

**NORTH LANARKSHIRE COUNCIL  
REPORT**

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE	Subject: HOUSING CAPITAL PROGRAMME (HRA)	
From: HEAD OF HOUSING SERVICES	2007/08 FINAL OUTTURN AND 2008/09 MID-YEAR REVIEW	
Date: 20 AUGUST 2008	Ref: MP/UC/DL	

**1. Introduction**

The purpose of this report is to advise Committee on the final outturn on the 2007/08 Housing Capital Programme (HRA) and review spending plans for the current year.

**2. 2007/08 Programme**

2.1. The final outturn on the 2007/08 Capital Programme totalled £44.104m. This was in line with the provisional outturn position reported to Committee in May (after adjusting for savings of £700,000 on professional fees set aside for the new build programme) and was matched in full by resources, the make up of which is set out in table 1.

	£000
Capital receipts	20,848
Revenue contribution	11,255
Grants	1,165
Borrowing	10,836
	<u>44,104</u>

Table 1: Make up of Capital Resources 2007/08

2.2. The final position is summarised at Appendix 1.

**3. 2008/09 Programme**

3.1. The Housing and Social Work Services Committee, on 27 February 2008, approved a "working programme" of £48.3m for 2008/09 (including a slippage allowance of approximately 12%).

3.2. A review of the programme is now required to ensure that spending plans are re-aligned to reflect updated resource and expenditure projections, together with variations in the level of commitment brought forward from 2007/08.

3.3. Based on current assumptions, capital receipts are expected to be approximately £4.3m lower than previously anticipated due to a reduction in the level of Right to Buy sales forecast for the year.

- 3.4 To offset this shortfall, it is proposed to vary prudential borrowing in the current year, financing the servicing costs in subsequent years through additional rental income generated from a higher-than-budgeted housing stock. The level of borrowing will need to remain flexible to accommodate further changes in capital receipt levels during the remainder of the year, although it should be noted that this is likely to continue to exceed the figure included in the Council's SHQS submission approved by Committee in April 2005.
- 3.5 The revenue budget monitoring report, also presented to Committee at this time, seeks approval to use £1m of the surplus balance carried forward from 2007/08 to increase the level of resources available to finance capital investment plans in the current year, reducing the level of slippage built into the working programme.
- 3.6 Table 2 compares the current position with the outline programme approved in February 2008.

	<b>Approved</b>	<b>Proposed</b>	
	<b>Feb 08</b>	<b>Aug 08</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Prudential borrowing	11,992	16,319	4,327
Capital receipts	21,513	17,186	(4,327)
Revenue contribution	9,663	10,663	1,000
<b>Total resources</b>	<b>43,168</b>	<b>44,168</b>	<b>1,000</b>
Slippage allowance	5,132	4,132	(1,000)
<b>Working programme</b>	<b>48,300</b>	<b>48,300</b>	<b>-</b>

Table 2: Capital Resources 2008/09

#### 4. Spending Proposals

- 4.1. Revised spending proposals have been prepared for Committee's consideration and are outlined at Appendix 2.

#### 5. Recommendation

It is recommended that the Committee:

- (i) Note the final outturn on the 2007/08 HRA Capital Programme summarised at Appendix 1;
- (ii) Approve the revised 2008/09 Programme set out at Appendix 2; and
- (iii) Remit the report to the Policy and Resources Committee for consideration.



**Monica Patterson**  
**Head of Housing Services**  
**21 July 2008**

Enc.

For further information on this report please contact Una Coleman, Manager, Finance and Administration, on telephone (01698) 332787.

**HOUSING CAPITAL PROGRAMME (HRA)  
2007/08 FINAL OUTTURN**

	<b>Working Programme £000</b>	<b>Final Outturn £000</b>
<b>Estate Regeneration</b>		
Spruce Way	3	34
Coltness	108	7
Rochsoles	1	-
Sikeside	588	568
Back Court/Environmental Improvements	1,000	571
Demolitions	1,073	1,089
	<b>2,773</b>	<b>2,269</b>
<b>Energy Efficiency</b>		
Heating	8,997	8,375
Tower Blocks	2,724	2,755
Window/Door Replacement	1,490	1,227
	<b>13,211</b>	<b>12,357</b>
<b>Major Repairs</b>		
Major Repairs	1,474	1,346
Roofing/Rendering	6,921	5,090
Non Traditional Houses	1,294	508
	<b>9,689</b>	<b>6,944</b>
<b>Home Safety and Security</b>		
Asbestos Removal/Lead Pipe Renewal	303	357
Security/Entry Systems	586	567
Rewiring	3,891	2,216
Laundries	6	11
High Rise Security	132	2
	<b>4,918</b>	<b>3,153</b>
<b>Internal Upgrading</b>		
Kitchens	9,364	11,761
Bathrooms	3,494	3,453
	<b>12,858</b>	<b>15,214</b>
<b>Community Care</b>		
Community Care	468	301
	<b>468</b>	<b>301</b>
<b>Housing Management</b>		
ICT Development	500	376
Decentralisation	115	21
	<b>615</b>	<b>397</b>
<b>Miscellaneous</b>		
Retentions/Decorations Allowances/Home Loans	866	661
Grant/Recharge Income	(485)	(1,206)
Fees	4,987	4,014
	<b>5,368</b>	<b>3,469</b>
<b>Total</b>	<b>49,900</b>	<b>44,104</b>
<b>Financed by :</b>		
Capital Receipts	(23,903)	(20,848)
Revenue Contribution	(11,955) *	(11,255)
Grants	(875)	(1,165)
Borrowing	(8,130)	(10,836)
Total Resources	<b>(44,863)</b>	<b>(44,104)</b>
Slippage Allowance	(5,037)	
<b>Working Programme</b>	<b>(49,900)</b>	

\* Includes savings of £700,000 set aside for the new build programme.

## HOUSING CAPITAL PROGRAMME (HRA) 2008/09

	Existing Feb-08 £000	Proposed Aug-08 £000	Comments
<b>Estate Regeneration</b>			
Coltness	108	141	To progress demolition programme.
Sikeside	15	22	To complete refurbishment of remaining phase.
Backcourt Programme	1,211	1,211	Completion of work to Flemington Phase 2 and project surrounding Glen and Millbrae Towers in Coatbridge.
Demolitions	1,058	1,058	To undertake various demolition works at Forgewood.
	<b>2,392</b>	<b>2,432</b>	
<b>Energy Efficiency</b>			
Heating	8,442	8,742	To progress replacement heating programme for properties based on chronological ordering and ad hoc replacement systems including heating systems in multi-storey blocks.
Tower Blocks	1,824	1,174	To Progress works to Whammond and Airbles Towers (Subject to owner occupier participation)
Window/Door Replacement	1,154	1,154	To progress upgrading of single to double glazing as required.
	<b>11,420</b>	<b>11,070</b>	
<b>Major Repairs</b>			
Major Repairs	707	707	To progress lift replacement programme; floor coverings to common areas in multi-storeys in the South area; structural repair work in Jerviston; replacement of refuse chutes at Merryton and Muirhouse Towers; completion of work for adaptation of houses in Pine Court for mainstream housing.
Roofing/Rendering	6,429	6,429	Amalgamated budget to commence chronological programme of roofing, render and drydash replacement including allowance for loft and cavity wall insulation.
Non Traditional Houses	1,229	1,239	To progress remedial structural work to Weir Multicom houses; refurbishment of Whitsun Fairhurst houses at Condorrat and Cumbernauld; and tenanted blocks of ministry houses at Thankerton Avenue.
	<b>8,365</b>	<b>8,375</b>	
<b>Home Safety and Security</b>			
Lead Pipe Renewal	303	303	To continue planned lead pipe renewal programme based on priority ordering from consultants survey.
Security/Entry Systems	512	512	To progress door entry programmes.
Rewiring	3,832	4,332	To progress rewiring programme based on chronology. To continue rewiring programme/emergency lighting/security to communal areas in multi-storeys and IRS programme.
Laundries	20	20	To complete replacement of laundry equipment to Glen Tower and Phylis Jane Court.
High Rise Security	306	106	To commence programme of prioritised works based on health and safety risk assessments for multi storey flats.
	<b>4,973</b>	<b>5,273</b>	
<b>Internal Upgrading</b>			
Kitchens	9,847	9,847	To continue kitchen renewal in chronological or modernised order.
Bathrooms	4,257	4,257	To continue bathroom replacement programme.
	<b>14,104</b>	<b>14,104</b>	
<b>Community Care</b>	<b>731</b>	<b>731</b>	To upgrade alarm systems to sheltered housing complexes and complete common room facilities in Kilsyth; undertake major adaptations.
<b>Housing Management</b>			
ICT Development	250	250	To develop ICT systems.
Office Upgrade	199	35	To upgrade office accommodation and First Stop Shops.
	<b>449</b>	<b>285</b>	
<b>Miscellaneous</b>			
Retentions/Decoration Allowances/ Home Loans/Homelessness	866	1,030	
Fees	5,000	5,000	
	<b>5,866</b>	<b>6,030</b>	
<b>Total</b>	<b>48,300</b>	<b>48,300</b>	