



REPORT TO: COMMUNITIES COMMITTEE ON 2 APRIL 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 31 January 2019 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 31 January 2019 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 and the figure is for information only. Spend of £7.983m was achieved on the Housing Investment Programme to 31 January 2019, which represents 63% of the agreed programme. Commitments are currently standing at £11.832m, which represents 94% 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 31 January 2019. 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 £2.548m to 31 January 2019 and represents 77% of the agreed programme.

Commitment currently stands at £3.578m and represents a 9% over commitment of the budget. It is currently projected that the budget may be overspent in the region of £250k by the end of the financial year and this is being closely monitored. This overspend is mainly attributable to increased void costs with a number of high costs voids having been dealt with during the current financial year. At this stage it is envisaged that the projected overspend can be contained within the overall Housing Investment Budget.

- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £448k was achieved to 31 January 2019 and represents 66% of the agreed programme level. Commitment currently stands at £522k and represents 77% of the programme. The low commitment level relates in the main to less work having been identified for this budget than had been envisaged when the original budget had been set.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £1.119m was achieved to 31 January 2019. This represents 80% of the agreed programme level. Commitment currently stands at £1.436m and represents a 3% over commitment of the budget. At this stage it is envisaged that the projected overspend can be contained within the overall Housing Investment Budget.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £3.868m was achieved to 31 January 2019 and represents 53% of the agreed programme level. Commitment currently stands at £6.296m and represents 87% of the programme. This lower level of commitment is due to the original level of EESSH work being reduced following application of revised guidance issued by the Scottish Government in early 2018. A report was submitted to Communities Committee on 1 May 2018 advising of this (paragraph 8 of the minute refers) and noting that the financial requirement for EESSH during the 2018/19 financial year would be reduced to £865k.
- 3.6 General Programme Updates
51 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 has had 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 programme delays to a minimum.
- 3.7 The contractor appointed to install External Wall Insulation (EWI) to 19 non-traditional properties located in Forres and Lossiemouth, where adjacent private sector properties have already been improved through the Home Energy Efficiency Programme for Scotland: Area Based Scheme (HEEPS:ABS) has now commenced work on site in Forres and is programmed to complete the properties by 31 March 2019. These improvement works will allow the Council to make progress towards meeting EESSH by 2020.
- 3.8 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 their

pre-installation surveys and a full programme of installations is awaited from SSE.

3.9 The contractor appointed to carry out 127 EESSH related heating replacements has now completed 120 properties with work due to be completed by 31 March 2019. The same contractor has also been appointed to carry out a further 20 replacements related to SHQS failures and these will also be completed during March 2019. These projects will also assist with meeting EESSH and SHQS through the replacement of older inefficient gas and electric heating systems with new energy efficient gas heating.

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 31 January 2019. 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 £415k represents 83% of the allocated budget. Spend to 31 January 2019 was £320k which represents 64% 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 31 January 2019 was £84k which represents 80% of the allocated budget. There has been £18k repaid to this budget which has impacted on the legally committed and spend figures.

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 Acting Head of Housing and Property, Property Resources Manager, Building Services Manager, Senior Solicitor, Property and Contracts (Kathryn Macpherson), Principal Accountant (Deborah O'Shea), Committee Services Officer (Caroline Howie) 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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