

EAST RENFREWSHIRE COUNCIL

CABINET

26 March 2015

Report by the Chief Executive

HOUSING CAPITAL PROGRAMME

PURPOSE OF REPORT

1. The purpose of this report is to monitor expenditure as at 27 February 2015 against the approved Capital Programme for 2014/15 and to recommend adjustments where necessary.

INFORMATION PROVIDED

2. A reassessment of expenditure on individual capital projects (Appendix A).
A reassessment of the resources available for 2014/15 (Appendix B).

CURRENT POSITION

3.	Total anticipated expenditure (Appendix A)	£ 4,093,000
	Total anticipated resources (Appendix B)	<u>4,050,000</u>
	Shortfall	<u>43,000</u>

INCOME MOVEMENTS

4. Estimated capital receipts from right-to-buy sales have been increased by £91,000 above the level reported to Cabinet on 4 December 2014. This increase reflects both experience to date and the anticipated year-end position.

5. In line with the reduced level of expenditure during the current financial year on the Purchase of 10 Properties (Off the Shelf Rental) project the drawdown from the Affordable Housing Resource grant and Commuted Sums has been reduced by £128,000. These resources remain available to support the investment during 2015/16.

6. As a result of the reduced level of expenditure during the current financial year on the Combined Roof and Render project the income from owner occupiers has been reduced by £72,000. This income remains available to support the investment during 2015/16.

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 £650,000.

EXPENDITURE MOVEMENTS

8. Expenditure has reduced by £880,000 below the level approved by Cabinet on 4 December 2014. The major expenditure movements are:-

Increase

- i. Kitchens – expenditure on this project has increased by £50,000. The scope of the works has been increased to include properties classed as long term voids.

Saving

- ii. Communal Door Entry project – expenditure has been reduced by £35,000. The installation of close doors and door entry systems to communal properties where no secure entry system currently exists is required under Scottish Housing Quality Standard (SHQS). However installation requires the agreement of a majority of flat owners (with the Council having one vote for each flat it owns). Unfortunately the Council continues to have problems securing the agreement of private homeowners where they are in the majority and as a result the scope of the works has been reduced. Expenditure in the current financial year has been further reduced as a result of revised project timing (see below).

Revised Project Timing

- iii. The following expenditure reductions are a result of revised project timing:-

	£
Rewiring (including smoke/carbon monoxide detectors)	168,000
Combined Roofing and Render Works	309,000
Communal Door Entry	45,000
Kerr Street Renovations	166,000
Mobile/Agile Working	50,000
Purchase of 10 Properties (Off the Shelf Rental)	128,000

Expenditure reductions resulting from revised project timing are not cost savings but simply a transfer of expenditure to future financial years.

COMMENT

9. The projected shortfall of £43,000 represents 1.1% of the resources available and is within manageable limits.

RECOMMENDATION

10. The Cabinet is asked to:-
- (a) note and approve the movements within the programme;
 - (b) approve the expenditure increase of £50,000 on the Kitchens;
 - (d) note the shortfall of £43,000 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 2014/15.

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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MMcC/PP
15 April, 2015

EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2014/2015

Appendix A
27 February 2015

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 04.12.14	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.14	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring 2013/15 (including smoke/carbon monoxide detectors)	Y	481	313	167	Work in progress	273	804	804
9763	Window Replacement	Y	255	255	36	Work in progress	0	298	298
9531	Combined Roofing & Render Works 2013/15	Y	2,170	1,861	1,130	Work in progress	1,151	4,361	4,361
9486	Estate Works	Y	90	90	0	Work in progress	0	90	90
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	14	10	1	Main works deferred to 2015/16	21	135	135
9447	Aids and Adaptations	Y	208	208	118	Work in progress	0	208	208
9227	Renewal of Heating Systems 2014/15	Y	366	366	255	Work in progress	648	1,014	1,014
9447	Kitchen Upgrades	Y	100	150	77	Ongoing	0	100	150
9478	Bathroom Upgrades	Y	40	50	23	Ongoing	8	48	58
9479	External Doors	Y	45	30	15	Ongoing	43	88	88
9480	Communal Door Entry		90	10	0	Work programmed	0	90	55
9489	Sheltered Housing 2014/15	Y	100	80	52	Work in progress	0	100	100

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Appendix A
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COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 04.12.14	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
9625	Kerr Street Renovations	Y	421	255	164	Work in progress
9491	Mobile/Agile Working	Y	120	70	42	Work in progress
9492	Home Energy Efficiency Programme	Y	125	125	125	Complete
9493	Purchase of 10 Properties (Off the Shelf Rental)	Y	328	200	126	Approved by Cabinet 2 October 2014. Funded by grant, 2nd homes council tax discount and commuted sums fund.
	Retentions		20	20	16	
			4,973	4,093	2,347	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.14	PREVIOUS TOTAL COST	REVISED TOTAL COST
14	450	539
0	140	140
0	125	125
0	820	820
0	20	20
2,158	8,891	9,005

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2014/15
ANTICIPATED RESOURCES AVAILABLE

Appendix B
27 February 2015

	£'000
Borrowing	2,704
Receipts From Sale of Council Houses	493
Contribution From Insurance Fund & CFCR (Kerr Street)	225
Affordable Housing Resource Grant/Commuted Sums	200
Recharges to Owner Occupiers	428
Total	4,050