



REPORT TO: COMMUNITIES COMMITTEE ON 2 APRIL 2019

SUBJECT: PROPOSED HOUSING INVESTMENT BUDGET 2019/20

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report presents the proposed Housing Investment Plan for 2019/20 to the Communities Committee for approval.
- 1.2 This report is submitted to Council 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 Communities Committee considers and approves the proposed Housing Investment Plan for 2019/20 as contained in APPENDIX I.**

3. BACKGROUND

- 3.1 The Housing Revenue Account (HRA) deals with expenditure and income for the Council's housing stock. As part of the process of preparation of the Council's Standard Delivery Plan for Communities Scotland in April 2005, the Communities Committee on 30 March 2005 agreed a Housing Business Plan for a 30 year period (paragraph 9 of the Minute refers). The Business Plan is reviewed on a three yearly basis with the last annual review having been completed in 2016. The reviews have considered current and future business risks and also included an affordability exercises with regards to the Council's new build housing programme. The review assisted with the approach to the HRA budget for 2019/20 and a further review will be scheduled for 2019.

4. HOUSING INVESTMENT PROPOSALS

- 4.1 Officers from a number of sections within Housing & Property Service have considered areas where future investment in the Housing stock is required. The initial results of the most recent Tenant Survey have also been used to formulate the proposals. The main areas of investment continue to be to maintain the housing stock at the Scottish Housing Quality Standard (SHQS), complete houses to the Moray Housing Standard, meet the new Energy Efficiency Standard for Social Housing (ESSH) by 2020 and begin looking towards future ESSH2 up to 2023. The funding also contributes towards the Council's new build programme. Officers also considered current lifecycle

replacement periods, existing stock profile and a range of pressured areas within the existing budgets as part of this process. Each cost centre within the HRA budget is scrutinised by the Head of Housing and Property, Finance staff and the appropriate budget manager.

- 4.2 Housing Investment is the largest block of expenditure within the HRA budget. The level of proposed expenditure is £12.876m and reflects the current requirements noted in section 4.1. The detailed Housing Investment Plan is summarised in **APPENDIX I**.

Response Repairs

- 4.3 With stock numbers continuing to increase through the new build programme, the right to buy now ended and general costs being better managed through more consistent application of the letting standard and repair requests, it is considered that the existing budget allocation plus a 3% increase for inflation should be sufficient for 2019/20.

Planned Maintenance and Improvements

- 4.4 The Housing Investment Plan has been considered against the investment priorities that tenants identified within the latest 2018 Tenants Survey, with the top three changes or improvements that tenants would like to see in their homes being Heating Systems, Window Replacements and Bathroom Upgrades. The current expenditure in these areas has been reviewed and increased where appropriate. As noted in section 4.1 other priorities continue to be to meet EESSH, maintain the Council's housing stock at the SHQS and meet the Moray Standard. The removal of Asbestos Containing Materials (ACM's) from our properties in advance of improvement works and in void properties is also a priority. Allowance has also been made for a full House Condition Survey during 2019/20.

5. 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 of the budgetary proposals are considered within this report. Details of budget proposals are included within the Appendices.

(d) Risk Implications

Any risks associated with the budget proposals are identified in this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

No implications.

(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, Design Manager, Legal Services Manager, Principal Accountant (Deborah O'Shea), and Caroline Howie (Committee Services Officer) who agree with the sections of the report relating to their areas of responsibility.

6. CONCLUSION

- 6.1 This report presents the proposed Housing Investment Plan for 2019/20, with a three year projection to 2021/22. The proposals will enable the Council to continue investing in the HRA housing stock.**

Author of Report: John Macdonald, Asset Manager
Background Papers: Held on file by the Asset Manager
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