

EAST RENFREWSHIRE COUNCILCABINET3 December 2015Report 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 10 November 2015 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 £17,000 and that this will be managed and reported on a regular basis.

**CURRENT POSITION**

3.	Total anticipated expenditure (Appendix A)	£ 6,347,000
	Total anticipated resources (Appendix B)	<u>6,330,000</u>
	Shortfall	<u>17,000</u>

**INCOME MOVEMENTS**

4. Estimated capital receipts from right-to-buy sales have been increased by £263,000 above the level reported to Cabinet on 15 October 2015. This increase reflects both experience to date and the anticipated year-end position.

5. No significant land sales are expected to conclude during this financial year and the previous estimate of £50,000 has been removed from the programme.

6. Following confirmation of actual addresses included within roof and render improvement projects the income receivable from owners has been reduced by £132,000. This is not a loss of income to the Council but a revised estimate of amounts due based on those owner properties included within the scope of the works.

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 £358,000.

## **EXPENDITURE MOVEMENTS**

8. Expenditure has reduced by £417,000 below the level approved by Cabinet on 15 October 2015. The expenditure movements are all a result of revised project timing:-

- i. Rewiring & Internal Element Renewals (including windows, kitchens, bathrooms and doors) – as a result of the large number of addresses being progressed it has taken longer than anticipated to ensure adequate liaison with tenants involved in these projects, complete all surveys and procure the projects, particularly on re-wiring and window renewal which is disruptive for tenants. During the current financial year estimated expenditure on the rewiring and internal element renewal projects has been reduced by £60,000 and £100,000 respectively. This work will be completed early in 2016/17.
- ii. External Structural Works – following initial surveying for the Barnes Street, Barrhead, project the scope of the work (and the budget that will be required) is much larger than originally anticipated, with disruptive rot surveys now being required. Some meetings with residents to explain the project in general and the consequences of the disruptive surveys in particular for both owners and tenants have been held, and further meetings and surveys are programmed. If extensive rot is found this will be a challenging project for all concerned given the likely disruption to people's homes, hence our focus on detailed (if time consuming) communication with residents. Consequently the project has been rescheduled to start on site during summer 2016. The anticipated estimated expenditure during the current financial year on this project has therefore been reduced by £222,000.
- iii. Sheltered Housing 2015/16 – the work required at the Linn Park Sheltered Housing complex is likely to involve the removal of some windows due to the presence of rot. Given the age and vulnerability of residents this project has been rescheduled to summer 2016 to avoid windows being removed during the winter. Estimated expenditure during the current financial year has therefore been reduced by £35,000.

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

## **COMMENT**

9. The projected shortfall of £17,000 represents 0.3% of the resources available and is within manageable limits.

## **RECOMMENDATIONS**

10. The Cabinet is asked to:-
- (a) note and approve the movements within the programme; and
  - (b) note the shortfall of £17,000 and that this will be managed and reported on a regular basis.

## **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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18 November, 2015

**EAST RENFREWSHIRE COUNCIL**

**HOUSING CAPITAL PROGRAMME**

**PROGRESS REPORT**

**2015/2016**

Appendix A  
10 November 2015

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 15.10.15	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	344	284	177	Work in progress	660	1,004	1,004
9763	Window Replacement 2014/15	Y	29	29	15	Work in progress	269	298	298
9530	Combined Roofing & Render Works 2013/15	Y	1,550	1,550	1,358	Work in progress	2,811	4,361	4,361
	External Structural Works	Y	1,281	1,059	0	Work in progress	0	1,281	1,281
9486	Estate Works	Y	180	180	13	Work in progress	0	180	180
9483	Energy Efficiency (Including Cavity Wall Insulation)		80	80	0	Work to be programmed	0	80	80
9447	Aids and Adaptations	Y	313	313	199	Work in progress	0	313	313
9227	Renewal of Heating Systems	Y	578	578	215	Work in progress	991	1,569	1,569
9447	Internal Element Renewals (including kitchens, bathrooms and doors)	Y	539	439	105	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	4	Work in progress	86	100	100
	Sheltered Housing 2015/16		50	15	0	Work to be programmed	0	50	50

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COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 15.10.15	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
9625	Kerr Street Renovations	Y	268	268	193	Complete - payments outstanding
9491	Mobile/Agile Working	Y	80	80	20	Work in progress
	Divernia Way - CPO		65	65	0	Ongoing
9493	Off-the-Shelf Purchases	Y	618	618	466	Ongoing
	Eaglesham New Build Purchases		700	700	0	Work in progress
	Retentions		20	20	1	
			<b>6,764</b>	<b>6,347</b>	<b>2,795</b>	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.15	PREVIOUS TOTAL COST	REVISED TOTAL COST
271	539	539
65	145	145
0	65	65
202	820	820
0	700	700
0	20	20
5,567	12,331	12,331

**EAST RENFREWSHIRE COUNCIL**  
**HOUSING CAPITAL PROGRAMME 2015/16**  
**ANTICIPATED RESOURCES AVAILABLE**

Appendix B  
10 November 2015

	<b>£'000</b>
Borrowing	3,720
Receipts From Sale of Council Houses	680
Receipts From Sale of Land	0
Capital Grant (7 houses at Eaglesham)	210
Commuted Sums - Eaglesham	320
Capital Off-the-Shelf Grant	251
Commuted Sums - Off-the-Shelf Purchases	367
Commuted Sums - Divernia Way CPO	65
HEEPS/ECO Funding	317
Recharges to Owner Occupiers	400
<b>Total</b>	<b><u>6,330</u></b>