

**REPORT TO: COMMUNITIES COMMITTEE ON 13 APRIL 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 28 February 2010 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 28 February 2010 with regards to the Housing 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 28 February 2010, and the average selling price per property was £10,483 higher. **APPENDIX VI** also shows the number and location of properties sold during February 2010.

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 £5.499m was achieved to 28 February 2010, with expenditure plus commitment totalling £9.643m. The expenditure represents 64% of the agreed programme level, and the expenditure plus commitment represents a 12% 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** now also includes additional ad hoc expenditure which has been incurred under three headings:-

- New Build capital costs incurred for phase 1 and phase 2 to date of £1.061m;
- Costs resulting from the floods in Moray, which are currently £800k. This expenditure will be funded from the flood reserve at the end of the financial year.
- Policy Committee on 5 March 2008 (para 66 of the minute refers) agreed to the purchase and sale of land for Affordable Housing. The Committee agreed to incur expenditure of up to £750k to provide a cleared site for land in Forres. Expenditure of £362k has now been incurred, which is less than originally expected.

3.2.3 **APPENDIX II** shows expenditure on Response and Void Repairs for 2009/10. Spend was £1.463m up to 28 February, with expenditure plus commitment totalling £2.078m. The expenditure represents 79% of the agreed programme level, and the expenditure plus commitment represents 112% 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. This budget has also been affected by the recent spate of adverse weather. It is likely that the budget will overspend by the end of the financial year, with the level of overspend currently projected to be in the region of £200k.

3.2.4 **APPENDIX III** shows expenditure on Estate Works for 2009/10. Spend was £304k up to 28 February 2010, with expenditure plus commitment totalling £444k. The expenditure represents 47% of the agreed programme level, and the expenditure plus commitment represents 69% 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 £941k was achieved up to 28 February, with expenditure plus commitment totalling £1.331m. The expenditure represents 89% of the agreed programme level, and the expenditure plus commitment presently represents a 26% 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 likely 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 by Officers.

3.2.6 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments for 2009/10. Spend of £2.791m was achieved up to 28 February 2010, with expenditure plus commitments totalling £5.889m. The expenditure represents 55% of the agreed programme level, and the expenditure plus commitment represents a 16% overcommitment of the agreed programme levels. The current position is due to the high level of commitment on kitchen replacements and electrical upgrading contracts, a proportion of which will roll forward into 2010/11. There is also a high level of commitment on disabled adaptations. It is hoped that this budget will be almost fully expended by the end of the financial year, with the final projections currently being closely monitored 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 28 February 2010. The legally committed figure of £1.920m represents a 2% overcommitment of the agreed budget. It was agreed at a previous Communities Committee on 6 October 2009 (paragraph 9 of the minute refers) that this budget can be overcommitted by up to 30%. Spend to 28 February was £1.224m which represents 65% of the revised allocated budget. There is normally a marked increase in expenditure in the final quarter. Any unspent funds will be carried forward into 2010/11.

## 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.**

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Background Papers: Held on file by the Capital Programmes Manager  
Ref: JMM/COMM13APRIL/HINV