

EAST RENFREWSHIRE COUNCILCABINET30 November 2017Report 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 7 November 2017 against the approved Capital Programme for 2017/18 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 £55,000 and that this will be managed and reported on a regular basis.

CURRENT POSITION

	£
3. Total anticipated expenditure (Appendix A)	7,363,000
Total anticipated resources (Appendix B)	<u>7 308,000</u>
Shortfall	<u>55,000</u>

INCOME MOVEMENTS

4. In response to the reduced level of expenditure during the current financial year borrowing has been reduced by £550,000.

5. Grant income of £90,000 has been secured from the Warm Homes Fund and has been added to the programme. The purpose of this grant is to fund the installation of affordable heating solutions in fuel poor households which do not use mains gas as their primary heating fuel.

EXPENDITURE MOVEMENTS

6. Expenditure has reduced by £469,000 below the level approved by Cabinet on 12 October 2017. The expenditure movements are:-

External Structural Works - £176,000 Reduction

- i. As reported to Cabinet at its meeting on 1 December 2016 the structural improvement works originally planned for a number of properties within Barnes Street, Barrhead are more complex and costly than originally

anticipated. The works were deferred until a more detailed option appraisal exercise was undertaken. The structural work at these properties will not begin during this financial year and expenditure of £176,000 has been deferred to 2018/19.

Aids and Adaptations - £48,000 Reduction

- ii. There has been a reduction of referrals for this service from the Health and Social Care Partnership to Housing during the six months to 31 October 2017. However it is expected the number of referrals will increase towards the end of the financial year and any underspend will be transferred to 2018/19 to fund these. Planned expenditure during the current financial year has been reduced by £48,000.

Sheltered Housing - £335,000 Reduction

- iii. An option appraisal exercise has been instructed to determine how best to progress central heating renewal in a number of complexes over a 4-5 year period. Consequently the central heating improvements at Fordyce Court have been rescheduled to 2018/19 and planned expenditure during the current financial year has been reduced by £335,000

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

Renewal of Heating Systems - £90,000 Increase

- iv. Expenditure has been increased in line with the grant award from the Warmer Homes Fund.

Energy Efficiency/Renewal of Heating Systems – Transfer £200,000

- v. The aim of the energy efficiency budget is to bring council houses up to the Energy Efficiency Standard for Social Housing (EESH). Initial analysis of energy ratings shows that installation of central heating will achieve this target in some houses. Consequently £200,000 has been transferred from the energy efficiency budget to central heating.

COMMENT

7. The projected shortfall of £55,000 represents 0.8% 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 £55,000 and that this will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant – Capital
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Cabinet Contact: Cllr T. Buchanan, Leader of the Council

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Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)

MMcC/PP
5 December, 2017

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HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2017/2018

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 12.10.17	PROJECTED OUTFURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.17	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	370	370	120	Work in progress	0	370	370
9530	External Structural Works	Y	3,019	2,843	1,772	Work in progress	0	3,019	3,019
9486	Estate Works	Y	120	120	37	Ongoing	0	120	120
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	314	114	53	Work in progress - £200k transferred to Central Heating Renewal project	0	314	114
9447	Aids and Adaptations	Y	248	200	48	Work in progress	0	248	248
9227	Renewal of Heating Systems	Y	718	1,008	336	Work in progress - £200k transferred from Energy Efficiency. Further increase of £90k funded by Warm Homes grant of £90k	0	718	1,008
9447	Internal Element Renewals (including kitchens, bathrooms and doors)	Y	731	731	153	Work in progress	0	731	731
9480	Communal Door Entry Systems		95	95		Work programmed	0	95	95
9489	Sheltered Housing	Y	555	220	29	Work in progress	0	555	555
9495	Divernia Way - CPO & Restoration Works	Y	52	52	18	Ongoing	13	65	65
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)	Y	127	127	84	Ongoing	0	127	127
9499	Capital New Build	Y	1,463	1,463	36	Work programmed	0	14,400	14,400
	Retentions		20	20	0		0	20	20
			7,832	7,363	2,686		13	20,782	20,872

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EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2017/18

Appendix B
7 November 2017

PROGRESS REPORT

RESOURCES

	£'000
Borrowing	3,735
Receipts From Sale of Council Houses	1,700
Commuted Sums - Divernia Way CPO	52
Commuted Sums - New Build	300
Grant - Mortgage to Rent Acquisition	52
Grant - New Build	655
Grant - Warm Homes Fund	90
Recharges to Owner Occupiers (including HEEPS grant)	724
Total	7,308