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East Dunbartonshire Council

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**PLACE NEIGHBOURHOOD &
CORPORATE ASSETS
COMMITTEE**

THURSDAY, 9 NOVEMBER 2023

REFERENCE:

PNCA/099/23/JR

LEAD OFFICER:

DEPUTE CHIEF EXECUTIVE

CONTACT OFFICER:

**FRASER ROBB, DEVELOPMENT AND
INVESTMENT MANAGER,**

SUBJECT TITLE:

**HOUSING CAPITAL PROGRAMME
MONITORING REPORT 23-24 PERIOD 6**

1.0 PURPOSE

1.1 The purpose of this Report is to provide Members with an update on the 2023/24 Housing Capital Programme as at accounting Period 6 (to 1st October 2023).

2.0 RECOMMENDATIONS

It is recommended that the Place Neighbourhood & Corporate Assets Committee;

- 2.1** reviews the Period 6 analysis and agree that it represents an indication of the potential outturn financial position;
- 2.2** instructs Officers to continue to report on the projected financial outturn in line with the established cycle of reports; and
- 2.3** notes the content of this Report.

**ANN DAVIE
DEPUTE CHIEF EXECUTIVE**

3.0 BACKGROUND/MAIN ISSUES

- 3.1 The Housing Capital Programme for 2023/24 was approved by Council on 23 February 2023 (Report ref: CFO/008/23/JR). This Report presents a progress update to that position, covering the period from the start of financial year 2023/24 to 1 October 2023.

Capital Funding 2023/24

- 3.2 Appendix 1 provides a summary of the Capital Funding position for 2023/24. A total funding package of £20.980m was approved in February 2023, which included prudential borrowing of £5.086m. As of Period 6, projected expenditure for 2023/24 is £19.050m. Future proposals may be brought forward for the use of the Housing Revenue Account (HRA) capital reserves, which could reduce the borrowing requirement.
- 3.3 The anticipated programme of drawdown of Scottish Government grant funding for new build and open market purchases are expected to result in funding of up to £9.773m. There is no change on the position reported at the previous Place Neighbourhood & Corporate Assets Committee meeting on 24th August 2023.

Capital Budget/Expenditure

- 3.4 Appendix 1 shows the current capital expenditure forecast to be £19.050m. This reflects a reduction from the Period 3 forecast position of £20.915m (**report Ref: PNCA/078/23/JR**) primarily as a result of the re-profiling of anticipated expenditure associated with the AHIP2 programme.

Projected Variance

- 3.5 Based on current projections, the capital programme shows forecast funding of £19.050m and forecast expenditure of £19.050m. Officers will continue to review the programme and forecast expenditure and corresponding variances may be subject to further change.

Actual Expenditure

- 3.6 Capital expenditure charged to the financial ledger to 1 October 2023 was £6.226m as detailed in Appendix 1. This represents 29.68% of the total planned expenditure.

Housing Capital Programme

- 3.7 Following the completion of an Opportunities Assessment and Pathways report in relation to EESSH2, the service has initiated the procurement of contractors to take forwards pilot projects to demonstrate the impact of targeted retrofit for different archetypes across the stock. The project remains in its pre-construction phase and is currently paused awaiting conclusion of the procurement stage.
- 3.8 Good progress continues to be made in relation to the updating of Electrical Installation Condition Reports (EICRs) across the majority of the housing stock with all Council Tenants having been contacted. Officers continue to work to gain access to those homes where no response was received during the programme to date.
- 3.9 Work remains in progress to procure a new supplier for future works to complete remaining window and door installations and to provide upgraded fire doors to

common closes. While this is being established one-off installations are occurring where issues arise.

- 3.10** The next phase of the EWI programme is now underway in the Nithsdale Crescent area of Bearsden. The external wall insulation programme utilises Energy Efficient Scotland – Area Based Schemes (EES-ABS) funding which also allows non-traditional, privately owned properties to be included in the programme. Works will be in progress until early 2024.
- 3.11** A feasibility study considering options for the refurbishment of properties at the residential apartment block at Townhead, Kirkintilloch in addition to three blocks at Ellisland, Kirkintilloch is now nearing completion. The study is considering ways of achieving a very high standard of energy efficiency, to meet EESSH2 as a baseline. The project remains in pre-construction with further progress subject to the agreement of a suitable procurement route for the remainder of the design and construction phase. Anticipated expenditure for the current financial year has been adjusted this period to reflect this.
- 3.12** Works to replace roofs of Council owned properties remains ongoing. Officers are using a recently established framework for the replacement of roofs to mixed tenure blocks on a phased programme, with those roofs in the poorest condition being prioritised and this has also continued through the reporting period.

New Build Programme

- 3.13** The AHIP Phase 3 project encompassing The Loaning, Blackthorn Grove and the former Lairdsland Primary at Kerr Street in Kirkintilloch is now fully complete with the final account now in the process of being determined.
- 3.14** Planning and design work on the 11 sites that initially form the next phase of the Council's Affordable Housing Investment Programme is reaching the completion of Stage One, with McTaggart Construction and Cruden providing design work to determine costs and establish feasibility. More detail on this programme will be provided in a future update to Council later this financial year.
- 3.15** Officers are progressing an element of affordable housing development alongside the Twechar Outdoor Pursuits Centre, with the potential to provide up to 15 new council owned homes on Council land held in the HRA.

Corporate Housing Programme

- 3.16** Officers are continuing to engage with the property market to acquire properties to add to the housing stock and have been successful in purchasing 14 since the beginning of 2023/24. The number targeted for the current financial year is 25.

4.0 IMPLICATIONS

The implications for the Council are as undernoted.

- 4.1** Frontline Service to Customers – capital work to housing assets represents delivery of commitments to customers/tenants.
- 4.2** Workforce (including any significant resource implications) – None.

- 4.3 Legal Implications – None.
- 4.4 Financial Implications – Any variance on the housing programme forecast expenditure affects the overall Council borrowing requirement and will be taken into account in respect of the treasury management strategy.
- 4.5 Procurement – as referenced within the body of the Report.
- 4.6 ICT – None.
- 4.7 Corporate Assets – None.
- 4.8 Equalities Implications – The Housing Investment team work closely with development partners and their supply chain to ensure those involved with the delivery of large-scale capital projects are operated in compliance with the Equalities Act (2010).
- 4.9 Corporate Parenting – None.
- 4.10 Other – None.

5.0 **MANAGEMENT OF RISK**

The risks and control measures relating to this Report are as follows:-

- 5.1 This Report in itself represents a means of managing risk. This Report ensures that the risks associated with the completion of the Capital Programme are clearly articulated to Members. These reports are specified as risk control activities within the Strategic Risk Register.
- 5.2 Ensuring that opportunities are taken to accelerate programmes where possible to balance underspends, and that projects are in-place with potential to commence when circumstances permit.

6.0 **IMPACT**

- 6.1 **ECONOMIC GROWTH & RECOVERY** - On-going capital investment in Housing represents a significant economic development opportunity for Small and Medium Enterprises (SMEs) in East Dunbartonshire and beyond. The continuing engagement of SMEs, either directly or via the construction supply chain, remains a key consideration in the development of procurement strategies for the delivery of projects within the Housing Capital programme.
- 6.2 **EMPLOYMENT & SKILLS** - Potential for jobs through housing investment and local apprenticeship opportunities.
- 6.3 **CHILDREN & YOUNG PEOPLE** – None.
- 6.4 **SAFER & STRONGER COMMUNITIES** - Better street design to minimise criminality and design out neighbour disputes/anti-social behaviour.

- 6.5 ADULT HEALTH & WELLBEING** - Assistance with accommodating Community Care clients. 10% target for Community Care clients.
- 6.6 OLDER ADULTS, VULNERABLE PEOPLE & CARERS** – None.
- 6.7 CLIMATE CHANGE** - Housing capital investment contributes directly to the climate change agenda through the delivery of projects which reduce home energy demand and which aim to improve the energy performance and reduce carbon impact of housing in East Dunbartonshire.
- 6.8 STATUTORY DUTY** - Housing Scotland Act. The Development programme - SHIP is an extension of, and aligns to, the Local Housing Strategy (LHS) with the SHIP outlining how the Council and its partners will deliver more homes. The meeting of SHQS and EESSH minimum requirements for existing Council Housing stock.

7.0 POLICY CHECKLIST

- 7.1** This Report has been assessed against the Policy Development Checklist and has been classified as being an operational report and not a new policy or change to an existing policy document.

8.0 APPENDICES

- 8.1** Appendix 1 – Housing Capital Monitoring Report – Period 6 2023/24