



REPORT TO: COMMUNITIES COMMITTEE ON 20 NOVEMBER 2018

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 August 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 31 August 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 £3.223m was achieved on the Housing Investment Programme to 30 June 2018, which represents 26% of the agreed programme. Commitments are currently standing at £7.715m, which represents 61% of the programme. This commitment will increase 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 August 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 (EESH) by 2020.

- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £1.055m to 31 August 2018 and represents 31% of the agreed programme.

The issues relating to the introduction of a new charging structure and invoicing process have now been resolved. Commitment currently stands at £2.423m and represents 74% of the agreed budget.

- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £223k was achieved to 31 August 2018 and represents 33% of the agreed programme level. Commitment currently stands at £418k and represents 62% of the programme.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £467k was achieved to 31 August 2018. This represents 33% of the agreed programme level. Commitment currently stands at £767k and represents 55% of the agreed budget.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £1.478m was achieved to 31 August 2018 and represents 20% of the agreed programme level. Commitment currently stands at £4.107m and represents 57% of the programme.
- 3.6 General Programme Updates
29 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 remaining 50 properties in Milton Drive/Brodie Avenue has commenced on site and is currently programmed for completion in December 2018. A contractor has also been appointed to install EWI to 19 other non-traditional properties mainly 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). These improvement works will allow the Council to make progress towards meeting EESSH by 2020.
- 3.8 A start date for 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 currently being discussed and it is likely that work will commence on a number of trial properties in December 2018. A contractor has also been appointed to carry out a further 102 EESSH related heating replacements with a view to work starting on site in November. Both these projects will assist with meeting EESSH through the replacement of older inefficient heating gas and electric heating systems with new energy efficient gas heating.
- 3.9 Income and Expenditure for Private Sector Housing
APPENDIX VI shows the position with regard to grant expenditure for Private Sector Housing Grants to 31 August 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 £233k represents 47% of the allocated budget. Spend to 30 August 2018 was £158k which represents 32% of the allocated budget.

- 3.10 The legally committed figure of £86k in Category C represents 82% of the allocated budget. Spend to 30 August 2018 was £48k which represents 46% of the allocated budget. There has been £10k 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 Head of Housing and Property, Property Resources Manager, Building Services Manager, Legal Services Manager (Property and Contracts), 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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