

WEST DUNBARTONSHIRE COUNCIL

Report by Acting Director of Housing, Regeneration and Environmental Services (Housing and Regeneration Services)

Council: 28 February 2007

Subject: HRA Capital Programme 2008/2009 and 2009/2010

1. Purpose

- 1.1** To seek approval in principle for the 2008/2009 and 2009/2010 HRA Capital Programme.

2. Background

- 2.1** At the Council meeting on 8 February 2007, Council approved the HRA Capital Programme 2007/2008 in the total amount of £17,002,000.
- 2.2** Item 2.6 of 8 February 2007 Council report noted that full details of the capital programme as it affects years 2008/2009 and 2009/2010 would be reported to the Council meeting scheduled to be held on 28 February 2007.

3. HRA Capital Programmes - Proposed 2008/2009 and 2009/2010 Budgets

- 3.1** A number of the 2007/2008 agreed budgets will be committed but may not achieve full spend by 31 March 2008. There will be no requirement to amend these budgets as any underspend against the budgets in 2007/2008 will be carried forward as committed expenditure against 2008/2009 budgets. With the introduction of the prudential borrowing regime there is no longer an issue of "forfeiting" borrowing consent as a result of under spending budgets. Instead, any borrowing planned but not taken up in 2007/2008 can be taken up in 2008/2009, in addition to planned new borrowing, as long as it is prudent to do so.
- 3.2** In terms of budget description headings proposed for spend profiles in 2008/2009 and 2009/2010, these follow those agreed by Council for 2007/2008 HRA Capital Plan with the exception during 2009/2010 when no allowance has been made for Communal/Digital TV Systems on the basis that the rolling programme to upgrade all communal tv systems to digital capacity and be digital ready will be completed by 2009.

4. Resources for Budget Purposes

4.1 Councils are able to borrow up to a level that is considered to be prudent for the authority. The borrowing requirement for the 2008/2009 financial year is £10.952m and for the 2009/2010 financial year the borrowing requirement is £11.352m as shown on Appendix 1.

4.2 These borrowing requirements are after taking account of slippage of £0.6m for both financial years and capital receipts of £4.450m for 2008/2009 and £4.050m for 2009/2010.

5. Personnel Issues

5.1 Staff input will be required to control and monitor expenditure on budget headings for years 2008/2009 and 2009/2010.

6. Financial Implications

6.1 The budget headings as described generally in Section 3 and as detailed in Appendix 2 are those considered appropriate to contribute towards Council objectives in meeting the Scottish Housing Quality Standard (SHQS) by 2015.

6.2 The 2008/2009 HRA indicative Capital budget amounts to £16.002m and the 2009/2010 HRA indicative Capital budget also amounts £16.002m as detailed in Appendix 2.

6.3 As reported in paragraph 4.1 the borrowing requirements to support these capital budgets are £10.952m for 2008/2009 and £11.352m for 2009/2010.

7. Risk Analysis

7.1 The Council is obliged to meet the SHQS by 2015 and continued expenditure in the HRA Capital Programme will continue to reduce the risk of failure to comply. A risk existing is the difficulty however in securing participation in cost apportionment by owner occupiers in multi tenure blocks where little or no grant may be available. Options available to address this situation will be considered and discussed with Legal Department colleagues.

8. Conclusions

8.1 This report outlines budget heading proposals to upgrade housing stock via expenditure as listed in Appendix 2 and describes the general component headings requiring attention in line with the stock condition survey. Agreement in principle to the amounts listed will afford a measure of assurance of funding being available for projects ongoing in one financial year transgressing into the following financial year.

9. Recommendation

- 9.1 Members are invited to consider and approve in principle the proposed capital budgets for 2008/2009 and 2009/2010 as indicated in this report.**

Irving Hodgson
Acting Director of Housing, Regeneration and Environmental Services
(Housing and Regeneration Services)
13 February 2007

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| Appendices: | 1. Resources for Budgeting 2. Summary of HRA Capital Programme for 2008/09 and 2009/10 |
| Background Papers: | 1. Report to Council 8 February 2007 – HRA Capital Programme 2007/08 |
| Wards Affected: | All |

Proposed HRA Capital Programme 2008/2009 and 2009/2010**Report to Council 28 February 2007**

| Budget Heading | Agreed 2007/08 Budget | Proposed 2008/09 Budget | Proposed 2009/10 Budget |
|---|--------------------------------------|--|--|
| Tenement Demolition | £150,000 | £100,000 | £100,000 |
| Kitchen Upgrades | £4,000,000 | £3,800,000 | £3,800,000 |
| Environmental improvements | £1,250,000 | £1,000,000 | £1,000,000 |
| CCTV Projects | £25,000 | £20,000 | £20,000 |
| Safety/Security Projects | £70,000 | £70,000 | £50,000 |
| Close Upgrades | £300,000 | £300,000 | £300,000 |
| Special Needs - Major Projects | £325,000 | £200,000 | £200,000 |
| Communal/Digital TV Systems | £280,000 | £280,000 | £0 |
| Building Improvement/Painterwork | £600,000 | £600,000 | £600,000 |
| Re - roofing | £650,000 | £650,000 | £650,000 |
| Bathroom Upgrades | £1,350,000 | £1,250,000 | £1,250,000 |
| Minor Capital Projects | £300,000 | £200,000 | £300,000 |
| Void House Strategy | £2,000,000 | £1,500,000 | £1,700,000 |
| Feasibility Studies, Surveys, etc. | £220,000 | £100,000 | £100,000 |
| Central Heating | £950,000 | £950,000 | £950,000 |
| Metal Roof/Overclad Projects (Non - Trad. Insulation) | £250,000 | £250,000 | £250,000 |
| HECA/Fuel Poverty Activity | £100,000 | £70,000 | £70,000 |
| Lead Pipe Upgrades | £40,000 | £20,000 | £20,000 |
| Asbestos Contingency | £200,000 | £200,000 | £200,000 |
| Lift Upgrades | £400,000 | £400,000 | £400,000 |
| Multi-Storey Comp Area Renewal | £1,500,000 | £2,000,000 | £2,000,000 |
| Mortgage Lending | £70,000 | £70,000 | £70,000 |
| House Sales Costs, Capitalised Salaries and Central Support, etc | £1,872,000 | £1,872,000 | £1,872,000 |
| Carry Forward of Committed Projects | £100,000 | £100,000 | £100,000 |
| Total | £17,002,000 | £16,002,000 | £16,002,000 |

Appendix 1

HRA CAPITAL PROGRAMME

RESOURCE BUDGET

| | <u>2008/2009</u> | | <u>2009/2010</u> | |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| | £000s | £000s | £000s | £000s |
| BORROWING | | £10,952 | | £11,352 |
| ANTICIPATED SLIPPAGE | | £ 600 | | £ 600 |
| RTB SALES - ESTIMATED CAPITAL RECEIPTS | £4,100 | | £4,000 | |
| LOAN REPAYMENTS | £ 50 | | £ 50 | |
| OTHER SALES | <u>£ 300</u> | | <u>£ 0</u> | |
| TOTAL ESTIMATED CAPITAL RECEIPTS | | £4,450 | | £4,050 |
| | | <hr/> | | <hr/> |
| TOTAL RESOURCES FOR BUDGETING | | <u>£16,002</u> | | <u>£16,002</u> |