



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON
21 NOVEMBER 2023**

SUBJECT: HOUSING INVESTMENT 2023/24

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

1.1 This report informs the Committee of the progress of the Housing Investment Programme 2023/24 to 30 September 2023.

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 consider and notes the Housing Investment Programme audited outturn to 30 September 2023, as detailed in Section 3 and Appendices I to VI.

3. BACKGROUND

Investment Programme

3.1 **APPENDIX I** shows income and expenditure up to 30 September 2023. The figures show that an overall spend to 30 September of £3,738k was achieved, of which represents a spend of 18% against the £21,338k annual budget. The programme is not as far advanced as we would like it to be and is attributable to internal staff resourcing delays progressing a number of work activities along with procurement issues in a number of outsourced key investment areas such as window replacements and electrical testing.

3.2 The level of expenditure within the individual budget headings that make up the programme are shown in paragraphs 3.3 to 3.15 below. The expenditure figure represents all payments which have progressed through the finance system to 30 September 2023.

3.3 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £1,429k to 30 September 2023. This area of work is the regular repairs undertaken by the Council's DLO which are generally triggered by a tenant contacting the Council's contact centre and requesting a repair to their property including gas heating repairs.

- 3.4 Works delivered to date include 5,672 housing repairs and 157 void properties relet. It should be noted that recent changes to housing patch areas, which resulted in system delays in authorising repair payments, which led to large accruals for repairs not yet shown on the ledger, with actual expenditure at £2,523k (55% of budget) for the reporting period.
- 3.5 **APPENDIX III** shows expenditure on Estate Works. Spend of £226k was achieved to 30 September 2023. This area of work is general works to the landscaping and external areas within Council owned housing areas. Included within this area is asbestos works and surveys with significant spend required over the next few years to ensure we have accurate asbestos surveys of our properties.
- 3.6 The Housing Asset Management Team have now completed a programme of Estate Audits. Works identified during Estate Audit and subsequent walkabouts will identify the next financial year works to ensure budget spend. However, any works that can be fast tracked will be for spend within this financial year. It is noted that there has been limited spend on asbestos and garage upgrades. In relation to asbestos, a programme of asbestos removals is underway. However, for works to commence, tenants need to be temporarily decanted which is impacting on delivery of the programme. In relation to garage blocks, some blocks which are in disrepair have been identified for potential demolition with the sites then being developed potentially for future use as additional parking spaces. However, consultation on proposals with tenants is required before any works take place thus delaying this process.
- 3.7 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £256k was achieved to 30 September 2023. The external painter work programme is not as advanced as we would like due to internal staff shortages within the DLO workforce and a lack of available painting contractors.
- 3.8 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £1,827k was achieved to 30 September 2023 and represents 12% of the agreed programme level. The delivery of the investment programme has not progressed as planned. This is largely due to delays in procuring contracts for window and door replacements, procurement of a contract to deliver insulation programmes, and procurement of a contract to deliver our roof replacement programme. Internal staff resourcing issues have led to delays in the development of some key investment programmes.
- 3.9 Steps have been taken to mitigate some of the delay by commissioning a programme of works to deliver a programme of internal wall insulation and a separate programme of air source heat pumps, solar panels and battery storage where deemed suitable. The next step is the procurement of a contractor by undertaking a mini competition from an existing framework to deliver this work. We have made an application to the Scottish Government for grant funding for 289 properties under the Social Housing Net Zero fund and should find out if our bid has been successful in the next 6 weeks. A tender has now been approved for the replacement of windows to 118 properties which is due to commence in January 2024 estimated spend projections to year end will be £500k. Due to current anticipated year end

underspend there is the opportunity to increase the number of disabled adaptations and shower installations that will be completed and overspend in these areas.

General Programme Updates

- 3.10 The programme to upgrade smoke alarms in all Council properties in accordance with statutory legislation saw 99.99% of properties completed as at 30 September 2023. 5 properties remain outstanding and we are pursuing access through the courts.
- 3.11 The kitchen replacement programme is 23% complete and has delivered 52 replacement kitchens as of 30 September 2023. The over bath shower installation contract is 62% complete and has delivered 16 shower installations as of 30 September 2023 and 26 shower installations are planned.
- 3.12 The budget for Disabled Adaptations is £360k and the spend at 30 September 2023 was £229k, resulting in 64% budget spend. To date 42 disabled adaptations have been undertaken.
- 3.13 The budget for Electrical Upgrades is £1,800k and the spend at 30 September 2023 was £1k. There has been challenges in procuring contractors to undertake a programme of Electrical Installation Condition Report (EICR). We have commenced a programme of EICR using our Direct Labour Organisation (DLO) and they have completed 2,204 properties as at 30 September 2023, with £456k recently recharged to this budget that is not included in the reported spend to date. The remaining EICR work is planned to be completed by 31 December 2024 subject to the availability of contractors to support delivery of the programme.
- 3.14 The budget for Central Heating replacements is £1.622m and the spend as of 30 September 2023 was £884k with 127 replacement heating systems being completed.
- 3.15 The budget for Bathroom replacements is £360k and the spend as of 30 September 2023 was £56k with 17 replacements being completed. This work is delivered by the DLO and, due to resource issues, the DLO are struggling to meet the targeted spend for this financial year.

Income and Expenditure for Private Sector Housing

- 3.16 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 30 September 2023.
- 3.17 The legally committed figure in Category C of £77k represents 68.1% of the allocated budget. Spend to 30 September 2023 was £40k which represents 35.4% of the allocated budget. It is anticipated that this budget will fully commit and spend.

4. SUMMARY OF IMPLICATIONS

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

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(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 3.15 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 stock at the Scottish Housing Quality Standards (SHQS), replace life expired elements and attain the Energy Efficiency Standard for Social Housing (ESSH). Budget Managers are aware of 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) Climate Change and Biodiversity Impacts

The continued investment in the Council Owned Housing Stock identified in this report will assist the Council to achieve its climate change targets by utilising a range of energy saving measures that incorporate zero or low carbon into design, construction materials and systems that support the Council in achieving ESSH.

(i) Consultations

Consultations have taken place with the Head of Housing and Property Services, Building Services Manager, Georgina Anderson (Legal Services Senior Solicitor), Chief Financial Officer, Lissa Rowan (Committee Services Officer), and Home Improvement Services Manager, who all agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 The report shows that the Council's progress in respect of Housing investment for both the Council's housing stock and the private sector has achieved an overall spend of £3,738k to 30 September 2023, which represents 10% of the agreed annual budget. A number of delays have occurred, due to contractor availability, internal staffing resource and procurement difficulties, which has adversely impacted a number of key planned investment programmes and delivery of the overall investment programme.**
- 5.2 Significant recovery of programmes over the remainder of the financial year will be essential to enable the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the ongoing investment in the Council's housing stock enables it to achieve 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.**

Author of Report: Paul Kendrick, Asset Manager (Housing)
Background Papers:
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