

EAST RENFREWSHIRE COUNCILCabinet6 March 2025Report by the Chief Financial Officer and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor both income and expenditure as at 31 December 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 £0.119m and that this will be managed and reported within the final accounts for the year.

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 and 21 November 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)	£ 22.617m
Total anticipated resources (Appendix B)	£ <u>22.498m</u>
Shortfall	£ <u>0.119m</u>

EXPENDITURE

8. The estimated expenditure has reduced by £1.417m below the level reported to Council on 21st November 2024. The main expenditure movements are as follows:-

- **Renewal of Heating Systems**
Only essential works are being progressed and less urgent works deferred while management await revised energy efficiency guidance from the Scottish Government. As a consequence, expenditure in the year has been reduced by £0.075m.
- **External Structural Works**
This project covers works such as roofing, rendering and cavity wall installation. Principal project works started on site during November 2024 but have been hampered by poor weather conditions at the beginning of this calendar year. As a result, works will now be completed early in the new financial year. Expenditure in the year has therefore been reduced by £0.150m.
- **Internal Element Renewals**
This project covers works such as replacement windows, doors, kitchens and bathrooms, and much of this work is progressing well. However, kitchen and bathroom upgrades have been delayed due to the contractor increasing costs and a subsequent termination of contract. The process to establish an alternative contractor is in progress. Expenditure in the year has therefore been reduced by £0.175m.
- **Aids and Adaptations**
Expenditure in this area relates to alterations necessary to ensure the Housing stock complies with statutory provisions. This work includes adaptation work on bathrooms and showers and is covered by the same contract referred to in the paragraph above. Again, following termination of the contract, the process to establish an alternative supplier is in progress and expenditure in the year has been reduced by £0.100m.
- **Communal Door Entry Systems**
This project is currently at procurement stage and the main project works have been rescheduled for 2025/26. Expenditure in the year has been reduced by £0.135m.
- **Sheltered Housing**
This project involves a range of works at various sheltered complexes, including the improvements to the warden call system, which itself forms part of a wider corporate analogue to digital initiative. The work on the warden call system is now in progress. However, based on experience of the wider corporate initiative, it is likely to continue into the next financial year. As a result, expenditure in the current year has been reduced by £0.325m.
- **Site Investigations and possible acquisitions**
This is part of a long term initiative aimed at delivering further additions to the socially rented housing stock in future years. Work on identifying, investigating and acquiring sites is in progress and will continue into future years. Expenditure in the current year has been reduced by £0.318m. It is envisaged that this sum will be utilised in future years.

INCOME

9. Resources to support the Housing Capital Programme have been adjusted to reflect the changes noted above. The main movements are as follows:-
- **Commuted Sums – New Build**
This income source has been revised in line with the proposed amendments to the new build and site investigations projects. The drawdown of income from commuted sums has been reduced by £0.205m. In the main, this relates to the deferral of site investigations and possible acquisitions.
 - **Capital Receipts/Use of Capital Reserve**
In response to the expenditure movements outlined in this report, the planned drawdown from the Capital Reserve has been reduced by £1.080m.

COMMENT

10. The projected shortfall of £0.119m represents 0.5% of the resources available and is within manageable limits.

PARTNERSHIP WORKING

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

RECOMMENDATIONS

12. The Cabinet is asked to recommend that Council:
- note and approve the movements within the programme; and
 - note the shortfall of £0.119m and that this will be managed and reported within the final accounts for the year.

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

Kirsty Stanners
Head of Finance
KS/PP
21 February, 2025

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

COST CODE	PROJECT NAME	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
		CURRENT YEAR APPROVED 21.11.24	PROJECTED OUTFURN FOR CURRENT YEAR	ACTUAL EXPENDITURE TO 31.12.24		SPENT PRIOR TO 31.03.24	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	300	225	122	Work in progress	0	300	300
832000001	Rewiring (including smoke/carbon monoxide detectors)	300	275	162	Work in progress	0	342	342
831000002	External Structural Works	1,000	850	184	Work in progress	0	1,000	1,000
835000008	Estate Works	100	80	1	Works in progress	0	100	100
835000006	Energy Efficiency Standard for Social Housing	50	50	28	Works in progress	0	125	125
835000010	Aids and Adaptations	350	250	130	Work in progress	0	350	350
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	1,250	1,075	619	Work in progress	0	1,250	1,250
835000005	Communal Door Entry Systems	150	15	5	Work to be programmed	137	287	287
835000012	Sheltered Housing	634	309	108	Work in progress	168	1,702	1,702
830500003	Purchase of Property (CPO/Mortgage to Rent Acquisition)	50	10	10	Complete	0	50	10
835000003	IT Systems	70	70	20	Work in progress	0	170	170
	Maidenhill Areas A1-A3 (105 units)	19,337	19,283	17,090	Work in progress		19,337	19,337

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	Site Investigations and possible acquisitions	413	95	3	Work in progress	0	413	413
	Retentions/Other	30	30	19		0	30	30
		24,034	22,617	18,501		305	25,456	25,416

EAST RENFREWSHIRE COUNCILHOUSING CAPITAL PROGRAMME 2024/25PROGRESS REPORTRESOURCES

	£'000	£'000
Borrowing		8,570
Commuted Sums - New Build		1,145
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		25
Capital Receipts/Use of Capital Reserve		2,920
Total		<u>22,498</u>

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