

EAST RENFREWSHIRE COUNCILCABINET24 March 2016Report 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 2 March 2016 against the approved Capital Programme for 2015/16 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 £18,000 and that this will be managed and reported within the final accounts for the year.

CURRENT POSITION

	£
3. Total anticipated expenditure (Appendix A)	5,792,000
Total anticipated resources (Appendix B)	<u>5,774,000</u>
Shortfall	<u>18,000</u>

INCOME MOVEMENTS

4. Estimated capital receipts from right-to-buy sales have been increased by £210,000 above the level reported to Cabinet on 3 December 2016. This increase reflects both experience to date and the anticipated year-end position.

5. The purchase of ten additional smaller properties originally approved by Cabinet during October 2014 is now complete and has resulted in a saving of £131,000. Grant income received from the Scottish Government to support this project is £29,000 above the original estimate and the drawdown from commuted sums (including second homes council tax discount) has been reduced by £160,000.

6. As a result of the reduced level of expenditure on the External Structure Works project the recharges to owner occupiers has been reduced by £60,000. This income remains receivable during 2016/17 to support the project.

7. In response to the above income movements and the overall reduced level of estimated expenditure during the current financial year borrowing has been reduced by £510,000.

EXPENDITURE MOVEMENTS

8. Expenditure has reduced by £555,000 below the level approved by Cabinet on 3 December 2015. The main expenditure movements are:-

Revised Project Timing

- i. External Structural Works – this project includes roof improvements and the work has been delayed due to the prolong period of wet weather. Estimated expenditure during the current financial year has been reduced by £387,000. This work will be completed during 2016/17.
- ii. Divernia Way CPO and Restoration Works – this project includes both the acquisition of the property and improvements works. The compulsory acquisition of the property remains in progress but is unlikely to complete before 31 March 2016. The estimated expenditure of £65,000 will be transferred in full to 2016/17.

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

Saving

- iii. Off-the-Shelf Purchases – as outlined in paragraph 5 the acquisition of the ten smaller type properties is complete and a saving of £131,000 has been achieved.

COMMENT

9. The projected shortfall of £18,000 represents 0.3% of the resources available and is within manageable limits.

10. Members may wish to note that the 2015/2016 HRA capital investment in our housing stock has resulted in:-

- i. More than £2million investment on renewal of roofs and render (including some insulated render) on older housing stock across the council area.
- ii. Levering in Scottish Government Home Energy Efficiency Programme Scheme (HEEPS) grant to support private owners in solid wall buildings involved in the insulated render programme.
- iii. Renewal of 200 older inefficient central heating systems with new “A” rated energy efficient systems.
- iv. £50,000 investment of HRA capital in energy efficiency projects (loft and cavity wall insulation) leveraging in £300,000 of Energy Company Obligation (ECO) grant funded by the “Big Six” utility companies.
- v. Clearing the backlog and reducing waiting times for tenants in need of aids and adaptations.

RECOMMENDATIONS

11. The Cabinet is asked to:-
- (a) note and approve the movements within the programme; and
 - (b) note the shortfall of £18,000 and that this will be managed and reported within the final accounts for the year.

KEY WORDS

A report monitoring capital income and expenditure for Housing during 2015/16.

Key words: Housing, capital, monitoring, borrowing, expenditure.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 0141 577 3123.

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10 March, 2016

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HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2015/2016

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 03.12.15	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.15	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring 2013/15 (including smoke/carbon monoxide detectors)	Y	284	290	219	Work in progress	660	1,004	1,004
9763	Window Replacement 2014/15	Y	29	29	29	Complete	269	298	298
9530	Combined Roofing & Render Works 2013/15	Y	1,550	1,550	1,550	Complete	2,811	4,361	4,361
9530	External Structural Works	Y	1,059	672	137	Work in progress	0	1,281	1,281
9486	Estate Works	Y	180	200	59	Work in progress	0	180	200
9483	Energy Efficiency (Including Cavity Wall Insulation)		80	50	0	Work programmed	0	80	80
9447	Aids and Adaptations	Y	313	313	268	Work in progress	0	313	313
9227	Renewal of Heating Systems	Y	578	578	397	Work in progress	991	1,569	1,569
9447	Internal Element Renewals (including kitchens, bathrooms and doors)	Y	439	460	186	Work in progress	212	751	751
9480	Communal Door Entry	Y	55	55	29	Work in progress	0	55	55
9489	Sheltered Housing 2014/15	Y	14	14	3	Complete - payments outstanding	86	100	100
	Sheltered Housing 2015/16		15	15	1	Work to be programmed	0	50	50
9625	Kerr Street Renovations	Y	268	268	209	Complete - payments outstanding	271	539	539
9491	Mobile/Agile Working	Y	80	80	41	Work in progress	65	145	145

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2015/2016

Appendix A
2 March 2016

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 03.12.15	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.15	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Divernia Way - CPO & Restoration Works		65	0	0	Ongoing	0	65	65
9493	Off-the-Shelf Purchases	Y	618	487	487	Complete	202	820	689
9494	Eaglesham New Build Purchases	Y	700	711	711	Complete	0	700	711
	Retentions		20	20	11		0	20	20
			6,347	5,792	4,337		5,567	12,331	12,231

HOUSING CAPITAL PROGRAMME 2015/16Appendix B
2 March 2016ANTICIPATED RESOURCES AVAILABLE

	£'000
Borrowing	3,210
Receipts From Sale of Council Houses	890
Capital Grant (7 houses at Eaglesham)	210
Commuted Sums - Eaglesham	320
Capital Off-the-Shelf Grant	280
Commuted Sums - Off-the-Shelf Purchases	207
Commuted Sums - Divernia Way CPO	0
HEEPS/ECO Funding	317
Recharges to Owner Occupiers	340
Total	5,774

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