

EAST RENFREWSHIRE COUNCIL

Cabinet

3 October 2024

Report by the Chief Financial Officer and Director of Environment

HOUSING CAPITAL PROGRAMME

PURPOSE OF REPORT

1. The purpose of this report is to monitor both income and expenditure as at 30 June 2024 against the approved Housing Capital Programme and to recommend adjustments where required.

RECOMMENDATIONS

2. The Cabinet is asked to recommend that Council:
 - note and approve the movements within the programme; and
 - note the shortfall of £0.101m and that income and expenditure on the programme will be managed and reported on a regular basis.

BACKGROUND

3. The Housing Capital Programme for 2024-2034 was approved by Council on 28 February 2024.
4. Movements on the 2024/25 programme were approved by Council on 26 June 2024, including a number of changes resulting from the finalisation of the outturn position for the previous financial year.
5. This report updates project costs and phasings based on progress to date and anticipated to 31 March 2025.
6. The programme is being constantly monitored to ensure any additional cost pressures on key projects can be covered by deferring or reducing other projects to compensate.

CURRENT POSITION

| | |
|---|------------------|
| 7. Total anticipated expenditure (Appendix A) | £ 24.189m |
| Total anticipated resources (Appendix B) | £ <u>24.088m</u> |
| Shortfall | £ <u>0.101m</u> |

EXPENDITURE

8. The estimated expenditure has reduced by £0.042m below the level reported to Council on 26 June 2024.

9. The expenditure reduction relates solely to the rewiring works. This project covers a range of electrical works including electrical installation condition reports. The progress on this aspect of the works has been unsatisfactory and the current contract is now subject to review. Expenditure in the current year has been reduced by £0.042m.

INCOME

10. There has been no adjustment to resources supporting the capital programme since the monitoring position was reported to Council on 26 June 2024.

COMMENT

11. The projected shortfall of £0.101m represents 0.4% of the resources available and is within manageable limits.
12. While the reduction in the projected expenditure has only reduced by 0.2% from the previous reported position, a number of projects have been subject to significant cost increases. These projects include external structural works and bathrooms. Consequently, progress on these projects has been limited while the revised costs were investigated, scope of works reduced or where possible revised procurement arrangements implemented. Despite this delay, the projects are anticipated to be completed before the end of the financial year.
13. The purchase of the 105 new build units at the Maidenhill site commenced during July 2024. As at the end of August, 21 properties have been purchased with the remaining 84 properties to be purchased in phased handovers this financial year.

PARTNERSHIP WORKING

14. This report has been prepared following consultation with appropriate staff from Housing Services.

RECOMMENDATIONS

15. The Cabinet is asked to recommend that Council:
 - note and approve the movements within the programme; and
 - note the shortfall of £0.101m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 07741 701 451.

Kirsty Stanners
Head of Finance
KS/PP
19 September, 2024

EAST RENFREWSHIRE COUNCIL**HOUSING CAPITAL PROGRAMME****PROGRESS REPORT****2024/25**

| COST CODE | PROJECT NAME | ANNUAL COSTS £'000 | | | COMMENT | TOTAL COST £'000 | | |
|-----------|--|-----------------------------------|--|--|------------------------|----------------------------|------------------------|-----------------------|
| | | CURRENT YEAR APPROVED 26.06.24 | PROJECTED OUTTURN FOR CURRENT YEAR | ACTUAL EXPENDITURE TO 30 JUNE 2024 | | SPENT PRIOR TO 31.03.23 | PREVIOUS TOTAL COST | REVISED TOTAL COST |
| 835000002 | Renewal of Heating Systems | 300 | 300 | 21 | Work in progress | 0 | 300 | 300 |
| 832000001 | Rewiring (including smoke/carbon monoxide detectors) | 342 | 300 | 28 | Work in progress | 0 | 342 | 342 |
| 831000002 | External Structural Works | 1,000 | 1,000 | 148 | Main works programmed | 0 | 1,000 | 1,000 |
| 835000008 | Estate Works | 100 | 100 | | Works as required | 0 | 100 | 100 |
| 835000006 | Energy Efficiency Standard for Social Housing | 125 | 125 | 3 | Works to be programmed | 0 | 125 | 125 |
| 835000010 | Aids and Adaptations | 350 | 350 | 34 | Work in progress | 0 | 350 | 350 |
| 831500001 | Internal Element Renewals (including kitchens, bathrooms and doors) | 1,250 | 1,250 | 200 | Work in progress | 0 | 1,250 | 1,250 |
| 835000005 | Communal Door Entry Systems | 150 | 150 | | Work to be programmed | 137 | 287 | 287 |
| 835000012 | Sheltered Housing | 634 | 634 | 101 | Work in progress | 168 | 1,702 | 1,702 |
| 830500003 | Purchase of Property (CPO/Mortgage to Rent Acquisition) | 50 | 50 | | Work to be programmed | 0 | 50 | 50 |
| 835000003 | IT Systems | 170 | 170 | 2 | Work to be programmed | 0 | 170 | 170 |
| | Maidenhill Areas A1-A3 (Estimate 105 units) | 19,337 | 19,337 | | In progress | | 19,337 | 19,337 |

EAST RENFREWSHIRE COUNCIL**HOUSING CAPITAL PROGRAMME****PROGRESS REPORT****2024/25**

| COST CODE | PROJECT NAME | ANNUAL COSTS £'000 | | | COMMENT | TOTAL COST £'000 | | |
|-----------|---------------------|-----------------------------------|--|--|------------------|----------------------------|------------------------|-----------------------|
| | | CURRENT YEAR APPROVED 26.06.24 | PROJECTED OUTTURN FOR CURRENT YEAR | ACTUAL EXPENDITURE TO 30 JUNE 2024 | | SPENT PRIOR TO 31.03.23 | PREVIOUS TOTAL COST | REVISED TOTAL COST |
| | Site Investigations | 413 | 413 | | Work in progress | 0 | 413 | 413 |
| N/A | Retentions | 10 | 10 | | | 0 | 10 | 10 |
| | | 24,231 | 24,189 | 537 | | 305 | 25,436 | 25,436 |

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2024/25

PROGRESS REPORT

RESOURCES

| | £'000 | |
|--|--------------|---------------|
| Borrowing | | 8,800 |
| Commuted Sums - New Build | | 1,350 |
| Grant - New Build | | |
| - 2024/25 Allocation | 4,791 | |
| - 2025/26 Allocation | 4,257 | |
| - 2026/27 Allocation | 790 | 9,838 |
| Recharges to Owner Occupiers (including HEEPS grant) | | 50 |
| Capital Receipts/Use of Capital Reserve | | 4,000 |
| Purchase of Property/Rental off the Shelf | | 50 |
| Total | | 24,088 |