

South Ayrshire Council

**Report by Director - Place
to Cabinet
of 30 August 2022**

**Subject: Housing Capital Programme 2022/23: Monitoring
Report as at 30 June 2022**

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 June 2022 (Period 3), and to agree the changes to budgets in 2022/23 and 2023/24.

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 June, resulting in spend of £2,760,349 or 3.99%, as detailed in Appendix 1 attached;

2.1.2 approves the adjustments contained in Appendix 2 attached; and

2.1.3 approves the revised budget for 2022/23 at £64,410,925 and 2023/24 at £44,864,268 as highlighted in Appendix 2.

3. Background

3.1 The Housing Capital Programme for 2022/23 to 2026/27 was approved by South Ayrshire Council of 3 March, 2022 through the paper 'Housing Revenue Account (HRA) – Revenue Budget 2022/23 and Capital Budget 2022/23 to 2026/27'.

3.2 Adjustments were approved by Cabinet of 14 June, 2022 and incorporated into the Programme.

3.3 There is still some residual disruption to the programme as a result of Covid-19, material shortages and volatility in the construction market which has led to lower levels of spend to Period 3.

3.4 The current approved budget for 2022/23 is £69,204,500.

4/

4. Proposals

- 4.1 The modernisation contract for Internal Modernisation Works to 219 Nr Properties – Various Locations (H21124) is currently on site with works progressing well and is due to complete in August 2022. The contract for Internal Modernisation Works to 263 Nr Properties – Various Locations (H20126) started on site on the 19th June and is anticipated to complete by 30th September, 2022. Three contracts for (a) Internal Modernisation Works to 206Nr Properties – Various Locations (H20125); (b) 4 Nr Full and 205 Nr Partial Modernisations: Maybole, Tarbolton, Ayr, Kirkoswald (H23112); and (c) 266 Nr Kitchen and Boiler Replacements: Ballantrae, Girvan, Mossblown, Ayr, Prestwick and Tarbolton (H23113) have been passed to the Managing Agent and surveys are currently being undertaken. These will be tendered will be tendered through SAC's new Housing Refurbishment Framework – Internal once this has been set up.
- 4.2 Stage 1 of the tender process of the Housing Refurbishment Framework – Internal and the Housing Refurbishment Framework – External has now been completed and Stage 2 will now follow.
- 4.3 A number on new annual programmes have started on site 2022/23, including Addressing Dampness and Condensation, Central Heating Replacement and Upgrading Door Entry Systems.
- 4.4 Addresses for two new window replacement contracts have been passed to Property Maintenance for progression and the first, at Morrison Gardens in Ayr, has now been surveyed and windows ordered.
- 4.5 The project for External Fabric Upgrades to 167 Properties - Dailly, Prestwick, Troon, Symington & Ayr has now started on site and will continue through until May, 2023.
- 4.6 A number of projects are being progressed under the Energy Efficiency / HEEPS ABS line, with works ongoing in Tarbolton and Maybole. Further works will be undertaken in Girvan/Dailly, Dalmilling, Kincaidston and Lochside and tender documents are currently being prepared.
- 4.7 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).
- 4.8 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 2022/23; (b) transfers of budgets from 2022/23 to 2023/24 to reflect current profiled spend for projects; and (c) an adjustment in relation to year end work in progress which was not captured in the P12 Capital Monitoring Report (but included in the final accounts), resulting in additional borrowing being required in 2021/22, with the P3 adjustment reducing budget / borrowing in 2022/23 to compensate.

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 P3, actual expenditure stood at £2,760,349. Income for this period stood at £2,760,349. Based on the budget of £69,204,500, actual expenditure of £2,760,349 equates to an overall spend of 3.99% at the end of Period 3.
- 6.2 Proposals contained in this report, if approved, would lead to a revised 2022/23 programme of £64,410,925 and 2023/24 programme of £44,864,268.

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 2022/23, 2023/24 and 2024/25 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/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 Commitment 6 of the Council Plan: A Better Place to Live/ Enhanced environment through social, cultural and economic activities.

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 Director - Place 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	13 September 2022	Corporate Accounting - Treasury / Capital Function

Background Papers **Report to Cabinet of 14 June 2022 - [Housing Capital Programme 2021/22: Monitoring Report as at 31 March 2022](#)**
[Housing Capital Programme 2020/21 – Period 3 – Ward Analysis](#) (Members Only)

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Date: 23 August 2022

**HOUSING CAPITAL MONITORING REPORT
PERIOD 3 2022/23**

Key Strategic Objective	Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Detailed Project Information	2023/24 Approved Budget	2024/25 Approved Budget
	£	£	£		£	£
Major Component Replacement	25,279,045	21,399,350	1,406,962	See Section on 'Major Component Replacement'	7,500,000	7,500,000
Contingencies	0	0	0	See Section on 'Contingencies'	269,000	269,000
Demolitions	2,966,465	2,966,465	447,822	See Section on 'Demolitions'	0	0
Structural and Environmental	7,891,739	6,950,739	319,538	See Section on 'Structural and Environmental'	2,349,901	2,349,901
Other Capital Expenditure	33,067,251	33,094,370	586,027	See Section on 'Other Capital Expenditure'	30,065,435	11,231,839
TOTAL PROGRAMME EXPENDITURE	69,204,500	64,410,925	2,760,349		40,184,336	21,350,740
CFCR	8,905,000	8,905,000	2,338,443	See Section on 'Income'	7,859,000	8,638,000
Draw on Accumulated Surplus	2,201,000	2,201,000	0	See Section on 'Income'	0	0
Borrowing	56,518,500	51,724,925	231,155	See Section on 'Income'	24,360,336	9,037,740
Reserves	0	0	0	See Section on 'Income'	0	0
Scottish Government Funding	1,580,000	1,580,000	140,000	See Section on 'Income'	7,965,000	3,675,000
2nd Homes Council Tax	0	0	0	See Section on 'Income'	0	0
Commuted Sums	0	0	0	See Section on 'Income'	0	0
Other Income	0	0	50,751	See Section on 'Income'	0	0
TOTAL PROGRAMME INCOME	69,204,500	64,410,925	2,760,349		40,184,336	21,350,740

NET EXPENDITURE	0	0	0
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0	0
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Major Components

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024/25 Approved Budget
£	£

<u>Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022</u>
<i>Major Component Replacements - Allocated</i>
<i>Major Component Replacements - Unallocated</i>
TOTALS

24,084,227	20,143,175	1,406,962	See Expanded Section
1,194,818	1,256,175	0	See Expanded Section
25,279,045	21,399,350	1,406,962	

0	0
7,500,000	7,500,000
7,500,000	7,500,000

Contingencies

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024 Approved Budget
£	£

<u>Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022</u>
Contingencies

0	0	0	N/A
0	0	0	

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

Demolitions

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024/25 Approved Budget
£	£

<u>Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022</u>
Demolition of Lockups
1 - 20 Miller Terrace & 32 - 78 Dailly Road (Even Numbers) Maybole
Demolition of Riverside Flats

214,703	214,703	0	Complete / Design & Tender
858,450	858,450	432,821	On Site
1,893,312	1,893,312	15,002	On Site
2,966,465	2,966,465	447,822	

0	0
0	0
0	0
0	0

Structural and Environmental

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024/25 Approved Budget
£	£

<u>Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022</u>
<u>New Projects 2022/23</u>
External Fabric Upgrades to 167 Properties - Dailly, Prestwick, Troon, Symington & Ayr
Stabilisation Works at Main Road, Ayr
<u>Projects Carried From 2021/22</u>
Non-Traditional Properties - Cladding Options
ABS8 - 12 Properties at Annbank
Re-roofing and External Fabric Upgrades Contract 1: 71Nr Properties Various Locations
Re-roofing and External Fabric Upgrades Contract 2: 73Nr Properties Various Locations

5,174,325	4,233,325	53,544	On Site
400,000	400,000	0	Design and Tender
32,401	32,401	0	Design and Tender
39,347	39,347	0	Complete
158,471	398,471	264,753	On Site
76,256	26,256	1,240	Complete

0	0
0	0
0	0
0	0
0	0
0	0

Roof Replacement Works - Dunure
Re-roofing and External Fabric Upgrade - 93 Properties in Dundonald & Tarbolton (H20101)
<u>Unallocated Balance - 2022/23, 2023/24 and 2024/25 - Structural and Environmental</u>
Unallocated Structural and Environmental Balance - 2022/23, 2023/24 and 2024/25

157,500	157,500	0	Complete
49,939	49,939	0	Complete
1,803,500	1,613,500	0	Concept
7,891,739	6,950,739	319,538	

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

Other Capital Expenditure

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024/25 Approved Budget
£	£

<u>Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022</u>
<i>Sheltered Housing Common Areas</i>
<i>Footpaths</i>
<i>Buy Back Properties</i>
<i>Window Replacement Programme</i>
<i>Environmental Improvements</i>
<i>New Builds</i>
<i>Advance Works / Fees / ICT</i>

272,177	272,177	0	See Expanded Section
20,000	20,000	0	See Expanded Section
712,731	712,731	180,936	See Expanded Section
2,317,154	2,317,154	0	See Expanded Section
393,716	393,716	30,994	See Expanded Section
29,124,473	29,152,605	335,721	See Expanded Section
227,000	225,987	38,375	See Expanded Section
33,067,251	33,094,370	586,027	

0	0
0	0
800,000	800,000
0	0
706,839	706,839
28,558,596	9,725,000
0	0
30,065,435	11,231,839

Income

Approved Budget 2022/23	Projected to 31st March, 2023	Actuals at P3	Key Project Milestone
£	£	£	

2023/24 Approved Budget	2024/25 Approved Budget
£	£

Project Budgets Approved 2022/23: - Cabinet of 14th June, 2022
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

8,905,000	8,905,000	2,338,443	Income
2,201,000	2,201,000	0	Income
56,518,500	51,724,925	231,155	Income
0	0	0	Income
1,580,000	1,580,000	140,000	Income
0	0	0	Income
0	0	0	Income
0	0	50,751	Income
69,204,501	64,410,926	2,760,349	

7,859,000	8,638,000
0	0
24,360,336	9,037,740
0	0
7,965,000	3,675,000
0	0
0	0
0	0
40,184,336	21,350,740

Request For Budget Adjustments		Advanced/ (Carry Forward) from/to 2022-23 £	Release Back 2022-23 £	In Year Budget Amendments 2022-23 £	Additional Budget 2022-23 £	Projected 2022-23 Budget £	Proposed Revised 2023-24 Budget £	Proposed Revised 2024-25 Budget £
Revised Total Budgets as approved by South Ayrshire Council's Cabinet of 14th June 2022						69,204,500	40,184,336	21,350,740
1	South Ayrshire Council on the 3rd March, 2022, approved the paper 'Housing Revenue Account (HRA) – Revenue Budget 2022/23 and Capital Budget 2022/23 to 2026/27', which set the Capital Programme for the five years 2022/23 to Budget adjustments to the programme have been approved through: - - P12 Capital Monitoring report, approved by Cabinet of the 14th June, 2022. All adjustments approved have been incorporated into the P3 report.							
2	It is requested that budgets be carried forward from 2022/23 to 2023/24 to reflect current project profiling as detailed below: - Major Components - 4 Nr Full and 205 Nr Partial Modernisations: Maybole, Tarbolton, Ayr, Kirkoswald and Troon (H23112) - 266 Nr Kitchen and Boiler Replacements: Ballantrae, Girvan, Mossblown, Ayr, Prestwick and Tarbolton (H23113) - Energy Efficiency / HEEPS ABS Projects Structural and Environmental - External Fabric Upgrades to 167 Properties - Dailly, Prestwick, Troon, Symington & Ayr	(1,140,000)				(1,140,000)	1,140,000	0
		(1,126,000)				(1,126,000)	1,126,000	0
		(1,500,000)				(1,500,000)	1,500,000	0
		(941,000)				(941,000)	941,000	0
3	It is requested that budgets be advanced from 2024/23 to 2022/23 to reflect current project profiling as detailed below: - - New Housing Development - Site of Former Riverside Flats, Ayr.							
			27,068			27,068	(27,068)	
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; and (c) where budgets are required to be allocated to new projects from unallocated budget lines. Adjustments requested are as detailed below:- - Full Modernisations to 250 properties Troon, Dundonald, Monkton, Prestwick, Coynton, Mossblown, Tarbolton, Ballantrae, Barr, Colmonell, Old Dailly, Dailly, Kirkoswald, Minishant, Girvan & Maybole (H19143); - Upgrade Works to Automatic Doors in SHU's - Major Component Replacements - Unallocated - Re-roofing and External Fabric Upgrades Contract 1: 71Nr Properties Various Locations							
				(52)		(52)	0	0
				(175,000)		(175,000)	0	0
				175,000		175,000	0	0
				240,000		240,000	0	0

	- Re-roofing and External Fabric Upgrades Contract 2: 73Nr Properties Various Locations			(50,000)		(50,000)	0	0
	- Unallocated Structural and Environmental Balance - 2022/23, 2023/24 and 2024/25			(190,000)		(190,000)	0	0
	- Unallocated Window Replacement Budget 2022/23			(864,500)		(864,500)	0	0
	- Window Replacement Programme 2022/23 - Batch 1 - 24 Addresses at Morrison Gardens SHU			84,000		84,000	0	0
	- Window Replacement Programme 2022/23 - Batch 2 - 223 Addresses in Ayr and Prestwick			780,500		780,500	0	0
	- Initial Work for Future Years Projects; and			(1,013)		(1,013)	0	0
	- Main Street Prestwick.			1,065		1,065	0	0
5	At the end of the 2021/22, final Work In Progress charges of £113,643 were not captured in the P12 Capital Monitoring Report for the 'Replacement Double Glazed Units and Doors' project, though they were included in the final annual accounts. This resulted in additional borrowing being used to fund this additional expenditure within the Housing Capital Programme. To rectify this, an adjustment is required in P3 to reduce the budget on this project, and reduce the borrowing by the same amount, as detailed below: -							
	- Replacement Double Glazed Units and Doors.			(113,643)		(113,643)	0	0
	A further adjustment is requested to restore the budget to the level it was at prior to the above, taking the additional budget from the Major Component Replacement - Unallocated budget in 2022/23 as detailed below: -							
	- Major Component Replacements - Unallocated; and			(113,643)		(113,643)	0	0
	- Replacement Double Glazed Units and Doors.			113,643		113,643	0	0
				(4,679,932)	0	(113,643)	0	4,679,932
TOTAL REVISED BUDGET						64,410,925	44,864,268	21,350,740

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. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

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
Sex – gender identity (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? (Fairer Scotland Duty). 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	No Impact
Advance equality of opportunity between people who share a protected characteristic and those who do not	No Impact
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)	Yes No
Rationale for decision: This is an update report with no implication in relation to equalities.	
Signed : Pauline Bradley	Service Lead – Professional Design Services
Date: 1 st August 2022	