

Aberdeen City Council
Draft Housing Revenue Account
2018/19 – 2022/23 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 2018/19, 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 2018/19, (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 4.1% (RPI at December 2017). (Source: Office of National Statistics)

Housing Stock

The number of Council houses owned by the Council, as at 31 December 2017, is 21,241.

Council House Sales

Right to Buy ended for all Council and housing association tenants in Scotland on 31 July 2016 therefore it has been assumed that there will be no house sales in 2018/19.

Rental Income

The income available in 2018/19 to fund the proposed budgeted level of expenditure has been calculated by taking the current out turn uplifting by 4.6% (RPI at July 2017 3.6 + 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 2018/19. No increase 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 a minimum of 10%.**

Housing Capital Expenditure Programme

Housing Investment Programme

The major projects undertaken by the Council are as follows:

Continuation of the work on the Seaton 7 multi storey over cladding projects at Aulton, Beachview, Bayview and Northsea Courts with overall completion aimed for April 18.

The programme includes the replacement of Heating Systems within 705 properties, Window replacements within 552 properties, Upgrading of flat roofs within 7 Multi storey Blocks and Energy Efficiency measures within 5 Blocks. Continuation of New Build projects at Smithfield and Manor Walk.

Continue with a programme of structural survey throughout the housing stock.

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:

2018/19 - £42.051 Million
2019/20 - £45.335 Million
2020/21 - £30.204 Million
2021/22 - £26.500 Million
2022/23 - £21.991 Million

	Housing Revenue Account	Budget	Out-turn	Budget	
	Draft 2018/19 Budget	2017/18	2017/18	2018/19	
		£'000	£000's	£000's	
	Transfer Payments				
32	Priority Families Service/Housing First	465	465	645	19
33	Loss of Rent - Council Houses	865	1,078	1,128	20
34	Loss of Rent - Garages, Parking etc	436	430	444	
35	Loss of Rent - Modernisation Works	109	109	109	
36	Home Loss & Disturbance Payment	301	301	0	
37	Supporting People Contribution	0	0	0	
38	CFCR	21,700	21,756	22,160	
		23,876	24,139	24,485	
	Capital Financing Costs				
39	Loans Fund Instalment	6,874	7,034	7,249	
40	Loans Fund Interest	7,999	6,000	6670	
		14,873	13,034	13,919	21
	Expense Total	85,862	84,868	88,276	
	Income				
41	Ground Rentals	(26)	(23)	(23)	
42	Dwelling Houses Rent Income	(81,720)	(80,821)	(84,229)	22
43	Housing - Heat with Rent Income	(2,089)	(2,097)	(2,097)	23
44	Housing - Garages Rent Income	(1,263)	(1,291)	(1,291)	24
45	Housing - Parking Spaces Rent	(220)	(196)	(196)	24
46	Housing - Insurance Income	0	(2)	(2)	25
47	Housing - Other Service Charge	(547)	(540)	(540)	24
48	Legal Expenses	(350)	(318)	(318)	
49	Revenue Balance Interest	(147)	(80)	(80)	26
	Income Total	(86,362)	(85,368)	(88,776)	
	Net Expenditure	(500)	(500)	(500)	
	Projected Working Balance at 1 April 2018			10,237	
	17/18 Contribution			500	
	Projected Working Balance at 31 March 2019			10,737	

HOUSING REVENUE ACCOUNT 2018/19 BUDGET

Variance Notes Comparing Draft Budget 2018/19 to Estimated Out-turn 2017/18

Expenditure Movements

1. Rent

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

2. Repairs and Maintenance

An analysis is contained at page 11.

3. Maintenance of Grounds

Maintenance of Grounds budget has two elements: Ground Maintenance and cleansing/weed control. The budget for 2018/19 has been calculated by using the anticipated out-turn for 2017/18 uplifted by 3%.

4. Gas/Electricity

The Council moved on to the Scottish Government National Procurement for Gas and Electricity 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 2016/17 levels due to the ongoing programme of over cladding on the multi storey flats.

5. 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 2018/19 has been calculated as £500,000.

6. Security Service

The cost of the security included in the budget for 2018/19 is £341,000 and includes the control room team.

7. Refuse Collection

The budget for 2018/19 has been calculated by using the out-turn for 2016/17 uplifted for salary increases.

8. Cleaning – Sheltered Housing

This is the budget for the cleaning of Sheltered Housing and has been calculated by using the outturn for 2017/18 uplifted by 3% for salary increases.

9. Other Property Costs – Council Tax on void properties

This budget is for the cost of Council Tax due on void properties. The budget for 2018/19 has been based on the actuals for 2016/17 uplifted by 3% as this is the assumption made in the General Services Budget.

10. Downsizing Grants/Direct Debit and Void Incentives

There are three schemes within this budget line which are Downsizing grants (£50,000), Direct Debit Incentive (£2,000) and (£50,000) Void Initiative.

The Downsizing scheme provides assistance and a financial incentive to Council tenants occupying a property larger than their requirements to move to smaller more suitable housing in order to increase the supply of larger family housing. This budget is being maintained at the current level as the impact of welfare reform and the general economic downturn could lead to 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 was been developed this will be the second year of this initiative.

11. Tenants Arrears

The budget has been maintained at £2M, as at the end of January 2018 rent arrears are £4.2m (includes former and current). The budget for former tenant arrears is for the write off of uncollectable arrears and any increase in the debt provision.

12. 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% (£36.5k to £80K) & 3% (under £36.5k) has been allowed for which is in line with the assumptions contained within the Council's General Fund.

13. General Consultancy, Training for Frontline Staff, Benefits staff, Benefits Advice, Ethnic Minority Worker and Disabled persons Housing Service.

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.

Training for Front line Staff allows, for example, Housing Officer/Assistant Housing Officer 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 2018/19 to reflect the accumulated 3% pay award.

The contribution towards Benefits Advice Service provided 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 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.

Funding for the Ethnic Minority Worker finished in 2017/18 and will not be required in 2018/19.

14. Tenants Participation

This is the budget allocated for the provision of Tenants Participation and includes the employment costs of one Development Officer (Tenant and Resident Participation), Newsbite and training for tenant representatives.

15. Provision of Meals

This budget is for the provision of meals at Denmore and Kingswood extra care housing by Bon Accord Care. The income for this service is contained in line 47 of the budget statement above which is shown as "Housing Other Service Charge" contained in miscellaneous rents page 16.

16. IT Provision

This budget is based on the IT requirements for 2018/19 which includes all the support and maintenance costs.

17. Mediation Service

The budget for 2018/19 covers the Service Level Agreement with SACRO.

18. Energy Advice

Energy Advice encourages 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.

19. Priority Families Service

This budget is used to fund the Priority Families Service which includes a Business Unit and a Key Worker Delivery Unit (delivered by an external body) agreed at Communities, Housing and Infrastructure on 17th May 2016. The service provides intensive intervention services to families (mainly council tenants) which includes addressing anti-social behaviour, ensuring children and young people attend school as required, accessing appropriate health care, establishing routines and positive parenting and improving employability.

In addition also includes funding for the pilot of Housing First Service which was approved at CH&I Committee on 18 January 18 this is a similar service to Priority Families Service. Staff costs of £180k have been built into the budget providing a pilot service including 4FTE Support Officers and 1FTE Senior Support Officer. An application for funding to the ESF to cover these costs was unsuccessful.

20. Loss of Rent Council Houses

The budget has been calculated based on 2017/18 forecast outturns uplifted by 4.6% the approved rental policy for 2018/19.

21. Capital Financing Costs

The budget for Capital Financing Costs is based on the likely level of capital spend in 2017/18 as at the end of November 2017 and a possible future programme for 2018/19 of £42 million as well as the level of historic debt that has to be financed.

Income

22. Dwelling Houses Rent Income

The budgeted income from Dwelling House Rent has increased by the potential rent increase of 4.6% (RPI at July 2017 +1%) which is in line with current Council policy on rent setting with a start date of 30 April 2018. The budget for 2018/19 has been calculated based on the 2017/18 outturn.

23. 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.

24. 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.

25. Housing Insurance Income

A review is being undertaken of the insurance contract and it is anticipated this will break even.

26. 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 2016/17 and current economic conditions.

	HOUSING REPAIRS DRAFT BUDGET	Approved Budget 2017/18 £'000	Projected Spend 2017/18 £'000	Base Budget 2018/19 £'000
<u>PLANNED AND CYCLICAL MAINTENANCE</u>				
1	External Joiner work Repairs including external painter work etc.	1,101	1,091	1,104
2	Boiler Maintenance – Sheltered Housing	325	326	329
3	Controlled Entry Systems – Maintenance	345	336	340
4	Health & Safety - Servicing & Renewal of Equipment inc. Smoke Detectors & Carbon Monoxide alarms	195	584	1,602
5	Flat Roofs/Dormers – Renewal & Insulation	136	121	123
6	Common Rooms – Replacement of Furniture	101	101	102
7	Gas Servicing, Maintenance and Repair	4,500	4,820	4,875
8	Laundry Equipment Replacement & Maintenance	101	116	118
9	Legionella Testing incl. Repair/Renewal of Tanks	48	48	49
10	Lift Maintenance	483	407	412
11	Mutual Repairs outwith Housing Action Areas	27	27	27
12	Pumps & Fans - Maintenance & Renewal	58	55	56
13	Sheltered Housing - Replacement of Carpets, furnishings etc	43	43	43
14	Standby Generators – Maintenance	101	116	117
15	Warden call systems- maintenance and Repair	96	96	97
16	Provision of Community Alarm	246	246	249
17	Environmental Improvements (including internal communal areas)	1,200	1200	1,200
18	Void Properties	4,000	3,999	4,045
19	Asbestos	60	65	66
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	245	245	248
Planned/Cyclical Maintenance Sub Total		13,412	14,043	15,202
<u>DAY TO DAY RESPONSE MAINTENANCE</u>				
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	152	178	180
22	Car Park Repairs	38	20	20
23	Chimney heads - Repointing and Rebuilding	4	22	22
24	Condensation - Treatment of Walls	148	108	109
25	Electrical Work - General Repairs	1,107	1,598	1,616
26	Emergency Work - Out of Hours Service	506	592	599
27	External/Internal Response Paintwork	168	208	210
28	Fire Damage Repairs	13	31	32
29	Garage Repairs	44	59	60
30	Glazier work	143	132	134
31	Joiner work - General Repairs	2,666	2,931	2,964
32	Mason work and Water Penetration Repairs	718	828	837
33	Minor Environmental Services	655	742	751
34	Plasterwork – General	233	236	239
35	Plumber work – General	1,159	1,303	1,318
36	Slater work	1,052	1,339	1,354
37	Snow Clearance	55	55	56
38	TV Aerial	99	52	53
39	Rubbish Removal	12	9	9
40	Vandalism	62	50	51
41	Water Services Charges	10	10	10
Day to Day Response Maintenance Total		9,043	10,503	10,623
42	Fees	2,659	1,589	1,859
43	Recharges			
TOTAL REPAIRS AND MAINTENANCE BUDGET		25,114	26,135	27,685

REPAIRS AND MAINTENANCE BUDGET 2018/19

General

The projected spend figures have been taken from invoicing up to the 3rd September 2017 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 2017/18 is currently anticipated to be above budget however this is not significant and can be subject to change as this budget is demand led.

An uplift has been added to the figures as RICS Building Costs Information Service is forecasting a potential increase of 1.15%.

Specific Items

Planned and Cyclical Maintenance

Item 4 Health & Safety

This line includes the smoke detector maintenance programme, in 17/18 it is anticipated that 1,500 properties will be completed and in 18/19 4,271.

If the Scottish Government propose that all high rise domestic buildings be fitted with fire suppression systems, a report would be brought to the appropriate Committee with options on how this would be funded. An estimated cost to fit such systems is £5,000 per property, which would translate as potential cost of around £20 million across the Housing Account.

Item 7 Gas Servicing, Maintenance and Repairs

In order to achieve the 100% target set by the regulator a budget of £4.9m is required.

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.

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% for wage inflation.

Management & Admin		Budget	Proposed	
		2017/18	2018/19	Notes
		£000's	£000's	
Staff Costs				1
1	Salaries	5,585	5,587	
2	Overtime	74	150	
3	Superannuation	1,000	952	
4	N.I	507	505	
5	Other Staff Costs	656	463	
6	Vacancy Factor	(365)	(569)	
		7,457	7,087	
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	19	19	
18	Subscriptions	23	23	
19	Postages	87	87	
20	Telephones	40	40	
21	Bank Charges(inc Cash in transit	77	77	
22	Advertising	45	15	
23	Course Expenses	14	14	
26	Tenants Participation Expenses	9	12	
		405	378	
Transport Costs				
	Travel Costs	90	88	
		90	88	

			Proposed	
		Budget	Budget	
		2017/18	2018/19	
		£'000	£'000	Notes
	Supplies & Services			2
28	Equipment Purchases	15	15	
29	Computer Software Support	254	254	
30	Sundry Outlays	174	198	
		443	467	
	Corporate/Directorate Recharge			
31	Corporate/Directorate Recharges	2,526	3,192	3
		2,526	3,192	
	Expense Total	11,030	11,321	
	Income			
	Recharges:-			
34	Management & Admin – HRA	(9,484)	(9,745)	
35	Tenants Participation – HRA	(206)	(206)	
36	Other Housing	(227)	(256)	
37	Homeless Persons	(51)	(51)	
38	Housing Capital	(808)	(804)	
39	Integrated Housing	(254)	(259)	
		(11,030)	(11,321)	
	Income Total	(11,030)	(11,321)	
	Net Expenditure	0	0	

MANAGEMENT AND ADMINISTRATION BUDGET

Variances and Notes

The 2018/19 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% is included as per 2017/18 budget.

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					
		2018/19			
		Current	Proposed	Increase	Percentage
		Rental	Rental	Per Week	Increase
Note	Miscellaneous Increases	£	£	£	%
	Garages	11.30	11.80	0.50	4.42
	Denburn and West North Street Spaces	5.15	5.40	0.25	4.85
1	Denburn and West North Street Spaces – Non Resident	20.00	20.00	0	0
	Garages Sites	4.40	4.60	0.20	4.55
	Car Ports	4.85	5.05	0.20	4.12
	Car Parking Spaces – Local Residents	4.00	4.20	0.20	5.00
1	Parking Spaces Non Local Residents	20.00	20.00	0	0.00
2	Meals at Denmore & Kingswood	35.00	40.00	5.00	14.29
	Mortgage Reference Fees	64.50	64.50	0	0
3	Guest Rooms	10 & 15	10 & 15	0	0

The above proposed prices for 2018/19 have been increased broadly in line with the proposed rental increase subject to:

Note 1 – In 2017/18 the ‘non residents’ charge was reduced to £20pw to be competitive with charges applying in other city centre car parks from £35pw, it is recommended that there is no change to this charge in 2018/19.

Note 2 – No increase has been applied to meals at Denmore and Kingswood for many years therefore the difference between the charge and income has widened therefore in order to bring in line with cost an increase of £5 is recommended.

Note 3 - No increase is being recommended in 2018/19.

Heat with Rent calculations for 2018/19

It was agreed in the 2017/18 budget process not to increase the Heat with Rent charges.

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

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

It is proposed that Heat with Rent charges do not increase in 2018/19 based on current forecasts for consumption and cost.

Heat with Rent – 48 week basis		
	Previous	Proposed
	£	£
Gas Heated Properties		
Bedsits	8.55	8.55
1 bed roomed flats	9.85	9.85
2 bed roomed flats	11.15	11.15
3 bed roomed flats	12.45	12.45
Electrically Heated Properties		
Bedsits	9.55	9.55
1 bed roomed flats	10.85	10.85
2 bed roomed flats	12.15	12.15
3 bed roomed flats	13.45	13.45
CHP Properties		
All 1 Bed roomed Properties	9.60	9.60
All 2 Bed roomed Properties	10.90	10.90

**ABERDEEN CITY COUNCIL
Tenants Consultation**

Aberdeen City Council is committed to ensuring that tenants' views are both sought and listened to. Communities, Housing and Infrastructure Committee on the 1 November 2016 agreed a rent policy of inflation (Retail Price Index as at July of the preceding year) + 1%, for a period of three years.

Legislation states that tenants must be consulted on any potential rent increases, a questionnaire was therefore sent out to all our tenants asking for their opinion on a potential rent increase for 2018/19. The Retail Price Index as at July 2017 was 3.6% + 1% = 4.6%, this is equivalent to an average increase of £3.63 per week.

A total of 20,777 were sent and for the first time 6,150 tenants received their questionnaires by e-mail making it easier and quicker to complete and in addition saving the Housing Revenue Account the cost of the extra postage. The results of the survey were as follows:-

	Total sent	As a % of the total sent.	Number of questionnaires returned.	Agree with rent increase % in brackets	Disagree with rent increase % in brackets
Total number of questionnaires sent by post.	14,627	70.4%	2,217 (15.15%)	822 (37.1%)	1395 (62.9%)
Total number of questionnaires sent by e-mail.	6,150	29.6%	275 (4.47%)	88 (32.0%)	187 (68.0%)
Total number sent.	20,777	100%	2492 (11.99%)	910 (36.6%)	1582 (63.4%)

For comparison the results for the previous 2 years were as follows:-

	Agree with increase	Disagree with increase
2017/18	1658	1232
2016/17	1135	2077

Housing Revenue Account		Budget	Budget	Budget	Budget	Budget	Notes
		2018/19	2019/20	2020/21	2021/22	2022/23	
		£000's	£000's	£000's	£000's	£000's	
Premises Costs							
1	Rates	60	61	62	64	65	
2	Rent	102	104	106	108	110	
3	Repairs and Maintenance	27,685	28,239	28,803	29,380	29,967	1
4	Maintenance of Grounds	3,203	3,267	3,332	3,399	3,467	2
5	Gas	515	525	536	547	557	3
6	Electricity	2,754	2,809	2,865	2,923	2,981	3
7	Cleaning Service	500	526	542	558	575	3
8	Security Service	341	348	355	362	369	2
9	Window Cleaning	26	27	27	28	28	3
10	Refuse Collection	337	344	350	357	365	2
11	Cleaning – Sheltered Housing	578	589	601	613	625	2
12	Premises Insurance	0	0	0	0	0	3
13	Other Property Costs - Council Tax	282	291	299	308	318	
		36,383	37,130	37,880	38,646	39,428	
Administration Costs							
14	Down sizing Grants/Direct Debit Incentives	102	102	102	102	102	
15	Legal Expenses	350	350	350	350	350	
16	Office Tel / Rent	10	10	10	11	11	3
17	Former Tenants Arrears	2,000	2,000	2,000	2,000	2,000	
18	Charges - Services Admin & Management	9,745	9,940	10,139	10,341	10,548	2
19	General Consultancy	60	60	60	60	60	
20	Training for Front Line Staff	100	102	104	106	108	3
21	Benefits Staff	63	64	65	67	68	2
22	Charges - Tenants Participation	206	210	214	219	223	2
23	Charges for Environmental Health	217	221	226	230	235	2
		12,853	13,059	13,270	13,486	13,705	
Supplies & Services							
24	Provision of Meals	155	158	161	164	168	
25	Television Licence	8	8	8	8	9	
26	Integrated Housing System	254	259	264	270	275	3
		417	425	434	443	451	

		Budget	Budget	Budget	Budget	Budget	
	Housing Revenue Account	2018/19	2019/20	2020/21	2021/22	2022/23	
		£000's	£000's	£000's	£000's	£'000	
	Agencies						
27	Mediation Service	83	85	86	88	90	2
28	Energy Advice	83	85	86	88	90	2
29	Benefits Advice	14	14	15	15	15	2
30	Disabled Persons Housing Service	39	40	41	41	42	2
31	Ethnic Minority Worker	0	0	0	0	0	
		219	223	228	232	237	
	Transfer Payments						
32	Priority Families Service	645	658	671	684	698	2
33	Loss of Rent - Council Houses	1,128	1,161	1,196	1,232	1,269	4
34	Loss of Rent - Garages, Parking etc	444	457	471	485	499	
35	Loss of Rent - Modernisation Works	109	112	116	119	123	3
36	Haudagain Home Loss & Disturbance Payments	0	0	0	0	0	
37	Supporting People Contribution	0	0	0	0	0	
38	CFCR	22,160	22,070	22,033	23,311	24,828	
		24,485	24,458	24,486	25,831	27,417	
	Capital Financing Costs						
39	Loans Fund Instalment	7,249	8,374	9,549	10,177	10,668	
40	Loans Fund Interest	6,670	7,132	7,557	7,271	6,941	
		13,919	15,506	17,106	17,448	17,609	
	Expense Total	88,276	90,802	93,405	96,086	98,848	
	Income						
41	Ground Rentals	(23)	(23)	(23)	(23)	(23)	
42	Dwelling Houses Rent Income	(84,229)	(86,756)	(89,358)	(92,039)	(94,800)	4
43	Housing - Heat with Rent Income	(2,097)	(2,097)	(2,097)	(2,097)	(2,097)	
44	Housing - Garages Rent Income	(1,291)	(1,291)	(1,291)	(1,291)	(1,291)	
45	Housing - Parking Spaces Rent	(196)	(196)	(196)	(196)	(196)	
46	Housing - Insurance Income	(2)	(2)	(2)	(2)	(2)	
47	Housing - Other Service Charge	(540)	(540)	(540)	(540)	(540)	
48	Legal Expenses	(318)	(318)	(318)	(318)	(318)	
49	Revenue Balance Interest	(80)	(80)	(80)	(80)	(80)	
	Income Total	(88,776)	(91,303)	(93,905)	(96,586)	(99,347)	
	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% in 2018/19 to 2022/23.

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, Benefits Advice, Disabled Persons Housing Service, Priority Families Service

As these budgets are principally for staffing within the Council an uplift of 2% for 2019/20 to 2022/23 has been applied to reflect the anticipated public sector pay awards.

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

These budgets have been uplifted by the inflationary increase in the HRA Business Plan of 2%.

4. Dwelling Houses Rent Income and Transfer Payments

The budgeted income from Dwelling House Rent is uplifted by 4.6% for 2018/19 and then uplifting each year by 3% (RPI of 2% used in the business plan, this is the standard inflationary increase plus 1%).

HOUSING REPAIRS DRAFT BUDGET		Base Budget 2018/19 £'000	Base Budget 2019/20 £'000	Base Budget 2020/21 £'000	Base Budget 2021/22 £'000	Base Budget 2022/23 £'000
PLANNED AND CYCLICAL MAINTENANCE						
1	External Joiner work Repairs including external paintwork etc.	1,104	1,126	1,149	1,172	1,195
2	Boiler Maintenance - Extra Care Housing	329	336	343	350	356
3	Controlled Entry Systems – Maintenance	340	347	354	361	368
4	Health & Safety- Servicing & Renewal of Equipment inc. Smoke Detectors, Dry Risers & Carbon Monoxide alarms	1,602	1,634	1,667	1,700	1,734
5	Flat Roofs/Dormers – Renewal & Insulation	123	125	125	130	133
6	Common Rooms - Replacement of Furniture	102	104	106	108	111
7	Gas Servicing, Maintenance and Repair	4,875	4,972	5,072	5,173	5,277
8	Laundry Equipment Replacement & Maintenance	118	120	123	125	128
9	Legionella Testing incl. Repair/Renewal of Tanks	49	50	51	52	53
10	Lift Maintenance	412	420	429	437	446
11	Mutual Repairs outwith Housing Action Areas	27	28	28	29	30
12	Pumps & Fans - Maintenance & Renewal	56	57	58	59	60
13	Extra Care Housing - Replacement of Carpets, furnishings etc	43	44	45	46	47
14	Standby Generators – Maintenance	117	119	122	124	126
15	Warden call systems- Maintenance and Repair	97	99	101	103	105
16	Provision of Community Alarm	249	254	259	264	269
17	Environmental Improvements	1,200	1,224	1,248	1,273	1,299
18	Relets	4,045	4,126	4,209	4,293	4,379
19	Asbestos	66	67	68	70	71
20	Former Housing Capital budgets – energy efficiency, upgrading entrance halls and laundry facilities	248	253	258	263	268
Planned/Cyclical Maintenance Sub Total		15,202	15,506	15,816	16,133	16,455
DAY TO DAY RESPONSE MAINTENANCE						
21	Blacksmith General incl. Renewing & Repairing Rotary Driers/Handrails	180	184	187	191	195
22	Car Park Repairs	20	20	21	21	22
23	Chimney heads - Repointing and Rebuilding	22	23	23	24	24
24	Condensation - Treatment of Walls	109	111	113	116	118
25	Electrical Work - General Repairs	1,616	1,649	1,681	1,715	1,749
26	Emergency Work - Out of Hours Service	599	611	623	635	648
27	External/Internal Response Paintwork	210	214	219	223	227
28	Fire Damage Repairs	32	32	33	33	34
29	Garage Repairs	60	61	62	63	65
30	Glazier work	134	137	139	142	145
31	Joiner work – General Repairs	2,964	3,024	3,084	3,146	3,209
32	Mason work and Water Penetration Repairs	837	854	871	889	907
33	Minor Environmental Services	751	766	781	797	812
34	Plasterwork – General	239	244	249	254	259
35	Plumber work – General	1,318	1,344	1,371	1,399	1,427
36	Slater work	1,354	1,382	1,409	1,437	1,466
37	Snow Clearance	56	57	58	59	60
38	TV Aerial	53	54	55	56	57
39	Rubbish Removal	9	9	9	9	9
40	Vandalism	51	52	53	54	55
41	Water Services Charges	10	10	11	11	11
Day to Day Response Maintenance Total		10,623	10,836	11,053	11,274	11,499
Fees		1,859	1,897	1,935	1,973	2,013
TOTAL REPAIRS AND MAINTENANCE BUDGET		27,685	28,239	28,804	29,380	29,967

Draft Housing Capital Budget 2018/19 to 2022/23

PROJECT	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
SCOTTISH HOUSING QUALITY STANDARDS					
1 Compliant with the tolerable standard					
1.1 Major Repairs-	1,458	1,977	222	636	820
Roofs Renewal/Gutters/RWP/Roughcast					
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast					
	<hr/> 1,458	<hr/> 1,977	<hr/> 222	<hr/> 636	<hr/> 820
2 Free from Serious Disrepair					
2.1 Primary Building Elements					
Structural Repairs Multi Storey	4,215	724	544	1,198	28
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	2,069	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	400	634	196	721	640
Replacement of existing roof covering and upgrading of insulation to meet current building regulations.					
2.3 Upgrade Flat Roofs Multi Storey	1,100	58	58	288	75
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required					
2.5 Mono Pitched Types	650	650	650	650	650
Replacement of the external render of the building, replacement of gutters and downpipes, environmental works					
2.6 Window Replacement General	597	750	347	1,422	1,240
Window Replacement Flats	1,928	2,662	3,412	2,395	1,012
Window Replacement General – Communal	90	0	0	0	376
Window Replacement General – Rosemount Square	1,640	0	0	0	0
2.7 Window Replace – Multi Storey	19	0	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	7	7	0
2.9 Balcony Glass Renewal – Multi Storey	0	0	0	0	0
	<hr/> 12,708	<hr/> 7,478	<hr/> 7,214	<hr/> 8,681	<hr/> 6,021
3 Energy Efficient					
Effective insulation					
3.1 Cavity Wall Insulation	0	0	92	0	0
3.2 General Houses Loft Insulation	123	172	178	184	0
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	3,154	4,270	8,405	8,405	5,872
Replacement of boiler/whole system as deemed necessary.					
3.5 Energy Efficiency – Major Blocks	2,025	1,701	1,701	1,701	2,126
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants					
3.6 Energy Efficiency Sheltered	9	0	0	0	0
Introduction of energy efficiency measures in extra care housing such as					

new or upgraded heating systems.

	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000
<u>Additional Energy Efficiency measures</u>					
3.7 SCARF	35	35	35	35	0
3.8 Solid Wall Insulation	3,888	3,250	1,000	1,000	0
3.9 Vestibule Doors	0	0	0	0	0
	9,234	9,428	11,411	11,325	7,998

Modern Facilities & Services

	2018/19	2019/20	2020/21	2021/22	2022/23
<u>Bathroom and Kitchen Condition</u>					
4.1 Modernisation Programme – Bathroom	506	289	387	387	799
Modernisation Programme – Kitchen	1,439	1,146	1,539	1,533	2,328
Replacement of bathrooms and kitchens.					
	1,945	1,435	1,926	1,920	3,127

5 Healthy, Safe & Secure

	2018/19	2019/20	2020/21	2021/22	2022/23
<u>Healthy</u>					
5.1 Condensation Measures	23	24	24	24	0
Installation of heating systems and ventilation measures to combat condensation.					
<u>Safe</u>					
5.3 Rewiring	2,538	2,381	178	191	355
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	1,149	2,548	0	0	0
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	47	19	0	0	17
5.6 Services	0	50	50	50	0
Cyclical maintenance/replacement of the following services	270	0	0	0	0
Ventilation Systems, water tanks/pipe work, refuse chutes/chamber, Dry risers systems, Standby Generators	150	0	0	0	0
5.9 Upgrading of lightning	17	0	0	0	0
<u>Secure</u>					
5.11 Door Entry Systems	69	106	492	134	39
Installation of door entry and replacement of existing doors where required					
5.12 Replace Door Entry Systems - Major Blocks	134	222	0	0	399
Installation of door entry and replacement of existing doors where required					
5.13 Other Initiatives	316	334	659	589	224
Upgrading of stairs and installation of security doors and door entry systems					
	4,712	5,684	1,403	988	1,034

NON SCOTTISH HOUSING QUALITY STANDARDS

6 Community Plan & Single Outcome Agreement

6.1 Housing For Varying Needs	166	100	100	100	100
New build projects or adaptation/refurbishment of existing properties to create accommodation which is suitable for occupation by tenants with particular needs.					

	2018/19	2019/20	2020/21	2021/22	2022/23
6.2 Community Initiatives	750	600	600	600	600
Refurbishment of properties or environmental improvements in designated areas. Cruyff Court redevelopment.					
6.5 Regeneration/Acquisition of Land or Houses	2,700	15,064	4,850	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	162	179	0	0	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	350	1,600	800	150	150
Provision of specialist facilities or housing for tenants with particular needs i.e. extensions					
6.9 Housing For Varying Needs- Amenity/Adaptations	50	30	30	30	30
Conversion of properties to Amenity Level standard					
6.10 Housing For Varying Needs- Extra Care/Adaptations	100	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	6,260	150	0	0	0
	11,838	19,093	7,750	2,750	2,750
7 Service Development					
7.1 Conditions Surveys	80	0	0	0	0
7.2 Property Database	10	0	0	0	0
Integrated Housing System	20	20	20	20	20
	110	20	20	20	20
8 Service Expenditure					
8.1 Other Departmental Fees	5,239	5,822	3,991	3,456	2,936
	5,239	5,822	3,991	3,456	2,936
Gross Programme	47,248	50,938	33,937	29,775	24,709
Less 11% Slippage	(5,197)	(5,603)	(3,733)	(3,275)	(2,717)
Net Programme	42,051	45,335	30,204	26,500	21,991
Financed by :-					
Borrowing	19,891	23,265	8,171	3,189	0
Scottish Government Grant – New Build					
CFCR	22,160	22,070	22,033	23,311	21,991
Total Funding	42,051	45,335	30,204	26,500	21,991

	Ward													Number of Properties Per Programme	Blocks
	1	2	3	4	5	6	7	8	9	10	11	12	13		
Capital Programmes 2018/2019	Dyce/ Bucksburn/ Danestone	Bridge of Don	Kingswells/ Sheddocksley	Northfield	Hilton / Stockethill	Tillydrone / Seaton / Old Aberdeen	Midstocket/ Rosemount	George Street / Harbour	Lower Deeside	Hazlehead / Ashley / Queen's Cross	Airyhall / Broomhill / Garthdee	Torry / Ferryhill	Kincorth / Loirston		
1.1 Major Repairs															
Copper Roof												48		48	5
Errol Street/Place						52								52	14
Pitched Roof - Flats			6			38								44	2
Pitched Roof - House	1													1	
Gray Court - Roof											45			45	1
2.1.1 Multi Storey Structural Repairs				109	58	110							52	329	6
2.2 Upgrading of Flat Roofs															
General Flats	6	6		30	53	4	12	35		4	6	5		161	22
2.3 Upgrading Flat Roof Multi Story					94	182	120	156						552	7
2.6 General Housing Window Replacement -															
Communal Windows - Blocks					12	82								94	18
General Windows	8			53	287	7	83	8	61		8	116	3	634	
2.7 Window Replacement - Multi's															
Communal							75							75	2
3.2 Loft Insulation				1	4	2	1	3	21	2	41	124	105	304	
3.3 Heating	118	49	1	3	213	166	69	73				13		705	
3.5 Energy Efficiency - Multi's				56	282									338	6
3.8 Solid Wall Insulation - BISF				35										35	
- Logie/Manor				137										137	25
4.1 Modernisation- Bathroom		2	6	20	43	3	4	22			6	12	1	119	
- Kitchen	4	9	16	47	81	16	15	10	1	5	3	35	4	246	
5.3 Rewiring	41	36	136	264	142	24	65	16	20	9	168	115	355	1,391	
5.4 Lift Replacement - Multi Storey										184				184	5
5.5 Communal Fire Alarm								284						284	2
5.6 Services			0	0	175	56		0					0	0	
5.6 Services - Water Tank Replacement					175							56			
5.11 Door Entry			12	10	7							6	7	42	7
5.12 Door Entry System (Multi)					72	222								294	3
5.13 Replacement Doors	15	2	83	81	23	45	25	4	2		12	7	13	312	
6.5 Middlefield Triangle				108										108	
6.6 CCTV														0	4
6.14 New Build				158										158	
Total Number of Properties Per Ward	192	104	254	1,112	1,721	Page26	469	611	105	204	244	489	540	6,502	129