

EAST RENFREWSHIRE COUNCIL27 June 2018Report by Head of Accountancy (Chief Financial Officer) and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to recommend adjustments to the 2018/19 Housing Capital Programme, approved on 2 March 2018, resulting from 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 movements within the programme; and
- (b) note the shortfall of £85,000 and that this will be managed and reported on a regular basis.

**CURRENT POSITION**

3.	Total anticipated expenditure (Appendix A)	£ 12,509,000
	Total anticipated resources (Appendix B)	<u>12,424,000</u>
	Shortfall	<u>85,000</u>

**FINALISATION OF THE 2017/18 PROGRAMME**

4. The finalisation of the previous year's capital programme has cash flow implications for the 2018/19 programme.

5. 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 the later timing of expenditure.

**EXPENDITURE MOVEMENTS**

10. The programme approved in March 2018 has increased from £24.710m to £25.432m for purely cash flow reasons between 2017/18 and 2018/19.

11. The expenditure has subsequently been reduced by £12.923m below this level. The expenditure movements are:-

Revised Project Timing

- i. Capital New Build Phases 1 and 2 – these are major construction projects which will be progressed over the next three to four years at various sites including Robertson Street, Fenwick Road, Blackbyres Court, Balgraystone Road and Maidenhill.

The projects at Robertson Street and Fenwick Road are now on site and a site start at Blackbyres Court is expected later this financial year. As a consequence of major infrastructure works required at the Balgraystone Road location the site start has been delayed and construction is now expected to commence during autumn 2019.

The Council is in discussion with two developers, Cala and Taylor Wimpey, with a view to releasing a further 6 sites within the Maidenhill area for the construction of affordable housing. Subject to progress with the developers own construction programmes it is anticipated that work will commence on the first site during autumn 2020. The Council is continuing to investigate development opportunities at other sites within the authority.

In line with this revised work schedule the planned expenditure during the current financial year for both phase 1 and phase 2 has been reduced by £12.943m.

This reduction is not a saving but simply a transfer of expenditure to the future financial years.

Increase

- ii. A provision of £20,000 has been added to the programme to cover retention payments on projects completed during the previous financial year.

**INCOME MOVEMENTS**

6. Capital receipts of £196,000 from right-to-buy sales not finalised during 2017/18 remain available to support the expenditure and have been added to the programme.

7. Planned borrowing of £100,000 not utilised during 2017/18 has been made available within the current year to support the expenditure. Borrowing has been subsequently reduced by £6.173m in response to the reduced level of expenditure on new build houses. The net reduction resulting from these two movements is £6.073m.

8. Commuted sums of £113,000 and grant of £165,000 not utilised during 2017/18 to fund the expenditure on new builds also remain available to support 2018/19 programme. However again as a result of the reduced level of expenditure on new build projects the budgeted income from commuted sums and the grant have subsequently been reduced by £746,000 and £6.024m respectively. The net reduction resulting from these movements is commuted sums £633,000 and grant £5.859m.

9. Grant income of £83,000 awarded as part of the Warm Homes Fund but not utilised during 2017/18 remains available to support the expenditure and has been added to the programme

**COMMENT**

13. The projected shortfall of £85,000 represents 0.7% of the resources available and is within manageable limits.

**RECOMMENDATIONS**

14. The Council is asked to:-

- (a) note and approve the movements within the programme; and
- (b) note the shortfall of £85,000 and that this will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant – Capital, telephone 0141 577 3123.

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

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**HOUSING CAPITAL PROGRAMME**

**PROGRESS REPORT**

**2018/2019**

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 02.03.18	ADJUSTED FOR 2017/18 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR		SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	0	56	56	Work in progress	314	370	370
	Rewiring (including smoke/carbon monoxide detectors) 2018/19		370	370	370	Work to be programmed	0	370	370
9530	External Structural Works	Y	176	681	681	Work in progress	2,338	3,019	3,019
	External Structural Works 2018/19	Y	2,281	2,281	2,281	Work in progress	0	2,281	2,281
9486	Estate Works		150	150	150	Ongoing	0	150	150
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	300	300	300	Work in progress	0	300	300
	Aids and Adaptations		198	198	198	Ongoing	0	198	198
9227	Renewal of Heating Systems	Y	0	202	202	Work in progress	806	1,008	1,008
	Renewal of Heating Systems 2018/19		826	826	826	Work in progress	0	826	826
9447	Internal Element Renewals (including kitchens, bathrooms and doors) 2018/19	Y	800	898	898	Work in progress	0	898	898
9480	Communal Door Entry Systems		50	140	140	Work to be programmed	0	140	140
9489	Sheltered Housing 2017/18	Y	335	342	342	Work to be programmed	213	555	555
	Sheltered Housing 2018/19		220	220	220	Work to be programmed	0	220	220
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)		75	75	75	Work to be programmed	0	75	75

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**EAST RENFREWSHIRE COUNCIL**

**HOUSING CAPITAL PROGRAMME**

**PROGRESS REPORT**

**2018/2019**

Appendix A  
11 June 2018

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT
			CURRENT YEAR APPROVED 02.03.18	ADJUSTED FOR 2017/18 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR	
9499	Capital New Build Phase 1	Y	10,829	10,593	5,500	Work in progress
	Capital New Build Phase 2		8,100	8,100	250	Work to be programmed
	Retentions		0	0	20	
			<b>24,710</b>	<b>25,432</b>	<b>12,509</b>	

TOTAL COST £'000		
SPENT PRIOR TO 31.03.18	PREVIOUS TOTAL COST	REVISED TOTAL COST
544	14,400	14,400
0	16,200	16,200
0	0	20
4,215	41,010	41,030

**HOUSING CAPITAL PROGRAMME 2018/19**

**PROGRESS REPORT**

**RESOURCES**

	<b>£'000</b>
Borrowing	8,350
Receipts From Sale of Council Houses	196
Commuted Sums - New Build Phase 1	502
Grant - New Build Phase 1	2,610
Grant - Warm Homes Fund	83
Recharges to Owner Occupiers (including HEEPS grant)	683
<b>Total</b>	<b><u>12,424</u></b>

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