
Report to: Audit & Scrutiny Committee

Date of Meeting: 29th October 2026

Subject: HRA Financial Performance 2026/27 as at June 2026

Report by: Chief Finance Officer

1.0 Purpose

1.1. This paper provides an update on the financial performance, as at 30 June 2026, in respect of:

- the Housing Revenue Account (HRA) revenue and capital spend for the financial year 2026/27.

2.0 Recommendations

2.1. Committee is asked to note the report, commenting and challenging as appropriate on:

- the HRA revenue forecasted surplus of £(7.809)m which is £(3.586)m greater than budgeted for the year to 31 March 2027, and
- the HRA Capital programme forecast underspend of £(3.349)m.

3.0 Background

3.1. This report summarises the forecast financial position of the Housing Revenue Account (HRA) for the financial year as at 30 June 2026.

4.0 Revenue

4.1. The HRA budgeted surplus is £(4.222)m and the forecast as at 30 June 2026 is £(7.809)m, which is £(3.586)m higher than budgeted.

4.2. The main variances contributing to the forecast overspend are:

- £(2.241)m forecast additional income. There are additional properties forecast as being returned from void to operational use, which were prioritised due to the Coalsnaughton incident. Additional properties are also forecast to be purchased through the Off the shelf capital programme.

- £(1.334)m underspend for Employee related expenditure. There are several vacancies within the HRA operations, repairs and admin teams. Additionally, there is an underspend forecast within overtime, based on current 2026/27 actual costs incurred.
 - £(0.010)m underspend forecast within Transport. The main underspend is on staff mileage as council is moving toward more use of pool vehicles.
- 4.3. Any surplus achieved within the year can contribute to financing capital spend and reduce borrowing. **Appendix 1** provides a summary and reasons for the variances.

5.0 Capital

- 5.1. The HRA Capital Programme for 2026/27 is net £19.067m in line with the approved budget including carry forwards from 2025/26. The forecast net expenditure for the year is £15.717m resulting in an underspend of £(3.349)m. **Appendix 2** provides the detail for all projects along with comments on their progress.
- 5.2. The underspend of £(3.349)m reflects underspends on several projects which are now expected to continue into 2026/27. These include:
- £(2.587)m forecast underspend within New Build projects at present there is no proposed allocation for the project.
 - £(0.215)m underspend forecast within Conversions and Upgradings, the reduced forecast is based on less social work adaptations being put forward for action.
 - £(0.186)m forecast underspend within Demolitions. This is due to a delay with services being disconnected by external suppliers, while work has now commenced it is likely that there will be a small underspend carried into the following year.
 - £(0.149)m forecast underspend within landscaping and Communal gardens due to lack of third party availability to commence the work.
 - Remaining underspend relates to Fencing, gates and paths £(0.099)m, IT infrastructure £(0.086)m and Secure Door entry replacement £(0.027)m
- 5.3. The current capital programme is being reviewed as progress has been slower than anticipated due to capacity within the service and will be updated for Quarter 2.

6.0 Conclusions

- 6.1. As at 30 June 2026 the HRA revenue is forecast to achieve an additional surplus of £(3.586)m against its budgeted surplus for the year to 31 March 2027.

- 6.2. As at 30 June 2026 the HRA Capital programme is forecast to underspend by £(3.349)m for the year to 31 March 2027.

7.0 Sustainability Implications

- 7.1. None

8.0 Resource Implications

Financial Details

- 8.1. 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 ☒
- 8.2. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

Staffing

- 8.3. 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 Impact Assessments

- 8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes ☐

- 8.2 If an impact assessment has not been undertaken you should explain why:

This report is for noting and there are no direct impacts resulting from the content of this report.

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 Forecast Variances as at June 2026

Appendix 2 – HRA Capital Forecast Variances as at June 2026

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)

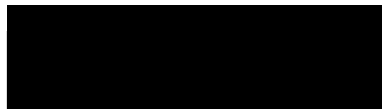
Yes ☒ (please list the documents below) No ☐

Housing Revenue Account Budget 2026/27 and Capital Programme 2026/27

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Corporate Services	

Place Directorate
HRA Forecast Variances at 30 June 2026

Appendix 1

Housing Revenue Account	Annual Budget 2026/27	Forecast to March 2027 as at June 2026	Variance Forecast to Budget at June 2026	Narrative
	£'000	£'000	£'000	
Employee Related Expenditure	11,268	9,934	(1,334)	£(1.334)m forecast underspend Employee costs are significantly underspent due to vacancies. The largest of these is within HRA operations £(1.020)m , HRA operations admin £(0.118)m and HRA tenancy and Estate Management £(0.087)m . Others teams total £(0.109)m
Premises Related Expenditure	1,836	1,836	0	Nil forecast Variance Spend expected to be on budget
Transport Related Expenditure	567	558	(10)	£(0.010)m Forecast underspend Underspend comes from Staff mileage being forecast to not be used in an effort to use pool vehicles instead
Supplies and Services	4,323	4,321	(1)	Nil forecast Variance Spend expected to be on budget
Third Party Payments	2,024	2,024	0	Nil forecast Variance Spend expected to be on budget
Capital Financing Costs	3,258	3,258	0	Nil forecast Variance Spend expected to be on budget
Support Services	1,296	1,296	0	Nil forecast Variance Spend expected to be on budget
Total Gross Expenditure	24,572	23,227	(1,345)	
Income	(28,795)	(31,036)	(2,241)	£(2.241)m Forecast underspend The budget was based on an assumed higher level of void properties. Following the Coalsnaughton incident, increased priority was given to returning properties to use, resulting in a lower level of voids than originally anticipated.
Total Net Expenditure	(4,222)	(7,809)	(3,586)	

	Housing Revenue Account	Annual Budget 2026/2027	Actual Spend to date	Forecast March 2027	Variance	Potential Budget to be carried forward into 2027/28	Narrative
		£	£	£	£	£	
10161	Aids & Adaptations 2017-20	634,000	90,449	634,000	0		Nil forecast Variance Expected to spend on budget
10263	Central Heating Design & Installation 2022-26	1,128,900	220,560	1,128,900	0		Nil forecast Variance Expected to spend on budget
							£0.215m forecast underspend reduced forecast based on less social work adaptations being put forward for action. This might change depending on demand throughout the year.
10092	Conversions & Upgradings	465,364	0	250,000	(215,364)		
							Nil forecast Variance Expected to spend on budget. Invoicing behind but spent to date reflects this.
10355	Damp & Rot Works 2026-30	600,000	98,183	600,000	0		£0.186m forecast underspend No spend as delay in disconnection of services by external suppliers. Work has commenced mid July with further work to continue into the next quarter. Work has also began on Pompee Road.
							Nil forecast Variance Expected to spend on budget. Year end recharge done to the EPC team.
10200	Demolitions	1,035,732	0	850,000	(185,732)	185,732	
							£0.099m Forecast underspend
10233	Energy Performance Certificates Programme - HRA	50,000	0	50,000	0		£0.086m Forecast underspend
10090	Fencing, Gates & Paths	435,000	40,037	336,000	(99,000)		Nil forecast Variance Expected to spend on budget
10188	IT Infrastructure - HRA	309,667	0	224,000	(85,667)		£0.149m Forecast underspend Lack of contactor capacity
10158	Kitchen Replacement 2017/20	1,000,000	(131,415)	1,000,000	0		Nil Forecast Variance Expected £0.700m to be vired from New build project in order to completed.
10330	Landscaping and Communal Environment	299,150	0	150,000	(149,150)		Nil forecast Variance Expected to spend on budget
							£2.587m forecast underspend. At present there is no allocated proposal in 2026/2027. 0.£700m proposed to be vired for Lochies Road
10248	Lochies Road - HRA New Build	1,880,749	0	1,880,749	0		
10100	MCB Tenant Community Imp Fund	250,000	80,997	250,000	0		
10331	New Build	2,587,000	0	0	(2,587,000)	0	

	Housing Revenue Account	Annual Budget 2026/2027	Actual Spend to date	Forecast March 2027	Variance	Potential Budget to be carried forward into 2027/28	Narrative
		£	£	£	£	£	
10105	Off the Shelf Purchase	984,000	1,109,978	984,000	0		Nil forecast Variance Expected to spend on budget
10106	Off the Shelf Refurbishment	665,000	0	665,000	0		Nil forecast Variance Expected to spend on budget
10232	Renewable Central Heating Systems - HRA	425,000	0	425,000	0		Nil forecast Variance Expected to spend on budget
10099	Roads & Footpath Improvements	388,000	0	388,000	0		Nil forecast Variance Expected to spend on budget
10273	Roof & Render Upgrading 2023-27	2,303,279	249,627	2,303,279	0		Nil forecast Variance Expected to spend on budget
10265	Safe Electrical Installations 2022-26	1,257,647	158,125	1,257,647	0		Nil forecast Variance Expected to spend on budget. £0.600m expected to spend on Testing programme this year.
10160	Secure Door Entry Replacement 2017/21	438,147	27,275	410,872	(27,275)		£0.027m forecast underspend
10192	Structural Upgrades	550,000	146,173	550,000	0		Nil Forecast Variance. Main focus is on Branshill Park Walls - on track to fully spend.
10186	Westhaugh Travelling Site	0	228,544	0	0		Nil Forecast Variance. Spend being reviewed.
10247	Window Replacement 2022-26	2,000,000	9,606	2,000,000	0		Nil forecast Variance Expected to spend on budget
	Total Gross Expenditure	19,686,635	2,328,139	16,337,447	(3,349,188)		
10248	Lochies Road - HRA New Build	(620,000)	0	(620,000)	0		Nil forecast Variance Income expected on budget
	Total Income	(620,000)	0	(620,000)	0		
	Total Net Expenditure	19,066,635	2,328,139	15,717,447	(3,349,188)		