



REPORT TO: COMMUNITIES COMMITTEE ON 5 FEBRUARY 2019

SUBJECT: HOUSING INVESTMENT 2018/19

**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 November 2018 for the Housing Investment Programme for 2018/19.
- 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 November 2018 with regards to the Housing Investment Programme for 2018/19.**

3. BACKGROUND

3.1 Investment Programme

APPENDIX I shows income and expenditure for 2018/19. The Appendix includes expenditure on the Council house new build programme as 'Other Capital Expenditure' however this is now the subject of a separate monitoring report (Council new Build Housing Programme which is reported periodically to this Committee) and the figure is for information only. Spend of £5.845m was achieved on the Housing Investment Programme to 30 November, which represents 46% of the agreed programme. Commitments are currently standing at £9.533m, which represents 75% of the programme. This commitment will increase during the final months of 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 November 2018. The Housing Investment Programme for 2018/19 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.

- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £1.926m to 30 November 2018 and represents 59% of the agreed programme. Commitment currently stands at £3.143m and represents 95% of the agreed budget. It is currently projected that the budget may be overspent in the region of £250k by the end of the financial year. At this stage it is envisaged that this overspend can be contained within the overall Housing Investment Budget.
- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £376k was achieved to 30 November 2018 and represents 56% of the agreed programme level. Commitment currently stands at £488k and represents 72% of the programme.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £895k was achieved to 30 November 2018. This represents 62% of the agreed programme level. Commitment currently stands at £1.120m and represents 80% of the agreed budget.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £2.648m was achieved to 30 November 2018 and represents 36% of the agreed programme level. Commitment currently stands at £4.782m and represents 66% of the programme.
- 3.6 General Programme Updates
40 properties have had asbestos tanks, associated debris or other asbestos containing materials (ACM's) removed during the financial year to date. The presence of asbestos materials in some properties is still impacting on the Council's planned maintenance and void works. However, removal works are implemented in advance wherever possible in order to keep any programme delays to a minimum.
- 3.7 The project to apply External Wall Insulation (EWI) to the final 50 properties in Milton Drive/Brodie Avenue was substantially completed in early December as planned. The contractor appointed to install EWI to 19 other non-traditional properties located in Forres and Lossiemouth, where adjacent private sector properties have been improved through the Home Energy Efficiency Programme for Scotland: Area Based Scheme (HEEPS:ABS) has provided a provisional start date of the end of January for this project. These improvement works will allow the Council to make progress towards meeting EESSH by 2020.
- 3.8 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) is likely to commence in early February 2019. Of the 122 EESSH related heating replacement due for completion by 28 February 2019, 23 replacements were completed as at 30 November 2018. A separate contract with the same contractor relating to SHQS failures is due for completion early in the new year. These projects not only improve the Council's housing stock but also help the Council meet its statutory obligations in terms of EESSH and SHQS.
- 3.9 Some other EESSH related works (cavity wall insulation and loft insulation) are currently being procured through the Scotland Excel Framework however

there have been some minor issues with the pricing process. It is envisaged that these issues can be resolved quickly and works will be completed by March 2019.

3.10 Income and Expenditure for Private Sector Housing

APPENDIX VI shows the position with regard to grant expenditure for Private Sector Housing Grants to 30 November 2018. The budget in category B is now the responsibility of the Moray Integration Joint Board (MIJB) and the information is only for noting at this Committee. The legally committed figure of £350k represents 70% of the allocated budget. Spend to 30 November 2018 was £251k which represents 50% of the allocated budget.

3.11 The legally committed figure of £110k in Category C represents a 4% over commitment of the allocated budget. Spend to 30 November 2018 was £63k which represents 60% of the allocated budget.

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 Scottish Housing Quality Standard, replace life expired elements and attain the Energy Efficiency Standard for Social Housing. 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 Head of Housing and Property, Property Resources Manager, Building Services Manager, Senior Solicitor (Kathryn MacPherson), 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 by the Asset Manager
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