

EAST RENFREWSHIRE COUNCIL

Cabinet

21 November 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 September 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 £0.121m 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 and Cabinet on 3 October 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) | £ 24.034m |
| | Total anticipated resources (Appendix B) | £ <u>23.913m</u> |
| | Shortfall | £ <u>0.121m</u> |

EXPENDITURE

8. The estimated expenditure has reduced by £0.155m below the level reported to Cabinet on 3 October 2024. The main expenditure movements are as follows:-

- **Energy Efficiency Standard for Social Housing**
The new Social Housing Net Zero Standard (SHNZS) is expected to be introduced during 2025/26. The energy efficiency works will need to comply with these new regulations. The Housing service is limiting the work on this project until more information on the new regulations is available. As a result, forecasted expenditure during the current year has been reduced by £0.075m.
- **IT Systems**
The new Housing management system is operational and further development work will be progressed which will deliver additional benefits to the Housing service. In addition, a major transformation project, involving the digitisation of the repairs service and integration with other corporate systems, is being planned. The scope of the required works is greater than previously envisaged and the project approach is being revised accordingly. As a result, forecasted expenditure during the current financial year has been reduced by £0.100m.

INCOME

9. In response to the expenditure movements outlined in this report, planned borrowing during the year has been reduced by £0.175m.

COMMENT

10. The projected shortfall of £0.101m represents 0.5% of the resources available and is within manageable limits.
11. The purchase of the 105 new build units at the Maidenhill site commenced during July 2024 and remains on track to complete by the end of this financial year.

PARTNERSHIP WORKING

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

RECOMMENDATIONS

13. 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
6 December, 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 03.10.24	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.24		SPENT PRIOR TO 31.03.24	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	300	300	86	Work in progress	0	300	300
832000001	Rewiring (including smoke/carbon monoxide detectors)	300	300	99	Work in progress	0	342	342
831000002	External Structural Works	1,000	1,000	159	Work in progress	0	1,000	1,000
835000008	Estate Works	100	100	0	Works as required	0	100	100
835000006	Energy Efficiency Standard for Social Housing	125	50	14	Works in progress	0	125	125
835000010	Aids and Adaptations	350	350	88	Work in progress	0	350	350
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	1,250	1,250	388	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	108	Work in progress	168	1,702	1,702
830500003	Purchase of Property (CPO/Mortgage to Rent Acquisition)	50	50	0	General provision - dependent on Scottish Government referrals.	0	50	50
835000003	IT Systems	170	70		Work to be programmed	0	170	170
	Maidenhill Areas A1-A3 (105 units)	19,337	19,337	5,864	Work in progress		19,337	19,337

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COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED 03.10.24	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 30.09.24		SPENT PRIOR TO 31.03.24	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Site Investigations and possible acquisitions	413	413	3	Work in progress	0	413	413
	Retentions/Other	10	30	28		0	10	30
		24,189	24,034	6,835		305	25,436	25,456

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2024/25

PROGRESS REPORT

RESOURCES

	£'000	£'000
Borrowing		8,625
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		50
Capital Receipts/Use of Capital Reserve		4,000
Purchase of Property/Rental off the Shelf		50
Total		<u>23,913</u>

