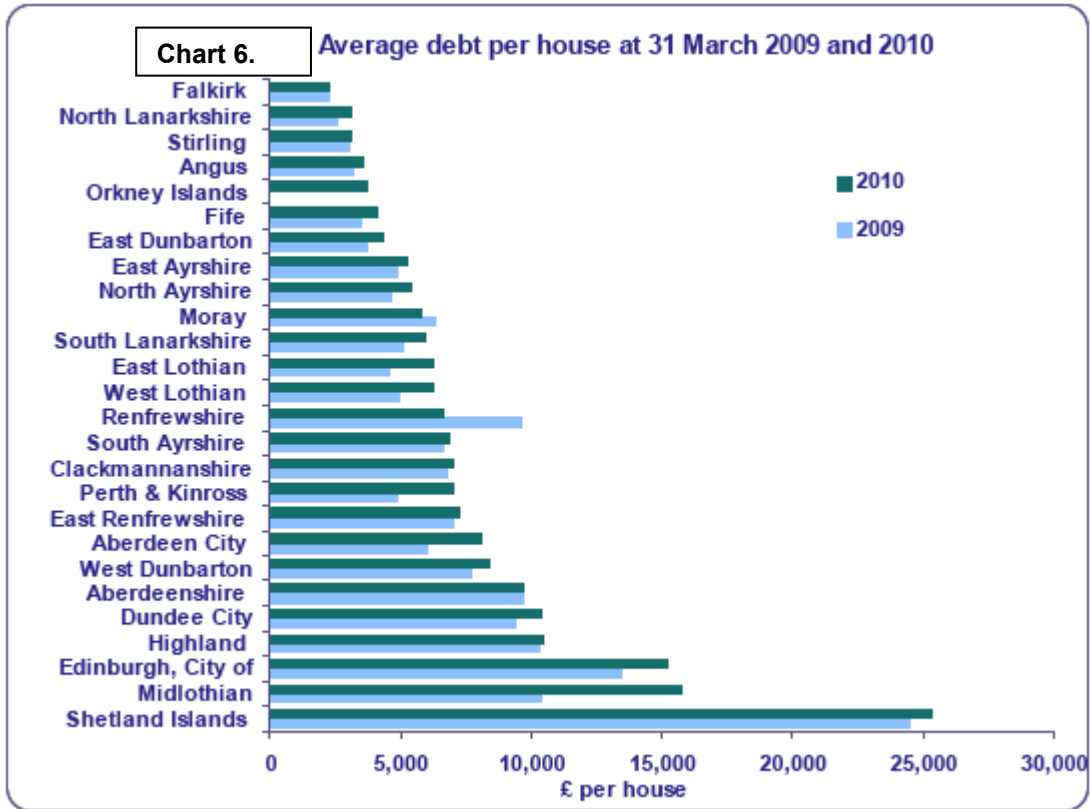
**Chart 5 - Rent arrears at 31 March 2009 as a percentage of annual standard rental income on houses: 2008-09**

Aberdeen City Council are the twelfth lowest authority out of the twenty six for rent arrears this reflects the work the rent arrears team are carrying out to ensure arrears are kept to a minimum.



**Chart 6 – Average debt per house at 31 March 2009 and 2010**

Aberdeen City Council have the eighth highest average debt per house out of the twenty six authorities the increase in 2009-10 reflects the high level of capital investment the Council is making in its stock to delvier the SHQS by 2015 and provide an additional 300 new homes for rent as part of wider commitments to regenerate some of Scotland’s most deprived communities.



**Chart 7 – Estimated Capital Expenditure and Receipts: 2009-10**

Aberdeen City Council have the highest level of capital expenditure out of all twenty six authorities and this reflects the Councils policy to achieve the Scottish Housing Quality Standard by 2015, New Build and Regeneration.

