

EAST RENFREWSHIRE COUNCILCABINET29 August 2019Report 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 30 June 2019 (Quarter 1) against the approved Capital Programme for 2019/20 and to recommend adjustments where necessary.

RECOMMENDATIONS

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

CURRENT POSITION

3.	Total anticipated expenditure (Appendix A)	£ 9.696m
	Total anticipated resources (Appendix B)	£ <u>9.696m</u>
	Shortfall	£ <u>0m</u>

EXPENDITURE

4. The total estimated expenditure has been increased by £0.300m due to the revised estimate for IT systems noted below however it has subsequently been decreased by £1.164m due to re-phasing of expenditure on new build projects.

Building Works Programme – Existing Stock

- i. Works are progressing well across the main budget lines with a total of £0.678m expenditure to date (30/06/19).
- ii. Aids & Adaptations – This is demand led and an increased number of referrals is anticipated to create some pressure on the approved budget. This will continue to be monitored closely.

Purchase of Property (CPO/MTR)

- iii. This allocation is used to support Compulsory Purchase Orders and Mortgage to Rent purchases. At this stage no suitable properties have been identified however this is under constant review.

IT Systems

- iv. This is currently at the tender stage and returns are being reviewed, however early indications are the cost is likely to be up to £0.300m higher than budgeted. This additional cost will be met from an increase in borrowing in year.

Capital New Build – Phase 1 & 2

- v. This is a major construction project across a number of sites. Construction at Fenwick Drive and Robertson Street is complete with some residual works and retention payments to follow. Work at Blackbyres Road is progressing and is expected to complete later in the year.

The site start at Balgraystone Road is now anticipated in May 2020 and will continue into summer 2021. As such, expenditure in 2019/20 is restricted to ground investigation and fees and has been reduced by £1.164m.

Phase 2 works will include a number of sites at Maidenhill with the main works not expected to commence until 2021. However some advance spend on the Barrhead Road site is expected late in 2019/20.

INCOME

- 5. Resources to support the Housing Capital Programme have been increased to reflect the additional borrowing required to progress the new IT system. This can be supported by the HRA Business Plan, with borrowing having previously being reduced by £0.300m in 2018/19 through application of revenue surpluses on the Housing Revenue Account.

Due to the revised timing of expenditure on the project at Balgraystone Road, the level of New Build Housing Grant available in year is restricted to the level of spend and as such has been reduced by £1.050m. Borrowing in year has subsequently been reduced by £0.114m, reflecting the total decrease in expenditure of £1.164m. These resources will be available to support the re-phased expenditure in 2020/21.

RECOMMENDATIONS

- 6. The Council is asked to:-
 - (a) note and approve the current movements within the programme; and
 - (b) note 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/PP
15 August, 2019

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Appendix A

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2019/2020

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED AT 26.06.19	PROJECTED OUTFURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.19	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	642	642	12	Work in progress	0	642	642
9530	External Structural Works	Y	2,896	2,896	525	Work in progress	0	2,896	2,896
9486	Estate Works	Y	216	216	0	Work in progress	0	216	216
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	409	409	31	Work in progress	0	409	409
9488	Aids and Adaptations	Y	153	153	8	Ongoing - will be monitored closely due to increased demand from HSCP referrals.	0	153	153
9227	Renewal of Heating Systems	Y	1,202	1,202	68	Work in progress	0	1,202	1,202
9447	Internal Element Renewals (including kitchens, bathrooms and doors) 2018/19	Y	1,180	1,180	0	Work in progress	0	1,180	1,180
9480	Communal Door Entry Systems		42	42	0	Work in progress	0	42	42
9489	Sheltered Housing	Y	542	542	34	Work in progress	0	542	542
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)		75	75	0	Budget required to support CPO / MTR requirements however no suitable properties identified at this stage.	0	75	75
	IT Systems		250	550	0	At tender stage.	0	250	550
	Capital New Build Phase 1	Y	2,843	1,679	784	Work in progress	4,991	12,921	12,921
	Capital New Build Phase 2		100	100	0	Work to be programmed	0	17,371	17,371
	Retentions		10	10	0		0	10	10

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HOUSING CAPITAL PROGRAMME

Appendix A

PROGRESS REPORT

2019/2020

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED AT 26.06.19	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.19	PREVIOUS TOTAL COST	REVISED TOTAL COST
		-	10,560	9,696	1,462		4,991	37,909	38,209

HOUSING CAPITAL PROGRAMME 2019/20

PROGRESS REPORT

RESOURCES

	19/20 Revised £'000
Borrowing	8,511
Commuted Sums - New Build Phase 1	220
Grant - New Build Phase 1	150
Grant - New Build Phase 2	100
Recharges to Owner Occupiers (including HEEPS grant)	715
Total	<u>9,696</u>

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