

## EAST AYRSHIRE COUNCIL

### HOUSING COMMITTEE – 12 SEPTEMBER 2001

#### HOUSING CAPITAL PROGRAMME TO PERIOD 5

**Joint Report by the Director of Homes & Technical Services and  
the Director of Finance**

#### 1 PURPOSE OF REPORT

- 1.1 To update Members on the current projected out-turn position for the Housing Capital Programme 2001/02

#### 2 CURRENT POSITION

- 2.1 The following table summarises the current position as at 26 August 2001, Period 5, together with the projected out-turn position at the financial year-end. A full analysis of the programme identifying the anticipated phasing and progress of schemes is included within Appendix 1.

Category	Original Budget 2001/02	Revised Budget 2001/02	Actual Expend' as at 26 August 2001	Projected Actual at 31 March 2001	Variance from Revised Budget
Prior Year Schemes – Retention's	0.286	0.479	0.355	0.461	(0.018)
Energy Efficiency	2.360	2.654	0.063	2.592	(0.062)
Heatwise ILM Project	0.490	0.490	0.105	0.490	0.000
Dampness & Condensation	1.300	1.524	0.000	1.556	0.032
Improvement & Repairs	3.545	3.401	0.230	3.128	(0.273)
Safety & Crime Prevention	0.815	1.156	0.108	1.037	(0.119)
Office Accommodation – D.D.Act	0.050	0.050	0.000	0.050	0.000
Estate Initiatives	0.500	0.594	0.048	0.674	0.080
Operational Requirements	0.185	0.185	0.016	0.185	0.000
<b>Total Expenditure</b>	<b>9.531</b>	<b>10.533</b>	<b>0.925</b>	<b>10.173</b>	<b>(0.360)</b>
<b>Total Capital Funding</b>	<b>9.531</b>	<b>10.195</b>	<b>0.925</b>	<b>10.195</b>	<b>0.000</b>
<b>Net Over/(Under) Spend</b>	<b>0.000</b>	<b>0.338</b>	<b>0.000</b>	<b>(0.022)</b>	<b>(0.360)</b>

#### 3 CAPITAL EXPENDITURE

- 3.1 The Housing Capital Sub Committee on 9 May 2001 were advised of a number of anticipated alterations to the capital programme which have now been incorporated into the revised estimate for the year.

- 3.2 The Housing Capital Programme Monitoring Group met on 22 August 2001 to review the physical progress of the overall programme to date. The projected expenditure for the year of £10.173M takes account of a number of favourable variances across a range of projects, which arise as contract specifications and costs are finalised. These have been factored into the projected programme and used to finance additional anticipated schemes in respect of external painter-work and roughcast repairs, and also to align the programme within the available funding.

## 4 CAPITAL FUNDING

4.1 The following table summarises the actual funding of the capital programme, together with the increase from the original estimate.

Source	Original Estimate £'M	Revised Estimate £'M	Increase/ (Decrease)
Borrowing Consent	3.489	3.489	0.000
C.F.C.R.	4.373	4.373	0.000
Useable Receipts (R.T.B.)	1.610	1.610	0.000
Useable Receipts (Other)	0.059	0.060	0.001
Other Receipts - Recharges	0.000	0.152	0.152
Other Receipts - Grants	0.000	0.383	0.383
2000/01 Overspend	0.000	(0.046)	(0.046)
Anticipation	0.000	0.174	0.174
<b>Total Estimated Funding</b>	<b>9.531</b>	<b>10.195</b>	<b>0.664</b>

4.2 The Solicitor to the Council has indicated that the application rate in relation to potential Right to Buy sales has fallen in the period from January to August 2001 by 25% from the application rate in the same period in 2000. The decrease in the application rate in the three month period to August 2001 is however substantially lower than that in the earlier part of the year and accordingly should this trend continue an overall reduction in the application rate of approximately 21% is anticipated. The actual acceptance rate has however risen from 72% in the financial year 2000/2001 to 82% at August 2001, whilst the actual average sale price has also risen from that anticipated at the beginning of the financial year to approximately £13,100.

At this stage in the financial year it is not anticipated, given the increase in both the rate of acceptance and the average sale price, that the decrease in the application rate will have a material impact upon the level of useable capital receipts available to fund the capital programme. The position will continue to be closely monitored and appropriate action taken as necessary.

4.3 It is anticipated that additional income of approximately £0.152M may be generated through charges to adjoining owner-occupiers for works carried out, such as re-roofing and lead pipe replacement. As some of these will be subject to the award of improvement grants the programme will require to be closely controlled to ensure that the funding is matched to the relevant schemes as they take place.

4.4 Whilst the final out-turn overspend for 2000/01 is still the subject of external audit it is not expected to vary from £0.046M. This has been incorporated, along with the available anticipation of £0.174M, (5% of the consent), into the funding assumptions.

4.5 Notification has been received from the Scottish Executive that additional funding in the region of £0.383M will be made available to augment the central heating programme. This has been built into the funding assumptions.

## **5 SUMMARY**

- 5.1** This report shows that the projected cash underspend for the year is £0.022M, this represents less than 0.3% of the anticipated expenditure. At this stage of the year it is expected that the programme will be fully committed and will outturn in line with the available funding at the financial year-end.

## **6 RECOMMENDATIONS**

- 6.1** It is recommended that Members note the contents of this report.

Alex McPhee  
**Director of Finance**

James Lavery  
**Director of Homes & Technical Services**

### **LIST OF BACKGROUND PAPERS**

- 1.** Housing Capital Sub Committee 9 May 2001 – Housing Capital Programme Monitoring Statement 2001/02.

RB/ 24 August 2001

**AGENDA**