
Report to: Clackmannanshire Council

Date of Meeting: 24 March 2021

Subject: Housing Revenue Account Budget 2021/22 and Capital Programme 2021/22

Report by: Strategic Director (Place)

1.0 Purpose

- 1.1. This report presents the Housing Revenue account budget and Housing Capital Programme for the financial year 2021/22 and highlights the key factors influencing the budget.
- 1.2. The Housing Revenue Account (HRA) budget setting process is subject to statutory, regulatory and governance requirements. This report requests approval for the 2020/21 HRA Income and Expenditure revenue budget and rent levels, as defined within the Housing (Scotland) Act 1987.

2.0 Recommendations

- 2.1 It is recommended that Council:
 - 2.1.1. Approves the summary revenue budget 2021/22, as set out in Appendix 1;
 - 2.1.2. Approves the Housing (HRA) capital programme 2021/22, as set out in Appendix 2;
 - 2.1.3. Approves HRA Borrowing Requirement 2021/22 to 2024/25 and Earmarked Investment, as set out in appendix 4, noting that, subject to paragraph 3.23 - 3.26 of this report, a sum of £700k has been earmarked for a projected required investment in the Primrose Street Development in 2021/2022;
 - 2.1.4. Notes that service will be seeking external assistance to review the HRA Financial business plan during 2021/22.

3.0 Considerations

- 3.1. The Housing Revenue Account (HRA) budget setting process is subject to statutory, regulatory and governance requirements. This report

requests approval for the 2020/21 HRA Income and Expenditure revenue budget and rent levels, as defined within the Housing (Scotland) Act 1987.

3.2. Outline HRA Budget 2021/22

<i>Description</i>	<i>Annual Budget for 2020/21 £'000</i>	<i>Forecast to March 2021 £'000</i>	<i>Annual Budget for 2021/22 £'000</i>
Employee Related Expenditure	7,979	7,257	7,918
Premises Related Expenditure	1,547	1,637	1,547
Transport Related Expenditure	373	322	373
Supplies and Services	2,161	1,449	1,763
Third Party Payments	1,244	1,099	1,219
Support Services	1,204	1,204	1,204
Capital Financing Costs	1,988	1,773	1,482
Total Gross Expenditure	16,495	14,741	15,504
Income			
House Rents	-19,841	-19,844	-19,850
Lockups/Garage Sites/Shops	-62	-81	-62
Other Income	-1,765	-1,504	-1,237
Income Total	-21,668	-21,429	-21,150
Net Expenditure	-5,173	-6,687	-5,645

3.3. The above table highlights the main expenditure items in the housing revenue account, compared with the annual budget for 2020/21 and the current forecast outturn projection. The table below details the reductions and adjustments applied to the budget.

3.4. The above includes the council decision to freeze to rental charges for 2021/22 (i.e. the same charges as 2020/21) in February 2021.

3.5. The service will continue to review the capital programme in light of the pandemic, and will carry out a full review of the HRA 30-year business plan alongside this capital review. This will be carried out during the coming year and will assess issues of rent affordability and rent models, alongside other considerations.

3.6. Proposed HRA Budget Reductions/Adjustments 2021-22

	2021-22 £'000	
Reductions		Description
Materials	(130)	Assessment on the continued impact of the pandemic on the ability to carry out repairs and improvements will impact on material spend in 2021/22.
Direct Materials	(300)	The temporary and delayed start to the capital kitchen programme undertaken by in-house trades will decrease the need to spend on associated materials in 2021/22.
Payments to Sub Contractors	(25)	The temporary and delayed start to the capital kitchen programme undertaken by in-house trades will decrease the need to spend on associated sub-contractor works in 2021/22.
Cost of Borrowing	(505)	Reduced loan principal repayments following loans fund review.
House Rents	(10)	Agreed freeze on Rents, with small increase in stock.
Employee Expenditure	(238)	Recruitment to current and reshaping of some establishment vacancies, with the possibility of some increase in headcount is being considered as part of Housing and Property redesign. Discussion and engagement to proceed early in the new financial year with Unions and SLG in line with organisational change process. Saving relates to delay in then making appointments to agreed structure (i.e. posts wont start from 1 st April)
Reduction (sub total)	(1,208)	
	2021-22 £'000	
Cost Adjustments		Description
Pay award and staff qualifying for incremental rises	176	Assumption made on possible pay settlement with TU's
Property Contracts Income	490	The temporary and delayed start to the capital kitchen programme undertaken by in-house trades will decrease the income to PCU from the HRA.
Computer Expenditure	32	Service hopeful of concluding IT tender for replacement Property and Housing System, will require dual running with existing platform and assumed increased temporary increase in

		revenue costs.
Other Income	38	Reduced interest paid on reserves.
Cost Adjustments (sub total)	736	
Grand Total	(472)	

3.7. HRA Expenditure 2021/2022

3.8. The Total Gross Revenue Expenditure is estimated at £15.5m.

3.9. Repairs and Maintenance

3.10. The budget for reactive repairs and maintenance to tenants has been set at the level required to meet historical service demand. There has been significant capital investment in improving stock condition in recent years, however a number of factors beyond stock condition can lead to a need for repair works.

3.11. The vast majority of repairs, maintenance and void property works are undertaken by the Council's own direct labour force currently working within the housing service and based at Kelliebank. Appendix 5 also details the work now carried in-house by our own trades. Whilst the service will continue to review the balance of trade mix and work done in-house, not all work can be provided in-house due to a variety of factors such as skill set, storage capacity and price/value for money considerations. The service is currently supporting ten apprentices and will be recruiting a further two apprentices this summer, which is the maximum the service can accommodate with the supervisory capacity required.

3.12. Allocated appointments for repairs have provided tenants with improved levels of service delivery, and a planned improvement to a new housing business management system (incorporating repairs) will provide for a streamlined, robust and modern repairs system moving forward. Funding for a replacement cloud based system has been provided for in the proposed budget.

3.13. Satisfaction with the repairs service is high. From the formal independent tenant consultation survey carried out during summer 2019, 92% of tenants were either very or fairly satisfied with the repairs service.

3.14. Supervision and Management

3.15. The supervision and management charge centres upon the direct cost of mainly front line Housing staff in the delivery of day-to-day services for tenants and collection of rent. It also includes indirect costs mostly charged as overheads to the HRA. In accordance with the Housing Charter and regulatory framework, charges applied to the account continues to be an area of concern for tenants, especially with the

pandemic response perhaps not allowing for a full range of services to be provided to the tenant base as would be the case in normal years.

3.16. Therefore, the service will re-examine with external and independent assistance the value and legitimacy of the re-charges and whether they are fully compliant with the legislative and regulatory frameworks. This could also highlight areas where resources might need to increase - for example, in legal services where the impact of additional arrears cases will require additional resource in the corporate team to help progress cases as appropriate.

3.17. **HRA Income 2021/22**

3.18. The projected base rental charges with the rent freeze applied and other income is estimated to generate income of £21.1m.

3.19. With Gross Expenditure of £15.5m, this means that £5.6m is budgeted and available to transfer to the Capital Investment fund for tenant priorities. This reduces the Council's requirement to borrow and for 2021/22 no borrowing is forecast (Appendix 4).

3.20. The pandemic has caused challenges for tenants across Scotland, in paying their rent and this has put pressure on rent arrears. The Place Committee in May will be provided with details on the growth in both arrears cases and the amounts owed. This has meant that the service has had to increase coverage for bad and doubtful debts, which represents finance that then is not available for tenant investment priorities.

3.21. **Be The Future – HRA alignment with six key identified projects/priorities.**

3.22. People and Place Hub Pilot Initiative – The Housing Service will play an active role in supporting the agreed pilot hub projects, with assistance provided by local area housing officers, Tenant Participation officers, links to recognised tenant organisations and will determine if funding can be provided by the HRA where direct benefit to the tenants can be clearly demonstrated.

3.23. Sustainable Ageing – The Council, in collaboration with Kingdom Housing Association, are delivering a project in Primrose Street, Alloa which will deliver 60 new homes for predominantly older people on a previously derelict and unattractive town centre site. It is an important project for the town centre and setting a precedent for managing social care, and intergenerational living whilst redeveloping the town centre. The project was advanced by Architectural Design Scotland (ADS) and Stirling University with particular reference to dementia friendly design, build and routes into the town centre. This development is viewed as an early pathfinder in respect of longer term ambitions through our Housing Strategy (through the SHIP) and HSCP models of care as articulated in the IJB's Strategic Plan.

- 3.24. The project however, has had a funding shortfall, mainly associated with these extra design aspects. Officers from both housing and health and social care have been examining ways to meet the shortfall and will continue to do so. The Council has received legal advice suggesting that the HRA could, under certain circumstances, make a contribution to the development subject to the usual consultation with tenants. Initial discussion with the Tenants Federation indicates a level of support for the development.
- 3.25. Further work is required to explore funding options and these will be presented to Council at a future meeting. To ensure the success of the project, it is felt prudent at this stage for Council to approve an earmarked sum in the HRA budget. The current projected shortfall balance is included in appendix 4 as a ring fenced £700k. Although Council is asked to approve the earmarked investment at this stage, this will be subject to future reporting to ensure full governance on any final sum or funding mechanism is provided.
- 3.26. Work is ongoing on the allocations policy and models of care for Primrose Street, with strategic housing leads from Clackmannanshire and Stirling working in collaboration with HSCP partners. There will also be a sustainable ageing group established in the new financial year, which will work alongside Kingdom Housing Association on the specific allocations approach and promotion of the development. The Place committee will be kept updated on progress as we near the point of the development welcoming it's first tenants in April 2022 and any required Council governance will also be sought in advance of this date.
- 3.27. Also included within appendix 4 for approval is an earmarked allowance for Council new build development at Clackmannan in 2022/23 of £584k. This allowance plus the Government grant will allow the service to take forward a development of 8 bungalows for either medical or older people allocations. This project will also come forward to the appropriate committee for formal approval.
- 3.28. The service is also working with ADS and the Scottish Futures Trust over a future predominant older people's development at Glentana Mill in Alva. This site is projected to provide accommodation for around forty homes. The focus of this work is to ensure that the development compliments the town, facilitates good access to amenities and will provide a boost to the take up and use of the Cochrane Hall and Park. As part of the business plan review, the service will consider if this development can be delivered by the Council or whether it will require a partnership approach with an RSL.
- 3.29. Strive Pilot – The Housing service has been keen partners with the Strive pilot since its inception. Funding for rapid rehousing which is Scottish Government funding to help minimise and work towards ending homelessness has provided financial support to the project. Moreover, the service has provided a dedicated key officer to work with partners to help streamline and deal with case referrals as quickly as possible.

- 3.30. Income Maximisation- The HRA already augments the Council's general fund contribution to the Citizens Advice Bureau (CAB), to mitigate the impact of poverty and maximise social security benefits for tenants. As part of the service redesign the service is also considering the best strategic fit for former tenant arrears (FTA's) management as control and minimisation of former tenant's arrears will be crucial to the sustainability of the Housing Business Plan.
- 3.31. Digital as an Enabler – The Service quite early in the pandemic response enabled all staff to work at home is has been invaluable in ensuring we could continue to deliver for our tenants with COVID restrictions in place. The Capital budget includes scope for the service to complete the tender process for a replacement housing and property IT system, which is now critical to continued delivery of statutory and regulatory services for tenants. As part of the redesign proposals for both housing and property, specific resources that require backfilling will be identified to ensure that implementation of the system does not impact on the delivery of services to customers. The service will also be working with HR and corporate colleagues to embed in as far as possible, new ways of working for housing staff, whilst ensuring that our customer focus is not in anyway diminished.
- 3.32. Workforce – The housing and property teams will be engaging with staff and the trade unions early in the new financial year with regards a proposed new structure and redesign. The primary focus from the housing structure will be to focus on clear tenant and regulatory priorities with engagement and participation being integral to improving the service. The property structure will focus on delivering for the wide range of internal customers such as housing, education and the ambitions of the council's general fund new capital plan.
- 3.33. **Capital programme Plan 2021– 22 (Appendix 2), key highlights**
- 3.34. An update for members on the HRA capital spend to the end of Quarter 3 of 2020/21 is attached as Appendix 2.
- 3.35. Key investment priorities over the short to medium term continue to be external building fabric such as roof replacement with external wall upgrade, central heating upgrade, and window replacement. Forward pressures will exist in the delivery of the new energy efficiency target (EESH2 standard). The Council is investigating ahead of the business plan review the current position we are achieving (against EESH2), and the costs to meet the higher standards.
- 3.36. The programme for 2021/22 is based on current restrictions and the suggested lifting of lockdown measures, in the coming weeks and months. Therefore, the service is only presenting a one year plan, with the option of returning to Council after the summer to seek any additional governance, to alter the capital programme if circumstances allow. However, the capital plan in the immediate, future years will likely be based on the outline programme agreed by Council, in February 2020. It should be noted, that no tenant will miss out on any

investment work and most of the councils current capital works are ahead of the planned schedule at this stage.

- 3.37. Structural Works – Budget for 2020/21 proposed to increase by around £250k to deal with failure and disrepair identified in rolling stock condition surveys. This year, (2020/21), the service has undertaken retaining wall upgrades within common areas within Branshill Park Sauchie, utilising a term contract agreed with a local supplier. There are further areas of wall re-building required within Branshill Park scheduled in Phase 2 for 2021/22, along with the rebuilding of external stairwells at Quarry Place Sauchie and a wall re-build project at Forebraes Alloa scheduled in the new financial year .
- 3.38. Damp Proof Course and Rot Works – A new contract was agreed for 4 years back in September 2019 with MAB Preservations in Grangemouth, which provides independence to assessment of damp cases within our stock. Improvements to the stock, such as window replacement, heating improvements, has meant a reduction from a spend of £250k to around £100k per year. This will equate, if the need arises, to approximately 75 individual houses being specially treated.
- 3.39. Roof/Rainwater/External Walls – This remains a significant priority for the HRA Assets as much of this work was previously back programmed in order to focus on delivering the ‘Local Clacks Standard’ for 2015. The budget request has been set to sustain current investment levels and a request for a carry forward of £110k, along with a budget of £1m to sustain the programme. As at March a total of 81 properties have been re-roofed with a further 79 properties re-rendered. The programme for 2021/22 will be located in Clackmannan and includes 100 properties for roof replacement and a further 75 for render upgrade.
- 3.40. Windows - Good progress with this programme was made when restrictions allowed from September to December 2020, however the implication of lockdown meant a complete stop in progress. The service is working to a 15 year programme to replace windows which are around 30 years old. The budget has been set for this year at 450 homes and should be deliverable even with a late summer lifting of restrictions.
- 3.41. Central Heating – Most of the stock is heated by an ‘A’ rated Gas boiler which is replaced at 15 year intervals. The service plans and schedules are for 140 replacements each year. This year 119 were completed when restrictions allowed and the budget for 2021/22 will fund 140 replacement boilers in the new financial year
- 3.42. Alva Weir Multicon – Following agreement at council in December 2020, £650,000 is required to be carried forward into the new financial year to enable improvement works to be started and concluded as soon as restrictions allow.
- 3.43. Kitchen Renewals - The restrictions imposed by the pandemic made work on kitchens on tenanted properties extremely difficult to ensure

adequate H&S measures. Therefore, the service is proposing to continue to focus on any kitchen replacements required at the void period only for 2021/22. The Council's current policy is to replace kitchens at year 25 and our oldest kitchen in the stock is only 18 years old, so a temporary stop will not breach our commitments. The replacement strategy and timescale will be part of the business plan review during the summer.

- 3.44. Bathroom Renewal – Main replacement programme ended in 2016. Budget set at £50k to deal with any remaining refusals and failures (picked up during voids). This equates to around 20 bathroom upgrades carried out in-house. The service will also as part of business plan review start to plan when the next replacement bathroom programme will be required to start to enable maximum work retained by in-house trades.
- 3.45. Safe Electrical Systems - A new four year term contract was agreed with AC Gold in March 2019, with 835 new interlinked smoke alarm systems being installed during 2020/21. The service will continue to prioritise this programme into 2021-22 with the revised Scottish Government deadline now being set at May 2022. We are working towards having our stock fully compliant with the Scottish Government changes and Technical Standards requiring that all smoke detectors are interlinked and hard wired. The programme has been set with a budget of £600k, to be augmented with a further £500k carry over from this financial year. This equates to 1,100 properties for electrical tests and smoke alarm enhancement.
- 3.46. Fencing – The service is aiming to continue a programme of around 120 houses being upgraded. A new four year term contract was agreed in December 2020 with A & B Reid Fencing to cover the next four year term. Any underspend in the budget of this year will be requested to be carried forward into 2021/22.
- 3.47. Secure Door Entry Systems – Programme has been suspended due to covid19 restrictions. A new term contract is currently being procured including CCTV enhancement and this is expected to be awarded in April 2021. Our forward plan seeks to enhance approximately 20 blocks per year.
- 3.48. Disabled Adaptations Conversions – A significant disabled extension has been completed within Newbiggin Crescent Tullibody. This programme has been restricted due to covid19 restrictions in 2020-21, however, a budget of £50,000 will allow us to recommence the programme once it is safe to do so. Furthermore a budget of £75,000 will be available for any urgent Conversion and Upgrading work meantime. Any urgent requests and hospital discharge works are still being carried out.
- 3.49. Renewable Heating (zero direct emissions at point of use) – The UK and Scottish Government are both keen to decarbonise the heating systems in use in homes across the country, either through the use of heat pumps or piloting of hydrogen boilers which produce zero

emissions at the point of use. This will likely feature as part of the councils responsibility for EESH 2, which may mean that from a certain point we will not be able to replace gas boilers within existing homes. This has already been agreed for new build homes from 2024. The budget proposed of £150,000 will be used to pursue pilot projects of heat pumps, replacement radiators and suitably sized pipework and buffer tanks (utilising industry standard heat loss methodology), in Muckhart, Forrestmill and Lower Mains in Dollar. Grant assistance (Renewable Heat Initiative (RHI) payments) will still be available (subject to conditions) on systems commissioned prior to 31st March 2022.

- 3.50. The council will also be looking to support and train existing staff on the use and repair of heat pumps with nationally recognised qualifications. This will ensure we can respond to any emergencies, such as breakdowns timeously.
- 3.51. Westhaugh Improvements – As reported to Place Committee on 18th March 2021, the service is progressing improvements to the site utilising the place standard tool and Participatory Budgeting (PB) techniques. The report recommended that the capital budget approve a carry forward of £240k (appendix 2), and to ring-fence and earmark a further £1.4m for future site improvements (appendix 4).
- 3.52. Lock-up Strategy – The service will review progress on the lock up site condition reports and report to place committee findings during 2021/22.
- 3.53. Estate Management Feasibility and Redesign – The service as part of the initial work of the business plan has commissioned consultants to review poorly performing and weak demand properties.

4.0 Capital Investment and prudential borrowing (Appendix 3 & 4)

- 4.1. The HRA financial plan approved in February 2018 had a reduced reliance upon borrowing. Investment in our stock is therefore focused on capital financed from current revenue (CFCR) and on limited borrowing. The HRA will have an in year projected surplus of around £5.6m in 2021/22, added to an existing projected reserve of £4.8m. The expected capital programme in 2021/22 is projected at £8.9m, which means that the HRA will end the financial year with £1.5m in reserves.
- 4.2. Reserves aren't projected to return to their minimum of 4% of rental income, until 2022/23, when it is expected the service will require borrowing of £2.4m to help fund the assumed capital expenditure.

5.0 Sustainability Implications

- 5.1. The sustainability implications of this report are comprehensively positive in terms of financial resilience, community participation, the local economy, energy efficiency, climate change, asset management and human resource.

6.0 Resource Implications

6.1. *Financial Details*

6.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

6.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

6.4. *Staffing*

6.5. As detailed in the report the Housing and Property functions will start a process of engagement with Trade unions and SLG on a redesign in line with the councils organisational redesign principles. Additional staffing will be required to manage the transition to a new Housing and Property business management system. The Council is also exploring with the tenants information services (TIS) actions to enhance and ensure compliance with tenant engagement statutory requirements. This will include as a minimum part of the redesign the recruitment of a dedicated Tenant Participation worker and administrative support to work with registered tenant organisations including CTRF. The HRA is also looking to augment potential future locality initiatives and resources to support this work, which will be included within the staffing budget of the redesign. This will include as a minimum additional estate warden posts to support Place initiatives in relation to fly tipping and illicit dumping.

7.0 Exempt Reports

7.1. Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please click on the check box)

Clackmannanshire will be attractive to businesses and people and ensure fair opportunities for all

Our families, children and young people will have the best possible start in life

Women and girls will be confident and aspirational, and achieve their full potential

Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes

No

10.0 Legality

10.1. It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers.

Yes

11.0 Appendices

- Appendix 1 – HRA Revenue Budget Summary 2021/22
 - Appendix 2 – HRA Capital Programme 2021-2022
 - Appendix 3 – HRA Reserve
 - Appendix 4 – HRA Borrowing Requirement 2021/22 to 2024/25 and Earmarked Investment
 - Appendix 5 – HRA Works carried out 2021/22 'in-house'
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12.0 Background Papers

Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered).

Yes

No

(please list the documents below)

Author(s)

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Murray Sharp	Senior Manager (Housing)	5113
Owen Munro	Team Leader (Housing)	5172
Craig Dickson	Accountant (Place)	2037

Approved by

NAME	DESIGNATION	SIGNATURE
Pete Leonard	Strategic Director (Place)	

Place Division
HRA Revenue Budget 2021-22

Appendix 1

Description	Annual Budget for 2020/21	Forecast to March 2021	Annual Budget for 2021/22
Chief Officers Gross Salaries	23,968	23,968	23,968
Chief Officers Employers Superann	5,398	5,393	5,273
Chief Officers Employers NIC	2,996	3,001	2,996
Single Status Gross Salaries	5,745,794	5,117,003	5,641,792
Single Status Employers Superann	1,299,051	1,110,360	1,326,291
Single Status Employers NIC	546,719	541,065	562,120
Single Status Overtime	260,000	388,081	260,000
Single Status Absence Pay	0	24,665	0
Long Service Awards	2,350	2,350	2,350
Childcare Vouchers Admin Costs	2,160	0	2,160
Employee Management Costs	3,000	3,108	3,000
Staff Training	88,000	38,200	88,000
Employee Related Expenditure Total	7,979,436	7,257,193	7,917,950
Premises Related Expenditure			
Annual Maintenance External Providers	300,000	300,000	300,000
Grounds Maintenance	0	7,500	0
Cleaning & Hygiene Materials	1,500	9,000	1,500
Gas	6,000	6,000	6,000
Electricity	20,000	18,400	20,000
Void Rent Loss	450,000	443,800	450,000
Non Domestic Rates	3,000	16,766	3,000
Council Tax	10,000	17,120	10,000
Property Insurance	203,000	182,640	203,000
Bad Debt Provision	400,000	515,000	400,000
Building Costs - Recharges Internal	103,000	103,000	103,000
Land Services - Internal Recharges	50,000	18,000	50,000
Premises Related Expenditure Total	1,546,500	1,637,226	1,546,500
Transport Related Expenditure			
Short Term Vehicle Hire	4,000	0	4,000
Staff Travel Mileage Expenses	23,500	5,687	23,500
Vehicles - Maintenance Recharges	345,000	315,900	345,000
Transport Related Expenditure Total	372,500	321,587	372,500
Supplies and Services			
Purchase Of Equipment	23,070	21,600	23,070
Purchase Of Furniture	500	21,000	500
Storage & Removal Charges	2,000	0	2,000
Materials (issued from Stock)	830,000	600,500	700,000
Materials - Direct purchases from suppliers	750,000	323,530	450,000
General Consumables (small items)	35,500	35,500	35,500
Equipment Maintenance	10,000	24,000	10,000
Equipment Rental/Leasing	20,000	20,000	20,000
Scaffold Hire	50,000	50,000	50,000
Medical Supplies	1,100	100	1,100
Hospitality	100	0	100
Uniforms & Clothing	6,280	1,500	6,280
Office Equipment - Purchases	3,650	1,979	3,650
Printing & Photocopying	7,800	4,750	7,800
Stationery	6,260	7,616	6,260
Publications	500	0	500
Insurance	32,120	33,120	32,120
Professional Fees	52,150	18,850	52,150
Performing Rights	300	0	300
Postages	8,000	3,200	8,000
Legal Expenses	32,000	11,869	32,000
Subscriptions	20,600	13,129	20,600
Telephones	150	150	150
Mobile Telephones	33,810	21,020	33,810
Computer Hardware Purchase	53,400	53,466	20,000
Computer Software Purchase	150,000	102,000	163,500
Computer Software Maint.	32,000	80,190	83,300
Supplies and Services Total	2,161,290	1,449,069	1,762,690
Third Party Payments			
Other Council Accounts	552,620	530,700	552,620
Voluntary Organisations Payment	67,730	29,400	67,730
Payments To Contractors	98,200	53,700	98,200
Payment To Subcontractor	525,000	425,000	500,000
Third Party Payments Total	1,243,550	1,038,800	1,218,550
Transfer Payments			

<i>Description</i>	<i>Annual Budget for 2020/21</i>	<i>Forecast to March 2021</i>	<i>Annual Budget for 2021/22</i>
Payments To Individuals (no service provision to the Council)	0	60,000	
Transfer Payments Total	0	60,000	0
Support Services			
Support Services Total	1,204,000	1,204,000	1,204,000
Capital Financing Costs			
Loans Fund Interest	1,196,050	1,154,614	1,154,700
Debt Management Expenses	23,370	22,263	23,370
Principal Repayments	768,410	596,411	304,000
Capital Financing Costs Total	1,987,830	1,773,288	1,482,070
Total Gross Expenditure	16,495,106	14,741,162	15,504,260
Income			
Charges for Services Standard VAT	(61,400)	(14,000)	(61,400)
Other Income	(5,740)	(5,599)	(5,740)
Housing Rents	(19,840,760)	(19,844,070)	(19,850,150)
General Rents	(62,350)	(80,950)	(62,350)
Interest(Revenue Balance)	(47,580)	(7,000)	(10,000)
Internal Trading Contract	(1,650,000)	(1,477,000)	(1,160,000)
Income Total	(21,667,830)	(21,428,619)	(21,149,640)
Net Expenditure	(5,172,724)	(6,687,456)	(5,645,380)

HRA Capital Budget 2021-22

Appendix 2

Primary Building Elements

	2019-20 Actual	2020-21 Forecast	2020-21 Carry Forward	2021-22 Programme	2021-22 HRA Capital Budget
Structural Works					
Asbestos Testing	5,901	10,000		20,000	20,000
Asbestos Removal Works	47,907	15,000		50,000	50,000
Structural Upgrades	76,292	30,000		400,000	400,000
	130,100	55,000		470,000	470,000
Secondary Building Elements					
Damp/Rot					
Damp & Rot Works 2019-23	91,419	120,000		100,000	100,000
Roofs/Rainwater/External Walls					
Roof & Render Upgrading 2019-23	893,810	890,000	110,000	1,000,000	1,110,000
Windows & Doors					
Window Replacement 2018-22	1,765,649	850,000		1,768,000	1,768,000
	2,750,878	1,860,000	110,000	2,868,000	2,978,000
Energy Efficiency					
Central Heating					
EPC Survey Programme	0	0		10,000	10,000
Renewable Central Heating Systems	0	0		60,000	60,000
Central Heating Design and Installation 2019-22	408,195	200,000	100,000	100,000	200,000
Alva Weir Multicon	0	100,000	650,000	100,000	750,000
	408,195	300,000	750,000	270,000	1,020,000
Modern Facilities & Services					
Kitchens					
Kitchen Replacement	826,025	125,000		200,000	200,000
Bathrooms					
Bathroom Replacement	52,275	50,000		50,000	50,000
	878,300	175,000	0	250,000	250,000
Healthy, Safe & Secure					
Safe Electrical Systems					
Safe Electrical Systems 2018-22	809,270	700,000	500,000	600,000	1,100,000
Communal Areas (Environmental)					
Fencing, Gates & Paths	128,264	100,000	80,000	235,000	315,000
Secure Door Entry Replacement	106,508	10,000		130,000	130,000
	234,772	110,000	80,000	365,000	445,000
Particular Needs Housing					
Conversions & Upgradings					
Conversions & Upgradings	880	75,000		75,000	75,000
Disabled Adaptations					
Aids & Adaptations	101,121	20,000		50,000	50,000
Environmental Improvements					
Roads & Footpath Improvements	82,670	100,000		100,000	100,000
MCB Tenant Community Imp Fund	251,316	120,000		200,000	200,000
	333,986	220,000		300,000	300,000
Council New Build Housing					
Estate Management Redesign	0	0		50,000	50,000
Off the Shelf Purchase & Refurbishment	521,231	797,000	425,000	900,000	1,325,000
	521,231	797,000	425,000	950,000	1,375,000
Other Costs					
Construction Design Management	1,950	0		30,000	30,000
Housing Business Mgt System	6,053	67,025	158,000	42,000	200,000
Lock Up Strategy	0	56,000		200,000	200,000
Westhaugh Travelling Site Alva	0	0	240,000	0	240,000
IT Infrastructure / Clacks IT	15,324	72,005		21,000	21,000
Demolitions		3,130	147,000	0	147,000
	23,327	198,160	545,000	293,000	838,000
GRAND TOTALS	6,192,060	4,510,160	2,410,000	6,491,000	8,901,000

HRA Reserve 2020-21 to 2021-22

Appendix 3

1st April 2020	-4,503,000
2020-21 Surplus	-6,687,000
Minimum Reserve Balance	<u>794,000</u>
	-10,396,000
2020-21 HRA Capital	<u>6,410,000</u>
2020-21 Reserve Contribution	-3,986,000
1st April 2021	-4,780,000
2021-22 Surplus	-5,645,000
Minimum Reserve Balance	<u>794,000</u>
	-9,631,000
2021-22 HRA Capital	<u>8,901,000</u>
2021-22 Reserve Contribution	-730,000
1st April 2022 Reserve	-1,524,000

HRA Borrowing Requirement 2021-22 to 2024-25

2020-21 Forecast borrowing	£0	December 2020 Forecast
2020-21 Available reserve	£5,682,000	
2021-22 Surplus	£5,645,000	
2021-22 Capital programme	-£8,901,000	
Primrose Street Contribution	-£700,000	
	<u>£1,726,000</u>	
2022-23 Surplus	£5,650,000	
2022-23 Capital programme	-£7,738,000	
Travelling Persons Site Earmarked	-£1,440,000	
Clackmannan HRA New Build	-£584,000	
	<u>-£2,386,000</u>	New Borrowing
2023-24 Surplus	£5,650,000	
2023-24 Capital programme	-£7,931,000	
Clackmannan HRA New Build		
	<u>-£2,281,000</u>	New Borrowing
2024-25 Surplus	£5,650,000	
2024-25 Capital programme	-£8,129,000	
	<u>-£2,479,000</u>	New Borrowing

HRA Works Being Carried out “in House” – March 2021

- The 20 year rolling kitchen replacement programme is now being delivered via our own trades based at Kelliebank. This is scheduled for £200,000 in 2021/22, due to the reduced Covid affected programme, however in a normal year this would be £1.1m worth of investment work being delivered via our own trades. The oldest kitchen is 18 years old so there is headroom within the programme. This approach will be reviewed as part of the business plan review. This investment supports training and apprentices and promotes obvious synergies with our reactive trades also during the lifetime of the asset.
- The bathroom replacement programme is being carried out by our own trades and this is a £50,000 annual spend. Our bathroom programme was completed in 2016-17 however this work is to capture previous tenant refusals. We are currently evaluating our new replacement bathroom programme scheduled to commence in 2028 and will be seeking to deliver this through our own trades.
- In terms of our Safe Electrical Testing and Upgrade programme, we now have a total of 6 electricians and 3 supervisors trained in the City and Guilds 2391 for Domestic Testing and Upgrade. This has allowed us to carry out £300,000 worth of Capital Upgrades within the Housing Portfolio. This is an essential qualification to allow us to carry out Periodical Electrical Testing within our domestic stock. We are now better trained to carry out this work effectively and we are always seeking to build on this where we can.
- All internal adaptations works are now carried out by our “in-house” trades and this includes the design portion for this work. Previously this was all subcontracted. Contract Key Performance indicators for this work has been excellent. The programme is reduced in 2021-22 due to the covid restrictions at present however emergency works and work relating to Hospital discharges are being carried out. Demand is high given the success of this work.
- Roads and Footpath Upgrades – A £100,000 work is being carried out by our Roads Colleagues mainly work to car parks and pavements supplementing the lighting renewal programme.
- Off the Shelf Purchases – It is forecast that works to the value of £150,000 will be carried out within the properties bought back to bring them up to the SHQS and ESSH standards using our own trades at Kelliebank. We are piloting these homes for key works such as electrical rewiring and central heating replacement for our own trades along with the refurbishment work undertaken.

Table

Upgrade work in HRA Programme	Value of Work Undertaken by our Own Trades Resource
Kitchen Replacement Programme	£200,000
Bathroom Replacement Programme	£50,000
Safe Electrical Testing and Upgrade Programme	£300,000
Aids and Adaptations	£50,000
Roads and Footpaths	£100,000
Off the Shelf Refurbishment	£150,000
Total	£850,000

Owen Munro

10th of March 2021