

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref GT/AN

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HRA Capital Monitoring Report – 1 April to 19 July 2019

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Executive Summary

The purpose of this report is to review progress towards agreed spending plans within the 2019/20 HRA capital programmes. At this stage in the year all programmes are on target to fully spend.

Recommendations

It is recommended that Communities and Housing Committee:

- i) Notes the financial position of the 2019/20 HRA Capital Programmes

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

1.1 Mainstream Working Programme

- 1.1.1 The Enterprise and Housing Committee, on 13 February 2019, approved an outline mainstream programme for 2019/20 based on targeted expenditure of £63.4m. Taking into account slippage of £4.8m, this amounts to a working programme of £68.2m, made up as follows:

	£000
Prudential Borrowing	40,974
Capital Funded from Current Revenue (CFCR)	22,476
Total projected resources	<u>63,450</u>
Slippage allowance	<u>4,780</u>
Working programme	<u>68,230</u>

1.2 New Build Programme

- 1.1.2 The 2019/20 working programme for new build is £19.715m, with 149 completions expected for the year and is funded as follows:

	£000
Prudential Borrowing	1,437
Capital Funded from Current Revenue (CFCR)	4,670
Scottish Government Grant	13,608
Total projected resources	19,715

1.3 Council Buy Back Schemes

1.3.1 As part of the 2019/20 Revenue Estimates, the budget provided for the continuation of both the Council's Empty Homes Purchase Scheme (EHPS) and the Open Market Purchase Scheme (OMPS). This will allow approximately 132 properties to be brought back into Council use.

1.3.2 Funding requirements for 2019/20 for the Council Buy Back Scheme is made up as follows:

	£000
Prudential Borrowing	11,000
Scottish Government Grant	1,500
Total projected resources	12,500

2. Report

2.1 Budget Monitoring Report

2.1.1 A summary of the mainstream working programme and actual spend to 19 July 2019 (Period 4) is included within Appendix 1, highlighting that at this stage in the financial year:

- £58.350m (86% of the working programme) has been legally committed; and
- £15.155m (24% of the projected resources) has been spent.

2.1.2 Spend to date is higher than recent previous years, with legal commitments substantially higher than previous years. The remainder of the programme is on target to fully spend.

2.1.3 The service is in the process of completing the procurement and commencing contracts for the tower programmes. The timing of these actions will have an impact on the expenditure profile associated with tower improvement works. This will be monitored throughout the remainder of the financial year alongside the additional requirements associated with smoke and heat detector installation programme (which is subject to a separate report at this Committee).

2.1.4 Although right to buy has now ceased there are a few houses still to settle with Legal during 2019/20. This is reflected in the position shown in Appendix 1.

2.2 New Build

2.2.1 A summary of projected spend on the new build programme is contained within Appendix 2. Projected spend currently totals £19.776m and is funded by Prudential Borrowing and Scottish Government Grant

2.2.2 To date 683 new build homes have been completed as part of the Council's ambitious new supply programme of 5,000 new homes. 116 homes were completed during

2018/19 and it is projected that 149 will complete in 2019/20, with 147 homes currently under construction.

2.2.3 Sites have been identified and approved at Committee for a further 1,244 homes across 25 sites, with site investigations, title checks and design development on these sites progressing.

2.2.4 The Council has appointed a design team who are progressing layouts and designs for a number of sites, with site investigations underway.

2.3 Council Buy Back Scheme

2.3.1 A summary of the projected spend on the Council Buy Back Schemes is also contained within Appendix 2. Projected spend currently totals £12.5m jointly between the Empty Homes and Open Market Purchase Schemes, and is funded by Prudential Borrowing and Scottish Government Grant. To date, a total of 34 properties have been brought back into use as affordable housing in 2019/20. The final cost of borrowing will equate to a potential drawdown of £0.367m in 2019/20 from the £2.292m set aside for "Our Ambition"

3. Equality and Diversity

3.1 Fairer Scotland Duty

There are no specific impacts on Fairer Scotland.

3.2 Equality Impact Assessment

There are no specific Equality Impact Assessments to note.

4. Implications

4.1 Financial Impact

The financial impact is contained within the body of the report.

4.2 HR/Policy/Legislative Impact

There are no HR/Policy/Legislative impacts.

4.3 Environmental Impact

There are no environmental impacts.

4.4 Risk Impact

4.4.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy (September 2012), Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.

4.4.2 To minimise risk this report has been prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with Financial Regulations.

5. Measures of success

- 5.1 The successful delivery of the HRA capital programmes, providing high quality housing stock.

6. Supporting documents

- 6.1 Appendix 1 - 2019/20 HRA Capital Programme - Mainstream Budget Monitoring Report Period 4

Appendix 2 - 2019/20 HRA Capital Programme – New Build / Council Buy Back Scheme Budget Monitoring Report Period 4



Robert Steenson
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**2019/20 HRA CAPITAL PROGRAMME
Budget Monitoring Report**

**Appendix 1
Period 4 Summary**

MAINSTREAM PROGRAMME	Working Programme £000	Legally Committed £000	Balance £000	Ledgered to Date £000	Projected Spend £000
Estate Regeneration					
Estate Regeneration	360	240	120	195	320
Sub Total	360	240	120	195	320
Energy Efficiency					
Heating	14,110	11,745	2,365	2,805	12,752
Window/Door Replacement	7,050	6,693	357	2,439	6,693
Energy Efficiency Works	-	267	(267)	50	267
Sub Total	21,160	18,705	2,455	5,294	19,712
Major Repairs					
Major Repairs	2,440	815	1,625	532	1,384
Roofing/Rendering	12,210	10,744	1,466	3,831	10,744
Sub Total	14,650	11,559	3,091	4,363	12,128
Home Safety and Security					
Lead Pipe	390	1,500	(1,110)	498	1,500
Entry Systems	440	400	40	-	400
Rewiring	-	479	(479)	283	479
Security Measures	-	-	-	-	-
Sub Total	830	2,379	(1,549)	781	2,379
Tower Strategy					
Tower Strategy	15,570	14,840	730	1,875	14,319
Sub Total	15,570	14,840	730	1,875	14,319
Internal Upgrading					
Kitchens	3,330	3,018	312	844	3,018
Bathrooms	7,770	6,998	772	1,713	6,998
Sub Total	11,100	10,016	1,084	2,557	10,016
Community Care					
Community Care	300	151	149	52	300
Sub Total	300	151	149	52	300
Fees / Miscellaneous					
Fees / Miscellaneous	4,500	40	4,460	40	4,540
Grants	(240)	-	(240)	(2)	(240)
Sub Total	4,260	40	4,220	38	4,300
TOTAL (Mainstream Programme)	68,230	57,930	10,300	15,155	63,474
0					
Financed by:					
Borrowing	(40,974)			-	(40,937)
Capital Receipts	-			(37)	(37)
CFCR	(22,476)			-	(22,476)
Slippage	(4,780)			-	-
TOTAL RESOURCES	(68,230)			(37)	(63,450)
Over/(underspend)					
				15,118	24

NEW BUILD PROGRAMME	Working Programme £000	Legally Committed £000	Balance £000	Ledgered to Date £000	Projected Spend £000
New Build	18,095	18,156	(61)	1,887	18,095
Fees	1,620	-	1,620	-	1,620
TOTAL (New Build Programme)	19,715	18,156	1,559	1,887	19,715
Financed by:					
Borrowing	(1,437)			-	(1,437)
CFCR	(4,670)			-	(4,670)
Scottish Government New Build Grant	(13,608)			760	(13,608)
Total	(19,715)			760	(19,715)
Over/(underspend)				-	-

Council Buy Back Schemes	Programme £000	Committed £000	Balance £000	Ledgered to Date £000	Projected Spend £000
Empty Homes and Open Market					
Empty Homes and Open Market	12,205	3,349	8,856	2,332	12,205
Fees / Recharges	295	-	295	-	295
TOTAL	12,500	3,349	9,151	2,332	12,500
Number of Houses Brought Back to Use		48		31	150
Financed by:					
Scottish Government Grant	(1,500)			0	(1,500)
AHP (Commuted Sums)	0			0	0
Borrowing	(11,000)			0	(11,000)
Total	(12,500)				(12,500)
Reduction / (Increase) in borrowing				-	-