
Report to: Audit and Scrutiny Committee

Date of Meeting: 28 August 2025

Subject: HRA Financial Performance 2024/25

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. This paper provides an update on the financial performance, as at March 2025, in respect of:
- the Housing Revenue Account (HRA) draft revenue and capital spend for the financial year 2024/25.

2.0 Recommendations

- 2.1. Committee is asked to note the report, commenting and challenging as appropriate on:
- 2.1.1. the HRA revenue surplus of £(6.083)m which is £(3.144)m greater than budgeted for the year to 31 March 2025, and
- 2.1.2. the HRA revenue spend carry forwards of £0.151m to support voids repair works and £0.882m for implementation of system upgrades (paragraph 4.2)
- 2.1.3. the HRA Capital programme underspend of £(6.836)m, of which £6.362m is proposed to be carried forward

3.0 Background

- 3.1. This report summarises the draft financial position of the Housing Revenue Account (HRA) for the financial year ending 31 March 2025.

4.0 Revenue

- 4.1. The HRA surplus at 31 March 2025 is £6.083m which is £3.144m greater than budgeted. This is a favourable movement of £0.920m from that forecasted as at 31 December. **Appendix 1** provides a summary of the variances.

4.2. The main variances contributing to the surplus are within:

- Additional Income: £(1.702)m, of which £(0.917)m is offset by payments to contractors. A key element in the remaining variance is £(0.741)m increase in property rentals, mainly due to the off-the-shelf purchase scheme, which has resulted in more properties becoming available for rental.
- Supplies and Services: £(1.537)m underspend, largely driven by £(0.998)m in Computer Software Maintenance due to delays in implementing the OHMS and Servitor system upgrades. A carry forward of £0.882m is requested to fund these upgrades in 2025/26. The remaining underspend is mainly offset by payments to contractors.
- Employee Costs: £(0.996)m underspend, primarily attributable to vacancies.
- Premises Related Expenditure: £(0.189)m underspend, of which £0.151m is requested to be carried forward to support Voids repair works which will allow around eight additional properties to be repaired and made available.
- Overspend on Third Party Payments £1.292m, which is offset by Income £(0.917)m, and Supplies & Services £(0.500)m as noted above. These variances arise mainly from expenditure on jobs carried out by external contractors which are then recharged to other service areas and recorded as Income to the HRA.

4.3. Any additional surplus in the year can contribute to financing capital spend and reduce borrowing. **Appendix 1** provides a summary and reasons for the variances and movement from the previous period.

5.0 Capital

5.1. The HRA Capital Programme for 2024/25 is £18.081m in line with the approved budget including additional carry forwards from 2023/24. The net expenditure at the year-end is £11.245m resulting in an underspend of £(6.836)m. Of this underspend, £6.362m is proposed to be carried forward into 2025/26. **Appendix 2** provides the detail for all projects along with comments on their variances.

5.2. The overall underspend is largely driven by two projects which are now expected to continue into 2025/26 and the budget will be carried forward. These include:

- Westhaugh: gross budget underspend of £(4.979)m. Project delayed due to contractual issues but has recommenced in 2025/26. Carry forward budget of £4.642m is proposed and is required to meet the agreed project budget reported to Council at its meeting on 20th March 2025.
- Lochies Road HRA rebuild: gross budget underspend £(1.881)m expected to progress in 2025/26 and full carry forward is requested.

6.0 Conclusions

- 6.1. The HRA revenue has achieved a surplus of £(6.083)m which is £(3.144)m greater than the budgeted surplus for the year to 31 March 2025.
- 6.2. The HRA Capital programme is reporting an underspend of £(6.836)m for the year to 31 March 2025.

7.0 Sustainability Implications

- 7.1. There are no direct environmental sustainability implications arising from this report.

8.0 Resource Implications

8.1. Financial Details

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

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

8.4. Staffing

- 8.5. There are no direct staffing implications arising from this report.

9.0 Exempt Reports

- 9.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

7.0 Declarations

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

(1) Our Priorities

- Clackmannanshire will be attractive to businesses & 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**

Complies with relevant Council Policies



8.0 Equalities Impact

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

Yes ☐

No ☒

9.0 Legality

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

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 – HRA Revenue Variances as at March 2025

Appendix 2 – HRA Capital Variances as at March 2025

11.0 Background Papers

11.1 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 ☒ (please list the documents below) No ☐

HRA Financial Performance 2024/25 as at December 2024

Housing Revenue Account Budget 2024/25 and Capital Programme 2024/25

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Elizabeth Hutcheon	Management Accountancy Team Leader	6214
Nicola Mack	Chief Accountant	

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Chris Alliston	Director of Partnership & Performance	

Place Directorate
HRA Actual Variances as at March 2025

Appendix 1

Housing Revenue Account	Annual Budget 2024/25	Actual to March 2025	Variance Actual v Budget	underspend carryforward to EMR	Variance Forecast to Budget at Dec 2024	Variance movement Forecast Var to Actual Var	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	
Employee related expenditure	10,148	9,152	(996)		(904)	(91)	£(0.996)m overall favourable vs Budget, movement £(0.091)m mainly driven by vacancies.
Premises related expenditure	2,150	1,961	(189)		83	(272)	£(0.189)m overall underspend vs Budget, movement £(0.272)m mainly due to: £(0.151)m underspend Annual Maintenance External Providers (subcontractors) requested to be carried forward to support Voids repairs £(0.040)m Electricity & Gas underspend vs Budget £0.002m Other smaller items Additional movements due to: £(0.087m) Council Tax and Rates less than assumption in forecast £0.004m Other smaller movements
Transport related expenditure	449	500	51		33	18	£0.051m overspend vs Budget mainly due to: £0.059m overspend in short term vehicle hire costs and vehicle maintenance £(0.008)m Other £0.018m movement v Forecast: £0.015m Overspend on vehicle maintenance higher than previously forecast £0.006m additional overspend in Q4 for short term vehicle rental £(0.003)m Other
Supplies and Services	4,077	2,540	(1,537)	882	(131)	(1,405)	£(1.537)m underspend vs budget, movement £(1.405)m due to: £(0.998)m underspend, £(1.018)m movement on Computer Software Maintenance due to OHMS & Servitor system upgrades. Project implementation was delayed due to the procurement process and contract negotiations being finalised within the final quarter of the financial year, this meant that full spend of the budget was not able to be realised within the financial year, carry forward is required. £(0.344)m underspend on materials, £(0.187)m movement £(0.078)m underspend and movement on Professional Fees £(0.078)m underspend and movement on equipment purchases £(0.036)m underspend on Legal Expenses, movement £(0.047m) £(0.003)m Other vs Budget, £0.003m Other movement
Third Party Payments	1,881	3,173	1,292		1	1,291	£1.292m overall overspend vs Budget, movement £1.291m mainly driven by: £1.288m overspend on subcontractors (partially offset by Servitor recharges in Income) offset by £0.004m Other
Transfer Payments	-	1	1		-	1	Small variance
Support Services	1,204	1,204	-		-	-	On budget
Capital financing costs	1,793	1,728	(65)		0	(65)	Underspend on borrowing costs to fund capital expenditure
Total Gross Expenditure	21,701	20,259	(1,442)	882	(919)	(523)	
Income	(24,640)	(26,342)	(1,702)		(1,306)	(397)	£(1.702)m income vs Budget, movement £(0.397m): £(0.917)m vs Budget, movement £0.270m: increased income from Servitor recharges which is partially offsetting Third party payments to subcontractors overspend £(0.741)m vs Budget, movement £(0.583)m: increase of property rentals due to off the shelf purchase scheme and properties now being available; £(0.040)m vs Budget and movement: Interest Income due to interest rates being more favourable than expected. £(0.004)m vs Budget, movement £(0.044)m : Other small variances
Total Net Expenditure	(2,939)	(6,083)	(3,144)	882	(2,224)	(920)	

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HRA Capital Budget & Forecast Variances at March 2025

Appendix 2

Housing Revenue Account	Budget Expenditure 2024/25	Actual Expenditure 2024/25	Variance Budget v Actual 2024/25	Proposed 2024/25 Underspend CFWD	Q3 Outturn Forecast 2024/25	Variance Forecast to Budget at Dec 2024	Variance movement Forecast to Actual 2024/25	Narrative
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
SHQS ELEMENTS								
Primary Building Elements								
Structural Upgrades	388	389	1	-	388	-	1	
Secondary Building Elements								
Damp Rot Works 19-23	572	371	(201)	200	572	-	(201)	Large caseload and limited by third party contractor capacity. Carry forward of underspend requested as plans in place to complete backlog in next Financial Year. Installation of new Damp and Moisture sensors are part of the requirement to carry forward.
Roof & Render Upgrading 2023-27	1,500	1,708	208	-	1,500	0	208	Planned works programme on schedule with overspend due to demand from repairs referrals programme as a result of unforeseen property damage requiring complete roof replacement. Overspend and carry forward position offset with Demolitions underspend
Window Replacement 2022-26	2,000	1,985	(15)	-	2,000	0	(15)	
Secure Door Entry Replacement 2017/21		11	11	-		-	11	Invoicing delay from suppliers
Energy Efficiency								
Central Heating Design & Installation 2022-26	750	440	(310)	310	745	(5)	(305)	Underspend mainly due to contract starting later in the financial year than anticipated (Oct 24). Budget carry-forward will be required to cover contracted spend estimates.
Renewable Central Heating Systems - HRA	225	-	(225)	225	-	(225)	-	Work has been done through grant funding this year with Grants going straight to suppliers. Budget is required next year. Pilot scheme proposed to begin next financial year, whereby if we carry forward the underspend it will allow for a more substantial pilot to take place.
Energy Performance Certificates Programme - HRA	50	50	-	-	50	0	(0)	On Budget
Modern Facilities & Services								

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HRA Capital Budget & Forecast Variances at March 2025

Appendix 2

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Kitchen Replacement 2017/20	1,296	875	(421)	421	1,296	(0)	(421)	Limited resource capacity within in house trades resources. Resource has been utilised on other priority items (e.g. Storm damage, fire damage, voids, RACC)
Bathroom Replacement 2016-20	3	3	(0)	-	3	(0)	0	On budget
Health Safe & Secure								
Safe Electrical Installations 2022-26	1,300	1,100	(200)	200	1,000	(300)	100	Variance vs Budget: Staff absence contributing to delayed project timelines. Variance vs Forecast: Increased capacity within contractor resources has allowed more than forecast work to take place.
Fencing, Gates & Paths	240	149	(91)	91	245	5	(96)	Contract Expiration has resulted in us stopping work on this project. Procurement underway for new contract with carryforward to be requested to utilise against the new contract.
CCTV Security	275	221	(54)	54	275	0	(54)	Underspend due to mixed tenure blocks with a need for Private Owner engagement delaying works. Policy being developed to manage private owner involvement.
Landscaping and Communal Environment	150	-	(150)	-	150	0	(150)	Offset with MCB Tenant Community Improvement Fund - potential virement for 25/26
New Build								
Westthagh Travelling Site	5,151	172	(4,979)	4,642	169	(4,982)	3	Project delayed into 2025/26. Budget carryforward required per council meeting on 20th March 2025 on Westthagh project
Off the Shelf Purchase	4,014	4,151	138	97	4,259	245	(107)	23 properties with a purchase cost of £2.070m, an average of £0.090m per property £2.074m Refurbishment costs including work on properties purchased in previous financial years. £0.007m Other mainly Legal costs Overspend offset with SG Grant Income and lower than budgeted refurbishment costs, total net underspend of £(0.097)m.

Place Directorate
HRA Capital Budget & Forecast Variances at March 2025

Appendix 2

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Lochies Road - HRA New Build	1,945	64	(1,881)	1,881	75	(1,870)	(11)	This project will not progress until 2025/26. Current forecast spend is for Feasibility studies on the site.
New Build	90	3	(88)	87	-	(90)	3	Request to carryforward to 2025/26
Demolitions	445	3	(443)	223	223	(222)	(220)	Resource capacity limitations. Planned demolition activities expected to progress in 2025. Underspend and carry forward position offset with Roof & Render overspend.
NON SHQS Elements								
Aids & Adaptations 2017-20	392	387	(4)	-	392	0	(4)	Small underspend
Roads & Footpath Improvements	50	50	-	-	-	(50)	50	On budget
MCB Tenant Community Imp Fund	150	254	104	-	229	79	25	Offset with Landscaping and Communal Environment budget - virement to be considered in 2025/26
Lock-up Strategy	98	4	(94)	94	4	(94)	-	Resource capacity limitations. Planned demolition activities expected to progress in 2025.
IT Infrastructure - HRA	37	-	(37)	37	-	(37)	-	Aligned to upgrades in Housing and Property business management systems - both have been delayed and due to progress in 2025/26
Construction Design Management	50	-	(50)	-	-	(50)	-	Absorbed into specific projects within the capital programme.
Total Gross Expenditure	21,170	12,389	(8,781)	8,562	13,573	(7,597)	(1,184)	
Westthaugh Travelling Site	(1,669)	(89)	1,580	(1,580)	(169)	1,500	80	Project stalled and agreed with Scot Gov to fwd grant income into 2025/26 Budgeted £1.7m but only £0.151m available in 2024/25, of which we received £0.089m to match eligible spend
Off the Shelf Purchase	(800)	(1,035)	(235)		(1,045)	(245)	10	Grant Income from SG, 1 Property at £35k, 20 properties at £45k and 2 properties at £50K
Lochies Road - HRA New Build	(620)	-	620	(620)	-	620	-	Project not progressing until 2025/26.

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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Sale of HRA Land	-	(20)	(20)		(20)	(20)	-	Sale of Land at Argyll Street, Alloa.
Total Income	(3,089)	(1,144)	1,945	(2,200)	(1,234)	1,855	90	
Total Net Expenditure	18,081	11,245	(6,836)	6,362	12,339	(5,742)	(1,094)	