

EAST RENFREWSHIRE COUNCIL24 June 2020Report by the Chief Financial Officer and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to recommend adjustments to the 2020/21 Housing Capital Programme, approved on 27 February 2020, resulting from the finalisation of the previous year's programme and in light of subsequent information.

**RECOMMENDATIONS**

2. The Council is asked to:-
  - (a) note and approve the current movements within the programme;
  - (b) note the shortfall of £0.135m and that income and expenditure on the programme will be managed and reported on a regular basis.

**BACKGROUND**

3. This report is presented in relation to the following:
  - A revised Housing Capital Programme for 2020-2025, reflecting changes to the programme detailed in the Strategic Housing Investment Programme (SHIP), particularly in relation to new build projects, was approved by Council on 27 February 2020.

**CURRENT POSITION**

4.	Total anticipated expenditure (Appendix A)	£ 17.757m
	Total anticipated resources (Appendix B)	<u>£ 17.622m</u>
	Shortfall	<u>£ 0.135m</u>

The impact of COVID-19 will have a significant effect on the timing and cost of projects due to market forces, inflation and new safe ways of working. Officers are reviewing the Council's capacity to deliver planned projects in the current year and a degree of rescheduling will be required. The next capital report will provide an update of the position as matters become clearer.

**FINALISATION OF THE 2019/20 PROGRAMME**

5. The finalisation of the previous year's capital programme has cash flow implications for the 2020/21 programme.
6. Appendix A shows the effect of this cash flow adjustment on the expenditure. This is not new or additional expenditure but simply an adjustment to reflect revised timing of expenditure.

**EXPENDITURE**

7. The programme approved in February 2020 has increased from £17.589m to £17.757m for purely cash flow reasons between 2019/20 and 2020/21. This reflects timing variations across the existing stock programme, a small increase in new build expenditure in 2019/20 matched by a decrease in 2020/21, and £0.025m brought forward from the Rental Off The Shelf (ROTS) budget which will be used to improve the standard of ROTS purchases.

**INCOME**

8. Resources to support the Housing Capital Programme have been adjusted to reflect the changes noted above.
- Borrowing for the year has been adjusted downwards to reflect timing variation of spend.
  - Scottish Government New Build Grant – Due to progress made on Balgraystone Road, additional grant of £0.058m was claimed in 2019/20. This has been matched by a reduction in 2020/21 grant.
  - Recharges to Owners – income in 2019/20 was less than anticipated and this has been matched by an increase in income in 2020/21.

**COMMENT**

9. The projected shortfall of £0.135m represents 0.8% of the resources available and is within manageable limits.

**PARTNERSHIP WORKING**

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

**RECOMMENDATIONS**

11. The Council is asked to:-
- (a) note and approve the current movements within the programme;
  - (b) note the shortfall of £0.135m and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Mark Waugh, Principal Accountant – Capital, telephone 0141 577 3123.

Margaret McCrossan  
Head of Accountancy Services (Chief Financial Officer)  
MMcC/MW  
18 June, 2020

**HOUSING CAPITAL PROGRAMME**

**PROGRESS REPORT**

**2020/2021**

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED AT 27.02.20	ADJUSTED FOR 2019/20 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR		SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	Y	808	872	872	Work in progress	0	872	872
832000001	Rewiring (including smoke/carbon monoxide detectors)	Y	1,062	938	938	Work in progress	0	938	938
831000002	External Structural Works	Y	1,848	1,657	1,657	Work in progress	0	1,657	1,657
835000008	Estate Works	Y	100	97	97	Work in progress	0	97	97
835000006	Energy Efficiency (Including Cavity Wall Insulation)	Y	300	476	476	Work in progress	0	476	476
835000009	Aids and Adaptations	Y	250	234	234	Work in progress	0	234	234
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	Y	1,211	1,403	1,403	Work in progress	0	1,403	1,403
835000005	Communal Door Entry Systems		20	59	59	Work in progress	0	59	59
835000012	Sheltered Housing	Y	948	978	978	Work in progress	0	978	978
	Purchase of Property (CPO/Mortgage to Rent Acquisition)		0	25	25	Balance of ROTS budget approval - to be used to bring properties to higher standard	0	25	25
	IT Systems		91	110	110		143	253	253
	Capital New Build Phase 1	Y	5,281	5,232	5,232	Work in progress	6,995	14,747	14,747
	Capital New Build Phase 2		5,660	5,666	5,666	Work to be programmed	69	22,401	22,401

**70**  
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**HOUSING CAPITAL PROGRAMME**

Appendix A

**PROGRESS REPORT**

**2020/2021**

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED AT 27.02.20	ADJUSTED FOR 2019/20 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR	
	Retentions		10	10	10	
		-	17,589	17,757	17,757	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.20	PREVIOUS TOTAL COST	REVISED TOTAL COST
0	40	40
7,207	44,180	44,180

**71**  
**EAST RENFREWSHIRE COUNCIL**  
**HOUSING CAPITAL PROGRAMME 2020/21**

Appendix B

**PROGRESS REPORT**

**RESOURCES**

	21/21 Revised <b>£'000</b>
Borrowing	12,643
Grant - New Build Phase 1	1,833
Grant - New Build Phase 2	2,713
Recharges to Owner Occupiers (including HEEPS grant)	433
<b>Total</b>	<b><u>17,622</u></b>

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