



REPORT TO: COMMUNITIES COMMITTEE ON 27 AUGUST 2019

SUBJECT: HOUSING INVESTMENT 2019/20

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report informs the Communities Committee of the budget position to 30 June 2019 for the Housing Investment Programme for 2019/20.
- 1.2 This report is submitted to Committee in terms of Section III G (3) of the Council's Scheme of Administration relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the position as at 30 June 2019 with regards to the Housing Investment Programme for 2019/20.**

3. BACKGROUND

Investment Programme

- 3.1 **APPENDIX I** shows income and expenditure for 2019/20. The Appendix includes expenditure on the Council house new build programme as 'Other Capital Expenditure'. This, however, is now the subject of a separate monitoring report and the figure is provided for information only. Spend of £1.613m was achieved on the Housing Investment Programme to 30 June 2019, which represents 12% of the agreed programme. Commitments are currently standing at £7.143m, which represents 55% of the programme. This commitment will increase further during the year as more projects are progressed. The level of expenditure within the individual budget headings which make up the programme are shown in paragraphs 3.2 to 3.5 below. The expenditure figure represents all payments which have progressed through the finance system to 30 June 2019. The Housing Investment Programme for 2019/20 continues to reflect investment required to maintain the housing stock at the Scottish Housing Quality Standard (SHQS), attain the Moray Standard (TMS) and replace life expired elements such as kitchens, heating and windows on a lifecycle basis. It also includes capital expenditure aimed at achieving the Energy Efficiency Standard for Social Housing (ESSH) by 2020 and moving towards ESSH2.

- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £555k to 30 June 2019 and represents 14% of the agreed programme. Commitment currently stands at £2.053m and represents 52% of the budget.
- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £78k was achieved to 30 June 2019 and represents 12% of the agreed programme level. Commitment currently stands at £151k and represents 23% of the programme. The annual estate walkabouts have been arranged for September 2019 and will identify the works to be prioritised during the year.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £138k was achieved to 30 June 2019 and represents 14% of the agreed programme level. Commitment currently stands at £733k and represents 77% of the budget.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £842k was achieved to 30 June 2019 and represents 11% of the agreed programme level. Commitment currently stands at £4.206m and represents 57% of the programme.

General Programme Updates

- 3.6 A total of 54 properties had asbestos tanks, associated debris or other asbestos containing materials (ACM's) removed during the 2018/19 financial year and 21 further properties have had removals carried out during the current financial year. The presence of asbestos materials in some properties continues to have an impact on the Council's planned maintenance and void works. However, removal works are implemented in advance wherever possible in order to keep any delays to a minimum. A new Asbestos Survey Strategy introduced during 2018/19 has significantly reduced the extent of such delays through the use of typical 'house type surveys' to be used to assess the extent of asbestos in similar houses and allow works to commence on a risk based approach. There have been some delays with no access to properties for surveys and this is being addressed in amended processes by Housing staff.
- 3.7 Contractors involved in the Warm Homes Fund heating project being carried out in conjunction with Perth and Kinross Council, Scottish and Southern Energy (SSE) and Scotia Gas Networks (SGN) have now commenced work on site and have completed 66 installations to date. It is envisaged that the remaining 40 installations will be completed by December 2019.
- 3.8 The contractor appointed to carry out 127 EESSH related heating replacements during 2018/19 completed all the properties as well as a further 20 replacements related to Scottish Housing Quality Standard (SHQS) failures within the financial year. The same contractor has now been issued with 196 addresses which are a mixture of EESSH failures and normal lifecycle heating replacements for completion during the 2019/20 financial year. It is envisaged that all properties will be completed by December 2019, with 41 properties having been completed to date. The contracts noted in sections 3.7 and 3.8 will assist with meeting EESSH and maintaining houses at the SHQS through the replacement of older inefficient gas and electric heating systems with new energy efficient gas heating.

- Income and Expenditure for Private Sector Housing**
- 3.9 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grants to 30 June 2019. The budget in category B is now the responsibility of the Moray Integration Joint Board and the information is only for noting at this Committee. The legally committed figure of £215k represents 43% of the allocated budget. Spend to 30 June 2019 was £129k which represents 26% of the allocated budget.
- 3.10 The legally committed figure of £55k in Category C represents 52% of the allocated budget. Spend to 30 June 2019 was £28k which represents 27% of the allocated budget. It is expected that the budget figures will be met.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

This proposal relates to:

Priority 1 – Creating a growing, diverse and sustainable economy; and
Priority 2 - Empowering and connecting communities.

(b) Policy and Legal

Maintenance and improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) Financial implications

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.10 above, with details of the Council house new build programme now being the subject of a separate monitoring report.

(d) Risk implications

Failure to expend agreed budgets may affect the Council's ability to maintain its stock at the SHQS, replace life expired elements and attain the EESSH. Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally.

(g) Equalities/Socio Economic Impact

There are no equalities issues associated with this report as it is to inform the Committee on budget monitoring.

(h) Consultations

Consultations have taken place with the Acting Head of Housing and Property, Property Resources Manager, Building Services Manager, Legal

Services Manager, Principal Accountant (Deborah O'Shea), Caroline Howie (Committee Services Officer) and the Home Improvement Services Manager, who agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 Housing investment for both the Council's housing stock and the private sector enables the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the investment in the Council's housing stock enables it to be maintained at the Scottish Housing Quality Standard, allows for replacement of life expired elements and makes progress towards the attainment of both the Moray Standard and the Energy Efficiency Standard for Social Housing.**

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Background Papers: Held on file/sharepoint
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