

EAST RENFREWSHIRE COUNCILCABINET12 October 2017Report 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 6 September 2017 against the approved Capital Programme for 2017/18 and to recommend adjustments where necessary.

RECOMMENDATIONS

2. The Cabinet is asked to:-

- (a) note and approve the movements within the programme; and
- (b) note the shortfall of £64,000 and that this will be managed and reported on a regular basis.

CURRENT POSITION

	£
3. Total anticipated expenditure (Appendix A)	7,832,000
Total anticipated resources (Appendix B)	<u>7,768,000</u>
Shortfall	<u>64,000</u>

INCOME MOVEMENTS

4. As a consequence of the reduced level of expenditure on new house build projects during the current financial year the related Scottish Government grant support has been reduced by £1.055m.

5. In response to the overall reduced level of expenditure and revised level of grant income borrowing during the current financial year has been reduced by £989,000.

EXPENDITURE MOVEMENTS

6. Expenditure has reduced by £2.044m below the level approved by Council on 28 June 2017. The expenditure movements are:-

Capital New Build - £2.137m Reduction

- i. The Council is currently negotiating with a preferred contractor through the Scottish Procurement Alliance for the design and build services at four sites, namely Blackbyres Court, Robertson Street, Fenwick Drive and Balgraystone Road. The Council will enter into a formal contract once it is satisfied that the contractor's cost proposals offer value for money and are within budget. On completion the first three sites will provide 43 new homes and it is estimated will start on site during the last quarter of 2017/18. The Balgraystone Road site has the potential to provide 34 units and is estimated to start on site during summer 2018. The expenditure profile has been amended to reflect these plans and the estimated expenditure during the current financial year has been reduced by £2.137m.

This is not a cost savings but simply a transfer of expenditure to the next financial year.

Renewal of Heating Systems - £93,000 Increase (Audit Adjustment)

- ii. The Housing Capital Programme report approved at the meeting of the Council on 28 June 2017 included £56,000 for the Renewal of Heating Systems which was part of the unused budget carried forward from the previous financial year. The audit of the 2016/17 financial statements identified a £93,000 correction and as a consequence the provision for the current financial year has been increased accordingly. A corresponding reduction has been applied to the expenditure figure for the prior years. This audit adjustment relates to the duplicate payment issue reported to the meeting of the Audit and Scrutiny Committee on 17 August 2017 and has been recovered by the Council.

COMMENT

7. The projected shortfall of £64,000 represents 0.8% of the resources available and is within manageable limits.

RECOMMENDATIONS

8. The Cabinet is asked to:-
 - (a) note and approve the movements within the programme; and
 - (b) note the shortfall of £64,000 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.

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

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Margaret McCrossan
Head of Accountancy Services (Chief Financial Officer)

MMcC/PP
19 October, 2017

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EAST RENFREWSHIRE COUNCIL

HOUSING CAPITAL PROGRAMME

PROGRESS REPORT

2017/2018

Appendix A
6 September 2017

COST CODE	PROJECT NAME	LEG COMM	ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
			CURRENT YEAR APPROVED 28.06.17	PROJECTED OUTTURN FOR CURRENT YEAR	ACTUAL EXPENDITURE IN YEAR		SPENT PRIOR TO 31.03.17	PREVIOUS TOTAL COST	REVISED TOTAL COST
9487	Rewiring (including smoke/carbon monoxide detectors)	Y	370	370	67	Work in progress	0	370	370
9530	External Structural Works	Y	3,019	3,019	1,291	Work in progress	0	3,019	3,019
9486	Estate Works	Y	120	120	30	Ongoing	0	120	120
9483	Energy Efficiency (Including Cavity Wall Insulation)	Y	314	314	50	Work in progress	0	314	314
9447	Aids and Adaptations	Y	248	248	47	Work in progress	0	248	248
9227	Renewal of Heating Systems	Y	625	718	337	Work in progress	0	718	718
9447	Internal Element Renewals (including kitchens, bathrooms and doors)	Y	731	731	132	Work in progress	0	731	731
9480	Communal Door Entry Systems		95	95	0	Work to be programmed	0	95	95
	Sheltered Housing		555	555	21	Work to be programmed	0	555	555
9495	Divernia Way - CPO & Restoration Works	Y	52	52	6	Ongoing	13	65	65
9496	Purchase of Property (CPO/Mortgage to Rent Acquisition)	Y	127	127	81	Ongoing	0	127	127
	Capital New Build	Y	3,600	1,463	0	Work programmed	0	14,400	14,400
	Retentions		20	20	3		0	20	20
			9,876	7,832	2,065		13	20,782	20,782

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HOUSING CAPITAL PROGRAMME 2017/18

Appendix B
6 September 2017

PROGRESS REPORT

RESOURCES

	£'000
Borrowing	4,285
Receipts From Sale of Council Houses	1,700
Commuted Sums - Divernia Way CPO	52
Commuted Sums - New Build	300
Grant - Mortgage to Rent Acquisition	52
Grant - New Build	655
Recharges to Owner Occupiers (including HEEPS grant)	724
Total	<u>7,768</u>

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