

EAST RENFREWSHIRE COUNCILCABINET14 March 2019Report by the Chief Financial Officer and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to monitor expenditure as at 1 February 2019 against the approved Capital Programme for 2018/19 and to recommend adjustments where necessary.

**RECOMMENDATIONS**

2. The Cabinet is asked to:-
  - (a) note and approve the movements within the programme; and
  - (b) note the shortfall of £0.085m and that this will be managed and reported on a regular basis.

**CURRENT POSITION**

3.	Total anticipated expenditure (Appendix A)	£9.081m
	Total anticipated resources (Appendix B)	<u>£8.996m</u>
	Shortfall	<u>£0.085m</u>

**EXPENDITURE MOVEMENTS**

4. Forecast expenditure has reduced by a further £0.708m below the level approved by Cabinet on 6 December 2018. The main expenditure movements are:-

Revised Project Timing

- i. External Structural Works – A later start date than anticipated for external wall insulation works has reduced expenditure in 2018/19 by £0.155m and this will now fall into 2019/20.
- ii. Estate Works – A longer tender process has resulted in £0.050m planned for Crosslees/Eastwood Court wall works now falling into 2019/20.
- iii. Energy Efficiency – It has taken longer than anticipate to calculate energy ratings for all council housing and following calculations assess detail of works required to bring houses up to the Energy Efficiency Standard for Social Housing (ESSH). As a result, a further £0.100m of planned expenditure will now take place in 2019/20.

- iv. Renewal of Heating Systems – Access difficulties along with a delay in installation of gas supplies by Scottish Gas Networks has resulted in expenditure £0.100m lower than previously reported. This will be required in 2019/20.
- v. Sheltered Housing – a small underspend of £0.008m in year is anticipated.
- vi. Purchase of Property – A remaining budget of £0.025m was available to support Compulsory Purchase Orders and Mortgage to Rent purchases as required. There have been no referrals to date and no suitable properties identified therefore no expenditure in year is anticipated.
- vii. Capital New Build – this is a major construction project across a number of sites. Works at Fenwick Drive and Robertson Street are nearing completion with Blackbyres Road on site. The site start at Balgraystone Road is scheduled for autumn 2019 with work continuing until 2020/21. This will complete phase 1 with a total anticipated spend of £12.921m, including prior year spend. The remaining Phase 1 allocation has been transferred to support Phase 2 works which will now commence in 2020/21. Initial planned expenditure for phase 2 of £0.250m will be delayed.

The above reductions are not savings but simply a transfer of expenditure to the next financial year.

#### **INCOME MOVEMENTS**

- 5. There has been a small increase in capital receipts (£0.011m) and following a review of expenditure and grant funding available, the level of grant that will be claimed from the Warm Homes Fund has been reduced from £0.151m to £0.071m.
- 6. As a consequence of the new income and expenditure movements highlighted above, the borrowing required to support the programme is now £0.639m lower than that approved by Council on 6 December 2018. This resource remains available to support the expenditure transfer to 2019/20.

#### **COMMENT**

- 7. The projected shortfall of £0.085m represents 0.94% of the resources available and is within manageable limits.

#### **RECOMMENDATIONS**

- 8. The Cabinet is asked to:-
  - (a) note and approve the movements within the programme; and
  - (b) note the shortfall of £0.085m and that this will be managed and reported on a regular basis.

Further information is available from Mark Waugh, Principal Accountant – Capital, telephone 0141 577 3123.

Cabinet Contact: Cllr T. Buchanan, Leader of the Council

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MMcC/PP  
24 April, 2019

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**HOUSING CAPITAL PROGRAMME**

**PROGRESS REPORT**

**2018/2019**

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 06.12.18	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	225	225	143	Work in progress	314	740	740
9530	External Structural Works	Y	2,272	2,117	1,355	Work in progress	2,338	5,300	5,300
9486	Estate Works	Y	240	190	7	Ongoing - £90k transfer from Communal Door Entry Systems now included in budget.	0	240	240
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	200	100	79	Work in progress however Barnes St element now likely to be 2019/20	0	300	300
9488	Aids and Adaptations	Y	248	248	101	Ongoing - increased demand from HSCP referrals.	0	248	248
9227	Renewal of Heating Systems	Y	1,096	996	757	Work in progress - £68k increase funded by grant income	806	1,902	1,902
9447	Internal Element Renewals (including kitchens, bathrooms and doors) 2018/19	Y	739	739	143	Work in progress however Barnes St elements now likely to be 2019/20	0	898	898
9480	Communal Door Entry Systems		50	50	5	Work in progress	0	50	50
9489	Sheltered Housing	Y	97	89	14	Work in progress	213	775	775
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)		25	0	0	No suitable properties identified. £50k is transferred to support additional demand in A&A	0	25	25
	Capital New Build Phase 1	Y	4,327	4,327	2,905	Work in progress	544	14,092	12,921
	Capital New Build Phase 2		250	0	0	Work to be programmed	0	16,200	17,371
	Retentions		20	0	0		0	20	0

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EAST RENFREWSHIRE COUNCIL

Appendix A

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2018/2019

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 06.12.18	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
			9,789	9,081	5,509	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
4,215	40,790	40,770

PROGRESS REPORTRESOURCES

	<b>£'000</b>
Borrowing	5,533
Receipts From Sale of Council Houses	207
Commuted Sums - New Build Phase 1	417
Grant - New Build Phase 1	2,367
Grant - Warm Homes Fund	71
Recharges to Owner Occupiers (including HEEPS grant)	401
<b>Total</b>	<b><u>8,996</u></b>

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