



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 7
DECEMBER 2021**

SUBJECT: HOUSING INVESTMENT 2021/22

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

1. REASON FOR REPORT

- 1.1 This report informs the Committee of the budget position to 30 September 2021 for the Housing Investment Programme for 2021/22.
- 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:-

- (i) the position as at 30 September 2021 with regards to the Housing Investment Programme for 2021/22; and**
- (ii) that a revised Housing Investment Programme projected outturn to 31 March 2022 will be presented to this Committee on 1 February 2022.**

3. BACKGROUND

Investment Programme

- 3.1 **APPENDIX I** shows income and expenditure for 2021/22. The Appendix includes expenditure of £3,059k 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 £5,433k was achieved on the Housing Investment Programme to 30 September 2021, which represents 29% of the agreed programme. 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 September 2021. Expenditure has been severely impacted by COVID restraints, with a number of works delayed following the easing of COVID-19 restrictions in late April 2021. Officers are currently working on a revised outturn projection to establish the impact this is likely to have on the overall

Housing Investment Programme to 31 March 2022. This will be presented to this Committee on 1 February 2022.

- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £1,656k to 30 September 2021 and represents 38% of the agreed programme. A full repairs service recommenced in late April 2021 and the annual repairs budget is anticipated to be spent. COVID-19 restrictions also led to a reduction in void properties allocated to new tenants during quarter 1, as well as a number of delays that include utility and material supply issues throughout the year to date. Void numbers and relets have now increased and it is anticipated that the voids budget will be spent.
- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £166k was achieved to 30 September 2021 and represents 30% of the agreed programme level.
- 3.3.1 Asbestos – During the current financial year, a total to date of 43 properties had asbestos removal work. This includes 7 properties with asbestos tanks and 36 properties with associated debris or other asbestos containing materials (ACM's). A survey programme of properties is ongoing and ACMs will be removed on a planned basis when found.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £328k was achieved to 30 September 2021 and represents 49% of the agreed programme level.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £3,283k was achieved to 30 September 2021 and represents 25% of the agreed programme. A number of key underspends are anticipated over a number of budget headings that include kitchen and bathrooms, doors and windows and roof and fabric repairs. To mitigate the financial impact on this budget, a number of additional gas heating upgrades (200) has recently been awarded to an external framework contractor to offset this under spend and assist improve Energy Efficiency Standard for Social Housing (EESH) compliance.
- 3.5.1 The Energy Efficiency Standard for Social Housing (EESH) programme expenditure figures are still to be confirmed in relation to the budget. A delay in concluding a major contract for Warm Homes Round 4 grant funding with SSE, due to COVID lockdown periods resulted in heating upgrades being suspended for several months. The recent takeover of SSE by OVO has also delayed progress on 245 new heating systems. However, progress is now being made on this and other EESH works. A revised projection to financial year-end will be presented to this Committee on 1 February 2022, to provide an update on the financial implications on EESH and the overall Planned Maintenance budget.

General Programme Updates

- 3.6 A major stock condition survey was carried out in early 2021. This provided essential information on prioritised investment programmes for the next 30

years and gives advice on requirements to meet standards for EESSH and SHQS compliance.

- 3.7 A programme to upgrade smoke alarms in all Council properties in accordance with new legislation in the aftermath of the Grenfell tragedy is underway. The appointed contractor has completed around 3,944 house upgrades to date. The Building Services DLO are also carrying out upgrades to properties as part of void and planned maintenance works (602 house upgrades to date). This means that 4,546 (73%) of properties are now complete. The deadline for compliance has now been moved to February 2022 and it is anticipated that all properties will be completed, albeit there is a risk that multiple no access properties may have to progress to forced entry to achieve this.
- 3.8 In November 2020, Moray Council submitted an application to the Scottish Government's Low Carbon Infrastructure Transition Programme (LCITP) Social Housing Net Zero Heat Fund 2020. This application was successful in achieving 50% grant funding (£1,301k) towards a suite of upgrades to 245 properties located off the mains gas grid. Measures include air source heat pumps, solar photovoltaics, infrared heating and battery storage and aim to alleviate fuel poverty and decarbonise heating which will support the Council in achieving EESSH/EESSH2. This programme has been delayed due to COVID restrictions, but the majority of works are anticipated to be completed by March 2022.

Income and Expenditure for Private Sector Housing

- 3.9 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 30 September 2021. 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 £280k represents 56% of the allocated budget. Spend to 30 September 2021 was £97k which represents 19.40% of the allocated budget. It is anticipated that this budget will under commit by £150k and underspend by £200k due to COVID-19 restrictions.
- 3.10 The legally committed figure in Category C of £92k represents 87.60% of the allocated budget. Spend to 30 September 2021 was £7k which represents 0.06% of the allocated budget. It is anticipated that this budget will be fully committed, but an underspend of £30k is anticipated due to COVID-19 restrictions.

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 is 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 3.10 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 to meet the Scottish Housing Quality Standard (SHQS), and replace life expired elements and attain EESSH. 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) Consultations

Consultations have taken place with the Head of Housing and Property Services, Asset Manager, Building Services Manager, Legal Services Manager, Principal Accountant (Deborah O'Shea), Lindsey Robinson (Committee Services Officer) and the Home Improvement Services Manager and the Legal Services Manager, who agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

5.1 The report shows that the Councils progress in respect of Housing investment for both the Council's housing stock and the private sector has been adversely impacted because of delays since restrictions eased. Financial information highlighted shows that housing investment has recovered following the easing of COVID-19 restrictions. However, a number of planned investment programmes have been delayed since restrictions eased. The Committee should note that a revised year-end projection will be provided on 1 February 2022 to highlight both the financial and EESSH compliance impact of these delays. Recovery of programmes is 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 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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