



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: HOUSING INVESTMENT 2022/23

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

1. REASON FOR REPORT

- 1.1 This report informs the Committee of the actual audited outturn to 31 March 2023 for the Housing Investment Programme for 2022/23.
- 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 31 March 2023, as detailed in Section 3 and Appendices I to VI.**

3. BACKGROUND

Investment Programme

- 3.1 **APPENDIX I** shows income and expenditure for 2022/23. The figures show that an overall year-end expenditure of £16,292k was achieved, which represents a spend of 88% against the £18,539 annual budget, and a shortfall of £2,247k. The shortfall in investment is attributable to internal staff resourcing delays progressing a number of work activities along with procurement delays 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 3.12 below. The expenditure figure represents all payments which have progressed through the finance system to 31 March 2023.
- 3.3 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £4,898k to 31 March 2023, works delivered, included 21,429 housing repairs and 482 void properties relet. An overspend of £411k occurred within this

budget due to increases in labour and materials costs, accompanied by an increased use of sub-contractors to support peak workload periods..

- 3.4 **APPENDIX III** shows expenditure on Estate Works. Spend of £496k was achieved to 31 March 2023 and represents an underspend of £169k which can be attributed to the Estate audits and walkabouts being suspended initially due to Covid 19 restrictions and then due to lack of staff resource. The Housing Asset Management Team have now began a programme of Estate Audits and are aiming for 100% complete by 31 August 2023. Works identified during Estate Audit and subsequent walkabout will identify the next financial year works to ensure budget spend.
- 3.5 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £444k was achieved to 31 March 2023. The shortfall in investment is attributable to underspends in the cyclical servicing and external painter work programmes that occurred due to internal staff resource shortage to develop programmes and a lack of available contractors.
- 3.6 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £10,834k was achieved to 31 March 2023 and represents 86% of the agreed programme level. An underspend of £1,696k occurred as a result of a lack of availability of external contractors, and internal staff resourcing issues that led to delays in the development of some key investment programmes.

Within the planned maintenance programme very limited spend was undertaken against the EESSH – Insulation heading. This was due to no programme being developed in sufficient time to allow a contractor to be appointed to undertake the work. On this basis, a decision was made to focus spend on deliverable programmes that led to over spends on the Kitchens and Bathroom and Central Heating budgets. The over spend in central heating and the completion of the EESSH - Warm Homes R4 and EESSH – Lcitr programmes delivered 522 replacement heating systems within the portfolio.

General Programme Updates

- 3.7 The programme to upgrade smoke alarms in all Council properties in accordance with statutory legislation saw 99% of properties completed as at 31 March 2023. The budget was slightly overspent to deliver this programme due to the reliance on sub-contractors.
- 3.8 The kitchen and shower contract budgets were both slightly overspent, however this delivered 143 replacement kitchens and 37 shower installations.
- 3.9 The budget for Disabled Adaptations was £360k and the spend at 31 March 2023 was £380k, resulting in 106% budget spend. This was an approved overspend to address the backlog of adaptation instructions which were accumulated during Covid 19 restrictions.
- 3.10 The Committee has been advised previously of the requirement for each property to have a valid Electrical Inspection Condition Report (EICR). The

budget was overspent by £554k, as a result of carrying out 957 EICR's along with subsequent remedial works. The remaining EICR work is planned to be completed by March 2024 subject to the availability of contractors to support the in house delivery programme.

Income and Expenditure for Private Sector Housing

3.11 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 31 March 2023.

3.12 The legally committed figure in Category C of £137k represents 121% of the allocated budget. Spend to 31 March 2023 was £101k which represents 89.4% of the allocated budget.

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 3.12 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 SHQS, replace life expired elements and attain the 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) 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 The Energy Efficiency Standard for Social Housing (EESH).

(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, Lindsey Robinson (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 continues to recover following the Coronavirus pandemic. Increases in building sector labour, materials and plant costs has resulted an increase in individual budget spend. Delays to a number of key planned investment programmes has also led to a £2,247k shortfall in overall investment.

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 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.

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Background Papers:
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