



REPORT TO: COMMUNITIES COMMITTEE ON 25 SEPTEMBER 2018

SUBJECT: HOUSING INVESTMENT 2018/19

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

1. REASON FOR REPORT

- 1.1 To inform the Committee of the position to 30 June 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 June 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 and the figure is for information only. Spend of £1.175m was achieved on the Housing Investment Programme to 30 June 2018, which represents 9% of the agreed programme. Commitments are currently standing at £3.937m, which represents 31% 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 30 June 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 £50k to 30 June 2018 and represents only 2% of the agreed programme. This is due to issues relating to the introduction of a new charging structure and invoicing process. These issues have now been resolved and the figure will correct itself in the next quarter. Commitment currently stands at £1.164m and represents 49% of the agreed budget.
- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £135k was achieved to 30 June 2018 and represents 20% of the agreed programme level. Commitment currently stands at £261k and represents 39% of the programme.
- 3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £231k was achieved to 30 June 2018. This represents 17% of the agreed programme level. Commitment currently stands at £382k and represents 27% of the agreed budget.
- 3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £759k was achieved to 30 June 2018 and represents 10% of the agreed programme level. Commitment currently stands at £1.680m and represents 23% of the programme. Expenditure and commitment on EESSH will increase substantially in the coming months as the major heating, external wall insulation and cavity wall insulation programmes for 2018/19 are agreed and commence on site. The Plumbing Upgrade budget is currently overspent as all one-off heating replacements (boilers and full systems) carried out by Building Services are coded to this budget. A proportion of these full heating replacements are considered to be capital expenditure or are EESSH failures and will be recoded to the appropriate capital budgets.
- 3.6 General Programme Updates
19 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 survey and 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 now received warrant approval, terms have been agreed with Scottish and Southern Energy (SSE) and it is expected that works will commence on site in late September or early October 2018. These improvement works will allow the Council to make progress towards meeting EESSH by 2020.
- 3.8 The heating project being carried out in conjunction with Perth and Kinross Council, SSE and Scotia Gas Networks (SGN), which is being part funded through the Warm Homes Fund, is due to commence later this year as advised previously. At present the contract terms are being finalised and it is likely that work will commence in late November or early December. Grant funding of approximately £302k (35% of the cost of installation for 108 properties) is being provided through the Warm Homes Fund with the balance

being funded from the Housing Investment Programme. This project will also assist with meeting EESSH targets.

3.9 Income and Expenditure for Private Sector Housing

APPENDIX VI shows the position with regard to grant expenditure for Private Sector Housing Grant to 30 June 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 £185k represents 37% of the allocated budget. Spend to 30 June 2018 was £61k which represents 12% of the allocated budget.

- 3.10 The legally committed figure of £78k in Category C represents 74% of the allocated budget. Spend to 30 June 2018 was £31k which represents 29% of the allocated budget. There has been £4k repaid to this budget which has impacted on the legally committed and spend figures. There is every expectation that the budget figures will be met.

4. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The maintenance of the Council's housing stock are priorities identified within the Corporate Plan, the 10 Year 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 3.11 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 (Paul Nevin), Principal Accountant (Deborah O'Shea), Tracey Sutherland (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
Ref:	JMM/COMM29SEP/HINV