

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 28 JANUARY 2004

HOUSING CAPITAL PROGRAMME 2003/2004 MONITORING STATEMENT

Report by the Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the current status of projects within the Housing Capital Programme 2003/2004 and to set out the current position in relation to financial monitoring and physical progress.

2. BACKGROUND

- 2.1 At the meeting on 21st May 2003, Housing Committee approved a Capital Programme identified against a number of budgetary sub-headings, which took account of the projected income of £9.244m.
- 2.2 At the meeting of 3rd September 2003, Committee was advised that projected income for the current financial year had been increased to £10.097m. The increase was due to the inclusion of an allowance for income from adjoining owners affected by the programmed works; confirmation of grant funding from the Scottish Executive in respect of the installation of gas central heating to certain addresses which meet the qualification criteria for the grant; and the carry forward of an underspend from last financial year.
- 2.3 At the meeting of 5th November 2003, Committee was advised of an increase in projected income from Council house sales, which enabled a compensating reduction in the C.F.C.R. contribution to the Capital Programme, thereby maintaining the same overall level of funding of £10.097m.
- 2.4 As the financial year has progressed, there has been a number of changes and modification to the Capital Programme and these have been reported to Committee in the normal manner.

3. INCOME

- 3.1 The anticipated income to the Capital Programme from Owner Occupiers for common works and adjoining works has been reduced by £0.066m to £0.110m. This is a consequence of delays being experienced in reaching agreement with the various owner occupiers for the works to proceed. Negotiations are ongoing with a number of owners to enable agreement, however, resistance is being experienced, mainly upon those projects where Council grant funding is not made available.
- 3.2 The further consequence of protracted negotiation with Owner Occupiers for common works is the prevention of work being carried out to the whole of the effected block, and a shortfall in expenditure.
- 3.3. The projected income is detailed upon the attached monitoring statement.

4. CURRENT STATUS

- 4.1 The attached monitoring statement allows for the anticipated changes in expenditure which are required through modification of the Capital Plan and also sets out any anticipated changes which are required to the programme.
- 4.2 There are a number of changes to the programme and these currently represent an under commitment of £0.008m. There is still ongoing works upon the programme which has the potential to be disrupted by exceptionally inclement weather. Furthermore, the timescale for agreement with adjoining owners has a continuing detrimental effect to the programming of works. The programme will continue to be monitored and modified as any change becomes necessary and the detail of that will be reported to Committee in the normal way.
- 4.3 The anticipated expenditure and income figures included within the monitoring statement is consistent with those submitted to the Budget Scrutiny Group.

5. DETAILS OF MODIFICATION TO THE CAPITAL PLAN

5.1 Central Heating

The estimated cost of carrying out all works within the central heating category is £1.892m, which exceeds the current allocation for this category by £0.204m. The main reasons for this are an increase in numbers of installations being carried out, together with the cost of works to phase 3 being in excess of the funding from the Scottish Executive Heating Support Allocation. This grant is limited to £2,500/house irrespective of size. The average unit cost of installation across all house types is £3,300/house, inclusive of disturbance allowance to tenants.

5.2 Bathroom Refurbishment

The bathroom refurbishment programme for the current year has been augmented by a further phase of works to 85 houses. Estimated expenditure upon the bathroom refurbishment programme for the current year is £0.440m.

5.3 Demolitions

The demolition programme for the current year has been augmented by further schemes to demolish existing properties at 116-146 Barshare Road, Cumnock, and 13-19, 27a, 65-107 Campbelton Drive/27a Kirn Road, Kilmarnock. Estimated expenditure upon the demolition programme for the year is currently £0.543m.

5.4 Asbestos Removal

The asbestos testing being carried out in parallel with the kitchen replacement and gas central heating programmes is finding a higher incidence of artex and similar material than had been anticipated. Consequently, estimated expenditure for the year is currently £0.088m. The increased incidence of this material is however having a detrimental effect upon the progress of the kitchen replacement programme in particular.

6. FURTHER ADJUSTMENT OF THE CAPITAL PLAN

6.1 In the event that any further underspend is identified upon the Housing Capital Programme during the currency of the financial year, authority is sought to enter into extension to existing Contracts, where it is prudent to do so, based upon existing rates and conditions, and subject to satisfactory negotiation and agreement with the relevant Contractor. The extent of any such extension will be subject to the approval of the Director of Homes and Technical Services following consultation with the Chair of the Housing Committee, and the details to be reported to the Housing Committee at a future date.

7. LEGAL/POLICY IMPLICATIONS

7.1 Nil.

8. FINANCIAL IMPLICATIONS

8.1 The Capital Programme enables the Council to carry out its responsibilities towards its tenants in the maintenance and improvement of the Housing Stock.

9. RECOMMENDATIONS

9.1 It is recommended that Committee:

- i) Approve the procedure for possible extension of contracts as listed at paragraph 6.1; and
- ii) Otherwise note the contents of the report.

James Lavery
Director of Homes and Technical Services
7 January 2004

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Mr Alan Paterson, Principal Quantity Surveyor, Technical Services, on 01563 555249.

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