

**WEST DUNBARTONSHIRE COUNCIL****Report by the Strategic Lead Housing and Employability****Council: 4 March 2020**

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**Subject: Housing Revenue Account (HRA) Estimates and Rent Setting  
2020/2021****1. Purpose**

**1.1** The purpose of this report is to seek Council approval of the updated HRA capital programme; the HRA revenue budget for 2020/21 and to agree the level of weekly rent increase for 2020/21 which is sufficient to fund the revenue budget for 2020/21 and the associated capital investment programme.

**2. Recommendations**

**2.1** It is recommended that Council:

- i) Notes the outcome of the tenant consultation process, detailed in Appendix 1;
- ii) Notes the progress made, per Appendix 2, in the HRA capital programme for 2019/20 as approved by Members at the Council meeting of 14 February 2019;
- iii) Agrees the updated five year capital programme of work set out in Appendix 3 to this report inclusive of the Council's new house building programme and the overall resources to fund the programme;
- iv) Agrees the revenue budget for 2020/21 as detailed in Appendix 4;
- v) Agrees the weekly rent increase for 2020/21 at an average £1.52 on a 52 week basis (£1.68 on a 47 week basis), equating to 1.9% to meet the planned revenue HRA budget as detailed in Appendix 4;
- vi) Agrees to increase rents at the Gypsy Travellers site by the 1.9%;
- vii) Agrees to maintain the existing level of lock-up rent levels at £5.55 per week on a 52 week basis (£6.14 on a 47 week basis) at the same levels as for 2018/19; and

viii) Notes the increase in the prudential reserve target for 2019/20 (from £0.850m to £0.883m).

### **3. Background**

**3.1** In June 2012 the Council took the decision to halt the partial stock transfer process and retain the housing stock and to address the challenges of improving homes and meeting housing need by:

- Investing approximately £85 million to improve homes;
- Embarking on a programme of demolition and regeneration of sites; and
- Progress on a council house building programme.

**3.2** In considering the structure of the budget consideration has been given to:

- Increasing revenues and reducing costs by:
  - improving void performance;
  - improving estate management generally; and
  - improved asset management.
- Financial Impact – ongoing implementation of various welfare reform changes;
- Financing the investment required to meet the Energy Efficiency Standard for Social Housing (EESH); and
- Managing the interface with owners/sold property.

**3.3** In preparing these estimates the following factors have been taken into account:

- Nil inflation has been assumed on all non-protected budget lines;
- Provision has been made for a pay increase in line with Scottish Government's commitments on public sector pay; and
- A 4% turnover expectation has been applied to employee costs.

**3.4** For financial year 2018/19 West Dunbartonshire's average weekly rent of £78.36 was fifth highest of Scotland's 29 housing authorities. This equates to £3.76 (5%) above the national average for local authorities of £74.60. In comparison with the overall Scottish average including Registered Social Landlords of £79.08, West Dunbartonshire's average weekly rent was £0.72 less than the average.

### **4. Main Issues**

## 4.1 HRA Capital Investment

- 4.1.1** At Council on 14 February 2019, a 5 year programme of HRA capital work to 2023/24 was reported and approved. Progress on 2019/20 work is shown in Appendix 2. The overall slippage in 2019/20 is projected to be £12.498m (20.1%).
- 4.1.2** The HRA capital programme is derived from data from the current stock condition survey and, where appropriate, technical assessment by staff. The main drivers for the programme are for the Council to deliver on the key objectives of the Council's Better Homes Strategic Housing Asset Management Strategy and health and safety responsibilities. In addition to the core stock, the programme includes the Council's new house build programme.
- 4.1.3** The Council's new house build and housing supply programme 'More Homes West Dunbartonshire' will see significant resources invested in the creation and acquisition of new homes. The Council's commitment to increasing the housing supply, as evidenced within the Local Housing Strategy, is further reinforced through planned open market acquisitions and is incorporated into the future programme. The Council will also continue to support applications under the Scottish Government Mortgage to Rent Scheme. An expenditure budget of £82.479m for the affordable housing supply programme is factored into the 5 year capital plan, together with a projected minimum of £18.077m of Scottish Government Grant Funding available through the Affordable Housing Supply Programme. Therefore, there is a net capital cost to the HRA of £64.402m.
- 4.1.4** The new build programme will include the continuation of the current new build programme. It reflects the delivery of around 420 new Council homes in West Dunbartonshire under the 'More Homes West Dunbartonshire' strategic approach and quarterly updates on progress including changes in programme will continue to be reported to the Housing and Communities Committee
- 4.1.5** The 5 year plan has now been rolled forward a year to 2024/25 and recognises progress made and any re-phrasings of projects and anticipated funding that have been necessary. The result of this review is shown as Appendix 3 and results in the expected level of loan charges to be the following:

<b>Year</b>	<b>Amount</b>
2020/21	£12.289m
2021/22	£14.579m
2022/23	£16.277m
2023/24	£17.511m
2024/25	£19.003m

- 4.1.6** It should be noted that the 30 year HRA business model has been prepared on the basis that there will be fluctuations in inflation over the period of the plan. These assumptions would need to be revised in the event of long-term inflation forecasts being above target (the planning assumption for long-term inflation in the business model is 2.4%) or additional pressures on the revenue account becoming apparent. The other key variable within the business model is the capital expenditure requirements which can alter depending on circumstances and priorities. The HRA business model is updated annually to recognise the most up-to-date information.
- 4.1.7** In considering affordability, a key output from the HRA business model is the percentage of rental stream that is required to fund debt charges. This is an indicator for the amount of prudential borrowing that can be undertaken without putting undue stress on the remainder of the revenue budget. When the decision was taken to retain all the housing stock in WDC the investment requirements needed to achieve the SHQS coupled with the historic debt structure of HRA debt suggested that the “debt affordability” percentage in West Dunbartonshire should not exceed 50%. The most recent update for 2020/21 has an average percentage of 42% with a peak of 49% in 2044/45.
- 4.1.8** Over the 30 year period of the business model, the additional rental income stream from the new properties will offset the additional loan charges outlined in 4.1.5 above.
- 4.1.9** The Council’s external auditors have raised concerns around the level of borrowing which the Council currently holds in general and analysis (which indicates that the Council has amongst the highest levels of borrowing in Scotland) includes the significant HRA investment in achieving SHQS. The annual debt affordability percentages under the most recent HRA business model update as outlined in 4.1.7 above continues to be within acceptable range and the model therefore remains robust and viable in terms of debt affordability.

## **4.2 HRA Revenue Estimates 2020/21**

The revenue estimates for 2020/21 are attached as Appendix 4 showing an increase in net expenditure, since 2019/20, of £0.790m. This is the amount which needs to be recovered via the proposed rent increase and equates to 1.9% based on expected housing stock and occupancy levels. Appendix 4 provides information on the breakdown of the budget and provides explanations for the main year on year variances.

## **4.3 Reserves**

- 4.3.1** At March 2019, the HRA reserve was £1.606m, consisting of:

<b>Reserves</b>	<b>£m</b>
Regeneration of housing stock	0.256
Welfare Reform Reserve	0.500
2019/20 prudential reserve	0.850
<b>Total</b>	<b>1.606</b>

**4.3.2** Council policy is that an HRA Prudential Reserve of 2% of gross expenditure should be maintained. Based upon the recommended budget for 2020/21, this equates to £0.883m for 2020/21 (previously £0.850m). The increase in the prudential reserve is therefore £0.033m for 2020/21. It is prudent to recommend that the budget for 2020/21 retains reserves at this level.

**4.3.3** At the Council meeting on 29 January 2020 Members agreed to implement a further stage of loans fund review which was reported to generate a reserve within HRA of £9.162m. The current plan is to generate an earmarked reserve arising from the outcome of the loans fund review and that this reserve can be used to offset any future revenue costs.

**4.3.4** It is currently forecast (per the probable outturn identified in the Budgetary Control report for Period 10 which was presented to Council on 26<sup>th</sup> February) that there will be an in-year surplus on the HRA revenue account at the end of 2019/20 of £0.015m which, adjusting for the £0.033m increase in the prudential target noted above, results in a net deficit of £0.018m. If this cannot be reduced to nil by year end then this will be offset by reducing the existing earmarked balances as required.

**4.3.5** It is anticipated that all of the £0.256m reserve held at March 2019 in respect of regeneration of stock will be utilised during 2019/20. Council policy established a number of years ago is that any surpluses will be earmarked for the purpose of regeneration of the housing stock. Therefore by 31 March 2020 the above would result in the reserves being as follows:

	<b>£m</b>
Funds retained from previous earmarked reserves to fund Welfare Reform Reserve	0.500
<b>Projected Earmarked Reserves at 31/03/2020</b>	<b>0.500</b>
Prudential reserve	0.883
<b>Total Projected Reserves</b>	<b>1.383</b>

**4.3.6** In terms of the adequacy of reserves, the prudential level of reserves is viewed as being at an adequate level to deal with any financial shocks to the budget, based on previous experience and future expectations specifically in relation to income streams. As can be seen, the level of reserve remains planned to meet the prudential level and is therefore judged as being adequate.

## **4.4 Rent Increase**

- 4.4.1** The Council is required to consider the level of weekly rent increase for the financial year 2020/21 and agree an appropriate rent rate which meets the estimated costs of providing the Housing Service in 2020/21 as identified in the Appendix 4.
- 4.4.2** In determining the level of weekly rent increase, due cognisance must be taken in terms of changing service demands, as well as the requirements for investment as highlighted in the Housing Asset Management Strategy and the need for robust financial planning and management to ensure that the Council delivers on its investment commitments. In addition the decision of the Council in June 2012 regarding its policy on stock retention, which set out clearly the rent increase requirements to support the Council's investment needs, must be recognised.
- 4.4.3** The required weekly percentage rent increase contained within the attached HRA estimate is an average £1.52 on a 52 week basis (£1.68 on a 47 week basis) which equates to 1.9%.
- 4.4.4** The recommended budget attached, sets a rent level that satisfies best practice in maintaining a prudential balance, ensuring that all reasonable contingencies are taken into account and is sufficient to support the Council's HRA investment programme.
- 4.4.5** At the rent consultation meeting held on the 9 October 2019, the draft HRA Estimates for 2020/21 and tenant priorities from a recent tenant satisfaction survey were presented. Workshop discussions looked at options to assess the level of the Tenant Priority Budget; the outcome of which led to the creation of 3 rent options.
- 4.4.6** A survey of tenants was undertaken regarding options for setting the rent and tenants were asked to select from 3 options:

### Option 1

2% increase which would mean continuing our New Build programme, Capital Programme of Investment, current services that tenants receive and retaining a Tenant Priority Budget of £0.800m;

### Option 2

1.9% increase which would mean continuing our New Build programme, Capital Programme of Investment, current services that tenants receive and a reduction in the Tenant Priority Budget of £0.400m; or

### Option 3

2.5% increase which would mean continuing our New Build programme, Capital Programme of Investment, current services that tenants receive and retaining a Tenant Priority Budget of £0.800m. It would also give scope to further enhance housing stock conditions from current income, rather than through future borrowing.

There were 845 respondents to the survey with the majority opting for option 2, as follows:

- Option 1 31.9%;
- Option 2 40.6%; and
- Option 3 27.5%.

Further information from the survey is provided in Appendix 1.

**4.4.7** It is recommended that Council increase rents at the Gypsy Travellers site by the same percentage as the housing rents at 1.9%.

## **5. People Implications**

**5.1** There are no personnel issues.

## **6. Financial and Procurement Implications**

**6.1** The financial implications are as detailed within the report and appendices.

**6.2** All procurement activity carried out by the Council in excess of £50,000 is subject to a contract strategy. The contract strategy for the HRA Capital Programme will be developed by the Corporate Procurement Unit in consultation with Housing officers. The contract strategy will include, but is not limited to; contract scope, service forward plan, the market, procurement model and routes – including existing delivery vehicles, roles and responsibilities, risks, issues and opportunities and on-going contract management. Opportunities to maximise the positive social, economic and environmental impact for the Council through the relevant procurement processes will be developed in line with procurement policy.

## **7. Risk Analysis**

**7.1** The key driver for determining rents for Council properties is the HRA investment plan. Failure to set rents consistent with the delivery of this plan will potentially result in insufficient funding being available to meet the aspirations highlighted above.

**7.2** In producing the budget a number of assumptions have been made in relation to performance around rent recovery, voids and the impact of

welfare reform. These issues will be closely monitored during 2020/21 and members advised of any significant variations that will impact materially on the sufficiency of the budget as proposed.

**7.3** In terms of the capital programme, the main financial risks relate to:

- i) whether inflation increases costs, resulting in plans requiring to be reviewed upwards;
- ii) Longer-term affordability requires to be considered in determining appropriate levels of capital funding.
- iii) The cost of work to be carried out on high rise properties following fire risk assessment is still uncertain and may be higher than the £0.500m currently budgeted in 20/21 in respect of this.

Ongoing budgetary control processes will monitor the above issues and any issues will be reported to a future Council meeting for consideration.

## **8. Equalities Impact Assessment (EIA)**

**8.1** An EIA screening has been undertaken by officers and no issues were identified.

## **9. Consultation**

**9.1** The Council has a statutory requirement to carry out a rent consultation exercise. Details of the consultation can be seen in Appendix 1.

**9.2** A HRA budget scrutiny group (Joint Rent Group) is now well established involving tenant representatives. This group meet with Officers and the Convenor monthly and examines the HRA to ensure increased transparency and demonstrate Value for Money to tenants.

## **10. Strategic Assessment**

**10.1** The proposals contained in this report directly address all of the Council's strategic priorities. The investment in, and provision of attractive affordable housing will also indirectly support the objective of economic growth and employability through supporting employment and improving place attractiveness.

**10.2** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and Officers to pursue the five strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.



**Peter Barry**  
**Strategic Lead – Housing and Employability**  
**Date: 22 February 2020**

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**Appendices:**

- Appendix 1: Consultation information
- Appendix 2: HRA Capital Projects Forecast  
Outturn and Slippage 2019/20
- Appendix 3: HRA Capital programme Financial  
Year 2020/25
- Appendix 4: 2020/21 Housing Revenue Account  
Draft Revenue Estimate

**Background Papers:** EIA screening  
Consultation Planning Sheet

**Wards Affected:** All



## Housing Services

### Consultation Recording Sheet

Housing Service ...Housing Development & Homelessness

Person responsible: Janice Rainey and Jane Mack



Consultation Start date: 9/10/19 End Date 15/12/19

1.	The name of consultation / participation exercise?	Rent setting consultation 2020/21
2.	Its aims and objectives?	Discuss and get agreement from tenants on HRA Budget estimates and vote on subsequent rent increase options for 2020/21.
3.	Who did you invite/include? (e.g. all tenants, tenant from the interested tenants register, RTOs, staff)	<p>Public meeting arranged for 9/10/19 and advertised in the Autumn edition of the Housing News, through the WDC website and TP Facebook page.</p> <p>Specific invites were also sent to,</p> <ul style="list-style-type: none"> <li>• TRA members</li> <li>• Tenants on our Register of Interested tenants</li> <li>• Scrutiny Panel members</li> <li>• Sheltered Housing Forum members</li> </ul> <p>Aim of public meeting was to discuss and agree options for the wider consultation. All tenants then had the opportunity to vote for their preferred option through freepost voting cards or online survey.</p>
4.	What methods did you use to promote/invite stakeholders to get involved? (e.g. letters, posters, website)	<p>The consultation process included a public meeting( 9/10/19) and a public survey. Specific invites to all members of the above groups inviting them to the public meeting were sent. The Council's website and social media was also used to advertise the public meeting.</p> <p>Due to the announcement of the General Election and purdah which puts a restriction on Council's communicating during an election period , the winter edition of the Housing News was delayed so couldn't be used to promote the voting. Therefore a specific mailing was done to all tenants with an A3 page detailing the discussions at the public meeting and an outline of what</p>

	<p>each option meant in terms of service delivery and investment along with the free-post voting card and details of the online survey.</p> <p>The survey was also promoted regularly through the Council's webpages and social media as well as on our Tenant Participation Facebook account.</p> <p>Housing officers, Homeless support officers were also briefed and asked to encourage their tenants to vote.</p>
5.	<p>Who actually took part? (Number of individuals and or number of tenant organisations represented)</p> <p>18 tenants attended the public meeting on 9/10/19 which included representatives from 4 TRA's as well as individual tenants.</p> <p>845 tenants voted for their preferred option in the survey – 682 using the pre-paid voting card and 163 online votes.</p> <p>Gives a response rate of 9%.</p>
6.	<p>What method(s) did you use to obtain their views? (e.g. focus/working group, newsletter, survey)</p> <p>Why did you choose this method(s)?</p> <p>A presentation was given at the public meeting which outlined current performance of Housing Services and a breakdown of proposed spending for 2020/21. Tenant priorities from a recent tenant satisfaction survey were also considered and workshop discussions looked at options to assess if there was support to reduce the Tenant Priority Budget and what people would prefer to see the money used for.</p> <p>Outcome from these discussions then led to the creation of the survey to collect views on 3 proposed rent options.</p> <p>These methods were chosen to gather the views of as many tenants as possible in a clear and most accessible way possible. The survey also ensures that tenants' views are taken into account as part of the Council committee decision-making process.</p> <p>The information provided was presented in as clear and understandable way as possible and made available online for any tenant to refer to. Over previous years our Joint Rent Group have worked to make the rent consultation information clearer and understandable as possible.</p> <p>Using staff to promote the survey also allowed for dialogue with tenants about wider issues or to explain more the options being considered. The Tenant Participation Officer contact details were also provided for tenants to ask any</p>

	questions and a number of tenants got in touch.												
7. What good practice or minimum standards can you evidence as part of your consultation?	<p>An 9 week consultation period was used to collect views. Freepost voting cards were made available to all tenants as well as the on line survey option.</p> <p>The Public meeting was hosted at Clydebank Town Hall as it has a loop system and in an accessible building. Transport was also arranged for any tenant that required it to assist them getting to the meeting and this was all emphasized in the invite and meeting promotion. A crèche facility was also provided though on the day not used.</p> <p>All financial information was presented as clearly and understandable as possible as well as being available on-line for public scrutiny.</p>												
8. What was the outcome of the consultation?	<p>The tenant views expressed at the public meeting were used to determine the rent options that all tenant could vote on. 845 tenants gave their views in the survey and Option2, 1.9% rent increase was the preferred option with 40.6% of votes. The survey results were put forward as the proposed rent increase going for Council approval.</p> <table border="1"> <caption>Survey Results</caption> <thead> <tr> <th>Option</th> <th>Percentage</th> <th>Number of Votes</th> </tr> </thead> <tbody> <tr> <td>Option 1 - 2.0%</td> <td>31.95%</td> <td>270</td> </tr> <tr> <td>Option 2 - 1.9%</td> <td>40.59%</td> <td>343</td> </tr> <tr> <td>Option 3 - 2.5%</td> <td>27.46%</td> <td>232</td> </tr> </tbody> </table>	Option	Percentage	Number of Votes	Option 1 - 2.0%	31.95%	270	Option 2 - 1.9%	40.59%	343	Option 3 - 2.5%	27.46%	232
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Option 1 - 2.0%	31.95%	270											
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Option 3 - 2.5%	27.46%	232											
9. How did you feedback to participants the outcome?	<p>Following the public meeting all attendees were written to and thanked for attending and making them aware that the public survey was underway. The survey results were shared with the Joint Rent Group at their meeting on the 19/12/19.</p> <p>Once February Council meeting has concluded, the survey results and final rent setting decision will be reported in the Spring Housing News, on Council webpages and through the TP Facebook account.</p> <p>All rent increases must be notified to tenants in writing with 28 days notice so all tenants will be advised of the rent increase and how much the increase means for their own</p>												

	weekly and annual rent charge.
10.	<p>How did tenant involvement influence your consultation?</p> <p>We have continued to increase tenants understanding and opportunity to scrutinise the HRA through our Joint Rent Group which includes tenant volunteer members. Our Joint Rent Group had helped make the financial information being presented as clear and understandable as possible. The rent setting consultation plan was also discussed and agreed with them ahead of the consultation.</p> <p>Tenants had also had the opportunity to give comments after last year's consultation for any improvements they wanted to see and the main issue raised was to avoid the Christmas period which we did this year.</p>
11.	<p>Are you able to demonstrate this?</p> <p>Yes</p>
12.	<p>How have you demonstrated to tenants that involvement made a difference?</p> <p>The preferred option for a 1.9% rent increase from the public survey is being put forward as the rent proposal to be considered by Councilors.</p>
13.	<p>Did you check with participants that they were happy with the opportunities given to make their views known and that they felt that we listened and acted upon them?</p> <p>The tenant volunteers on the Joint Rent Group have stated that they are pleased with the increased number of tenants getting involved in the rent setting consultation and the high response rate gives more credibility to the tenants voice.</p> <p>Tenant understanding of the HRA has continued to increase through the Joint Rent Group and the discussion at the public meeting was very informed and constructive.</p>

**What worked well, what didn't work well – or any other comments you have.**

**Comments:** We had another small increase in the number of tenants attending the public meeting – last year 16 attended, this year 18 and more individual tenants attended. Meeting was still a week-day and took place during the day. Only received 1 negative comment about not being able to attend during the day but all information was made available on-line for any tenant to access and paper copies made available.

The survey responses increased dramatically from 257 responses last year to 845 this year. One of the main differences this year that could account for this is that due to the General Election being called and Purdah rules that restrict how the Council communicate during elections meant that the Winter Housing News had to be delayed

and so couldn't be used to promote the survey. We therefore did a specific mailing out to all tenants with the survey information and this may have got more attention than just being included as an insert along with the Housing News . Hopefully there is also a continuing increase in involvement as tenants see that they can actually influence the outcome.

In response to comments in previous year we also brought forward the survey so that it did not go over Christmas which is a busy time of year for many people. Regular Facebook reminders about the survey were also used and got good reaches and engagement.





**WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
CAPITAL PROJECTS FORECAST OUTTURN AND SLIPPAGE 2019/20**

**APPENDIX 2**

	<b>Budget</b>	<b>Forecast</b>	<b>Slippage</b>	<b>Over / (Under) Recovery</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>RESOURCES</b>				
New Build Grant	20,175	13,163	7,012	0
Prudential Borrowing	34,884	31,709	5,486	(2,311)
Loan Repayments	0	4	0	(4)
CFCR	7,257	6,390	0	867
<b>Total Resources</b>	<b>62,316</b>	<b>51,266</b>	<b>12,498</b>	<b>(1,448)</b>
	<b>Budget</b>	<b>Forecast</b>	<b>Slippage</b>	<b>Over / (Under) Spend</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CAPITAL EXPENDITURE</b>				
<b>OTHER CAPITAL EXPENDITURE</b>				
Special Needs	400	400	0	0
Capitalised Minor Works	713	713	0	0
Housing Asset Management	86	86	0	0
Community Safety	17	17	0	0
Integrated Housing Asset Management	110	110	0	0
Projects to deliver housing policies/strategies	2,197	718	1,479	0
<b>MAJOR COMPONENT REPLACEMENTS</b>				
Targeted SHQS compliance works	300	106	0	194
Targeted EESSH compliance works	7,330	7,330	0	0
Building external component renewals	3,280	3,280	0	0
Doors/window component renewals	2,148	1,500	648	0
External stores/garages/bin stores	90	90	0	0
Secure entry component renewals	134	134	0	0
Statutory/regulatory compliance works	1,535	1,000	535	0
Heating improvement works	600	1,115	0	(515)
Energy improvements/energy efficiency works	81	81	0	0
Modern facilities and services	690	690	0	0
Non Traditional/Traditional Improvement Works	1,881	1,881	0	0
<b>VOID CAPITAL</b>				
Void house strategy programme	2,500	3,549	0	(1,049)
<b>CONTINGENCIES</b>				
Contingencies	100	100	0	0
<b>STRUCTURAL &amp; ENVIRONMENTAL</b>				
Defective structures/component renewals	500	500	0	0
Environmental renewal	1,640	1,641	0	(1)
Asbestos management works	200	200	0	0
<b>SUPPORT COSTS</b>				
Direct Project Support	1,800	1,800	0	0
<b>NEW BUILD</b>				
New house build	33,984	24,225	9,836	(77)
<b>TOTAL</b>	<b>62,316</b>	<b>51,266</b>	<b>12,498</b>	<b>(1,448)</b>

WEST DUNBARTONSHIRE COUNCIL  
HRA CAPITAL PROGRAMME  
FINANCIAL YEAR 2020-25 DRAFT

APPENDIX 3

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
	Revised Slippage	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	
<b>CAPITAL EXPENDITURE</b>	£000	£000	£000	£000	£000	£000	
<b>OTHER CAPITAL EXPENDITURE</b>	<b>0</b>	<b>1,494</b>	<b>1,124</b>	<b>1,153</b>	<b>1,155</b>	<b>1,184</b>	
Special needs adaptations	0	462	473	485	498	511	
Capitalised minor works	0	615	420	431	442	453	
Better Homes Priority Budget	0	200	205	210	215	221	
QL Development	0	25	26	27	0	0	
Airport Noise	0	192	0	0	0	0	
<b>MAJOR COMPONENT REPLACEMENTS</b>	<b>1,183</b>	<b>13,282</b>	<b>10,170</b>	<b>10,166</b>	<b>10,420</b>	<b>10,680</b>	
Targeted SHQS compliance works	0	0	0	0	0	0	
Targeted EESSH compliance works	0	5,228	3,625	3,715	3,808	3,903	
Building external component renewals, roofs/chimneys/flashings/fascias/gutters/svp	0	3,075	3,152	2,972	3,047	3,123	
Doors/window component renewals	648	1,538	1,576	1,615	1,656	1,697	
External stores/garages/bin stores/drainage compor	0	72	42	43	44	45	
Secure entry component renewals	0	72	42	43	44	45	
Statutory/regulatory compliance works (lifts/electrical/legionella/fire etc)	535	1,538	105	108	110	113	
Heating improvement works	0	923	946	969	993	1,018	
Energy improvements/energy efficiency works	0	51	53	54	55	57	
Modern facilities and services	0	707	630	646	662	679	
Improvement works (Risk St)	0	80	0	0	0	0	
<b>VOID CAPITAL</b>	<b>0</b>	<b>2,050</b>	<b>1,576</b>	<b>1,615</b>	<b>1,656</b>	<b>1,697</b>	
Void house strategy programme	0	2,050	1,576	1,615	1,656	1,697	
<b>CONTINGENCIES</b>	<b>0</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	
Contingencies	0	100	100	100	100	100	
<b>STRUCTURAL &amp; ENVIRONMENTAL</b>	<b>0</b>	<b>2,243</b>	<b>1,786</b>	<b>1,831</b>	<b>1,876</b>	<b>1,923</b>	
Defective structures/component renewals	0	615	630	646	662	679	
Environmental renewal works, paths/fences/walls/parking area's	0	923	946	969	993	1,018	
Asbestos management works	0	205	210	215	221	226	
MSF Fire Risk Assesment Works	0	500	0	0	0	0	
<b>SUPPORT COSTS</b>	<b>0</b>	<b>2,302</b>	<b>2,371</b>	<b>2,442</b>	<b>2,515</b>	<b>2,591</b>	
Salaries/central support/offices	0	2,302	2,371	2,442	2,515	2,591	
<b>AFFORDABLE SUPPLY PROGRAMME</b>	<b>1,234</b>	<b>38,536</b>	<b>15,357</b>	<b>10,000</b>	<b>9,562</b>	<b>9,024</b>	
Buy Backs	1,234	1,000	600	600	600	600	<b>Project Life Budgets for new builds</b>
St Andrews School	0	9,969	664	0	0	0	<b>20,705</b>
Haldane Primary School	0	7,264	336	0	0	0	<b>10,740</b>
Aitkenbar Primary School	0	6,525	291	0	0	0	<b>10,140</b>
Clydebank East	0	500	7,500	1,000	50	0	<b>12,640</b>
Creveul Court	0	1,954	114	0	0	0	<b>3,825</b>
Dumbarton Harbour Ph 3	0	3,505	215	0	0	0	<b>6,235</b>
Queens Quay	0	5,269	167	0	0	0	<b>5,550</b>
Future Developments	0	1,850	4,750	8,000	8,500	8,000	<b>31,100</b>
Fees and Staffing Costs	0	700	721	400	412	424	
<b>ANNUAL TOTAL EXPENDITURE</b>	<b>2,417</b>	<b>60,006</b>	<b>32,485</b>	<b>27,307</b>	<b>27,284</b>	<b>27,200</b>	

**ANTICIPATED RESOURCES**

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
	Revised Slippage	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	
	£000	£000	£000	£000	£000	£000	
St Andrews WG		0	0	0	0	0	8,188
Haldane		0	0	0	0	0	3,776
Aitkenbar		1,577	0	0	0	0	3,068
Clydebank East		500	3,522	0	0	0	3,186
Creveul Court		510	0	0	0	0	1,180
Dumbarton H		0	0	0	0	0	2,655
Queens Quay		1,569	0	0	0	0	1,770
Future Dev		850	1,270	3,190	1,770	3,319	10,399
<b>New Build Grant</b>	<b>0</b>	<b>5,006</b>	<b>4,792</b>	<b>3,190</b>	<b>1,770</b>	<b>3,319</b>	
Other Income		96					
Prudential Borrowing	0	47,425	21,690	19,304	21,298	20,618	
CFCR	0	7,478	6,003	4,813	4,216	3,263	
<b>TOTAL ANTICIPATED RESOURCES</b>	<b>0</b>	<b>60,006</b>	<b>32,485</b>	<b>27,307</b>	<b>27,284</b>	<b>27,200</b>	

DRAFT HRA ESTIMATES 2020/21

2018/19 Outturn £000	EXPENDITURE	2019/20 Estimate £000	Probable Outturn £000	2020/21 Estimate £000	Movement year on year £000	Comments on Movement >£50,000
4,489	Employee Costs	5,232	5,199	5,559	327	Provision for anticipated employee pay award and cost of new staffing model.
1,639	Property Costs	1,776	1,818	1,836	60	Energy increase £34k, Property Insurance increase £37k, CSA Property increase £14k, reduction in rates £20k
81	Transport Costs	83	80	80	(3)	
347	Supplies, Services and Admin	308	357	316	8	
2,562	Support Services	2,557	2,585	2,661	104	Pay inflation
436	Other Expenditure	404	453	464	60	Increase in Abatements
11,885	Repairs & Maintenance	12,088	12,088	12,917	829	Repairs inflation 280K , additional homeless conversions costs 160K ,tenancy sustainability increase 100K, income recoveries budget reduced in line with current income 300K
763	Bad Debt Provision	1,060	1,060	1,060	0	
866	Void Loss (Council Tax/Lost Rents)	870	777	739	(131)	19/20 budget set too high due to properties identified for demolition.
25,101	Loan Charges	18,826	18,826	18,520	(306)	Increase in CFCR figure to match business plan requirement
<b>48,169</b>	<b>Total Expenditure</b>	<b>43,204</b>	<b>43,243</b>	<b>44,152</b>	<b>948</b>	
40,678	House Rents	41,517	41,553	41,642	(125)	Dumbarton Harbour & Creveul Court adding to rental pool
228	Lockup Rents	231	208	209	22	
1,159	Factoring/Insurance Charges	1,170	1,189	1,202	(32)	
115	Other rents	123	114	115	8	
93	Interest on Revenue Balance	62	93	93	(31)	
6,152	Miscellaneous Income	101	101	101	0	
<b>48,425</b>	<b>Total Income</b>	<b>43,204</b>	<b>43,258</b>	<b>43,362</b>	<b>(158)</b>	
<b>(256)</b>	<b>Net Expenditure</b>	<b>-</b>	<b>(15)</b>	<b>790</b>	<b>790</b>	

Rent % Increase required (Net expenditure/19/20 estimated Rental Income at current rent level)	1.90%
Required rent increase (52 weeks)	1.52
Average rent 2019/20 (52 weeks)	£79.74
Revised average rent (52 weeks)	£81.26

Prudential reserve	£0.883m
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