

REPORT TO: COMMUNITIES COMMITTEE ON 16 FEBRUARY 2010

SUBJECT: HOUSING INVESTMENT 2009/10

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

1.1 This report informs the Communities Committee of the position to 31 December 2009 for the Housing Investment Programme for 2009/10.

1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee considers the position as at 31 December 2009 with regards to the Investment Programme for 2009/10.

3. BACKGROUND

3.1 The HRA Income

3.1.1 **APPENDIX VI** compares the level and value of Council House Sales for 2009/10 with the same period last year. In comparison with the previous financial year the total number of missives concluded was 25 lower in the period to 31 December 2009, and the average selling price per property was £8,784 higher. **APPENDIX VI** also shows the number and location of properties sold during December 2009.

3.2 Investment Programme

3.2.1 **APPENDIX I** shows the total income and expenditure (excluding Ad hoc expenditure) within the Investment Programme for 2009/10. Spend of £4.473m was achieved to 31 December 2009, with expenditure plus commitment totalling £8.723m. The expenditure represents 52% of the agreed programme level, and the expenditure plus commitment represents a 1% overcommitment of the agreed programme levels. Current levels of expenditure within the individual programmes are shown in paragraphs 3.2.2 to 3.2.6 below. The level of commitment presents the most accurate picture of the progress of works within

the Investment Strategy to date, as this includes all projects on site and those issued to the relevant contractors. The expenditure figure represents the actual payments which have progressed through the finance system.

3.2.2 **APPENDIX I** also includes Ad hoc expenditure which has been incurred in the Capital Programme under two headings:-

- New Build capital costs for professional fees incurred in phase 1 and phase 2 bids;
- Site clearance costs arising from the disposal of a Council owned site in Forres, as agreed by the Policy Committee on 5 March 2008 (para 66 of the minute refers). Expenditure of £0.362m has now been incurred but Committee will be pleased to note that this is significantly less than was projected in March 2008.

3.2.3 **APPENDIX II** shows expenditure on Response and Void Repairs for 2009/10. Spend was £1.025m up to 31 December, with expenditure plus commitment totalling £1.582m. The expenditure represents 55% of the agreed programme level, and the expenditure plus commitment represents 86% of the agreed programme levels. The commitment level is slightly higher than would normally be expected at this stage in the year due to the response repairs budget being under some pressure in terms of general response repairs demand. There is also the potential that this budget will be affected by the recent spate of adverse weather. It is therefore likely that this budget will be in an overspend situation by the end of the financial year, the projected level of which is being monitored closely by Officers.

3.2.4 **APPENDIX III** shows expenditure on Estate Works for 2009/10. Spend was £0.211m up to 31 December 2009, with expenditure plus commitment totalling £0.379m. The expenditure represents 33% of the agreed programme level, and the expenditure plus commitment represents 59% of the agreed programme levels. The low level of both commitment and spend within this budget are due to the stage that some of the projects have reached through the instruction, design and implementation process. It is envisaged that this budget is likely to be underspent at the end of the financial year, with a proportion of the slippage possibly being carried forward into financial year 2010/11 depending on the final out-turn position.

3.2.5 **APPENDIX IV** shows expenditure on Cyclic Maintenance for 2009/10. Spend of £0.817m was achieved up to 31 December 2009, with expenditure plus commitment totalling £1.245m. The expenditure represents 77% of the agreed programme level, and the expenditure plus commitment presently represents a 17% overcommitment of the agreed programme levels. The current overcommitment is due to a variety of reasons including costs related to the replacement of a high number of CO detectors within the gas servicing contract, and an increase in general servicing requirements. Officers are currently investigating the possibility of specific cyclic contracts in the future to deal with some of these issues. It is possible that this budget will be in a slight overspend

situation by the end of the financial year, the projected level of which is being monitored closely by Officers.

3.2.6 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments for 2009/10. Spend of £2.420m was achieved up to 31 December 2009, with expenditure plus commitment totalling £5.517m. The expenditure represents 48% of the agreed programme level, and the expenditure plus commitment represents a 9% overcommitment of the agreed programme levels. The current position is due to the high level of commitment on kitchen replacements, some of which may roll forward into 2010/11, and the level of commitment on adaptations. A separate report on issues within the adaptations budget is before this Committee for consideration. The relatively low level of commitment on the windows and doors budget is due to issues within the tendering process and the procurement of windows to a suitable specification. It is projected that this budget will be expended fully by the end of the financial year, however the projections are currently being monitored closely by Officers.

3.3 Income and Expenditure for Private Sector Housing

3.3.1 **APPENDIX VII** shows the position with income and expenditure for Private Sector Housing Grant for 2009/10 to 31 December 2009. The legally committed figure of £1.652m represents 88% of the agreed revised budget. Spend to 31 December was £1.010m which represents 54% of the revised allocated budget. Although there is normally a marked increase in expenditure in the final quarter, there is an expectation that full expenditure will not be met. It is expected that there will be a carry forward of £0.250m to 2010/11, which is similar to the figure carried forward from 2008/09 into 2009/10.

4. **SUMMARY OF IMPLICATIONS**

(a) Single Outcome Agreement/Service Improvement Plan

This proposal relates to:

- (i) Local Priority 4 – Housing/Homelessness
- (ii) the Service Improvement Plan priorities 2.3 - Improving housing quality, and 2.4 – Improving housing service quality

(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) Resources (Financial, Staffing and Property)

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.3 above. There are no staffing implications associated with this report. The improvement and maintenance of the housing stock will ensure

that it remains sustainable in the longer term both physically and environmentally. There are no European funding implications.

(d) Consultations

Consultations have taken place with the Director of Community Services, Chief Housing Officer, Housing Programmes Manager, Property Manager, Aileen Scott - Principal Solicitor (Commercial and Conveyancing), Deborah Bosworth – Principal Accountant and the Private Sector Housing Officer, 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. Specifically, investment in the Council's housing stock enables the Council to achieve the Scottish Housing Quality Standard by 2015, as required by the Scottish Executive.**

Author of Report:
Background Papers:
Ref:

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