

Appendix 1

Aberdeen City Council Draft Housing Revenue Account 2016/17 – 2020/21 Budget



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DRAFT HOUSING REVENUE ACCOUNT

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Revenue Assumptions

In preparing the information for the draft Housing Revenue Account budget for the financial year 2016/17, 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 (Communities Housing & Infrastructure) 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 2016/17, (there are some exceptions to this rule such as contractual uplifts etc. and these are stated in the variance notes). Inflation is currently running at approximately 0.9% (RPIX at September 2015). (Source: Office of National Statistics)

Housing Stock

The number of Council houses owned by the Council, as at 31 October 2015, is 22,211. It has been assumed that there will be a further 68 sales during the financial year 15/16, bringing total sales for the year to 155. The average selling price for the period 1 April 2015 to 31 October 2015 is approximately £67,600.

Set Aside Rules

For the financial year 2015/16 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 2016/17 until Right to Buy comes to an end.**

Council House Sales

It has been assumed that the level of house sales will be 155 in 2015/16. The average selling price for 2015/16 is currently estimated at £67,600. The average number of houses for the financial year 2015/16 is therefore estimated to be 22,220 properties.

Rental Income

The income available in 2016/17 to fund the proposed budgeted level of expenditure has been calculated by taking the current out turn uplifting by 1.9% (RPIX at September 2015 + 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 2016/17. No decrease in 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 balance continues to be maintained at 10%.**

Housing Capital Expenditure Programme

Housing Investment Programme

The major projects undertaken by the Council are as follows:

Complete work on the Seaton 7 multi storey over cladding projects at Linksfield, Promenade and Regent Courts and commence work at Aulton, Beachview, Bayview and Northsea Courts during 2016/17.

Installation of District Heating to Kincorth Land, Balmoral Court, Gairn Court and Regensburg Court.

New Build projects at Smithfield and Manor Walk

External insulation works to tenement blocks in the Froghall area.

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:

2016/17 - £43.473 Million

2017/18 - £42,792 Million

2018/19 - £26,835 Million

2019/20 - £26,459 Million

2020/21 - £19,661 Million

Housing Revenue Account					
Draft 2016/17 Budget					
		Budget	Out-turn	Budget	Notes
		2015/16	2015/16	2016/17	
		£000's	£000's	£000's	
	Premises Costs				
1	Rates	28	32	32	
2	Rent – Other	215	215	97	1
3	Repairs and Maintenance	22,462	23,742	24,746	2
4	Maintenance of Grounds	3,293	3,293	3,244	3
5	Gas	765	610	610	4
6	Electricity	3,405	2,346	2,346	5
7	Cleaning Service	435	435	480	6
8	Security Service	380	260	380	7
9	Window Cleaning	25	25	25	
10	Refuse Collection	345	301	286	8
11	Cleaning – Sheltered Housing	504	504	510	9
12	Premises Insurance	57	0	0	
13	Other Property Costs - Council Tax	201	103	103	10
		32,114	31,866	32,859	
	Administration Costs				
14	Downsizing Grants/Direct Debit Incentives	52	19	102	11
15	Legal Expenses	201	397	397	
16	Office Tel / Rent	90	20	14	
17	Former Tenants Arrears	2,000	2,000	2,000	12
18	Charges - Services Admin & Management.	8,963	8,880	9,173	13
19	General Consultancy	55	119	55	14
20	Training for Front Line Staff	100	100	100	14
21	Benefits Staff	142	41	42	14
22	Charges - Tenants Participation	210	210	214	15
23	Charges for Environmental Health	229	188	190	
		12,042	11,974	12,288	
	Supplies & Services				
24	Provision of Meals	234	156	174	16
25	Television Licence	5	5	5	
26	Integrated Housing System	302	175	231	17
		541	336	410	
	Agencies				
27	Mediation Service	100	100	81	18
28	Energy Advice	83	83	80	19
29	Citizens Advice Bureau	14	14	14	14
30	Disabled Persons Housing Service	39	39	39	14
31	Ethnic Minority Worker	12	12	13	14
		248	248	228	

	Housing Revenue Account	Budget	Out-turn	Budget	
	Draft 2016/17 Budget	2015/16	2015/16	2016/17	
		£'000	£'000	£'000	
	Transfer Payments				
32	Aberdeen Families Project	465	465	465	20
33	Loss of Rent - Council Houses	1,274	1,516	1,121	21
34	Loss of Rent - Garages, Parking etc	226	418	426	
35	Loss of Rent - Modernisation Works	104	104	106	
36	Home Loss & Disturbance Payment	184	184	184	22
37	Supporting People Contribution	406	203	0	
38	CFCR	20,732	24,312	23,846	
		23,391	27,202	26,148	
	Capital Financing Costs				
39	Loans Fund Instalment	5,860	5,311	6,091	
40	Loans Fund Interest	9,125	8,015	8,504	
		14,985	13,326	14,595	23
	Expense Total	83,321	84,952	86,528	
	Income				
41	Ground Rentals	(27)	(27)	(20)	
42	Dwelling Houses Rent Income	(80,000)	(81,015)	(82,554)	24
43	Housing - Heat with Rent Income	(2,047)	(2,387)	(2,047)	25
44	Housing - Garages Rent Income	(1,221)	(1,230)	(1,176)	26
45	Housing - Parking Spaces Rent	(180)	(221)	(180)	26
46	Housing - Insurance Income	(2)	(24)	(2)	
47	Housing - Other Service Charge	(489)	(547)	(547)	26
48	Legal Expenses	(225)	(387)	(387)	
49	Revenue Balance Interest	(130)	(114)	(114)	27
	Income Total	(84,321)	(85,952)	(87,028)	
	Net Expenditure	(1,000)	(1,000)	(500)	
	Projected Working Balance at 1 April 2016			8,907	

HOUSING REVENUE ACCOUNT 2016/17 BUDGET

Variance Notes Comparing Draft Budget 2016/17 to Estimated Out-turn 2015/16

Expenditure Movements

1. Rent

This budget is for the rent of Accommodation for Community Groups and Housing Offices. The reduction in budget reflects the anticipated sale of the Police Houses

2. Repairs and Maintenance

An analysis is contained at page 11.

3. Maintenance of Grounds

Maintenance of Grounds budget has two elements: Ground Maintenance and cleansing/weed control. The budget for 2016/17 has been calculated by using the anticipated out-turn for 2015/16 uplifted by 2.5% (the budgeted pay awards of 1.5% in 2015/16 and 1% for 2016/17).

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. It has been assumed that consumption and rates will remain at 2014/15 levels.

5. Electricity

This will be the second year of the new contract (previously a four year contract was in place). The budget has been calculated by using actual figures from 2014/15 as per the gas note.

6. Cleaning Service

This budget is for communal cleaning. The new cleaning contract commenced on 1 July 2015 and is expected to run for 3 years. The contractual value for 2016/17 has been calculated as £480,000.

7. Security Service

The cost of the security included in the budget for 2016/17 is £380,000 and includes the control room team.

8. Refuse Collection

The budget for 2016/17 has been calculated by using the actual for 2014/15 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 actuals for 2014/15 uplifted by 2.5% for salary increases.

10. Other Property Costs – Council Tax on void properties

This budget is for the cost of Council Tax due on void properties. The budget for 2016/17 has been based on the actuals for 2014/15 on the assumption that there will be no significant increase of void properties and no increase in Council Tax

for 2016/17 based on the terms and conditions of the award of the General Revenue Grant.

11. Downsizing Grants/Direct Debit and Void Incentives

There are three schemes within this budget line which are Downsizing grants (£50,000), Direct Debit Incentives (£2,000) and in addition in 2016/17 Voids (£50,000).

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.

To support tenants move into their new homes and improvement of void property management performance, a new homes incentive scheme is being developed. The scheme may include provision of decoration vouchers.

12. Former Tenants Arrears

The budget has been maintained at £2M, as at the end of October 2015 current rent arrears are £2.7m. The budget for former tenant arrears is for the write off of uncollectable arrears and any increase in the debt provision.

13. 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 2.5% has been allowed for which is in line with the assumptions contained within the Council's General Fund.

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

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. The additional £30k has been continued to allow for work to be undertaken on the rent consultation for 2016/17.

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. This has been uplifted for 2016/17 to reflect the accumulated 2.5% pay award.

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.

15. 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.

16. Provision of Meals

This budget is for the provision of meals at Denmore and Kingswood extra care housing by Bon Accord Care. Bon Accord Care provide the budget based on out-turn for 2015/16 allowing for a 2.5% uplift for salaries. The income for this service is contained in line 47 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 16) 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.

17. Integrated Housing System

This budget is based on the IT requirements for 2016/17 which includes all the support and maintenance costs.

18. Mediation Service

The budget for 2016/17 has decreased due to amendments to the Service Level Agreement with SACRO. This is as a result of a smaller case-load and savings to the service provision.

19. 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.

20. Aberdeen Families Project/ Priority Families

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.

Proposals are being developed through Community Planning Aberdeen to introduce a 'Priority Families Service' by developing and adapting our families project approach. This service would support families address a wider range of needs than solely antisocial behaviour including employability.

21. Loss of Rent Council Houses

The budget has been calculated based on 2015/16 forecast outturns uplifted by RPIX at September 2015 of 1.9%.

22. 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.

23. Capital Financing Costs

The budget for Capital Financing Costs is based on the likely level of capital spend in 2015/16 as at the end of September 2015 and a possible future programme for 2016/17 of £43.4 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 4.05%.

Income

24. Dwelling Houses Rent Income

The budgeted income from Dwelling House Rent has increased by the potential rent increase of 1.9% (RPIX at September 2015 +1%) which is in line with current Council policy on rent setting. The budget for 2016/17 has been calculated based on the 2015/16 outturn.

25. Housing – Heat with Rent Income

A review was undertaken of the income and expenditure of Heat with Rent and further details are contained on page 17.

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

This budget will move depending on the level that miscellaneous rents are set at, as covered on page 16. The current budget therefore assumes that there will be no increase at present.

27. 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 2014/15 and current economic conditions.

HOUSING REPAIRS DRAFT BUDGET		Approved Budget 2015/16 £'000	Projected Spend 2015/16 £'000	Base Budget 2016/17 £'000
PLANNED AND CYCLICAL MAINTENANCE				
1	External Joiner work Repairs including external painter work etc.	1,275	987	1,028
2	Boiler Maintenance – Sheltered Housing	359	250	261
3	Controlled Entry Systems – Maintenance	407	324	338
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	192	186	194
5	Flat Roofs/Dormers – Renewal & Insulation	10	146	153
6	Common Rooms – Replacement of Furniture	41	41	43
7	Gas Servicing, Maintenance and Repair	4,193	3,954	4,120
8	Laundry Equipment Replacement & Maintenance	125	51	53
9	Legionella Testing incl. Repair/Renewal of Tanks	33	45	47
10	Lift Maintenance	189	342	356
11	Mutual Repairs outwith Housing Action Areas	26	26	27
12	Pumps & Fans - Maintenance & Renewal	51	60	62
13	Sheltered Housing - Replacement of Carpets, furnishings etc	41	41	43
14	Standby Generators – Maintenance	45	98	102
15	Warden call systems- maintenance and Repair	92	92	96
16	Provision of Community Alarm	236	236	246
17	Environmental Improvements (including internal communal areas)	1,200	1,087	1,200
18	Void Properties	4,009	3,824	3,985
19	Asbestos	16	73	77
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	235	235	245
Planned/Cyclical Maintenance Sub Total		11,575	12,099	12,674
DAY TO DAY RESPONSE MAINTENANCE				
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	158	114	119
22	Car Park Repairs	9	13	14
23	Chimney heads - Repointing and Rebuilding	0	40	42
24	Condensation - Treatment of Walls	60	87	91
25	Electrical Work - General Repairs	1,166	1,255	1,308
26	Emergency Work - Out of Hours Service	376	518	540
27	External/Internal Response Paintwork	168	217	226
28	Fire Damage Repairs	72	25	26
29	Garage Repairs	10	67	70
30	Glazier work	167	151	157
31	Joiner work - General Repairs	2,324	2,474	2,578
32	Mason work and Water Penetration Repairs	502	464	484
33	Minor Environmental Services	372	646	673
34	Plasterwork – General	236	300	313
35	Plumber work – General	1,093	1,165	1,214
36	Slater work	845	1,117	1,164
37	Snow Clearance	53	53	55
38	TV Aerial	56	110	115
39	Rubbish Removal	13	26	27
40	Vandalism	58	53	55
41	Water Services Charges	10	10	10
Day to Day Response Maintenance Total		7,748	8,906	9,280
42	Fees	1,939	2,737	2,792
TOTAL REPAIRS AND MAINTENANCE BUDGET		22,462	23,742	24,746

REPAIRS AND MAINTENANCE BUDGET 2016/17

General

The projected spend figures have been taken from invoicing up to the end of September 2015 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 2015/16 is currently anticipated to be above budget however this can be subject to change as this budget is demand led.

In most items the budget has been calculated by uplifting the projected out-turn by 4.2% (RICS building Costs Information Service is forecasting a rise in General building cost indices of 4.2%).

Specific Items

Planned and Cyclical Maintenance

Item 7 Gas Servicing, Maintenance and Repairs

As at 6 October 2015, 16,999 Council Properties had gas heating or flues of those properties 16,509 properties had gas safety checks carried out within 12 months of the previous check (98%), therefore the budget must be maintained at current level.

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)

The level of voids remains high therefore maintained at 2015/16 levels. An action plan was agreed at Communities, Housing & Infrastructure Committee on 27 October 2015 to reverse this trend, with a progress report due back in 6 months.

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. Uplifted by 2.5% for wage inflation.

	Management & Admin		Proposed	
		Budget	Budget	
		2015/16	2016/17	Notes
		£000's	£000's	
	Staff Costs			1
1	Salaries	5,471	5,642	
2	Overtime	46	81	
3	Superannuation	1,018	1,038	
4	N.I	393	563	
5	Other Staff Costs	237	389	
6	Vacancy Factor		(351)	
		7,165	7,362	
	Premises Costs			2
7	Rates	29	29	
8	Rent	26	26	
9	Electricity/Gas	23	23	
10	Rubbish Removal	3	3	
11	Cleaning	25	25	
12	Repairs and Maintenance	3	3	
		109	109	
	Administration Costs			2
15	Printing	77	77	
16	Photocopying	14	14	
17	Stationery	18	18	
18	Subscriptions	23	4	
19	Postages	87	87	
20	Telephones	40	40	
21	Bank Charges(inc Cash in transit	76	77	
22	Advertising	45	45	
23	Course Expenses	14	14	
26	Tenants Participation Expenses	11	11	
		405	387	
	Transport Costs			
	Travel Costs	97	97	
		97	97	

			Proposed	
		Budget	Budget	
		2015/16	2016/17	
		£'000	£'000	Notes
	Supplies & Services			2
28	Equipment Purchases	15	15	
29	Computer Software Support	302	231	
30	Sundry Outlays	155	174	
		472	420	
	Corporate/Directorate Recharge			
31	Corporate/Directorate Recharges	2,184	2,365	3
		2,184	2,365	
	Expense Total	10,432	10,740	
	Income			
	Recharges:-			
34	Management & Admin – HRA	(8,863)	(9,173)	
35	Tenants Participation – HRA	(210)	(214)	
36	Other Housing	(220)	(231)	
37	Homeless Persons	(53)	(53)	
38	Housing Capital	(784)	(838)	
	Integrated Housing	(302)	(231)	
		(10,432)	(10,740)	
	Income Total	(10,432)	(10,740)	
	Net Expenditure	0	0	

MANAGEMENT AND ADMINISTRATION BUDGET

Variances and Notes

The 2016/17 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. A vacancy factor of 8% has been introduced as per base assumptions of the General Fund.

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					
		2016/17			
		Current	Proposed	Increase	Percentage
		Rental	Rental	Per Week	Increase
Note	Miscellaneous Increases	£	£	£	%
	Garages	10.80	11.00	0.20	1.85
	Denburn and West North Street Spaces	4.90	5.00	0.10	2.04
1	Denburn and West North Street Spaces – Non Resident	35.00	35.00	0.00	0.00
	Garages Sites	4.20	4.30	0.10	2.38
	Car Ports	4.60	4.70	0.10	2.17
	Car Parking Spaces – Local Residents	3.80	3.90	0.10	2.63
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 2016/17 have been increased broadly in line with the proposed rental increase subject to:

Note 1 A report will follow later in the year once a review of the Housing Account Car Parks is complete by the Service.

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 2016/17.

Note 4 This is an annual charge per owner as a result of the Property Factors Act which was introduced on 1st October 2012, a report will follow later in the financial year once a review is complete by the Service.

Heat with Rent calculations for 2016/17

It was agreed in the 2015/16 budget process to not apply an increase and for officers to form a group to review the heat with rent charges to avoid in the future large increases.

A review of consumption and costs is required each year and especially as only the electric contract is fixed for a number of years. There is also potential revised costs for CHP and Gas each year. This year the consumption has been taken for the last three years to even out any potential peaks and troughs.

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

It is proposed to apply a decrease in Heat with Rent of £2 on all charges.

It is proposed that a different method is adopted in future years for setting the heat with rent charge. Instead of forecasting future costs we would use the actual consumption and charges for the year. This would mean that costs would be a year in arrears however would be an actual reflection of cost and consumption. Further work would be required on the detail of the charges, for example pooling of energy sources, room differentials, common rooms.

Heat with Rent – 48 week basis		
	Previous	Proposed
Gas Heated Properties	£	£
Bedsits	10.55	8.55
1 bed roomed flats	11.85	9.85
2 bed roomed flats	13.15	11.15
3 bed roomed flats	14.45	12.45
Electrically Heated Properties		
Bedsits	11.55	9.55
1 bed roomed flats	12.85	10.85
2 bed roomed flats	14.15	12.15
3 bed roomed flats	15.45	13.45
CHP Properties		
All 1 Bed roomed Properties	11.60	9.60
All 2 Bed roomed Properties	12.90	10.90

**ABERDEEN CITY COUNCIL
Tenants Consultation**

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. On 27 August 2015 Councillors agreed that the rent policy of inflation (RPIX) + 1% should continue for the years 2016/17.

Tenants will be consulted on the introduction of the new rent increase policy for 2017 onwards in early in 2016. Working through the business plan, options will be provided to the tenants on priorities for example new build, energy standards, stock conditions and the appropriate indices to be used. The result of this consultation will be reported back to Communities Housing & Infrastructure at a later date and will inform any future policy.

A questionnaire was sent out to tenants in September 2015. The table below shows the results of the questionnaire

ANNUAL RENT CONSULTATION – Feedback

On 27 August 2015 Councillors agreed that the rent policy of inflation (RPIX)* +1% should continue for the year 2016/17.

Currently the RPIX inflation stands at 1.1%. This would mean an increase of £1.60 per week to the average weekly rent.

Do you agree that Council rents should increase by RPIX +2.1% for 2016/17?

	Returns	Percent
Yes	1,135	35%
No	2,077	65%
Total	3,212	100

Housing Revenue Account		Budget	Budget	Budget	Budget	Budget	Notes
		2016/17	2017/1	2018/19	2019/20	2020/21	
		£000's	£000's	£000's	£000's	£000's	
Premises Costs							
1	Rates	32	33	34	35	36	
2	Rent	97	99	102	104	107	
3	Repairs and Maintenance	24,746	25,323	25,914	26,519	27,139	1
4	Maintenance of Grounds	3,244	3,276	3,309	3,342	3,376	2
5	Gas	610	659	712	768	830	4
6	Electricity	2,346	2,557	2,787	3,038	3,312	4
7	Cleaning Service	480	492	504	517	530	3
8	Security Service	380	390	399	409	419	2
9	Window Cleaning	25	26	26	27	28	3
10	Refuse Collection	286	289	292	295	298	2
11	Cleaning – Sheltered Housing	510	515	520	525	531	2
12	Premises Insurance	0	0	0	0	0	3
13	Other Property Costs - Council Tax	103	103	103	103	103	
		32,859	33,762	34,702	35,683	36,707	
Administration Costs							
14	Down sizing Grants/Direct Debit Incentives	102	102	102	102	102	
15	Legal Expenses	397	397	397	397	397	
16	Office Tel / Rent	14	14	15	15	16	3
17	Former Tenants Arrears	2,000	2,000	2,000	2,000	2,000	
18	Charges - Services Admin & Management	9,173	9,265	9,357	9,451	9,545	2
19	General Consultancy	55	55	55	55	55	
20	Training for Front Line Staff	100	103	105	108	110	
21	Benefits Staff	42	42	43	43	44	2
22	Charges - Tenants Participation	214	219	225	230	236	2
23	Charges for Environmental Health	190	192	194	196	198	2
		12,288	12,390	12,493	12,598	12,704	
Supplies & Services							
24	Provision of Meals	174	179	183	188	192	
25	Television Licence	5	5	5	5	6	
26	Integrated Housing System	231	237	243	249	255	3
		410	421	431	442	453	

		Budget	Budget	Budget	Budget	Budget	
	Housing Revenue Account	2016/17	2017/1	2018/19	2019/20	2020/21	
		£000's	£000's	£000's	£000's	£'000	
	Agencies						
27	Mediation Service	81	82	83	83	84	2
28	Energy Advice	80	81	82	83	84	2
29	Citizens Advice Bureau	14	14	15	15	15	2
30	Disabled Persons Housing Service	39	39	40	40	41	2
31	Ethnic Minority Worker	13	13	13	13	14	
		228	230	232	234	237	
	Transfer Payments						
32	Aberdeen Families Project	465	470	474	479	484	2
33	Loss of Rent - Council Houses	1,121	1,160	1,201	1,243	1,286	5
34	Loss of Rent - Garages, Parking etc	426	441	456	472	489	
35	Loss of Rent - Modernisation Works	106	109	111	114	117	
36	Haudagain Home Loss & Disturbance Payments	184	184	0	0	0	
37	Supporting People Contribution	0	0	0	0	0	
38	CFCR	23,846	24,431	25,118	26,825	28,916	
		26,148	26,795	27,360	29,133	31,292	
	Capital Financing Costs						
39	Loans Fund Instalment	6,091	6,909	7,931	8,408	8,649	
40	Loans Fund Interest	8,504	8,911	9,257	9,004	8,665	
		14,595	15,820	17,188	17,412	17,314	
	Expense Total	86,528	89,417	92,407	95,502	98,706	
	Income						
41	Ground Rentals	(20)	(20)	(20)	(20)	(20)	
42	Dwelling Houses Rent Income	(82,554)	(85,444)	(88,434)	(91,529)	(94,733)	5
43	Housing - Heat with Rent Income	(2,047)	(2,047)	(2,047)	(2,047)	(2,047)	
44	Housing - Garages Rent Income	(1,176)	(1,176)	(1,176)	(1,176)	(1,176)	
45	Housing - Parking Spaces Rent	(180)	(180)	(180)	(180)	(180)	
46	Housing - Insurance Income	(2)	(2)	(2)	(2)	(2)	
47	Housing - Other Service Charge	(547)	(547)	(547)	(547)	(547)	
48	Legal Expenses	(387)	(387)	(387)	(387)	(387)	
49	Revenue Balance Interest	(114)	(114)	(114)	(114)	(114)	
	Income Total	(87,028)	(89,917)	(92,907)	(96,003)	(99,206)	
	Net Expenditure	(500)	(500)	(500)	(500)	(500)	

HOUSING REVENUE ACCOUNT

FIVE YEAR BUDGET ASSUMPTIONS

1. Repairs and Maintenance

The analysis of the five year budget follows. The budget has been uplifted by 2.5% in 2017/18 to 2020/21. 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 1.5% in 2016/17 and 1% for all other years has been applied to reflect the anticipated public sector pay awards.

3. Cleaning Service, Security Service, Training for front line staff, Window Cleaning, Office Telephone, Integrated Housing, Loss of rent modernisation works.

These budgets have been uplifted by the inflationary increase in the HRA Business Plan of 2.5%.

4. Gas & Electricity

Gas has been uplifted 8%, Electricity & Combined Heat & Power 9% from 2017/18 onwards.

5. Dwelling Houses Rent Income and Transfer Payments

The budgeted income from Dwelling House Rent is uplifted by 1.9% for 2016/17 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 2016/17 £'000	Base Budget 2017/18 £'000	Base Budget 2018/19 £'000	Base Budget 2019/20 £'000	Base Budget 2020/21 £'000
PLANNED AND CYCLICAL MAINTENANCE						
1	External Joiner work Repairs including external paintwork etc.	1,028	1,054	1,080	1,107	1,135
2	Boiler Maintenance - Extra Care Housing	261	267	274	281	288
3	Controlled Entry Systems – Maintenance	338	346	355	364	373
4	Fire Precautions - Servicing & Renewal of Equipment inc. Smoke Detectors & Dry Risers	194	199	204	209	214
5	Flat Roofs/Dormers – Renewal & Insulation	153	156	160	164	168
6	Common Rooms - Replacement of Furniture	43	44	45	46	47
7	Gas Servicing, Maintenance and Repair	4,120	4,223	4,328	4,436	4,547
8	Laundry Equipment Replacement & Maintenance	53	54	55	57	58
9	Legionella Testing incl. Repair/Renewal of Tanks	47	48	49	50	52
10	Lift Maintenance	356	365	374	383	393
11	Mutual Repairs outwith Housing Action Areas	27	28	28	29	30
12	Pumps & Fans - Maintenance & Renewal	62	64	66	67	69
13	Extra Care Housing - Replacement of Carpets, furnishings etc	43	44	45	46	47
14	Standby Generators – Maintenance	102	105	108	110	113
15	Warden call systems- Maintenance and Repair	96	98	101	103	106
16	Provision of Community Alarm	246	252	258	265	271
17	Environmental Improvements	1,200	1,230	1,261	1,292	1,325
18	Relets	3,985	4,084	4,186	4,291	4,398
19	Asbestos	77	78	80	82	84
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	245	251	257	264	270
Planned/Cyclical Maintenance Sub Total		12,674	12,991	13,316	13,648	13,990
DAY TO DAY RESPONSE MAINTENANCE						
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	119	122	125	128	131
22	Car Park Repairs	14	14	14	15	15
23	Chimney heads - Repointing and Rebuilding	42	43	44	45	46
24	Condensation - Treatment of Walls	91	93	95	98	100
25	Electrical Work - General Repairs	1,308	1,341	1,374	1,408	1,444
26	Emergency Work - Out of Hours Service	540	554	568	582	596
27	External/Internal Response Paintwork	226	232	238	244	250
28	Fire Damage Repairs	26	26	27	28	28
29	Garage Repairs	70	71	73	75	77
30	Glazier work	157	161	165	169	174
31	Joiner work – General Repairs	2,578	2,642	2,708	2,776	2,845
32	Mason work and Water Penetration Repairs	484	496	508	521	534
33	Minor Environmental Services	673	690	708	725	743
34	Plasterwork – General	313	321	329	337	345
35	Plumber work – General	1,214	1,244	1,276	1,307	1,340
36	Slater work	1,164	1,193	1,223	1,253	1,285
37	Snow Clearance	55	57	58	59	61
38	TV Aerial	115	118	121	124	127
39	Rubbish Removal	27	28	28	29	30
40	Vandalism	55	56	58	59	60
41	Water Services Charges	10	11	11	11	12
Day to Day Response Maintenance Total		9,280	9,152	9,750	9,994	10,243
Fees		2,792	2,820	2,820	2,877	2,905
TOTAL REPAIRS AND MAINTENANCE BUDGET		24,746	25,323	25,323	26,519	27,139

Draft Housing Capital Budget 2016/17 to 2020/21

PROJECT	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
SCOTTISH HOUSING QUALITY STANDARDS					
1 Compliant with the tolerable standard					
1.1 Major Repairs-	400	95	0	0	0
Roofs Renewal/Gutters/RWP/Roughcast					
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	400	95	0	0	0
2 Free from Serious Disrepair					
2.1 Primary Building Elements					
Structural Repairs Multi Storey	9,424	5,980	1,360	1,115	1,270
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.					
Structural Repairs General Housing	3,600	2,000	2,000	2,000	2,000
Structural works carried out in order to keep the building stable and structurally sound.					
Secondary Building Elements					
2.2 Upgrading Of Flat Roofs General	100	50	50	350	350
Replacement of existing roof covering and upgrading of insulation to meet current building regulations.					
2.3 Upgrade Flat Roofs Multi Storey	1,020	1,572	1,650	1,445	606
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required					
2.5 Mono Pitched Types	810	852	650	650	650
Replacement of the external render of the building, replacement of gutters and downpipes, environmental works					
2.6 Window Replace General	483	2,739	1,207	2,274	1,576
Window Replace General – Communal	171	80	99	0	0
2.7 Window Replace – Multi Storey	0	389	0	0	0
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.					
2.8 Balcony Storm Doors	0	0	0	0	9
2.9 Balcony Glass Renewal – Multi Storey	0	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,608	13,662	7,016	7,834	6,461
3 Energy Efficient					
Effective insulation					
3.2 General Houses Loft Insulation	76	77	83	86	86
Installation of loft insulation where there is none previously or the topping up of existing insulation to comply with current building regulations.					
Efficient Heating					
3.3 Heating Systems Replacement	4,369	7,553	8,751	9,101	3,433
Replacement of boiler/whole system as deemed necessary.					
3.5 Energy Efficiency – Major Blocks	1,600	1,200	1,600	1,600	1,600
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants					
3.6 Energy Efficiency Sheltered	0	0	0	0	0
Introduction of energy efficiency measures in extra care housing such as new or upgraded heating systems.					

	2016/17	2017/18	2018/19	2019/20	2020/21
<u>Additional Energy Efficiency measures</u>	£000	£000	£000	£000	£000
3.7 SCARF	35	35	35	35	35
3.8 Solid Wall Insulation	0	500	500	500	500
3.9 Vestibule Doors	0	0	0	0	0
	6,080	9,365	10,969	11,322	5,654

Modern Facilities & Services

<u>Bathroom and Kitchen Condition</u>					
4.1 Modernisation Programme – Bathroom	381	326	467	541	471
Modernisation Programme – Kitchen	959	1,007	460	555	1,532
Replacement of bathrooms and kitchens.					
	1,340	1,333	927	1,096	2,003

5 Healthy, Safe & Secure

<u>Healthy</u>					
5.1 Condensation Measures	21	22	23	24	24
Installation of heating systems and ventilation measures to combat condensation.					
<u>Safe</u>					
5.3 Rewiring	2,645	2,476	2,128	1,112	288
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	1,125	1,181	1,240	1,563	1,368
Replacement of lifts where they are beyond economical repair. This can be full replacement or replacement of specific parts of the lift.					
5.5 Smoke Detectors – Common Areas Major Blocks	318	83	109	92	115
5.6 Services	50	50	50	50	50
Cyclical maintenance/replacement of the following services					
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators					
5.9 Upgrading of lightning	0	0	0	0	0
<u>Secure</u>					
5.11 Door Entry Systems	353	95	101	45	149
Installation of door entry and replacement of existing doors where required					
5.12 Replace Door Entry Systems - Major Blocks	0	101	106	222	233
Installation of door entry and replacement of existing doors where required					
5.13 Other Initiatives					
Upgrading of stairs and installation of security doors and door entry systems	290	173	0	0	375
	4,802	4,181	3,757	3,108	2,602

NON SCOTTISH HOUSING QUALITY STANDARDS

6 Community Plan & Single Outcome Agreement					
6.1 Housing For Varying Needs	400	50	50	50	50
New build projects or adaptation/refurbishment of existing properties to create accommodation which is suitable for occupation by tenants with particular needs.					

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
6.2 Community Initiatives	450	300	300	300	300
Refurbishment of properties or environmental improvements in designated areas. Cruyff Court redevelopment.					
6.5 Regeneration/Acquisition of Land or Houses	1,000	500	500	500	500
Early Action projects linked to Regeneration and Master planning Briefs for Regeneration.					
Acquisition of Land/Houses for the new build programme.					
6.6 CCTV – Multi Storey	154	162	170	179	0
Provision of CCTV for the Multi Storey Service					
6.7 Adaptations Disabled	1,000	1,000	1,000	1,000	1,000
6.8 Special Initiatives/Barrier Free Housing	100	50	50	50	50
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions					
6.9 Housing For Varying Needs- Amenity/Adaptations	30	30	30	30	30
Conversion of properties to Amenity Level standard					
6.10 Housing For Varying Needs- Extra Care/Adaptations	70	70	70	70	70
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	200	200	200	200	200
Formation or upgrading of paths					
6.13 Garage	0	0	0	0	0
6.14 New Affordable Housing	11,100	11,090	1,085	0	0
	14,604	13,552	3,555	2,479	2,300
7 Service Development					
7.1 Conditions Surveys	0	0	0	0	0
7.2 Property Database	120	0	0	0	0
Integrated Housing System	20	20	20	20	20
	140	20	20	20	20
8 Service Expenditure					
8.1 Other Departmental Fees	5,872	5,873	3,908	3,870	3,051
	5,872	5,873	3,908	3,870	3,051
Gross Programme	48,846	48,081	30,152	29,729	22,091
Less 11% Slippage	5,373	5,289	3,317	3,270	2,430
Net Programme	43,473	42,792	26,835	26,459	19,661
Financed by :-					
Borrowing	14,961	18,361	1,717	0	0
Scottish Government Grant – New Build	4,666	0	0	0	0
CFCR	23,846	24,431	25,118	26,456	19,661
Total Funding	43,473	42,792	26,835	26,459	19,661