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East Dunbartonshire Council

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**PLACE NEIGHBOURHOOD &
CORPORATE ASSETS
COMMITTEE**

THURSDAY, 25 JANUARY 2024

REFERENCE:

PNCA/011/24/FR

LEAD OFFICER:

**ALAN BAUER, EXECUTIVE OFFICER –
ASSETS & FACILITIES (0141 578 8624)**

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**FRASER ROBB, DEVELOPMENT AND
INVESTMENT MANAGER (0141 578 8621)**

SUBJECT TITLE:

**HOUSING CAPITAL PROGRAMME
MONITORING REPORT 23-24 PERIOD 8**

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 8 (to 26th November 2023).

2.0 RECOMMENDATIONS

It is recommended that the Place Neighbourhood & Corporate Assets Committee

2.1 reviews the Period 8 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.

**ALAN BAUER
EXECUTIVE OFFICER – ASSETS & FACILITIES**

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 26 November 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 8, projected expenditure for 2023/24 is £16.107m. 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 9th November 2023.

Capital Budget/Expenditure

3.4 Appendix 1 shows the current capital expenditure forecast to be £16.107m. This reflects a decrease from the Period 6 forecast position of £19.050m (Report Ref:) primarily as a result of the re-profiling of anticipated expenditure associated with the AHIP2 programme and Housing Capital Programme.

Projected Variance

3.5 Based on current projections, the capital programme shows forecast funding of £16.107m and forecast expenditure of £16.107m. 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 26 November 2023 was £7.735m as detailed in Appendix 1. This represents 36.87% 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 forward pilot projects to demonstrate the impact of targeted retrofit for different archetypes across the stock. The EESSH2 standard is set nationally by Scottish Government which is currently consulting with local authorities over potential changes to the standard, the results of which are expected in early 2024. In the meantime, Officers will continue to liaise with colleagues in Corporate Procurement to seek to identify a suitable procurement route for delivering Pilot projects to improve the energy efficiency of the existing housing stock in the meantime.

Forecast expenditure has been amended this period to reflect the fact that the majority of this activity is now likely to commence financial year 2024/25.

- 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. Projected overspend reflects carry forward of properties where access was unable to be obtained in previous financial years.
- 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** An initial 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 complete. The findings are currently under review by officers and a further update on next steps for each project will be included within the revised Housing Capital Investment Plan in February 2024.
- 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** 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. A detailed update on each development site will be included within the revised Housing Capital Investment Plan in February 2024.
- 3.14** 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. The planning application for the project has now been submitted. A detailed update on proposals for the site will be included within the revised Housing Capital Investment Plan in February 2024.

Corporate Housing Programme

- 3.15** 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 – none.

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 8 2023/24