

EAST AYRSHIRE COUNCIL

HOUSING CAPITAL SUB-COMMITTEE – 9 MAY 2001

HOUSING CAPITAL PROGRAMME 2001/2002 MONITORING STATEMENT

Report by the Director of Homes and Technical Services

1. PURPOSE OF REPORT

- 1.1 To advise the Sub Committee of the current status of projects within the Housing Capital Programme 2001/2002, and to set out the current position in relation to financial monitoring and physical progress. A further monitoring statement report also sets out the anticipated outturn position for the year 2000/01

2. BACKGROUND

- 2.1 The first attached report shows the outturn position in relation to the Housing Capital Programme for 2000/01. The second attached report shows the current position in relation to the Housing Capital Programme for 2001/02. At its meeting on 6 March 2001 the Committee approved a Capital Programme taking into account the projected income of £9.786M. The attached report sets out the current physical and financial progress in relation to that Programme and where any necessary changes have taken place.

3. CURRENT STATUS OF THE 2000/01 PROGRAMME

- 3.1 The attached detailed monitoring statement sets out in detail the finalisation of the Programme for 2000/01. In total it shows an expenditure of £9,367,528.23, which represents an over-commitment of £46,397.41. This overspend is tiny by comparison with the scale of the Programme and is well within the limits which are permitted. The over-expenditure will therefore be carried forward into the 2001/02 Programme and set off against expenditure there. In general terms the Capital Programme for 2000/01 has therefore been carried out in accordance with the Council's requirements and has been satisfactorily completed. As is normal appropriate retentions are also carried forward for expenditure within the current financial year.

4. CURRENT STATUS OF THE 2001/02 PROGRAMME

- 4.1 The attached second monitoring statement sets out the physical progress of schemes within the current financial year and also sets out any anticipated changes which are likely to be required to that Programme. There are in fact a number of changes to the Programme and these represent, at the moment, a current over-commitment of £474,353.80.

There are a number of reasons which are set out in detail for this additional over-commitment. However it should be indicated to Members that at this stage there is absolutely no cause for concern about this level of over-commitment. As with all Programmes of this nature it is anticipated that there will be a degree of change and slippage and that, for example, some programmes will reduce by modest amounts as individuals choose not to take up options which are offered to them. The normal process of managing such changes will take place and will be reported regularly to the Committee as we go through the financial year.

5. DETAILS OF MODIFICATIONS TO THE CAPITAL PROGRAMME

5.1 Re-roofing

A phase of chimney removal has been introduced to the Capital Programme which was not provided for within the approved Capital Plan. The cost of this work is estimated at approximately £250,000 and some of this will be off-set by a saving of £60,545 anticipated in re-roofing phases due to the altered mix of the types of roofs which are currently being done. This phase of chimney removal has been introduced because a range of areas where the removal of chimneys is necessary has been identified, and it is anticipated that it will be more cost effective to carry out this work as part of a roofing programme rather than through the Revenue budget.

5.2 Bathroom Refurbishment

The anticipated cost of bathroom refurbishment has risen from £375,000 within the budget provisionally approved, i.e. the approved Capital Plan, to £466,470. This represents a current increase of £91,470. The primary reason for this is that the unit costs of improving bathrooms have risen as a result of increased tender prices and in addition a number of additional house types have been introduced. In particular there are 63 new Lindsay type houses introduced within the Programme. It is anticipated that it will be possible to introduce further bathroom refurbishment at a later stage in the Programme once tenders have been received for a number of other projects and prices confirmed.

5.3 Kitchen Refurbishment

Kitchen refurbishment costs have risen by a modest amount of £43,271. This is primarily because the numbers have increased by a modest amount (approximately 20 houses) in order to ensure that wherever possible kitchen refurbishment and re-wiring projects are brought together.

5.4 Lindsay House Types

The costs of refurbishment of Lindsay house types have risen by approximately £9,000. This is because it is anticipated that there will be a need for asbestos removal within these houses and rather than discover this as the work is going on it is felt more appropriate to incur costs by way of a survey at the beginning so as to identify the

appropriate need for asbestos removal and ensure that tenants are fully briefed in relation to this and are not unavoidably inconvenienced.

5.5 Re-painting of Timber Clad Houses

The costs of this work have risen from £100,000 to £194,000 primarily as a result of the poor condition of timber work identified in a range of addresses, particularly in Stewarton, and which has now been projected over the balance of the Programme. Obviously every effort will be made to ensure that the costs are held down consistent with ensuring that appropriate repairs are carried out.

5.6 Retentions

Retentions have risen from an anticipated figure of £286,000 to £479,000, taking into account the requirement to carry forward retentions from projects which were only committed at the end of the financial year as a result of the decision by the Scottish Executive to award additional funds. In addition a number of other projects have also had appropriate retentions carried forward so as to ensure that the Council's interests are protected.

5.7. Overall it is not anticipated that managing this additional early commitment will cause any particular difficulties for the Council throughout the remainder of the financial year. Regular Monitoring Reports will be put forward to the Housing Committee in the normal way.

6. LEGAL/POLICY IMPLICATIONS

6.1 The Capital Programme enables the Council to carry out its responsibilities towards its tenants in the maintenance and improvement of the housing stock.

7. FINANCIAL IMPLICATIONS

7.1 The Programme fully commits the funds which are available to the Council by way of income and appropriate action will be taken during the course of the financial year to ensure that the Council does not over-exceed its commitments by the end of the financial year.

8. RECOMMENDATION

8.1 Committee are asked to note the current position in relation to the Capital Programme and to note that further monitoring reports will be brought forward to the Housing Committee in the normal way.

James Lavery
Director of Homes and Technical Services
JL/WT

LIST OF BACKGROUND PAPERS

NIL

For further information please contact G.A.C. Johnston, Design Services Manager, Homes and Technical Services on 01563 555251.

A

AGENDA