

EAST RENFREWSHIRE COUNCIL

Cabinet

3 October 2024

Report by the Chief Financial Officer and Director of Environment

HOUSING CAPITAL PROGRAMME

PURPOSE OF REPORT

1. The purpose of this report is to monitor both income and expenditure as at 30 June 2024 against the approved Housing Capital Programme and to recommend adjustments where required.

RECOMMENDATIONS

2. The Cabinet is asked to recommend that Council:
 - note and approve the movements within the programme; and
 - note the shortfall of £0.101m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. The Housing Capital Programme for 2024-2034 was approved by Council on 28 February 2024.
4. Movements on the 2024/25 programme were approved by Council on 26 June 2024, including a number of changes resulting from the finalisation of the outturn position for the previous financial year.
5. This report updates project costs and phasings based on progress to date and anticipated to 31 March 2025.
6. The programme is being constantly monitored to ensure any additional cost pressures on key projects can be covered by deferring or reducing other projects to compensate.

CURRENT POSITION

7.	Total anticipated expenditure (Appendix A)	£ 24.189m
	Total anticipated resources (Appendix B)	£ 24.088m
	Shortfall	£ 0.101m

EXPENDITURE

8. The estimated expenditure has reduced by £0.042m below the level reported to Council on 26 June 2024.

9. The expenditure reduction relates solely to the rewiring works. This project covers a range of electrical works including electrical installation condition reports. The progress on this aspect of the works has been unsatisfactory and the current contract is now subject to review. Expenditure in the current year has been reduced by £0.042m.

INCOME

10. There has been no adjustment to resources supporting the capital programme since the monitoring position was reported to Council on 26 June 2024.

COMMENT

11. The projected shortfall of £0.101m represents 0.4% of the resources available and is within manageable limits.
12. While the reduction in the projected expenditure has only reduced by 0.2% from the previous reported position, a number of projects have been subject to significant cost increases. These projects include external structural works and bathrooms. Consequently, progress on these projects has been limited while the revised costs were investigated, scope of works reduced or where possible revised procurement arrangements implemented. Despite this delay, the projects are anticipated to be completed before the end of the financial year.
13. The purchase of the 105 new build units at the Maidenhill site commenced during July 2024. As at the end of August, 21 properties have been purchased with the remaining 84 properties to be purchased in phased handovers this financial year.

PARTNERSHIP WORKING

14. This report has been prepared following consultation with appropriate staff from Housing Services.

RECOMMENDATIONS

15. The Cabinet is asked to recommend that Council:
 - note and approve the movements within the programme; and
 - note the shortfall of £0.101m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 07741 701 451.

Kirsty Stanners
Head of Finance
KS/PP
16 October, 2024

EAST RENFREWSHIRE COUNCIL**HOUSING CAPITAL PROGRAMME****PROGRESS REPORT****2024/25**

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED 26.06.24	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30 JUNE 2024		SPENT PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	300	300	21	Work in progress	0	300	300
832000001	Rewiring (including smoke/carbon monoxide detectors)	342	300	28	Work in progress	0	342	342
831000002	External Structural Works	1,000	1,000	148	Main works programmed	0	1,000	1,000
835000008	Estate Works	100	100		Works as required	0	100	100
835000006	Energy Efficiency Standard for Social Housing	125	125	3	Works to be programmed	0	125	125
835000010	Aids and Adaptations	350	350	34	Work in progress	0	350	350
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	1,250	1,250	200	Work in progress	0	1,250	1,250
835000005	Communal Door Entry Systems	150	150		Work to be programmed	137	287	287
835000012	Sheltered Housing	634	634	101	Work in progress	168	1,702	1,702
830500003	Purchase of Property (CPO/Mortgage to Rent Acquisition)	50	50		Work to be programmed	0	50	50
835000003	IT Systems	170	170	2	Work to be programmed	0	170	170

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COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED 26.06.24	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30 JUNE 2024		SPENT PRIOR TO 31.03.23	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Maidenhill Areas A1-A3 (Estimate 105 units)	19,337	19,337		In progress		19,337	19,337
	Site Investigations	413	413		Work in progress	0	413	413
N/A	Retentions	10	10			0	10	10
		24,231	24,189	537		305	25,436	25,436

EAST RENFREWSHIRE COUNCILHOUSING CAPITAL PROGRAMME 2024/25PROGRESS REPORTRESOURCES

	£'000	
Borrowing		8,800
Commuted Sums - New Build		1,350
Grant - New Build		
- 2024/25 Allocation	4,791	
- 2025/26 Allocation	4,257	
- 2026/27 Allocation	<u>790</u>	9,838
Recharges to Owner Occupiers (including HEEPS grant)		50
Capital Receipts/Use of Capital Reserve		4,000
Purchase of Property/Rental off the Shelf		50
Total		<u>24,088</u>

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