

**WEST DUNBARTONSHIRE COUNCIL**

**Report by Acting Head of Housing**

**Housing Committee: 8 March 2000**

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**Subject:       Housing Revenue Account (HRA) Capital Programme 2000/2001**

**1. Purpose**

**1.1.   This report**

- i       advises members of the resources it is assumed will be available for the 2000/2001 HRA capital programme and;
- ii      recommends the HRA capital programme and budget for 2000/2001.

**2.     Resources Available for Budgeting**

**2.1   Borrowing Consent - £5,657,000**

The Scottish Executive has not yet advised West Dunbartonshire Council of its level of borrowing consent for HRA capital expenditure in 2000/2001. It is reasonable to assume that it will be similar, in cash terms, as the consent for 1999/2000. This report is therefore based on a borrowing consent of £5.657 million. This will be a reduction, in real terms, in capital investment for council houses.

**2.2   Useable Receipts - £830,750**

**2.2.1** It is estimated that receipts generated from house sales in 2000/2001 will be £2.6 million, with loan repayments generating £65,000. The Scottish Executive is not expected to change the requirement to set aside 75% of the net receipt to repay debt. The remaining 25% can be used for investment in the housing stock. This provides an estimated "useable receipt" generated from house sales and loan repayments in 2000/2001 of £763,250.

**2.2.2** There is also expected to be a transfer of land this financial year. The value of this land is still to be finalised. Its estimated value is £135,000. The Scottish Executive requires 50% of land receipts to be set aside to repay debt. £67,500 will therefore be available for investment in the housing stock from this land sale.

**2.3   Unapplied Useable Receipts carried forward - £350,000**

Unapplied useable receipts from 1999/2000 will be carried forward. This is as a result of slippage on 1999/2000 projects. Expenditure on some of these projects forms the carry forward expenditure indicated in the "carry forward" column in the budget.

## **2.4     Capital Funded from Current Revenue (CFCR) - £400,000**

This reflects the CFCR included in the 2000/2001 HRA revenue budget report submitted to Housing Committee on 23 February 2000.

## **2.5     New Deal Energy Efficiency Grant - £80,000**

The Scottish Executive has indicated that grant is likely to be awarded to local authorities for energy efficiency works on condition that the grant is used with contractors who take on New Deal personnel. We have not been informed of the maximum grant available for West Dunbartonshire Council this year, but it has been intimated the level of grant will not be less than that available in 1999/2000. It is assumed in this report that the available grant will be the same as in 1999/2000, and that our contractors will be able to employ adequate New Deal personnel to enable us to draw down the grant.

## **2.6     Slippage - £656,775**

In any programme there are likely to be delays outwith the control of the Council or its contractors. Savings can also be made on projects. It is therefore good practice to budget an overspend to ensure that if slippage/savings occur there are enough projects on site, or in a position to be brought on site, to avoid an underspend. For accounting purposes slippage is shown as a resource for budgeting. If slippage does not occur, commitments made against it will become a carry forward of committed expenditure into 2001/2002. The Scottish Executive permits an overspend of 5%. Slippage is therefore set at 10% of 2000/2001 resources (excluding resources carried forward from 1999/2000 which are already committed).

## **3.       Capital Programme - £7,574,525**

**3.1**     A substantial part of the 2000/2001 capital programme has already been approved by Council. The recommended budget is attached at Appendix 1. The "committed" column includes projects currently on site which are running into 2000/2001 and projects and programmes which have been previously agreed by Council.

## **3.2     Comprehensive Area Renewal (CAR) - £627 800**

Council has already agreed a budget of £1.5 million for the second phase of the Clydebank Central CAR project. Due to pressures on the 2000/2001 capital programme there are not adequate resources to fund this project fully this year. It is therefore recommended that the 2000/2001 budget be reduced and the remaining cost be funded from the 2001/2002 budget. This will push the site start on this project back six months to autumn 2000. £27,800 is included in this budget for retentions on previous projects.

### **3.3     Multi Storey Flats - £90,000**

#### **3.3.1   Clydebank East**

The project to introduce a concierge at Clydebank East has proved successful. However no resources were made available in that project to carry out basic environmental works which are urgently needed, primarily due to the dangerous state of the paving slabs surrounding the buildings. A small budget was made available in 1999/2000 but this is inadequate to carry out the works needed. The 1999/2000 budget has therefore been carried forward, and an additional budget of £70,000 has been made available to complete the project.

#### **3.3.2   Bellsmyre Concierge**

The introduction of a concierge service at Bellsmyre multi storey flats has already been agreed by Council. However, due to pressure on the capital programme, resources are not available in 2000/2001 to commence this project. It is recommended this project be funded from 2001/2002 budget.

### **3.4     House Condition Survey - £15,000**

The Scottish Executive indicated that it would fund West Dunbartonshire's House Condition Survey with New Housing Partnership grant. However we are still in negotiation with the Executive on this matter and it was not therefore possible to carry this out in 1999/2000. This budget is to provide our contribution to the project, the total cost of which is in the region of £100,000.

### **3.5     Ashton View - £622,000**

Council has approved additional budget to enable this project to proceed. This project is due to go on site in March 2000. The project entails complete re-roofing of the building, introduction of insulated render and upgrading of closes.

### **3.6     Tenement Demolition - £110,000**

This budget completes the demolition of tenements in Haldane, Rosshead, Renton and Castlehill agreed in 1999/2000.

### **3.7     CCTV Projects - £170,000**

West Dunbartonshire Council made a bid to the Scottish Executive for match funding for the introduction of fully functional CCTV cameras in New Bonhill. This is to tackle the serious levels of vandalism and improve community safety in the area. The estimated cost of the project is £340,000. If the bid is successful West Dunbartonshire will require to 50% fund the project.

### **3.8     Gray Street Sheltered Housing Showers - £15,000**

All tenants who indicated they wished to have showers installed in their flats will have them fitted by April 2000. This budget will provide three further showers for new tenants during the year.

### **3.9     High Value Repair Works - £1,300,000**

The report to special Housing Committee on the HRA revenue budget for 2000/2001 indicated that high value repair work of a capital nature (e.g. roofs and high specification void works) will no longer be charged to the revenue account. This budget reflects that decision.

### **3.10   Metal Roof & Render Projects - £222,000**

This completes the two projects currently on site in Clydebank to replace metal roofing which has reached the end of its life. One of these projects was started ahead of schedule. Given the pressures on the budget it has not been possible to set aside budget to commence further projects in 2000/2001.

### **3.11   Void House Projects - £132,000**

#### **3.11.1 This budget will resource the following projects**

- i)     a void feasibility study in New Bonhill, similar to those carried out in other areas a year ago, as previously agreed by Council.
- ii)    further information is needed to assess the reasons why the number of houses which no-one seems to wish to live in is increasing. The brief and programme for a Housing Need and Demand Study is currently being developed in association with West Dunbartonshire Partnership and Scottish Homes, who are likely to jointly fund the project. Further details will be brought to a future Committee, but a budget requires to be available to progress the establishment of the partnership.
- iii)   continuation of the programme of installing door entry systems and close upgrades in Craigielea Road, Duntocher.
- iv)    phase one of a project at the "duplex" houses in Whitecrook. These houses are becoming difficult to let, partly as a result of crime and fear of crime associated with "The Lanes" which run along the back of the houses. This project will aim to reduce crime and fear of crime and ease the policing of the area. The Police fully support this project.

#### **3.11.2 Some void house projects in 1999/2000 have slipped. Resources to complete these projects are being carried forward and appear in the carry forward budget. The pressure on the programme in 2000/2001 is such that no resources are available for new projects. This budget in the past has funded community safety initiatives such as door entry systems, close upgrades, lighting, CCTV, and other projects to tackle void housing**

### **3.12 Central Heating £539,000**

**3.12.1** All West Dunbartonshire houses now have full or partial heating unless a tenant has previously refused an installation. This budget completes projects in Westbridgend and Dalmuir commenced in 1999/2000. It also provides resources:

- i) to install central heating in houses where tenants have previously refused
- ii) to commence a programme of replacement of obsolete central heating systems for which parts are not available. It is recommended this budget be prioritised according to the systems most in need of replacement due to maintenance difficulties.

**3.12.2** In Littleholm multi storey flats there is a problem with the existing water heating systems which are becoming obsolete. The situation is exacerbated by the presence of asbestos. We are currently assessing options available to remedy the problem. The final decision will be taken later this year, but resources need to be set aside to enable the favoured option to proceed.

### **3.13 Windows - £1,099,400**

This budget will fund the following projects:

- i) Continuation of the Dumbarton /Alexandria programme previously agreed by Council. The tenants and residents associations in Dumbarton and Alexandria supported the proposal to increase CFCR to 52p per week and to continue to invest it in windows. This will enable the programme to be accelerated, bringing forward some houses from 2001/2002 programme into this year.
- ii) Complete Clydebank window replacement projects currently on site.
- iii) Allow the commencement of a small programme to replace individual windows which were omitted from previous programmes and are now in extremely poor condition. This project has slipped from 1999/2000 as a result of other window projects costing more than anticipated.

### **3.14 Energy Efficiency - £140,000**

The Home Energy Conservation Act (HECA) requires West Dunbartonshire to implement policies to achieve a 30% saving in energy use in housing over the ten years to 2007. This budget contributes to the achievement of the targets set in our HECA Report. This includes installation of cavity wall insulation, loft insulation and draught-proofing. The investment is also used to lever grants into West Dunbartonshire for insulation works in low income council and owner occupied housing.

### **3.15 Homelessness - £20,000**

This budget will enable the upgrading,- and/or establishment of new temporary accommodation for homeless households.

**3.16** Mains Wired Smoke Detectors - £350,000

This budget continues the programme to install mains wired smoke detectors in all council houses by 2002. The programme is targeted according to the average age of estates.

**3.17** Environmental Projects - £100,000

This budget is to carry out environmental projects throughout West Dunbartonshire.

**3.18** Community Safety Project (Care and Contact - £15,000

A small community safety project was funded in 1999/2000 to install door chains, security lights, door viewers, etc. into council houses outwith the SIP areas where the tenant was elderly or vulnerable. (West Dunbartonshire Partnership funds this project in the SIP areas.) This budget, together with a carry forward of uncommitted resources from the 1999/2000 budget, will enable the project to continue to run this year.

**3.19** Painterwork - £136,000

In 1999/2000 this project was transferred from the revenue budget to the capital budget. This budget will complete the project underway in Whitecrook and Old Kilpatrick. There are not adequate resources to be able to commence any new painterwork projects in 2000/2001.

**3.20** Asbestos Contingency - £100,000

When asbestos is identified in situations where works are required the cost can be substantial. A contingency budget has therefore been established in this years capital programme to deal with asbestos where necessary.

**3.21** Mortgage Lending To Right To Buy Purchases - £110,000

Tenants purchasing houses from the Council have a right to a mortgage from the Council if they so choose. Resources for this lending have to come from HRA capital.

**3.22** Information Technology - £30,000

Following local government re-organisation substantial investment has been made on purchasing new computer systems to deal with repairs, allocations and rent accounting. These systems are now operational, hence the substantial reduction in the information technology budget for the coming year.

**3.23** House Sales Costs - £213,000

These are the costs associated with selling of houses through "Right to Buy".

### **3.24 Capitalised Salaries Offices Central Support Etc. £294,000**

All staff working on capital projects are resourced from the capital programme. Also included in this figure is a budget for housing office improvements, and fees charged by other departments (Finance, Corporate Services) for the work they carry out on capital programme related projects.

### **3.25 Commercial and Technical Services - £742,000**

This is the cost for the architectural, quantity surveying, clerk of works and planning supervisor services provided by the Department of Commercial and Technical Services.

### **3.26 Carry Forward - £582,325**

#### **3.26.1 This budget resources**

- i) projects which are on site at financial year end and require payments in 2000/2001
- ii) projects which have council approval that have slipped and not commenced on site, but will do so shortly.
- iii) retentions on contracts which are kept for one year following completion of projects.

**3.26.2** Some of the above are included under specific budget heads in the programme, while others are included as a lump sum in this figure.

## **4. Consultation**

**4.1** Three consultation meetings have been held to discuss the capital programme with tenants representatives. The representatives were broadly in agreement with the programme.

**4.2** ACRG raised concerns regarding the lack of investment in Second Avenue sheltered housing. They considered that this may be a project suited to investment from CFCR, but also requested funding from the capital programme. The needs of this sheltered housing will be assessed prior to meeting with the tenants associations in Clydebanks to discuss potential CFCR projects.

## **5. Recommendations**

**5.1** Members are requested to consider and approve the above report and the programmes and budgets contained therein.

**5.2** If these recommendations are accepted the Council will require to ratify the decision as it is outwith the delegated powers of this Committee.

- 5.3** The approved capital programme will form the basis of the 2000/2001 Housing Capital Plans, Annual Policy Statement and Housing Checklist which we would expect will require to be submitted to the Scottish Executive over the next few weeks.

Cy Neil  
Acting Head of Housing

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**Background Paper:**

Housing Committee, 12 January 2000 - HRA Capital Programme 1999/2000 - January Update

Housing Committee, 24 November 1999 - HRA Capital Programme 1999/2000 and 2000/2001

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