

Agenda Item	7
Report No	FHR/70/13

## Housing and Property Service Capital Budgets to 30 April 2013

### Report by the Depute Chief Executive/Director of Housing and Property

#### Summary

This report gives an update on the position regarding expenditure to 30 April 2013 for the HRA Capital, Non HRA Housing Capital and Property Capital Programmes.

#### 1. HRA Capital Programme 2013/14

- 1.1 The HRA capital programme reflects the need to meet the Scottish Housing Quality Standard by 2015, the Council's commitment to ensure that properties are adapted to meet the changing needs of tenants and the Council house building programme. As a result of previous decisions on investment priorities and HRA resources the HRA capital programme budget for 2013/14 is £33.573m of which £17.551m relates to the mainstream capital programme and £16.022m relates to the Council house building programme.
- 1.2 The 2013/14 Capital Programme Summary produced by the Finance Service is attached as **Appendix 1**. It shows the overall level of spend to 30 April at -£0.947m. The figure is negative at this stage because of accruals.
- 1.3 Members can access further detail from the Ward Reporting page on the Members' Intranet. By clicking on Capital Programme Services and then Housing and Property Services, Members can get details of individual projects. Housing and Property Managers will also be able to discuss specific projects on a ward basis with Members.
- 1.4 The 2012/13 financial year closedown is ongoing and it is intended that Near Final Accounts will be presented to the Council meeting on 27 June 2013. More detail on final outturn figures for the 2012-13 programme and an update on progress to meet the Scottish Housing Quality Standard will be provided to Committee on the 28<sup>th</sup> August.

#### 2. Non HRA Capital Programme and Private Sector Housing Grant Programme

- 2.1 The Non PSHG element of the programme is split between 3 headings:-
  - Gypsy Traveller Site Improvements; funding improvements to Council owned sites in Inverness and Lochaber.
  - National Housing Trust; prudential borrowing advanced to developers.
  - Grant contribution to shovel-ready new builds; funding 19 new Council houses in Alness and Inverness.

The levels of funding included in **Appendix 2** have been agreed previously.

#### 2.2 Position to 30 April 2013

2.2.1 **Appendix 2** shows the Monitoring Statement for the non HRA Capital and Private Sector Housing Grant budget to 30 April 2013.

### 2.3 **Comments on the Programmes**

2.3.1 **PSHG element.** Although the level of spend is relatively low, the levels of demand coupled with the levels of commitment from previous years indicate that the target spend for the current year will be achieved.

2.3.2 **Non PSHG element.** Current activity indicates that the targets will be achieved in the current year.

## 3. **Property Capital Programme**

3.1 The Property Capital budget for 2013/14, taking account of adjustments and virements to joint funded projects previously approved by Committee, is £12.806m. This budget has been allocated to the following headings:

▪ Health & Safety/Statutory Compliance Projects (SAM)	£3.500m
▪ Disability Discrimination Act (DDA) Projects	£0.650m
▪ Wick Office Rationalisation Project	£5.551m
▪ Energy Management Projects	£2.405m
▪ Starter Business Units Inverness	£0.700m

3.2 The Property Capital monitoring statement is attached as **Appendix 3**. It provides details of budget heading apportionment and project payments to 30 April 2013.

### 3.3 **Summary of Expenditure to Date**

3.3.1 The capital monitoring statement identifies spend to 30 April 2013 of £0.522m (4% of the allocated budget of £12.806m).

3.3.2 It is currently anticipated that the Property Capital budget will be fully spent by year end.

### 3.4 **Budget Heading Performance**

#### 3.4.1 **Health and Safety/Statutory Compliance Projects**

3.4.2 Good progress has been made with programming projects to be carried out at school premises during the summer holiday period which will ensure that full spend will be achieved by year end.

#### 3.5 **Disability Discrimination Act (DDA) Projects**

3.5.1 Current progress with DDA projects indicates that full spend of the £0.650m budget will be achieved by year end.

#### 3.6 **Wick Office Rationalisation Project**

3.6.1 The Principal Contractor for the project Morgan Sindall is now fully established on site in Wick. Demolition of part of the original offices is well advanced along with stabilisation of the Historic sections of the existing structure. The project is within budget and is currently on programme to be completed by the end of October 2014.

### 3.7 **Inverness Office Accommodation Rationalisation Project**

3.7.1 The 21-23 Church Street Project has successfully relocated a total of 247 FTE's as part of the decant from leased office accommodation. The project has been delivered over two months ahead of programme and significantly below budget, saving the Council £300k per annum by relocating staff from the 1st, 2nd and 3rd floors of Church Street to vacant space in Glenurquhart Road and the Inverness Town House. Decommissioning works are currently underway in preparation for handing the property back to the landlord on the 15th of July 2013.

### 3.8 **Energy Management Projects**

3.8.1 Electric heating installations in Auchtertyre, Carrbridge and Kirkhill primary schools are currently being programmed for conversion to biomass fuelled boilers. Planning applications have been submitted for these sites and it is proposed to carry out the internal heating works during the school summer holidays with the biomass boiler units being installed and commissioned within the October holiday period.

3.8.2 A number of school sites are being examined for the installation of solar energy systems. Suitable sites will have solar equipment installed via a framework contract during the summer holiday period.

3.8.3 A further phase of Council buildings supplied with natural gas/electricity are to have automatic meter readers installed which will provide direct billing for energy consumed and remove the need for estimated bills.

3.8.4 Existing building management systems are being reconfigured in order to provide building users with regular energy consumption updates relative to the properties they occupy. This will encourage an increased level of energy monitoring and local control which should result in an overall reduction in both energy consumed and costs incurred.

3.8.5 The LED lighting pilot project is being extended to Charleston Academy which will involve the installation of new LED lighting to various classrooms during the summer holiday period.

### 3.9 **Starter Business Units - Inverness**

3.9.1 Tender documentation is currently being prepared for Phase 1, which incorporates 8 units at Harbour Road and 4 units at Carse Industrial Estate, with an anticipated site start in October 2013.

## 4 **Implications Arising from the Report**

4.1 **Resource Implications:** The resource implications are set out in the report.

4.2 **Legal Implications:** The planned capital expenditure will enable the Council to meet its statutory duties in respect of the Scottish Housing Quality Standard and compliance

with Health and Safety Legislation.

4.3 **Equalities Implications:** The actions included in the report aim to work towards ensuring that:

- all our tenants will have warm, affordable, good quality homes;
- adaptations will be carried out where necessary to ensure that tenants can remain in their home;
- Council premises open to the public can be accessed by all customers.

4.4. **Climate Change Implications:** The capital programme investment in energy efficiency measures will assist the Council in achieving its climate change commitments.

4.5 **Risk Implications:** There is a risk that HRA Capital Programme resource requirements may increase, depending on experience of future tendering.

## 5. Recommendations

Members are asked to:

5.1 **Note** the current position to 30 April 2013 for the HRA, Non-HRA Housing and Property Capital accounts.

Signature

Designation: Depute Chief Executive/Director of Housing and Property

Date 28 May 2013

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## HOUSING HRA PROGRAMME

## MONITORING STATEMENT OF CAPITAL PROGRAMMES TO 30 April 2013

	Budgeted Expend £'000	Actual Expend £'000	Estimated Outturn £'000	Estimated Variance £'000
<b>Free From Serious Disrepair</b>				
Roofs	122	(2)	122	0
Windows and Doors	161	(55)	161	0
Common External Fabric Repairs		(10)	0	0
<b>Total for Free From Serious Disrepair</b>	<b>283</b>	<b>(67)</b>	<b>283</b>	<b>0</b>
<b>Energy Efficiency</b>				
Cavity and Loft Insulation	238		238	0
Heating	12,819	(95)	12,819	0
Additional Energy Efficiency measures	114	(8)	114	0
<b>Total for Energy Efficiency</b>	<b>13,171</b>	<b>(102)</b>	<b>13,171</b>	<b>0</b>
<b>Modern Facilities and Services</b>				
Bathrooms	1,693	(194)	1,693	0
Kitchens	1,425	(670)	1,425	0
<b>Total for Modern Facilities and Services</b>	<b>3,118</b>	<b>(864)</b>	<b>3,118</b>	<b>0</b>
<b>Healthy, Safe &amp; Secure</b>				
Re-wiring		(19)	0	0
<b>Total for Healthy, Safe &amp; Secure</b>	<b>0</b>	<b>(19)</b>	<b>0</b>	<b>0</b>
<b>Equipment and Adaptations</b>	<b>933</b>	<b>(173)</b>	<b>933</b>	<b>0</b>
<b>Structural/Environmental Works</b>		<b>(15)</b>	<b>0</b>	<b>0</b>
<b>Other Categories</b>				
Purchase of Individual Properties			0	0
Stock Condition Survey	46		46	0
<b>Total for Other Categories</b>	<b>46</b>	<b>0</b>	<b>46</b>	<b>0</b>
<b>Insurance</b>				
Insurance Works	0		0	0
Insurance Receipts (not included in cap receipts)			0	0
<b>Total for Insurance</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Mainstream Capital Total</b>	<b>17,551</b>	<b>(1,240)</b>	<b>17,551</b>	<b>0</b>
<b>New Council House Build</b>	<b>16,022</b>	<b>292</b>	<b>16,022</b>	<b>0</b>
<b>New Council House Total</b>	<b>16,022</b>	<b>292</b>	<b>16,022</b>	<b>-</b>
<b>Total Capital Programme</b>	<b>33,573</b>	<b>(947)</b>	<b>33,573</b>	<b>0</b>

## Gross Expenditure as Percentage of Budget

Current Year	0%
Last Year	0%

## Capital Receipts 2013/2014

	Funding Budget £'000	Actual to 30/04/2013 £'000	Estimated Outturn £'000	Estimated Variance £'000
<b>Mainstream Investment Programme</b>				
Useable Capital Receipts	2,131	83	2,131	0
Contribution to Individual Properties			0	0
Borrowing	12,287		12,287	0
Capital from Current Revenue	3,133		3,133	0
<b>Total For Mainstream Investment Programme</b>	<b>17,551</b>	<b>83</b>	<b>17,551</b>	<b>0</b>
<b>New Council House Build Programme</b>				
Government Grant	2,522		2,522	0
HRA Balances			0	0
Contribution from other services			0	0
Landbank	2,780		2,780	0
Borrowing	10,720	292	10,720	0
<b>Total For New Council House Build Programme</b>	<b>16,022</b>	<b>292</b>	<b>16,022</b>	<b>0</b>
Balance to C/F to 2012/2013				
<b>GROSS FUNDING</b>	<b>33,573</b>	<b>376</b>	<b>33,573</b>	<b>0</b>

**HOUSING Non HRA and PRIVATE SECTOR HOUSING GRANT ELEMENT  
MONITORING STATEMENT OF PROGRAMME TO 30 April 2013**

**Private Sector Housing Grant Element**

Budget Heading	Budget (£'000)		
	Agreed Budget	Proposed Adjustments	Net Budget
Care and Repair	2,804	0	2,804
Improvement Grants	300	0	300
Special Projects	49	0	49
Grants Management (TECs)	317	0	317
Grants Management (H&P)	50	0	50
Handyperson Schemes	400	0	400
Empty Homes Initiative	150	0	150
<b>Totals</b>	<b>4,070</b>	<b>0</b>	<b>4,070</b>

Spend (£'000)	
Expenditure to date	Estimated Outturn
32	2,804
14	300
1	49
0	317
0	50
10	400
0	150
<b>57</b>	<b>4,070</b>

Funding (£'000)	2013/14
<b>Private Sector Housing Grant</b>	4,070
Additional Resources	
Carry forward from 2012/13	0
Income (repaid Grants)	0
Other Income	0
<b>Total Resources Available</b>	<b>4,070</b>
Estimated Expenditure Out turn	4,384
Balance to C/F to 2013/14	0

**Non Private Sector Housing Grant Element**

Budget Heading	Budget (£'000)		
	Agreed Budget	Income	Net Budget
Gypsy Traveller Site Imps	113	0	113
National Housing Trust	7,652	0	7,652
Shovel Ready Projects	500	0	500
<b>Totals</b>	<b>8,265</b>	<b>0</b>	<b>8,265</b>

Spend (£'000)	
Expenditure to date	Estimated Outturn
1	113
682	7,652
0	500
<b>683</b>	<b>8,265</b>

Funding (£'000)	2013/14
Carry forward from 2012/13	0
Earmarked Reserves	0
Borrowing	8,265
<b>Total Resources Available</b>	<b>8,265</b>

The Highland Council  
Monitoring of Capital Expenditure 1st April to 30th April 2013

Appendix 3

Service: Property

Projects	Project Code	2013/14						Notes
		Budget			Actual		Variance	
		A	B	C	D	E	F	
		Gross Expenditure £(000)	Income £(000)	Net Expenditure £(000)	Net Expenditure £(000)	Net Estimated Outturn £(000)	Col E minus Col C £(000)	
<b>Strategic Asset Management</b>								
Strategic Asset Management	20856	3,500	0	3,500	268	3,500	0	
Disability Discrimination Act	21866	650	0	650	0	650	0	
Starter Business Units Inverness	22009	700	0	700	0	700	0	
Wick Offices	PR001	5,551	0	5,551	149	5,551	0	
Office Rationalisation General	21784	0	0	0	0	0	0	An OBC has been submitted for further rationalisation projects.
Energy Management	PS011	2,405	0	2,405	105	2,405	0	
		<b>12,806</b>	<b>0</b>	<b>12,806</b>	<b>522</b>	<b>12,806</b>	<b>0</b>	