

Agenda Item	<b>4</b>
Report No	<b>HP/11/20</b>

## HIGHLAND COUNCIL

**Committee:** Housing and Property

**Date:** 9 September 2020

**Report Title:** Housing Revenue Account (HRA) Capital Monitoring Report to 30 June 2020

**Report By:** Executive Chief Officer Property and Housing

### **1. Purpose/Executive Summary**

- 1.1 This report provides the monitoring position for the Housing Revenue Account Capital Programme for the period from 1 April 2020 to 30 June 2020. It details expenditure to date against both the mainstream HRA Capital Programme and the Council house building programme.

### **2. Recommendations**

- 2.1 Members are invited to approve the budget position on the Housing Revenue Account Capital Programme Monitoring Report

### **3. Implications**

- 3.1 Resource – There are no implications arising from this report.
- 3.2 Legal – There are no implications arising from this report.
- 3.3 Community (Equality, Poverty and Rural) - This report details continuing investment in adaptations to allow disabled tenants to remain in their homes.
- 3.4 Climate Change/Carbon Clever - Continuing investment in heating and energy efficiency in council housing will help meet council objectives in relation to fuel poverty and climate change.

- 3.5 Risk - Implications to the budget position, and budget assumptions, will be kept under review and reported to future Committee.
- 3.6 Gaelic: There are no Gaelic implications arising from this report.

## **4 Background**

- 4.1 The mainstream HRA Capital Programme is based on the HRA Capital Plan, through which resources are allocated at area level and local projects approved at an Area Committee level.
- 4.2 The new Council house build programme was approved at the Environment, Development & Infrastructure Committee on 7 November 2019 as part of the Council's Strategic Housing Investment Programme 2020-2025.

## **5 Progress against the mainstream HRA 2020-21 programme**

- 5.1 Progress against the mainstream HRA programme has been impacted by the Covid-19 restrictions that halted all capital works on site. All tenants who had scheduled works in Spring/Summer 2020 were notified of the delays.
- 5.2 From 20 July 2020, capital works re-started on a number of projects. This focused initially on external works and completing outstanding works rather than initiating new works. As of 31 August, all capital projects have re-started on site and contractors have been adhering to the Covid-19 guidelines to ensure that works are carried out as safely as possible. Early indications are that the additional safety procedures will result in a far slower delivery of works than previously experienced and may also result in some additional costs.
- 5.3 To date, tenants have been supportive of the new processes and the Council's Tenant Liaison Officers are working with tenants to take account of any concerns they may have.
- 5.4 Where requested, reports will be submitted to Area Committees detailing progress against local projects including information on anticipated project completion dates. It is anticipated that all projects which had been on-site before the pandemic will be completed this financial year.
- 5.5 Expenditure to date and anticipated outturn are detailed at **Appendix 1** of this report. An underspend of £7.080m is currently projected, largely due to slippage on the programme as a result of the coronavirus pandemic.

## **6 Progress against the new Council house build programme 2020-21**

- 6.1 The new build Council House building programme is progressing with sites restarting following the lockdown. It is anticipated that the programme will deliver a minimum of 106 new completions within the current financial year with the overall spend and income assumptions on target.

## **7 2021/22 mainstream HRA Capital Programme**

- 7.1 A 2021/22 HRA Capital Programme for housing stock improvements of £15.667m was approved by this Committee on 13 August 2020.

7.2 Each 2021/22 area programme will be presented to local Members for final approval following consideration at ward level.

Designation: Executive Chief Officer Housing and Property

Date: 21 August 2020

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## HRA Capital Monitoring Report 1 April to 30 June 2020

<b>Project Description</b>	<b>Actual Net Year to Date</b>	<b>Revised Net Budget</b>	<b>Year End Estimated Net Outturn</b>	<b>Year End Net Variance</b>	<b>(Slippage)/ Acceleration Net</b>	<b>Anticipated Year End (Under)/Over</b>
	£000	£000	£000	£000	£000	£000
<b>Capital Programme 2019/21</b>						
Equipment and Adaptations	21	1,000	585	(415)	(415)	
Major Component Replacement	54	1,812	1,303	(509)	(509)	
Heating/Energy Efficiency	127	5,346	3,577	(1,769)	(1,989)	220
External Fabric (Major Component Replacement)	190	8,964	4,980	(3,984)	(4,096)	112
External Fabric (Environmental Improvements)	37	1,328	1,160	(168)	(168)	
Healthy, Safe and Secure	7	654	339	(315)	(315)	
Retentions	27		80	80	80	
Insurance works				0	0	
<b>Total 2019/21 Programme</b>	<b>463</b>	<b>19,104</b>	<b>12,024</b>	<b>(7,080)</b>	<b>(7,412)</b>	<b>332</b>
<b>Council House Building Capital Programme</b>						
New Council House Buildings	965	39,766	39,766	0	0	
Individual House Purchases	130	1,300	1,300	0	0	
One-Bed Accommodation		0		0	0	
<b>Total Council Building Programme</b>	<b>1,095</b>	<b>41,066</b>	<b>41,066</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>1,558</b>	<b>60,170</b>	<b>53,090</b>	<b>(7,080)</b>	<b>(7,412)</b>	<b>332</b>

Funding	Actual Net Year to Date	Revised Net Budget	Year End Estimated Net Outturn	Year End Net Variance
	£000	£000	£000	£000
<b>Investment Programme</b>				
Useable Capital Receipts	(11)		70	70
RHI Income	77		150	150
Sale of LIFT Properties				0
Government Grant	1,002	20,017	20,017	0
Landbank		3,180	3,180	0
Borrowing	490	36,147	28,878	(7,269)
Capital from Current Revenue		826	795	(31)
<b>GROSS FUNDING</b>	<b>1,558</b>	<b>60,170</b>	<b>53,090</b>	<b>(7,080)</b>