

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE	Subject: HOUSING CAPITAL PROGRAMME (HRA)	
From: HEAD OF HOUSING SERVICES	2008/09 FINAL OUTTURN AND 2009/10 MID-YEAR REVIEW	
Date: 21 OCTOBER 2009	Ref: MP/UC/DL	

1. Introduction

The purpose of this report is to advise Committee on the final outturn on the 2008/09 Housing Capital Programme (HRA) and review spending plans for the current year.

2. 2008/09 Programme

- 2.1. The final outturn on the 2008/09 Capital Programme totalled £43.426m. 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	11,632
Revenue contribution	9,963
Borrowing	21,831
	<u>43,426</u>

Table 1: Make up of Capital Resources 2008/09

- 2.2. The final position is summarised at Appendix 1.

3. 2009/10 Programme

- 3.1. The Housing and Social Work Services Committee, on 13 May 2009, approved a "working programme" of £58.1m for 2009/10 (including a slippage allowance of approximately 10%). The programme was subsequently updated to reflect the inclusion of the new build programme, increasing the "working programme" to £59.673m
- 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 2008/09.
- 3.3. Based on current assumptions, capital receipts are expected to be approximately £7.944m 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.
- 3.5 Table 2 compares the revised position with the outline programme approved previously.

	Existing	Revised	Variance
	£000	£000	£000
Prudential borrowing	30,154	38,098	7,944
Capital receipts	13,363	5,419	(7,944)
New Build	2,273	2,273	-
Revenue contribution	8,042	8,042	-
Total resources	53,832	53,832	-
Slippage allowance	5,841	5,841	-
Working programme	59,673	59,673	-

Table 2: Capital Resources 2009/10

4. Spending Proposals

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

5. Financial Concurrence

- 5.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services.

6. Recommendation

It is recommended that the Committee:

- (i) Note the final outturn on the 2008/09 HRA Capital Programme summarised at Appendix 1;
- (ii) Approve the revised 2009/10 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
29 September 2009

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

**HOUSING CAPITAL PROGRAMME (HRA)
2008/09 FINAL OUTTURN**

PROGRAMME	Working Programme £000	Final Outturn £000
Estate Regeneration		
Coltess refurbishment	133	115
Sikeside	(10)	20
Back court programme	1,245	1,013
Demolitions	901	810
Sub Total	2,269	1,958
Energy Efficiency		
Heating	9,033	8,831
Tower Blocks	398	697
Window/Door Replacement	1,578	1,703
Sub Total	11,009	11,231
Major Repairs		
Major Repairs	673	527
Roofing/Rendering	7,162	5,755
Non Traditional Houses	858	812
Sub Total	8,693	7,094
Home Safety and Security		
Asbestos Removal/Lead Pipe Removal	291	281
Security/Entry Systems	546	489
Rewiring	4,664	2,701
Laundries	60	89
High Rise Security	106	6
Sub Total	5,667	3,566
Internal Upgrading		
Kitchens	10,210	10,329
Bathrooms	4,877	5,017
Sub Total	15,087	15,346
Community Care		
Community Care	460	403
Sub Total	460	403
Housing Management		
IT Development	250	211
Decentralisation	5	1
Sub Total	255	212
Miscellaneous		
Retentions/Allowances/Home Loans/ Homeless	929	676
Grant/Recharge Income	(1,110)	(1,047)
Fees	4,300	3,933
New Build	741	54
Sub Total	4,860	3,616
Total	48,300	43,426

Financed by:

Borrowing	(21,104)	(21,831)
Capital Receipts	(12,401)	(11,632)
Revenue Contribution*	(10,663)	(9,963)

Total	(44,168)	(43,426)
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Slippage	(4,132)	
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Working Programme	(48,300)	
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* Includes savings of £700,000 set aside for the new build programme

**North Lanarkshire Council
Capital Programme (HRA) 2009/10**

	Total Working Programme	Total Revised Working Programme	Movement	Description
	£59.673M	£59.673M		
Estate Regeneration				
Sikeside	18	0	-18	Refurbishment work completed
Back court programme	1,006	261	-745	To continue programme of back court upgrades throughout North Lanarkshire. Budget reduced due to timescales involved in the necessary consultation process with tenants and owners
Demolitions	159	166	7	To complete demolition works at Forgewood. All blocks now demolished
Estate Regeneration/ Environmentals Sub TOTAL	1,183	427	-756	
Energy Efficiency				
Heating	12,449	12,188	-261	To continue replacement heating programme for existing heating systems and ad hoc replacement systems. Programme includes replacing heating systems in multi storey towers and completion of programme to replace IMI powermax boilers
Tower Blocks	4,005	3,412	-593	To complete works to Airbles and Whammond Towers and replace windows causing water penetration at Brandon Court.
Windows/Door Replacement	1,857	2,135	278	To progress upgrading of windows as required
Energy Efficiency Sub TOTAL	18,311	17,735	-576	
Major Repairs				
Major Repairs	709	776	67	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 for towers.
Roofing/Rendering	8,003	7,977	-26	Amalgamated budget to commence chronological programme of roofing and render and drydash replacement including allowance for loft and cavity wall insulation installation and replacement where required.
Non-traditional houses	1,793	1,573	-220	To complete remedial structural work of Weir Multicom houses and to undertake a further phase of refurbishment works to Weir Multicom houses in Newarthill; to complete last phase of works to Whitson Fairhurst houses in Condorrat and last phase of works to Ministry houses at Holytown
Major Repairs Sub TOTAL	10,505	10,326	-179	
Home Safety and Security				
Lead pipe renewal	359	375	16	To continue planned lead pipe renewal programme based on priority ordering
Security/Entry Systems	339	381	42	To progress door entry programmes
Rewiring	4,971	4,719	-252	To continue rewiring programme based on chronology and IRS programme prior to planned switchover in the Scottish Television Area in 2011
Security Measures	575	564	-11	To commence programme of prioritised works including emergency lighting based on health and safety risk assessments for multi storey flats and replacement of CCTV at the Jewel scheme
Home Safety and Security Sub TOTAL	6,244	6,039	-205	
Internal Upgrading				
Kitchen	9,429	11,942	2,513	To continue kitchen renewal in chronological or modernised order
Bathrooms	5,052	6,109	1,057	To continue bathroom replacement programme
Internal Upgrading Sub TOTAL	14,481	18,051	3,570	

**North Lanarkshire Council
Capital Programme (HRA) 2009/10**

	Total Working Programme	Total Revised Working Programme	Movement	Description
	£59.673M	£59.673M		
Community Care				
Community Care	711	573	-138	To upgrade alarm systems to sheltered housing complexes and undertake major adaptations in line with assessed need.
Community Care SUB TOTAL	711	573	-138	
Housing Management				
IT	250	250	0	To develop IT systems
Office Upgrade/Homelessness/Home Loans	165	135	-30	
Housing Management SUB TOTAL	415	385	-30	
Miscellaneous				
Decoration Allowances	1,200	781	-419	Decoration allowances in association with heating, rewiring, kitchen and bathroom works.
Grant Recharge Income	0	-1,300	-1,300	
Fees	4,350	4,350	0	
Miscellaneous Sub TOTAL	5,550	3,831	-1,719	
New Build				
New Build	2,040	2,073	33	
Fees	233	233	0	
TOTAL	59,673	59,673	0	NB Figures include for 10% slippage