



## **Clydebank Housing Association Ltd.**

*“Offering our community more than a home”*

# **DRAFT BUDGET**

## **FOR YEAR TO**

## **31 MARCH 2022**

Management Committee submission: 02 February 2021

Last Approved: 28 January 2020

Approved:

Review date: January 2022

*\*Please note that throughout this document, the use of “c.” means approximately or that the figures have been rounded to make the report easier to read.*

## **EXECUTIVE SUMMARY**

Attached is the draft Budget for the year to 31 March 2022. All figures have been based on results reported in the Management Accounts to date, and anticipated income and costs to 31 March 2021 and the 2020/25 Financial Plan.

On Page 1, our Total Management Expenses of c. £1.62m make provision for the current staff complement, which is at a level necessary to manage c. 1,170 units. The c. £1.28m of staff remuneration includes an estimated 1.5% increase in salary costs, life cover and auto-enrolment pension costs, the new part-time Welfare Rights Officer staffing role and c. £135k has been provided for the SHAPS past service deficit payable by the Association.

Overheads of £390k are similar to the previous year and are based on the results to 31 December 2020. Total budgeted Management Expenses for 2021/22 have increased by c. £60k, mainly due to the changes in staff requirements and the incremental cost of living increase within the salaries. However, the Association continues to demonstrate a good level of efficiency in all overhead categories and aims to drive down costs wherever possible.

Comparisons with our Peer Group will be monitored throughout the year as information becomes available. Contained within this report are a variety of internal financial targets (please refer to Appendix 2), that comply with the Scottish Housing Regulator's Self-Assurance process. Additionally, we will be looking at additional benchmarking options, alongside our SHR Peer Group, to allow us to ensure our costs are continuously assessed

The Housing Account on Page 2 consists of rental income and expenditure required to manage and maintain our properties. The account looks to receive c. £4.2m of net Rental Income (based on a budgeted increase of 0.7%). Expenditure of c. £4.1m is made up predominantly of the allocation of c. £1.6m management expenses from Page 1 and the projected expenditure on the maintenance accounts.

Maintenance costs have been extracted from the fully costed Life Cycle Costing (LCC) document in respect of all stock. The LCC document was finalised in September 2018 and revised in January 2019. The Major Repairs Sinking Fund calculation will continue to be monitored and reviewed in April/May alongside the long-term 2021/26 Financial Plans.

Incorporated again in this year's Budget is housing property depreciation, which is charged to the Income and Expenditure Account. The figure of c. £955k represents nothing more than a bookkeeping exercise. It therefore has not been included in the Association's rent setting mechanism.

Should all go to plan during the year; the Association will post a surplus of c. £959k after a transfer of c. £894k from Major Repairs Reserves.

The Non-Housing Account on Page 5, which includes the Development, Factoring, Commercial, Centre81 and Social Economy Accounts, is expected to post a combined deficit of c. (£89k) and this shortfall has been accounted for in the rent setting exercise to ensure all costs are covered.

The cash flow confirms our strong financial position and one, which continues for the remainder of the year and beyond despite the significant planned major repairs expenditure.

CHA Power Limited, the Association's wholly owned Subsidiary, has been performing fairly well in the Management Accounts reported to date. The income generated from tenants/customers is in line with budgeted amounts and there are no unfavourable variances emerging within the Plant Expenditure and the Overheads other than the generator performance issues that have been reported. Overall, CHA Power Limited is expected to show a surplus in the year ended 31 March 2021.

Quarterly Management Accounts will continue to be prepared and presented which will make comparison with the 2021/22 Budget and identify where variances occur.

Lynette Lees  
Head of Finance and Corporate Services  
February 2021

**CLYDEBANK HOUSING ASSOCIATION LIMITED**

**MANAGEMENT EXPENSES**

FOR THE YEAR ENDED 31 MARCH 2022

							<i>BUDGET</i>			
	<b>NOTES</b>	<b>QTR. TO</b> <b>30 June 21</b>	<b>QTR. TO</b> <b>30 Sept 21</b>	<b>QTR. TO</b> <b>31 Dec 21</b>	<b>QTR. TO</b> <b>31 Mar 22</b>	<b>BUDGET</b> <b>2021/22</b>	<i>PREVIOUS</i> <i>2020/21</i>	<i>ACTUAL</i> <i>31-Mar-20</i>	<i>BUDGET</i> <i>Variance</i>	
		£	£	£	£	£	£			
Staff Remuneration	<b>1</b>	322,740	319,850	319,850	319,850	1,282,290	1,138,530	970,346	143,760	
		322,740	319,850	319,850	319,850	<b>1,282,290</b>	1,138,530	970,346	143,760	
<b><u>OFFICE OVERHEADS</u></b>										
Heat and Light	<b>2</b>	1,000	2,500	2,000	1,000	<b>6,500</b>	6,500	5,208	-	
Telephone	<b>3</b>	3,000	2,800	3,500	2,700	<b>12,000</b>	7,500	7,142	4,500	
Equipment/Office Maintenance	<b>4</b>	2,600	5,000	4,300	4,500	<b>16,400</b>	14,800	14,635	1,600	
Office Rent & Rates	<b>5</b>	4,200	3,800	4,000	1,500	<b>13,500</b>	11,900	13,058	1,600	
Post/Stationery/Printing	<b>6</b>	8,500	9,000	14,000	10,500	<b>42,000</b>	51,000	33,834	(9,000)	
Committee Training	<b>7</b>	1,800	2,500	2,000	1,500	<b>7,800</b>	7,800	5,356	-	
Staff Training	<b>8</b>	6,200	6,200	6,200	8,650	<b>27,250</b>	26,000	10,984	1,250	
Insurance - office	<b>9</b>	12,000	-	1,500	-	<b>13,500</b>	9,500	7,563	4,000	
Computer Costs	<b>10</b>	44,050	9,150	7,150	11,150	<b>71,500</b>	37,100	39,106	34,400	
Internal & External Audit	<b>11</b>	2,400	-	2,400	12,600	<b>17,400</b>	14,800	11,238	2,600	
Affiliation Fees	<b>12</b>	10,100	3,600	1,850	15,700	<b>31,250</b>	30,140	27,831	1,110	
General Expenses	<b>13</b>	7,000	8,500	6,900	7,500	<b>29,900</b>	21,400	23,220	8,500	
Contingency	<b>14</b>	250	250	250	250	<b>1,000</b>	1,000	-	-	
Depreciation	<b>15</b>	25,000	25,000	25,000	25,000	<b>100,000</b>	90,000	102,547	10,000	
	<b>OVERHEADS</b>	128,100	78,300	81,050	102,550	<b>390,000</b>	329,440	301,722	60,560	
	<b>MANAGEMENT EXPENSES</b>	450,840	398,150	400,900	422,400	<b>1,672,290</b>	1,467,969	1,272,068	204,320	
ALLOCATED TO:	<b>16</b>									
Housing Account		441,216	388,926	391,076	412,219	<b>1,633,440</b>	1,429,038	1,239,797		
Non-Housing Account		9,624	9,224	9,824	10,180	<b>38,850</b>	38,932	32,272		
		450,840	398,150	400,900	422,400	<b>1,672,290</b>	1,467,969	1,272,068	204,321	
KEY INDICATOR	<b>17</b>	Analysis of operating costs 2021/22 Budget				<b>1,523</b>	14.2%			
		Analysis of operating costs 2020/21 Budget				<b>1,334</b>	1.3%			
		Analysis of operating costs 2019/20 Budget				<b>1,317</b>	6.5%			

**CLYDEBANK HOUSING ASSOCIATION LIMITED**

**INCOME & EXPENDITURE ACCOUNTS**  
FOR THE YEAR ENDED 31 MARCH 2022

**HOUSING ACCOUNT**

		QTR. TO	QTR. TO	QTR. TO	QTR. TO	BUDGET	BUDGET	ACTUAL	BUDGET
	NOTES	30 June 21	30 Sept 21	31 Dec 21	31 Mar 22	2021/22	2019/20	31-Mar-20	Variance
		£	£	£	£	£	£		
Gross Rent & S/Charge	18	1,096,253	1,096,253	1,096,253	1,096,253	4,385,011	4,354,528	4,227,965	30,484
Less Voids & Bad Debts	19	(65,775)	(65,775)	(65,775)	(65,775)	(263,101)	(217,720)	(55,182)	(45,380)
Shared O/ship Rents	18	24,665	24,665	24,665	24,665	98,658	97,972	100,261	686
<b>Total Rental Income</b>	18	1,055,142	1,055,142	1,055,142	1,055,142	4,220,569	4,234,780	4,273,044	(14,211)
Other Income (CHA Power)	20	5,100	5,100	5,100	5,100	20,400	20,300	14,000	100
Amortisation of Grants		130,000	130,000	130,000	130,000	520,000	530,000	589,059	(10,000)
<b>TOTAL INCOME</b>		1,190,242	1,190,242	1,190,242	1,190,242	4,760,969	4,785,080	4,876,103	- 24,111
<b>EXPENDITURE</b>									
Management Expenses	16	441,216	388,926	391,076	412,219	1,633,440	1,429,038	1,239,797	204,402
Property Maintenance	21	107,500	107,500	107,500	107,500	430,000	425,000	463,817	5,000
Cyclical Maintenance	22	139,176	144,176	175,997	144,613	603,962	822,704	229,834	(218,742)
Major Repairs	23	25,000	25,000	25,000	25,000	100,000	95,000	135,048	5,000
Service Costs	24	36,980	46,225	36,980	64,715	184,900	164,400	153,443	20,500
Property Insurance	25	85,000	-	-	-	85,000	85,000	75,625	-
General Expenses	26	32,006	38,006	32,006	32,006	134,025	115,300	114,488	18,725
Property Depreciation	27	237,500	240,000	237,500	240,000	955,000	950,000	1,010,314	5,000
Contingency	28	1,000	1,000	1,000	1,000	4,000	4,000	-	-
<b>TOTAL EXPENDITURE</b>		1,105,379	990,834	1,007,060	1,027,054	4,130,327	4,090,442	3,422,366	39,885
<b>HOUSING SURPLUS/DEFICIT</b>		84,863	199,408	183,183	163,188	630,642	694,638	1,453,737	(63,996)
<b>NON-HOUSING SURPLUS/DEFICIT</b>	29	(20,377)	(23,937)	(20,453)	(24,694)	(89,461)	(94,151)	(72,530)	4,690
<b>OPERATING SURPLUS</b>		64,486	175,471	162,730	138,494	541,181	600,487	1,381,207	(59,306)
Property Purchases	30		(50,000)	-	(50,000)	(100,000)	(81,400)	-	(18,600)
Impairment Gain/(Loss) - CHA Power		-	-	-	-	-	-	26,943	-
Bank Interest Receivable	31	5,419	5,419	5,419	5,419	21,674	69,464	64,494	(47,790)
Loan Repayments (cap & int)	32	(98,255)	(98,255)	(98,255)	(98,255)	(393,019)	(451,702)	(87,690)	58,683
Pension finance costs		(1,250)	(1,250)	(1,250)	(1,250)	(5,000)	(20,000)	(18,000)	15,000
<b>(DEFICIT)/SURPLUS FOR PERIOD</b>		(29,600)	31,385	68,644	(5,592)	64,836	116,850	1,366,955	(52,014)
Major Repairs Transfer	33					893,941	347,354		546,587
<b>RESERVES C/FWD</b>	34	(29,600)	31,385	68,644	(5,592)	958,777	464,204	1,366,955	494,573

**CLYDEBANK HOUSING ASSOCIATION LIMITED**

**NON-HOUSING ACCOUNT**

FOR THE YEAR ENDED 31 MARCH 2022

						BUDGET			
		QTR. TO	QTR. TO	QTR. TO	QTR. TO	BUDGET	PREVIOUS	ACTUAL	BUDGET
NOTES		30 June 21	30 Sept 21	31 Dec 21	31 Mar 22	2021/22	2020/21	31-Mar-20	Variance
		£	£	£	£	£	£	£	
<b>DEVELOPMENT A/C</b>		<b>35</b>							
Development Allowances		-	-	-	-	-	-	-	-
Other Allowances		500	750	500	750	2,500	2,200	3,561	300
		500	750	500	750	2,500	2,200	3,561	300
Less:	Management Exps	3,753	3,753	3,753	3,753	15,011	15,509	13,999	(498)
	Contingency/General Exps	2,500	-	2,500	-	5,000	5,000	3,846	-
		6,253	3,753	6,253	3,753	20,011	20,509	17,845	(498)
<b>Contribution +/-</b>		<b>(5,753)</b>	<b>(3,003)</b>	<b>(5,753)</b>	<b>(3,003)</b>	<b>(17,511)</b>	<b>(18,309)</b>	<b>(14,284)</b>	798
<b>FACTORING A/C</b>		<b>36</b>							
Factoring Fees		6,600	-	6,935	-	13,535	13,222	12,001	313
Less:	Management Exps	2,800	2,400	3,000	3,357	11,557	11,401	9,943	156
	Direct costs	290	500	500	300	1,590	1,600	2,856	
<b>Contribution +/-</b>		<b>3,510</b>	<b>(2,900)</b>	<b>3,435</b>	<b>(3,657)</b>	<b>388</b>	<b>220</b>	<b>(798)</b>	167
<b>COMMERCIAL INCOME A/C</b>		<b>37</b>							
Boardroom/Other Income		-	100	-	100	200	200	674	-
Less:	Management Exps	-	-	-	-	-	-		
<b>Contribution +/-</b>		<b>-</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>200</b>	<b>200</b>	<b>674</b>	-
<b>CENTRE81 A/C</b>		<b>38</b>							
Income: Rev Grants/Rents/Café/Gym81		22,316	22,316	22,316	22,316	89,265	89,050	110,017	215
Less:	Management Exps	2,508	2,508	2,508	2,508	10,031	10,078	6,602	(47)
	Direct costs	38,062	38,062	38,062	38,062	152,250	158,950	160,659	(6,700)
<b>Contribution +/-</b>		<b>(18,254)</b>	<b>(18,254)</b>	<b>(18,254)</b>	<b>(18,254)</b>	<b>(73,016)</b>	<b>(79,978)</b>	<b>(57,243)</b>	6,962
<b>SOCIAL ECONOMY A/C</b>		<b>39</b>							
Rents & Boardroom Hires		6,707	6,707	6,707	6,707	26,830	25,760	24,491	1,070
Disaster Recovery Rental		-	-	-	-	-	-	1,526	-
Less:	Management Exps	563	563	563	563	2,252	1,944	1,728	308
	Direct Costs	6,025	6,025	6,025	6,025	24,100	20,100	25,167	4,000
<b>Contribution +/-</b>		<b>119</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>478</b>	<b>3,716</b>	<b>(878)</b>	(3,238)
<b>NON-HOUSING SURPLUS/DEFICIT</b>		<b>29</b>							
		<b>(20,377)</b>	<b>(23,937)</b>	<b>(20,453)</b>	<b>(24,694)</b>	<b>(89,461)</b>	<b>(94,151)</b>	<b>(72,530)</b>	4,690

<b>Clydebank Housing Association Ltd.</b>					
<b>Projected Statement of Financial Position/Balance Sheet (Abridged)</b>					
As at	31 Mar 22				<b>FORECAST</b>
					<b>31 Mar 22</b>
		<b>NOTES</b>	<b>£</b>		<b>£</b>
<b><u>Tangible Fixed Assets</u></b>					
Housing Properties - Gross Cost			48,379,271		
Housing Properties - Additions					
Housing Properties - Disposals					48,379,271
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Less Housing Properties - Depreciation					16,279,076
					32,100,194
Other Fixed Assets		<b>41</b>			3,052,617
Investment - CHA Power		<b>40</b>			390,000
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					<b>35,542,811</b>
<b><u>Current Assets</u></b>					
Debtors			316,257		
Bank inc term deposits			8,422,853		
Cash In Hand			894		8,740,004
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<b><u>Less Creditors (Due within Year)</u></b>					
Bank Overdraft			-		
Housing Loans			390,800		
Pension creditor < 1yr			135,000		
Others			450,000		975,800
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<b><u>Net Current Assets</u></b>		<b>42</b>			<b>7,764,204</b>
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<b><u>Total Assets Less Current Liabilities</u></b>					
					43,307,015
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<b><u>Less Creditors (Due more than Year)</u></b>					
Housing Loans			4,935,000		
Pension creditor > 1yr			70,000		5,005,000
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<b><u>Less Deferred Income</u></b>					
Social Housing Grant - Properties			13,116,230		
Social Housing Grant - Office Premises			1,924,398		15,040,628
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<b>TOTAL ASSETS</b>					<b>23,261,387</b>
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<b><u>Capital and Reserves</u></b>					
Share Capital					200
Revenue Reserves					22,302,408
Surplus/(Deficit) for period					958,777
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					<b>23,261,387</b>

CLYDEBANK HOUSING ASSOCIATION LIMITED										BUDGET		31 Mar 22		
BUDGET														
FOR PERIOD TO	31 Mar 22													
COST CENTRE ANALYSIS	100%	38.27%	2.45%	17.09%	6.17%	9.66%	0.00%	0.70%	0.54%	0.47%	0.11%	0.33%	2.37%	21.86%
	TOTAL	HOUSING MANAG.	SHARED O/SHIP	REACTIVE REPAIRS	CYCLICAL REPAIRS	MAJOR REPAIRS	SERVICE COSTS	DEVELOP.	FACTOR	C81	SEC-WIDER ACTION	CHA POWER WIDER ACTION	TP/WIDER ACTION	FINANCE & ADMIN
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
STAFF COSTS	1,282,290	490,748	31,398	219,092	79,097	123,855	-	8,994	6,925	6,011	1,349	4,171	30,353	280,298
AGENCY COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,282,290	490,748	31,398	219,092	79,097	123,855	-	8,994	6,925	6,011	1,349	4,171	30,353	280,298
OFFICE OVERHEADS	390,000	149,258	9,549	66,635	24,057	37,670	-	2,735	2,106	1,828	410	1,269	9,232	85,251
	1,672,290	640,006	40,947	285,727	103,154	161,525	-	11,729	9,031	7,839	1,759	5,440	39,584	365,549
FIN. & ADMIN ALLOCATION		179,036	11,455	79,930	28,856	45,185	-	3,281	2,526	2,193	492	1,522	11,073	365,549
MANAGEMENT EXPENSES	1,672,290	819,041	52,402	365,657	132,010	206,710	-	15,011	11,557	10,031	2,251	6,962	50,658	-
<b>HOUSING DIRECT COSTS:</b>														
REACTIVE MAINTENANCE	430,000			430,000										
CYCLICAL MAINTENANCE	603,962				603,962									
MAJOR REPAIRS	100,000					100,000								
SERVICE COSTS	184,900			5,000			179,900							
PROPERTY INSURANCE	85,000	85,000												
CONTINGENCY	4,000	4,000												
DEPRECIATION	955,000	916,800	38,200											
GENERAL EXPENSES ETC	134,025	116,925											17,100	
	2,496,887	1,122,725	38,200	435,000	603,962	100,000	179,900	-	-	-	-	-	17,100	-
<b>NON-HOUSING DIRECT:</b>														
FACTORING	1,590								1,590					
DEVELOPMENT	5,000							5,000						
SEC - WIDER ACTION	24,100										24,100			
C81 - WIDER ACTION	152,250									152,250				
	182,940	-	-	-	-	-	-	5,000	1,590	152,250	24,100	-	-	-
<b>TOTAL OPERATING COSTS</b>	<b>4,352,117</b>	<b>1,941,766</b>	<b>90,602</b>	<b>800,657</b>	<b>735,972</b>	<b>306,710</b>	<b>179,900</b>	<b>20,011</b>	<b>13,147</b>	<b>162,281</b>	<b>26,351</b>	<b>6,962</b>	<b>67,758</b>	<b>-</b>



<b>CASH FLOW PROJECTION FOR 12 MONTHS TO 31 MARCH 2022</b>													
	<b>2021</b>						<b>2022</b>						
	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	
<b>Opening balance (Estimate)</b>	10,875,795	12,684,640	12,469,486	12,259,750	12,054,091	11,848,431	11,598,190	10,487,451	10,276,711	10,071,390	8,853,405	8,635,419	
Net Rental Income	351,714	351,714	351,714	351,714	351,714	351,714	351,714	351,714	351,714	351,714	351,714	351,714	
Other - Adaptations/Allowances	167	167	167	250	250	250	167	167	167	250	250	250	
Other Income - CHAP	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	
Other - Factor	2,200	2,200	2,200	-	-	-	2,312	2,312	2,312	-	-	-	
Other - Commercial	-	-	-	33	33	33	-	-	-	33	33	33	
Other - C81/Gym81 income	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	7,439	
Other - SEC rental income	2,236	2,236	2,236	2,236	2,236	2,236	2,236	2,236	2,236	2,236	2,236	2,236	
	<b>365,455</b>	<b>365,455</b>	<b>365,455</b>	<b>363,372</b>	<b>363,372</b>	<b>363,372</b>	<b>365,567</b>	<b>365,567</b>	<b>365,567</b>	<b>363,372</b>	<b>363,372</b>	<b>363,372</b>	
<i>*net of direct costs</i>													
Staff Remuneration	107,580	107,580	107,580	106,617	106,617	106,617	106,617	106,617	106,617	106,617	106,617	106,617	
Office Overheads (Less Deprec.)	34,367	34,367	34,367	17,767	17,767	17,767	18,683	18,683	18,683	25,850	25,850	25,850	
Property Maintenance	35,833	35,833	35,833	35,833	35,833	35,833	35,833	35,833	35,833	35,833	35,833	35,833	
Cyclical Maintenance	46,392	46,392	46,392	48,059	48,059	48,059	58,666	58,666	58,666	48,204	48,204	48,204	
Major Repairs - I&E	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	
Major Repairs - B/Sheet	276,398	276,398	276,398	276,398	276,398	276,398	276,398	276,398	276,398	276,398	276,398	276,398	
Service Costs	12,327	12,327	12,327	15,408	15,408	15,408	12,327	12,327	12,327	21,572	21,572	21,572	
General Expenses & Contingency	11,002	11,002	11,002	13,002	13,002	13,002	11,002	11,002	11,002	11,002	11,002	11,002	
Property Insurance (Full cost)	85,000	-	-	-	-	-	-	-	-	-	-	-	
Other - Factoring (direct costs)	97	97	97	167	167	167	167	167	167	100	100	100	
Other - Adaptations/Allowances (direct)	833	833	833	-	-	-	833	833	833	-	-	-	
Other - Commercial (direct costs)	-	-	-	-	-	-	-	-	-	-	-	-	
Wider Role (C81 direct costs)	12,687	12,687	12,687	12,687	12,687	12,687	12,687	12,687	12,687	12,687	12,687	12,687	
Wider Role (SEC direct costs)	2,008	2,008	2,008	2,008	2,008	2,008	2,008	2,008	2,008	2,008	2,008	2,008	
	<b>- 632,858</b>	<b>- 547,858</b>	<b>- 547,858</b>	<b>- 536,280</b>	<b>- 536,280</b>	<b>- 536,280</b>	<b>- 543,555</b>	<b>- 543,555</b>	<b>- 543,555</b>	<b>- 548,606</b>	<b>- 548,606</b>	<b>- 548,606</b>	
Capital Costs expected (IT)	-					50,000							
Property Purchases										100,000			
Development Costs							900,000			900,000			
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 50,000</b>	<b>- 900,000</b>	<b>-</b>	<b>-</b>	<b>- 1,000,000</b>	<b>-</b>	<b>-</b>	
Bank Interest Received			5,419			5,419			5,419			5,419	
Loans Received (QQ)	2,109,000												
Loan Repayments	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	- 32,752	
	<b>2,076,248</b>	<b>- 32,752</b>	<b>- 27,333</b>	<b>- 32,752</b>	<b>- 32,752</b>	<b>- 27,333</b>	<b>- 32,752</b>	<b>- 32,752</b>	<b>- 27,333</b>	<b>- 32,752</b>	<b>- 32,752</b>	<b>- 27,333</b>	
<b>Closing Balance</b>	<b>12,684,640</b>	<b>12,469,486</b>	<b>12,259,750</b>	<b>12,054,091</b>	<b>11,848,431</b>	<b>11,598,190</b>	<b>10,487,451</b>	<b>10,276,711</b>	<b>10,071,390</b>	<b>8,853,405</b>	<b>8,635,419</b>	<b>8,422,853</b>	

# CLYDEBANK HOUSING ASSOCIATION LIMITED

## NOTES ON BUDGET TO 31 MARCH 2022

Budget Holder

### 1. STAFF REMUNERATION

Chief Executive (CEO)

This allows for the current staff complement (including posts approved since the last budget) and includes the employer's rate of National Insurance payable (13.8%). Employer Pension Contributions of 10% and 5% for the current SHAPS DC scheme and the new auto-enrolment DC scheme respectively have also been included. For budgeting purposes, this account assumes that all staff are members of the full pension scheme and furthermore an amount of c. £135k has been provided in this account for the SHAPS past service deficit payable by the Association. Additional scheme costs for life cover, agreed by the Management Committee, have also been incorporated.

An increase of 1.5% in respect of the annual cost of living and incremental increases for staff, where applicable, has been estimated as well as an allowance for subsistence, travel expenses and emergency call out payments.

<u>Staff Costs during the year</u>	<u>No of staff*</u>	<u>2021/22</u>	<u>No of staff*</u>	<u>2019/20</u>
Office based staff (inc NI and pension)	22.5	1,006,762	21.5	887,756
Caretaking staff (inc NI and pension)	5.4	129,848	4.4	105,143
Allowances, subsistence and travel		9,090		9,044
SHAPS pension - past service deficit and life cover		136,590		136,586
		<u>1,282,290</u>		<u>1,138,530</u>
<i>*Full time equivalent.</i>				
<i>Notes: Centre81 staff allocated through C81 budget</i>				
<i>Notes: Cleaners allocated through Office overheads - general expenses</i>				

### 2. HEAT AND LIGHT

Head of Finance and Corporate Services (HOFCS)

The budget allocation reflects 2021/22 costs for both Electricity and Gas and is at the same level as last year.

### 3. TELEPHONE

HOFCS

This account is based on current usage with an increase on last year due to additional broadband and remote working costs. Monthly charges for mobile phones and Management Committee broadband facilities are also included.

4. EQUIPMENT/OFFICE MAINTENANCE HOFCS

This account includes amounts for office repairs, maintenance contracts for the fire alarm, computer hardware, fire extinguishers, burglar alarm, telephone system, photocopiers and sanitary ware.

5. OFFICE RENT & RATES HOFCS

This account incorporates costs relating to ground rent and factoring, rates (20%), water charges and waste collection.

6. POSTAGE, STATIONERY AND PRINTING HOFCS

This account is based on current expenditure and efficiencies made in the year. The cost of the Association's newsletters and an additional £5k of costs planned for this year to update various publications into different languages has been included. Account also includes stationery and postage costs.

7. COMMITTEE TRAINING HOFCS

This account is takes into account attendance at training courses and official conferences. Additional training for any new members has also been included.

These courses are essential to meet the objectives of committee members' personal training plans and needs identified in the ongoing committee Skills Audits.

8. STAFF TRAINING Senior Staff

The Staff Training Budget is based on last year's expenditure together with an estimate for requests made by staff during recent appraisal interviews, a breakdown of which is as follows: -

	£
Computer/General	5,000
College/University	10,750
Training - Housing Management Section	2,000
Maintenance Section	2,000
Finance & Corporate Services	2,000
Development/Other	2,500
Caretakers	500
Staff/Committee Training Day	2,500
	-----
	27,250
	=====

## 9. INSURANCE

HOFCS

This account covers office contents and buildings insurance policies. The cost is based on actual costs incurred for 2020/21 which and a slight increase in combined liability cover since the full tendering exercise carried out in February 2019.

## 10. COMPUTER COSTS

CEO/HOFCS

This account covers expenditure related to software/technical support, Sage Cover in respect of the Accounts and Payroll packages, Software licences and the transfer of paper files to digital archiving. An annual amount of £32k has been included for the subscription to the new software package, Homemaster.

## 11. AUDIT AND ACCOUNTANCY

CEO/HOFCS

The budget allocation allows for the Annual External Audit (£12.6k) and Internal Audit (£4.8k) programmes to be carried out in the year. A competitive tendering exercise was carried out for all auditing services in March 2020 which has fixed these amounts over the next 3 years.

## 12. AFFILIATION FEES

HOFCS

Affiliation fees have been allowed for as follows and take into account staff numbers and annual inflationary increases: -

	£
SFHA (Lobbying/Model Policies)	11,000
SHARE (Training Provider)	5,600
EVH (Employment issues/training)	4,700
Scotland Excel (Procurement)	2,000
SHBVN (Benchmarking Network)	1,600
Homeswapper (mutual exchange platform)	650
GWSF (Housing Assoc Forum)	1,200
Financial Credit Authority	1,000
Tenant Participation Advisory Service	400
Chartered Institute of Housing	500
Living Wage Foundation	200
Friends of PATH	400
Happy To Translate	750
Others (Disclosure Scotland, Info Commission)	1,250
	-----
	31,250
	=====

### 13. GENERAL EXPENSES

HOFCS

Included under this heading is expenditure for recruitment/publicity, office cleaning and miscellaneous sundry items. An increase has been applied to the account for additional PPE and cleaning costs required for staff and the office premises.

### 14. CONTINGENCY

HOFCS

£1,000 has been budgeted for nothing specific but simply to allow for some slack in the budget. It is not, however, normally required during the year.

### 15. DEPRECIATION

Depreciation has been charged on the various classes of fixed assets, including an estimate for purchases throughout the year, as follows. The increased amount is based on the new SORP accounting requirements.

<u>Depreciation Charge (over expected economic useful lives)</u>	
Office Premises	
- structure	50 years
- Kitchen	20 years
Bathroom	25 years
- Gas Boiler	15 years
- Radiators & Pipework	30 years
- Rewiring	30 years
- Ventilation Units	10 years
- Doors & Windows	30 years
Furniture and Fittings	5 years
Computer Equipment	3 years
Office Equipment	5 years

These accounts represent book value adjustments and are classified as **non-cash** items.

### 16. ALLOCATED

The Association has in place a system of time sheets which, when analysed in conjunction with senior staff, provides the basis for allocating indirect costs (salaries and overheads) as presented on the Cost Centre Analysis on Page 7.

### 17. KEY INDICATOR/TARGETS

The Association has always recognised the benefits from low administration costs and monitored our efficiency through our peer group results. This is regulated by the Scottish Housing Regulator and focuses on administration costs per property under management.

Our budgeted overhead statistic of £1,523 per unit has increased, although we are confident that this will continue to perform favourably against the peer group average. For further measurement of internal financial targets, please refer to Appendix 2 (Page 20).

## 18. RENTAL INCOME

Head of Housing Services (HOHS)

This figure takes into account ALL rents (inclusive of service charges where applicable) with a **2.5% increase applied**. A breakdown of the account is as follows: -

	QUARTERS 2021/22				TOTAL
	Qtr June 2021	Qtr Sept 2021	Qtr Dec 2021	Qtr Mar 2022	
	£	£	£	£	£
Total Rents	1,096,253	1,096,253	1,096,253	1,096,253	4,385,011
Less Sales	-	-	-	-	-
Gross Rent	1,096,253	1,096,253	1,096,253	1,096,253	4,385,011
S/Ownership	24,665	24,665	24,665	24,665	98,658
Less Voids	- 65,775	- 65,775	- 65,775	- 65,775	- 263,101
	<u>1,055,142</u>	<u>1,055,142</u>	<u>1,055,142</u>	<u>1,055,142</u>	<u>4,220,569</u>

## 19. RENTAL VOIDS AND BAD DEBTS

HOHS

Rental voids and bad debts have been increased to 6% (1% and 5% respectively) of the rental due to present welfare reform changes, the effect this has had on our recovery rates and the roll-out of universal credit. This proposed level of 6% (prev. 5%) has been incorporated into our long term Financial Plans and will be reviewed again in April/May 2021.

## 20. OTHER GRANTS/INCOME (CHA Power)

HOFCS

The amount of c. £20k is in respect of the recharge to CHA Power for apportionment of administrative costs incurred by CHA and the salary costs of the Admin Assistant who is based at the CHA offices.

## 21. PROPERTY MAINTENANCE

Housing Services Manager (HSM)

The annual figure of £430k is based on costs required for all stock and is decreased from 2021/22 due to the efficiencies being realised in the reactive contracts and enhanced controls being incorporated in regards to void properties.

This amount is reflected in the rent setting process and will be closely monitored monthly throughout the year.

## 22. CYCLICAL MAINTENANCE

HSM

A breakdown of the total annual allocation of c. £604k can be found in Appendix 1 attached and is based on the 2019 LCC programme for 2021/22 and an amount of c. £336k carried forward from previous years. An annual amount of £365k for cyclical maintenance is incorporated into the rent setting process in accordance with the sinking fund.

## 23. MAJOR REPAIRS

HSM

The Major Repairs expenditure shown on this account is as follows: -

	Budget to 31 March 2022 £
<u>All stock</u> Balance Sheet	3,316,779
I & E Account	<u>100,000</u>
	<u><u>3,416,779</u></u>

A breakdown of the total annual budgeted expenditure is included in Appendix 1 (attached).

An increased amount of £950k (previously £800k) for the Major Repairs contribution has been incorporated into the rent setting process for 2021/22 in accordance with the revised sinking fund and the requirements to fully fund the programme.

## 24. SERVICE COSTS

HSM

Expenditure in this account relates to communal electricity, landscape maintenance and caretaker costs. The harmonised service charges for all housing stock (c. £179k) are recovered through the rental service charge and the remaining service costs (c. £5k) are allocated to the routine maintenance account (see cost centre analysis) and incorporated in the rent review process.

## 25. PROPERTY INSURANCE

HOFCS

This amount has been based on last year's competitive tender amount and the recent claims history.

## 26. GENERAL EXPENSES

HOFCS

The budgeted expenditure on this account is as follows: -  
£

Wider Role/Tenant Participation	10,500
Tenant group funding	3,000
Promotional & SSHC costs	3,600
Tenants Satisfaction study	6,000
Tenancy Sustainability	10,000
Housing Management legal & prof costs	21,800
Tenant starter packs	6,000
WDC Rates for CHP generator	1,700
Additional decant/ council tax for voids	1,000
Legal & Prof – development & other	9,750
Legal & Prof – Personnel	2,500
Legal & Prof – VAT/Pensions/IIYP/H+S	13,500
Legal & Prof – Carbon Management	10,000
Legal & Prof – Stock condition survey	4,500
Simply Health Plan	2,300
Owners satisfaction survey	1,600
ARC validation audits	2,500
Bank charges	22,000
Increase in bad debt provision (year-end)	<u>1,775</u>
	<b><u>134,025</u></b>

## 27. PROPERTY DEPRECIATION

HOFCS

The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component, as seen below. The increased amount is based on the new SORP accounting requirements.

<u>Component</u>	<u>Useful Economic Life</u>
Structure	50 years
Kitchen	20 years
Bathroom	25 years
Gas Boiler	15 years
Radiator & pipe work	30 years
Electric heating	25 years
Rewiring	30 years
Ventilation units	10 years
Emergency lighting	10 & 15 years
Windows	30 years
External doors	30 years
Communal entrance & pass doors	20 years
Door entry systems	15 years
Lifts	20 years



**28. CONTINGENCY**

CEO

This has been incorporated to facilitate any items of expenditure, which are at this time not specific.

**29. NON-HOUSING ACCOUNT SURPLUS/(DEFICIT)**

The deficit shown on the non-housing account on page 3 is carried back to the foot of the housing account and added to the surplus on this account. In this way, the Budget demonstrates the Operating Surplus being generated by both accounts, in this case, c. £541k.

**30. OTHER PURCHASES**

HOFCS

£100k per annum has been deducted, per the approved Financial Plan, to allow for purchases through the Mortgage to Rent Scheme/Open Market Policy/Shared ownership buy-backs.

**31. INTEREST RECEIVABLE**

HOFCS

Taking the Association's average cash holdings over the year and applying an average 0.2% rate of interest has arrived at this figure.

**32. LOAN REPAYMENTS**

HOFCS

Loan repayments are summarised as follows: -

	Repayment £
Clydesdale Cart Street – Variable	38,324
Clydesdale Cart Street – Variable	37,783
CAF Bank – Graham Ave Variable	124,256
CAF Bank – Queens Quay Variable	36,908
Energy Savings (HEEPS int-free)	51,523
Energy Savings (Elec vehs int-free)	6,192
FCMD Interest free loan	98,033
	-----
	393,019
	=====

Adjustments will be made for the principal (capital) elements contained within the loan repayments, at the year-end.

### 33. MAJOR REPAIRS PROVISION

The total transfer from reserves is calculated as follows: -

	£	£	£
	Budget Spend	Contribution	Transfer to/(from) Reserves
Major Repairs	1,843,941	950,000	(893,941)

### 34. RESERVES CARRIED FORWARD

The Association is recording a surplus of c. £959k after a total transfer from the Major Repairs sinking fund of c. £894k.

### 35. DEVELOPMENT ACCOUNT

CEO

Allowances of c. £2.5k have been budgeted for social work adaptations. Additional management expenses have been allocated to the account for 2021/22 to incorporate staff time spent on the revived development programme within the Association.

### 36. FACTORING ACCOUNT

HOFCS

Total income is based on 75 owner occupied fully factored properties at £120.00 p.a. Also included is a twice-yearly administration charge of £3.00 per owner occupied property (c. 541 owners) to cover costs relating to the management of the factoring services. Management expenses are allocated as per note 16 and the Cost Centre Analysis on Page 7 and direct costs relate to debt recovery expenditure.

### 37. COMMERCIAL ACCOUNT

HOFCS

An amount of c. £200 has been estimated for boardroom hire income.

### 38. CENTRE 81 ACCOUNT

CEO/HOFCS

Various user groups and customers are regularly using the Centre and we have budgeted for c. £89k of project/letting/Gym81 income for the period to 31<sup>st</sup> March 2022. The direct costs, which relate to staff costs and general running expenses of the Centre, are under tight control and will be closely monitored. The account also includes a proportion of our management expenses. A detailed breakdown of both Income and expenditure for this account is detailed in Appendix 4.

### **39. SOCIAL ECONOMY ACCOUNT (SEC)**

HOFCS

The SEC Budget showing income and expenditure on this account is detailed in Appendix 3.

The SEC is now home to two tenant organisations occupying the majority of the building. The rental income has been calculated on a square footage per tenant basis to generate c. £27k pa of rental income. From October 1<sup>st</sup> 2019, we have moved the site of the Disaster Recovery location to Centre81.

A small surplus of c. £478 is predicted, after deduction of direct costs and CHA management expenses.

## **BALANCE SHEET**

### **40. INVESTMENT – CHA POWER LTD**

This represents the balance of the Investment in CHA Power after the sale of the use of the asset and the subsequent Impairment in the Association's Accounts.

### **41. TANGIBLE FIXED ASSETS - Others**

This figure includes the purchase and fitting out of the office premises and the Social Economy Centre. It also includes the investment in Centre81.

### **42. NET CURRENT ASSETS**

This figure demonstrates that the Association is generating enough income to meet immediate and short-term costs.

## APPENDIX 1 - Major and Cyclical Repairs

<b>MAJOR REPAIRS 2021/22</b>		£	£
			<b>Budget</b>
<b>Heat Smoke/Carbon monoxide detectors</b>			
* Various properties	<a href="#">c/fw d from previous years</a>		100,000
<b>Consumer unit/Rewire</b>			
* West Thomson/Janetta/Whitsun Fairhurst/Attlee Place	<a href="#">c/fw d from previous years</a>	330,000	
* Band 1 Tenements/Bon Accord/Forth Street		484,500	
			814,500
<b>Ventilation fans</b>			
* 15-27 Bannerman Place/Crown Ave/Glasgow Rd Hume Street/Cart Street	<a href="#">c/fw d from previous years</a>	49,621	
* Band 1 Tenements/Bon Accord/Forth Street/Ian Smith/Fleming Ave		145,350	
			194,971
<b>Stone Cleaning</b>			
* Band 1 Tenements - Alexander Street / Kilbowie Road / Whitecrook Street / 161-173 Dumbarton Road	<a href="#">c/fw d from previous years</a>		112,634
<b>Windows &amp; Doors (inc common)</b>			
* MSFs - windows	<a href="#">c/fw d from previous years</a>	658,084	
* MSFs - common doors		267,372	
* MSFs - screens/ironmongery/glazing		47,767	
* MSFs - entrance doors and frames		386,631	
* MSFs - common windows and rooflighrs		390,058	
* Attlee Place - common windows and roofli	<a href="#">c/fw d from previous years</a>	7,642	
* Onslow Road - entrance door		1,672	
			1,759,226
<b>Kitchens</b>			
* Glasgow Rd/Melfort Ct/Crown Ave	<a href="#">c/fw d from previous years</a>	83,034	
* Glasgow Rd/Hume St/Onslow Rd		130,865	
			213,898
<b>Bathrooms</b>			
* Glasgow Rd/Onslow Rd	<a href="#">c/fw d from previous years</a>		6,678
<b>Gas Boilers</b>			
* Attlee Place/Crown Avenue	<a href="#">c/fw d from previous years</a>		61,056
<b>Electric Boilers</b>			
* Melfort Court	<a href="#">c/fw d from previous years</a>		3,816
			<b>Continued/...</b>

## APPENDIX 1 - Major & Cyclical Repairs continued

<b>General</b>				
* Roof/structural repairs				50,000
<b>Ad hoc major repairs</b>				
(non-scheduled premature failures/voids e.g., kitchens, central heating systems and retentions)				100,000
<b>Total Major Repairs Spend 2021/22</b>				<b>3,416,779</b>
<u>Allocated/Split as</u>				
Taken to SOFP (Housing Properties Additions):				
	Heat Smoke/Carbon monoxide detectors		100,000	
	Consumer unit/rewire (inc heat smoke/carbon monoxide detectors)		814,500	
	Stone cleaning		112,634	
	Ventilation fans		194,971	
	Bathrooms		6,678	
	Gas Boiler		61,056	
	Electric Boiler		3,816	
	Kitchens		213,898	
	Windows & Doors (inc common)		1,759,226	
	Roof/structural repairs		50,000	
				3,316,779
Shown in SOCE	Ad hoc major repairs/premature failures/voids (inc CHP installations & materials)			100,000
				<b>3,416,779</b>
				<b>Continued/...</b>

## APPENDIX 1 - Major & Cyclical Repairs continued

<u>CYCLICAL REPAIRS 2021/22</u>			£	£
				Budget
Gutter cleaning			25,508	
Water pumps / storage tanks inspections			24,465	
Gas servicing / maintenance / audits			87,906	
Lift cars and gear inspections			47,736	
Laundry equipment maintenance			14,508	
Dry riser inspections			6,000	
Testing of fall arrest systems / roof anchors			3,276	
Communal ventilation fans/fire vent system inspection			7,004	
Electrical testing			29,952	
Lightning Protection Inspections			875	
Balcony glazing system inspections			6,876	
Unvented HWC Inspections			3,998	
Electrical inspections			-	
Asbestos related works and services			10,000	
Common area painterwork		c/fwd from previous years	335,857	
<b>TOTAL</b>				<b>603,962</b>

## PERFORMANCE REPORTING AND INTERNAL TARGETS

Benchmarked against SHR Peer Group Statistical Information Tables (I&P Charitable, General, Mainstream, Urban)	Annual Accounts 18/19	Annual Accounts 19/20	Budget 20/21	Budget 21/22
	£	£	£	£
<b>1. SHR Statistic - Admin cost per unit</b>				
CHA Admin Cost per Unit	£ 1,143	£ 1,170	£ 1,334	1,523
SHR Peer Group Average	£ 1,312	unknown - tbc	(to be less than peer group average)	(to be less than peer group average)
Target: To be no more than the Peer Group Average				
<b>Favourable/Unfavourable (-) Variance</b>	<b>£ 169</b>			
<b>2. Percentage Income spent on Overheads (%)</b>				
	£	£	£	£
Gross Rental Income	4,179,965	4,328,226	4,452,500	4,483,670
Total Overheads	291,240	301,722	329,440	390,000
Actual Percentage	7.0%	7.0%	7.4%	8.7%
Target Percentage	10.0%	10.0%	10.0%	10.0%
<b>Favourable/Unfavourable (-) Variance</b>	<b>3.0%</b>	<b>3.0%</b>	<b>2.6%</b>	<b>1.3%</b>
<b>3. Percentage Income spent on Salaries (%)</b>				
	£	£	£	£
Gross Rental Income	4,179,965	4,179,965	4,322,000	4,483,670
Total Salaries in Management Costs (excl. past service pension deficit, cleaners and C81 staff)	914,066	914,066	939,964	1,147,290
Actual Percentage (Excl pension deficit cont'n)	21.9%	21.9%	21.7%	25.6%
Target Percentage	25.0%	25.0%	25.0%	25.0%
<b>Favourable/Unfavourable (-) Variance</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>-0.6%</b>
SHR Peer Group Average	20.8%	unknown - tbc		
CHA Staffing Cost per Unit	£ 783.93	£ 782.59	£ 803.39	£ 980.59
CHA Total Staffing reported to SHR (including C81 staffing, cleaners etc)	£ 958.92			
SHR Peer Group Average	£ 1,042.84	unknown - tbc		
<b>Favourable/Unfavourable (-) Variance</b>	<b>£ 83.92</b>			
<b>4. Turnover per Unit (£) - for information</b>	£	£	£	£
Turnover	5,165,463	5,263,203		
Number of Units	1,166	1,168		
Actual Percentage	£ 4,430	£ 4,506		
SHR Peer Group Average	£ 5,093	unknown - tbc		
National RSL Average	£ 6,629	unknown - tbc		
<b>5. Current assets to current liabilities (Current ratio)</b>	£	£	£	£
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year				
Current Assets	8,067,943	8,817,844	5,705,425	8,740,004
Current Liabilities	1,542,463	1,707,047	933,000	975,800
Actual outturn (times)	5.2	5.2	6.1	9.0
Target outturn (times)	1.1	1.1	1.1	1.1
<b>Favourable/Unfavourable (-) Variance</b>	<b>4.1</b>	<b>4.1</b>	<b>5.0</b>	<b>7.9</b>
SHR Peer Group Average	2.2 times	unknown - tbc		
National RSL Average	2.3 times	unknown - tbc		

6. Debt per unit (£)			APPENDIX 2 Continued	
This ratio shows how much lending/debt we have per unit of stock				
Number of units	1,166	1,168	1,170	1,170
	£	£	£	£
Total loans outstanding	4,368,389	4,321,433	3,438,000	5,325,800
Actual debt cost per unit (£)	3,746	3,700	2,938	4,552
SHR Peer Group Average	11,067	unknown - tbc		
National RSL Average	11,044	unknown - tbc		
Target: To be no more than the Peer Group Average				
<b>Favourable/Unfavourable (-) Variance</b>	<b>7,321</b>			
<b>7. Interest Cover (£)</b>				
The interest cover ratio measures the ability to handle its outstanding debts (how easily the loan interest can be paid)				
	£	£	£	£
Net cash inflow/(outflow) from operating activities	1,886,134	1,735,550		
Add interest received	46,354	64,494		
	1,932,488	1,800,044		
Interest paid	66,400	87,690		
Interest cover (%)	2910.4%	2052.7%		
SHR Peer Group Average	2136%	unknown - tbc		
National RSL Average	1541%	unknown - tbc		
Target: To be no more than the Peer Group Average				
<b>Favourable/Unfavourable (-) Variance</b>	<b>774%</b>			
<b>8. Gearing (%)</b>				
To show the total amount of borrowing in relation to the net value of the housing stock and other fixed assets				
	£	£	£	£
Total outstanding debt	4,368,389	4,321,433	3,438,000	5,325,800
Less cash	7,395,913	8,208,303	6,320,264	8,422,853
	- 3,027,524	- 3,886,870	- 2,882,264	- 3,097,053
Divided by Net Assets	19,240,677	21,350,616	21,232,789	23,261,387
Gearing %	-15.7%	-18.2%	-13.6%	-13.3%
SHR Peer Group Average	315%	unknown - tbc		
National RSL Average	220%	unknown - tbc		
Target: To be no more than the Peer Group Average				
<b>Favourable/Unfavourable (-) Variance</b>	<b>331%</b>			
<b>9. Income Cover (%)</b>				
	£	£	£	£
The interest coverage ratio measures how many times a company can cover its current interest payment with its available earnings				
Total Income	5,222,910	5,285,141		no longer reportable as fully paid Nov 2019
Total Expenditure	3,896,916	3,869,690		
Ratio	134%	137%		
Target Ratio	108%	108%		
3 year average Ratio*	138%	138%		
<b>Favourable/Unfavourable (-) Variance</b>	<b>30%</b>	<b>30%</b>		
* Ratio measured over 3 consecutive years - Dexia are notified and Waiver requested in years of high Major Repairs expenditure.				



**SOCIAL ECONOMY CENTRE**  
**DRAFT BUDGET**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Income**

	QTR. TO <u>30-Jun-21</u>	QTR. TO <u>30-Sep-21</u>	QTR. TO <u>31-Dec-21</u>	QTR. TO <u>31-Mar-22</u>	BUDGET <u>2021/22</u>	PREVIOUS <u>2020/21</u>	ACTUAL <u>31-Mar-20</u>
	£	£	£	£	£	£	
Rents	6,707	6,707	6,707	6,707	<b>26,830</b>	25,760	24,491
Other Income					-	-	1,526
<b>Total Income</b>	<b>6,707</b>	<b>6,707</b>	<b>6,707</b>	<b>6,707</b>	<b>26,830</b>	<b>25,760</b>	<b>26,017</b>

**Expenditure****Core Premises**

Ground Lease/Factoring	1,625	1,625	1,625	1,625	<b>6,500</b>	6,900	5,890
Rates	2,300				<b>2,300</b>	2,300	2,181
Heat, Light & Water	950	950	950	950	<b>3,800</b>	2,300	3,767
Cleaning & Maintenance	2,700	2,400	2,400	2,500	<b>10,000</b>	7,600	12,393
<b>Total</b>	<b>7,575</b>	<b>4,975</b>	<b>4,975</b>	<b>5,075</b>	<b>22,600</b>	<b>19,100</b>	<b>24,231</b>

**Managed Workspace**

Stationery, Telephones & Misc.	375	375	375	375	<b>1,500</b>	1,000	936
<b>Total</b>	<b>375</b>	<b>375</b>	<b>375</b>	<b>375</b>	<b>1,500</b>	<b>1,000</b>	<b>936</b>

**Management Expenses per CHA  
Budget 2020/21**

	563	563	563	563	<b>2,252</b>	1,944	1,728
<b>TOTAL EXPENSES</b>	<b>8,513</b>	<b>5,913</b>	<b>5,913</b>	<b>6,013</b>	<b>26,352</b>	<b>22,044</b>	<b>26,895</b>

<b>SURPLUS/DEFICIT(-) FOR YEAR</b>	<b>(1,806)</b>	<b>794</b>	<b>794</b>	<b>694</b>	<b>478</b>	<b>3,716</b>	<b>(878)</b>
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<b>Centre81 Budget to 31 March 2022</b>	<b>APPENDIX 4</b>				
	<b>Budget</b>	Budget	Actual		
<b>Revenue Costs</b>	<b>2021/22</b>	2020/21	2019/20	Budget	
	<b>Year 13</b>	Year 12	Year 11	<b>Variance</b>	
	<b>£</b>	£	£	<b>£</b>	
<b>Total Staffing &amp; Training Costs</b>	<b>66,600</b>	79,300	76,271	-	12,700
<b>Administration</b>					
Telephone, Internet & Redcare Lines	7,000	7,500	6,134		(500)
Stationery & Postage	1,000	900	997		100
IT Equipment Maintenance & software upgrades	3,500	3,500	3,427		-
Gym Admin Costs	2,400	2,400	2,260		-
Miscellaneous Sundries & PC items	1,200	1,200	1,033		-
<b>Administration Sub Total</b>	<b>15,100</b>	15,500	13,851		(400)
<b>Consultants</b>					
Fundraising/Advice/Monitoring form completions etc	5,000	5,000	5,000		-
<b>Consultants Sub Total</b>	<b>5,000</b>	5,000	5,000		-
<b>Premises Costs</b>					
Gas & Electricity	22,000	20,000	22,196		2,000
Refuse disposal/Paper Recycling	1,500	1,500	-		-
Rates & Water Rates	19,000	16,500	18,951		2,500
Other Equipment Maintenance (Annual Contracts)	7,800	7,800	5,829		-
Sanitary Disposal & washrooms	3,000	2,600	2,844		400
Cleaning Supplies	1,350	1,250	1,269		100
Repairs and maintenance	8,000	8,000	10,392		-
<b>Premises Costs Sub Total</b>	<b>62,650</b>	57,650	61,481		5,000
<b>Marketing</b>					
Community Consultations/Events	1,000	600	1,012		400
Newsletter Production (printing & delivery)	1,500	500	2,924		1,000
Marketing	400	400	120		-
<b>Marketing Sub Total</b>	<b>2,900</b>	1,500	4,057		1,400
<b>TOTAL DIRECT EXPENDITURE</b>	<b>152,250</b>	158,950	160,659		(6,700)
<b>CHA Management Expenses per Budget</b>	10,031	10,078	7,333		(47)
<b>Total Expenditure inc Management Expenses</b>	<b>162,281</b>	169,028	167,992		(6,747)
<b>Revenue Funding</b>					
Lets inc. long term office lets	53,065	52,850	54,147		215
Café Rental	3,200	3,200	3,120		-
Gym Memberships, Inductions & Classes	8,000	8,000	4,693		-
Project Income (Lets & Other)	25,000	25,000	48,057		-
<b>Total Revenue Funding</b>	<b>89,265</b>	89,050	110,017		215
<b>Projected Surplus/Shortfall (-)</b>	<b>(73,016)</b>	(79,978)	(57,974)		6,962