

EAST RENFREWSHIRE COUNCIL25 June 2025Report by the Head of Finance and Director of EnvironmentHOUSING CAPITAL PROGRAMME**PURPOSE OF REPORT**

1. The purpose of this report is to recommend adjustments to the 2025/26 Housing Capital Programme, approved on 26 February 2025, resulting from the finalisation of the previous year's programme and in light of subsequent information.

**RECOMMENDATIONS**

2. The Council is asked to:
  - note and approve the current movements within the programme;
  - approve the drawdown of an additional £0.400m from the Capital Reserve to support the purchase of additional housing units; and
  - note the shortfall of £207,000 and that income and expenditure on the programme will be managed and reported on a regular basis.

**BACKGROUND**

3. The Housing Capital Programme for 2025-2035 was approved by Council on 26 February 2025. The budgeted expenditure for 2025/26 included in that report was £7.322m.
4. Movements on the 2024/25 programme were approved by Cabinet on 6 March 2025. These changes reflected movements subsequent to the position approved by Council on 26 February 2025.
5. This report will adjust 2025/26 project budgets to allow for outstanding works at the year-end to be completed in the current year and seek approval for further amendments to the programme in the current year.
6. The provision of new and additional affordable housing is a key priority for the Council. This report includes further amendments to help support this objective and make better use of the Scottish Government affordable housing grant (Resource Planning Assumption) available to the Council during the current year.

**CURRENT POSITION**

- |    |  |                  |
|----|--|------------------|
| 7. | Total anticipated expenditure (Appendix A) | £ 11.722m        |
|    | Total anticipated resources (Appendix B)   | <u>£ 11.515m</u> |
|    | Shortfall                                  | <u>£ 0.207m</u>  |

## FINALISATION OF THE 2024/25 PROGRAMME

8. The finalisation of the previous year's capital programme has cash flow implications for the 2025/26 programme. Appendix A shows the effect of this cash flow adjustment on the expenditure. This is not new or additional expenditure but simply an adjustment to reflect revised timing of expenditure.
9. This adjustment broadly reflects the movements on the 2024/25 programme which were reported to Cabinet on 6 March 2025. Explanations for these movements were included in the accompanying report.
10. Members will recall that the 2024/25 capital programme included a provision of £19.337m for the delivery of 105 new homes at Maidenhill. This was to be supported by Scottish Government grant of £9.838m, drawn down over a number of years, including 2025/26. It has recently been confirmed that the Council secured this grant support in full during the previous financial year. This provides an opportunity to use the Scottish Government affordable housing grant, available during the current year, to accelerate existing new build projects and purchase other additions to the housing stock.

## EXPENDITURE

11. As outlined above, the programme approved during February 2025 has increased from £7.322m to £8.791m for purely cash flow reasons between 2024/25 and 2025/26.
12. The expenditure is subsequently increased by £2.931m, to give a revised projected level of £11.722m. The main expenditure movements are as follows:-
  - i. New Build Project – Barrhead Road, Newton Mearns £2.530m  
The 10 year programme approved by Council during February 2026 includes a £4.800m provision for new build homes at Barrhead Road, starting during 2026/27. Following successful delivery of the new homes at Maidenhill and, in light of the affordable housing grant available for the current financial year, it is recommended that this project is accelerated by one year. The estimated total cost is now £4.200m. Estimated expenditure during the current year is £2.530m, which will be funded by Scottish Government grant support of £1.900m and commuted sums of £0.630m. No borrowing or drawdown from reserves is required to support this initiative during the current financial year.
  - ii. Purchase of Additional Housing Units ("Off-the-Shelf") £1.000m  
The Scottish Government affordable housing grant can also be used to part fund additions to the housing stock. This initiative would complement other measures in place to tackle the housing emergency, including the £2.000m expenditure on homelessness through the Council's General Fund capital programme. This initiative would require the submission of a funding application to the Scottish Government for approval. In order to facilitate the Council's application to this fund, it is recommended that a £1.000m provision is added to the programme. It is estimated this could attract grant support of £1.000m and deliver approximately 10 additional units to the Council's housing stock. It is recommended that this expenditure will be funded by an additional drawdown from reserves of £0.400m and savings on other projects of £0.600m as set out in paragraphs 12iii and 13iv below.

- iii. Transfers/Revised Expenditure On Existing Housing Stock Projects  
Having reviewed the available budget, including the unused budget from the previous year, and taking into account the commitments for the current year, the following amendments are proposed to support the increased expenditure on the additional housing initiative. The value of the transfer for each project does not exceed the unused budget allocation from 2024/25.

Project	Transfer (£'m)
Renewal of Heating Systems	£0.105
Aids and Adaptations	£0.138
Communal Door Entry Systems	£0.139
Site Investigations & Acquisitions	£0.218
Total	£0.600

The budget remaining for each of the above projects is sufficient to deliver on the Council's plans for the current year.

## INCOME

13. Resources to support the Housing Capital Programme have been adjusted to reflect the changes noted above.
- i. Commuted Sums  
This income source has been revised in line with the proposed amendments to the new build and site investigations projects. The drawdown of income from commuted sums has been increased by £0.630m relating to the Barrhead Road new build development.
  - ii. Grant  
Estimated income of £1.900m relating to the Barrhead Road new build development has been added to the programme.
  - iii. Capital Receipts/Capital Reserve  
The unused drawdown of £0.900m from the previous year has been added to the programme.
  - iv. Additional Contribution from the Capital Reserve  
The 10 year programme approved by Council on 26 February 2025, includes drawdowns of £6.500m and £1.700m from the Capital Reserve, in the current and next financial year respectively. As outlined in paragraph 12ii above, it is recommended that the drawdown is increased by £0.400m, in order to support the additional housing units grant application. In light of the interest credited to the reserve during the year-end accounts closedown, there is sufficient reserve balance to accommodate this additional drawdown.

**COMMENT**

14. The proposed amendments to the programme will allow the Council to proceed quickly and maximise Scottish Government grant support for investment in additional housing stock. This is a key Council objective.
15. Investment levels in the Housing stock, including amendments to longer term plans, will continue to be reviewed and supported by further work on the Housing Revenue Business Plan and Prudential Indicators. Any amendments to longer term capital plans will be included in future reports to Cabinet.
16. The projected shortfall of £207,000 represents 1.8% of the resources available and is within manageable limits.

**PARTNERSHIP WORKING**

17. This report has been prepared following consultation with appropriate staff from Housing Services.

**RECOMMENDATIONS**

18. The Council is asked to:-
  - note and approve the current movements within the programme; and
  - approve the drawdown of an additional £0.400m from the Capital Reserve to support the purchase of additional housing units; and
  - note the shortfall of £207,000 and that income and expenditure on the programme will be managed and reported on a regular basis.

Further information is available from Paul Parsons, Principal Accountant, telephone 0141 577 3123.

Kirsty Stanners  
Head of Finance (Chief Financial Officer)  
KS/PP  
26 May 2025

**EAST RENFREWSHIRE COUNCIL****HOUSING CAPITAL PROGRAMME****PROGRESS REPORT****2025/26**

		ANNUAL COSTS £'000			COMMENT	TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED 2602.25	ADJUSTED FOR 2024/25 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR		SPENT PRIOR TO 31.03.25	PREVIOUS TOTAL COST	REVISED TOTAL COST
835000002	Renewal of Heating Systems	250	355	250	Work in progress - transfer £105k to Purchase of Additional Housing Units	0	355	250
832000001	Rewiring (including smoke/carbon monoxide detectors)	287	338	338	Work in progress	0	338	338
831000002	External Structural Works	2,850	2,920	2,920	Work programmed	0	2,920	2,920
835000008	Estate Works	500	548	548	Work programmed	0	548	548
835000006	Energy Efficiency Standard for Social Housing	200	200	200	Work in progress	0	200	200
835000010	Aids and Adaptations	350	488	350	Work in progress - transfer £138k to Purchase of Additional Housing Units	0	488	350
831500001	Internal Element Renewals (including kitchens, bathrooms and doors)	1,863	1,950	1,950	Work in progress	0	1,950	1,950
835000005	Communal Door Entry Systems	450	589	450	Work programmed - transfer £139k to Purchase of Additional Housing Units	0	589	450
835000012	Sheltered Housing	0	314	314	Work in progress	0	314	314
830500003	Purchase of Property (CPO/Mortgage to Rent Acquisition)	50	50	50	Based on Scottish Government referrals	0	50	50
835000003	IT Systems	200	250	250	Work to be programmed	0	400	400
	Maidenhill Areas A1-A3 (105 units)	0	78	78	Complete - payments outstanding	19,259	19,337	19,337

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		ANNUAL COSTS £'000				TOTAL COST £'000		
COST CODE	PROJECT NAME	CURRENT YEAR APPROVED 2602.25	ADJUSTED FOR 2024/25 CASHFLOW	PROJECTED OUTTURN FOR CURRENT YEAR	COMMENT	SPENT PRIOR TO 31.03.25	PREVIOUS TOTAL COST	REVISED TOTAL COST
	Barrhead Road Newton Mearns (17 units)	0	0	2,530	Work programmed - accelerated from 2026/27	0	4,800	4,200
	Site Investigations & Acquisitions	312	702	484	Work to be programmed - transfer £218k to Purchase of Additional Housing Units	0	1,277	1,059
	Purchase of Additional Housing Units - "Off-the-Shelf"	0	0	1,000	Work to be programmed. Funded by £600k from above transfers and £400k from HRA Revenue Reserve. Application to SG for further £1m	0	0	1,000
N/A	Retentions	10	10	10		0	10	10
		<b>7,322</b>	<b>8,791</b>	<b>11,722</b>		<b>19,259</b>	<b>33,576</b>	<b>33,376</b>

EAST RENFREWSHIRE COUNCILHOUSING CAPITAL PROGRAMME 2025/26PROGRESS REPORTRESOURCES

	£'000	£'000
Borrowing		210
Commuted Sums		1,180
Grant - New Build (Barrhead Road, Newton Mearns)		1,900
Recharges to Owner Occupiers (including HEEPS grant)		125
Capital Receipts/Use of Capital Reserve		7,400
Additional Contribution from the Capital Reserve		400
Capital From Current Revenue		250
Purchase of Property - Mortgage to Rent Acquisition		50
<b>Total</b>		<b>11,515</b>

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