

PEOPLE, COMMUNITIES AND PLACES

Housing Revenue Account (HRA) Statistics: Scottish Local Authority Housing Income and Expenditure 1997-98 to 2019-20 (actuals) 2020-21 (estimates)

Overview

This annual publication provides information on recent trends in:

- **The balance of HRA housing income and expenditure** - the amount councils earned from housing and other council stock, how they spent this income and whether there was a surplus or deficit at year end.
- **Council housing stock and rents** - number of council homes & average weekly rent.
- **HRA expenditure on management and maintenance of stock** - the amount councils spent on housing maintenance, repairs and management.
- **Lost income due to empty properties and rent arrears** - including the number of current and former tenants in arrears and the amount of arrears.
- **Housing debt** - the amount spent on loan charges, interest, capital repayment and loan fund expenses.
- **Additional capital expenditure** - on new build and enhancements to existing stock.
- **Tenant participation** - in how the HRA funds are managed.

Some of the figures included in this bulletin for 2019-20 (actuals) and 2020-21 (estimates) may have been impacted on number by restrictions due to the COVID-19 Pandemic. Further information about the impacts is available at paragraphs 8 to 12.

These data are used by councils to monitor, manage and plan housing finances. The HRA survey is checked by the Chartered Institute of Public Finance and Accountancy. 2019-20 data are actuals (unaudited). 2020-21 are estimates. The bulletin is accompanied by tables, charts and survey form/ guidance. Some of the capital investment figures at the end of this bulletin (paragraph 36 onwards) are from different sources; Scottish Government Capital Return (CR) Final (final, audited figures for all years up to and including 2018-19) and the Scottish Government Capital Provisional Outturn and Budget Estimate (CPOBE) 2020 return (provisional outturn figures for 2019-20). Historical HRA data are available at: <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HRAmainpage>. and [Housing Statistics for Scotland - Housing Revenue Account \(nrscotland.gov.uk\)](https://www.nrscotland.gov.uk).

Key Points

Balance of HRA housing income and expenditure:

- Total HRA housing income was £1.25bn in 2019-20, of which £680m was spent on the day-to-day supervision, management, repair and maintenance of housing and £273m on loan charges.
- This left a surplus of £237m which was transferred to the council's housing capital expenditure account and to invest in new council houses and stock improvements.
- In 2019-20, rent rebate subsidy for council house tenants from Housing Benefit was £492m or 41% of total income from standard rents. This has decreased each year since 2014-15 when it was 57%.

Scottish council housing stock and rents:

- There were 312,100 council houses in Scotland as at March 2020. This is an increase of 861 houses since March 2019. The number is forecast to rise to 314,475 (up 2,375) by March 2021. Average rent per house was £73.29 per week in 2019-20, up by just over £1.90 on 2018-19. In 2019-20 average rents ranged from £60 per week in Moray to £96 in the City of Edinburgh.
- Council rents have increased by 8% (£8) since 2010-11 in real terms (above inflation).

Management and maintenance of stock:

- Average expenditure on management and maintenance was £2,148 per house in 2019-20. Within this supervision and management costs were £878 per house, whilst repairs and maintenance costs were £1,270 per house.

Empty properties and rent arrears:

- Councils lost £22m due to all empty properties (void losses) on all properties in 2019-20 or 1.8% of the Standard Rental Income on these properties, about the same as last year but below the peak of 3.7% in 2002-03.
- As at March 2020, rent arrears on all council properties was £79m, up £5.6m (7.6%) on last year, representing 6.5% of Standard Rental Income from these dwellings. These arrears have been rising steadily year on year since March 2013.
- During the same period, the number of council tenants in arrears has increased by 210 tenants to 102,912 and the number of former tenants in arrears decreased by 3,876 to 30,397 as at March 2020.

Housing Debt:

- In 2019-20 councils spent £273m on loan charges to the HRA (which includes interest, capital repayment and loan fund expenses), the same as in the previous year.
- Total estimated council housing debt stood at £4.02bn in 2019-20 an increase of £249m (6.6%) on the previous year. Councils borrowed this money to improve and build council houses.

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Introduction

1. This bulletin presents statistics on Local Authority housing income and expenditure in Scotland from their Housing Revenue Accounts (HRAs) statistical returns.
2. The HRA survey data in this bulletin covers the period 1997-98 to 2019-20 (near actuals)¹ up to budgeted estimates for 2020-21 which may be revised next year.
3. Six councils transferred their housing stock to the housing association sector, the largest of these being Glasgow from 2003², which affect comparisons over time.
4. The requirement to separately account for the income and expenditure associated with council-owned stock in Scotland is laid out in [sections 203\(1\) and 204\(4\) of the Housing \(Scotland\) Act 1987](#).
5. This bulletin (tables and charts) include two data sources. Most data are based on HRA survey returns and some data are based on Local Government Capital Expenditure Returns and Scottish Government Capital Provisional Outturn and Budget Estimate (CPOBE). The HRA records mainly income from, and expenditure on, council housing.
6. If there is a surplus in the HRA i.e. HRA income exceeds HRA expenditure, this may be transferred into the councils' housing capital expenditure accounts to be spent on a range of housing capital investment projects.
7. As authorities can borrow to fund capital expenditure, there is a clear separation between the revenue and capital accounts, and tight restrictions on how capital resources can be used. In general, this means that revenue resources can be used for both revenue and capital projects, but capital resources can only be used to fund capital projects. As such capital expenditure is separate to, and in addition to, any HRA expenditure on housing.
8. The latest Housing Revenue Account (HRA) statistical return covers the following periods; 2019-20 (actuals) and 2020-21 (estimates). The period 2019-20 therefore coincides with the start of the COVID-19 Pandemic and has continued for the reporting period 2020-21.
9. With this in mind an open commentary box was added to the survey in which Local Authorities were invited to provide any feedback about the impacts of COVID-19 on the data provided. All 26 authorities with an HRA were able to provide a survey return and the majority provided a COVID-19 commentary.

¹Near actual figures refer to un-audited figures. The auditing of these figures is overseen by Audit Scotland who finish the auditing process in September of each year. The figures in this bulletin are collected before that time.

²The transfers were: from 2003 – Glasgow City, Dumfries and Galloway, the Scottish Borders – just over 100,000 houses transferred, from 2006 - Argyll and Bute, Na h-Eileanan Siar – just over 7,000 houses transferred, from 2007 - Inverclyde – just under 8,000 houses transferred.

10. Authorities reported that it would be unlikely that the actual figures for 2019-20 would be affected by COVID-19 to any notable. However, they reported that the estimates for 2020-21 would be less precise than in previous years and would be subject to a greater degree change than normal when they are reported as actuals in next year's HRA survey.

11. Some general themes which emerged from the COVID-19 commentaries about the impacts of the pandemic of the HRA statistics presented here are set out below and the relate mainly to the 2020-21 estimates. General themes include:

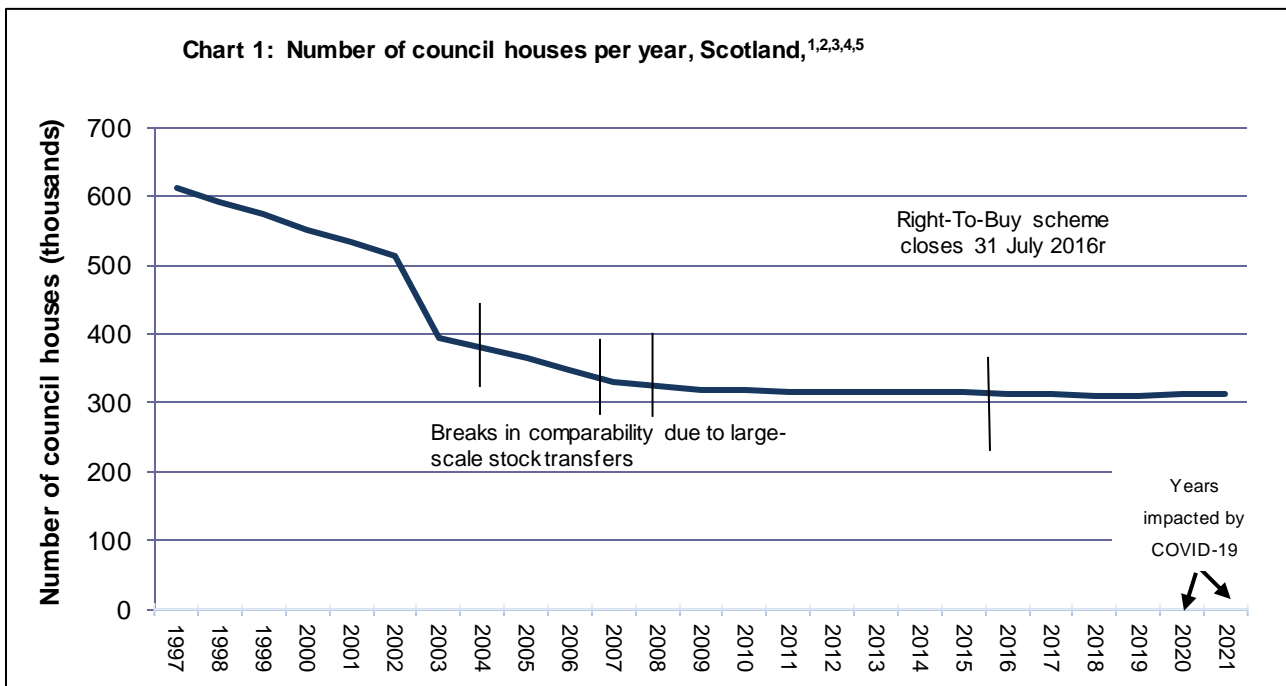
- rent arrears have increased whilst at the same time there has been a suspension of debt recovery which in turn has reduced HRA income,
- an increase in void properties due to difficulties in being able to re-let property given restricted access to properties,
- a pause in new house building as contractors were moved-off construction sites,
- a pause in repairs and maintenance to properties as contractors and trades people were unable to gain access to properties,
- an increase in expenditure on cleaning and PPE.

12. Whilst it is not possible to quantify these impacts on the statistics they should be borne in mind when comparing 2019-20 actuals and 2020-21 estimates with previous years or when making any comparisons between authorities (because different authorities experienced different impacts in many cases and they were not necessarily universal).

Local Authority housing stock (chart 1) (table 5)

13. There were 312,100 council houses in Scotland as at March 2020. This is an increase of 861 houses since March 2019. However, the number is forecast to rise to 314,475 (up 2,375) by March 2021. The number of council houses has fallen by around 50% since 1997. About 150,000 of the 315,000 reduction was due to sales to sitting tenants under Right-To-Buy (RtB), around 115,000 was due to the transfer by 6 councils of their total housing stock to Housing Associations and about 50,000 was due to demolition of unsuitable stock.

14. The decrease in council housing stock has slowed in recent years, particularly from 2008 and has increased in the latest year of reporting. This is mainly because of reductions in council house sales under RtB to sitting tenants and additions to council housing through new council house building. Seventeen councils had increases in their council housing stock at March 2020. It should be noted that the provision to end RtB - with a two year notice period - was included in the Housing (Scotland) Act 2014 and the scheme subsequently closed to all new applicants on 31 July 2016.



Source: Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities.

Notes:

1. From 2007 the HRA return asks for housing stock at 31 March each year. Prior to this figures were recorded at September each year.
2. Six councils transferred their housing stock to the housing association sector, therefore HRA information is not available (n.a.) for them.
3. Vertical lines show breaks in comparability after transfers of housing stock in Glasgow City, Dumfries and Galloway, Scottish Borders, Argyll and Bute, Na h-Eileanan Siar and Inverclyde and the end of Right-to-Buy.
4. The provision to end RtB - with a two year notice period - was included in the Housing (Scotland) Act which received Royal Assent on 1st August 2014, and the scheme subsequently closed to all new applicants on 31 July 2016.
5. Figures for 2020 and 2021 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

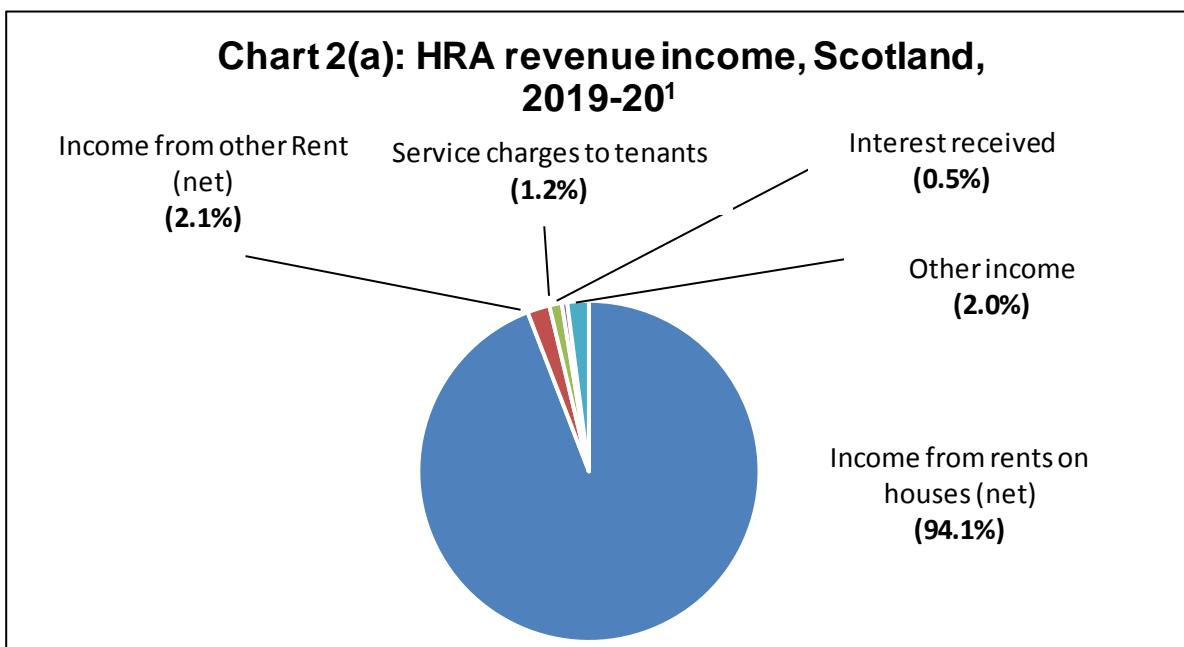
Housing revenue income and expenditure (charts 2a & 2b) (table 1a)

15. In 2019-20, rents from council houses account for 94% of revenue income to the HRAs. Supervision, management and repairs and maintenance of the houses accounts for 68% of the expenditure, while loan charges (i.e. the cost of servicing housing debt) account for 27%.

16. Other sources of income for Local Authorities include rents on hostels and other properties such as garages or lock-ups and also interest and other charges to tenants for special services. Money is also spent on things such as, upkeep of hostels (in some council areas) and other properties, writing-off rent arrears and paying council tax on void properties.

17. The cost of maintaining and managing housing stock is usually less than the income received i.e. council housing makes a revenue surplus at the Scottish level. This remaining income (the surplus) is used to fund capital investment in the council housing stock as part of the Capital Programme. The use of income in this way is known as Capital Funded from Current Revenue (CFCR).

18. In 2019-20 total HRA income (net) totalled just over £1.25bn across Scotland and total expenditure was just under £1bn. Further details of expenditure and income are set out in Chart 2(a) and 2(b) below. At year end, when income is compared to expenditure there was a surplus of £253m and £237m was transferred to councils' housing capital expenditure accounts and then invested on housing capital projects including new build council houses and enhancements to existing council stock (in addition to any day-to-day maintenance).



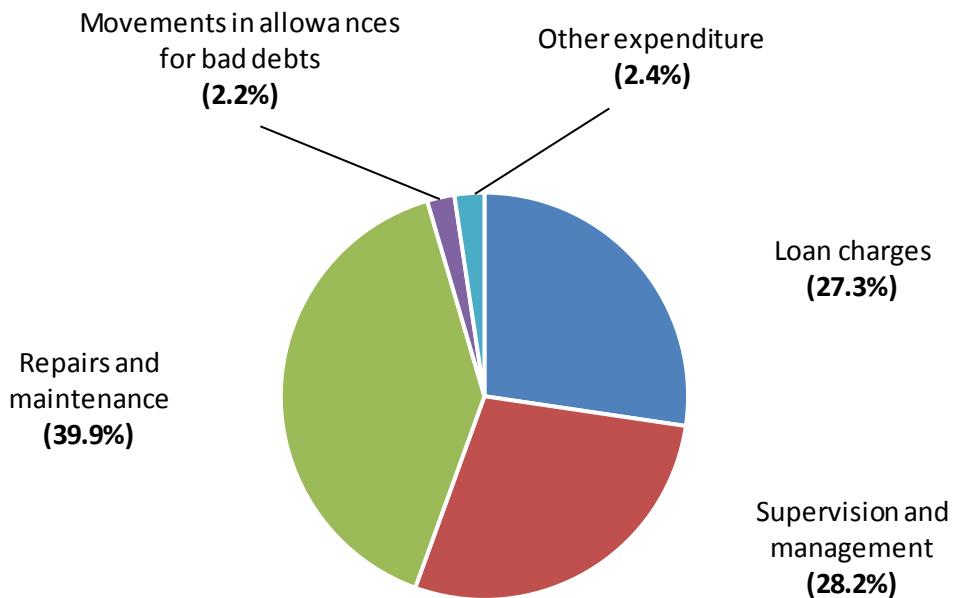
Source:

Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities.

Notes:

1. Figures may have been impacted on by the COVID-19 Pandemic restrictions.

Chart 2(b): HRA revenue expenditure, Scotland, 2019-20¹



Source:

Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities.

Notes:

1. Figures may have been impacted on by the COVID-19 Pandemic restrictions.

Rent levels and income from rents (charts 3 & 4) (tables 1a, 8 & 9)

19. In 2019-20 of the 26 Local Authorities with their own housing stock raised a total of £1.2bn in income (net of losses from empty properties) from standard rents on dwellings and a further £26m in rent from other HRA properties such as garages.

20. The average rent per dwelling (including both let and un-let properties) was £73.29 per week in 2019-20³ an increase of £1.90 since 2018-19. In the decade since 2010-11 average rents have increased by just under £8 or 12% in real terms i.e. over and above general inflation. In 2019-20 there is variation between councils in average rents, from £60 per week in Moray to £96 per week in the City of Edinburgh.

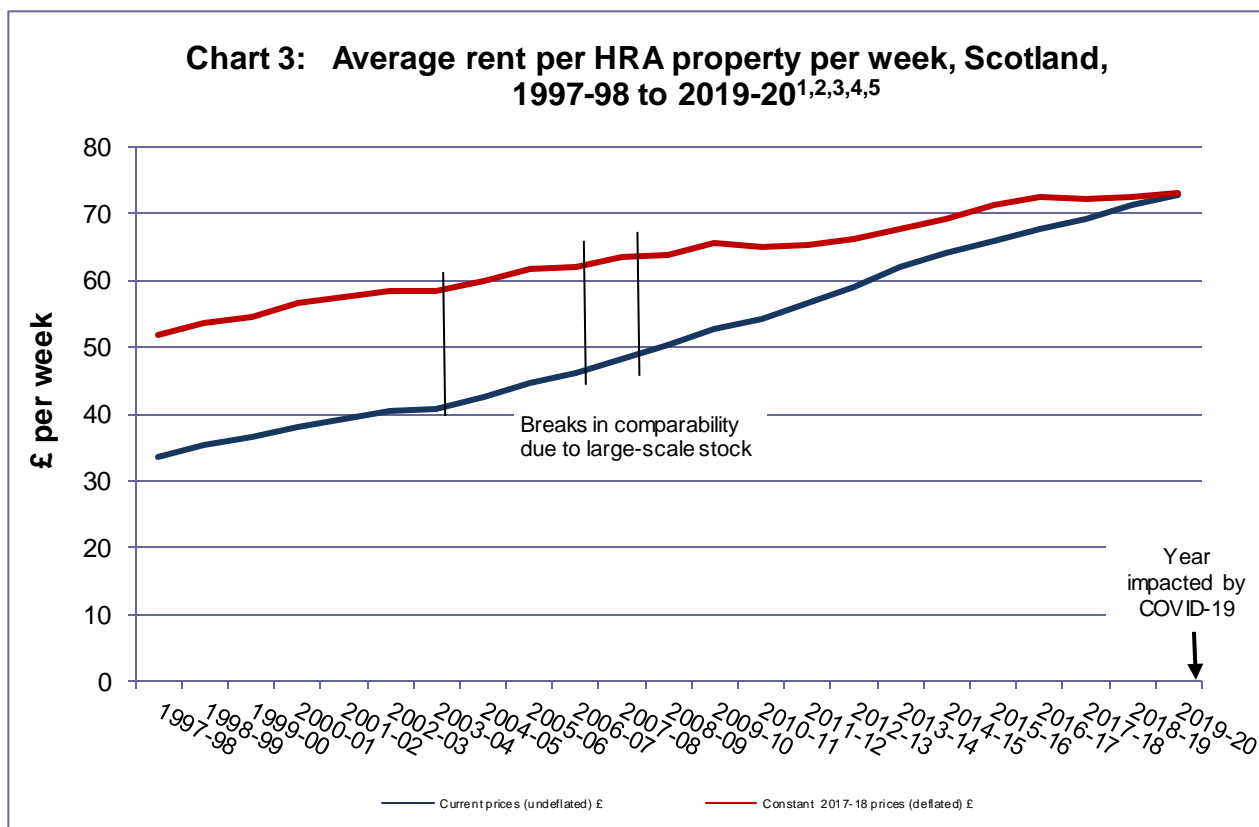
21. These figures may be lower than rents reported in other publications⁴ as, rather than taking a weighted average of set rents charged to tenants, they instead reflect the amount earned by the council in respect of each property owned (calculated by dividing

³As this includes un-let house the actual amount of rent paid by tenants is likely to be slightly higher.

⁴For example the rent figures produced by the [Scottish Housing Regulator](#).

the Council's Standard Rental Income on houses by the total letting stock). This method takes into account the proportion of housing which spends some time un-let and those for which rent is not successfully collected.

22. Housing Benefit accounted for a high proportion of council rental income. In 2019-20, rent rebate subsidy for council house tenants was £492m, representing 41% of total income from standard rents. In 2019-20, rent rebate subsidy as a proportion of standard rents varied from 27% in the Shetland Islands to 62% in South Ayrshire.

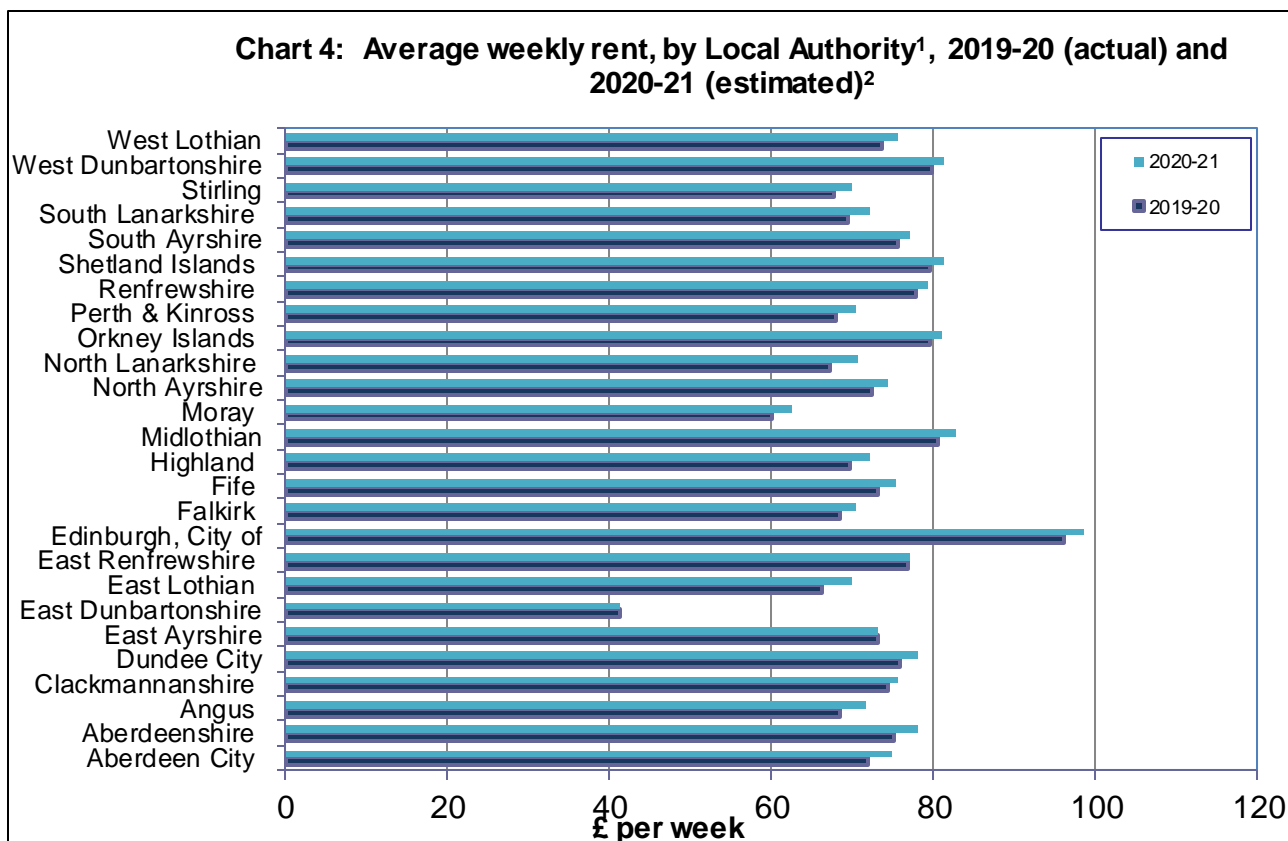


Source:

Current prices: Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities. Constant prices: ONS Consumer Price All Items Index on which 2015 = 100.

Notes:

1. Six councils transferred their housing stock to the housing association sector, therefore HRA information is not available.
2. Vertical lines indicate breaks in comparability following transfer of housing stock as follows:
 - from 2003-04 transfer of housing stock from Glasgow City, Dumfries and Galloway and Scottish Borders,
 - from 2006-07 transfer of housing stock from Argyll and Bute and Na h-Eileanan Siar,
 - from 2007-08 transfer of housing stock from Inverclyde.
3. Current (or nominal) prices are in the value of currency for that particular year. Current price are affected by inflation. Constant (or real) prices adjust for the effects of inflation and used to measure the true growth of a time series. Constant prices have been deflated using the Consumer Price Index (by ONS).
4. This calculation includes both let and un-let properties and therefore the amount of rent actually paid by is likely to be slightly higher.
5. Figures for 2019-20 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.



Source:

Scottish Government, Communities Analytical Services Division - based on Housing Revenue Account return provided by Local Authorities.

Notes:

1. Six councils transferred their housing stock to the housing association sector, therefore HRA information is not available for them.

2. Figures for 2019-2020 and 2020-2021 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years and between local authorities.

Expenditure on housing management and on repairs and maintenance (charts 5, 6 & 7) (tables 10, 11 & 12)

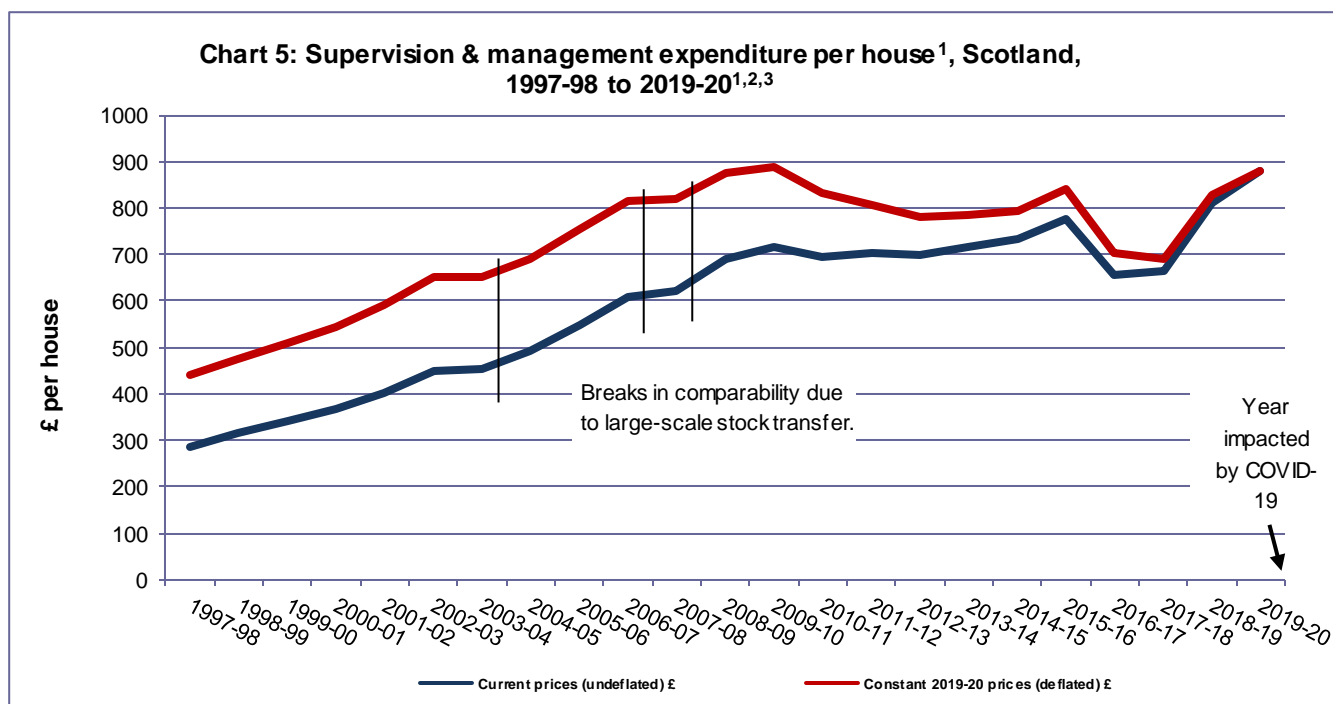
23. In 2019-20, the 26 Local Authorities with council dwellings spent £2,148 per house on management and maintenance, which is forecast to rise by 1.1% to £2,171 in 2020-21.

24. Spending on management and maintenance for 2019-20 ranges from £1,656 per house in Moray to £2,701 in East Renfrewshire. Differing accounting practices and differing service provision amongst councils mean that the figures for individual councils may not always be directly comparable and the estimates for management and maintenance expenditure should be treated with caution.

25. Supervision and management costs in 2019-20 were £878 per house and are forecast to increase to £915 per house in 2020-21. As Local Authorities differ in the extent to which central administration and related service costs are included, individual figures may not always be directly comparable.

26. Average annual expenditure on repairs and maintenance was £1,270 per house in 2019-20 and is forecast to decrease to £1,257 or 1.0% per house in 2020-21. Spending on repairs and maintenance in 2019-20 ranges from £835 per house in Perth and Kinross to £1,795 per house in the Shetland Islands.

27. Please note that the HRA repairs and maintenance expenditure referred to in the above paragraphs is separate, and in addition to, the capital investment in council housing stock enhancements referred to elsewhere in this bulletin.



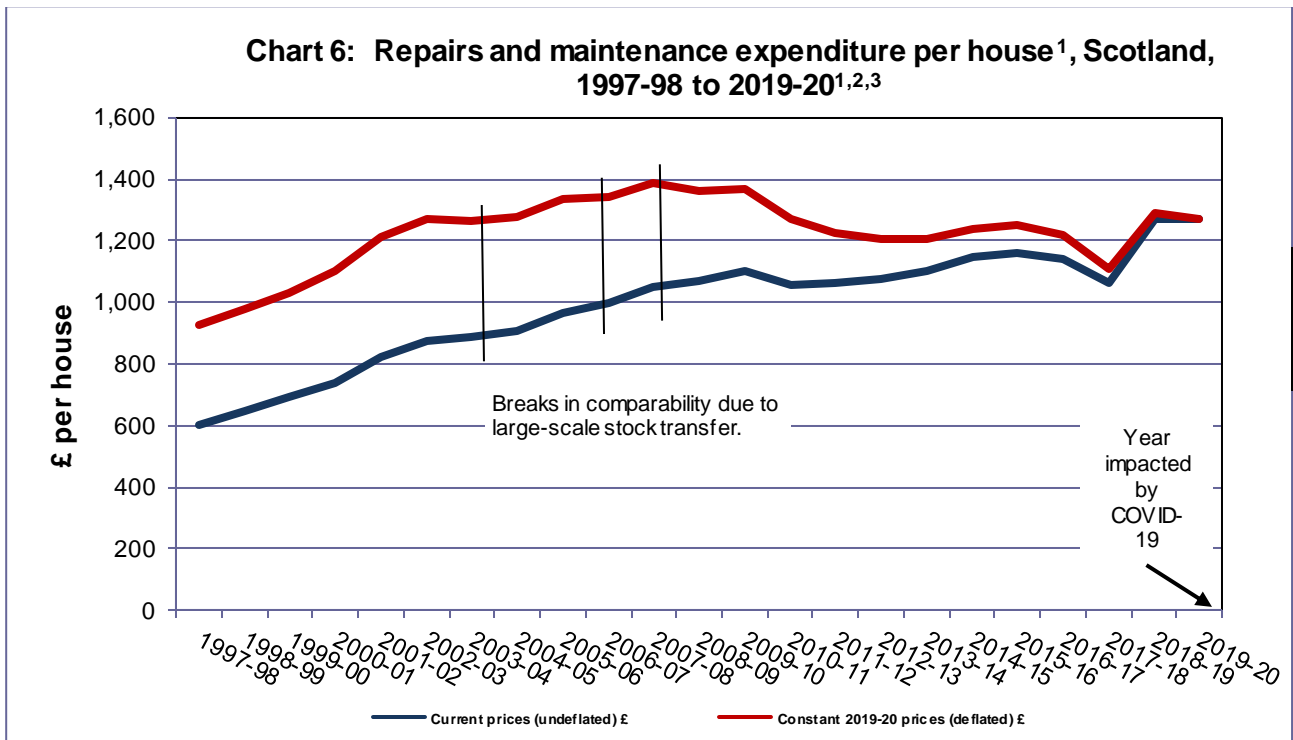
Source:

Current prices: Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities. Constant prices: ONS Consumer Price All Items Index on which 2015 = 100.

Notes:

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 From 2006-07 transfer of housing stock from Argyll and Bute and Na h-Eileanan Siar,
 From 2007-08 transfer of housing stock from Inverclyde.
3. Figures for 2019-20 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

Chart 6: Repairs and maintenance expenditure per house¹, Scotland, 1997-98 to 2019-20^{1,2,3}



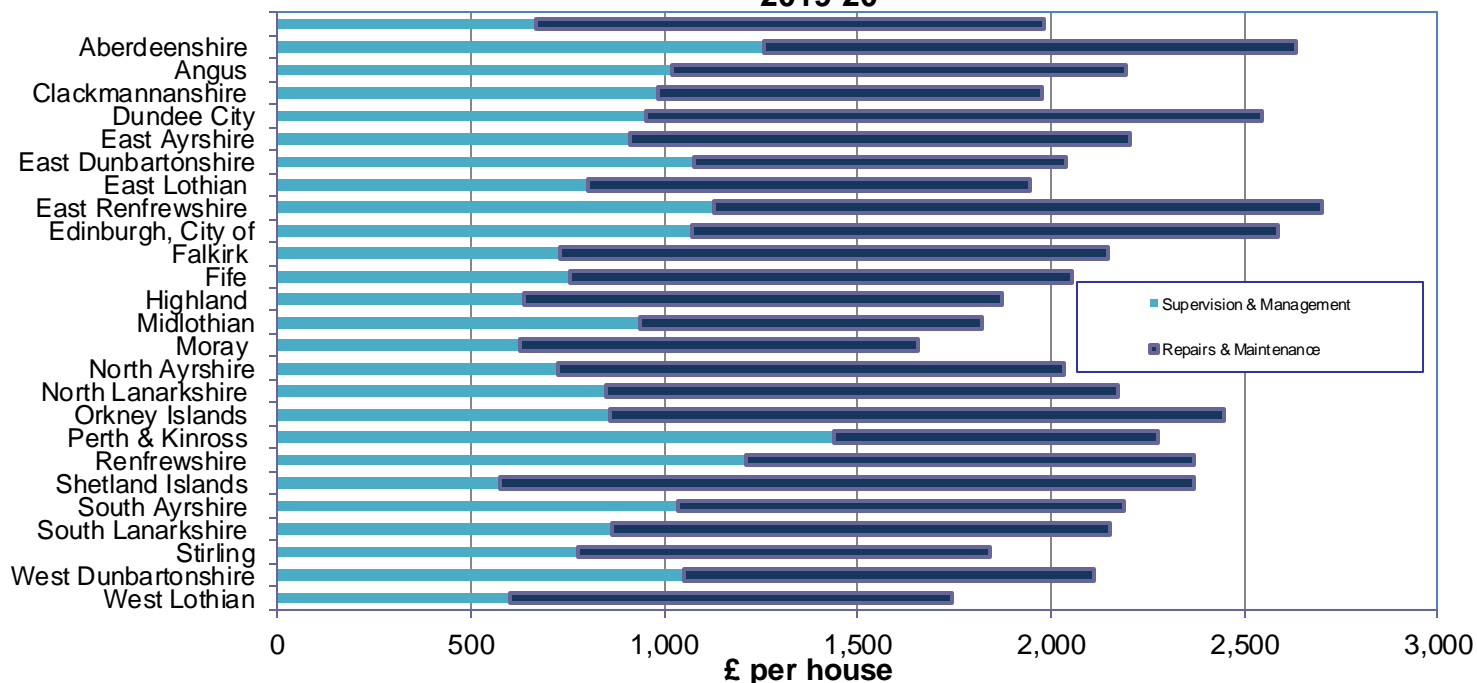
Source:

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 From 2007-08 transfer of housing stock from Inverclyde.
3. Figures for 2019-20 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

Chart 7: Management and maintenance expenditure per house¹, by Local Authority, 2019-20²



Source:

Current prices: Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities.
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Expenditure on loan charges (table 1a)

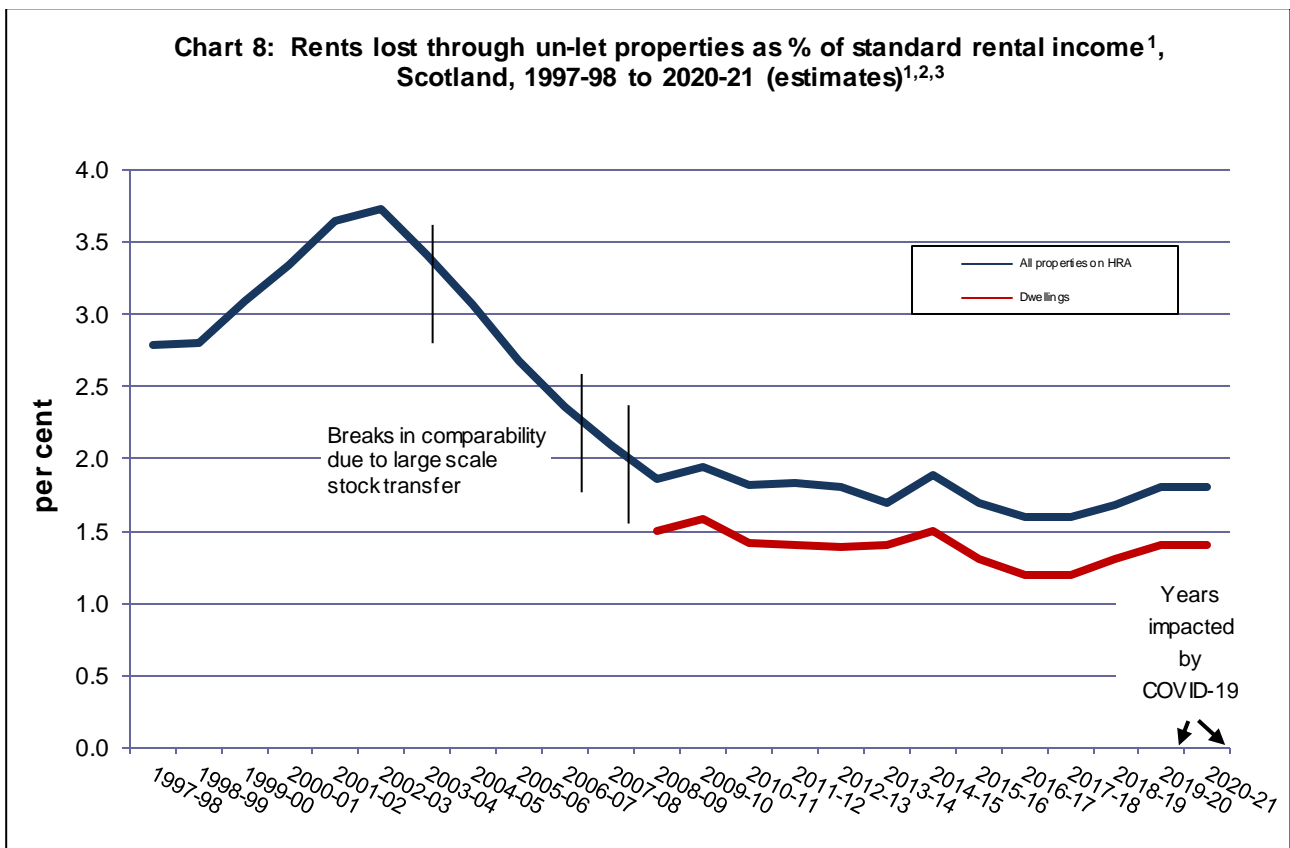
28. Loan charges are the repayment of principal and interest on outstanding debt on council houses. Local Authorities spent £273m on loan charges to the HRA in 2019-20. Loan charges represent 27% of all Local Authority housing expenditure (excluding capital spend) in 2019-20.

Rents lost due to empty properties (void losses) (charts 8 & 9) (tables 14 & 15)

29. Councils lost £22m due to *un-let all types of properties* held on their HRAs in 2019-20. From 2008-09 the statistics collected from Local Authorities have separately identified rents lost from *un-let dwellings*. For Scotland as a whole rents lost amounted to £17m in 2019-20 representing 1.4% of total rent income on these dwellings.

30. The percentage of rent on dwellings lost through voids in 2019-20 was highest in Aberdeenshire and (3.7%) and lowest in North Ayrshire, North Lanarkshire and the Orkney Islands (0.6%). Levels of rent lost may be strongly influenced by factors such as different levels of demand for properties, different void management practices and targets, decanting for improvement or investment programmes or the inclusion of properties awaiting demolition.

Chart 8: Rents lost through un-let properties as % of standard rental income¹, Scotland, 1997-98 to 2020-21 (estimates)^{1,2,3}



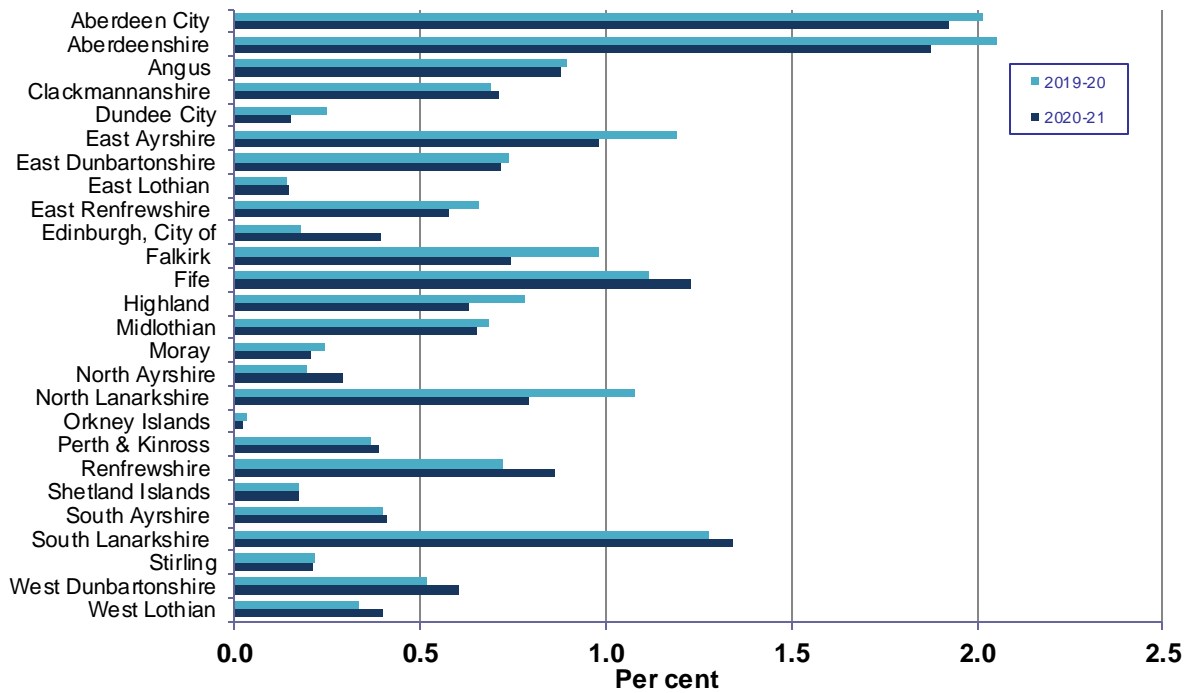
Source:

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 From 2007-08 transfer of housing stock from Inverclyde.
3. Figures for 2019-20 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

Chart 9: Rents lost as a result of unlet dwellings as a percentage of gross rental income¹, Scotland, 2019-20 (actual) and 2020-21 (estimate)²



Source:

Scottish Government, Communities Analytical Services Division - based on Housing Revenue Account return provided by Local Authorities.

Notes:

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2. Figures for 2019-2020 and 2020-2021 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years and between local authorities.

Rent arrears and the rents written-off (charts 10 & 11) (tables 16a, 16c, 17a, 17c, 19a, 19b and 20)

31. Total rent arrears on *all* properties on HRAs at 31 March 2020 was £79m, a rise of £5.6m (7.6%) since 31 March 2019. Nationally, rent arrears at 31 March 2020 represent 6.5% of Standard Rental Income on *all* properties on the HRA compared with 6.2% as at 31 March 2019 and is the highest value recorded over the past decade.

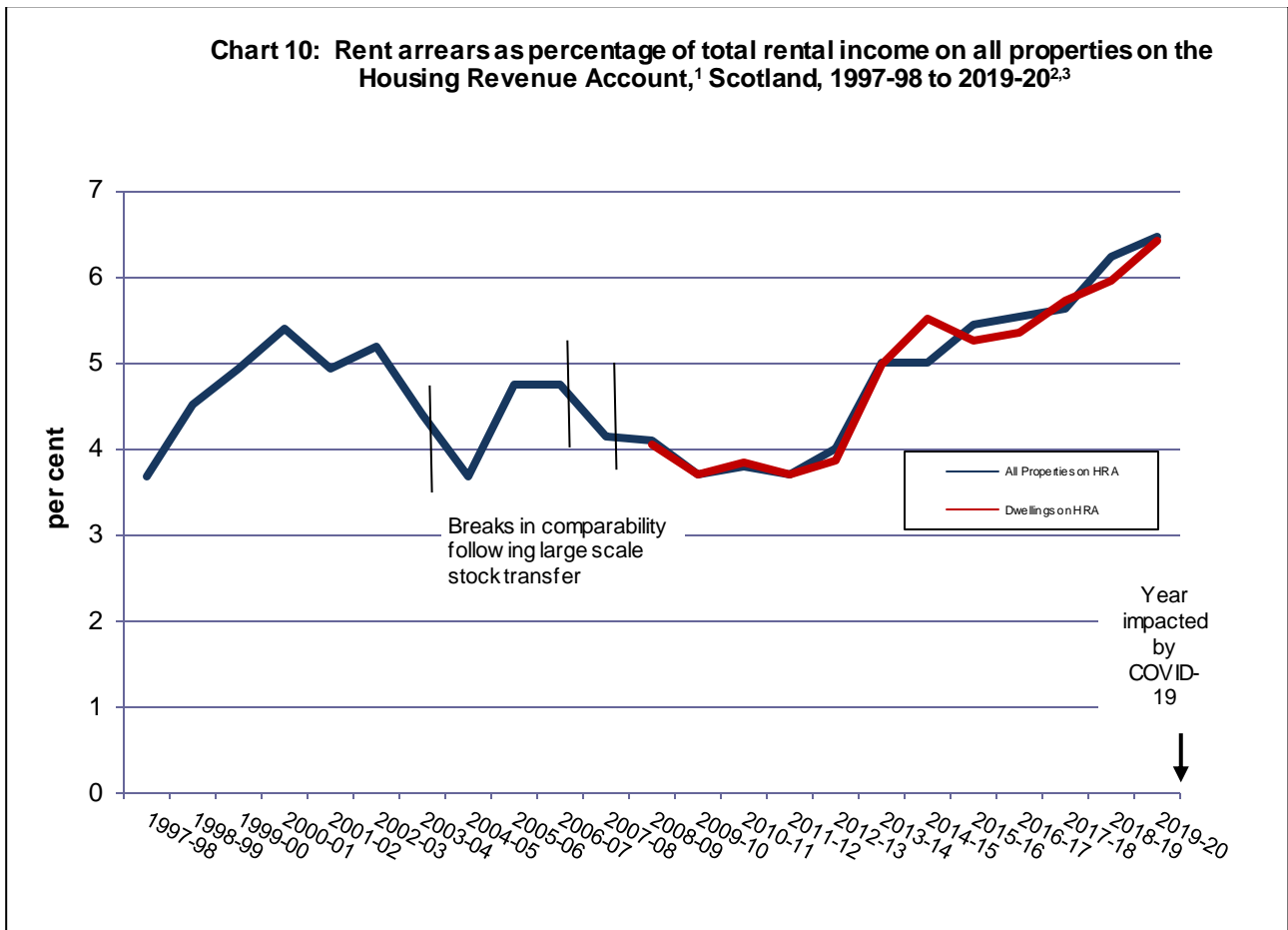
32. From 2008-09 the statistics collected from Local Authorities have separately identified rent arrears on dwellings from rent arrears in other properties held on councils' HRAs.

33. As at March 2020, rent arrears on council dwellings were £77m, up £5.7m (7.9%) on last year, representing 6.4% of Standard Rental Income from these dwellings. Rent arrears on dwellings varied from 11.9% of Standard Rental Income from dwellings in Midlothian to 1.4% in East Renfrewshire.

34. As at 31 March 2020 there were 102,912 council tenants in arrears, an increase of 210 tenants (a 0.2% increase) compared to 31 March 2019. The number of former tenants in arrears decreased by 3,876 (a 5.6% decrease) from 30,397 at March 2019 to 28,700 as at 31 March 2020.

35. In 2019-20 budgets, councils wrote-off £11.7m of outstanding rent as unrecoverable (this represents 1.0% of Standard Rental Income) compared to £10.8m in the previous year. Write-offs for 2019-20 varied from £0.01m in Dundee City and the Orkney Islands to £1.5m in North Lanarkshire. Amounts of arrears written-off by councils can be influenced by councils' accounting policies and judgements on whether arrears are recoverable.

Chart 10: Rent arrears as percentage of total rental income on all properties on the Housing Revenue Account,¹ Scotland, 1997-98 to 2019-20^{2,3}



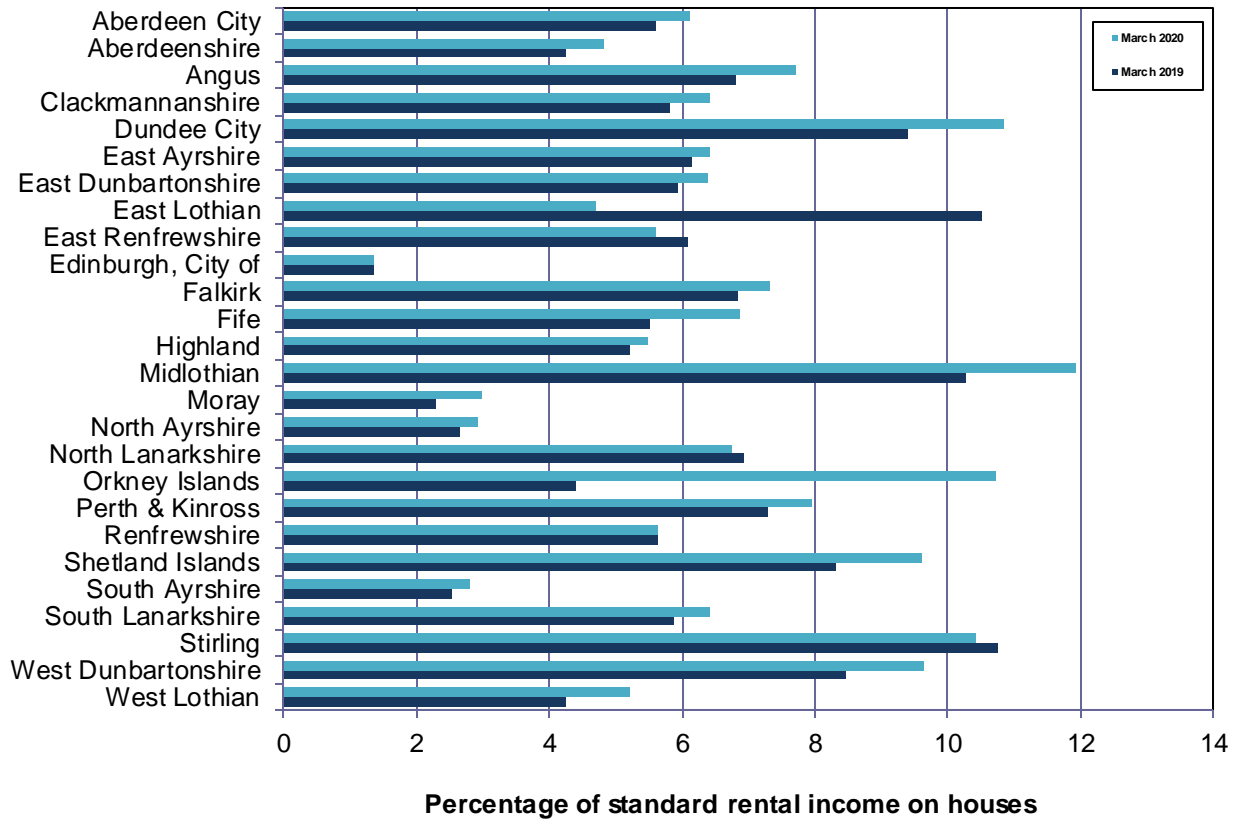
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 - From 2007-08 transfer of housing stock from Inverclyde.
3. Figures for 2019-20 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

Chart 11: Rent arrears at 31 March as a percentage of annual standard rental income on houses¹, by Local Authority, March 2019 to March 2020²



Source:

Scottish Government, Communities Analytical Services Division - based on Housing Revenue Account return provided by Local Authorities.

Notes:

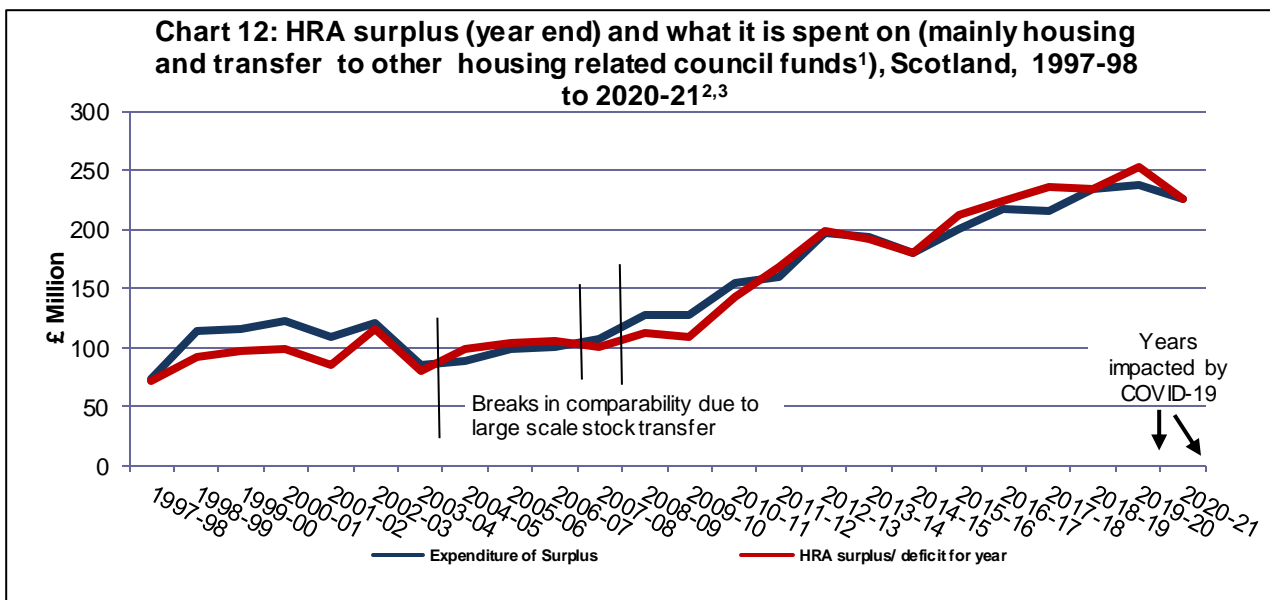
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Movement in the HRA reserves (chart 12) (table 2a, table 3)

36. In any given year, expenditure on the day-to-day maintenance and management of council housing tends to be less than the income from council house rents. The surplus income is spent on capital investment in housing including new council houses and improvements to existing stock (these improvements are in addition to the day-to-day maintenance) or added to the HRA reserves.

37. In 2019-20 Scottish Local Authorities had a surplus on their HRA (i.e. income minus expenditure) totalling £253m, which contributed to £237m of capital funded from revenue when added to other transfers into the HRA from other funds.

38. In 2019-20 just under £9m, was transferred out of the HRA fund into other council funds such as the Housing Repairs and Renewals Contingency Fund Funds transferred or to fund such items as the HRA Capital Plan. Equally some small sums were transferred into the HRA fund (just under £25m in 2019-20).



Source: Current prices: Scottish Government, Communities Analytical Division - based on Housing Revenue Account return provided by Scottish Local Authorities. Constant prices: ONS Consumer Price All Items Index on which 2015 = 100.

Notes:

1. Six councils transferred their housing stock to the housing association sector, therefore HRA information is not available for them.

2. Vertical lines indicate breaks in comparability following transfer of housing stock as follows: From 2003-04 transfer of housing stock from Glasgow City, Dumfries and Galloway and Scottish Borders, from 2006-07 transfer of housing stock from Argyll and Bute and Na h-Eileanan Siar, from 2007-08 transfer of housing stock from Inverclyde.

3. Figures for 2020 and 2021 may have been impacted on by the COVID-19 Pandemic restrictions. Consideration should be given to the impact of these restrictions when making any comparisons with other years.

Capital debt (table 21, table 1a)

39. A Local Authority may borrow to fund capital expenditure. Local Authorities may borrow from a number of sources including banks and other financial institutions. Most Local Authorities borrow from the UK Government's Public Works Loan Board (PWLB). In addition to borrowing Local Authorities may finance capital investment through other credit arrangements, such as finance leases, Public-Private Partnership (PPP) or Public Finance Initiatives (PFI). The sum of borrowing and any credit arrangement to finance capital investment is termed Capital Debt.

40. Total council housing debt stood at £4.02bn in 2019-20 an increase of £249m (6.6%) on the previous year and cost £273m in loan charges. Part of the increase in debt since 2007 is a consequence of increased borrowing by councils to meet the capital costs of new build housing and improvements to existing houses and reductions in receipts from the sale of council houses under RtB scheme which closed on 31 July 2016. Total HRA debt is estimated to rise to £4.46bn by 2020-21 (up £433m).

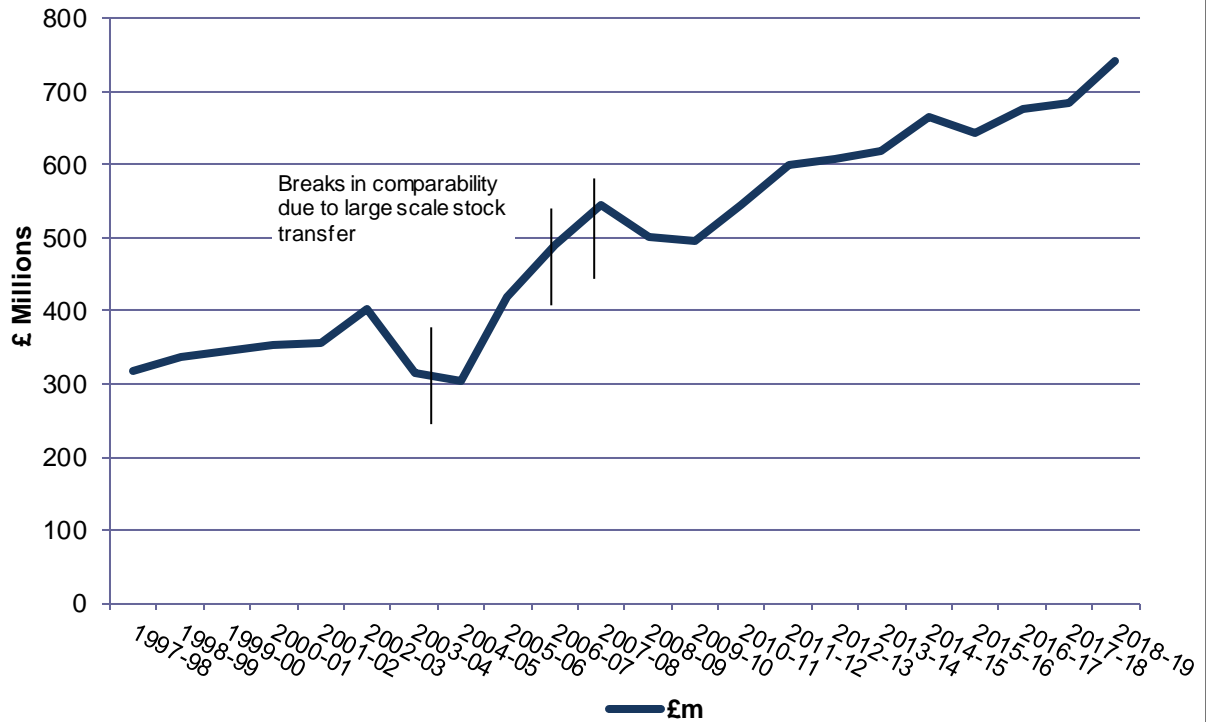
Capital investment (charts 13 & 14) (table 23)

41. These capital investment figures are not from the HRA data collection but are instead taken from the Scottish Government Capital Return (CR) Final (final, audited figures for all years up to and including 2018-19) and the Scottish Government Capital Provisional Outturn and Budget Estimate (CPOBE) 2020 return (provisional outturn figures for 2019-20). The provisional outturn figures are subject to revision. Final, audited capital expenditure figures will be published as part of the 2019-20 [Scottish Local Government Finance Statistics \(SLGFS\)](#) publication on 27 April 2021.

42. Local Authorities' provisional capital investment on HRA housing, financed from all sources (including new borrowing, useable receipts and financed from the CFCR from the HRA surplus) in 2019-20 is just over £940m. This includes £451m on improvements to existing council houses, £417m on new council houses and £72m on all other capital expenditure⁵. This expenditure is in addition to the day-to-day maintenance referred to above. The councils with the greatest capital investment in new council dwellings were the City of Edinburgh (£76m) followed by Highland (£35m).

⁵ Other sources includes use of Council Tax discounts on second homes/ long term empty properties.

Chart 13: Gross HRA capital expenditure, Scotland, 1997-98 to 2018-19 (Actuals)¹

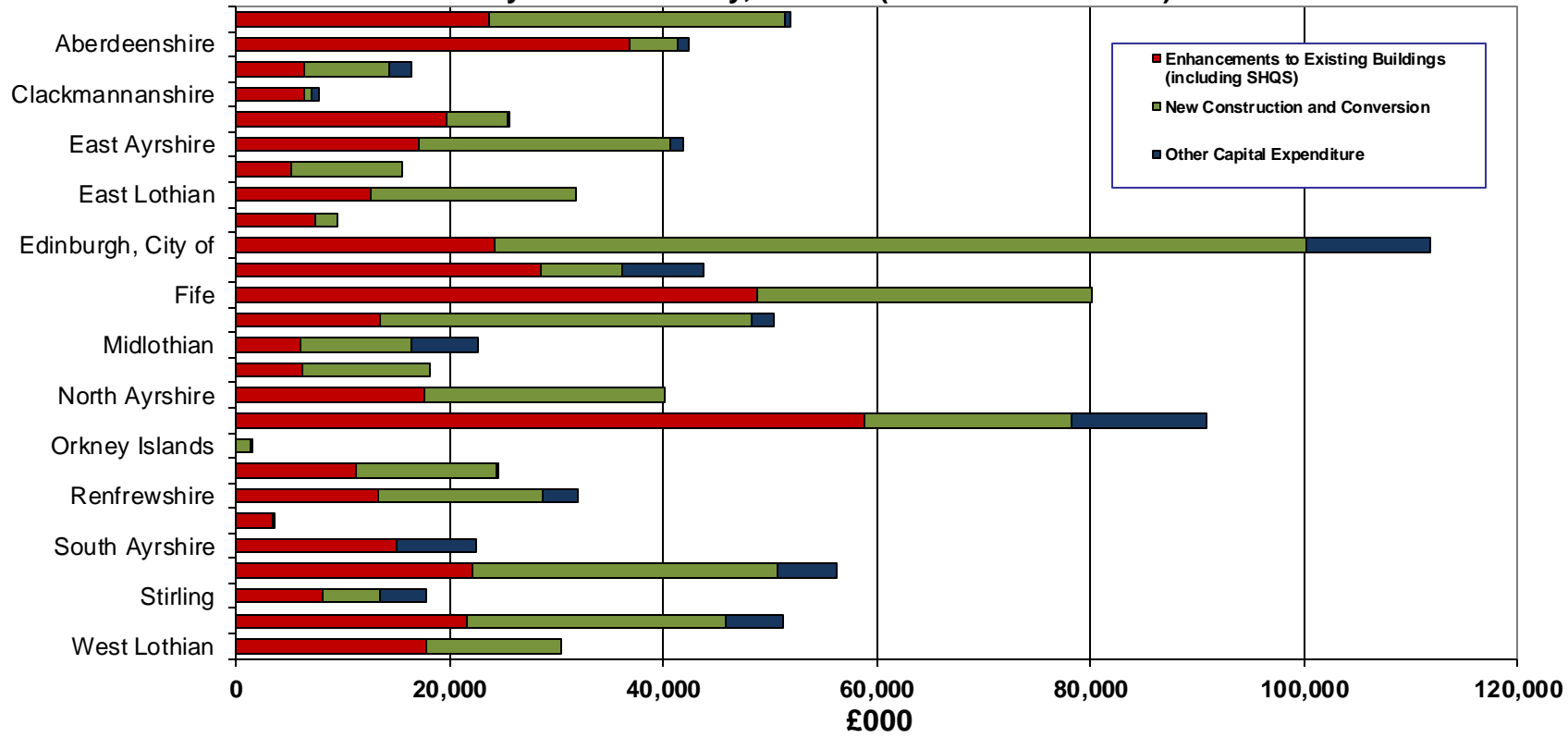


Source:
Scottish Government CR Final.

Notes:

- Vertical lines indicate breaks in comparability following transfer of housing stock as follows:
 From 2003-04 transfer of housing stock from Glasgow City, Dumfries and Galloway and Scottish Borders,
 From 2006-07 transfer of housing stock from Argyll and Bute and Na h-Eileanan Siar,
 From 2007-08 transfer of housing stock from Inverclyde

Chart 14: Capital expenditure on house improvement and new building¹, by Local Authority, 2019-20 (Provisional Outturn)



Source: Scottish Government CPOBE 2020.

Notes:

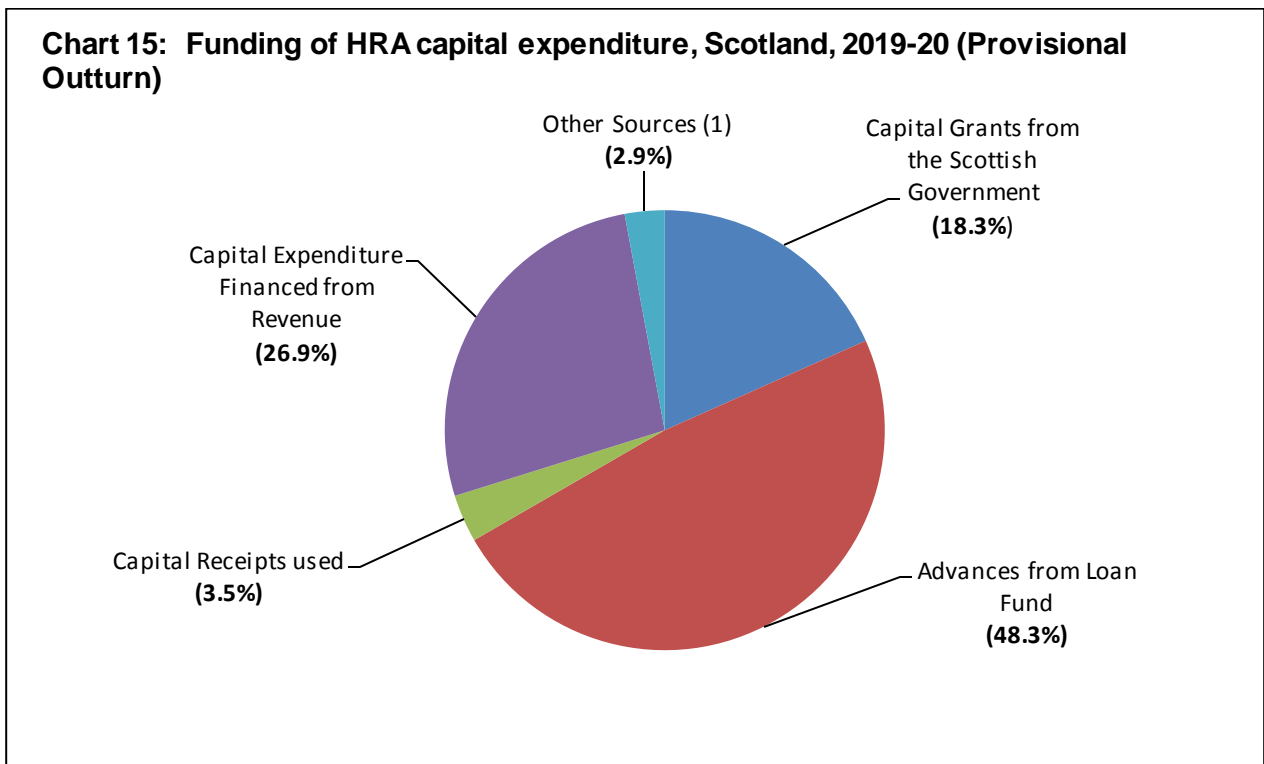
1. Six councils transferred their housing stock to the housing association sector, therefore HRA information is not available (n.a.) for them.
2. Other sources includes use of Council Tax discounts on second homes/ long term empty properties.

Funding of capital expenditure (chart 15) (table 23)

43. The 2019-20 capital expenditure figures below are taken from the Scottish Government Capital Provisional Outturn and Budget Estimate (CPOBE) 2020 return, rather than the HRA statistics return. These figures are provisional figures for 2019-20 and are therefore subject to revision. Final, audited capital expenditure figures will be published as part of the 2019-20 [Scottish Local Government Finance Statistics \(SLGFS\)](#) publication on 27 April 2021.

44. In 2019-20, provisional figures show 48 per cent (£454m) of the funding for HRA capital expenditure was from borrowing, 27% came from the Housing Revenue Account (CFRC) (£253m), whilst 18% (£172m) came from capital grants from the Scottish Government. Councils raised £33m of capital receipts from asset sales in 2019-20.

45. As noted earlier the provision to end RtB - with a two year notice period - was included in the Housing (Scotland) Act 2014 and the scheme subsequently closed to all new applicants on 31 July 2016. However, capital receipts can also come from sales of housing land following demolition, or voluntary sales to private individuals and businesses and other parts of the wider public sector and transfers of small groups of properties to housing associations or transfers of HRA assets to other parts of the Local Authority.



Source:
Scottish Government CPOBE 2020.

Notes:
1. Other sources includes use of Council Tax discounts on second homes/ long term empty properties.

Tenant Consultation by Councils about HRAs

46. In the 2019-20 HRA survey councils were asked about the extent and nature of any consultation they had undertaken with tenants in the previous year, for example, in terms of how the HRA budget had been spent or plans for future HRA expenditure. This follows the publication of 'Guidance on the Operation of the Local Authority Housing Revenue Accounts in Scotland' (2014) <https://indd.adobe.com/view/b5bb0a29-9cd7-4b3d-a596-f21c5dcfc19f> <https://indd.adobe.com/view/358417f4-e346-4442-b5df-9d801bf4589f> which sets out a framework for the involvement of landlords and tenants regarding HRAs.

47. Twenty-three of the twenty-six councils reported that they had undertaken tenant consultation about the HRA in 2019-20 and three councils did not provide a response to this question. The most frequently reported consultation topic was about rent rise proposals and HRA spending plans. Other topics included:

- sale of council land parcels
- council housing stock improvements
- service delivery
- housing allocation policies
- council priorities
- council budgets
- value for money
- affordability

48. Councils reported a variety of methods used to consult tenants about the HRA, the most frequent included tenant surveys (postal, online and telephone), tenant meetings, panels or forums. Other consultation methods included:

- tenant working groups
- tenant newsletters
- tenant magazines
- public meetings
- social media

49. Councils were also asked if they had done an Audit of Compliance with the 'Guidance on the Operation of Local Authority HRAs in Scotland' <http://www.gov.scot/Publications/2014/03/1837>. In 2019-20 eight councils reported that they had, eleven said no, one gave no response and six said they were planning to do so or did something similar.

50. In 2019-20, fourteen councils reported they had used the HRA Self-Assessment Framework, ten said no and two gave no reply.

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