



To: Council

On: 25 February 2016

Report by: Director of Development & Housing Services and Director of Finance & Resources

Heading: Housing Revenue Account Budget & Rent Levels 2016/17 and Housing Capital Investment Plan 2016/17 to 2018/19

1. Summary

- 1.1 This report details the proposed Housing Revenue Account (HRA) budget for financial year 2016/17 and sets out the information which allows consideration of the planned rent increase for 2016/17.
 - 1.2 The report also details the Housing Capital Investment Plan for the three year period 2016/17 to 2018/19.
 - 1.3 In setting the 2016/17 HRA budget, members will wish to consider the medium and longer term context for the HRA in light of the ongoing risks and challenges facing the HRA as a result of Welfare Reform policy changes and the rollout of Universal Credit.
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2. Recommendations

- 2.1 It is recommended that the Council:
 - a) Considers the contents of this report and approves an average weekly rent increase of 2.0% for 2016/17,
 - b) Notes the findings of the recent Tenant Consultation exercise,
 - c) Approves the Housing Revenue Account Budget for financial year 2016/17 as detailed in Appendix 2,
 - d) Notes the Council's continued commitment to mitigate the impacts of welfare reform on Council tenants through the earmarked HRA resources over the

period to 2017/18 to deliver a programme of measures intended to support tenants to manage the negative impacts of welfare reform,

- e) Approves the Housing Capital Investment Plan 2016/17 to 2018/19 as detailed in Appendix 3 of the report,
 - f) Notes the continuing requirement to achieve best value and an optimum workflow over the 3 years of the investment plan and authorises the Director of Development and Housing Services to work in conjunction with the Director of Finance and Resources to re-profile the capital programme and available resources, as necessary, in line with the appropriate limits established under the Council's capital prudential framework arrangements, and
 - g) Notes the continuing risks to the Housing Revenue Account including the uncertainty associated with the impact of the rollout of welfare reform changes, particularly in relation to Universal Credit and direct payments.
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3. Medium Term Financial Climate

- 3.1. The HRA continues to operate in a period of uncertainty as a result of the UK Government's Welfare Reform policy changes, which have placed additional financial stress on families, pressure on Council services and present a significant financial risk to the HRA which includes the roll out of Universal Credit.
- 3.2. The Council set aside HRA balances of £5m for measures to mitigate the impact of welfare reform over the period from 2013/14 to 2017/18. This included additional staffing to deal with the increased contact needed with tenants, support for the development of initiatives for unemployed Council tenants and the establishment of a Council Tenant Assistance Fund (CTAF). During 2014/15 the requirement for the CTAF was removed as a result of additional DHP funding received from the Scottish Government.
- 3.3. It is expected that £1.8m of the Welfare Reform reserve will have been used by the end of financial year 2015/16 with £3.2m remaining to mitigate the impact of welfare reform.
- 3.4. The single biggest risk factor facing the HRA remains the uncertainty aligned to the roll out of Universal Credit and the potential impact of direct payment of housing benefit to tenants. At present £29m of housing benefit is paid direct to the Council from Housing Benefit, representing 66% of total rental income and around 7,900 tenants.
- 3.5. The roll out of Universal Credit in Renfrewshire began in June 2015 and at this stage is limited to single new claimants in receipt of Job Seekers Allowance. Whilst the numbers affected so far are small (169 at 1 February 2015), it should be noted that of this group under 10% had a clear rent account. Currently c. 70% of tenants not in receipt of Universal Credit have a clear account, so this provides an early indication of the potential requirement for managed payments and the additional resources which may be required to support tenants on benefit during the roll out of Universal Credit.
- 3.6. At present there is no detail available on the use of the Scottish Government's devolved powers in relation to Welfare Reform and direct payments. In order to reflect the expected pace of the roll out of Universal Credit, the current planning

assumption for financial year 2016/17 assumes that the provision for bad debt remains at the 2.5% level established in 2015/16. However, there is an expectation that the level of 2.5% may require to increase by c. 1% per annum over the medium term to 2020.

- 3.7. The HRA is a ring-fenced account and any financial strategy must ensure that service delivery can be maintained within the available resources on the account. It is therefore essential to maintain a level of general reserves which provides adequate protection to the HRA against the short term impact of the materialisation of any risks, including the uncertainty over the impact of welfare reform on arrears and rental collection. It is therefore considered prudent to maintain the level of unallocated balances on the HRA at £6.8m.
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4. HRA Budget Planning Assumptions

- 4.1. The rental income generated by the HRA must support service delivery, the costs of maintaining the housing stock and the financing costs to service the investment required in HRA assets.
 - 4.2. The estimated housing stock for 2016 is 11,954 and the level of void properties is expected to be maintained at 3%. The £500,000 budget allowed in financial year 2015/16 to improve decoration for some lower demand empty homes will continue into 2016/17.
 - 4.3. Savings of £1.145m will be achieved across several workstreams by realigning budgets to meet current service requirements as detailed in Appendices 1 and 2.
 - 4.4. Pay inflation is assumed at 1% across all pay groups as detailed in Appendices 1 and 2.
 - 4.5. There is no provision for non pay inflation in the 2016/17 budget given the stabilisation in underlying inflation levels moving into next year and the medium term.
 - 4.6. Implementation of the 2016/17 rent increase will be aligned to the rent charging structure previously agreed by the Council and introduced from April 2011. The revised rent structure is being implemented in phases with a transitional premium cap of £1.50 per week for any rent which requires to be increased. Consequently, the increase will exceed the rent increase agreed for 2016/17 for some tenants and for others will be less as rents move towards the target level. By the end of financial year 2016/17 it is anticipated that approximately 96% of tenants will have reached the target rent for their property.
 - 4.7. The approved rent restructure also revised the methodology for charging District Heating and Launderette Services. The actual costs of the service are charged to users and the charge is reviewed annually considering both prior years actual costs and future year cost projections. Following the implementation of the Calside and George Street Heating Schemes in 2015/16 only a few users will be charged directly by the Council for District Heating.
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5 Financing Costs

- 5.1. The rental income generated by the HRA must support the financing costs to service the investment required in council stock to ensure that the Scottish Housing Quality Standard, achieved with the completion of SHQS, is maintained on an ongoing basis. The strategy of using HRA surpluses and Capital Financed from Current Revenue (CFCR) to reduce new debt and smooth debt repayments will continue to be applied to ensure the medium to long term sustainability of the HRA.
 - 5.2. Details of the HRA Capital Investment Plan 2016/17 to 2018/19 can be found in sections 7 and 8.
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6 Tenant Consultation

- 6.1 The Scottish Housing Charter established the need to consult with tenants on key aspects of service, including rent charges. A consultation with tenants on proposed changes to rents for 2016/17 was conducted through the Peoples News. The consultation ran from 28 December 2015 to 23 January 2016 and sought tenants' views on two options, a rent increase of 2% or 3%. 118 responses were received (the Council has c. 11,700 tenants), the majority of which (81.4%) supported the proposed 2% rent increase.
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7 Housing Capital Investment Plan – 2016/17 to 2018/19

7.1. Overview

- 7.1.1. The proposed Housing Capital investment Plan for the 3 year period from 2016/17 to 2018/19 is attached at Appendix 3. The total value of the plan is £52.1m and includes allowances for new build homes, regeneration and the lifecycle replacement programmes which will be required to ensure council house stock is maintained at the Scottish Housing Quality Standard (SHQS) now all operational construction work on the SHQS programme has now been completed.
- 7.1.2. The planned capital investment in 2016/17 will be £14.2m, followed by £21.1m in 2017/18 and £16.8m in 2018/19. The plan will be reviewed on an annual basis incorporating an ongoing assessment of risk.
- 7.1.3. Authority is granted to the Director of Development & Housing Services to flexibly manage the capital investment programme as necessary to ensure optimum use of resources within the corporate limits of prudential borrowing. It is proposed that this facility remains in place over the life of the new three year plan detailed in Appendix 3.

7.1.4. The table below sets out the proposed composition of the plan for 2016/17 and how it will be funded.

2016/17 Programme		Funding	
Lifecycle Replacement	£9.3m	Prudential Borrowing	£11.9m
Regeneration	£2.9m	Receipts from House Sales	£0.9m
New Build	£2.0m	Capital from Current Revenue	£1.4m
Total	£14.2m	Total	£14.2m

7.1.5. The end of the Right to Buy Scheme in August 2016 will result in a lower level of receipts from Council House Sales in 2016/17. The number of sales for 2016/17 is forecast to reach 30 by the end of the scheme.

7.2 Lifecycle Replacement

7.2.1. The SHQS programme achieved a key milestone in April 2015 with the completion of the £138m investment programme. At April 2015 84.5% of homes fully met the SHQS (100% with allowed abeyances). There is now a requirement to maintain homes at this standard, to deliver a catch up programme for those properties in the abeyance category and to invest in those properties which had been assessed as complying prior to 2015 but subsequently drop below the standard. The capital programme for 2016/17 to 2018/19 will deliver a total investment of £28.3m in lifecycle replacement.

7.2.2. The Council is required to ensure that all stock achieves the minimum energy rating under the Energy Efficiency Standard for Social Housing (EESH) by the first milestone of 31 December 2020. It was assessed at April 2015 that around 62% of the Council's housing stock met the 2020 standard as a result of the measures introduced to achieve SHQS. The Council's position is that EESH will be achieved through capital funding plans for lifecycle replacement, together with Government sourced supplementary funding (e.g. HEEPS:ABS) and other external sources such as ECO.

7.2.3. The main categories of programme expenditure are:

- Kitchens, bathrooms and rewiring
- Heating
- External improvements
- Energy Efficiency and Carbon Reduction Programmes
- Other priorities such as Disabled Adaptations

7.2.4. The internal investment programme for 2016/17 will focus on dwellings where tenants had not previously given access during the SHQS programme. Work to upgrade a property to SHQS standard can be carried out where tenants now provide access or a property becomes void. As a result of the SHQS programme, kitchens, bathrooms and rewiring combinations will only be carried out in properties which are void or were otherwise in abeyance at the end of the SHQS programme until 2020 at the earliest. There will, however, continue to be a heating upgrade programme in 2016/17, made up of a combination of tenanted and void properties. The plan for next year will include the following:

2016/17 Planned Improvements	
Abeyances and void kitchens, bathrooms and rewiring	300
Heating Upgrades	250
External Fabric Upgrading	200

7.2.5. Further detail on the Lifecycle Replacement programme elements can be found at section 8 below.

7.3 Regeneration

7.3.1. The capital investment plan also includes an allowance of £9.9m for the Council's contribution to regeneration programmes in the West End of Paisley and the Tannahill area of Ferguslie Park. Allowance has also been made for the acquisition of privately owned houses and the demolition of vacant blocks associated with the regeneration of Johnstone Castle, which will be progressed over the course of the next few years.

7.4. New Build

7.4.1. The Capital Investment Plan also continues to include provision for investment in affordable social housing in Renfrewshire. The plan includes provision for 224 new build properties – 24 at Seedhill Road in Paisley, 100 at Dargavel Village, Bishopton and 100 in the Johnstone area as part of the regeneration initiative.

7.4.2. These three projects are included in the Strategic Housing Investment Plan (SHIP) 2015/16 to 2019/20 and it is intended to secure Scottish Government grant funding from the Affordable Housing Programme to help deliver these new homes. The new build programme assumed a grant benchmark for Council new build of £46,000 per unit with the remainder of the development cost being funded through the HRA. However the Scottish Government announced in January 2016 that the benchmark subsidy level for Council programmes would increase to £57,000 and would apply to those schemes in the current Strategic Local Programme Agreement yet to be given final approval. It is therefore expected that the three council new build projects currently in the SHIP will be awarded grant at the higher subsidy level of £57,000.

7.4.3. The Council's planned new build along with the other RSL new affordable housing included in the SHIP, will see a substantial number of new high quality affordable homes being built in the next 5 years. The Council will continue to work in partnership with RSLs to take forward other projects to deliver affordable housing in Renfrewshire as set out in the SHIP and will consider the impact on future programmes of the increased level of benchmark subsidy.

7.4.4. Design teams have been appointed for the new build council house developments at Johnstone Castle within Johnstone and Dargavel Village in Bishopton, where construction is expected to start in autumn 2016, with the first phase of completions due early 2017. A mix of flats and houses will be delivered with the new homes being a variety of sizes and layouts from one bedroom flats to three bedroom family sized homes.

8 Capital Programme Elements

The following paragraphs describe the main categories of work which are included in the proposed capital plan programme set out within appendix 3:

8.1. Kitchens, Bathrooms, Rewiring

There is no planned tenanted programme for upgrading kitchens, bathrooms and rewiring in 2016/17. There continues, however, to be a need to upgrade properties where the pre 2015 work has been refused and the tenant is now allowing access or where the property is void, and the SHQS upgrading can be accommodated with any general repairs prior to relet.

8.2. Heating

Heating will be treated in the same manner as described in paragraph 8.1 above. Allowances have been included for planned replacements for full systems or boiler only upgrades, as well as similar specifications for void houses. Again the budget for these targets will be kept under review to account for actual levels of access achieved, and the phasing of work adjusted accordingly.

In relation to the George Street district heating replacement, the work on upgrading the heating system in the 137 council houses and 181 owned properties at the complex is continuing as planned, and it is anticipated that there will only be a small number of properties left to upgrade in 2016/17.

8.3. External improvements

The externals budget comprises two key elements in 2016/17 – external envelope upgrading and windows and doors improvements. While the externals programme in SHQS addressed many properties assessed at the time as needing external works, in the intervening time the external fabric of thousands of other properties have been reassessed and need upgraded over the next 5-10 years. This new programme will address many of these fabric issues and improve the long term sustainability of the stock.

8.4. Energy Programme

A small allowance is included to cover ad hoc costs associated with the delivery of energy efficiency programmes addressing fuel poverty and carbon reduction.

Following on from the success of the external wall insulation project at Gallowhill, which has seen 332 tenanted properties and 373 private properties having their wall insulation improved at no cost to either themselves or the Council, further investment opportunities are being explored to improve the external wall insulation in Gallowhill and elsewhere. Any further investment would be fully funded by energy grants.

8.5. Multi Storey Flats

As a number of the multi storey blocks have been significantly upgraded in recent years, the planned investment programme in these blocks has reduced significantly. A new heating system in Provost Close is currently being investigated to establish the most suitable type and to ensure all external funding streams are explored fully. Should this proceed, it is anticipated that it will be carried out within the Building Services heating contract.

8.6. Common and Environmental Works

The main door entry installation contracts were completed in 2015/16, however there is a small allowance contained in the budget for the remaining systems where permission had not been previously granted to install them.

An allowance of £200,000 per annum has been included to upgrade the roads and footpaths which are within the HRA's responsibilities.

8.7. Other Council Priorities

As in previous years the programme includes provisional recurring allowances for disabled adaptations, the treatment of asbestos and wood rot, and for unforeseen essential property improvements.

8.8. Other Assets

Provisional Allowances are included for necessary improvements to garages and shops, as well as the replacement of equipment in common launderettes.

8.9. Initiatives

An annual allowance is included for properties acquired under the 'Mortgage to Rent' initiative. This allowance is kept under review and may require revision based on the actual qualifying demand which is primarily owner driven.

An allowance is included for surveys, advertising and sales fees under the strategy approved by the HACS Board on 13 May 2014 to dispose of single remaining Council houses in larger common blocks. Following the abolition of the 'right to buy', receipts generated will be used to acquire properties which will bring majority ownership to the Council.

Investigations are ongoing to establish the best method to upgrade boilers at sheltered housing complexes taking cognisance of external funding options available to the Council. At this stage there is an indicative allowance of £200,000 per annum for the next three years allocated to this improvement, however this will be reviewed in the context of the outcome of the feasibility study and other assessments.

8.10. Non Property Expenditure

The provision for fees associated with the sale of Council houses is included for 2016/17 only, based on the abolition of the 'right to buy' scheme in August 2016.

8.11. Non Physical Investment

A small annual allowance is included for ad hoc scoping surveys associated with management and investment of housing assets.

Implications of the Report

1. **Financial** – The report and appendices detail the proposed HRA budget and average weekly rent increase for 2016/17 and the Housing Capital Investment Plan for 2016/17 to 2018/19.
2. **HR & Organisational Development** – None

3. **Community Planning**
Community Care, Health & Well-being - Improving and maintaining housing conditions for the benefit of tenants.
Empowering our Communities – Tenants were consulted on the proposed changes to rents for 2016/17 and tenant representatives are involved in the specification and monitoring of the investment programme.
Greener – Protecting, caring for and enhancing the natural and built environment.
Jobs and the Economy – Construction firms employ local staff.
Safer and Stronger – Ensuring the long term stability of the housing stock.
4. **Legal** – The council is required to set an HRA budget for 2016/17 and agree rent changes for notification to tenants.
5. **Property/Assets** – The report proposes the Housing Capital Investment Plan for 2016/17 to 2018/19.
6. **Information Technology** – None.
7. **Equality & Human Rights** - The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None.
9. **Procurement** – The proposed Capital Investment Plan for 2016/17 to 2018/19 will include procurement of contracts.
10. **Risk** – The HRA Business Plan remains subject to a number of risks including the impact of welfare reform and cost pressures such as wage and general inflation.
11. **Privacy Impact** – None.

List of Background Papers

None.

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Housing Revenue Account – Budget Changes for 2016/17

Expenditure					
Subjective Heading	2015/16	Change	2016/17	Major Changes	Change
	Budget		Budget		£000
	£000	£000	£000		£000
Employee Costs	7,551	(281)	7,270	Impact of temporary staff contracts ending in the SHQS Delivery Team, offset by reduced fees	(190)
				Full year impact of 2015/16 restructure to reflect current service requirements	(195)
				1% pay award for APT&C and manual staff.	104
				Total Movement in Employee Costs	(281)
Property Costs	16,004	(1,665)	14,339	Reduction in gas and repairs budget to reflect the installation of new biomass District Heating systems	(610)
				Reduction in repairs and maintenance costs as a result of Building Services Service reviews.	(320)
				Efficiencies made against electricity budgets	(250)
				Reduction in garden assistance scheme budget	(100)
				Increase in repairs budget to reflect additional rechargeable repairs undertaken	100
				Net movement in CFCR	(485)
				Total Movement in Property Costs	(1,665)
Supplies & Services	344	(14)	330	Realignment in supplies costs to reflect prior years levels	(14)
Contractors	23	0	23		
Transport	17	0	17		
Administration Costs	3,079	(155)	2,924	Realignment in administration costs to reflect prior years levels	45
				HRA share of corporate efficiencies recharged through the Central Admin Allocation	(200)
				Total Movement in Admin Costs	(155)
Payments to Other Bodies	4,108	(125)	3,983	Reduction in the allocation to Neighbourhood Forums	(50)
				Reduction in commissioned costs budget to reflect changes made to support contracts	(50)
				Reduction in irrecoverable rent to reflect the slower roll out of Universal Credit	(38)
				Reduction in voids to reflect use and number of properties	(34)
				Increase in voids and irrecoverable debt relating to the rent increase.	47
				Total Movement in Payments to Other Bodies	(125)
Loan Charges	20,956	1,853	22,809	Increased repayment of principal debt	2,398
				Reduction in interest and expenses payable on outstanding capital debt	(545)
				Total Movement in Loan Charges	1,853
Total Expenditure	52,082	(387)	51,695		

Housing Revenue Account – Budget Changes for 2016/17 (cont'd)

Income					
Subjective Heading	2015/16 Budget	Change	2016/17 Budget	Major Changes	Change
	£000	£000	£000		£000
House Rents	46,391	319	46,710	Rent increase @ 2%	916
				Reduction in income to reflect RTBs and other stock movements.	(597)
Transfer from balances to fund Welfare Reform activity	581	0	581		
Supporting People Income	947	(50)	897	Reduction in grant income for customer support to reflect current activity levels	(50)
Commercial Rents	1,131	0	1,131		
SHQS Professional Fees	990	(190)	800	Reduction to reflect the temporary staff leaving now that the main Programme has been completed	(190)
Service Charges	927	(610)	317	Budget reductions to reflect the installation of new District Heating systems where tenants pay for their heating directly to the provider	(610)
Building Services Rebate	396	48	444	To reflect the percentage of surplus returned to the HRA based on programme ratios	48
Temporary Interest	131	0	131		
Lock Up Rents	294	(4)	290	Reduced lockup income, after updating stock numbers.	(4)
Other Income	294	100	394	Increased income to reflect additional rechargeable repairs being carried out	100
				Total Movement in Income	(387)
Total Income	52,082	(387)	51,695		
HRA surplus transferred to balances	0	0	0		

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Renfrewshire Council
Estimates of Expenditure and Income for the Year Ending 31st March 2017
Housing Revenue Account
Subjective Summary

Line No	Expenditure	2015/16 Estimate £	Tsfrs, Savings & Unavoidables £	2016/17 Estimate £	Rent Increase/ Inflation, etc £	2016/17 Estimate £
1	Employee Costs	7,551,220	(385,000)	7,166,220	103,900	7,270,120
2	Salaries - APT&C	5,108,660	(243,820)	4,864,840	73,000	4,937,840
3	Superannuation - APT&C	1,014,150	(124,700)	889,450	13,300	902,750
4	National Insurance - APT&C	444,420	(17,180)	427,240	6,400	433,640
5	Overtime - APT&C	1,000	0	1,000	0	1,000
6	Salaries - manual workers	425,740	0	425,740	6,400	432,140
7	Superannuation - manual workers	73,380	0	73,380	1,100	74,480
8	National Insurance - manual workers	50,960	0	50,960	800	51,760
9	Overtime - manual workers	195,710	0	195,710	2,900	198,610
10	Travel and Subsistence	86,700	700	87,400	0	87,400
11	Pension Increases	103,000	0	103,000	0	103,000
12	Training Costs	47,500	0	47,500	0	47,500
13	Property Costs	16,003,530	(1,216,000)	14,787,530	(448,660)	14,338,870
14	Community alarm maintenance	55,000	0	55,000	0	55,000
15	Contract trading service - cleaning	133,400	0	133,400	0	133,400
16	Electricity	523,380	(250,000)	273,380	0	273,380
17	Factoring & common charges	39,000	0	39,000	0	39,000
18	Furniture & fittings	0	0	0	0	0
19	Garden assistance scheme	396,200	(100,000)	296,200	0	296,200
20	Gas	759,560	(550,000)	209,560	0	209,560
21	Improve garden / close cleaning	494,400	0	494,400	0	494,400
22	Maintenance of Gardens and Open Spaces	203,800	30,000	233,800	0	233,800
23	Maintenance of houses	10,767,600	(310,000)	10,457,600	0	10,457,600
24	CFCR Contribution to SHQS Investment Programme	1,871,660	(36,000)	1,835,660	(448,660)	1,387,000
25	Property insurance	334,200	0	334,200	0	334,200
26	Rates	104,700	0	104,700	0	104,700
27	Water metered charges	16,000	0	16,000	0	16,000
28	Repairs direct	47,830	0	47,830	0	47,830
29	Special uplift service	198,900	0	198,900	0	198,900
30	Commercial Refuse	3,200	0	3,200	0	3,200
31	Supply of bins	11,700	0	11,700	0	11,700
32	Running costs of Home Exchange shop	35,000	0	35,000	0	35,000
33	Other Property Costs	8,000	0	8,000	0	8,000
34	Supplies and Services	343,700	(14,000)	329,700	0	329,700
35	Clothing/Uniforms	25,700	0	25,700	0	25,700
36	Computer software & licenses	146,600	0	146,600	0	146,600
37	Equipment maintenance & replacement	43,400	0	43,400	0	43,400
38	Publicity	26,000	0	26,000	0	26,000
39	Removal costs	39,300	(14,000)	25,300	0	25,300
40	Temporary Accommodation	11,500	0	11,500	0	11,500
41	Other supplies & services	51,200	0	51,200	0	51,200
42	Contractors	23,300	0	23,300	0	23,300
43	Customer research	23,300	0	23,300	0	23,300
44	Transport	16,950	0	16,950	0	16,950
45	Internal Transport - Hire	9,850	0	9,850	0	9,850
46	Internal Transport - Maintenance	2,500	0	2,500	0	2,500
47	Internal Transport - Garaging	2,000	0	2,000	0	2,000
48	Vehicle Licenses	100	0	100	0	100
49	Internal transport - Fuel	2,500	0	2,500	0	2,500
50	Carried Forward	23,938,700	(1,615,000)	22,323,700	(344,760)	21,978,940

Renfrewshire Council
 Estimates of Expenditure and Income for the Year Ending 31st March 2017
 Housing Revenue Account
 Subjective Summary

Line No	Income	15/16 Board Estimates £	Tsfrs, Savings & Unavoidables £	2016/17 Estimates £	Rent Increase/ Inflation, etc £	2016/17 Estimate £
1	Other Income	52,082,440	(1,309,290)	50,773,150	921,600	51,694,750
2	District heating income - Tenants	359,700	(330,000)	29,700	0	29,700
3	District heating income - Owner Occupiers	340,100	(280,000)	60,100	0	60,100
4	Launderette income - Tenants	65,000	0	65,000	0	65,000
5	Launderette income - Owner Occupiers	161,900	0	161,900	0	161,900
6	Other charges to Owners	20,000	0	20,000	0	20,000
7	Supporting People - Sheltered	150,000	0	150,000	0	150,000
8	Supporting People - Customer Support Team	796,990	(50,000)	746,990	0	746,990
9	Rental income - commercial properties	1,131,000	0	1,131,000	0	1,131,000
10	Rental income - houses	46,391,290	(597,620)	45,793,670	915,900	46,709,570
11	Rental income - lock ups	293,990	(9,900)	284,090	5,700	289,790
12	Rechargeable Repairs Income (net of write offs)	50,000	100,000	150,000	0	150,000
13	Temporary interest	131,500	0	131,500	0	131,500
14	SHQS Professional Fees	990,000	(190,000)	800,000	0	800,000
15	Admin Recoveries	30,000	0	30,000	0	30,000
16	Building Services Rebate	396,370	48,230	444,600	0	444,600
17	Commission on Insurance	8,000	0	8,000	0	8,000
18	Recharge of Capital costs to Building Services	145,000	0	145,000	0	145,000
19	Other income	40,600	0	40,600	0	40,600
20	Transfer from balances to fund Welfare Reform Activity	581,000	0	581,000	0	581,000
21	Carried Forward	52,082,440	(1,309,290)	50,773,150	921,600	51,694,750

Renfrewshire Council
Estimates of Expenditure and Income for the Year Ending 31st March 2017
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Line No	Expenditure	15/16 Board Estimates £	Tsfrs, Savings & Unavoidables £	2016/17 Estimates £	Rent Increase/ Inflation, etc £	2016/17 Estimate £
51	Expenditure Brought Forward	23,938,700	(1,615,000)	22,323,700	(344,760)	21,978,940
52	Administration Costs	3,078,910	(155,000)	2,923,910	0	2,923,910
53	Advertising	21,600	0	21,600	0	21,600
54	Apportionment of Central Administration	1,356,700	(200,000)	1,156,700	0	1,156,700
55	Apportionment of Central Administration Business Support	394,110	0	394,110	0	394,110
56	Apportionment of mgt support costs - property services	507,300	0	507,300	0	507,300
57	ASIST & Mediation recharge from Environmental Services	245,250	0	245,250	0	245,250
58	Bank Charges - Costs of Giro Collection	7,000	0	7,000	0	7,000
59	Conference/Course Expenses	5,500	0	5,500	0	5,500
60	Insurance	123,000	0	123,000	0	123,000
61	Legal expenses	83,600	0	83,600	0	83,600
62	Membership fees & subscriptions	33,750	0	33,750	0	33,750
63	Tenant Consultation	15,000	0	15,000	0	15,000
64	Postage	68,600	25,000	93,600	0	93,600
65	Printing and stationery	55,050	0	55,050	0	55,050
66	MSS Recharge - Centralised Printing	38,850	0	38,850	0	38,850
67	Telephones	85,000	20,000	105,000	0	105,000
68	Other Administration Costs	30,800	0	30,800	0	30,800
69	path/hnda	7,800	0	7,800	0	7,800
70	Payments to Other Bodies	4,107,960	(171,910)	3,936,050	46,600	3,982,650
71	Council tax re empty properties	238,500	0	238,500	0	238,500
72	Garden competition prizes	9,700	0	9,700	0	9,700
73	Grants to tenants / housing associations	12,000	0	12,000	0	12,000
74	Irrecoverable rent - commercial properties	23,100	(23,100)	0	0	0
75	Irrecoverable rent - housing	1,130,200	(14,600)	1,115,600	22,300	1,137,900
76	Employment Initiatives	250,000	0	250,000	0	250,000
77	Neighbourhood housing forums	319,500	(50,000)	269,500	0	269,500
78	Voids - commercial	225,000	(25,000)	200,000	0	200,000
79	Voids - operational	1,182,970	(15,230)	1,167,740	23,400	1,191,140
80	Voids - lock ups	40,790	6,020	46,810	900	47,710
81	Strategy & Quality Initiatives	67,690	0	67,690	0	67,690
82	Commissioned Costs - Customer Support	608,510	(50,000)	558,510	0	558,510
83	Loan Charges	20,956,870	1,852,380	22,809,250	0	22,809,250
84	Leasing charges - central heating	14,870	(14,870)	0	0	0
85	Loan charges - expenses	99,000	3,710	102,710	0	102,710
86	Loan charges - interest	7,451,000	(548,950)	6,902,050	0	6,902,050
87	Loan charges - principal	13,392,000	2,412,490	15,804,490	0	15,804,490
88	Total Expenditure	52,082,440	(89,530)	51,992,910	(298,160)	51,694,750

Renfrewshire Council
 Estimates of Expenditure and Income for the Year Ending 31st March 2017
 Housing Revenue Account
 Subjective Summary

Line No	Income	15/16 Board Estimates £	Tsfrs, Savings & Unavoidables £	2016/17 Estimates £	Rent Increase/ Inflation, etc £	2016/17 Estimate £
89	Income Brought Forward	52,082,440	(1,309,290)	50,773,150	921,600	51,694,750
90	Total Income	52,082,440	(1,309,290)	50,773,150	921,600	51,694,750
91	Total Expenditure	52,082,440	(89,530)	51,992,910	(298,160)	51,694,750
92	Net Expenditure	0	1,219,760	1,219,760	(1,219,760)	0

Proposed Housing Capital Investment Plan 2016/17 to 2018/19

		2016/17	2017/18	2018/19
		Proposed Programme	Proposed Programme	Proposed Programme
Programme Head	Sub Element	£000s	£000s	£000s
Kitchens, Bathrooms, Rewiring	Planned Phases	-	-	-
	Void and Abeyances Programme	1,000	1,000	1,000
	Misc Wiring/Isolators/Earthing	50	50	50
		1,050	1,050	1,050
Heating	Heating Full System Upgrades	850	850	850
	Void/Catch up Programme	100	-	-
	Gas Infrastructure	50	50	50
	Calside Old District Heating Removal	175	-	-
	George Street District Heating Replacement	40	-	-
	1,215	900	900	
External Improvements	External Envelope Upgrading	2,000	2,500	2,500
	Windows and Doors	900	1,000	1,000
		2,900	3,500	3,500
Energy Programme	Miscellaneous grant support works	10	10	10
		10	10	10
Multi Storey Flats	M&E Requirements	75	75	75
	Health and Safety issues	350	350	350
	Foyer Improvements	125	125	-
		550	550	425
Common and Environmental Works	Door Entry Systems	50	50	50
	Common Lighting	25	25	25
	Roads and Footpaths	200	200	200
	Environmental improvements General	-	25	25
		275	300	300
Other Council Priorities	Disabled Adaptations	400	400	400
	Asbestos	80	80	80
	Rotworks	400	400	400
	Essential Property Improvements	100	100	100
	980	980	980	
Other Assets	Garages	50	50	50
	Shops	60	50	50
	Launderettes	150	100	100
		260	200	200
Initiatives	Mortgage To Rent	100	100	100
	House Purchase Minority Stock - Misc fees	50	-	-
	Sheltered Housing Common Boiler Replacement	200	200	200
	Sheltered Housing Lift Refurbishment	105	38	200
	Sheltered Housing Lifecycle Investment	-	32	-
	455	370	500	
Non Property Expenditure	House Sales Fees	20	-	-
	IT Equipment	50	50	50
		70	50	50
Non Physical investment	Scoping Surveys	10	10	10
		10	10	10
Regeneration	Demolition and Landscaping - General	240	-	-
	Home Loss and Disturbance	50	50	50
	Johnstone Castle (see note 1)	1,370	800	750
	Paisley West End (see note 1)	750	750	2,000
	Tannahill	520	525	2,000
	2,930	2,125	4,800	
New Build	Seedhill Road (net of subsidies)	-	600	1,200
	Bishopton (net of subsidies)	2,000	5,400	-
	Johnstone Castle Initial Phases (net of subsidies)	-	3,500	1,300
		2,000	9,500	2,500
	Total Expenditure	12,705	19,545	15,225
	Professional Fees	1,525	1,545	1,545
	Total Capital Programme	14,230	21,090	16,770

Note 1: includes allowances for property acquisitions and demolitions. Subsequent years allowances will be included in future programme reviews