

EAST RENFREWSHIRE COUNCILCABINET6 December 2018Report 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 12 October 2018 against the approved Capital Programme for 2018/19 and to recommend adjustments where necessary.

RECOMMENDATIONS

2. The Cabinet is asked to:-
 - (a) approve the transfer of £0.050m from Purchase of Property to Aids and Adaptations;
 - (b) note and approve the movements within the programme; and
 - (c) note the shortfall of £0.085m and that this will be managed and reported on a regular basis.

CURRENT POSITION

- | | |
|---|----------------|
| 3. Total anticipated expenditure (Appendix A) | £9.789m |
| Total anticipated resources (Appendix B) | <u>£9.704m</u> |
| Shortfall | <u>£0.085m</u> |

EXPENDITURE MOVEMENTS

4. Forecast expenditure has reduced by a further £0.527m below the level approved by Cabinet on 25 October 2018. The main expenditure movements are:-

Revised Project Timing

- i. Rewiring including Smoke Detectors – As reported to cabinet at its meeting on 25 October 2018, planned expenditure of £0.171m relating to the Smoke Detectors element has been deferred until 2019/20. A further £0.030m of re-wiring work programmed will also now fall into 2019/20.
- ii. Energy Efficiency – Within the allocated budget, a total of £0.100m is to be used to fund internal and external wall insulation work at Barnes Street, Barrhead. As reported to Cabinet on 25 October 2018, the main structural works are now expected to commence in February 2019 and this will have a knock on effect on this element of the Energy Efficiency works which will now also take place in 2019/20.

- iii. Aids & Adaptations – Due to a higher number of Aids and Adaptations referrals received from HSCP, anticipated expenditure on this line is £0.050m over approved budget. This work allows people to continue living in their home therefore rather than delay this work it is proposed to transfer £0.050m budget from Purchase of Property to Aids and Adaptations.
- iv. Internal Element Renewals – an element of this budget was earmarked for work at Barnes Street and subsequent to the revised start date, work totalling £0.159m will now take place in 2019/20.
- v. Purchase of Property – A budget of £0.075m was approved to support Compulsory Purchase Orders and Mortgage to Rent purchases as required. With no acquisitions currently in progress it is felt this can be reduced by £0.050m with this amount used to support additional demand for Aids and Adaptations work.
- vi. Capital New Build – this is a major construction project which will be progressed over the next two to three years at four sites - Robertson Street, Fenwick Road, Blackbyres Court and Balgraystone Road. The projects at Robertson Street and Fenwick Road are both on site. Fenwick road is expected to be completed this financial year with the majority of the work at Robertson Street also likely to be completed however there will be some work continuing into 2019/20. The works at Blackbyres Court are now scheduled to start on site during November 2018 and continue into next financial year. The site start at Balgraystone Road is scheduled for autumn 2019. Due to an element of the work at Robertson Street falling into 2019/20, planned expenditure during the current financial year has been reduced by a further £0.238m.

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

INCOME MOVEMENTS

- 5. While there has been a further reduction in income from recharges to owner occupiers in response to lower expenditure on external structural works in year, a revised calculation of new build grant that can be applied in year means that there has been a net increase in income available of £0.171m.
- 6. As a consequence of the new expenditure and income movements highlighted above, the borrowing required to support the programme is now £0.698m lower than that approved by Council on 25 October 2018. This resource remains available to support the expenditure transfer to 2019/20.

COMMENT

- 7. The projected shortfall of £0.085m represents 0.88% of the resources available and is within manageable limits.

RECOMMENDATIONS

8. The Cabinet is asked to:-
- (a) approve the transfer of £0.050m from Purchase of Property to Aids and Adaptations;
 - (b) note and approve the movements within the programme; and
 - (c) note the shortfall of £0.085m and that this will be managed and reported on a regular basis.

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

Cabinet Contact: Cllr T. Buchanan, Leader of the Council

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Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)
MMcC/PP
22 November, 2018

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2018/2019

Appendix A
12 October 2018

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 25.10.18	PROJECTED OUTFURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	255	225	78	Work in progress	314	740	740
9530	External Structural Works	Y	2,272	2,272	965	Work in progress	2,338	5,300	5,300
9486	Estate Works	Y	240	240	0	Ongoing - £90k transfer from Communal Door Entry Systems now included in budget.	0	240	240
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	300	200	47	Work in progress however Barnes St element now likely to be 2019/20	0	300	300
9488	Aids and Adaptations	Y	198	248	98	Ongoing - increased demand from HSCP referrals.	0	198	248
9227	Renewal of Heating Systems	Y	1,096	1,096	352	Work in progress - £68k increase funded by grant income	806	1,902	1,902
9447	Internal Element Renewals (including kitchens, bathrooms and doors) 2018/19	Y	898	739	143	Work in progress however Barnes St elements now likely to be 2019/20	0	898	898
9480	Communal Door Entry Systems		50	50	0	Work in progress	0	50	50
9489	Sheltered Housing	Y	97	97	10	Work to be programmed	213	775	775
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)		75	25	0	Work to be programmed. Recommended that £50k is transferred to support additional demand in A&A	0	75	25
9499	Capital New Build Phase 1	Y	4,565	4,327	1,697	Work in progress	544	14,400	14,400
	Capital New Build Phase 2		250	250	0	Work to be programmed	0	16,200	16,200
	Retentions		20	20	0		0	20	20

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EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME

Appendix A
 12 October 2018

PROGRESS REPORT

2018/2019

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 25.10.18	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR	
			10,316	9,789	3,391	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
4,215	41,098	41,098

EAST RENFREWSHIRE COUNCIL
HOUSING CAPITAL PROGRAMME 2018/19

Appendix A
7 September 2018

PROGRESS REPORT

RESOURCES

	£'000
Borrowing	6,172
Receipts From Sale of Council Houses	196
Commuted Sums - New Build Phase 1	417
Grant - New Build Phase 1	2,367
Grant - Warm Homes Fund	151
Recharges to Owner Occupiers (including HEEPS grant)	401
Total	<u>9,704</u>

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