

South Ayrshire Council

**Report by Depute Chief Executive and Director
of Housing, Operations and Development
to Cabinet
of 28 November 2023**

**Subject: Housing Capital Programme 2023/24: Monitoring
Report as at 30 September 2023**

1. Purpose

- 1.1 The purpose of this report is to update Cabinet on the actual capital expenditure and income, together with progress made on the Housing Capital Programme projects as at 30 September 2023 (Period 6), and to agree the changes to budgets in 2023/24, 2024/25 and 2025/26.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 notes the progress made on the delivery of the Housing Capital Programme to 30 September, resulting in spend of £19,108,384 or 24.88%, as detailed in Appendix 1;**
- 2.1.2 approves the adjustments contained in Appendix 2; and**
- 2.1.3 approves the revised budget for 2023/24 at £72,047,503, and in-year adjustments in 2024/25 and 2025/26 as highlighted in Appendix 2.**

3. Background

- 3.1 The Housing Capital Programme for 2023/24 to 2027/28 was approved by South Ayrshire Council of 1 March, 2023 through the paper 'Housing Revenue Account (HRA) – Revenue Budget 2023/24 and Capital Budget 2023/24 to 2027/28'.
- 3.2 Adjustments were approved by Cabinet of 30 August, 2023 and incorporated into the Programme.
- 3.3 The current approved budget for 2023/24 is £76,808,072.

4. Proposals

- 4.1 The contract for 4 Nr Full and 205 Nr Partial Modernisations: Maybole, Tarbolton, Ayr, Kirkoswald (H23112) started on site on the 1st July and is anticipated to complete in December, 2023.

- 4.2 The contract for 266 Nr Kitchen and Boiler Replacements: Ballantrae, Girvan, Mossblown, Ayr, Prestwick and Tarbolton (H23113) started on site on 4th September and is anticipated to be complete by 28th November 2023.
- 4.3 Surveys have been completed by the Managing Agent for the contract to 97 Nr Full Modernisations: Ayr (H24111). The contract has been awarded and the works started on site on the 13th November with completion anticipated in February 2024.
- 4.4 Surveys are currently being undertaken for the contract to 221 Nr Kitchen and Heating Replacements: Ayr Crosshill, Dundonald, Mossblown, Prestwick, Symington & Troon (H24112). The estimated start date of the works is 29th January with completion by April 2024.
- 4.5 Surveys are planned for the contract to 328 Nr Kitchen and Boiler Replacements: Annbank, Ayr, Ballantrae, Barr, Barrhill, Colmonell, Crosshill, Dailly, Dundonald, Dunure, Kirkmichael, Kirkoswald, Maidens, Maybole, Minishant, Mossblown, Prestwick & Troon (H24113). The estimated site start date is February with completion by the end of May 2024.
- 4.6 A number of 2023/24 annual programmes of work have started on site and are progressing well, including Addressing Dampness and Condensation, Central Heating Replacement and Replacing Double Glazed Units and Doors.
- 4.7 The project for External Fabric Upgrades to 167 Properties - Dailly, Prestwick, Troon, Symington & Ayr is now complete.
- 4.8 A new contract is planned for External Fabric Upgrades to 170 Properties - Maybole and Prestwick (H24114) and initial survey work has been completed and a tender has been negotiated through the Procurement for Housing (PfH) Framework. Site start is anticipated in January 2024.
- 4.9 Works continue to progress on site for the planned window replacement programmes for 223 addresses in Ayr and Prestwick and 82 addresses in Ayr and Girvan as part of the 2022/23 programme.
- 4.10 The new programme developed for Window Replacement Works for 2023/24, covering 324 Properties in Ayr, Girvan, Maybole, Monkton & Prestwick, is progressing with initial surveys undertaken and works now started on site.
- 4.11 A number of projects are being progressed under the Energy Efficiency / HEEPS ABS line. Works in Tarbolton are complete. Works started on site in Girvan/Dailly are scheduled to be completed by December. The programme of works to Kincaidston started on site in March with anticipated completion in December. The contract for Dalmilling has also been awarded with an anticipated completion date of March 2024.
- 4.12 The major new build programme at Mainholm in Ayr continues on site, with Phases 1 and 2 handed over in August 2023. Design and development works are complete in relation to the New Housing Development at St Ninians Primary School Site - Affordable Housing.
- 4.13 The new build development – Site of Former Riverside Flats, Ayr (H21101) started on site in October 2023 with overall completion scheduled in May 2025.

4.14 The project information contained in Appendix 1 has been broken down over the Council wards and a document showing this has been made available to Members in the Members' area (Hub) on Re-Wired (see background papers).

4.15 Appendix 2 details budget adjustments being put forward for approval by Cabinet as part of the Period 3 report. These adjustments include (a) internal re-allocations of budgets between projects in 2023/24, 2024/25 and 2025/26; and (b) reflection of grant income received in 2023/24 from Scottish Government in relation to Buy Backs.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report

6. Financial Implications

6.1 Per Table 1 of Appendix 1, at the end of P6, actual expenditure stood at £19,108,384. Income for this period stood at £19,108,384. Based on the budget of £76,808,072, actual expenditure of £19,108,384 equates to an overall spend of 24.88% at the end of Period 6.

6.2 Proposals contained in this report, if approved, would lead to a revised 2023/24 programme of £72,047,503 with in-year adjustments to budgets in either 2024/25 or 2025/26 having a NIL overall effect.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 The risk associated with rejecting the recommendations are that insufficient funds would exist in financial years 2023/24, 2024/25 and 2025/26 in relevant budget lines to complete planned Housing capital projects.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Appendix 3.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document

otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director of Housing, Operations and Development will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Process adjustments to the Housing Capital Programme	12 December 2023	Corporate Accounting - Treasury / Capital Function

Background Papers **Report to Cabinet of 20 June 2023 – [Housing Capital Programme 2022/23: Monitoring Report as at 31 March 2023](#)**

Report to Cabinet of 29 August 2023 – [Housing Capital Monitoring Report 2023/24: Monitoring Report as at 30 June 2023](#)

[Housing Capital Programme 2023/24 – Period 3 – Ward Analysis \(Members Only\)](#)

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Date: 21 November 2023

**HOUSING CAPITAL MONITORING REPORT
PERIOD 6 2023/24**

Key Strategic Objective	Approved Budget 2023/24 £	Projected to 31st March, 2024 £	Actuals at P6 £	Detailed Project Information	2024/25 Approved Budget £	2025/26 Approved Budget £
Major Component Replacement	23,786,987	20,704,226	6,052,954	See Section on 'Major Component Replacement'	7,500,000	7,500,000
Contingencies	39,000	39,000	0	See Section on 'Contingencies'	269,000	269,000
Demolitions	1,061,733	1,061,733	17,227	See Section on 'Demolitions'	0	0
Structural and Environmental	6,230,522	4,733,320	1,281,114	See Section on 'Structural and Environmental'	2,349,901	2,349,901
Other Capital Expenditure	45,689,830	45,509,224	11,757,090	See Section on 'Other Capital Expenditure'	27,686,223	15,287,839
TOTAL PROGRAMME EXPENDITURE	76,808,072	72,047,503	19,108,384		37,805,124	25,406,740
CFCR	7,510,000	7,510,000	7,510,000	See Section on 'Income'	5,967,000	5,478,000
Draw on Accumulated Surplus	950,000	0	0	See Section on 'Income'	0	0
Borrowing	54,332,869	48,191,051	4,979,517	See Section on 'Income'	31,838,124	19,928,740
Reserves	0	0	0	See Section on 'Income'	0	0
Scottish Government Funding	14,015,203	14,980,484	6,504,188	See Section on 'Income'	0	0
2nd Homes Council Tax	0	1,182,281	0	See Section on 'Income'	0	0
Commuted Sums	0	183,687	35,705	See Section on 'Income'	0	0
Other Income	0	0	78,974	See Section on 'Income'	0	0
TOTAL PROGRAMME INCOME	76,808,072	72,047,503	19,108,384		37,805,124	25,406,740

NET EXPENDITURE	0	0	0
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0	0
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Contingencies

Approved Budget 2023/24	Projected to 31st March, 2024	Actuals at P6	Key Project Milestone
£	£	£	

2024/25 Approved Budget	2025/26 Approved Budget
£	£

<u>Project Budgets 2023/24: -</u> <u>Approved at Cabinet of 20th June, 2023</u>
Contingencies

39,000	39,000	0	N/A
39,000	39,000	0	

269,000	269,000
269,000	269,000

Demolitions

Approved Budget 2023/24	Projected to 31st March, 2024	Actuals at P6	Key Project Milestone
£	£	£	

2024/25 Approved Budget	2025/26 Approved Budget
£	£

Project Budgets 2023/24: - Approved at Cabinet of 20th June, 2023
Demolition of Lockups
1 - 20 Miller Terrace & 32 - 78 Dailly Road (Even Numbers) Maybole
Demolition of Riverside Flats
1,061,733

214,703	214,703	0	Complete / Design & Tender
57,382	57,382	0	Complete
789,648	789,648	17,227	On Site
1,061,733	1,061,733	17,227	

0	0
0	0
0	0
0	0

Structural and Environmental

Approved Budget 2023/24	Projected to 31st March, 2024	Actuals at P6	Key Project Milestone
£	£	£	

2024/25 Approved Budget	2025/26 Approved Budget
£	£

Project Budgets 2023/24: - Approved at Cabinet of 20th June, 2023
<u>New Projects 2023/24</u>
External Fabric Upgrades to 170 Properties - Maybole and Prestwick
H22117-Stock Conditions Survey - Wallacetown Area
<u>Projects Carried From Previous Years</u>
External Fabric Upgrades to 167 Properties - Dailly, Prestwick, Troon, Symington & Ayr
Stabilisation Works at Main Road, Ayr
Re-roofing and External Fabric Upgrades Contract 1: 71Nr Properties Various Locations

3,227,378	2,027,378	55,207	Design and Tender
1,641	1,641	1,641	Complete
2,393,845	2,393,845	1,220,961	Complete
375,000	75,000	508	Legally Committed
130,119	130,119	0	Complete

0	0
0	0
0	0
0	0
0	0

Re-roofing and External Fabric Upgrade - 93 Properties in Dundonald & Tarbolton (H20101)
Window Replacement Programme 2019-20 Dailly, Dunure, Maidens, Old Dailly, Pinmore, Tarbolton & Turnberry
<u>Unallocated Balance - 2023/24, 2024/25 and 2025/26 - Structural and Environmental</u>
Unallocated Structural and Environmental Balance

0	0	0	Complete
	2,798	2,798	
102,539	102,539	0	Concept
6,230,522	4,733,320	1,281,114	

0	0
2,349,901	2,349,901
2,349,901	2,349,901

Account Name	Balance	Debit	Credit	Balance
Assets				
Current Assets	100.00			100.00
Cash	100.00			100.00
Accounts Receivable				
Inventory				
Prepaid Expenses				
Other Current Assets				
Non-current Assets				
Property, Plant & Equipment				
Intangible Assets				
Other Non-current Assets				
Liabilities				
Current Liabilities				
Accounts Payable				
Short-Term Debt				
Other Current Liabilities				
Non-current Liabilities				
Long-Term Debt				
Other Non-current Liabilities				
Equity				
Common Stock				
Retained Earnings				
Other Equity				
Total				

Income

Approved Budget 2023/24	Projected to 31st March, 2024	Actuals at P6	Variance	Key Project Milestone
£	£	£	£	

2024/25 Approved Budget	2025/26 Approved Budget
£	£

Project Budgets 2023/24: - Approved at Cabinet of 20th June, 2023
Funding Type
CFCR
<i>Draw on Accumulated Surplus</i>
<i>Borrowing</i>
<i>Reserves</i>
<i>Scottish Government Funding</i>
<i>2nd Homes Council Tax</i>
<i>Commuted Sums</i>
<i>Other Income</i>
TOTAL FUNDING

7,510,000	7,510,000	7,510,000	0	Income
950,000	0	0	950,000	Income
54,332,869	48,191,051	4,979,517	49,353,352	Income
0	0	0	0	Income
14,015,203	14,980,484	6,504,188	7,511,015	Income
0	1,182,281	0	0	Income
0	183,687	35,705	-35,705	Income
0	0	78,974	-78,974	Income
76,808,072	72,047,503	19,108,384	57,699,688	

5,967,000	5,478,000
0	0
31,838,124	19,928,740
0	0
0	0
0	0
0	0
37,805,124	25,406,740

Request For Budget Adjustments		Advanced/ (Carry Forward) from/to 2023-24 £	Release Back 2023-24 £	In Year Budget Amendments 2023-24 £	Additional Budget 2023-24 £	Projected 2023-24 Budget £	Proposed Revised 2024-25 Budget £	Proposed Revised 2025-26 Budget £
Revised Total Budgets as approved by Cabinet of 20th June 2023						76,808,072	37,805,124	25,406,740
1	South Ayrshire Council on the 1st March, 2023, approved the paper 'Housing Revenue Account (HRA) – Revenue Budget 2023/24 and Capital Budget 2023/24 to 2027/28', which set the Capital Programme for the five years 2023/24 to 2027/28. Budget adjustments to the programme have been approved through: - - P12 Capital Monitoring report, approved by Cabinet of the 20th June, 2023; - P3 Capital Monitoring report, approved by Cabinet of the 29th August, 2023. All adjustments approved have been incorporated into the P6 report.							
2	Special Council of 15th September, 2023, approved the paper 'Affordable Housing - Riverside Place, Ayr'. Section 6.3 of this report details the revised budget of £17,288,527 that has been approved for the project. It is requested that this be reflected as detailed below: - - New Build - Riverside Place, Ayr				1,979,816	1,979,816	0	0
3	It is requested that budgets be carried forward from 2023/24 to 2024/25 to reflect current project profiling as detailed below: - Major Components - 221 Nr Kitchen and Heating Replacements: Ayr, Crosshill, Dundonald, Mossblown, Prestwick, Symington & Troon (H24112) - 328 Nr Kitchen and Boiler Replacements: Annbank, Ayr, Ballantrae, Barr, Barrhill, Colmonell, Crosshill, Dailly, Dundonald, Dunure, Kirkmichael, Kirkoswald, Maidens, Maybole, Minishant, Mossblown, Prestwick & Troon (H24113) - Partial Internal Modernisation Works 2020/21 - 50 Nr Properties in Girvan (H20127) - Upgrading of Lock-ups (H19124) - Replacement PIV's Identified Through FET Programme (H24125) Structural and Environmental - External Fabric Upgrades to 170 Properties - Maybole and Prestwick (H24114) New Builds - St Ninian's Primary School Site - Affordable Housing	(500,000) (1,000,000) (1,000,000) (100,000) (250,000) (1,500,000) (3,000,000)				(500,000) (1,000,000) (1,000,000) (100,000) (250,000) (1,500,000) (3,000,000)	500,000 1,000,000 1,000,000 100,000 250,000 1,500,000 3,000,000	0 0 0 0 0 0 0
4	A number of adjustments are requested as (a) there are a number of projects where budgets are no longer required as final accounts have been settled and projects completed; (b) other projects where additional funds are required to complete works; - Partial Internal Modernisation Works 2020/21 - 50 Nr Properties in Girvan (H20127)			(380,000)		(380,000)	0	0

	- 4 Nr Full and 205 Nr Partial Modernisations: Maybole, Tarbolton, Ayr, Kirkoswald and Troon (H23112)			(70,000)		(70,000)	0	0
	- 266 Nr Kitchen and Boiler Replacements: Ballantrae, Girvan, Mossblown, Ayr, Prestwick and Tarbolton (H23113)			(150,000)		(150,000)	0	0
	- Capital Element of Works Undertaken In Void Properties (H15119)			600,000		600,000	0	0
	- Unallocated Structural and Environmental Balance 2024/25					0	(300,000)	
	- External Fabric Upgrades to 170 Properties - Maybole and Prestwick (H24114)	300,000				300,000		
	- Full Internal Modernisations 2020/21 - 160 Nr Properties in Ayr and Maybole (H20123)			274		274	0	0
	- Sprinkler, Lift and Fire Alarms - Surveys and Upgrades (H19128)			35,000		35,000		
	- Major Component Replacements - Unallocated.			(35,274)		(35,274)	0	0
	- Window Replacement Programme 2019-20 Dailly. Dunure, Maidens, Old Dailly, Pinmore, Tarbolton & Turnberry (H20102)			2,798		2,798	0	0
	- Unallocated Window Replacement Budget 2023/24			(2,798)		(2,798)	0	0
	- Window Replacement Programme 2022/23 - Batch 3 - 82 Addresses in Ayr and Girvan (H23127)			272,624		272,624	0	0
	- Window Replacement Programme 2021/22 - 397 Properties in Ayr, Coylton, Girvan, Mossblown and Troon (H22115)			(272,624)		(272,624)	0	0
	- Window Replacement Programme 2023/24 - 324 Properties in Ayr, Girvan, Maybole, Monkton (H23131)			3,362		3,362	0	0
	- Window Replacement Programme 2023/24 - 324 Properties in Ayr, Girvan, Maybole, Monkton & Prestwick (H24116)			(3,362)		(3,362)	0	0
	- 97 Nr Full Modernisations, Ayr (H24111)		(232,761)			(232,761)	0	0
	- Stabilisation Works at Main Road, Ayr (H20117)		(300,000)			(300,000)	0	0
5	It is requested that New Build Unallocated budget be utilised from 2023/24 for the additional costs as detailed below: - - New Builds - LDP2 Sites Unallocated 2023/24, 2024/25 & 2025/26 - Buy Back Properties			(719,538)		(719,538)		0
				719,538		719,538		
6	Further budget is required for two completed new build projects, where it was anticipated that there were no further charges and consequently, funding was returned to the programme through the P12 report. Final invoices have been received and it is requested new budget be allocated, funded through borrowing, as detailed below: - - Main Street, Prestwick - Ladyland Road, Maybole							
					4,425	4,425		
					620	620	0	0
7	Paper approved at Cabinet 29th June 2023 to move asset St Ninians Primary Site from General Services to HRA. Additional budget added for demolition costs. Also Budget and associated costs moved in relation to soft strip prior to demolition - St Ninian's Primary School Site - Affordable Housing - St Ninian's Primary School Site - Affordable Housing							
					46,000	46,000		
					791,331	791,331		
		(7,050,000)	(532,761)	0	2,822,192	(4,760,569)	7,050,000	0
TOTAL REVISED BUDGET						72,047,503	44,855,124	25,406,740

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. FSD Guidance for Public Bodies in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

1. Policy details

Policy Title	Monitoring of Housing Capital Programme
Lead Officer (Name/Position/Email)	Pauline Bradley, Service Lead, Professional Design Service pauline.bradley@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	No	No
Disability	No	No
Gender Reassignment (Trans/Transgender Identity)	No	No
Marriage or Civil Partnership	No	No
Pregnancy and Maternity	No	No
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	No	No
Religion or Belief (including lack of belief)	No	No

Community or Groups of People	Negative Impacts	Positive impacts
Sex – (issues specific to women & men or girls & boys)	No	No
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	No	No
Thematic Groups: Health, Human Rights & Children’s Rights	No	No

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	No	No
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	No	No
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	No	No
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	No	No
Socio-economic Background – social class i.e. parent’s education, employment and income	No	No

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low

General Duty and other Equality Themes Consider the 'Three Key Needs' of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	No impact
Increase participation of particular communities or groups in public life	No impact
Improve the health and wellbeing of particular communities or groups	No impact
Promote the human rights of particular communities or groups	No impact
Tackle deprivation faced by particular communities or groups	No impact

5. Summary Assessment

Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Rationale for decision:	
This is an update report with no implication in relation to equalities	
Signed : Pauline Bradley	Service Lead
Date: 4 August <u>15 November</u> 2023	